



NOTICE OF COUNCIL MEETING

TELECONFERENCE/ELECTRONIC PARTICIPATION PROCEDURES

*Members of the Aurora City Council will participate in the **March 22, 2021 Regular Meeting** by teleconference due to concerns surrounding the COVID-19 (coronavirus) outbreak. To keep the members of our community, employees and leaders safe, there will be no public presence at the meeting. Members of the public and media will be able to participate remotely through the options listed below:*

View or listen live

Live streamed at www.auroraTV.org

Cable Channels 8 and 880 in Aurora

Call: 855.695.3475

Provide comment during Public Invited to Be Heard, or to speak on a specific agenda item on the regular agenda

- Call the live public comment line at 855.695.3475 and once connected press *3 to reach the operator.
- The operator will ask which item the caller would like to speak on and place you in the queue for that item.
- The public comment call-in line will open at 6:00 p.m. the day of the Council Meeting.

Public Comment Call-In Deadlines

- Public Invited to Be Heard is at 6:30 p.m. Callers wishing to speak during the Public Invited to be Heard portion of the agenda must call in and be in the queue by 6:30 p.m.
- Comment on specific agenda items and public hearings must call in after 6:00pm and before the City Clerk reads the title of the item they wish to speak on. Once the Clerk reads the title, no additional calls for that item will be accepted.

Translation/Accessibility

The City will provide closed captioning services on Cable Channels 8 and 880. If you need any other accommodation, please contact the Office of the City Clerk. If you are in need of an interpreter, please contact the Office of International and Immigrant Affairs at 303-739-7521 by Monday, March 22, 2021 at 9:00 a.m. (Si necesita un intérprete, comuníquese con la oficina de asuntos internacionales e inmigrantes en 303-739-7521 por el viernes anterior a la reunión del lunes.)

For other information regarding public meetings, please contact the Office of the City Clerk at (303) 739-7094 or by email at CityClerk@auroragov.org, or visit www.auroragov.org



City of Aurora, Colorado
MONDAY, MARCH 22, 2021

STUDY SESSION
(Open to the Public)
TELECONFERENCE
5:00 p.m.

REGULAR MEETING OF THE AURORA CITY COUNCIL
(Open to the Public)
TELECONFERENCE
6:30 p.m.



AGENDA

Regular Meeting of the Aurora City Council

Monday, March 22, 2021

6:30 p.m.

VIRTUAL MEETING
City of Aurora, Colorado
15151 E Alameda Parkway

Pages

1. CALL TO ORDER
2. ROLL CALL
3. INVOCATION/MOMENT OF SILENCE
4. PLEDGE OF ALLEGIANCE
5. PROCLAMATIONS OR CEREMONIES
 - 5.a. Sexual Assault Awareness Month
6. PUBLIC INVITED TO BE HEARD
(non-agenda related issues only)
 - 6.a. Public Invited to the Heard on the 2022 Budget 6
Greg Hays, Budget Officer
7. ADOPTION OF THE AGENDA
 - 7.a. RECONSIDERATION OF RESOLUTION R2020-24 - to Suspend Certain Council Rules 8
Kadee Rodriguez, City Clerk / Dan Brotzman, City Attorney

8. CONSENT CALENDAR

This portion of the agenda is a meeting management tool to allow the City Council to handle several routine items with one action. Any member of the Council may request an item to be removed from the Consent Calendar and considered separately. Any item removed will be considered immediately following the adoption of the remainder of the Consent Calendar

- 8.a. Consideration to AWARD A SOLE SOURCE CONTRACT to Infor Public Sector Inc., Alpharetta, Georgia in the amount of \$247,925.37 for annual maintenance and support on the asset management software system for Public Works and Water through April 2022. 12**

Scott Newman, CIO, IT Dept./Dave Lathers, Senior Assistant City Attorney

- 8.b. Consideration to AWARD A SOLE SOURCE CONTRACT to Priority Dispatch, Salt Lake City, Utah in the amount of \$70,730.00 for annual maintenance on the Dispatch Control Software System for the City's 911 answering system in the main and backup communication ce 16**

Scott Newman, Director, IT/Dave Lathers, Sr. Asst. City Attorney

- 8.c. Consideration to AWARD A COMPETITIVELY BID CONTRACT to Innovative Interiors & Construction, Inc., Denver, CO in the amount of \$66,775.00 for the Acoustical Paneling for Central Recreation Center; Project No. 5540A. 20**

John Perkins – Senior Project Manager / Dave Lathers – Senior Assistant City Attorney

9. RESOLUTIONS

- 9.a. First Amendment to Grant Agreement GOCO Contract No. 17884-3 32**

R2021-20 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPROVING THE FIRST AMENDMENT TO THE GREAT OUTDOORS COLORADO GRANT AGREEMENT TO FUND OUTDOOR ENVIORNMENTAL EDUCATION AND PASSIVE RECREATIONAL PROGRAMS

Patricia Schuler, Manager of Open Space/Angela Garcia, Interim Senior Assistant City Attorney

9.b. Support of Military Open Enrollment Resolution

68

R2021-16 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, EXPRESSING THE AURORA CITY COUNCIL’S STRONG SUPPORT OF THE COLORADO GENERAL ASSEMBLY’S PROPOSED 2021 MILITARY FAMILY OPEN ENROLLMENT IN PUBLIC SCHOOLS HOUSE BILL 21-1217

Sponsor: Council Member Dave Gruber

Luke Palmisano, Intergovernmental Rltns Mgr/Rachel Allen, Client Group Manager

10. PUBLIC HEARING WITH RELATED ORDINANCE

11. PUBLIC HEARING WITHOUT RELATED ORDINANCE

12. INTRODUCTION OF ORDINANCES

12.a. Financing Ordinance Series 2021 First-Lien Water Revenue Bonds

71

2021-11 AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF AURORA, COLORADO, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE, OF FIRST-LIEN WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$539,000,000, FOR THE PURPOSE OF FINANCING AND REFINANCING, IN WHOLE OR IN PART, THE COST OF ADDITIONS AND IMPROVEMENTS TO THE WATER SYSTEM OPERATED BY THE UTILITY ENTERPRISE, PLEDGING CERTAIN FUNDS AND REVENUES OF THE ENTERPRISE TO THE PAYMENT OF SUCH BONDS, PRESCRIBING THE FORM OF SUCH BONDS, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH

Teresa Sedmak, City Treasurer/ Hanosky Hernandez, Assistant City Attorney

Dual listed item - Item 3.a. at the March 22nd Study Session

12.b. Financing Ordinance Series 2021 First-Lien Sewer Revenue Bonds

257

2021-12 AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF AURORA, COLORADO, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE, OF FIRST-LIEN SEWER REVENUE BONDS (SEAM FACILITY IMPROVEMENT PROJECT), SERIES 2021, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$65,000,000, FOR THE PURPOSE OF FINANCING, IN WHOLE OR IN PART, THE COST OF ADDITIONS AND IMPROVEMENTS TO THE SEWER SYSTEM OPERATED BY THE UTILITY ENTERPRISE, PLEDGING CERTAIN FUNDS AND REVENUES OF THE ENTERPRISE TO THE PAYMENT OF SUCH BONDS, PRESCRIBING THE FORM OF SUCH BONDS, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH

Teresa Sedmak, City Treasurer/Hanosky Hernandez, Assistant City Attorney

Dual listed item - Item 3.b. at the March 22nd Study Session

13. FINALIZING OF ORDINANCES

13.a. Lobbyist Registration Ordinance

367

2021-08 AN ORDINANCE OF THE CITY CODE OF THE CITY OF AURORA, COLORADO, ADDING ARTICLE IX TO CHAPTER 2 OF THE CITY CODE PERTAINING TO THE REGULATION OF LOBBYISTS.

Sponsor: Council Member Angela Lawson

Luke Palmisano, Intergovernmental Relations Manager/Rachel Allen-Client Group Manager

13.b. Menstrual Care Products Sales Tax Exemption

380

2021-09 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, AMENDING ARTICLE II OF SECTION 130 OF THE CITY CODE RELATING TO EXEMPTING MENSTRUAL CARE PRODUCTS FROM SALES AND USE TAX

Sponsor: Council Member Allison Hiltz and Council Member Curtis Gardner

Staff: Trevor Vaughn, Manager of Tax and Licensing/Hans Hernandez, Assistant City Attorney

13.c. Temporary Caps on Fees for Food Delivery

392

2021-10 FOR AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, AMENDING CHAPTER 26 ADDING ARTICLE III REFERRED TO AS “TEMPORARY CAPS ON FEES FOR FOOD DELIVERY,” AND OTHER RELATED MATTERS

Sponsor: Council Member Curtis Gardner

Trevor Vaughn, Manager of Tax and Licensing / Hanosky Hernandez Perez,
Assistant City Attorney

14. PLANNING MATTERS

15. ANNEXATIONS

16. RECONSIDERATIONS AND CALL UPS

16.a. RECONSIDERATION OF RESOLUTION 2020-22 – Review of the powers granted to the City Manager by Resolution 2020-22.

400

Jim Twombly, City Manager / Evans, Isabelle, Assistant City Attorney

17. GENERAL BUSINESS

18. REPORTS

18.a. Report by the Mayor

18.a.1. Planning and Zoning Commission Interview Process

415

18.b. Reports by the Council

19. PUBLIC INVITED TO BE HEARD

(non-agenda related issues only)

20. ADJOURNMENT



CITY OF AURORA

Council Agenda Commentary

Item Title: Public Invited to the Heard on the 2022 Budget
Item Initiator: Greg Hays, Budget Officer
Staff Source/Legal Source: Greg Hays, Budget Officer
Outside Speaker: N/A
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

COUNCIL MEETING DATES:

Study Session: N/A

Regular Meeting: N/A

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
- Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration
Why is a waiver needed?[Click or tap here to enter text.](#)

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval
- Does Not Recommend Approval
- Forwarded Without Recommendation
- Recommendation Report Attached
- Minutes Attached
- Minutes Not Available

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

Twice a year, the City Council holds a hearing so that the public may speak to Council concerning the upcoming budget. The two dates are March 22, 2021 and August 23, 2021.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

This is a public hearing to provide the public one of two formal opportunities to speak directly to the City Council on matters concerning the 2022 budget.

QUESTIONS FOR COUNCIL

Information Only

LEGAL COMMENTS

A public hearing on the proposed budget shall be held by the council on a date prior to October 15th. (City Charter Article 11-4). Notice of the time and place of such hearing shall be published one time at least five days prior to the hearing, and copies of the proposed budget shall be made available for use of the public. (City Charter Article 11-4). (Hernandez)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: N/A

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain: N/A

RESOLUTION NO. R 2020-_____

A RESOLUTION BY THE CITY COUNCIL OF AURORA, COLORADO, TO
SUSPEND CERTAIN COUNCIL RULES

WHEREAS, on March 13, 2020, the City of Aurora declared a local state of emergency due to the outbreak of COVID-19; and

WHEREAS, the City of Aurora City Manager declared a local state of disaster on March 18, 2020; and

WHEREAS, this public health incident has required a change in operations and policy for the City of Aurora; and

WHEREAS, pursuant to Article III, Section 8 of the City Charter, the City Council promulgates Rules of Order and Procedure to govern the conduct of its meetings; and

WHEREAS, the City Council wishes to continue to conduct its business for the City of Aurora in a manner that promotes the health, safety, and wellbeing of its members and the citizens of the City of Aurora and minimize the spread of COVID-19; and

WHEREAS, the City Council wishes to have the option, during this public health incident, to conduct meetings via teleconference for City Council meetings and the meetings of the policy committees and certain boards and commissions; and

WHEREAS, the City Council has determined that certain of its Rules of Order and Procedure should be suspended to facilitate the conduct of business in a safe manner that promotes the health of citizens of the City of Aurora.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. As set forth in this resolution, the City may hold all meetings of the City Council (executive session, study session, and formal Council meetings), Council policy committee, Civil Service Commission, Planning & Zoning Commission, and Board of Adjustments and Appeals via teleconference or other similar digital conferencing tool.

Section 2. To that end, any rules contained in the Rules of Order and Procedure for the City Council related to the following matters are hereby suspended:

- All rules governing the location of meetings
- All rules requiring in-person attendance at meetings
- All rules that would, in any way, prohibit electronic or remote attendance or participation, consistent with all other Rules, by Council, committee, commission, or board members

- All rules mandating a specific order of business
- All rules that would in any way prohibit electronic or remote attendance and comment by the public through a process to be determined by the City Clerk

Section 3. These rules shall remain suspended up to and including the regularly scheduled City Council meeting on May 4, 2020. Thereafter, the City Council may vote to extend the period of suspension or to terminate the suspension as deemed necessary based on the emergency conditions present on that date.

Section 4. All resolutions or parts of resolutions of the City in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this _____ day of _____, 2020.

MIKE COFFMAN, Mayor

ATTEST:

STEPHEN RUGER, City Clerk

APPROVED AS TO FORM: _____

 
Isabelle Evans, Assistant City Attorney

RESOLUTION NO. R 2020-_____

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Section 4. All resolutions or parts of resolutions of the City in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this _____ day of _____, 2020.

MIKE COFFMAN, Mayor

ATTEST:

STEPHEN RUGER, City Clerk

APPROVED AS TO FORM: _____

 
Isabelle Evans, Assistant City Attorney



CITY OF AURORA

Council Agenda Commentary

Item Title: Consideration to AWARD A SOLE SOURCE CONTRACT to Infor Public Sector Inc., Alpharetta, Georgia in the amount of \$247,925.37 for annual maintenance and support on the asset management software system for Public Works and Water through April 2022.

Item Initiator: Michelle Ratcliff, Sr. Procurement Agent

Staff Source/Legal Source: Scott Newman, CIO, IT Dept./Dave Lathers, Senior Assistant City Attorney

Outside Speaker: N/A

Council Goal: 2012: 3.0--Ensure excellent infrastructure that is well maintained and operated.

COUNCIL MEETING DATES:

Study Session: N/A

Regular Meeting: 3/22/2021

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration

Why is a waiver needed? [Click or tap here to enter text.](#)

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval Does Not Recommend Approval
- Forwarded Without Recommendation Recommendation Report Attached
- Minutes Attached Minutes Not Available

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

City Council approved the 2020-2021 annual software maintenance award to Infor Public Sector for Water and Public Works in the amount of \$224,702.52 on April 20, 2020, agenda item #9e.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Information Technology is requesting award of a sole source contract to Infor Public Sector, Inc. for annual software maintenance and support on the Asset Maintenance Management software system through April 20, 2022. This system is used for tracking and maintenance management of over 250,000 City of Aurora Water assets valued at \$1.8 billion dollars and several City owned buildings valued at \$2 million dollars that are managed by Public Works. In April 2020, maintenance and support was transitioned to an enterprise system covering both Water and Public Works Departments.

The Infor system was selected to develop Water's asset maintenance management system as a result of competitive solicitation B-2842 conducted in 1994. Since that time, all Water operations divisions have standardized on this system. In March 2019, the City implemented an enterprise license with Infor to also include Public Works assets. Infor has chosen not to authorize any other firms to perform maintenance on its systems.

The vendor has submitted a proposal in the amount of \$247,925.37 to cover maintenance and support for the City. The proposed amount is in accordance with the maintenance agreement negotiated with Infor in 2019. Therefore, the vendor's proposal is considered to be fair and reasonable.

Based on the above, it is staff's recommendation to award a sole source contract to Infor Public Sector Inc., Alpharetta, Georgia in the amount of \$247,925.37 for annual maintenance and support on the Enterprise Asset Maintenance Software System through April 20, 2022.

QUESTIONS FOR COUNCIL

Does City Council approve the sole source award to Infor in the amount of \$247,925.37 for annual maintenance and support on the Water and Public Works asset management software system?

LEGAL COMMENTS

Purchase orders or contracts in any amount may be awarded without benefit of formal competitive bidding when only one specific source is known to exist for the required supplies or services (sole source), and the Purchasing Manager approves the use of negotiation prior to award (City Code § 2-674(10)). (Lathers)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: Funding for this contract will be from the following 2021 Water/Wastewater, Public Works and IT Funds in the amount of \$247,925.37. Operating funds are appropriated annually, as part of the budget development process.

37006-64540 \$ 47,800.00 (Enterprise Applications/R&M Equip. – Other)
49873-64540 \$ 20,012.54 (Building Repair – Special Projects/ R&M Equip. – Other)
52014-64542 \$108,067.70 (Eng. Svcs-Water/R&M – Software)
52015-64542 \$ 45,028.21 (Eng. Svcs-Sewer/ R&M – Software)
52016-64542 \$ 27,016.92 (Eng. Svcs-Storm/ R&M – Software)

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain: N/A

Voting Aye: Mayor Coffman, Bergan, Berzins, Coombs, Gardner, Gruber, Johnston, Lawson, Marcano, Murillo

- d. Consideration to AWARD A COMPETITIVELY BID CONTRACT to RN Civil Construction, Centennial, Colorado in the amount of \$1,276,000.00 for the First Creek Lift Station Capacity Improvements Project, Project No. 5719A.

Presenter: Marshall Brown, General Manager of Aurora Water, Aurora Water/Bryn Fillinger, Mgr of Purchasing & Contracts

Motion by Coombs, second by Marcano, to approve item 9d.

Marshall Brown, General Manager of Aurora Water, Aurora Water/Bryn Fillinger, Mgr of Purchasing & Contracts, provided a brief summary of the item for the benefit of the public at the request of Council Member Coombs.

Voting Aye: Mayor Coffman, Bergan, Berzins, Coombs, Gardner, Gruber, Johnston, Lawson, Marcano, Murillo

- e. Consideration to AWARD A SOLE SOURCE CONTRACT to Infor Public Sector Inc., Alpharetta, Georgia in the amount of \$224,702.52 for annual maintenance and support on the asset management software system for Public Works and Water through April 2021.

Presenter: Scott M Newman, Interim Chief of I.T., Information Technology/Bryn Fillinger, Mgr of Purchasing & Contracts

Motion by Gardner, second by Berzins, to approve item 9e.

Voting Aye: Mayor Coffman, Bergan, Berzins, Coombs, Gardner, Gruber, Johnston, Lawson, Marcano, Murillo

- f. Consideration to AWARD A SINGLE SOURCE CONTRACT to H&E Equipment Services, Henderson, Colorado in the amount of \$3,025,506.38 for the purchase of three (3) 2020 Emergency One pumper fire trucks and one (1) 2020 Emergency One aerial ladder truck.

Presenters: Ron Forrest, Fleet Manager, Public Works/Bryn Fillinger, Mgr of Purchasing & Contracts

Motion by Coombs, second by Marcano, to approve item 9f.

Ron Forrest, Fleet Manager, Public Works/Bryn Fillinger, Mgr of Purchasing & Contracts, provided a brief summary of the item for the benefit of the public at the request of Council Member Coombs.

Voting Aye: Mayor Coffman, Bergan, Berzins, Coombs, Gardner, Gruber, Johnston, Lawson, Marcano, Murillo

- g. Consideration to EXTEND A COMPETITIVELY BID CONTRACT with Speedpro Imaging, Englewood, Colorado in the not-to-exceed amount of \$58,500.00 for the purchase of decals and installation services as required for City vehicles through January 31, 2021. (B-4383)

Presenters: Ron Forrest, Fleet Manager, Public Works/Bryn Fillinger, Mgr of Purchasing & Contracts

Motion by Gardner, second by Berzins, to approve item 9g.

- ◆ *The City Charter prescribes the Mayor may vote on resolutions and ordinances only to create or break a tie vote of Council Members present. The Mayor Pro-Tem is always permitted to vote on all items.*



CITY OF AURORA

Council Agenda Commentary

Item Title: Consideration to AWARD A SOLE SOURCE CONTRACT to Priority Dispatch, Salt Lake City, Utah in the amount of \$70,730.00 for annual maintenance on the Dispatch Control Software System for the City's 911 answering system in the main and backup communication ce

Item Initiator: Michelle Ratcliff, Sr. Procurement Agent

Staff Source/Legal Source: Scott Newman, Director, IT/Dave Lathers, Sr. Asst. City Attorney

Outside Speaker: N/A

Council Goal: 2012: 3.0--Ensure excellent infrastructure that is well maintained and operated.

COUNCIL MEETING DATES:

Study Session: N/A

Regular Meeting: 3/22/2021

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration

Why is a waiver needed? [Click or tap here to enter text.](#)

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval Does Not Recommend Approval
- Forwarded Without Recommendation Recommendation Report Attached
- Minutes Attached Minutes Not Available

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

City Council approved the award to Priority Dispatch for 2019 annual maintenance in the amount of \$70,730.00 on February 4, 2019, Agenda Item #9e.

The 2020 annual maintenance fee in the amount of \$70,730.00 was paid by the Communications Center without IT knowledge and without an approved purchase order.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Information Technology, on behalf of Public Safety, is requesting approval for a sole source award to Priority Dispatch to cover 2021 annual maintenance in the amount of \$70,730.00 for the ProQA Dispatch Control Software System. The system improves how the Public Safety Communications Center dispatchers answer and manage incoming 911 and non-emergency telephone calls to the City's Emergency Dispatch Main and Back-Up Communication Centers.

This proposed award is being requested as a sole source award because it meets the criteria in the City Code as being the only source known to exist for this specific service. As the manufacturer of this software, Priority Dispatch has chosen not to authorize any other firms to provide this service.

The vendor has proposed a price of \$70,730.00 to provide the annual maintenance, software licenses and support. This is the same amount paid since 2018. The Municipal Cost Index shows an increase of 4.08% since that time; therefore, staff considers the vendor's proposal to be fair and reasonable.

Based on the above, it is our recommendation to award a sole source contract to Priority Dispatch, Salt Lake City, Utah in the amount of \$70,730.00 for annual maintenance on the Dispatch Control Software System to support the City's E911 answering system for the main and back-up communication centers through February 2022.

QUESTIONS FOR COUNCIL

Does City Council approve the sole source award in the amount of \$70,730.00 for 2021 annual maintenance on the E911 Dispatch Control software?

LEGAL COMMENTS

Purchase orders or contracts in any amount may be awarded without benefit of formal competitive bidding when only one specific source is known to exist for the required supplies or services (sole source), and the Purchasing Manager approves the use of negotiation prior to award (City Code § 2-674(10)). (Lathers)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: The contract cost of \$70,730.00 is budgeted in the 2021 General Fund, IT Dept./Public Safety and will be paid from the following:
Org 37022 (E911) and Acct 64540 (R&M Equipment: Other)

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain: Type Text Here

- c. Consideration to AMEND AN OPENLY SOLICITED CONTRACT with Populous Group LLC, Kansas City, Missouri in the amount of \$68,520.00 for additional architect and engineering services associated with the Central Recreation Center Project, R-1773. STAFF SOURCE: Lynne Center, Facilities Project Delivery Manager, Public Works
- d. Consideration to AWARD A COMPETITIVELY BID CONTRACT to Garney Companies, Inc. in the amount of \$24,992,000.00 for the Wemlinger Water Purification Facility (WPF) CT Chamber Project, Project Number 5652A. **(Staff Requests a Waiver of Reconsideration)** STAFF SOURCE: Kelley Neumann, Deputy Director Water Planning/Engineer, Aurora Water
- e. Consideration to AWARD A SOLE SOURCE CONTRACT to Priority Dispatch, Salt Lake City, Utah in the amount of \$70,730.00 for annual maintenance on the Dispatch Control Software System for the City's 911 answering system in the main and backup communication centers through February 2020. STAFF SOURCE: Aleta Jeffress, Chief Information Officer, Information Technology
- f. Consideration to AWARD A SOLE SOURCE CONTRACT to West Safety Solutions Corp., Longmont, Colorado in the amount of \$151,800.00 for annual maintenance and support for the City's 911 answering system in the main and backup communication centers through February 8, 2020. STAFF SOURCE: Aleta Jeffress, Chief Information Officer, Information Technology
- g. Consideration to AWARD A SOLE SOURCE CONTRACT to Superior LLC, Lake Mary, Florida in the amount of \$96,134.66 for annual software support on the Water billing system through January 31, 2020. STAFF SOURCE: Jo Ann Giddings, D/D Water Financial Administrator, Aurora Water
- h. Consideration to AWARD A COMPETITIVELY BID CONTRACT to Richdell Construction, Inc., Broomfield, Colorado in the amount of \$835,955.50 for the Triple Creek Trailhead Project, Project Number 5547A. **(Staff Requests a Waiver of Reconsideration)** STAFF SOURCE: Tracy Young, PROS Planning, Design, Construction Manager, Parks, Recreation & Open Space

Motion by Roth, second by Berzins, to approve items 9a – 9h with a waiver of reconsideration on items 9d and 9h.

Voting Aye: Mayor LeGare, Bergan, Berzins, Gruber, Hiltz, Johnston, Lawson, Murillo, Richardson, Roth, Watson

10. **RESOLUTIONS**

- ◆ a. **R2019-05**
Consideration to APPROVE A RESOLUTION of the City Council of the City of Aurora, Colorado, authorizing the execution and delivery of the water connection fee Incentive Agreement between the City of Aurora, Colorado, acting by and through its utility enterprise, and Parkside Aurora, LLC, a Colorado Limited Liability Company. STAFF SOURCE: Jennifer Orozco, Project Manager, Planning & Development Services

Motion by Berzins, second by Watson, to approve item 10a.

Council Member Bergan asked staff to provide an explanation of the purpose, balance and terms of the fund and also what projects could qualify. Andrea Amonick, Development Services/AURA Manager, did so, noting the fund water connection fee incentive program was established in 2013 where the City set aside \$4M to stimulate mixed-use development in urban centers and transit station areas. She confirmed

- ◆ **The City Charter prescribes the Mayor may vote on resolutions and ordinances only to create or break a tie vote of Council Members present. The Mayor Pro-Tem is always permitted to vote on all items.**



CITY OF AURORA

Council Agenda Commentary

Item Title: Consideration to AWARD A COMPETITIVELY BID CONTRACT to Innovative Interiors & Construction, Inc., Denver, CO in the amount of \$66,775.00 for the Acoustical Paneling for Central Recreation Center; Project No. 5540A.

Item Initiator: Andrew Van Essen – Project Manager

Staff Source/Legal Source: John Perkins – Senior Project Manager / Dave Lathers – Senior Assistant City Attorney

Outside Speaker: N/A

Council Goal: 2012: 4.1--Develop and maintain high quality parks, rec facilities/programs, libraries, natural areas, trails and open space

COUNCIL MEETING DATES:

Study Session: N/A

Regular Meeting: 3/22/2021

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration

Why is a waiver needed? [Click or tap here to enter text.](#)

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval Does Not Recommend Approval
- Forwarded Without Recommendation Recommendation Report Attached
- Minutes Attached Minutes Not Available

HISTORY (Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)

N/A

ITEM SUMMARY (Brief description of item, discussion, key points, recommendations, etc.)

Background

Central Recreation Center is a 56,000 SF facility that includes a gymnasium, fitness areas, natatorium, and multi-purpose spaces. There have been many citizen and staff complaints of the noise reverberation throughout the building. This project will consist of furnishing and installing acoustical paneling to reduce noise and mitigate complaints. Council approval is required due to one bid being received during a competitive bid process. This bid is fair & reasonable and staff's recommendation is to award the contract to Innovative Interiors & Construction Inc. This installation is funded by funds remaining from the Central Recreation Center construction project.

Bid Results

An Invitation to Bid (IFB) was publicly advertised through the Rocky Mountain E-Purchasing System on January 15, 2021. The results of the bid opening resulted in one bidder which is as follows:

Innovative Interiors & Construction Inc.	\$50,673.00 / Base Bid (Aquatics and Gymnasium)
	\$10,202.00 / Alternate #1 (Fitness Space)
	<u>\$5,900.00 / Alternate #2 (Lobby Space)</u>
	\$66,775.00 / Total Cost

Based on the above and the Contractor's project references and ability to complete construction on or before May 7, 2021, staff recommends awarding a competitive bid contract Innovative Interiors & Construction, Inc. in the amount of \$66,775.00.

QUESTIONS FOR COUNCIL

Does City Council approve the award to Innovative Interiors & Construction, Inc., in the amount of \$66,775.00 for the Acoustical Paneling for Central Recreation Center; Project No. 5540A?

LEGAL COMMENTS

Awards worth \$50,000 or more require City Council approval if formal competitive bidding has not produced at least three responsive bids (City Code § 2-672(a)(3)(b)). (Lathers)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain:

Funding for this contract is included in the ACLC-Central Recreation Center budget (Org: 62858) in the amount of \$66,775.00

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain: N/A



BID TABULATION SHEET

Project Name: Acoustical Paneling for Central Recreation Center
 Project / Bid #: 5540A

Date: 2/2/2021 Time: 10:00 AM
 Opened by: K. Chewiwi KC

No.	Name of Bidder	Bid Bond	Addendum	Base Bid	Alternate Bid(s)			Total Alternate Amt.	Total Bid	Notes
					1	2	3			
1	Innovative Interiors & Construction, Inc.	Y	Y	\$ 50,673.00	\$10,202.00	\$5,900.00	N/A	\$ 16,102.00	\$ 66,775.00	
2										
3										
4										
5										
6										
7										
8										
9										
10										

SECTION 4: BID FORMS

**CITY OF AURORA
PROPOSAL**



CITY OF AURORA PROJECT NO. 5540A	CITY OF AURORA BID NO. 5540A
PROJECT TITLE: ACOUSTICAL PANELING FOR CENTRAL RECREATION CENTER	
BIDDER Innovative Interiors & Construction, Inc.	
ADDRESS <u>2294 S. Kalamath Street</u> <u>Denver, CO 80223</u>	
PERSON TO CONTACT <u>Ernie Johnson</u> TELEPHONE NO. <u>303 922 3500 x 16</u> E-MAIL ADDRESS: <u>erniej@iic.bz</u>	

SSAN or FEIN <u>84-11683386</u> Federal Employer's Identification Number or Social Security Number if an individual
Bid Opening Date <u>2/2/2021</u> Time <u>10:00am</u>
The Bidder Acknowledges Receipt of Addendums <u>1</u> through <u>2</u>

BID SHEET
ACOUSTICAL PANELING FOR CENTRAL RECREATION CENTER
Project #: 5540A

A. BASE BID

<u>NO.</u>	<u>DESCRIPTION</u>	<u>ESTIMATED QUANTITY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>		<u>TOTAL COST</u>
1	Furnish & Install Ceiling Lapendary Paneling Aquatics Space	3,000	SF	<u>\$10.70</u>	PER SF	<u>\$32,080.00</u>
2	Furnish & Install Ceiling Lapendary Paneling Gymnasium	2,000	SF	<u>\$ 9.30</u>	PER SF	<u>\$18,593.00</u>
TOTAL BASE BID						<u>\$ 50,673.00</u>

B. ALTERNATE 1: FITNESS SPACE

<u>NO.</u>	<u>DESCRIPTION</u>	<u>ESTIMATED QUANTITY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>		<u>TOTAL COST</u>
1	Additional Ceiling Lapendary Paneling Fitness Space	750	SF	<u>\$12.75</u>	PER SF	<u>\$10,202.00</u>
TOTAL ALTERNATE #1						<u>\$ 10,202.00</u>

C. ALTERNATE 2: LOBBY SPACE

<u>NO.</u>	<u>DESCRIPTION</u>	<u>ESTIMATED QUANTITY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>		<u>TOTAL COST</u>
2	Additional Wall Paneling Lobby Space	225	SF	\$26.22	PER SF	5,900.00

**TOTAL
ALTERNATE #2**

\$ 5,900.00

The undersigned Bidder, having examined the Contract Documents and the jobsite at which the work will be performed, and having full knowledge of the conditions under which the work must be accomplished, hereby proposes that he will enter into a Contract Agreement with the City of Aurora and furnish all labor, materials and equipment required to successfully complete the project in accordance with the terms and conditions required by the Contract Documents for the prices contained in this Proposal.

The Bidder acknowledges that the contract time for completion of the work on this project shall be completed on or before May 7, 2021 and start mobilization within ten (10) calendar days, from and including the date of the Notice to Proceed.

The Bidder agrees that he will, if awarded a Contract by the City of Aurora, commence and complete the work within the time limits established by and in accordance with the Terms and Conditions set forth in the Contract Documents.

The Bidder certifies that he has verified the unit and total prices in relation to the estimated quantities and that these prices are correct and that the City of Aurora will not be responsible for any errors or omissions on the part of the Bidder.

The Bidder acknowledges that all bids shall remain subject to acceptance by the City of Aurora for a period of sixty (60) days from the bid opening date.

The Bidder certifies that this Proposal is genuine and made in behalf of the Bidder and not any other person or firm not identified in this Proposal. The Bidder also certifies that he has not, directly or indirectly, induced or solicited any other person or firm to refrain from bidding or to submit a Proposal that is not genuine. The Bidder also certifies that he has not in any manner sought by collusion to secure an advantage over any other person or firm that may submit a Proposal to accomplish the work on this Project.

In submitting this Proposal, it is understood that the City of Aurora reserves the right to reject all bids, to waive irregularities and inconsistencies in the Proposal, and to select the Proposal which is considered to be in the best interest of the City of Aurora.

Respectfully Submitted,

Signature:  _____

Name: Ernest H. Johnson II

Title: President

Date: 2/2/2021

Business Data of Bidder

- 1. Corporation existing under the laws of the State of Colorado
- 2. Partnership
- 3. Sole Proprietor

 _____
Owner/President/Partner

Vice-President/Partner

Secretary/Partner

Treasurer/Partner

The Surety listed below has indicated its willingness to provide the Performance and Payment Bond if a Contract is awarded to our firm to perform the work on this project.

**Acoustical Paneling for Central Recreation Park
Project No.: 5540A**

Project Reference Form

The Contractor must have completed at least one (1) similar acoustical paneling project within the past three (3) years. List at a minimum one (1) reference which the City may contact to verify successful completion of similar work.

Reference #1:

Contact/Project Name: Valley High School - Jake Kienitz, Fransen Pittman Construction
Project Owner: Weld County School District RE-1, 14827 WCR 42, Gilcrest, CO 80623
Phone: _____ Email: _____
Project Description: Addition/Remodel - ACT Ceilings, Wall Panels, Metal/Wood Ceilings, Lapendaries
Project Start: March 2018 End: June 2019 Project Status: Complete
Address of Project: 1001 Birch St, Gilcrest, CO 80623

Reference #2:

Contact/Project Name: Red Rocks Church - Lone Tree/ Himmelman Construction - Josh Hill
Project Owner: Red Rocks Church
Phone: 303-790-1984 Email: _____
Project Description: Complete TI in existing building, ACT, Wall Panels, Stretch Fabric and Lapendaries
Project Start: June 2019 End: October 2019 Project Status: Complete
Address of Project: 995 Park Meadows Dr., Lone Tree, CO 80124

Reference #3:

Contact/Project Name: _____
Project Owner: _____
Phone: _____ Email: _____
Project Description: _____
Project Start: _____ End: _____ Project Status: _____
Address of Project: _____

NAICS CODE FORM

Bid # 5540A

Please provide us with the information requested below to help us do a better job of soliciting City of Aurora requirements:

The North American Industry Classification System (NAICS) code for this award is 238310.

The small business size standard the City of Aurora designates for this award is
8.25 Million U.S. dollars Employees

Identify the business size status of your firm based on the above small business size standard:

- Large Business
- Small Business Enterprise

Please identify if your firm is in one of the following categories:

- Minority-owned vendor
- Woman-owned vendor
- Minority/woman-owned vendor
- Veteran
- Disabled Veteran
- Other

From what source did you learn about this solicitation to which you are now responding?

- Website (www.auroragov.org/business)
- Newspaper (please name the paper); _____
- Fax;
- Automatic notice by E-mail;
- Telephone call from buyer;
- Other (please describe): Bid Net Direct

Company name, address, phone #, e-mail and point of contact preparing this information.
Innovative Interiors & Construction, Inc.

2294 S. Kalamath Street
Denver, CO 80223 303 922 3500 x 16

Ernie Johnson, President. erniej@iic.bz

Acoustical Paneling for Central Recreation Center

Project # 5540A

BID BOND



KNOW ALL MEN BY THESE PRESENTS:

That _____ **INNOVATIVE INTERIORS & CONSTRUCTION INC.**
as PRINCIPAL and hereinafter called the "Principal," and **SURETEC INSURANCE COMPANY**
as SURETY and hereinafter called the "Surety," A Corporation organized and existing under the laws of _____
Texas and authorized to transact business within the State of Colorado as a Surety, are held firmly
bound unto the City of Aurora, Colorado, A Municipal Corporation, hereinafter called the "City," in the sum of
*****Five Percent (5%) of the Total Amount of the Bid***** dollars (**\$*****5%*******), in lawful
money of the United States of America, for the payment of which sum well and truly to be made, we bind
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these
presents. The condition of the above obligation is as follows:

WHEREAS, the Principal has submitted the accompanying Bid dated February 2, 2021
for work to be performed on Project Number 5540A, more fully described as _____
Acoustical Paneling for
Central Recreation Center as set out in the accompanying Bid, and, WHEREAS, the City has required
as a condition for receiving and considering said Bid that the Principal deposit with the City either a Certified
Check, Cashiers Check or a Bid Bond in an amount equivalent to not less than five per cent (5%) of the
amount of the Bid. The deposit is made on the condition that in the event the Principal is awarded a Contract
for the work to be performed on the above-referenced Project and fails to execute the Contract Agreement
and to provide the required Performance and Payment Bond and insurance Certificates within the time so
stipulated in the Notice of Award, that the deposit will be forfeited by the Principal and Surety to the City as
Liquidated Damages for the Principal's failure to enter into a binding Contract with the City.

NOW THEREFORE, if the Principal shall, if awarded a Contract, within the period specified therefore, execute
the Contract Agreement and provide the required Performance and payment Bond and Insurance Certificates,
or, pay to the City the sum of this Bond as Liquidated Damages, then this obligation shall be null and void and

of no effect; otherwise this Bond shall remain in full force and effect.

Signed and Sealed this _____ 2nd day of February, 2021.

Principal: INNOVATIVE INTERIORS & CONSTRUCTION INC.

By s/  _____

Name: Ernest H. Johnson II

Title: President

Surety: SURETEC INSURANCE COMPANY

Address: 5261 S Quebec Street #100
Greenwood Village, CO 80111

By: _____
Attorney-in-fact

Name: Gregory Hettinger

Local Agency: BOND PLACEMENTS LTD.

Address: 5261 S Quebec Street #100
Greenwood Village, CO 80111

(A certified copy of the agent's Power-of-Attorney must be attached to this Bond)

SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Gregory Hettinger

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for, providing the bond penalty does not exceed

Five Million and 00/100 Dollars (\$5,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the CEO, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its CEO, and its corporate seal to be hereto affixed this 24th day of May, A.D. 2018.

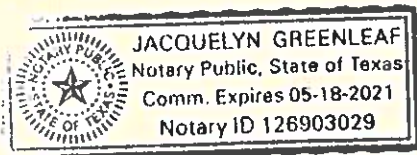


SURETEC INSURANCE COMPANY

By:
John Knox Jr., CEO

State of Texas ss:
County of Harris

On this 24th day of May, A.D. 2018 before me personally came John Knox Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is CEO of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.



Jacquelyn Greenleaf, Notary Public
My commission expires May 18, 2021

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 2nd day of February, 2021, A.D.

M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity.
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:30 am and 5:00 pm CST.



CITY OF AURORA

Council Agenda Commentary

Item Title: Consideration to Approve A Resolution of the City Council of the City of Aurora for the First Amendment to Grant Agreement GOCO Contract No. 17884-3

Item Initiator: Patricia Schuler, Manager of Open Space & Natural Resources, PROS Department 303 326 8947

Staff Source/Legal Source: Patricia Schuler/Angela Garcia

Outside Speaker: N/A

Council Goal: 2012: 4.0--Create a superior quality of life for residents making the city a desirable place to live and work

COUNCIL MEETING DATES:

Study Session: N/A

Regular Meeting: N/A

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
 - Approve Item and Move Forward to Regular Meeting
 - Approve Item as proposed at Regular Meeting
 - Approve Item with Waiver of Reconsideration
- Why is a waiver needed?[Click or tap here to enter text.](#)
- Information Only

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: Parks, Foundations & Quality of Life

Policy Committee Date: 2/25/2021

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval
- Forwarded Without Recommendation
- Minutes Attached
- Does Not Recommend Approval
- Recommendation Report Attached
- Minutes Not Available

HISTORY (*Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.*)

In 2017, Aurora was awarded \$210,000 in funding for a capital improvement project and to provide programs to underserved kids in north west Aurora. The program was called Generation Wild, and funding was provided by Great Outdoors Colorado (GOCO). The intention was to engage with underserved neighborhoods and get kids in those areas into the outdoors and nature. With all the proven benefits of spending time in nature, this program aimed to not only introduce kids and their families to the wonders of nature, but to help make these opportunities sustainable, so participants will continue to spend time in nature in Aurora, and beyond. The naturalist team received \$113,990 out of the \$210,000 total and delivered a wide variety of programs that would engage children in the outdoors. The capital improvement project was awarded \$96,010 to complete the Cottonwood Discovery Area for kids at Sand Creek Park.

A multiple year grant contract (see [Attachment 1](#)) was approved for this original amount and the funding was spent through 12/10/2020. In January, 2021, GOCO has awarded additional funding to Aurora for the next three years, specifically for naturalist programming, as detailed below.

Aurora joined a coalition of participating organizations called the Northeast Metro coalition, in order to take a regional perspective on providing these programs to an audience of underserved kids and their families, and to provide overall administration for the Coalition. Aurora worked with Coalition partners including Commerce City, Denver, Environmental Learning for Kids, Young African Americans for Social and Political Activism, Village Exchange Center and Aurora Sister Cities, International. We work in all areas served by the coalition, which include Montbello, Northeast Park Hill and Commerce City; however, most of our attention is focused in our home area of Northwest Aurora.

The activities and trips were focused on places where people can hike, bike, swim, boat, camp, and enjoy nature in as many ways as possible. Experiences ranged from kayaking at Aurora Reservoir to fishing in Aurora and then in Evergreen, to horseback riding in the foothills and biking from Aurora to Commerce City and back. Some groups participated more than once and were encouraged to end their time with us with a service project, such as collecting trash, helping with trail maintenance or building bee hotels for the new Cottonwood Discovery Area at Sand Creek Park.

During the pandemic, the naturalist team temporarily eliminated in person programming and developed a weekly flyer with activities for kids to do on their own in nature, in both English and Spanish, which was sent out to all Northeast Metro Coalition members, as well as with Aurora-based organizations. Again due to Covid, the grant deadline was pushed back by GOCO to December 20, 2020, (see [Attachment 2](#)).

In 2018, from April through October, the program saw 1,876 program participants. In 2019, we added 6,623 participants through programs that focused on seeing the kids more than once so the effect of spending time in nature is cumulative. 2020 has been the real surprise in that PROS has been able to conduct some programs, create a virtual programming presence, connect with our audience, and create new, virtual audiences around the country. In 2020, these virtual programs and a few in person but distant programs have been delivered to approximately 2,800 kids.

In the fall of 2020, PROS applied for the next round of this grant (see [Attachment 3](#) - Resolution to Apply for GOCO grant) which will allow Aurora and GOCO to extend the original grant contract for an additional three years. GOCO announced that this program has been a resounding success, not just in Aurora but throughout Colorado, resulting in their funding another 3 year grant round. The PROS department has been granted an additional \$107,832 of GOCO funding to continue with this program, to cover the next three years of program costs. Aurora's total three year required cash match for this grant is \$13,359.00 and is contingent upon Council appropriation each year. (See [Attachment 4](#), a three-year budget, detailing the total 3 year requirements for cash and in-kind match.)

In-kind match is also required by GOCO and over the next three years the naturalist team and open space ranges will provide over 173 hours of in kind programs for the kids in the underserved communities in Aurora, as noted in [Attachment 4](#).

ITEM SUMMARY (*Brief description of item, discussion, key points, recommendations, etc.*)

Please see Attachment 5 & 6, the draft Resolution and GOCO Contract Amendment authorizing the extension in time and increase in funding for the original contract.

QUESTIONS FOR COUNCIL

Does City Council approve the Resolution and contract amendment to increase the grant funding and extend the completion date for this Great Outdoors Colorado grant?

LEGAL COMMENTS

Governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units only if such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve. (Colo. Rev. Stat. § 29-1-203(1)). City Council may, by resolution, enter into agreements with other governmental units or special districts for the joint use of buildings, equipment or facilities, and for furnishing or receiving commodities or services. (City Charter, Art. 10-12) (Garcia)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: Operating ORG 61052 (ARCO) will provide a total of \$13,359.00 in matching funds for this grant, over the next three years for this grant funded program. Annual appropriation will be requested through the budgeting process for years 2 and 3. The 2021 grant match has been appropriated in this ORG in the amount of \$4,453.00.

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain: N/A

RESOLUTION NO. R2021 – _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO,
APPROVING THE FIRST AMENDMENT TO THE GREAT OUTDOORS COLORADO
GRANT AGREEMENT TO FUND OUTDOOR ENVIRONMENTAL EDUCATION AND
PASSIVE RECREATIONAL PROGRAMS

WHEREAS, the State Board of the Great Outdoors Colorado Trust Fund (“GOCO”) is a political subdivision of the State of Colorado, created by Article XXVII of the Colorado Constitution, adopted at the November 1992 General Election which article appropriates a portion of the net proceeds of the Colorado Lottery to GOCO and directs GOCO to invest those proceeds in the state’s parks, wildlife, open space and recreational resources; and

WHEREAS, the City of Aurora, Colorado (“City”) in 2017 applied for and received a three-year grant (“Contract No. 17884-3”) in the amount of \$210,000 to fund outdoor environmental education and passive recreational programs for youth and their families; and

WHEREAS, GOCO agreed to offer grant funding for another three years only to those entities who received grant funding in the previous three-year grant funding period, which includes the City; and

WHEREAS, in R2020-85 Council authorized the submission of an application to GOCO for another three-year grant to fund outdoor environmental education and passive recreational programs; and

WHEREAS, GOCO approved additional funding for the fiscal year 2021 in the amount of \$35,944.00 and has endorsed a funding strategy to provide further funding in the amount of \$35,944.00 for fiscal year 2022 and \$35,944.00 for fiscal year 2023; and

WHEREAS, the Parties now desire to amend certain terms of Contract No. 17884-3 regarding the increase in grant funding for fiscal years 2021-2023 and extending the timeline to complete the project outcomes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. The First Amendment to the Great Outdoors Colorado Grant Agreement between GOCO and the City of Aurora (Contract No. 17884-3) is hereby approved.

Section 2. The Mayor and City Clerk are hereby authorized to execute such First Amendment to the Great Outdoors Colorado Grant Agreement with such technical additions, deletions, and variations as may be deemed necessary or appropriate by the City Attorney that are not inconsistent with this resolution.

Section 3. All resolutions or parts of resolutions of the City in conflict herewith are expressly rescinded.

RESOLVED AND PASSED this _____ day of _____, 2021.

MIKE COFFMAN, Mayor

ATTEST:

KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:

Angela L. Garcia ^{RLA}

ANGELA L. GARCIA, Assistant City Attorney

GRANT AGREEMENT

Project Name: GoWILD Northeast Metro
Project Completion Date: June 30, 2020
Great Outdoors Colorado
Contract No.: 17884 - 3

PARTIES TO AGREEMENT

Board/GOCO: The State Board of the Great Outdoors Colorado Trust Fund
Address: 1900 Grant St., Suite 725
Denver, CO 80203

Telephone: (303) 226-4524
Contact name: Jackie Miller

Grantee: City of Aurora
Parks, Recreation & Open Space
Address: 15151 E. Alameda Parkway, Suite 4600 Aurora, CO 80012

Primary Contact: Tracy Young

Date: February 14, 2017

EXHIBITS

Exhibit A Grantee Resolution
Exhibit B Approved Budget
Exhibit C Governing Agreements between Grantee and Third Party Beneficiaries

RECITALS

A. The State Board of the Great Outdoors Colorado Trust Fund (“GOCO” or the “Board”) is a political subdivision of the State of Colorado, created by Article XXVII of the Colorado Constitution, adopted at the November 1992 General Election, which article appropriates a portion of the net proceeds of the Colorado Lottery to GOCO and directs GOCO to invest those proceeds in the state’s parks, wildlife, open space and recreational resources.

B. In 2015, GOCO created a statewide grant program, pursuant to which eligible entities could apply for grants to connect communities to the outdoors. Grantee listed above (“Grantee”) submitted a detailed project application (“Project Application”) that contemplates building parks and trails and executing outdoor programs for youth and families. GOCO approved Grantee’s Project Application, which is incorporated into this Agreement by reference,

on December 8, 2016, subject to the execution of a detailed grant agreement. GOCO and Grantee each have on file a copy of the Project Application. The project described in the Project Application is referred to as the "Project."

C. Grantee shall obtain the matching cash and in-kind contributions for the Project as described in the Project Application and as required by GOCO policy.

D. The parties intend this agreement to be the detailed grant agreement required by GOCO ("Agreement").

AGREEMENT

SECTION 1 – PROJECT SCOPE

NOW, THEREFORE, in consideration of the premises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are incorporated into this Agreement.
2. Grant and Project. GOCO awards to the GOWILD Northeast Metro coalition a grant in the amount not to exceed \$2,700,000.00 ("Grant"), subject to the terms and conditions set forth in this Agreement. The City of Aurora will administer up to \$210,000 of the grant.

The Grant shall be used by Grantee solely to complete the Project as approved by GOCO. In the event of a conflict between the Project Application, the parties shall resolve the conflict by mutual agreement. Grantee has provided GOCO with a resolution adopted by Grantee's governing body authorizing Grantee's acceptance of the Grant, subject to this Agreement, and designating an appropriate official to sign this Agreement on Grantee's behalf. The resolution is attached as Exhibit A. Grantee agrees to use its best efforts to complete the Project.

3. Project Scope. Grantee will not materially modify the Project without the written approval of the Executive Director of GOCO ("Executive Director"). Any material change to the Project, whether or not such change is approved in writing by GOCO, may result in a reduction of GOCO's Grant or may require a refund to GOCO from Grantee, pursuant to Paragraph 9 of this Agreement. In addition, any material change to the Project that is not approved in writing by GOCO may result in termination of the Grant.

4. Approved Budget. Grantee has completed a detailed budget that reflects all anticipated sources and uses of funds for the Project, including a detailed accounting of Grantee's anticipated direct costs associated with the Project, a copy of which is attached and incorporated as Exhibit B ("Budget"). The Project Application contains a budget that may not match the approved version attached as Exhibit B and which, therefore, shall not be relied upon by GOCO

or Grantee. Where discrepancies exist, the approved Budget in Exhibit B shall control until such time as GOCO approves the final version.

5. Waiver. Prior to the disbursement of funds, the Executive Director in his or her discretion may waive certain conditions set forth in this Agreement. Anything else to the contrary notwithstanding, the exercise by GOCO staff ("Staff"), the Executive Director or GOCO of any right or discretion reserved to them under this Agreement shall not be deemed a waiver. Furthermore, no waiver by them under this Agreement shall constitute a waiver of any other requirements, actions or conditions, nor shall any waiver granted be deemed a continuing waiver. No waiver by the Staff, the Executive Director or GOCO shall be effective unless in writing executed by them. Additionally, any failure by the Staff, the Executive Director or GOCO to take any actions as set forth in this Agreement shall have no legal effect on the contractual duties of the Grantee. Further, no waiver with respect to this Project, Grant, or Agreement shall constitute a waiver in any other GOCO-funded project.

6. Future Funding. This Agreement and the Grant only apply to the Project specifically described in this Agreement. GOCO makes no representations regarding future funding for future phases of the Project, whether or not described in the Project Application or otherwise.

SECTION 2 – GRANT PAYMENT

7. Payment of Grant. Payment of the Grant is subject to GOCO's determination in its sole discretion that it has received and has available sufficient net lottery proceeds to fund the Grant and that Grantee has complied with this Agreement, including Grantee's fulfillment of all conditions precedent to funding as set forth in Section 3. In determining the sufficiency of net lottery proceeds, GOCO may consider all facts and circumstances as it deems necessary or desirable, including but not limited to adequate reserves, funding requirements and/or commitments for other past, current and future grants, and past, current and future GOCO operating expenses and budgetary needs.

8. Payment Options. A grantee is required to supply documentation of committed funds and project expenditures prior to requesting payment from GOCO. GOCO offers three payment options for capital construction grants:

A. *Advanced and Final Payment*. The Grantee may request one advance payment prior to beginning work on a project. The Grantee may request up to 50% of the grant amount or up to 75% of the funds committed to date, whichever is less. Funds to be paid in advance must be committed via executed contracts, purchase orders, or other documentation. The remainder is payable upon grantee's submission and GOCO's approval of a final report.

B. *Progress and Final Payment*. The Grantee may request one progress payment once work has started on a project yet prior to project completion. The Grantee may request up to 50% of the grant amount or up to 75% of funds expended to date, whichever is less. The remainder is payable upon grantee's submission and GOCO's approval of a final report.

C. *Final Payment.* The Grantee may request one final payment of the entire grant amount for actual expenditures made, upon GOCO's approval of a final report.

In addition to the three payment options above, GOCO offers a fourth payment option for youth programming and capacity components.

D. *Advanced Payment.* The Grantee may request one advanced payment prior to beginning work on the project. The Grantee may request 100% of the grant amount for that project. Funds to be paid in advanced must be committed via executed contracts or other documentation.

Annually, GOCO may conduct a review on a sampling basis of any billing statements, supporting documentation, or other materials relating to the receipt and use of GOCO Funds by Grantee or third party beneficiaries. The Grantee agrees to provide GOCO materials requested as part of any such review. GOCO shall provide the parties written notification if such review indicates deficiencies, errors, or other issues with money previously advanced. The parties agree to confer in good faith within thirty (30) days of receipt of any notifications to achieve a resolution, as appropriate.

9. Payment Schedule. Grant payments will follow the Grantee's 3 ½ year implementation schedule. Upon execution of this Agreement, the Grantee is authorized to request payments for the first year of implementation. The Grantee must expend or be under contract for at least 50% of the first year's budget to request payments for the second year of implementation. Likewise, the Grantee must expend or be under contract for at least 50% of the second year's budget to request payments for the third year of implementation. Each year, the Grantee and its partners will go before the Board to present on progress to date and scope of work for the following year. The Board, at its discretion, will authorize release of the following year's grant funding. Funding for capital improvement projects will be requested once during the year in which construction is to be started.

10. Withdrawal of GOCO Funding; Termination of Agreement. Anything in this Agreement to the contrary notwithstanding, with prior notice to Grantee, GOCO reserves the right to withhold or withdraw all or a portion of the Grant, to require a full or partial refund of the Grant, and/or to terminate this Agreement if GOCO determines in its sole discretion that:

A. *Altered Expectations.* Facts have arisen or situations have occurred that fundamentally alter the expectations of the parties or make the purposes for the Project or the Grant as approved by GOCO infeasible or impractical;

B. *Material Project Changes.* Material changes in the scope or nature of the Project have occurred from how the Project was presented in the Project Application, approved by GOCO without prior written approval of the Executive Director;

C. *Inaccuracies.* Any statement or representation made or information provided by the Grantee in the Project Application or this Agreement is untrue, inaccurate or incomplete in any material respect; or

D. *Conditions Precedent Not Fulfilled or Unsatisfactory.* Any of the conditions precedent to funding listed in Section 3 below is not fulfilled by Grantee or is unsatisfactory to GOCO, in its sole discretion.

SECTION 3 – CONDITIONS PRECEDENT

11. Completion Date. Grantee shall complete the Project no later than June 30, 2020. Grantee may request an extension of the Completion Date in compliance with GOCO's Overdue Grants Policy, as may be amended from time to time by GOCO in its sole discretion. GOCO may elect to terminate this Agreement and deauthorize the Grant in the event this Completion Date is not met and/or Grantee fails to comply with the Overdue Grants Policy.

12. Grantee's Inability to Complete Project. If Grantee determines with reasonable probability that the Project will not or cannot be completed as approved by GOCO, Grantee will promptly advise GOCO in writing.

13. Third Party Beneficiaries. The Grantee is responsible for contracting with all third-party beneficiaries of the Grant to bind those beneficiaries to the terms and obligations set forth in this Agreement. All contracts are to be attached as Exhibit C. This Agreement will be amended to include contracts as they are executed. In the absence of all executed contracts at the time of Agreement execution, the Grantee may include a list of third party beneficiaries. Grant funding to benefit third party beneficiaries cannot be requested and will not be released in the absence of a contract between the Grantee and the third-party beneficiary.

14. Property ownership. The Grantee must own or control (through a contract such as a lease) the property on which any park, trail, and/or outdoor education facility is to be constructed for the useful life of the project. If the property is owned by a third party that is not eligible under Article XXVII, Section 5(1)(a)(IV) of the Colorado Constitution (e.g., a school district), a use agreement, intergovernmental agreement, or other contract between the eligible applicant and the property owner must be in effect upon execution of the grant agreement.

15. Matching Funds. Matching funds in the minimum amount set forth in the Project Application must have been received by Grantee, or the status of efforts to secure matching funding was disclosed and has been deemed satisfactory by Staff.

16. Public Access. Grantee and its partners agree, for themselves and their successors in interest, to allow reasonable public access to funded parks, trails and outdoor education facilities. Grantee and its partners may temporarily close such public access for construction, maintenance, emergency situations, or other reasonable purposes.

17. Operation and Maintenance. Subject to annual appropriations, Grantee and its partners shall operate, manage, and maintain funded parks, trails and outdoor education facilities in a reasonable state of repair for the purposes specified and for their useful life in accordance with product warranties and/or the generally accepted standards in the parks/recreation community,

and provide and maintain access to the Project and to the Property, regardless of the Property's ownership. GOCO shall not be liable for any cost of maintenance, management or operation of the Project.

SECTION 4 – OTHER PROVISIONS

18. Publicity and Project Information. GOCO has the right and must be provided the opportunity to use information gained from the Project; therefore, Grantee shall acknowledge GOCO funding in all news releases and other publicity issued by Grantee concerning the Project. If any events are planned in relationship to the Project, GOCO shall be acknowledged as a contributor in the invitation for the event. GOCO shall be notified of any such events 30 days in advance. Grantee shall give timely notice of the Project, its inauguration, significance, and completion to the local members of the Colorado General Assembly, members of the board of county commissioners of the county or counties in which the Project is located, as well as to other appropriate public officials. Grantee shall cooperate with GOCO in preparing public information pieces, providing slides and photos of the Project (collectively, "Project Materials") from time to time, and providing access to the Project for publicity purposes. For the avoidance of doubt, all Project Materials generated by Grantee of the Project constitute a "work made for hire" pursuant to the U.S. copyright law (17 U.S.C. Section 201(b)). Grantee agrees that all copyrights and other property rights in the Project Materials developed by Grantee in conjunction with the Project are further owned by GOCO. Grantee forever and irrevocably assigns to GOCO, without further consideration, all right, title and interest in such copyrights and other proprietary rights. Grantee agrees that GOCO, its successors and assigns shall have the exclusive right to file copyright applications in the United States and throughout the world to the Project Materials or any portion of them in the name of GOCO. Grantee agrees that GOCO, its successors and assigns may act as attorney-in-fact to execute any documents that GOCO deems necessary to record this Agreement with the United States Copyright Office or elsewhere. Grantee agrees to execute any and all documents reasonably requested by GOCO to enforce GOCO's rights under this provision.

19. Signage. Grantee shall erect one or more signs in prominent locations in funded parks, trails and outdoor education centers acknowledging the assistance of Great Outdoors Colorado and the Colorado Lottery. GOCO will provide such signs at no cost to the Grantee. The number and placement of the signs, as well as any requests for different design or wording, shall be submitted to GOCO for review and written approval prior to their placement. For approved custom signs, GOCO will provide reproducible samples of its logo to the Grantee for such signs and requires they be incorporated into the signs. The Board may withhold final grant payment pending evidence of placement of permanent signage.

20. Liability.

A. Indemnity. To the extent allowed by law, Grantee shall be responsible for and shall indemnify, defend and hold harmless GOCO, its officers, agents and employees from any and all liabilities, claims, demands, damages or costs (including reasonable attorneys' fees) resulting from, growing out of, or in any way connected with or incident to Grantee's performance of this Agreement. Grantee waives any and all rights to any type of express or implied indemnity or right of contribution from the State of Colorado, GOCO, its members,

officers, agents or employees for any liability resulting from, growing out of, or in any way connected with or incident to this Agreement.

B. *No CGIA Waiver.* No term or condition of this Agreement shall be construed or interpreted as a waiver, either express or implied, of any of the immunities, rights, benefits or protections provided to GOCO under the Colorado Governmental Immunity Act as amended or as may be amended in the future (including without limitation any amendments to such statute, or under any similar statute that is subsequently enacted) ("CGIA"). This provision may apply to the Grantee if the Grantee qualifies for protection under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq. GOCO and Grantee understand and agree that liability for claims for injuries to persons or property arising out of the negligence of GOCO, its members, officials, agents and employees may be controlled and/or limited by the provisions of the CGIA. The parties agree that no provision of this Agreement shall be construed in such a manner as to reduce the extent to which the CGIA limits the liability of GOCO, its members, officers, agents and employees.

C. *Compliance with Regulatory Requirements and Federal and State Mandates.* Grantee assumes responsibility for compliance with all regulatory requirements in all applicable areas, including but not limited to nondiscrimination, worker safety, local labor preferences, preferred vendor programs, equal employment opportunity, use of competitive bidding, and other similar requirements. To the maximum extent permitted by law, Grantee agrees to indemnify, defend and hold harmless GOCO, Executive Director and Staff from any cost, expense or liability for any failure to comply with any such applicable requirements.

D. *Nondiscrimination.* During the performance of this Agreement, Grantee and its contractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age or sex, and shall comply with any other applicable laws prohibiting discrimination. Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination.

21. Audits and Accounting Records. Grantee shall maintain standard financial accounts, documents, and records relating to the acquisition, use, management, operation and maintenance of the Project. Grantee shall retain the accounts, documents, and records related to the Project for five years following the date of disbursement by GOCO of the Grant funds, and they shall be subject to examination and audit by GOCO or its designated agent during this period. All accounts, documents, and records described in this paragraph shall be kept in accordance with generally accepted accounting principles.

22. Breach. In addition to other remedies available at law or in equity, in the event that Grantee breaches any of the terms or conditions of this Agreement, GOCO shall have the following non-exclusive remedies:

A. *Prior to Payment of Grant.* GOCO reserves the right to withdraw funding and/or terminate this Agreement.

B. *After Payment of Grant.* GOCO reserves the right to seek equitable relief and/or all other remedies as available to it under applicable law, including but not limited to return of all or a portion of the Grant. Further, GOCO reserves the right to deem Grantee ineligible for participation in future GOCO grants, loans or projects.

23. GOCO Policies. With regard to all named GOCO policies referenced in this Agreement, Grantee acknowledges it has received a copy of the policies or otherwise has access to the documents in connection with this Agreement and is familiar with their requirements.

24. Miscellaneous Provisions.

A. *Good Faith.* Both parties have an obligation of good faith, including the obligation to make timely communication of information that may reasonably be believed to be of interest to the other party.

B. *Assignment.* Grantee may not assign its rights or delegate its obligations under this Agreement without the express written consent of the Executive Director, who has the sole discretion to withhold consent to assign.

C. *Applicable Law.* Colorado law applies to the interpretation and enforcement of this Agreement.

D. *Status of Grantee.* The parties acknowledge that GOCO lacks the power and right to direct the actions of Grantee. Grantee acts in its separate capacity and not as an officer, employee or agent of GOCO or the State of Colorado.

E. *Time is of the Essence.* Time is of the essence in this Agreement.

F. *Survival.* The terms and conditions of this Agreement, including but not limited to Grantee's obligations, shall survive the funding of the Grant and the Project.

G. *Fax and Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which when taken together shall constitute one agreement. In addition, the parties agree to recognize signatures to this Agreement made electronically and transmitted electronically or by facsimile as if they were original signatures.

H. *Notice.* Any notice, demand, request, consent, approval or communication that either party desires or is required to give the other shall be in writing and either served personally or sent by first class mail, postage prepaid, to the addresses shown on Page 1 of this Agreement.

I. *Construction; Severability.* Each party has reviewed and revised (or requested revisions of) this Agreement, and therefore any rules of construction requiring that ambiguities be resolved against a particular party shall not be applicable in the construction and interpretation of this Agreement. If any provision in this Agreement is found to be ambiguous, an interpretation consistent with the purpose of this Agreement that would render the provision valid shall be

avored over any interpretation that would render it invalid. If any provision of this Agreement is declared void or unenforceable, it shall be deemed severed from this Agreement, and the balance of this Agreement shall otherwise remain in full force and effect.

J. *Entire Agreement.* Except as expressly provided, this Agreement constitutes the entire agreement of the parties. No oral understanding or agreement not incorporated in this Agreement shall be binding upon the parties. No changes in this Agreement shall be valid unless made in writing and signed by the parties to this Agreement.

K. *Termination of the Board.* If Article XXVII of the Colorado Constitution, which established GOCO, is amended or repealed to terminate GOCO or merge GOCO into another entity, the rights and obligations of GOCO under this Agreement shall be assigned to and assumed by such other entity as provided by law, but in the absence of such direction, by the Colorado Department of Natural Resources or its successor.

IN WITNESS WHEREOF, the parties execute this Agreement effective as of April 25, 2017.

STATE BOARD OF THE GREAT
OUTDOORS COLORADO TRUST FUND

By: 

Chris Castilian
~~Jim Spaanstra~~
Executive Director

GRANTEE:

By: 

Title: George Noe
City Manager

EXHIBIT A
Grantee Resolution

RESOLUTION NO. R2016- 75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, AUTHORIZING THE SUBMISSION OF AN APPLICATION ALONG WITH OTHER MEMBERS OF THE NORTHEAST METRO COALITION TO GREAT OUTDOORS COLORADO FOR A GRANT IN THE AMOUNT OF \$5,000,000 TO PARTIALLY FUND THE INSPIRE INITIATIVE PROJECT

WHEREAS, Great Outdoors Colorado (GOCO) created the Inspire Initiative as a five-year strategy aimed at inspiring Coloradans, particularly kids, to appreciate, enjoy and take care of the Colorado outdoors (the "Inspire Initiative"); and

WHEREAS, Aurora, Colorado (the "City") is part of the 13 member Northeast Metro Coalition (NEMC) that also includes Commerce City, Denver, Rocky Mountain Arsenal National Wildlife Refuge, Sand Creek Regional Greenway Partnership, Boys & Girls Club and a few other non-profit organizations; and

WHEREAS, the NEMC partners have made a multi-year commitment to study and bring down the barriers to youth engagement with the outdoors, especially inner-city youth, some of whom have not had the opportunities because of economic or geographic barriers; and

WHEREAS, NEMC received a \$100,000 planning grant from GOCO to develop a 3-year work plan for the Inspire Initiative; and

WHEREAS, NEMC has worked with researchers and focus groups to identify community needs and interest in order to develop projects in four low-income communities to implement the goals of the Inspire Initiative (the "Project"); and

WHEREAS, the Parks, Recreation and Open Space Department (the "Department") recommends the City support the Project and commit to working with the NEMC throughout a three-year implementation plan; and

WHEREAS, the Department further recommends that the City apply to GOCO as a co-applicant with other NEMC partners for a grant in the amount of \$5,000,000 for the partial funding of the Project (the "Grant"); and

WHEREAS, the Department anticipates the portion of the Grant funding allocated to the City for the Project to be up to \$500,000; and

WHEREAS, the City and the NEMC have allocated sufficient funds to provide a match for the Grant; and

WHEREAS, the City Council finds that it is in the best interests of the City and its citizens to apply for the Grant.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA:

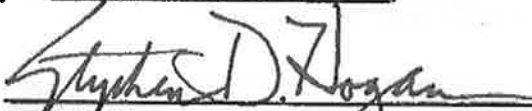
Section 1. The City Manager and the Director of the Parks, Recreation, and Open Space Department are hereby authorized to make application to Great Outdoors Colorado as a co-applicant for an Inspire Initiative Grant in the amount of \$5,000,000 to fund a portion of the costs associated with Inspire Initiative Northeast Metro Coalition Project.

Section 2. In the event that the City is awarded the Grant, the City Manager and the City Clerk are hereby authorized, on behalf of the City, to execute and deliver the grant agreement with Great Outdoors Colorado with such technical additions, deletions, and variations as the City Attorney may deem necessary or appropriate and not inconsistent with this Resolution.

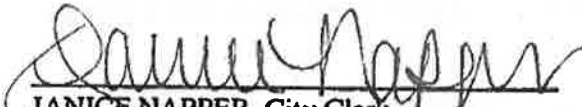
Section 3. All resolutions or parts of resolutions of the City in conflict herewith are expressly rescinded.

Section 4. This resolution shall take effect immediately without reconsideration.

RESOLVED AND PASSED this 10th day of October, 2016.


STEPHEN D. HOGAN, Mayor

ATTEST:


JANICE NAPPER, City Clerk

APPROVED AS TO FORM:


BILLY R. STIGGERS, II, Assistant City Attorney

EXHIBIT B
Approved Budgets

EXHIBIT C

Governing Agreements between Grantee and Third Party Beneficiaries

GO Wild Northeast Metro - City of Aurora's Sand Creek Park - Cottonwood Forest Nature Discovery Area

Approved Budget

Source of Funds					
Contributors	Date funding secured or date anticipated if not secured	GOCO Request	Partner Match (\$)	Total Funding (\$)	
Great Outdoors Colorado	December 2016	210,000		\$210,000.00	
City of Aurora			25,000.00	\$25,000.00	
City of Aurora			\$5,202.30	\$5,202.30	
TOTAL SOURCE OF FUNDS		\$210,000.00	\$30,202.30	\$240,202.30	

Use of Funds - Cash - Description of project components to be paid for with cash contributions

Project categories	Description of how funds will be used	Work start date	Work completion date	GOCO Funds	Partner Match	Total Funding (\$)
Project start up contractor	mobilization, permitting, fees, site prep			\$30,000.00		\$30,000.00
Earthwork contractor	minor grading			\$17,000.00		\$17,000.00
Paving contractor	stabilized crusher fines (6' wide)	May-18	May-18	\$20,000.00	\$20,000.00	\$20,000.00
	stabilized crusher fines (3' wide)	May-18	May-18	\$5,000.00	\$5,000.00	\$5,000.00
Site furnishings contractor	signage, benches, logs/materials	Aug-18	Sep-18	\$20,000.00		\$20,000.00
Landscape & Irrigation contractor	irrigation	Jul-18	Aug-18	\$17,000.00		\$17,000.00
	native seed	Sep-18	Sep-18	\$80,000.00		\$80,000.00
	trees	Sep-18	Sep-18	\$22,000.00		\$22,000.00
Contingency	contingency			\$24,000.00		\$24,000.00
USE OF FUNDS - CASH SUBTOTAL				\$210,000.00	\$25,000.00	\$235,000.00

Use of Funds - In-Kind - Description of project components to be paid for with in-kind contributions

Project categories	Description of how funds will be used	Work start date	Work completion date	Number of units (e.g. - hours, quantities, etc.)	Cost per unit	Total Funding (\$)
Professional Services	Landscape architects to create and lead four youth workshops	Mar-17	Apr-17	64.00	75.00	\$4,800.00
	Afterschool Program Leader to support activities and coordination	Mar-17	Apr-17	10.00	20.00	\$200.00
Transportation	Van driver	Mar-17	Apr-17	6.00	14.00	\$84.00
	Mileage estimate for field trips to parks			15.00	1.22	\$18.30
Activity supplies	Paper, markers, workshop supplies	Mar-17	Apr-17	1.00	100.00	\$100.00
USE OF FUNDS - IN-KIND SUBTOTAL						\$5,202.30
TOTAL PROJECT COST				\$210,000.00	\$25,000.00	\$240,202.30

Work Plan for Sand Creek Park – Cottonwood Discovery Area
 Agreement with GOCO
 Places, March 2017

Places Location: Sand Creek Park, 2700 N. Peoria St. Aurora, CO 80010

Places Summary: Sand Creek Park is a large urban park in North Aurora. Located within the 100-acre park, the Cottonwood Forest will be an informal 5-acre “discovery area” designed in conjunction with students from nearby North Middle School. Working with, and learning from Aurora Landscape Architects, North students will provide ideas on how they wish to interact with nature on this site.

Grant Received:	\$210,000
Partner Match:	\$25,000
Partner In-kind:	\$5,202
Total Project Cost:	\$240,202
Total Number of Youth/Families Served:	150,000+ annually
Ages Served:	1-18 years, families
GOCO grant for three years:	\$210,000
GOCO grant for Year 1:	\$0
Matching for Year 1:	\$5,202
TOTAL for Year 1:	\$5,202
GOCO grant for Year 2:	\$210,000
Matching for Year 2:	\$25,000
Budget Request for Year 1:	N/A
Budget Request for Year 2:	100% final payment
Budget Request for Year 3:	N/A



Project Extension Request **Staff Extension** **Board Extension**

Grantee: City of Aurora
Contact Name and Phone Number: Joy Thompson - 303.326.8382
Contract Number: 17884-3
Project Title: Go Wild NE Metro
Original Due Date: 6/30/20
Staff-Extended Due Date (if applicable): _____

Reason for Delay *(Please be as detailed as possible. Note the percent of the project completed to date or the due diligence items completed to date for land acquisitions.)*

The city of Aurora naturalist program requests a six-month extension to their project end date from June 30, 2020 to December 31, 2020. We were prepared to be finished on June 30; however, due to the current pandemic, we have had to cancel all programming and will not be able to do the programming as scheduled.

Resolution *(Explain how you plan to move forward with the project.)*

If granted the extension, we should be able to resume programming in late June or early July, depending on what happens with the pandemic, and continue our outdoor and nature-based programming through December 2020. Budget stays the same. We will continue working with the Northeast Metro Coalition and will submit numbers and paperwork through them, as we have always done. Thank you for your consideration of this request.

Revised Schedule and Expected Completion/Closing Date/Date of Final Report Submission (if applicable) *(subject to approval by GOCO)*

City of Aurora grant end date: December 10, 2020. City of Aurora reporting date: to coincide with NEMC, January/February 2021

For GOCO Use Only:
 Approved Not Approved

Signature: Matt Brady Digitally signed by Matt Brady
Date: 2020.04.23 14:24:26 -06'00' Date: 4/24/20

GenWild Mortheast Metro Coalition City of Aurora Three Year Combined Budget for GOCO Grant Amendment 2021

Budget 1/29/21

Source of Funds

	Contributers	Date funding secured or date anticipated if not secured	GOCO Request	Partner Match	Total Funding
CASH					
	Great Outdoors Colorado	Dec-20	\$ 107,832.00		\$ 107,832.00
	City of Aurora	Nov-20		\$ 13,359.00	\$ 13,359.00
IN-KIND					
	City of Aurora Naturalist and Ranger staff for program development and delivery			\$ 4,500.00	\$ 4,500.00
TOTAL AMOUNTS REFLECTED FROM GOCO, AURORA AND IN-KIND WILL BE DIVIDED INTO THREE EQUAL ANNUAL AMOUNTS, PENDING ANNUAL BUDGET ALLOCATIONS					
TOTAL SOURCES OF FUNDS			\$ 107,832.00	\$ 17,859.00	\$ 125,691.00

Use of Funds - Cash - Description of project components to be paid for with cash contributions

Project Categories	Description of how funds will be used	Work Start Date	Work Completion Date	GOCO Funds	Partner Match	Total Funding
Fishing and camping licenses, equipment, supplies entry fees to parks, and venues, supplies for programs	purchase some long term use and individual use groups for programs and events	Mar-21	Dec-24	\$ 18,000.00	\$ 2,235.00	\$ 20,235.00
Transportation Costs	rented bus and drivers estimating 20 trips	Mar-21	Dec-24	\$ 6,842.00	\$ 2,000.00	\$ 8,842.00
Food for 1/2 day and overnight programs	purchase food for group prep and premade for programs that run over meal times or overnight camps	Mar-21	Dec-24	\$ 8,000.00	\$ 3,000.00	\$ 11,000.00
Seasonal Employees						
Summer program assistant	Assist Coordinator, keep records	Mar-21	Dec-24	\$ 22,190.00	\$ 3,000.00	\$ 25,190.00

Program Coordinator	manage seasonal empls, logistics, program details for entire year when programs are planned or offered	Jan-21	Dec-24	\$ 52,800.00	\$ 3,124.00	\$ 55,924.00
USE OF FUNDS - CASH SUBTOTAL				\$ 107,832.00	\$ 13,359.00	\$ 121,191.00
Use of Funds - In-Kind - Description of project components to be paid for with in-kind contributions						
Project Categories	Description of how funds will be used	Work Start Date	Work Completion Date	Number of units (eg - hours, quantities, etc)	Cost per unit	Total Funding
Professional Services						
Aurora staff rangers & naturalists to design, develop, deliver and implement programs	Staff creates programs, develops logistics and delivers programming along with staff hired specifically for GenWild program at approx 173 hours, \$26//hr	Jan-21	Dec-24	ea	\$ 4,500.00	\$ 4,500.00
USE OF FUNDS - IN-KIND SUBTOTAL						\$ 4,500.00
TOTAL PROJECT COST				\$ 107,832.00	\$ 17,859.00	\$ 125,691.00

RESOLUTION NO. R2016- 75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, AUTHORIZING THE SUBMISSION OF AN APPLICATION ALONG WITH OTHER MEMBERS OF THE NORTHEAST METRO COALITION TO GREAT OUTDOORS COLORADO FOR A GRANT IN THE AMOUNT OF \$5,000,000 TO PARTIALLY FUND THE INSPIRE INITIATIVE PROJECT

WHEREAS, Great Outdoors Colorado (GOCO) created the Inspire Initiative as a five-year strategy aimed at inspiring Coloradans, particularly kids, to appreciate, enjoy and take care of the Colorado outdoors (the "Inspire Initiative"); and

WHEREAS, Aurora, Colorado (the "City") is part of the 13 member Northeast Metro Coalition (NEMC) that also includes Commerce City, Denver, Rocky Mountain Arsenal National Wildlife Refuge, Sand Creek Regional Greenway Partnership, Boys & Girls Club and a few other non-profit organizations; and

WHEREAS, the NEMC partners have made a multi-year commitment to study and bring down the barriers to youth engagement with the outdoors, especially inner-city youth, some of whom have not had the opportunities because of economic or geographic barriers; and

WHEREAS, NEMC received a \$100,000 planning grant from GOCO to develop a 3-year work plan for the Inspire Initiative; and

WHEREAS, NEMC has worked with researchers and focus groups to identify community needs and interest in order to develop projects in four low-income communities to implement the goals of the Inspire Initiative (the "Project"); and

WHEREAS, the Parks, Recreation and Open Space Department (the "Department") recommends the City support the Project and commit to working with the NEMC throughout a three-year implementation plan; and

WHEREAS, the Department further recommends that the City apply to GOCO as a co-applicant with other NEMC partners for a grant in the amount of \$5,000,000 for the partial funding of the Project (the "Grant"); and

WHEREAS, the Department anticipates the portion of the Grant funding allocated to the City for the Project to be up to \$500,000; and

WHEREAS, the City and the NEMC have allocated sufficient funds to provide a match for the Grant; and

WHEREAS, the City Council finds that it is in the best interests of the City and its citizens to apply for the Grant.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA:


Section 1. The City Manager and the Director of the Parks, Recreation, and Open Space Department are hereby authorized to make application to Great Outdoors Colorado as a co-applicant for an Inspire Initiative Grant in the amount of \$5,000,000 to fund a portion of the costs associated with Inspire Initiative Northeast Metro Coalition Project.

Section 2. In the event that the City is awarded the Grant, the City Manager and the City Clerk are hereby authorized, on behalf of the City, to execute and deliver the grant agreement with Great Outdoors Colorado with such technical additions, deletions, and variations as the City Attorney may deem necessary or appropriate and not inconsistent with this Resolution.

Section 3. All resolutions or parts of resolutions of the City in conflict herewith are expressly rescinded.

Section 4. This resolution shall take effect immediately without reconsideration.

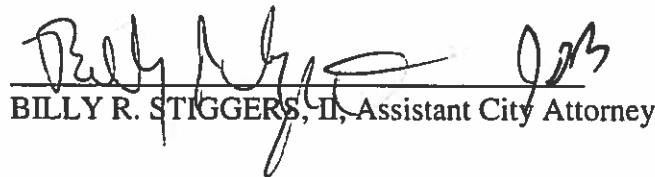
RESOLVED AND PASSED this 10th day of October, 2016.


STEPHEN D. HOGAN, Mayor

ATTEST:


JANICE NAPPER, City Clerk

APPROVED AS TO FORM:


BILLY R. STIGGERS, II, Assistant City Attorney

FIRST AMENDMENT TO GRANT AGREEMENT

Project Name: GoWILD Northeast Metro aka Generation Wild NEMC

Contract No.: 17884-3

Original Project Completion Date: June 30, 2020

Amended Project Completion Date: June 30, 2026

PARTIES TO AGREEMENT

Board/GOCO: The State Board of the Great Outdoors Colorado Trust Fund
Address: 1900 Grant Street, Suite 725
 Denver, CO 80203

Telephone: (303) 226-4520
Contact name: Matt Brady

Grantee: City of Aurora
Address: 15151 E Alameda Pkwy, Ste 4600, Aurora, CO 80012

Contact name: Pat Schuler

Date: January 29, 2021

EXHIBITS

Exhibit A Original Grant Agreement
Exhibit B Interim Planning Documents
Exhibit C Budget
Exhibit D Resolution

THIS FIRST AMENDMENT TO THE GRANT AGREEMENT (“First Amendment”) is made as of this **29th day of January, 2021** (the “Effective Date”), by and between the State Board of the Great Outdoors Colorado Trust Fund (“GOCO” or “Board”) and the City of Aurora (“Grantee”).

RECITALS

A. GOCO and Grantee entered into a grant agreement dated effective April 25, 2017 (“Agreement”). The Agreement established the requirements for the delivery of project outcomes as outlined in Grantee’s Project Application, as defined in the Agreement.

B. The Board has prioritized continued support of Generation Wild in the GOCO 2020 Strategic Plan to advance equitable access to the outdoors through local coalitions that provide program and pathway opportunities to youth and families.

C. The Board has approved a five-year spending plan allocating \$22.8 million of local government and open space purpose funding to Generation Wild coalitions. The Board has approved additional funding for Grantee for fiscal year 2021 and has endorsed a funding strategy to provide further funding, conditioned upon annual approval and authorization, for fiscal year 2022 and beyond.

D. The Grantee is recognized as a formal partner (“Partner”) in the Project Application with certain responsibilities for executing various project elements as outlined therein.

E. The parties wish to amend the Agreement as set forth herein to increase grant funding and extend the timeline to complete the project outcomes.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties wish to amend the Agreement as follows:

1. Recitals. The foregoing recitals are incorporated herein by this reference.
2. Time Extension. The parties wish to extend the Agreement until June 30, 2026.
3. Grant Amount. The Board approved additional funding for Grantee for fiscal year 2021 in the amount of \$35,944.00 and has endorsed a funding strategy to provide further funding in the amount of \$35,944.00 for fiscal year 2022 and \$35,944.00 for fiscal year 2023. Funding for fiscal year 2022 and beyond are contingent upon formal Board approval of such funding during each respective fiscal year. Reimbursement payments shall be made to Grantee on an annual basis upon receipt of an approved request for reimbursement.
4. Matching Funds. Matching funds in the minimum amount required by GOCO as set forth in the approved Budget, or as modified and approved in compliance with GOCO

procedures, must have been received by Grantee, or the status of efforts to secure matching funding was disclosed and has been deemed satisfactory by Staff. Grantee shall provide evidence of matching funds of at least 10% as GOCO may require in its reasonable discretion. Aurora has appropriated matching funds for 2021. Years 2022 and 2023 matching funds will be requested annually and appropriated if approved by Aurora City Council on an annual basis.

5. Grant Agreement; First Amendment. Except as expressly set forth in this First Amendment, the Agreement shall remain unmodified and in full force and effect and is hereby affirmed and ratified. In the event of any inconsistency between the terms of the Agreement and the terms of this First Amendment, the terms of this First Amendment shall govern and control in all respects. All references to the Agreement shall be deemed references to the Agreement as amended hereby.

IN WITNESS WHEREOF, the parties by signature below of their authorized representatives execute this First Amendment effective as of the date first written above.

STATE BOARD OF THE GREAT
OUTDOORS COLORADO TRUST FUND

GRANTEE:
CITY OF AURORA

By:

By:

Chris Castilian
Executive Director

James Twombly
City Manager

GOCO Program Staff:
Route Grant Agreement to
Executive Director for signature:

Approved:

Brooke Bell, Director
Parks, Recreation & Open Space

Approved as to Form:



Angela L. Garcia
Sr. Assistant City Attorney

EXHIBIT A
Grant Agreement

EXHIBIT B

Interim Strategic Planning Documents

EXHIBIT C

Budget

EXHIBIT D

Resolution

Parks, Foundations and Quality of Life (PFQL) Meeting

February 25, 2021

Item 4e- Resolution to Approve a Contract Amendment with GOCO

4e. Resolution to Approve a Contract Amendment with GOCO

Summary of Issue and Discussion:

Pat Schuler explained that this is a grant that has been awarded to the City of Aurora by GOCO (Great Outdoors Colorado) to extend the previous grant to provide additional Generation Wild nature programming and extend the time frame to cover three additional years (through 2023). She asked that this grant be moved to Council Study Session for a full presentation. It is for an additional funding of \$107,832 across the next three years. All Council Members moved to approve this motion. Nancy Freed suggested the study session could be skipped and this item moved forward to the next Regular Council Session. All committee members moved to approve.

CM Hiltz mentioned the budget supplemental will be coming up in May, and that any additional asks from an FTE standpoint could be inquired about then.

Outcome:

Information only.

Follow-up Action:

Item moved forward to City Council Regular Session.



CITY OF AURORA

Council Agenda Item Continuation Page

Item Title: Support of Military Open Enrollment Resolution
Item Initiator: Luke Palmisano
Staff Source: Luke Palmisano
Legal Source: Rachel Allen, Client Group Manager, City Attorney's Legal Division
Outside Speaker: N/A
Date of Change: 3/8/2021

COUNCIL MEETING DATES:

Study Session: [Click or tap to enter a date or type N/A](#)

Regular Meeting: 3/22/2021

ITEM SUMMARY *(Brief description of changes or updates with documents included.)*

Sen Fields and Rep Bockenfeld made several changes to their Military Open Enrollment Bill due to requests from Colorado Springs school superintendents. Rachel Allen has made the necessary changes to the attached Resoluion.

RESOLUTION NO. R2021- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, EXPRESSING THE AURORA CITY COUNCIL'S STRONG SUPPORT OF THE COLORADO GENERAL ASSEMBLY'S PROPOSED 2021 MILITARY FAMILY OPEN ENROLLMENT IN PUBLIC SCHOOLS HOUSE BILL 21-1217

WHEREAS, The City of Aurora appreciates the sacrifices that active duty military families make in order to keep our county safe, and recognize that these sacrifices include frequent moves to military installations throughout the world; and

WHEREAS, the children of military families ordered to move away from Colorado lose the opportunity to compete for open enrollment slots while the children of military families ordered to move to Colorado cannot compete for open enrollment because they lack a local address; and

WHEREAS, the Colorado General Assembly's 2021 Military Family Open Enrollment In Public Schools House Bill concerning active duty military family enrollment in public schools requires a school district, a district charter school, and an institute charter school to accept the school liaison address for the military installation for purposes of for open enrollment; and

WHEREAS, the Military Family Open Enrollment In Public Schools House Bill requires a school district, district charter school, and institute charter school to afford the child of an inbound active duty military member guaranteed matriculation and the younger siblings priority preference in subsequent school years after the child has open enrolled in a school; and

WHEREAS, each school district school, district charter school, and institute charter school shall provide a guaranteed enrollment slot for the children of mission essential active duty members who are required to live on the military installation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, THAT:

Section 1. The City Council of the City of Aurora, Colorado, resolves its support for the 2021 Military Family Open Enrollment In Public Schools House Bill concerning active duty military family enrollment in public schools.

Section 2. This Resolution shall take effect immediately without reconsideration.

Section 3. All resolutions or parts of resolutions of the City in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this _____ day of _____, 2021.

MIKE COFFMAN, Mayor

ATTEST:

KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:



RACHEL ALLEN, Client Group Manager



CITY OF AURORA

Council Agenda Commentary

Item Title: Financing Ordinance Series 2021 First-Lien Water Revenue Bonds
Item Initiator: Teresa Sedmak
Staff Source/Legal Source: Teresa Sedmak/ Hanosky Hernandez, Assistant City Attorney
Outside Speaker: None
Council Goal: 2012: 6.1--Ensure the delivery of high quality services to residents in an efficient and cost effective manner

COUNCIL MEETING DATES:

Study Session: 3/15/2021

Regular Meeting: 3/22/2021

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
 - Information Only
 - Approve Item and Move Forward to Regular Meeting
 - Approve Item as proposed at Regular Meeting
 - Approve Item with Waiver of Reconsideration
- Why is a waiver needed?[Click or tap here to enter text.](#)

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: Management & Finance

Policy Committee Date: 2/23/2021

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval
 - Does Not Recommend Approval
 - Forwarded Without Recommendation
 - Recommendation Report Attached
 - Minutes Attached
 - Minutes Not Available
-

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

This item was presented at the Management and Finance Committee meeting of February 23, 2012. Minutes are attached.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

The attached proposed financing ordinance provides for the issuance of Series 2021 First-Lien Water Revenue Bonds for the purposes of (1) providing a portion of the costs of additions and improvements to the Water System, primarily related to the City's Southeast Area Maintenance Facility (the SEAM Project); and (2) to allow for the refunding of all or a portion of the City's outstanding Series 2016 First-Lien Water Revenue Bonds in order to realize economic savings.

The Southeast Area Maintenance Facility (SEAM) was a future project identified in a facility master plan in 1999 based on City growth projections. In 2016-2017, a study was completed of current facilities. The study identified the current facilities as being over-crowded and additional space needed especially for operations functions. Based on the findings of the study, the recommendation was a new facility in Southeast Aurora, where existing facilities are limited for Water, Public Works, Fleet and Parks, Recreation and Open Space employees. The SEAM facility will be located in Southeast Aurora off Quincy Road. The initial phase of the project will house Aurora Water employees, with long-term growth opportunities to expand to include other City departments such as Public Works, Fleet and Parks, Recreation and Open Space.

This ordinance will be accompanied by a draft preliminary official statement (POS) prior to the March 22, 2021 council meeting. The POS is the primary disclosure document referenced by investors and includes comprehensive information on the bonds, which is vital to investors in making their investment decisions. Assisting the City in the preparation of the POS will be Kutak Rock, the City's bond/disclosure counsel and Hilltop Securities, the City's financial advisor.

PLEASE NOTE: This ordinance differs from that presented at the Management and Finance Committee in that it allows for a tender offer for previously issued bonds. This modified ordinance states:

WHEREAS, as part of the Refunding Project, the City intends to solicit for and expects to receive offers of cash for the tender of certain of the Series 2016 Bonds pursuant to an Invitation for Tender (defined below) in order to enable said bonds to be paid and cancelled from proceeds of the Series 2021 Bonds on or about the date of their issuance, however, it is uncertain at this time the amount, if any, of such bonds which will be tendered.

In proposals received from investment banking firms related to the issuance of these bonds, the City has been made aware of the benefits of soliciting a tender for prior bonds, which translates to the ability of those holders of prior bonds to surrender their bonds for cash. Such a tender allows for (1) the City to defease the tendered bonds with cash; and (2) the ability to reissue a like amount of bonds on a tax-exempt basis, ultimately improving the economics of the refunding.

It is unknown at this time whether the economics of a refunding will be of value to the City. As such, the tender may or may not be implemented. In any case, the additional clause will allow the City the ultimate flexibility to take advantage of any or all of its options should it be of benefit to do so.

In addition to the clean ordinance, a blacklined version has been included with this item, so that modifications may be easily identified.

QUESTIONS FOR COUNCIL

Is this item recommended for advancement to the city council meeting of March 22, 2021?

LEGAL COMMENTS

City Council may authorize, by ordinance, without an election, the issuance of refunding bonds for the purpose of paying

outstanding bonds of the City at a lower rate. Colorado Constitution Article X § 20(4)(b); City Charter § 11-21. City Council may also authorize water extension and water improvement bonds without an election. City Charter § 11-19. (Hernandez)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: The ordinance provides for a maximum issue size of \$539 million, which includes: (1) \$120 million in new money; and (2) up to \$419 million in refunding dollars for the redemption of the previously-issued 2016 Water bonds. It is anticipated that the bonds will be sold in May of this year.

New money: The issuance of the “new money” portion of the Series 2021 Water Bonds will increase the debt service burden of the water system in an amount dependent upon the structure, interest rate and final maturity of the financing. At this time, assuming a \$120 million borrowing, current interest rates, a level debt service structure and a 30-year final maturity date, it is estimated that annual debt service will be approximately \$5.7 million until the bonds are fully repaid.

Potential refunding of Series 2016 bonds: The refunding of \$400 million of the Series 2016 Water bonds (assuming all callable bonds are refunded) could provide an economic savings of approximately \$21.14 million (a 6.35% savings on a present value basis), which would equate to a \$1.1 million annual savings. The actual size of the refunding will be determined at a later date, as the effect of market rates on savings are established. In accordance with City of Aurora policies, the refunding will not be consummated if savings are less than three (3) percent as compared to the interest costs of the 2016 transaction.

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain:

**SERIES 2021 FIRST-LIEN WATER
REVENUE BOND ORDINANCE**

CITY OF AURORA, COLORADO

acting by and through its

UTILITY ENTERPRISE

Authorizing
the issuance, sale and delivery of not to exceed
\$539,000,000
aggregate principal amount of
First-Lien Water Revenue Refunding and Improvement Bonds
Series 2021

Effective _____, 2021

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APPENDIX A FORM OF REQUISITION

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF AURORA, COLORADO, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE, OF FIRST-LIEN WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$539,000,000, FOR THE PURPOSE OF FINANCING AND REFINANCING, IN WHOLE OR IN PART, THE COST OF ADDITIONS AND IMPROVEMENTS TO THE WATER SYSTEM OPERATED BY THE UTILITY ENTERPRISE, PLEDGING CERTAIN FUNDS AND REVENUES OF THE ENTERPRISE TO THE PAYMENT OF SUCH BONDS, PRESCRIBING THE FORM OF SUCH BONDS, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

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

WHEREAS, the City Council (the “Council”) of the City has previously acted by ordinance to recognize and confirm the existence of the Utility Enterprise of the City (the “Enterprise”), such ordinance being codified in Article II of Chapter 138 of the City Code (the “Code”) of the City; and

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

WHEREAS, the Council, acting as such and as the governing body of the Enterprise, deems it necessary and appropriate to authorize the issuance of its First-Lien Water Revenue Refunding and Improvement Bonds, Series 2021 (the “Series 2021 Bonds”) in a single series or in multiple subseries designated accordingly, upon the terms described herein, for the purpose of defraying, in whole or in part, the cost of financing additions and improvements to the City’s Water System (the “System”) as well as refunding, paying and discharging outstanding obligations previously contracted in connection with the System; and

WHEREAS, such Series 2021 Bonds are permitted, under the Charter of the City (the “Charter”), the Code and Article X, Section 20 of the Constitution, to be issued without an election; and

WHEREAS, the Council desires to authorize the designation of a portion of the Series 2021 Bonds as “Green Bonds” in accordance with the voluntary, generally accepted Green Bond Principles promulgated by the International Capital Market Association and the City is permitted to make such a voluntary designation based on the intended use of such portion of the proceeds of the Series 2021 Bonds; and

WHEREAS, the proceeds of a portion of the Series 2021 Bonds are to be allocated to the Refunding Project (as defined below), which consists of the refinancing of obligations originally

issued for the acquisition and construction of facilities and property which the Council has determined are environmentally beneficial to the City and its residents; and

WHEREAS, pursuant to Ordinance No. 2003-18 of the City, as amended by Ordinance No. 2003-70 (collectively, the “General Ordinance”), adopted prior to the adoption of this Ordinance, the Council has established a consistent procedure for the issuance of revenue bonds and other obligations to finance and refinance additions and improvements to the System;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, ACTING BY AND THROUGH THE CITY OF AURORA, COLORADO UTILITY ENTERPRISE:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings, respectively, provided in the General Ordinance. In this Series Ordinance the following additional terms have the following respective meanings unless the context clearly requires otherwise:

“*Closing*” means, in the case of Publicly Offered Series 2021 Bonds, the date of delivery of and payment for the Series 2021 Bonds and, in the case of Privately Placed Series 2021 Bonds, the date of delivery of and the first disbursement of proceeds of the Series 2021 Bonds.

“*Completion Date*” means the date as of which the City certifies that the Improvement Project is complete and no further disbursement of proceeds of the Series 2021 Bonds will be requested.

“*Continuing Disclosure Undertaking*” means, to the extent provided by Final Terms Certificate in connection with any Publicly Offered Series 2021 Bonds, the Continuing Disclosure Undertaking, if any, relating to the Official Statement and the Series 2021 Bonds, in substantially the form filed with the City Clerk at the time of introduction of this Series Ordinance.

“*General Ordinance*” means Ordinance No. 2003-18 of the City, as amended by Ordinance No. 2003-70, as it may be amended from time to time.

“*Improvement Project*” means the acquisition and construction of improvements to the water system operated by the Enterprise, including without limitation the acquisition and construction of a portion of the Southeast Area Maintenance Facility.

“*Maximum Rate*” in the case of Fixed rate Series 2021 Bonds, means 5% and in the case of Variable Rate Series 2021 Bonds, means 10%.

“*Official Statement*” means, in the event that any of the Series 2021 Bonds are Publicly Offered, the Official Statement of the City relating to such Series 2021 Bonds.

“*Paying Agent*” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Paying Agent hereunder.

“*Publicly Offered*” means offered to the public in an underwritten transaction.

“*Privately Placed*” means sold in a direct placement to one or more bank lenders or institutional purchasers.

“*Project*” or “*Series 2021 Project*” means the Improvement Project and the Refunding Project.

“*Purchaser*” means the original purchaser of the Series 2021 Bonds identified by the Final Terms Certificate, who may be either a bank lender or institutional purchaser if the Series 2021 Bonds are Privately Placed, or the underwriter if the Series 2021 Bonds are Publicly Offered.

“*Refunded Bonds*” means, collectively, all or any portion of the outstanding Series 2016 Bonds, as determined by Final Terms Certificate.

“*Refunded Bond Requirements*” means the principal, redemption premium, if any, and interest due in connection with the Refunded Bonds at maturity or upon prior redemption.

“*Refunding Escrow Account*” means the special account created and required to be maintained by Section 3.06 hereof.

“*Refunding Escrow Agreement*” means an agreement between the City and a Trust Bank having trust powers and identified by Final Terms Certificate, providing for the custody and application of proceeds of the Series 2021 Bonds to the Refunding Project in the form approved by Final Terms Certificate.

“*Refunding Project*” means the refunding, payment and discharge of all or any portion of the City’s outstanding Series 2016 Bonds previously issued for System improvements.

“*Registrar*” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Registrar hereunder.

“*Series Ordinance*” means this Series Ordinance.

“*Series 2016 Bonds*” means the First-Lien Water Refunding Revenue Bonds, Series 2016.

“*Series 2021 Bonds*” means the First-Lien Water Revenue Refunding and Improvement Bonds, Series 2021.

“*Series 2021 Costs of Issuance Subaccount*” means the subaccount created within the Series 2021 Construction Account and required to be maintained by Section 3.03 hereof.

“*Series 2021 Construction Account*” means the special account created and required to be maintained by Section 3.02 hereof.

“*Series 2021 Debt Service Reserve Account*” means, to the extent, if any, provided by Final Terms Certificate, the special account created and required to be maintained by Section 3.04 hereof.

“*Series 2021 Excess Investment Earnings Account*” means the special account created and required to be maintained by Section 3.05 hereof.

“*Series 2021 Reserve Requirement*” means, to the extent, if any, that a reserve account is required to be maintained pursuant to a Final Terms Certificate, initially, and except as it may be adjusted pursuant to Section 3.04 hereof, an amount equal to the least of (a) 10% of the principal amount of the Series 2021 Bonds, (b) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (c) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds.

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

“*Transfer Agent*” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Transfer Agent hereunder.

ARTICLE II

THE SERIES 2021 BONDS

Section 2.01. The Project. The City Council of the City hereby authorizes and directs that the Series 2021 Project, including the Improvement Project and the Refunding Project, be carried out with the net proceeds of the Series 2021 Bonds and any other legally available moneys of the City necessary for such purpose. The City Council of the City hereby acknowledges that a portion of the net proceeds of the Series 2021 Bonds may be applied to reimburse the City for prior expenditures made in connection with the Improvement Project as permitted pursuant to the City’s declaration of official intent to reimburse such expenditures from the proceeds of the Series 2021 Bonds pursuant to Section 1.150-2 of the Internal Revenue Code Regulations made as of August 4, 2020.

Section 2.02. Issuance of Series 2021 Bonds; Application of Series 2021 Bond Proceeds. The Series 2021 Bonds are authorized to be issued in one or more series corresponding to the time of their issuance or the respective terms and provisions thereof. In the event that the Series 2021 Bonds are issued in more than one series, the caption for each series shall contain a letter or any other appropriate means of identifying each separate series. The Series 2021 Bonds are authorized to be either Privately Placed or Publicly Offered, at a price, if Privately Placed, equal to the sum of the authorized disbursements of proceeds, or at a price, if Publicly Offered, not less than 96% of their aggregate principal amount plus accrued interest to the date of their delivery to the Purchaser, in either case as determined by Final Terms Certificate. The net proceeds received by the City at Closing from the sale of the Series 2021 Bonds after deduction of costs of issuance and underwriting discount, if any, shall be applied as follows: (a) accrued interest, if any, on the Series 2021 Bonds shall be deposited in the Debt Service Account; (b) Series 2021 Bond proceeds sufficient to meet the Series 2021 Reserve Requirement, if any, shall be deposited to the Series 2021 Debt Service Reserve Account; and (c) Series 2021 Bond proceeds 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 Refunded Bond Requirements with respect to the Refunded Bonds shall be deposited to the Refunding Escrow Account; and (d) the remaining Series 2021 Bond proceeds shall be deposited, at or after the issuance of the Series 2021 Bonds, to the extent necessary to accomplish the Improvement Project, into the Series 2021 Construction Account. Any excess funds remaining upon completion of the Series 2021 Project may be used for any lawful purpose of the City or the Enterprise.

Section 2.03. Authorization; Election To Apply Supplemental Public Securities Act.

The Series 2021 Bonds, payable as to all Debt Service Requirements solely out of the Net Pledged Revenues, are hereby authorized to be issued and outstanding in an aggregate principal amount not to exceed \$539,000,000. The actual amount of the Series 2021 Bonds and various other final terms of the Series 2021 Bonds, not inconsistent herewith, shall be approved by a certificate (a “Final Terms Certificate”) signed by the Director of Finance or an Authorized Officer of the City; provided however, that, to the extent the sale of the Series 2021 Bonds is completed as a negotiated sale, the City Manager shall certify to the Council that such method of sale is to the best advantage of the City in accordance with Section 11-25 of the City Charter. To the extent provided by Final Terms Certificate, amounts of principal redeemed or paid at maturity may be reborrowed, provided that the total principal amount of the obligation evidenced by the Series 2021 Bonds shall never exceed \$539,000,000. The City hereby elects to apply all provisions of the Supplemental Public Securities Act, to the extent not inconsistent herewith, to the Series 2021 Bonds. Any inconsistency between this Ordinance and the Supplemental Public Securities Act is intended as an exercise of the home rule legislative powers of the City.

Section 2.04. Bond Details.

(a) **Generally.** The provisions of the General Ordinance are hereby incorporated into this Series Ordinance. The Series 2021 Bonds shall be First-Lien Revenue Obligations within the meaning of the General Ordinance, secured by a first and prior (but not necessarily exclusive) lien upon the Net Pledged Revenues.

The Series 2021 Bonds shall be issued by the City Council of the City, as the governing body of the Enterprise, pursuant to the Code and the General Ordinance, (i) if Publicly Offered, in fully registered form in denominations of \$5,000 or any integral multiple thereof and (ii) if Privately Placed, in fully-registered form in denominations of \$500,000 and integral multiples of \$1,000 in excess thereof; provided that no Series 2021 Bond shall be issued in any denomination larger than the aggregate principal amount of Series 2021 Bonds maturing on a single maturity date.

Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, if the Series 2021 Bonds are Publicly Offered, CUSIP numbers may be printed on the Series 2021 Bonds. If the Series 2021 Bonds are Privately Placed no CUSIP numbers shall be applied for or used.

If the Series 2021 Bonds are Publicly Offered, then, to the extent determined by Final Terms Certificate, the Series 2021 Bonds may be issued in book-entry form through the facilities of The Depository Trust Company, and the appropriate officials of the City

shall thereupon be authorized to execute such documents as are necessary to issue and deliver the Series 2021 Bonds in such form. If the Series 2021 Bonds are Privately Placed they shall not be issued in book-entry form through the facilities of The Depository Trust Company or otherwise.

The Series 2021 Bonds may be issued either as Fixed Rate Obligations or Variable Rate Obligations, or any combination thereof, as shall be provided by Final Terms Certificate, provided that any Publicly Offered Series 2021 Bonds shall be Fixed Rate Obligations.

The Series 2021 Bonds shall mature on August 1 in the years and in the aggregate principal amounts provided by a Final Terms Certificate; provided that the Series 2021 Bonds may mature within any period permitted by the Charter and Code but in any event not later than August 1, 2056. From the Completion Date to the Maturity Date, principal of any Variable Rate Series 2021 Bonds shall be amortized on a substantially level-debt basis, assuming interest accruals at the Maximum Rate. The Series 2021 Bonds shall bear interest, which may accrue at fixed, split, stepped or variable rates from the date as of which they are dated or the Interest Payment Date to which interest has been paid next preceding their respective dates, whichever is later, or, in the case of Privately Placed Series 2021 Bonds, from the date proceeds are advanced by a bank lender or institutional purchaser, to their respective Maturity Dates, except if redeemed prior thereto, at rates not exceeding the Maximum Rate, all as determined by Final Terms Certificate. Amounts of proceeds drawn with respect to Variable Rate Series 2021 Bonds may accrue interest either at the rate applicable on the date of such drawing or at variable rates which are the same as and subject to the same adjustments as other Variable Rate Series 2021 Bonds.

Said interest shall be payable commencing not later than February 1, 2022, and annually, semiannually or monthly thereafter at any convenient interval determined by Final Terms Certificate. If upon presentation at maturity the principal of any Series 2021 Bond is not paid as provided therein, interest shall continue thereon at the same interest rate (in the case of a Fixed Rate Obligation) or 10% (in the case of a Variable Rate Obligation) until the principal thereof is paid in full.

The Debt Service Requirements of the Series 2021 Bonds shall be payable to the Owners of the Series 2021 Bonds in lawful money of the United States of America by the Paying Agent. The final installments of principal and interest shall be payable to the Owner of each Series 2021 Bond upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest shall be payable to the Owner of each Series 2021 Bond determined as of the close of business on the Regular Record Date irrespective of any transfer of ownership of the Series 2021 Bond subsequent to the Regular Record Date and prior to such Interest Payment Date, by check or draft mailed to such Owner at the address appearing on the registration books of the City maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be payable to the Owner of each Series 2021 Bond entitled to receive such interest determined as of the close of business on the Special Record Date irrespective of any transfer of ownership of the Series 2021 Bond subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check

or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or registered first-class, postage prepaid mail, at least 10 days prior to the special record date, to the Purchaser and to the Owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the City. Any premium shall be payable to the Owner of each Series 2021 Bond redeemed upon presentation and surrender thereof upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice shall be made or given on the next succeeding Business Day.

(b) ***Redemption; Notice of Redemption.*** The Series 2021 Bonds may be made subject to optional redemption prior to their maturity at a price or prices equal to the principal amount of the Series 2021 Bonds so redeemed either without premium or plus a premium not to exceed 2% of the principal amount thereof, plus accrued interest to the date of redemption, at such times and in such manner as provided by Final Terms Certificate. The Series 2021 Bonds may also be made subject to mandatory redemption from sinking fund installments or otherwise, at such times and in such manner, at prices not exceeding the principal amount of the Series 2021 Bonds so redeemed plus accrued interest to the date of redemption, as provided by a Final Terms Certificate.

Series 2021 Bonds which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. Such Series 2021 Bonds shall be treated as representing a corresponding number of separate Bonds in the denomination of \$5,000 each. Any such Series 2021 Bond to be redeemed in part shall be surrendered for partial redemption in the manner hereinafter provided for transfers of ownership. Upon payment of the redemption price of any such Series 2021 Bond redeemed in part the Owner thereof shall receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.

Notice of redemption shall be given by the Paying Agent in the name of the City by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 30 days prior to the Redemption Date, to the Purchaser and to the Owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice, at the addresses appearing on the registration books of the City maintained by the Registrar. Such notice shall specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption and shall further state that on the Redemption Date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the Redemption Date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, any redemption notice may be given, in lieu of such mailing, by sending a copy thereof by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the Paying Agent is hereby authorized to

comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of Series 2021 Bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond shall not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond. Any Series 2021 Bonds redeemed prior to their respective maturity dates by call for prior redemption or otherwise shall not be reissued and shall be cancelled the same as Series 2021 Bonds paid at or after maturity. Any notice of redemption may state that it is conditioned upon the deposit of funds for redemption on or prior to the redemption date.

(c) ***Interest Rates.*** The maximum net effective interest rate authorized for any Privately Placed Series 2021 Bonds is 10% per annum. The maximum net effective interest rate authorized for any Publicly Offered Series 2021 Bonds is 5% per annum. The actual net effective interest rate for the Series 2021 Bonds shall be determined by Final Terms Certificate or, in the case of Variable Rate Obligations, determined based upon the maximum interest rate provided therefor by Final Terms Certificate using the assumption that all proceeds are drawn on the date of delivery of the Series 2021 Bonds.

(d) ***Execution and Authentication.*** The Series 2021 Bonds shall be executed by and on behalf of the Council as the governing body of the Enterprise, with the facsimile signature of the Mayor, shall bear a facsimile of the seal of the City, shall be attested with the facsimile signature of the City Clerk, and shall be authenticated with the manual signature of a duly authorized signatory of the Registrar. Should any officer whose facsimile signature appears on the Series 2021 Bonds cease to be such officer before delivery of the Series 2021 Bonds to the Purchaser, such facsimile signature shall nevertheless be valid and sufficient for all purposes. No Series 2021 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Series Ordinance unless and until the certificate of authentication on such Series 2021 Bond shall have been duly executed by the Registrar, and such executed certificate upon any such Series 2021 Bond shall be conclusive evidence that such Series 2021 Bond has been authenticated and delivered under this Series Ordinance. The certificate of authentication on any Series 2021 Bond shall be deemed to have been duly executed by the Registrar if signed by an authorized signatory thereof, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Series 2021 Bonds.

(e) ***Registration, Transfer and Exchange.*** Upon their execution and authentication and prior to their delivery, the Series 2021 Bonds shall be registered for the purpose of payment of principal and interest by the Registrar. Thereafter, the Series 2021 Bonds shall be transferable only upon the registration books of the City maintained by the Registrar at the request of the Owner thereof or such Owner's duly authorized attorney-in-fact or legal representative. The Transfer Agent shall accept a Series 2021 Bond for registration or transfer only if the Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership, or a trust. A Series 2021 Bond may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number

or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of any Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Owner of any Series 2021 Bond or Bonds may also exchange such Series 2021 Bond or Bonds for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges shall be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of any Series 2021 Bond shall be effective until entered on the registration books of the City maintained by the Registrar. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. New Series 2021 Bonds delivered upon any transfer or exchange shall be valid obligations, evidencing the same obligations as the Series 2021 Bonds surrendered, shall be secured by this Series Ordinance, the General Ordinance and any Final Terms Certificate and shall be entitled to all of the security and benefit hereof to the same extent as the Series 2021 Bonds surrendered. The City may deem and treat the person in whose name any Series 2021 Bond is last registered upon the books of the City as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Series 2021 Bond and for all other purposes, and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the City upon such Series 2021 Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

(f) ***Transfer Restrictions for Privately Placed Series 2021 Bonds.*** Notwithstanding the procedure described in paragraph (e) of this Section, no Privately Placed Series 2021 Bond shall be transferred by the Purchaser or any subsequent Owner unless: (i) the transferee shall have executed an investment letter satisfactory in form and substance to the City, and shall have provided such other evidence as the City may require in its discretion, to establish that the transferee is a Qualified Institutional Buyer within the meaning of Regulation D under the Securities Act of 1933 and that the transferee is purchasing for investment with no view to resale, participation or other distribution thereof; and (ii) the Series 2021 Bond or Bonds shall be transferred only in denominations of \$500,000 and integral multiples of \$1,000 in excess thereof. Any transfer or purported transfer of any interest in the Series 2021 Bonds in violation of the foregoing shall be void and the City shall have no obligation to recognize the ownership interest of, take any action on behalf of or make any payment to, the transferee or purported transferee.

(g) ***Resignation of Agents.*** If the Paying Agent, Registrar or Transfer Agent shall resign, or if the City shall reasonably determine that the Paying Agent, Registrar or Transfer Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each Owner of Series 2021 Bonds at the addresses last shown on the registration books of the City, appoint a successor paying agent, registrar or transfer agent.

Every such successor Paying Agent, Registrar or Transfer Agent shall be a Commercial Bank or an official of the City. It shall not be required that the same person serve as Paying Agent, Registrar and Transfer Agent hereunder, but the City shall have the right to appoint and have the same person serve as Paying Agent, Registrar and Transfer Agent hereunder.

(h) **Replacement of Series 2021 Bonds.** If any Series 2021 Bond shall have been lost, destroyed or wrongfully taken, the City shall provide for the replacement thereof upon receipt of the evidence of such loss, destruction or wrongful taking, along with an indemnity bond and reimbursement for expenses reasonably satisfactory to it.

(i) **Recitals in Bonds.** Each Series 2021 Bond shall recite in substance that such Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, that such Series 2021 Bond does not constitute a debt or an indebtedness or multiple fiscal-year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, that such Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes, and that the full faith and credit of the City is not pledged for the payment of the principal of or interest on such Series 2021 Bond. Each Series 2021 Bond shall further recite that it is issued under the authority of the Colorado Constitution, the Charter, the Code, the Supplemental Securities Act, the General Ordinance and this Series Ordinance.

Section 2.05. Form of Publicly Offered Series 2021 Bond. To the extent that the Series 2021 Bonds are Publicly Offered they shall be in substantially the form set forth in this Section, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2021 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the City.

[FORM OF PUBLICLY OFFERED BOND]

(Text of Face)

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ADAMS, ARAPAHOE AND DOUGLAS
CITY OF AURORA
UTILITY ENTERPRISE
FIRST-LIEN WATER REVENUE REFUNDING AND IMPROVEMENT BOND
(SEAM FACILITY IMPROVEMENT PROJECT)
SERIES 2021**

No. R-_____

\$_____

Interest Rate	Maturity Date	Original Date	CUSIP
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REGISTERED OWNER: **CEDE & CO.**
 Tax Identification Number: 13-2555119

PRINCIPAL SUM: ** _____ DOLLARS**

The City Council of the City of Aurora, in the Counties of Adams, Arapahoe and Douglas and State of Colorado, acting as the governing body of the Utility Enterprise of said City, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above) or so much thereof as has been advanced by or on behalf of the Registered Owner, in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from [the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the authentication date hereof, whichever is later], [the date or dates the proceeds hereof have been advanced] to the Maturity Date, except if redeemed prior thereto, [at the per annum Interest Rate (specified above), payable semiannually on the first day of February and the first day of August of each year], [at a variable interest rate determined in the manner provided in the Fixed Terms Certificate relating to the Series 2021 Bonds but not in excess of ___% (the "Maximum Rate") commencing on _____, 20___, or the first such date after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate [Maximum Rate] until the Principal Sum is paid in full.

[Bonds of this series maturing in the years _____ through _____ are not subject to optional redemption prior to their respective maturity dates. Bonds of this series maturing in the year _____ and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part in inverse order of maturity and by lot within a maturity, on _____ 1, 20___, and on any interest payment date thereafter, at a price equal to the principal amount of each Series 2021 Bond so redeemed plus accrued interest thereon to the redemption date plus a premium expressed as a percentage of the principal amount of each Series 2021 Bond so redeemed, depending on the redemption date, as follows:

Redemption Dates	Premiums
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Bonds of this series which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. In such case the Series 2021 Bond is to be surrendered in the manner provided for transfers of ownership. Upon

payment of the redemption price the Registered Owner is to receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.]

Notice of redemption of any Bonds of this series is to be given by the Paying Agent by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least 30 days prior to the redemption date, to _____, _____, _____, the Original Purchase hereof, and to the registered owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City. Such notice is to specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption, and is further to state that on the redemption date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, such notice may be given, in lieu of such mailing, by sending a copy thereof, by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the paying agent is authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond does not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond.

The principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond are payable to the Registered Owner by _____, _____, Colorado, or its successors, as Paying Agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by _____, _____, Colorado, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the paying agent for such purpose, irrespective of any transfer of ownership of this Series 2021 Bond subsequent to such special record date and prior to the date fixed by the paying agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to _____, _____, _____, and to the registered owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond upon prior redemption. If the date for making or giving any payment, determination or

notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Water System General Ordinance (the "General Ordinance") and the Series Ordinance pertaining to the Bonds of this Series (the "Series Ordinance"), as supplemented by the Final Terms Certificate (the "Final Terms Certificate") pursuant to which this Series 2021 Bond is delivered (the General Ordinance, the Series Ordinance and the Final Terms Certificate being referred to collectively as the "Ordinances"), [two/a] special account[s], thereby identified as the Debt Service Account [and the Debt Service Reserve Account], into which the City Council, acting as the governing body of the Utility Enterprise of the City, has covenanted in the Ordinances to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the Water System (the "System") of the City (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Series 2021 Bonds and any parity securities payable from such revenues[, and to accumulate and maintain a specified reserve for such purposes]. In addition, the City may at its option augment such funds with any other moneys of the City legally available for expenditure for the purposes thereof as provided in the Ordinances.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond, the City has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond in the manner provided by the Ordinances.

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

The City Council, acting as the governing body of the Utility Enterprise of the City, covenants and agrees with the Registered Owner hereof that it will keep and will perform all of the covenants of this Series 2021 Bond and of the Ordinances described below.

This Series 2021 Bond is authorized and issued for the purpose of defraying the cost of constructing and installing additions and improvements to the Water System of the City under the authority of and in full conformity with the Constitution of the State of Colorado, the City Charter, the City Code of the City, and all other applicable laws of the State of Colorado and pursuant to Ordinances, duly adopted, executed and delivered prior to the issuance of this Series 2021 Bond.

Reference is hereby made to the Ordinances for a description of the provisions, terms and conditions upon which the Bonds of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2021 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2021 Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, the terms and conditions on which the Series 2021 Bonds are issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the City and the members of its Council, acting as such and as the governing body of the Utility Enterprise of the City, and also the rights and remedies of the registered owners of the Series 2021 Bonds.

To the extent and in the respects permitted by the Ordinances, the provisions thereof, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City Council of the City taken in the manner and subject to the conditions and exceptions provided therein. The pledge of revenues and other obligations of the City and its Utility Enterprise under the Ordinances may be discharged at or prior to the maturity or prior redemption of the Series 2021 Bonds upon the making of provision for the payment of the Series 2021 Bonds on the terms and conditions set forth in the Ordinances.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City and the Utility Enterprise of the City in the issuance of this Series 2021 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City Charter, the City Code and the Ordinances; that this Series 2021 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the City Charter; and that this Series 2021 Bond is issued under the authority of the Ordinances.

This Series 2021 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2021 Bond after its delivery for value.

This Series 2021 Bond is transferable only upon the registration books of the City by _____, _____, Colorado, or his, her or its successors, as transfer agent, at the request of the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The transfer agent shall accept this Series 2021 Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership or a trust. The transfer agent is not required to transfer ownership of this Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for

redemption on or after the date of such mailing. The Registered Owner may also exchange this Series 2021 Bond for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the transfer agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of this Series 2021 Bond is to be effective until entered on the registration books of the City maintained by the registrar. In the case of every transfer or exchange, the registrar shall authenticate and the transfer agent shall deliver to the new registered owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. The City may deem and treat the person in whose name this Series 2021 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond and for all other purposes, and all such payments so made to such owner or upon such owner's order will be valid and effective to satisfy and discharge the liability of the City upon this Series 2021 Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

This Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, as more specifically provided in the Ordinances. This Series 2021 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, charter or statutory provision or limitation. This Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Series 2021 Bond.

IN WITNESS WHEREOF, the City Council of the City of Aurora, Colorado, acting as the governing body of the Utility Enterprise of said City, has caused this Series 2021 Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City, to be sealed with the facsimile seal of the City, and to be signed and attested with the facsimile signature of the City Clerk of the City.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

MIKE COFFMAN, Mayor.

ATTEST:

KADEE RODRIGUEZ,
City Clerk.

APPROVED AS TO FORM:

HANOSKY HERNANDEZ,
Assistant City Attorney.

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds issued pursuant to the Ordinances herein described. [Printed on the reverse hereof][Attached hereto] is the complete text of the opinion of bond counsel, a signed copy of which, dated the date of the first delivery of the Series 2021 Bonds herein described, is on file with the undersigned.

Dated: _____

_____, as registrar

By _____
_____, Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2021 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with the right of survivorship and not as tenants in common

- UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the attached Series 2021 Bond and does hereby irrevocably constitute and appoint _____, _____, _____, or its successor, to transfer said Series 2021 Bond on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

[BANK, TRUST COMPANY OR FIRM]

By _____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Series 2021 Bond in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE REQUIRED

[END OF FORM OF PUBLICLY OFFERED BOND]

Section 2.06. Form of Privately Placed Series 2021 Bond. To the extent that the Series 2021 Bonds are Privately Placed they shall be in substantially the form set forth in this Section, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2021 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the City.

[FORM OF PRIVATELY PLACED BOND]

(Text of Face)

THIS SERIES 2021 BOND WAS ISSUED AS AN EXEMPT SECURITY OR IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. UNDER NO CIRCUMSTANCES SHALL THIS SERIES 2021 BOND BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DISPOSED OF EXCEPT IN THE MANNER PROVIDED IN SECTION 2.04(f) OF THE SERIES ORDINANCE UNDER WHICH IT IS ISSUED AND IN COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS. ANY TRANSFER OR PURPORTED TRANSFER IN VIOLATION OF SUCH SECTION 2.04(f) OR SUCH LAWS SHALL BE VOID AND OF NO EFFECT.

UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ADAMS, ARAPAHOE AND DOUGLAS
CITY OF AURORA
UTILITY ENTERPRISE
FIRST-LIEN WATER REVENUE REFUNDING AND IMPROVEMENT BOND
(SEAM FACILITY IMPROVEMENT PROJECT)
SERIES 2021

No. R- _____ \$ _____

Interest Rate Maturity Date Original Date

[If Fixed]

REGISTERED OWNER: ** _____ **
Tax Identification Number: _____

PRINCIPAL SUM: ** _____ DOLLARS**

The City Council of the City of Aurora, in the Counties of Adams, Arapahoe and Douglas and State of Colorado, acting as the governing body of the Utility Enterprise of said City, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above), or so much thereof as has been advanced by or on behalf of the Registered Owner in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from [the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the authentication date hereof, whichever is later], [the date or dates the proceeds hereof have been advanced] to the Maturity Date, except if redeemed prior thereto, at [the per annum Interest Rate (specified above), payable semiannually on the first day of February and the first day of August of each year], [at a variable interest rate determined in the manner provided in the Final Terms Certificate relating to the Series 2021 Bonds] but not in excess of ___% (the "Maximum Rate") commencing on _____, 20____, or the first such date

after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

[Bonds of this series maturing in the years _____ through _____ are not subject to optional redemption prior to their respective maturity dates. Bonds of this series maturing in the year _____ and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part [in _____ order of maturity and _____ within a maturity,] on _____ 1, 20____, and on any interest payment date thereafter, at a price equal to the principal amount of each Series 2021 Bond so redeemed plus accrued interest thereon to the redemption date plus a premium expressed as a percentage of the principal amount of each Series 2021 Bond so redeemed, depending on the redemption date, as follows:

Redemption Dates

Premiums

Bonds of this series which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$500,000 and integral multiples of \$1,000 in excess thereof. In such case the Series 2021 Bond is to be surrendered in the manner provided for transfers of ownership. Upon payment of the redemption price the Registered Owner is to receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.]

Notice of redemption of any Bonds of this series is to be given by the Paying Agent by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least 30 days prior to the redemption date, to _____, _____, _____, the Original Purchase hereof, and to the registered owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City. Such notice is to specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption, and is further to state that on the redemption date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, such notice may be given, in lieu of such mailing, by sending a copy thereof, by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the paying agent is authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond does not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond.

The principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond are payable to the Registered Owner by _____, _____, Colorado, or its successors, as Paying Agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by _____, _____, Colorado, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the paying agent for such purpose, irrespective of any transfer of ownership of this Series 2021 Bond subsequent to such special record date and prior to the date fixed by the paying agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to _____, _____, _____, and to the registered owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Water System General Ordinance (the "General Ordinance") and the Series Ordinance pertaining to the Bonds of this Series (the "Series Ordinance"), as supplemented by the Final Terms Certificate (the "Final Terms Certificate") pursuant to which this Series 2021 Bond is delivered (the General Ordinance, the Series Ordinance and the Final Terms Certificate being referred to collectively as the "Ordinances"), [two][a] special account[s], thereby identified as the Debt Service Account [and the Debt Service Reserve Account], into which the City Council, acting as the governing body of the Utility Enterprise of the City, has covenanted in the Ordinances to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the Water System (the "System") of the City (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Series 2021 Bonds and any parity securities payable from such revenues[, and to accumulate and maintain a specified reserve for such purposes]. In addition, the City may at its option augment such funds with any other moneys of the City legally available for expenditure for the purposes thereof as provided in the Ordinances.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond, the City has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond in the manner provided by the Ordinances.

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

The City Council, acting as the governing body of the Utility Enterprise of the City, covenants and agrees with the Registered Owner hereof that it will keep and will perform all of the covenants of this Series 2021 Bond and of the Ordinances described below.

This Series 2021 Bond is authorized and issued for the purpose of defraying the cost of constructing and installing additions and improvements to the Water System of the City under the authority of and in full conformity with the Constitution of the State of Colorado, the City Charter, the City Code of the City, and all other applicable laws of the State of Colorado and pursuant to Ordinances, duly adopted, executed and delivered prior to the issuance of this Series 2021 Bond.

Reference is hereby made to the Ordinances for a description of the provisions, terms and conditions upon which the Bonds of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2021 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2021 Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, the terms and conditions on which the Series 2021 Bonds are issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the City and the members of its Council, acting as such and as the governing body of the Utility Enterprise of the City, and also the rights and remedies of the registered owners of the Series 2021 Bonds.

To the extent and in the respects permitted by the Ordinances, the provisions thereof, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City Council of the City taken in the manner and subject to the conditions and exceptions provided therein. The pledge of revenues and other obligations of the City and its Utility Enterprise under the Ordinances may be discharged at or prior to the maturity or prior redemption of the Series 2021 Bonds upon the making of provision for the payment of the Series 2021 Bonds on the terms and conditions set forth in the Ordinances.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City and the Utility Enterprise of the City in the issuance of this Series 2021 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City Charter, the City Code and the Ordinances; that this Series 2021 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the City Charter; and that this Series 2021 Bond is issued under the authority of the Ordinances.

This Series 2021 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2021 Bond after its delivery for value.

This Series 2021 Bond is transferable only upon the registration books of the City by _____, _____, Colorado, or his, her or its successors, as transfer agent, at the request of the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The transfer agent shall accept this Series 2021 Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership or a trust. The transfer agent is not required to transfer ownership of this Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Series 2021 Bond for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the transfer agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of this Series 2021 Bond is to be effective until entered on the registration books of the City maintained by the registrar. In the case of every transfer or exchange, the registrar shall authenticate and the transfer agent shall deliver to the new registered owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. The City may deem and treat the person in whose name this Series 2021 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond and for all other purposes, and all such payments so made to such owner or upon such owner's order will be valid and effective to satisfy and discharge the liability of the City upon this Series 2021 Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

This Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, as more specifically provided in the Ordinances. This Series 2021 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the City within the

meaning of any constitutional, charter or statutory provision or limitation. This Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Series 2021 Bond.

IN WITNESS WHEREOF, the City Council of the City of Aurora, Colorado, acting as the governing body of the Utility Enterprise of said City, has caused this Series 2021 Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City, to be sealed with the facsimile seal of the City, and to be signed and attested with the facsimile signature of the City Clerk of the City.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

By _____
Mayor, City of Aurora, Colorado

Attest:

By _____
City Clerk, City of Aurora, Colorado

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds issued pursuant to the Ordinances herein described. [Printed on the reverse hereof][Attached hereto] is the complete text of the opinion of bond counsel, a signed copy of which, dated the date of the first delivery of the Series 2021 Bonds herein described, is on file with the undersigned.

Dated: _____

_____, as registrar

By _____
_____, Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2021 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

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

under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the attached Series 2021 Bond and does hereby irrevocably constitute and appoint _____, _____, _____, or its successor, to transfer said Series 2021 Bond on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

[BANK, TRUST COMPANY OR FIRM]

By _____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Series 2021 Bond in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE REQUIRED

[END OF FORM OF PRIVATELY PLACED BOND]

Section 2.07. Series 2021 Bonds Equally Secured. The Series 2021 Bonds shall be secured by an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues to the full extent provided in Section 5.01 of the General Ordinance, which lien shall be binding and enforceable as provided therein. The covenants and agreements herein set forth to be performed on behalf of the City and the Enterprise shall be for the equal benefit, protection and security of the Owners of any and all of the Series 2021 Bonds, all of which, regardless of the time or times of their maturity, shall be of equal rank without preference, priority

or distinction of any of the Series 2021 Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Series Ordinance.

Section 2.08. Special Obligations. All of the Series 2021 Bonds, as to all Debt Service Requirements thereof, shall be payable solely out of the Net Pledged Revenues. The Owners of the Series 2021 Bonds may not look to the general fund or any other fund of the City for the payment of the Debt Service Requirements, except the special funds and accounts pledged therefor. The Series 2021 Bonds shall not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, and the Series 2021 Bonds shall not be considered or held to be general obligations of the City, but shall constitute special and limited obligations of the City, acting by and through the Enterprise. The Series 2021 Bonds are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for payment of the Series 2021 Bonds.

ARTICLE III

SPECIAL ACCOUNTS

The proceeds of the Series 2021 Bonds and the Income shall be deposited by the City in the accounts described in this Article III, to be accounted for in the manner and priority set forth in this Article III.

Neither the Purchaser nor any subsequent Owner of any Series 2021 Bonds shall be in any manner responsible for the application or disposal by the City or by any of its officers, agents or employees of the moneys derived from the sale of the Series 2021 Bonds or of any other moneys designated in this Article III.

Section 3.01. Series 2021 Debt Service Subaccounts. There are hereby established within the Debt Service Account a Series 2021 Interest Subaccount and a Series 2021 Principal Subaccount. The Series 2021 Interest Subaccount shall be used to account for funds of the Debt Service Account allocable to payments of interest on the Series 2021 Bonds, and the Series 2021 Principal Subaccount shall be used to account for funds of the Debt Service Account allocable to payments of principal of the Series 2021 Bonds. The funds in the Series 2021 Interest Subaccount and the Series 2021 Principal Account are hereby appropriated for such purposes.

Section 3.02. Series 2021 Construction Account. A portion of the net proceeds of the Series 2021 Bonds shall be held in the Series 2021 Construction Account and applied to the Improvement Project. Any funds remaining in such account after completion of the Improvement Project may be applied to other additions and improvements to the System or to the payment of principal of or interest on the Series 2021 Bonds or to any other lawful purpose of the City or the Enterprise. That portion of the proceeds of the Privately Placed Series 2021 Bonds held or committed to be loaned by the Registered Owner for the Improvement Project shall be disbursed only upon written requisitions substantially in the form of Appendix A hereto. Upon the Completion Date any moneys remaining in the Construction Account may applied to reduce the principal balance of the Series 2021 Bonds Outstanding and the schedule of principal payments may be adjusted accordingly, all as may be provided by Final Terms Certificate.

Section 3.03. Series 2021 Costs of Issuance Subaccount. The portion of the proceeds of the Series 2021 Bonds reasonably required to pay the costs of issuance thereof shall be deposited in the Series 2021 Costs of Issuance Subaccount, which is hereby established within the Series 2021 Construction Account, and used, to the extent required, for the payment of Costs of Issuance of the Series 2021 Bonds, and to the extent of any excess, for any other Costs of the Series 2021 Project.

Section 3.04. Series 2021 Debt Service Reserve Account. Pursuant to Section 3.04 of the General Ordinance, but only to the extent provided by Final Terms Certificate, there shall be established in connection with the Series 2021 Bonds a Debt Service Reserve Account to be known as the Series 2021 Debt Service Reserve Account. The Series Ordinance authorizing any Series of Additional First-Lien Revenue Obligations may provide that such Additional First-Lien Revenue Obligations are secured by the Series 2021 Debt Service Reserve Account as a common reserve on the same basis and subject to the same requirements as the Series 2021 Bonds, or may provide for a separate Debt Service Reserve Account for such Additional First-Lien Revenue Obligations. Subject to the payments required by Sections 3.02 and 3.03 of the General Ordinance and except as provided in Section 3.05 thereof, from the Net Pledged Revenues or the proceeds of the Series 2021 Bonds, or both, there shall be credited from time to time to the Series 2021 Debt Service Reserve Account moneys sufficient to accumulate and maintain the Series 2021 Debt Service Reserve Account at an amount at least equal to the Series 2021 Reserve Requirement. The dollar amount of the Series 2021 Reserve Requirement may be recalculated and reduced, but not increased, from time to time by the City as necessary to apply the Series 2021 Reserve Requirement to the remaining Debt Service Requirements of the Series 2021 Bonds; provided that the Series 2021 Reserve Requirement shall not be reduced to an amount less than the lesser of (a) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (b) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds. The moneys required to be deposited to the Series 2021 Debt Service Reserve Account, excluding any investment earnings which may be transferred to the Series 2021 Excess Investment Earnings Account to be rebated to the federal government, shall be set aside, accumulated and, if necessary, reaccumulated from time to time and maintained as a continuing reserve to be used, except as otherwise expressly provided in the General Ordinance or this Series Ordinance, only to prevent deficiencies in payment of the Debt Service Requirements of the Series 2021 Bonds then Outstanding resulting from failure to deposit into the Debt Service Account sufficient funds to pay such Debt Service Requirements as the same become due, and such funds are hereby appropriated for such purpose. To the extent and in the manner permitted by the General Ordinance a surety bond or other instrument issued by Credit Facility Provider may be used in lieu of cash to satisfy the Series 2021 Reserve Requirement. The amount of the Series 2021 Reserve Requirement and any other necessary details in connection with the Series 2021 Debt Service Reserve Account shall be determined by Final Terms Certificate.

Section 3.05. Series 2021 Excess Investment Earnings Account. The Director of Finance shall transfer into and pay from the Series 2021 Excess Investment Earnings Account hereby created within the Water Fund the amount of required arbitrage rebate, if any, due to the federal government pursuant to Section 148(f)(2) of the Tax Code, and the applicable Treasury regulations (the "Regulations") promulgated thereunder. The Director of Finance shall determine such amounts in the manner required by said sections and related regulations and Section 4.01(f) hereof. Transfer of the required arbitrage rebate amounts shall be made from the Series 2021

Construction Account, the Debt Service Account and the Series 2021 Debt Service Reserve Account; provided, however, that required arbitrage rebate payments shall be made to the federal government from legally available funds regardless of whether there are any remaining proceeds or other funds attributable to the Series 2021 Bonds that are available for the purpose.

All amounts in the Series 2021 Excess Investment Earnings Account, including income earned from investment thereof, shall be held by the Director of Finance free and clear of any lien created by this Series Ordinance, and the Director of Finance shall remit the same to the federal government from time to time as provided in Section 4.01(f) hereof; provided that any amounts remaining in the Series 2021 Excess Investment Earnings Account after payment of, or in excess of, all arbitrage rebate payments reasonably expected to be due in connection with the Series 2021 Bonds shall be available for any lawful purpose of the Enterprise or the City. The amounts, if any, in the Series 2021 Excess Investment Earnings Account are hereby appropriated for such purposes.

Section 3.06. Refunding Escrow Account. The portion of the net proceeds of the Series 2021 Bonds allocable to the payment or redemption of outstanding obligations, together with any other funds made available by the City for such purpose, shall be either immediately applied to the payment or redemption of the Refunded Obligations or deposited pursuant to a Refunding Escrow Agreement in an escrow account with a Trust Bank identified by Final Terms Certificate, to be held pending its application for such purposes.

Section 3.07. Reborrowing. Any reborrowing of previously paid principal shall be subject to the same provisions and limitations hereunder as other Series 2021 Bonds and shall be conditioned upon the receipt by each Registered Owner of an opinion of Bond Counsel to the effect that interest accruing on the reborrowed amount shall have the same treatment for federal and Colorado income tax purposes as interest on all other Series 2021 Bonds.

ARTICLE IV

SERIES 2021 COVENANTS

Section 4.01. Federal Income Tax Covenants. In addition to the various covenants made by it in the General Ordinance, the City covenants to and for the benefit of the Owners of the Series 2021 Bonds as follows:

(a) **General.** The City intends that the interest on the Series 2021 Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Tax Code, and Regulations. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Series 2021 Bonds to be includable in gross income, as defined in Section 61 of the Tax Code, for federal income tax purposes. In particular, the City covenants and agrees to comply with each requirement of this Section 4.01; provided, however, that the City shall not be required to comply with any particular requirement of this Section 4.01 if the City has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds or if the City has received a Counsel’s Opinion to the

effect that compliance with some other requirement set forth in this Section 4.01 will satisfy the applicable requirements of the Tax Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's opinion shall constitute compliance with the corresponding requirement specified in this Section 4.01.

(b) ***No Private Use or Payment and No Private Loan Financing.*** The City covenants and agrees that it will make such use of the proceeds of the Series 2021 Bonds including interest or other investment income derived from Series 2021 Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Series 2021 Bonds will not be "private activity bonds" or be deemed to finance any "private loan" within the meaning of the Tax Code and the Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2021 Bonds are delivered, that the proceeds of the Series 2021 Bonds will not be used in a manner that would cause the Series 2021 Bonds to be "private activity bonds" within the meaning of Section 141 of the Tax Code and the Regulations promulgated thereunder.

(c) ***No Federal Guarantee.*** The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Series 2021 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Tax Code and such Regulations.

(d) ***No Hedge Bonds.*** The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Series 2021 Bonds to be "hedge bonds" within the meaning of Section 149(g) of the Tax Code and the applicable Regulations thereunder.

(e) ***No Arbitrage.*** The City covenants and agrees that it will make such use of the proceeds of the Series 2021 Bonds including interest or other investment income derived from Series 2021 Bond proceeds, regulate investments of proceeds of the Series 2021 Bonds, and take such other and further action as may be required so that the Series 2021 Bonds will not be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code and the applicable Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2021 Bonds are delivered, the City will reasonably expect that the proceeds of the Series 2021 Bonds will not be used in a manner that would cause the Series 2021 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code and the applicable Regulations promulgated thereunder.

(f) ***Arbitrage Rebate.*** If the City does not qualify for an exception to the requirements of Section 148(f) of the Tax Code relating to the required rebate to the United States of America, the City will take all necessary steps to comply with the requirement

that certain amounts earned by the City on the investment of the “gross proceeds” of the Series 2021 Bonds (within the meaning of Section 148(f)(6)(B) of the Tax Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Series 2021 Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Series 2021 Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City; (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Series 2021 Bonds which is required to be rebated to the federal government; and (iii) pay, not less often than every fifth anniversary date of the delivery of the Series 2021 Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Series 2021 Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) **Information Reporting.** The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2021 Bonds are issued, an information statement concerning the Series 2021 Bonds, all under and in accordance with Section 149(e) of the Tax Code and the applicable Regulations promulgated thereunder.

(h) **Continuing Obligation.** Notwithstanding any other provision of this Series Ordinance, the City’s obligations under the covenants and provisions of this Section 4.01 shall survive the defeasance and discharge of the Series 2021 Bonds.

Section 4.02. Rate Maintenance; Rate Study Requirement. Notwithstanding anything in this Ordinance or the General Ordinance, so long as the Net Pledged Revenues in any calendar year are sufficient to pay at least 100% of the Combined Annual Debt Service Requirements of all Outstanding First-Lien Revenue Obligations and 100% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, the failure to meet the rate maintenance requirements of Section 6.01 of the General Ordinance in such calendar year shall not constitute an Event of Default, so long as the City shall, within 180 days after the end of such calendar year, promptly retain and cause an Independent Accountant or a Consulting Engineer, as such terms are defined in the General Ordinance, to prepare a rate study for the purpose of recommending a schedule of rates, fees and charges for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Income to be collected in the next succeeding calendar year which will allow compliance with such rate maintenance requirements. The City shall, within three (3) months of receipt of such study, and in any event before the end of the calendar year, adopt rates, fees and charges for the use of the System, based upon the

recommendations contained in such study, which will provide compliance with such rate maintenance requirements in the next succeeding calendar year.

ARTICLE V

MISCELLANEOUS

Section 5.01. Enterprise Status. The City represents that the Enterprise is currently qualified as an “enterprise” for purposes of Article X, Section 20 of the constitution and covenants that it will cause the Enterprise to maintain such status during the current fiscal year.

Section 5.02. Sale of Series 2021 Bonds. The Series 2021 Bonds shall either be Publicly Offered at negotiated or competitive sale or Privately Placed, as determined by Final Terms Certificate, in either case at a price, to be determined by a Final Terms Certificate, (a) in the case of Publicly Offered Series 2021 Bonds, not less than 96% of their principal amount plus accrued interest to the date of their delivery to the Purchaser or, (b) in the case of Privately Placed Series 2021 Bonds, 100% of the amount of proceeds advanced by the Registered Owner. The Series 2021 Bonds may either be Publicly Offered with an Official Statement or Privately Placed with one or more banks or other institutions, in which case no Official Statement or Continuing Disclosure Undertaking shall be prepared. The Mayor and the Clerk, on behalf of the Enterprise, are authorized pursuant to this Series Ordinance and a Final Terms Certificate to take all such actions as reasonably required for the purpose of specifying the terms and conditions of sale of the Series 2021 Bonds and effecting their delivery to the Purchaser.

Section 5.03. Character of Agreement. None of the covenants, agreements, representations or warranties contained herein or in the Series 2021 Bonds shall ever impose or shall be construed as imposing any liability, obligation or charge against the City (except for the special funds pledged therefor) or against the general credit of the City payable out of its general funds or out of any funds derived from its general property taxes.

Section 5.04. No Pledge of Property. The payment of the Series 2021 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City except for the Net Pledged Revenues and other funds expressly pledged hereunder. No property of the City, subject to such exception with respect to the Net Pledged Revenues and other funds, as provided herein and in the General Ordinance, shall be liable to be forfeited or taken in payment of the Series 2021 Bonds.

Section 5.05. Delegated Duties. The officers of the City are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the provisions of this Series Ordinance and to comply with the requirements of law, including, without limitation:

(a) ***Preparation of Series 2021 Bonds.*** The preparation of the Series 2021 Bonds, including the printing upon or attachment to each such Bond of a copy of the approving legal opinion of bond counsel, duly certified by the Registrar, and, if necessary or desirable pending delivery of printed Series 2021 Bonds, the preparation of one or more temporary typewritten Series 2021 Bonds in an aggregate principal amount equal to that of

the Series 2021 Bonds, otherwise in substantially the same form and bearing the same terms, to be delivered to the Purchaser and thereafter to be exchanged by the Purchaser for printed Bonds when the same are received by the City;

(b) ***Execution, Registration and Delivery of Series 2021 Bonds.*** The execution and registration of the Series 2021 Bonds and the delivery of the Series 2021 Bonds to the Purchaser pursuant to the provisions of this Series Ordinance;

(c) ***Information.*** The assembly and dissemination of financial and other information concerning the City and the Series 2021 Bonds;

(d) ***Official Statement and Continuing Disclosure Undertaking.*** In the event that the Series 2021 Bonds are Publicly Offered, the preparation of an Official Statement for the use of prospective buyers of the Series 2021 Bonds, including, without limitation, the Purchaser, and in connection therewith, the delivery and performance of the Continuing Disclosure Undertaking; and

(e) ***Related or Ancillary Documents; Closing Certificates.*** The execution of any related or ancillary documents as provided by Final Terms Certificate, to the extent not inconsistent with this Ordinance or necessary to effectuate the transactions authorized hereby, together with such certificates as may be reasonably required by the Purchaser, relating, inter alia, to:

(i) the signing of the Series 2021 Bonds;

(ii) the tenure and identity of the officials of the City;

(iii) if in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Series 2021 Bonds;

(iv) the excludability of interest on the Series 2021 Bonds from gross income for federal income tax purposes and the exemption of such interest from State income tax;

(v) the delivery of the Series 2021 Bonds and the receipt of the Series 2021 Bond purchase price; and

(vi) the accuracy and adequacy of information provided in the Official Statement, if any, prepared for prospective buyers of Publicly Offered Series 2021 Bonds.

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

to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 5.07. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the City, and the Owners from time to time of the Series 2021 Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All of the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, and any Owner of any of the Series 2021 Bonds.

No recourse shall be had for the payment of the Debt Service Requirements of the Series 2021 Bonds or for any claim based thereon or otherwise upon this Series Ordinance authorizing their issuance or any other ordinance or instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the City, past, present or future, either directly or indirectly through the City, or otherwise, whether by virtue of any constitution, statute or rule of law or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Series 2021 Bonds and as a part of the consideration of their issuance specially waived and released.

Section 5.08. Ratification. All action not inconsistent with the provisions of this Series Ordinance heretofore taken by the City or its officers, and otherwise by the City directed toward the Series 2021 Project, the adoption of this Ordinance or the issuance of the Series 2021 Bonds for the purposes described herein is hereby ratified, approved and confirmed.

Section 5.09. Facsimile Signatures. Pursuant to the Uniform Facsimile Signature of public Officials Act, Part 1, Article 55, Title 11, C.R.S., as amended, the Mayor and the City Clerk shall forthwith, and in any event prior to the time the Series 2021 Bonds are delivered to the Purchaser, file with the Colorado Secretary of State their manual signatures certified by them under oath.

Section 5.10. Ordinance Irrepealable. This Series Ordinance is, and shall constitute, a legislative measure of the City and after any of the Series 2021 Bonds are issued, this Series Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Series 2021 Bonds; and this Series Ordinance, if any Series 2021 Bonds are in fact issued, shall be and shall remain irrepealable until the Series 2021 Bonds, as to all Debt Service Requirements, shall be fully paid, cancelled and discharged, as herein provided.

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

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

Section 5.13. Effective Date; Expiration. This Series Ordinance shall take effect 30 days after publication following final passage. This Series Ordinance shall expire to the extent that the Series 2021 Bonds authorized herein are not issued by December 31, 2021.

Section 5.14. Publication by Reference. Pursuant to Section 5-5 of the Charter of the City and the City Code, this Series Ordinance may be published either in full or in summary form.

Section 5.15. Green Bond Designation. The Council hereby authorizes the Finance Director to designate that portion of the Series 2021 Bonds issued for the Refunding Project by Final Terms Certificate as “Green Bonds” pursuant to the voluntary, generally accepted Green Bond Principles promulgated by the International Capital Market Association. The Green Bond Principles provide that “Green Bonds” include any type of bond instrument the proceeds of which will be exclusively allocated to finance or refinance in part or in full new and/or existing eligible “Green Projects” which promote progress on environmentally sustainable activities. All of the proceeds of that portion of the Series 2021 Bonds issued for the Refunding Project are to be allocated to the Refunding Project immediately following the issuance of such Series 2021 Bonds. The City does not intend to undertake any further tracking of or reporting on the use of such proceeds.

Section 5.16. Disposition of Ordinance. This Series Ordinance, immediately on its final passage, shall be numbered and recorded in the Book of Ordinances kept for that purpose, authenticated by the signatures of the Mayor and Clerk, and shall be published as required by law.

INTRODUCED, READ AND ORDERED PUBLISHED this ____ day of _____,
2021.

PASSED AND ORDERED PUBLISHED BY REFERENCE this ____ day of _____,
2021.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

By _____
MIKE COFFMAN, Mayor

Attest:

By _____
KADEE RODRIGUEZ, City Clerk

Approved as to Form:

By _____
HANOSKY HERNANDEZ, Assistant City Attorney

APPENDIX A

FORM OF CONSTRUCTION ACCOUNT REQUISITION

REQUISITION NO. _____

To: _____
Attention: _____

The undersigned City Representative (the “Authorized Person”) of the City of Aurora, Colorado (the “City”) hereby requisitions the following sum from the Construction Account established under City Ordinance No. 2021- __ (the “Series Ordinance”), and certifies as follows:

Amount: \$ _____

Name and Payment Instructions of Payee:

Capitalized terms used herein and not otherwise defined shall have the same meanings, respectively, as provided in the Series Ordinance.

The City further certifies that:

(a) the obligation described above has been properly incurred by the City, is a proper charge against the Construction Account and has not been the basis of any previous withdrawal or requisition;

(b) all conditions required by the Series Ordinance and the Final Terms Certificate dated as of _____, 20__ (the “Final Terms Certificate”) to be met prior to the disbursement of the above amount have been satisfied;

(c) the City is not in breach of any of the agreements contained in the Series Ordinance or the Final Terms Certificate; and

(d) no Event of Default, within the meaning of the Series Ordinance, has occurred and is continuing.

**CITY OF AURORA, COLORADO, acting by and
through its Utility Enterprise**

Date: _____ By: _____
Authorized Person

Proof of Publication

(Please see attached)

**SERIES 2021 FIRST-LIEN WATER
REVENUE BOND ORDINANCE**

CITY OF AURORA, COLORADO

acting by and through its

UTILITY ENTERPRISE

Authorizing
the issuance, sale and delivery of not to exceed
\$539,000,000
aggregate principal amount of
First-Lien Water Revenue Refunding and Improvement Bonds
Series 2021

Effective _____, 2021

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APPENDIX A FORM OF REQUISITION

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF AURORA, COLORADO, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE, OF FIRST-LIEN WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$539,000,000, FOR THE PURPOSE OF FINANCING AND REFINANCING, IN WHOLE OR IN PART, THE COST OF ADDITIONS AND IMPROVEMENTS TO THE WATER SYSTEM OPERATED BY THE UTILITY ENTERPRISE, PLEDGING CERTAIN FUNDS AND REVENUES OF THE ENTERPRISE TO THE PAYMENT OF SUCH BONDS, PRESCRIBING THE FORM OF SUCH BONDS, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

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

WHEREAS, the City Council (the “Council”) of the City has previously acted by ordinance to recognize and confirm the existence of the Utility Enterprise of the City (the “Enterprise”), such ordinance being codified in Article II of Chapter 138 of the City Code (the “Code”) of the City; and

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

WHEREAS, the Council, acting as such and as the governing body of the Enterprise, deems it necessary and appropriate to authorize the issuance of its First-Lien Water Revenue Refunding and Improvement Bonds, Series 2021 (the “Series 2021 Bonds”) in a single series or in multiple subseries designated accordingly, upon the terms described herein, for the purpose of defraying, in whole or in part, the cost of financing additions and improvements to the City’s Water System (the “System”) as well as refunding, paying and discharging outstanding obligations previously contracted in connection with the System; and

WHEREAS, such Series 2021 Bonds are permitted, under the Charter of the City (the “Charter”), the Code and Article X, Section 20 of the Constitution, to be issued without an election; and

WHEREAS, the Council desires to authorize the designation of a portion of the Series 2021 Bonds as “Green Bonds” in accordance with the voluntary, generally accepted Green Bond Principles promulgated by the International Capital Market Association and the City is permitted to make such a voluntary designation based on the intended use of such portion of the proceeds of the Series 2021 Bonds; and

WHEREAS, the proceeds of a portion of the Series 2021 Bonds are to be allocated to the Refunding Project (as defined below), which consists of the refinancing of obligations originally

issued for the acquisition and construction of facilities and property which the Council has determined are environmentally beneficial to the City and its residents (as more specifically defined below, the “Series 2016 Bonds”); and

WHEREAS, as part of the Refunding Project, the City intends to solicit for and expects to receive offers of cash for the tender of certain of the Series 2016 Bonds pursuant to an Invitation for Tender (defined below) in order to enable said bonds to be paid and cancelled from proceeds of the Series 2021 Bonds on or about the date of their issuance, however, it is uncertain at this time the amount, if any, of such bonds which will be tendered; and

WHEREAS, pursuant to Ordinance No. 2003-18 of the City, as amended by Ordinance No. 2003-70 (collectively, the “General Ordinance”), adopted prior to the adoption of this Ordinance, the Council has established a consistent procedure for the issuance of revenue bonds and other obligations to finance and refinance additions and improvements to the System;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, ACTING BY AND THROUGH THE CITY OF AURORA, COLORADO UTILITY ENTERPRISE:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings, respectively, provided in the General Ordinance. In this Series Ordinance the following additional terms have the following respective meanings unless the context clearly requires otherwise:

“*Closing*” means, in the case of Publicly Offered Series 2021 Bonds, the date of delivery of and payment for the Series 2021 Bonds and, in the case of Privately Placed Series 2021 Bonds, the date of delivery of and the first disbursement of proceeds of the Series 2021 Bonds.

“*Completion Date*” means the date as of which the City certifies that the Improvement Project is complete and no further disbursement of proceeds of the Series 2021 Bonds will be requested.

“*Continuing Disclosure Undertaking*” means, to the extent provided by Final Terms Certificate in connection with any Publicly Offered Series 2021 Bonds, the Continuing Disclosure Undertaking, if any, relating to the Official Statement and the Series 2021 Bonds, in substantially the form filed with the City Clerk at the time of introduction of this Series Ordinance.

“*General Ordinance*” means Ordinance No. 2003-18 of the City, as amended by Ordinance No. 2003-70, as it may be amended from time to time.

“*Improvement Project*” means the acquisition and construction of improvements to the water system operated by the Enterprise, including without limitation the acquisition and construction of a portion of the Southeast Area Maintenance Facility.

“Invitation for Tender” means, in the event that the City solicits offers to tender certain of the Series 2016 Bonds for cash, the City’s written invitation for such tender.

“Maximum Rate” in the case of Fixed rate Series 2021 Bonds, means 5% and in the case of Variable Rate Series 2021 Bonds, means 10%.

“Official Statement” means, in the event that any of the Series 2021 Bonds are Publicly Offered, the Official Statement of the City relating to such Series 2021 Bonds.

“Paying Agent” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Paying Agent hereunder.

“Publicly Offered” means offered to the public in an underwritten transaction.

“Privately Placed” means sold in a direct placement to one or more bank lenders or institutional purchasers.

“Project” or *“Series 2021 Project”* means the Improvement Project and the Refunding Project.

“Purchaser” means the original purchaser of the Series 2021 Bonds identified by the Final Terms Certificate, who may be either a bank lender or institutional purchaser if the Series 2021 Bonds are Privately Placed, or the underwriter if the Series 2021 Bonds are Publicly Offered.

“Refunded Bonds” means, collectively, all or any portion of the outstanding Series 2016 Bonds, as determined by Final Terms Certificate.

“Refunded Bond Requirements” means the principal, redemption premium, if any, and interest due in connection with the Refunded Bonds at maturity or upon prior redemption.

“Refunding Escrow Account” means the special account created and required to be maintained by Section 3.06 hereof.

“Refunding Escrow Agreement” means an agreement between the City and a Trust Bank having trust powers and identified by Final Terms Certificate, providing for the custody and application of proceeds of the Series 2021 Bonds to the Refunding Project in the form approved by Final Terms Certificate.

“Refunding Project” means the refunding, payment and discharge of all or any portion of the City’s outstanding Series 2016 Bonds previously issued for System improvements.

“Registrar” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Registrar hereunder.

“Series Ordinance” means this Series Ordinance.

“Series 2016 Bonds” means the First-Lien Water Refunding Revenue Bonds, Series 2016.

“*Series 2021 Bonds*” means the First-Lien Water Revenue Refunding and Improvement Bonds, Series 2021.

“*Series 2021 Costs of Issuance Subaccount*” means the subaccount created within the Series 2021 Construction Account and required to be maintained by Section 3.03 hereof.

“*Series 2021 Construction Account*” means the special account created and required to be maintained by Section 3.02 hereof.

“*Series 2021 Debt Service Reserve Account*” means, to the extent, if any, provided by Final Terms Certificate, the special account created and required to be maintained by Section 3.04 hereof.

“*Series 2021 Excess Investment Earnings Account*” means the special account created and required to be maintained by Section 3.05 hereof.

“*Series 2021 Reserve Requirement*” means, to the extent, if any, that a reserve account is required to be maintained pursuant to a Final Terms Certificate, initially, and except as it may be adjusted pursuant to Section 3.04 hereof, an amount equal to the least of (a) 10% of the principal amount of the Series 2021 Bonds, (b) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (c) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds.

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

“*Transfer Agent*” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Transfer Agent hereunder.

ARTICLE II

THE SERIES 2021 BONDS

Section 2.01. The Project. The City Council of the City hereby authorizes and directs that the Series 2021 Project, including the Improvement Project and the Refunding Project, be carried out with the net proceeds of the Series 2021 Bonds and any other legally available moneys of the City necessary for such purpose. The City Council of the City hereby acknowledges that a portion of the net proceeds of the Series 2021 Bonds may be applied to reimburse the City for prior expenditures made in connection with the Improvement Project as permitted pursuant to the City’s declaration of official intent to reimburse such expenditures from the proceeds of the Series 2021 Bonds pursuant to Section 1.150-2 of the Internal Revenue Code Regulations made as of August 4, 2020.

Section 2.02. Issuance of Series 2021 Bonds; Application of Series 2021 Bond Proceeds. The Series 2021 Bonds are authorized to be issued in one or more series or subseries corresponding to the time of their issuance or the respective terms and provisions thereof. In the event that the Series 2021 Bonds are issued in more than one series, the caption for each series shall contain a letter or any other appropriate means of identifying each separate series. The Series 2021 Bonds are authorized to be either Privately Placed or Publicly Offered, at a price, if Privately

Placed, equal to the sum of the authorized disbursements of proceeds, or at a price, if Publicly Offered, not less than 96% of their aggregate principal amount plus accrued interest to the date of their delivery to the Purchaser, in either case as determined by Final Terms Certificate. The net proceeds received by the City at Closing from the sale of the Series 2021 Bonds after deduction of costs of issuance and underwriting discount, if any, shall be applied as follows: (a) accrued interest, if any, on the Series 2021 Bonds shall be deposited in the Debt Service Account; (b) Series 2021 Bond proceeds sufficient to meet the Series 2021 Reserve Requirement, if any, shall be deposited to the Series 2021 Debt Service Reserve Account; and (c) Series 2021 Bond proceeds 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 Refunded Bond Requirements with respect to the Refunded Bonds shall be deposited to the Refunding Escrow Account; and (d) the remaining Series 2021 Bond proceeds shall be deposited, at or after the issuance of the Series 2021 Bonds, to the extent necessary to accomplish the Improvement Project, into the Series 2021 Construction Account. Any excess funds remaining upon completion of the Series 2021 Project may be used for any lawful purpose of the City or the Enterprise.

Section 2.03. Authorization; Election To Apply Supplemental Public Securities Act.

The Series 2021 Bonds, payable as to all Debt Service Requirements solely out of the Net Pledged Revenues, are hereby authorized to be issued and outstanding in an aggregate principal amount not to exceed \$539,000,000. The actual amount of the Series 2021 Bonds and various other final terms of the Series 2021 Bonds, not inconsistent herewith, [including without limitation whether to solicit tenders of all or any portion of the Series 2016 Bonds as well as the form of Invitation for Tender.](#) shall be approved by a certificate (a “Final Terms Certificate”) signed by the Director of Finance or an Authorized Officer of the City; provided however, that, to the extent the sale of the Series 2021 Bonds is completed as a negotiated sale, the City Manager shall certify to the Council that such method of sale is to the best advantage of the City in accordance with Section 11-25 of the City Charter. To the extent provided by Final Terms Certificate, amounts of principal redeemed or paid at maturity may be reborrowed, provided that the total principal amount of the obligation evidenced by the Series 2021 Bonds shall never exceed \$539,000,000. The City hereby elects to apply all provisions of the Supplemental Public Securities Act, to the extent not inconsistent herewith, to the Series 2021 Bonds. Any inconsistency between this Ordinance and the Supplemental Public Securities Act is intended as an exercise of the home rule legislative powers of the City.

Section 2.04. Bond Details.

(a) **Generally.** The provisions of the General Ordinance are hereby incorporated into this Series Ordinance. The Series 2021 Bonds shall be First-Lien Revenue Obligations within the meaning of the General Ordinance, secured by a first and prior (but not necessarily exclusive) lien upon the Net Pledged Revenues.

The Series 2021 Bonds shall be issued by the City Council of the City, as the governing body of the Enterprise, pursuant to the Code and the General Ordinance, (i) if Publicly Offered, in fully registered form in denominations of \$5,000 or any integral multiple thereof and (ii) if Privately Placed, in fully-registered form in denominations of \$500,000 and integral multiples of \$1,000 in excess thereof; provided that no Series 2021

Bond shall be issued in any denomination larger than the aggregate principal amount of Series 2021 Bonds maturing on a single maturity date.

Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, if the Series 2021 Bonds are Publicly Offered, CUSIP numbers may be printed on the Series 2021 Bonds. If the Series 2021 Bonds are Privately Placed no CUSIP numbers shall be applied for or used.

If the Series 2021 Bonds are Publicly Offered, then, to the extent determined by Final Terms Certificate, the Series 2021 Bonds may be issued in book-entry form through the facilities of The Depository Trust Company, and the appropriate officials of the City shall thereupon be authorized to execute such documents as are necessary to issue and deliver the Series 2021 Bonds in such form. If the Series 2021 Bonds are Privately Placed they shall not be issued in book-entry form through the facilities of The Depository Trust Company or otherwise.

The Series 2021 Bonds may be issued either as Fixed Rate Obligations or Variable Rate Obligations, or any combination thereof, as shall be provided by Final Terms Certificate, provided that any Publicly Offered Series 2021 Bonds shall be Fixed Rate Obligations.

The Series 2021 Bonds shall mature on August 1 in the years and in the aggregate principal amounts provided by a Final Terms Certificate; provided that the Series 2021 Bonds may mature within any period permitted by the Charter and Code but in any event not later than August 1, 2056. From the Completion Date to the Maturity Date, principal of any Variable Rate Series 2021 Bonds shall be amortized on a substantially level-debt basis, assuming interest accruals at the Maximum Rate. The Series 2021 Bonds shall bear interest, which may accrue at fixed, split, stepped or variable rates from the date as of which they are dated or the Interest Payment Date to which interest has been paid next preceding their respective dates, whichever is later, or, in the case of Privately Placed Series 2021 Bonds, from the date proceeds are advanced by a bank lender or institutional purchaser, to their respective Maturity Dates, except if redeemed prior thereto, at rates not exceeding the Maximum Rate, all as determined by Final Terms Certificate. Amounts of proceeds drawn with respect to Variable Rate Series 2021 Bonds may accrue interest either at the rate applicable on the date of such drawing or at variable rates which are the same as and subject to the same adjustments as other Variable Rate Series 2021 Bonds.

Said interest shall be payable commencing not later than February 1, 2022, and annually, semiannually or monthly thereafter at any convenient interval determined by Final Terms Certificate. If upon presentation at maturity the principal of any Series 2021 Bond is not paid as provided therein, interest shall continue thereon at the same interest rate (in the case of a Fixed Rate Obligation) or 10% (in the case of a Variable Rate Obligation) until the principal thereof is paid in full.

The Debt Service Requirements of the Series 2021 Bonds shall be payable to the Owners of the Series 2021 Bonds in lawful money of the United States of America by the Paying Agent. The final installments of principal and interest shall be payable to the Owner

of each Series 2021 Bond upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest shall be payable to the Owner of each Series 2021 Bond determined as of the close of business on the Regular Record Date irrespective of any transfer of ownership of the Series 2021 Bond subsequent to the Regular Record Date and prior to such Interest Payment Date, by check or draft mailed to such Owner at the address appearing on the registration books of the City maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be payable to the Owner of each Series 2021 Bond entitled to receive such interest determined as of the close of business on the Special Record Date irrespective of any transfer of ownership of the Series 2021 Bond subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or registered first-class, postage prepaid mail, at least 10 days prior to the special record date, to the Purchaser and to the Owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the City. Any premium shall be payable to the Owner of each Series 2021 Bond redeemed upon presentation and surrender thereof upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice shall be made or given on the next succeeding Business Day.

(b) ***Redemption; Notice of Redemption.*** The Series 2021 Bonds may be made subject to optional redemption prior to their maturity at a price or prices equal to the principal amount of the Series 2021 Bonds so redeemed either without premium or plus a premium not to exceed 2% of the principal amount thereof, plus accrued interest to the date of redemption, at such times and in such manner as provided by Final Terms Certificate. The Series 2021 Bonds may also be made subject to mandatory redemption from sinking fund installments or otherwise, at such times and in such manner, at prices not exceeding the principal amount of the Series 2021 Bonds so redeemed plus accrued interest to the date of redemption, as provided by a Final Terms Certificate.

Series 2021 Bonds which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. Such Series 2021 Bonds shall be treated as representing a corresponding number of separate Bonds in the denomination of \$5,000 each. Any such Series 2021 Bond to be redeemed in part shall be surrendered for partial redemption in the manner hereinafter provided for transfers of ownership. Upon payment of the redemption price of any such Series 2021 Bond redeemed in part the Owner thereof shall receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.

Notice of redemption shall be given by the Paying Agent in the name of the City by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 30 days prior to the Redemption Date, to the Purchaser and to the Owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice, at the addresses appearing on the registration

books of the City maintained by the Registrar. Such notice shall specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption and shall further state that on the Redemption Date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the Redemption Date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, any redemption notice may be given, in lieu of such mailing, by sending a copy thereof by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the Paying Agent is hereby authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of Series 2021 Bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond shall not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond. Any Series 2021 Bonds redeemed prior to their respective maturity dates by call for prior redemption or otherwise shall not be reissued and shall be cancelled the same as Series 2021 Bonds paid at or after maturity. Any notice of redemption may state that it is conditioned upon the deposit of funds for redemption on or prior to the redemption date.

(c) **Interest Rates.** The maximum net effective interest rate authorized for any Privately Placed Series 2021 Bonds is 10% per annum. The maximum net effective interest rate authorized for any Publicly Offered Series 2021 Bonds is 5% per annum. The actual net effective interest rate for the Series 2021 Bonds shall be determined by Final Terms Certificate or, in the case of Variable Rate Obligations, determined based upon the maximum interest rate provided therefor by Final Terms Certificate using the assumption that all proceeds are drawn on the date of delivery of the Series 2021 Bonds.

(d) **Execution and Authentication.** The Series 2021 Bonds shall be executed by and on behalf of the Council as the governing body of the Enterprise, with the facsimile signature of the Mayor, shall bear a facsimile of the seal of the City, shall be attested with the facsimile signature of the City Clerk, and shall be authenticated with the manual signature of a duly authorized signatory of the Registrar. Should any officer whose facsimile signature appears on the Series 2021 Bonds cease to be such officer before delivery of the Series 2021 Bonds to the Purchaser, such facsimile signature shall nevertheless be valid and sufficient for all purposes. No Series 2021 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Series Ordinance unless and until the certificate of authentication on such Series 2021 Bond shall have been duly executed by the Registrar, and such executed certificate upon any such Series 2021 Bond shall be conclusive evidence that such Series 2021 Bond has been authenticated and delivered under this Series Ordinance. The certificate of authentication on any Series 2021 Bond shall be deemed to have been duly executed by the Registrar if signed by an authorized signatory thereof, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Series 2021 Bonds.

(e) **Registration, Transfer and Exchange.** Upon their execution and authentication and prior to their delivery, the Series 2021 Bonds shall be registered for the purpose of payment of principal and interest by the Registrar. Thereafter, the Series 2021 Bonds shall be transferable only upon the registration books of the City maintained by the Registrar at the request of the Owner thereof or such Owner's duly authorized attorney-in-fact or legal representative. The Transfer Agent shall accept a Series 2021 Bond for registration or transfer only if the Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership, or a trust. A Series 2021 Bond may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of any Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Owner of any Series 2021 Bond or Bonds may also exchange such Series 2021 Bond or Bonds for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges shall be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of any Series 2021 Bond shall be effective until entered on the registration books of the City maintained by the Registrar. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. New Series 2021 Bonds delivered upon any transfer or exchange shall be valid obligations, evidencing the same obligations as the Series 2021 Bonds surrendered, shall be secured by this Series Ordinance, the General Ordinance and any Final Terms Certificate and shall be entitled to all of the security and benefit hereof to the same extent as the Series 2021 Bonds surrendered. The City may deem and treat the person in whose name any Series 2021 Bond is last registered upon the books of the City as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Series 2021 Bond and for all other purposes, and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the City upon such Series 2021 Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

(f) **Transfer Restrictions for Privately Placed Series 2021 Bonds.** Notwithstanding the procedure described in paragraph (e) of this Section, no Privately Placed Series 2021 Bond shall be transferred by the Purchaser or any subsequent Owner unless: (i) the transferee shall have executed an investment letter satisfactory in form and substance to the City, and shall have provided such other evidence as the City may require in its discretion, to establish that the transferee is a Qualified Institutional Buyer within the meaning of Regulation D under the Securities Act of 1933 and that the transferee is

purchasing for investment with no view to resale, participation or other distribution thereof; and (ii) the Series 2021 Bond or Bonds shall be transferred only in denominations of \$500,000 and integral multiples of \$1,000 in excess thereof. Any transfer or purported transfer of any interest in the Series 2021 Bonds in violation of the foregoing shall be void and the City shall have no obligation to recognize the ownership interest of, take any action on behalf of or make any payment to, the transferee or purported transferee.

(g) **Resignation of Agents.** If the Paying Agent, Registrar or Transfer Agent shall resign, or if the City shall reasonably determine that the Paying Agent, Registrar or Transfer Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each Owner of Series 2021 Bonds at the addresses last shown on the registration books of the City, appoint a successor paying agent, registrar or transfer agent. Every such successor Paying Agent, Registrar or Transfer Agent shall be a Commercial Bank or an official of the City. It shall not be required that the same person serve as Paying Agent, Registrar and Transfer Agent hereunder, but the City shall have the right to appoint and have the same person serve as Paying Agent, Registrar and Transfer Agent hereunder.

(h) **Replacement of Series 2021 Bonds.** If any Series 2021 Bond shall have been lost, destroyed or wrongfully taken, the City shall provide for the replacement thereof upon receipt of the evidence of such loss, destruction or wrongful taking, along with an indemnity bond and reimbursement for expenses reasonably satisfactory to it.

(i) **Recitals in Bonds.** Each Series 2021 Bond shall recite in substance that such Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, that such Series 2021 Bond does not constitute a debt or an indebtedness or multiple fiscal-year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, that such Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes, and that the full faith and credit of the City is not pledged for the payment of the principal of or interest on such Series 2021 Bond. Each Series 2021 Bond shall further recite that it is issued under the authority of the Colorado Constitution, the Charter, the Code, the Supplemental Securities Act, the General Ordinance and this Series Ordinance.

Section 2.05. Form of Publicly Offered Series 2021 Bond. To the extent that the Series 2021 Bonds are Publicly Offered they shall be in substantially the form set forth in this Section, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2021 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the City.

[FORM OF PUBLICLY OFFERED BOND]

(Text of Face)

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ADAMS, ARAPAHOE AND DOUGLAS
CITY OF AURORA
UTILITY ENTERPRISE
FIRST-LIEN WATER REVENUE REFUNDING AND IMPROVEMENT BOND
(SEAM FACILITY IMPROVEMENT PROJECT)
SERIES 2021**

No. R-_____ \$_____

Interest Rate	Maturity Date	Original Date	CUSIP
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REGISTERED OWNER: **CEDE & CO.**
Tax Identification Number: 13-2555119

PRINCIPAL SUM: ** _____ DOLLARS**

The City Council of the City of Aurora, in the Counties of Adams, Arapahoe and Douglas and State of Colorado, acting as the governing body of the Utility Enterprise of said City, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above) or so much thereof as has been advanced by or on behalf of the Registered Owner, in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from [the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the authentication date hereof, whichever is later], [the date or dates the proceeds hereof have been advanced] to the Maturity Date, except if redeemed prior thereto, [at the per annum Interest Rate (specified above), payable semiannually on the first day of February and the first day of August of each year], [at a variable interest rate determined in the manner provided in the Fixed Terms Certificate relating to the Series 2021 Bonds but not in excess of ___% (the "Maximum Rate") commencing on _____, 20___, or the first such date after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate [Maximum Rate] until the Principal Sum is paid in full.

[Bonds of this series maturing in the years _____ through _____ are not subject to optional redemption prior to their respective maturity dates. Bonds of this series maturing in the year _____ and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part in inverse order of maturity and by lot within a maturity, on _____ 1, 20___, and on any interest payment date thereafter, at a price equal to the principal amount of each Series 2021 Bond so redeemed plus accrued interest thereon to the redemption date plus a premium expressed as a percentage of the principal amount of each Series 2021 Bond so redeemed, depending on the redemption date, as follows:

Bonds of this series which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. In such case the Series 2021 Bond is to be surrendered in the manner provided for transfers of ownership. Upon payment of the redemption price the Registered Owner is to receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.]

Notice of redemption of any Bonds of this series is to be given by the Paying Agent by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least 30 days prior to the redemption date, to _____, _____, _____, the Original Purchase hereof, and to the registered owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City. Such notice is to specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption, and is further to state that on the redemption date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, such notice may be given, in lieu of such mailing, by sending a copy thereof, by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the paying agent is authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond does not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond.

The principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond are payable to the Registered Owner by _____, _____, Colorado, or its successors, as Paying Agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by _____, _____, Colorado, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of

the close of business on the special record date, which is to be fixed by the paying agent for such purpose, irrespective of any transfer of ownership of this Series 2021 Bond subsequent to such special record date and prior to the date fixed by the paying agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to _____, _____, _____, and to the registered owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Water System General Ordinance (the "General Ordinance") and the Series Ordinance pertaining to the Bonds of this Series (the "Series Ordinance"), as supplemented by the Final Terms Certificate (the "Final Terms Certificate") pursuant to which this Series 2021 Bond is delivered (the General Ordinance, the Series Ordinance and the Final Terms Certificate being referred to collectively as the "Ordinances"), [two/a] special account[s], thereby identified as the Debt Service Account [and the Debt Service Reserve Account], into which the City Council, acting as the governing body of the Utility Enterprise of the City, has covenanted in the Ordinances to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the Water System (the "System") of the City (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Series 2021 Bonds and any parity securities payable from such revenues[, and to accumulate and maintain a specified reserve for such purposes]. In addition, the City may at its option augment such funds with any other moneys of the City legally available for expenditure for the purposes thereof as provided in the Ordinances.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond, the City has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond in the manner provided by the Ordinances.

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

issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of such Bonds in accordance with the provisions of the Ordinances.

The City Council, acting as the governing body of the Utility Enterprise of the City, covenants and agrees with the Registered Owner hereof that it will keep and will perform all of the covenants of this Series 2021 Bond and of the Ordinances described below.

This Series 2021 Bond is authorized and issued for the purpose of defraying the cost of constructing and installing additions and improvements to the Water System of the City under the authority of and in full conformity with the Constitution of the State of Colorado, the City Charter, the City Code of the City, and all other applicable laws of the State of Colorado and pursuant to Ordinances, duly adopted, executed and delivered prior to the issuance of this Series 2021 Bond.

Reference is hereby made to the Ordinances for a description of the provisions, terms and conditions upon which the Bonds of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2021 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2021 Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, the terms and conditions on which the Series 2021 Bonds are issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the City and the members of its Council, acting as such and as the governing body of the Utility Enterprise of the City, and also the rights and remedies of the registered owners of the Series 2021 Bonds.

To the extent and in the respects permitted by the Ordinances, the provisions thereof, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City Council of the City taken in the manner and subject to the conditions and exceptions provided therein. The pledge of revenues and other obligations of the City and its Utility Enterprise under the Ordinances may be discharged at or prior to the maturity or prior redemption of the Series 2021 Bonds upon the making of provision for the payment of the Series 2021 Bonds on the terms and conditions set forth in the Ordinances.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City and the Utility Enterprise of the City in the issuance of this Series 2021 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City Charter, the City Code and the Ordinances; that this Series 2021 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the City Charter; and that this Series 2021 Bond is issued under the authority of the Ordinances.

This Series 2021 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2021 Bond after its delivery for value.

This Series 2021 Bond is transferable only upon the registration books of the City by _____, _____, Colorado, or his, her or its successors, as transfer agent, at the request of the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The transfer agent shall accept this Series 2021 Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership or a trust. The transfer agent is not required to transfer ownership of this Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Series 2021 Bond for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the transfer agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of this Series 2021 Bond is to be effective until entered on the registration books of the City maintained by the registrar. In the case of every transfer or exchange, the registrar shall authenticate and the transfer agent shall deliver to the new registered owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. The City may deem and treat the person in whose name this Series 2021 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond and for all other purposes, and all such payments so made to such owner or upon such owner's order will be valid and effective to satisfy and discharge the liability of the City upon this Series 2021 Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

This Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, as more specifically provided in the Ordinances. This Series 2021 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, charter or statutory provision or limitation. This Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Series 2021 Bond.

IN WITNESS WHEREOF, the City Council of the City of Aurora, Colorado, acting as the governing body of the Utility Enterprise of said City, has caused this Series 2021 Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City, to be sealed with the facsimile seal of the City, and to be signed and attested with the facsimile signature of the City Clerk of the City.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

By _____
Mayor, City of Aurora, Colorado

Attest:

By _____
City Clerk, City of Aurora, Colorado

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds issued pursuant to the Ordinances herein described. [Printed on the reverse hereof][Attached hereto] is the complete text of the opinion of bond counsel, a signed copy of which, dated the date of the first delivery of the Series 2021 Bonds herein described, is on file with the undersigned.

Dated: _____

_____, as registrar

By _____
_____, Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2021 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with the right of survivorship and not as tenants in common

- UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the attached Series 2021 Bond and does hereby irrevocably constitute and appoint _____, _____, _____, or its successor, to transfer said Series 2021 Bond on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

[BANK, TRUST COMPANY OR FIRM]

By _____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Series 2021 Bond in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE REQUIRED

[END OF FORM OF PUBLICLY OFFERED BOND]

Section 2.06. Form of Privately Placed Series 2021 Bond. To the extent that the Series 2021 Bonds are Privately Placed they shall be in substantially the form set forth in this Section, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2021 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the City.

[FORM OF PRIVATELY PLACED BOND]

(Text of Face)

THIS SERIES 2021 BOND WAS ISSUED AS AN EXEMPT SECURITY OR IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. UNDER NO CIRCUMSTANCES SHALL THIS SERIES 2021 BOND BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DISPOSED OF EXCEPT IN THE MANNER PROVIDED IN SECTION 2.04(f) OF THE SERIES ORDINANCE UNDER WHICH IT IS ISSUED AND IN COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS. ANY TRANSFER OR PURPORTED TRANSFER IN VIOLATION OF SUCH SECTION 2.04(f) OR SUCH LAWS SHALL BE VOID AND OF NO EFFECT.

UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ADAMS, ARAPAHOE AND DOUGLAS
CITY OF AURORA
UTILITY ENTERPRISE
FIRST-LIEN WATER REVENUE REFUNDING AND IMPROVEMENT BOND
(SEAM FACILITY IMPROVEMENT PROJECT)
SERIES 2021

No. R- _____ \$ _____

Interest Rate Maturity Date Original Date
[If Fixed]

REGISTERED OWNER: ** _____ **
Tax Identification Number: _____

PRINCIPAL SUM: ** _____ DOLLARS**

The City Council of the City of Aurora, in the Counties of Adams, Arapahoe and Douglas and State of Colorado, acting as the governing body of the Utility Enterprise of said City, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above), or so much thereof as has been advanced by or on behalf of the Registered Owner in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from [the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the authentication date hereof, whichever is later], [the date or dates the proceeds hereof have been advanced] to the Maturity Date, except if redeemed prior thereto, at [the per annum Interest Rate (specified above), payable semiannually on the first day of February and the first day of August of each year], [at a variable interest rate determined in the manner provided in the Final Terms Certificate relating to the Series 2021 Bonds] but not in excess of ___% (the "Maximum Rate") commencing on _____, 20____, or the first such date

after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

[Bonds of this series maturing in the years _____ through _____ are not subject to optional redemption prior to their respective maturity dates. Bonds of this series maturing in the year _____ and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part [in _____ order of maturity and _____ within a maturity,] on _____ 1, 20____, and on any interest payment date thereafter, at a price equal to the principal amount of each Series 2021 Bond so redeemed plus accrued interest thereon to the redemption date plus a premium expressed as a percentage of the principal amount of each Series 2021 Bond so redeemed, depending on the redemption date, as follows:

Redemption Dates	Premiums
------------------	----------

Bonds of this series which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$500,000 and integral multiples of \$1,000 in excess thereof. In such case the Series 2021 Bond is to be surrendered in the manner provided for transfers of ownership. Upon payment of the redemption price the Registered Owner is to receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.]

Notice of redemption of any Bonds of this series is to be given by the Paying Agent by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least 30 days prior to the redemption date, to _____, _____, _____, the Original Purchase hereof, and to the registered owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City. Such notice is to specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption, and is further to state that on the redemption date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, such notice may be given, in lieu of such mailing, by sending a copy thereof, by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the paying agent is authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond does not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond.

The principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond are payable to the Registered Owner by _____, _____, Colorado, or its successors, as Paying Agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by _____, _____, Colorado, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the paying agent for such purpose, irrespective of any transfer of ownership of this Series 2021 Bond subsequent to such special record date and prior to the date fixed by the paying agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to _____, _____, _____, and to the registered owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Water System General Ordinance (the "General Ordinance") and the Series Ordinance pertaining to the Bonds of this Series (the "Series Ordinance"), as supplemented by the Final Terms Certificate (the "Final Terms Certificate") pursuant to which this Series 2021 Bond is delivered (the General Ordinance, the Series Ordinance and the Final Terms Certificate being referred to collectively as the "Ordinances"), [two][a] special account[s], thereby identified as the Debt Service Account [and the Debt Service Reserve Account], into which the City Council, acting as the governing body of the Utility Enterprise of the City, has covenanted in the Ordinances to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the Water System (the "System") of the City (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Series 2021 Bonds and any parity securities payable from such revenues[, and to accumulate and maintain a specified reserve for such purposes]. In addition, the City may at its option augment such funds with any other moneys of the City legally available for expenditure for the purposes thereof as provided in the Ordinances.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond, the City has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond in the manner provided by the Ordinances.

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

The City Council, acting as the governing body of the Utility Enterprise of the City, covenants and agrees with the Registered Owner hereof that it will keep and will perform all of the covenants of this Series 2021 Bond and of the Ordinances described below.

This Series 2021 Bond is authorized and issued for the purpose of defraying the cost of constructing and installing additions and improvements to the Water System of the City under the authority of and in full conformity with the Constitution of the State of Colorado, the City Charter, the City Code of the City, and all other applicable laws of the State of Colorado and pursuant to Ordinances, duly adopted, executed and delivered prior to the issuance of this Series 2021 Bond.

Reference is hereby made to the Ordinances for a description of the provisions, terms and conditions upon which the Bonds of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2021 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2021 Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, the terms and conditions on which the Series 2021 Bonds are issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the City and the members of its Council, acting as such and as the governing body of the Utility Enterprise of the City, and also the rights and remedies of the registered owners of the Series 2021 Bonds.

To the extent and in the respects permitted by the Ordinances, the provisions thereof, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City Council of the City taken in the manner and subject to the conditions and exceptions provided therein. The pledge of revenues and other obligations of the City and its Utility Enterprise under the Ordinances may be discharged at or prior to the maturity or prior redemption of the Series 2021 Bonds upon the making of provision for the payment of the Series 2021 Bonds on the terms and conditions set forth in the Ordinances.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City and the Utility Enterprise of the City in the issuance of this Series 2021 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City Charter, the City Code and the Ordinances; that this Series 2021 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the City Charter; and that this Series 2021 Bond is issued under the authority of the Ordinances.

This Series 2021 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2021 Bond after its delivery for value.

This Series 2021 Bond is transferable only upon the registration books of the City by _____, _____, Colorado, or his, her or its successors, as transfer agent, at the request of the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The transfer agent shall accept this Series 2021 Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership or a trust. The transfer agent is not required to transfer ownership of this Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Series 2021 Bond for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the transfer agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of this Series 2021 Bond is to be effective until entered on the registration books of the City maintained by the registrar. In the case of every transfer or exchange, the registrar shall authenticate and the transfer agent shall deliver to the new registered owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. The City may deem and treat the person in whose name this Series 2021 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond and for all other purposes, and all such payments so made to such owner or upon such owner's order will be valid and effective to satisfy and discharge the liability of the City upon this Series 2021 Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

This Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, as more specifically provided in the Ordinances. This Series 2021 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the City within the

meaning of any constitutional, charter or statutory provision or limitation. This Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Series 2021 Bond.

IN WITNESS WHEREOF, the City Council of the City of Aurora, Colorado, acting as the governing body of the Utility Enterprise of said City, has caused this Series 2021 Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City, to be sealed with the facsimile seal of the City, and to be signed and attested with the facsimile signature of the City Clerk of the City.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

By _____
Mayor, City of Aurora, Colorado

Attest:

By _____
City Clerk, City of Aurora, Colorado

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds issued pursuant to the Ordinances herein described. [Printed on the reverse hereof][Attached hereto] is the complete text of the opinion of bond counsel, a signed copy of which, dated the date of the first delivery of the Series 2021 Bonds herein described, is on file with the undersigned.

Dated: _____

_____, as registrar

By _____
_____, Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2021 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with the right of survivorship and not as tenants in common

- UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the attached Series 2021 Bond and does hereby irrevocably constitute and appoint _____, _____, _____, or its successor, to transfer said Series 2021 Bond on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

[BANK, TRUST COMPANY OR FIRM]

By _____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Series 2021 Bond in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE REQUIRED

[END OF FORM OF PRIVATELY PLACED BOND]

Section 2.07. Series 2021 Bonds Equally Secured. The Series 2021 Bonds shall be secured by an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues to the full extent provided in Section 5.01 of the General Ordinance, which lien shall be binding and enforceable as provided therein. The covenants and agreements herein set forth to be performed on behalf of the City and the Enterprise shall be for the equal benefit, protection and security of the Owners of any and all of the Series 2021 Bonds, all of which, regardless of the time or times of their maturity, shall be of equal rank without preference, priority

or distinction of any of the Series 2021 Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Series Ordinance.

Section 2.08. Special Obligations. All of the Series 2021 Bonds, as to all Debt Service Requirements thereof, shall be payable solely out of the Net Pledged Revenues. The Owners of the Series 2021 Bonds may not look to the general fund or any other fund of the City for the payment of the Debt Service Requirements, except the special funds and accounts pledged therefor. The Series 2021 Bonds shall not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, and the Series 2021 Bonds shall not be considered or held to be general obligations of the City, but shall constitute special and limited obligations of the City, acting by and through the Enterprise. The Series 2021 Bonds are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for payment of the Series 2021 Bonds.

ARTICLE III

SPECIAL ACCOUNTS

The proceeds of the Series 2021 Bonds and the Income shall be deposited by the City in the accounts described in this Article III, to be accounted for in the manner and priority set forth in this Article III.

Neither the Purchaser nor any subsequent Owner of any Series 2021 Bonds shall be in any manner responsible for the application or disposal by the City or by any of its officers, agents or employees of the moneys derived from the sale of the Series 2021 Bonds or of any other moneys designated in this Article III.

Section 3.01. Series 2021 Debt Service Subaccounts. There are hereby established within the Debt Service Account a Series 2021 Interest Subaccount and a Series 2021 Principal Subaccount. The Series 2021 Interest Subaccount shall be used to account for funds of the Debt Service Account allocable to payments of interest on the Series 2021 Bonds, and the Series 2021 Principal Subaccount shall be used to account for funds of the Debt Service Account allocable to payments of principal of the Series 2021 Bonds. The funds in the Series 2021 Interest Subaccount and the Series 2021 Principal Account are hereby appropriated for such purposes.

Section 3.02. Series 2021 Construction Account. A portion of the net proceeds of the Series 2021 Bonds shall be held in the Series 2021 Construction Account and applied to the Improvement Project. Any funds remaining in such account after completion of the Improvement Project may be applied to other additions and improvements to the System or to the payment of principal of or interest on the Series 2021 Bonds or to any other lawful purpose of the City or the Enterprise. That portion of the proceeds of the Privately Placed Series 2021 Bonds held or committed to be loaned by the Registered Owner for the Improvement Project shall be disbursed only upon written requisitions substantially in the form of Appendix A hereto. Upon the Completion Date any moneys remaining in the Construction Account may applied to reduce the principal balance of the Series 2021 Bonds Outstanding and the schedule of principal payments may be adjusted accordingly, all as may be provided by Final Terms Certificate.

Section 3.03. Series 2021 Costs of Issuance Subaccount. The portion of the proceeds of the Series 2021 Bonds reasonably required to pay the costs of issuance thereof shall be deposited in the Series 2021 Costs of Issuance Subaccount, which is hereby established within the Series 2021 Construction Account, and used, to the extent required, for the payment of Costs of Issuance of the Series 2021 Bonds, and to the extent of any excess, for any other Costs of the Series 2021 Project.

Section 3.04. Series 2021 Debt Service Reserve Account. Pursuant to Section 3.04 of the General Ordinance, but only to the extent provided by Final Terms Certificate, there shall be established in connection with the Series 2021 Bonds a Debt Service Reserve Account to be known as the Series 2021 Debt Service Reserve Account. The Series Ordinance authorizing any Series of Additional First-Lien Revenue Obligations may provide that such Additional First-Lien Revenue Obligations are secured by the Series 2021 Debt Service Reserve Account as a common reserve on the same basis and subject to the same requirements as the Series 2021 Bonds, or may provide for a separate Debt Service Reserve Account for such Additional First-Lien Revenue Obligations. Subject to the payments required by Sections 3.02 and 3.03 of the General Ordinance and except as provided in Section 3.05 thereof, from the Net Pledged Revenues or the proceeds of the Series 2021 Bonds, or both, there shall be credited from time to time to the Series 2021 Debt Service Reserve Account moneys sufficient to accumulate and maintain the Series 2021 Debt Service Reserve Account at an amount at least equal to the Series 2021 Reserve Requirement. The dollar amount of the Series 2021 Reserve Requirement may be recalculated and reduced, but not increased, from time to time by the City as necessary to apply the Series 2021 Reserve Requirement to the remaining Debt Service Requirements of the Series 2021 Bonds; provided that the Series 2021 Reserve Requirement shall not be reduced to an amount less than the lesser of (a) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (b) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds. The moneys required to be deposited to the Series 2021 Debt Service Reserve Account, excluding any investment earnings which may be transferred to the Series 2021 Excess Investment Earnings Account to be rebated to the federal government, shall be set aside, accumulated and, if necessary, reaccumulated from time to time and maintained as a continuing reserve to be used, except as otherwise expressly provided in the General Ordinance or this Series Ordinance, only to prevent deficiencies in payment of the Debt Service Requirements of the Series 2021 Bonds then Outstanding resulting from failure to deposit into the Debt Service Account sufficient funds to pay such Debt Service Requirements as the same become due, and such funds are hereby appropriated for such purpose. To the extent and in the manner permitted by the General Ordinance a surety bond or other instrument issued by Credit Facility Provider may be used in lieu of cash to satisfy the Series 2021 Reserve Requirement. The amount of the Series 2021 Reserve Requirement and any other necessary details in connection with the Series 2021 Debt Service Reserve Account shall be determined by Final Terms Certificate.

Section 3.05. Series 2021 Excess Investment Earnings Account. The Director of Finance shall transfer into and pay from the Series 2021 Excess Investment Earnings Account hereby created within the Water Fund the amount of required arbitrage rebate, if any, due to the federal government pursuant to Section 148(f)(2) of the Tax Code, and the applicable Treasury regulations (the “Regulations”) promulgated thereunder. The Director of Finance shall determine such amounts in the manner required by said sections and related regulations and Section 4.01(f) hereof. Transfer of the required arbitrage rebate amounts shall be made from the Series 2021

Construction Account, the Debt Service Account and the Series 2021 Debt Service Reserve Account; provided, however, that required arbitrage rebate payments shall be made to the federal government from legally available funds regardless of whether there are any remaining proceeds or other funds attributable to the Series 2021 Bonds that are available for the purpose.

All amounts in the Series 2021 Excess Investment Earnings Account, including income earned from investment thereof, shall be held by the Director of Finance free and clear of any lien created by this Series Ordinance, and the Director of Finance shall remit the same to the federal government from time to time as provided in Section 4.01(f) hereof; provided that any amounts remaining in the Series 2021 Excess Investment Earnings Account after payment of, or in excess of, all arbitrage rebate payments reasonably expected to be due in connection with the Series 2021 Bonds shall be available for any lawful purpose of the Enterprise or the City. The amounts, if any, in the Series 2021 Excess Investment Earnings Account are hereby appropriated for such purposes.

Section 3.06. Refunding Escrow Account. The portion of the net proceeds of the Series 2021 Bonds allocable to the payment or redemption of outstanding obligations, together with any other funds made available by the City for such purpose, shall be either immediately applied to the payment or redemption of the Refunded Obligations or deposited pursuant to a Refunding Escrow Agreement in an escrow account with a Trust Bank identified by Final Terms Certificate, to be held pending its application for such purposes.

Section 3.07. Reborrowing. Any reborrowing of previously paid principal shall be subject to the same provisions and limitations hereunder as other Series 2021 Bonds and shall be conditioned upon the receipt by each Registered Owner of an opinion of Bond Counsel to the effect that interest accruing on the reborrowed amount shall have the same treatment for federal and Colorado income tax purposes as interest on all other Series 2021 Bonds.

ARTICLE IV

SERIES 2021 COVENANTS

Section 4.01. Federal Income Tax Covenants. In addition to the various covenants made by it in the General Ordinance, [to the extent that any series or subseries of the Series 2021 Bonds are issued on a tax-exempt basis](#), the City covenants to and for the benefit of the Owners of [such series or subseries of](#) the Series 2021 Bonds as follows:

(a) **General.** The City intends that the interest on [such series or subseries of](#) the Series 2021 Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Tax Code, and Regulations. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on [such series or subseries of](#) the Series 2021 Bonds to be includable in gross income, as defined in Section 61 of the Tax Code, for federal income tax purposes. In particular, the City covenants and agrees to comply with each requirement of this Section 4.01; provided, however, that the City shall not be required to comply with any particular requirement of this Section 4.01 if the City has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that such noncompliance will not adversely affect the exclusion

from gross income for federal income tax purposes of interest on [such series or subseries of](#) the Series 2021 Bonds or if the City has received a Counsel’s Opinion to the effect that compliance with some other requirement set forth in this Section 4.01 will satisfy the applicable requirements of the Tax Code and the Regulations, in which case compliance with such other requirement specified in such Counsel’s opinion shall constitute compliance with the corresponding requirement specified in this Section 4.01.

(b) ***No Private Use or Payment and No Private Loan Financing.*** The City covenants and agrees that it will make such use of the proceeds of [such series or subseries of](#) the Series 2021 Bonds including interest or other investment income derived from [related](#) Series 2021 Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that [such series or subseries of](#) the Series 2021 Bonds will not be “private activity bonds” or be deemed to finance any “private loan” within the meaning of the Tax Code and the Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date [such series or subseries of](#) the Series 2021 Bonds are delivered, that the proceeds of [such series or subseries of](#) the Series 2021 Bonds will not be used in a manner that would cause [such series or subseries of](#) the Series 2021 Bonds to be “private activity bonds” within the meaning of Section 141 of the Tax Code and the Regulations promulgated thereunder.

(c) ***No Federal Guarantee.*** The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause [such series or subseries of](#) the Series 2021 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Tax Code and such Regulations.

(d) ***No Hedge Bonds.*** The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause [such series or subseries of](#) the Series 2021 Bonds to be “hedge bonds” within the meaning of Section 149(g) of the Tax Code and the applicable Regulations thereunder.

(e) ***No Arbitrage.*** The City covenants and agrees that it will make such use of the proceeds of [such series or subseries of](#) the Series 2021 Bonds including interest or other investment income derived from [related](#) Series 2021 Bond proceeds, regulate investments of proceeds of [such series or subseries of](#) the Series 2021 Bonds, and take such other and further action as may be required so that [such series or subseries of](#) the Series 2021 Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code and the applicable Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date [such series or subseries of](#) the Series 2021 Bonds are delivered, the City will reasonably expect that the proceeds of [such series or subseries of](#) the Series 2021 Bonds will not be used in a manner that would cause [such series or subseries of](#) the Series 2021 Bonds to be “arbitrage bonds” within the

meaning of Section 148(a) of the Tax Code and the applicable Regulations promulgated thereunder.

(f) **Arbitrage Rebate.** If the City does not qualify for an exception to the requirements of Section 148(f) of the Tax Code relating to the required rebate to the United States of America, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of [such series or subseries of](#) the Series 2021 Bonds (within the meaning of Section 148(f)(6)(B) of the Tax Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of [such series or subseries of](#) the Series 2021 Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of [such series or subseries of](#) the Series 2021 Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City; (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of [such series or subseries of](#) the Series 2021 Bonds which is required to be rebated to the federal government; and (iii) pay, not less often than every fifth anniversary date of the delivery of [such series or subseries of](#) the Series 2021 Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of [such series or subseries of](#) the Series 2021 Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) **Information Reporting.** The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the fifteenth day of the second calendar month after the close of the calendar quarter in which [such series or subseries of](#) the Series 2021 Bonds are issued, an information statement concerning the Series 2021 Bonds, all under and in accordance with Section 149(e) of the Tax Code and the applicable Regulations promulgated thereunder.

(h) **Continuing Obligation.** Notwithstanding any other provision of this Series Ordinance, the City’s obligations under the covenants and provisions of this Section 4.01 shall survive the defeasance and discharge of [such series or subseries of](#) the Series 2021 Bonds.

Section 4.02. Rate Maintenance; Rate Study Requirement. Notwithstanding anything in this Ordinance or the General Ordinance, so long as the Net Pledged Revenues in any calendar year are sufficient to pay at least 100% of the Combined Annual Debt Service Requirements of all Outstanding First-Lien Revenue Obligations and 100% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, the failure to meet the rate maintenance requirements of Section 6.01 of the General Ordinance in such calendar year shall

not constitute an Event of Default, so long as the City shall, within 180 days after the end of such calendar year, promptly retain and cause an Independent Accountant or a Consulting Engineer, as such terms are defined in the General Ordinance, to prepare a rate study for the purpose of recommending a schedule of rates, fees and changes for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Income to be collected in the next succeeding calendar year which will allow compliance with such rate maintenance requirements. The City shall, within three (3) months of receipt of such study, and in any event before the end of the calendar year, adopt rates, fees and charges for the use of the System, based upon the recommendations contained in such study, which will provide compliance with such rate maintenance requirements in the next succeeding calendar year.

ARTICLE V

MISCELLANEOUS

Section 5.01. Enterprise Status. The City represents that the Enterprise is currently qualified as an “enterprise” for purposes of Article X, Section 20 of the constitution and covenants that it will cause the Enterprise to maintain such status during the current fiscal year.

Section 5.02. Sale of Series 2021 Bonds. The Series 2021 Bonds shall either be Publicly Offered at negotiated or competitive sale or Privately Placed, as determined by Final Terms Certificate, in either case at a price, to be determined by a Final Terms Certificate, (a) in the case of Publicly Offered Series 2021 Bonds, not less than 96% of their principal amount plus accrued interest to the date of their delivery to the Purchaser or, (b) in the case of Privately Placed Series 2021 Bonds, 100% of the amount of proceeds advanced by the Registered Owner. The Series 2021 Bonds may either be Publicly Offered with an Official Statement or Privately Placed with one or more banks or other institutions, in which case no Official Statement or Continuing Disclosure Undertaking shall be prepared. The Mayor and the Clerk, on behalf of the Enterprise, are authorized pursuant to this Series Ordinance and a Final Terms Certificate to take all such actions as reasonably required for the purpose of specifying the terms and conditions of sale of the Series 2021 Bonds and effecting their delivery to the Purchaser.

Section 5.03. Character of Agreement. None of the covenants, agreements, representations or warranties contained herein or in the Series 2021 Bonds shall ever impose or shall be construed as imposing any liability, obligation or charge against the City (except for the special funds pledged therefor) or against the general credit of the City payable out of its general funds or out of any funds derived from its general property taxes.

Section 5.04. No Pledge of Property. The payment of the Series 2021 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City except for the Net Pledged Revenues and other funds expressly pledged hereunder. No property of the City, subject to such exception with respect to the Net Pledged Revenues and other funds, as provided herein and in the General Ordinance, shall be liable to be forfeited or taken in payment of the Series 2021 Bonds.

Section 5.05. Delegated Duties. The officers of the City are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the

provisions of this Series Ordinance and to comply with the requirements of law, including, without limitation:

(a) ***Preparation of Series 2021 Bonds.*** The preparation of the Series 2021 Bonds, including the printing upon or attachment to each such Bond of a copy of the approving legal opinion of bond counsel, duly certified by the Registrar, and, if necessary or desirable pending delivery of printed Series 2021 Bonds, the preparation of one or more temporary typewritten Series 2021 Bonds in an aggregate principal amount equal to that of the Series 2021 Bonds, otherwise in substantially the same form and bearing the same terms, to be delivered to the Purchaser and thereafter to be exchanged by the Purchaser for printed Bonds when the same are received by the City;

(b) ***Execution, Registration and Delivery of Series 2021 Bonds.*** The execution and registration of the Series 2021 Bonds and the delivery of the Series 2021 Bonds to the Purchaser pursuant to the provisions of this Series Ordinance;

(c) ***Information.*** The assembly and dissemination of financial and other information concerning the City and the Series 2021 Bonds;

(d) ***Official Statement and Continuing Disclosure Undertaking.*** In the event that the Series 2021 Bonds are Publicly Offered, the preparation of an Official Statement for the use of prospective buyers of the Series 2021 Bonds, including, without limitation, the Purchaser, and in connection therewith, the delivery and performance of the Continuing Disclosure Undertaking; and

(e) ***Invitation for Tender . In the event that the City makes a tender offer of any of the Series 2016 Bonds, the preparation of an Invitation for Tender in connection therewith; and***

(f) ~~(e)~~ ***Related or Ancillary Documents; Closing Certificates.*** The execution of any related or ancillary documents as provided by Final Terms Certificate, to the extent not inconsistent with this Ordinance or necessary to effectuate the transactions authorized hereby, together with such certificates as may be reasonably required by the Purchaser, relating, inter alia, to:

(i) the signing of the Series 2021 Bonds;

(ii) the tenure and identity of the officials of the City;

(iii) if in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Series 2021 Bonds;

(iv) the excludability of interest on the Series 2021 Bonds from gross income for federal income tax purposes and the exemption of such interest from State income tax;

(v) the delivery of the Series 2021 Bonds and the receipt of the Series 2021 Bond purchase price; and

(vi) the accuracy and adequacy of information provided in the Official Statement, if any, prepared for prospective buyers of Publicly Offered Series 2021 Bonds.

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

Section 5.07. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the City, and the Owners from time to time of the Series 2021 Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All of the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, and any Owner of any of the Series 2021 Bonds.

No recourse shall be had for the payment of the Debt Service Requirements of the Series 2021 Bonds or for any claim based thereon or otherwise upon this Series Ordinance authorizing their issuance or any other ordinance or instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the City, past, present or future, either directly or indirectly through the City, or otherwise, whether by virtue of any constitution, statute or rule of law or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Series 2021 Bonds and as a part of the consideration of their issuance specially waived and released.

Section 5.08. Ratification. All action not inconsistent with the provisions of this Series Ordinance heretofore taken by the City or its officers, and otherwise by the City directed toward the Series 2021 Project, the adoption of this Ordinance or the issuance of the Series 2021 Bonds for the purposes described herein is hereby ratified, approved and confirmed.

Section 5.09. Facsimile Signatures. Pursuant to the Uniform Facsimile Signature of public Officials Act, Part 1, Article 55, Title 11, C.R.S., as amended, the Mayor and the City Clerk shall forthwith, and in any event prior to the time the Series 2021 Bonds are delivered to the Purchaser, file with the Colorado Secretary of State their manual signatures certified by them under oath.

Section 5.10. Ordinance Irrepealable. This Series Ordinance is, and shall constitute, a legislative measure of the City and after any of the Series 2021 Bonds are issued, this Series Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Series 2021 Bonds; and this Series Ordinance, if any Series 2021 Bonds are in fact issued, shall

be and shall remain irrevocable until the Series 2021 Bonds, as to all Debt Service Requirements, shall be fully paid, cancelled and discharged, as herein provided.

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

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

Section 5.13. Effective Date; Expiration. This Series Ordinance shall take effect 30 days after publication following final passage. This Series Ordinance shall expire to the extent that the Series 2021 Bonds authorized herein are not issued by December 31, 2021.

Section 5.14. Publication by Reference. Pursuant to Section 5-5 of the Charter of the City and the City Code, this Series Ordinance may be published either in full or in summary form.

Section 5.15. Green Bond Designation. The Council hereby authorizes the Finance Director to designate that portion of the Series 2021 Bonds issued for the Refunding Project by Final Terms Certificate as “Green Bonds” pursuant to the voluntary, generally accepted Green Bond Principles promulgated by the International Capital Market Association. The Green Bond Principles provide that “Green Bonds” include any type of bond instrument the proceeds of which will be exclusively allocated to finance or refinance in part or in full new and/or existing eligible “Green Projects” which promote progress on environmentally sustainable activities. All of the proceeds of that portion of the Series 2021 Bonds issued for the Refunding Project are to be allocated to the Refunding Project immediately following the issuance of such Series 2021 Bonds. The City does not intend to undertake any further tracking of or reporting on the use of such proceeds.

Section 5.16. Disposition of Ordinance. This Series Ordinance, immediately on its final passage, shall be numbered and recorded in the Book of Ordinances kept for that purpose, authenticated by the signatures of the Mayor and Clerk, and shall be published as required by law.

INTRODUCED, READ AND ORDERED PUBLISHED this ____ day of _____,
2021.

PASSED AND ORDERED PUBLISHED BY REFERENCE this ____ day of _____,
2021.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

By _____
MIKE COFFMAN, Mayor

Attest:

By _____
KADEE RODRIGUEZ, City Clerk

Approved as to Form:

By _____
HANOSKY HERNANDEZ, Assistant City Attorney

APPENDIX A

FORM OF CONSTRUCTION ACCOUNT REQUISITION

REQUISITION NO. _____

To: _____
Attention: _____

The undersigned City Representative (the “Authorized Person”) of the City of Aurora, Colorado (the “City”) hereby requisitions the following sum from the Construction Account established under City Ordinance No. 2021- __ (the “Series Ordinance”), and certifies as follows:

Amount: \$ _____

Name and Payment Instructions of Payee:

Capitalized terms used herein and not otherwise defined shall have the same meanings, respectively, as provided in the Series Ordinance.

The City further certifies that:

(a) the obligation described above has been properly incurred by the City, is a proper charge against the Construction Account and has not been the basis of any previous withdrawal or requisition;

(b) all conditions required by the Series Ordinance and the Final Terms Certificate dated as of _____, 20__ (the “Final Terms Certificate”) to be met prior to the disbursement of the above amount have been satisfied;

(c) the City is not in breach of any of the agreements contained in the Series Ordinance or the Final Terms Certificate; and

(d) no Event of Default, within the meaning of the Series Ordinance, has occurred and is continuing.

CITY OF AURORA, COLORADO, acting by and through its Utility Enterprise

Date: _____ By: _____
Authorized Person

Proof of Publication

(Please see attached)

Document comparison by Workshare 9.5 on Friday, February 26, 2021 4:43:13 PM

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Document 1 ID	netdocuments://4835-1926-2934/3
Description	Aurora 2021 Water Bonds Ordinance
Document 2 ID	netdocuments://4835-1926-2934/4
Description	Aurora 2021 Water Bonds Ordinance
Rendering set	Kutak Option 1

Legend:	
Insertion	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	50
Deletions	11
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	61

**MANAGEMENT FINANCE COMMITTEE MEETING
FEBRUARY 23, 2021**

PROPOSED FINANCING ORDINANCE SERIES 2021 FIRST-LIEN SEWER REVENUE BONDS
Summary of Issue and Discussion

Teresa Sedmak, City Treasurer provided a summary. The proposed financing ordinance provides for the issuance of Series 2021 First-Lien Sewer Revenue bonds, in an amount not to exceed \$65 million to finance the acquisition and construction of improvements to the sewer system, including the acquisition and construction of a portion of the Southeast Area Maintenance Facility (the SEAM Project).

The Southeast Area Maintenance Facility (SEAM) was a future project identified in a facility master plan in 1999 based on City growth projections. In 2016-2017, a study was completed of current facilities. The study identified the current facilities as being over-crowded and additional space needed especially for operations functions. Based on the findings of the study, the recommendation was a new facility in Southeast Aurora, where existing facilities are limited for Water, Public Works, Fleet and Parks, Recreation and Open Space employees. The SEAM facility will be located in Southeast Aurora off Quincy Road. The initial phase of the project will house Aurora Water employees, with long-term growth opportunities to expand to include other City departments such as Public Works, Fleet and Parks, Recreation and Open Space.

This ordinance will be accompanied by a draft preliminary official statement (POS) prior to the March 22nd council meeting. The POS is the primary disclosure document referenced by investors and includes comprehensive information on the bonds, which is vital to investors in making their investment decisions. Assisting the City in the preparation of the POS will be Kutak Rock, the City's bond/disclosure counsel and Hilltop Securities, the City's financial advisor.

The issuance of the Series 2021 Sewer Bonds will increase the debt service burden of the sewer system in an amount dependent upon the final interest rate and structure of the financing. At this time, assuming a \$65 million borrowing, current interest rates, a level debt service structure and a 30-year final maturity date, it is estimated that annual debt service will be approximately \$3.1 million until the bonds are fully repaid. It is important to note that final debt service numbers will be dependent upon, among other things, market conditions on the date of issuance. It is expected that the bonds will be sold in May of this year.

Does the Committee support moving the proposed financing ordinance forward to Study Session?

Committee Discussion

CM Gruber: So, as a point of reference the City just issued the COPs for Southeast Aurora recreation center and it came close to 2% and something. So, I guess from where we are now with the debt that we already have. It should be relatively straightforward to hit the City policy and make these go through. Is that your feeling?

T. Sedmak: Yes. I don't anticipate a lot of change in interest rates. Interest rates have been trending up a little bit, but I don't see them moving significantly between now and the time we go to market. I would imagine to be mid to high two's or maybe less.

Outcome

The Committee recommended the item move forward to Study Session.

Follow-up Action

Staff will forward the item to Study Session.

PROPOSED FINANCING ORDINANCE SERIES 2021 FIRST-LIEN WATER REVENUE BONDS

Summary of Issue and Discussion

The proposed financing ordinance provides for the issuance of Series 2021 First-Lien Water Revenue Bonds for the purposes of (1) providing a portion of the costs of additions and improvements to the Water System, primarily related to the City's Southeast Area Maintenance Facility (the SEAM Project); and (2) to allow for the refunding of all or a portion of the City's outstanding Series 2016 First-Lien Water Revenue Bonds in order to realize economic savings.

The Southeast Area Maintenance Facility (SEAM) was a future project identified in a facility master plan in 1999 based on City growth projections. In 2016-2017, a study was completed of current facilities. The study identified the current facilities as being over-crowded and additional space needed especially for operations functions. Based on the findings of the study, the recommendation was a new facility in Southeast Aurora, where existing facilities are limited for Water, Public Works, Fleet and Parks, Recreation and Open Space employees. The SEAM facility will be located in Southeast Aurora off Quincy Road. The initial phase of the project will house Aurora Water employees, with long-term growth opportunities to expand to include other City departments such as Public Works, Fleet and Parks, Recreation and Open Space.

This ordinance will be accompanied by a draft preliminary official statement (POS) prior to the March 22nd council meeting. The POS is the primary disclosure document referenced by investors and includes comprehensive information on the bonds, which is vital to investors in making their investment decisions. Assisting the City in the preparation of the POS will be Kutak Rock, the City's bond/disclosure counsel and Hilltop Securities, the City's financial advisor.

The ordinance provides for a maximum issue size of \$539 million, which includes: (1) \$120 million in new money; and (2) up to \$419 million in refunding dollars for the redemption of the previously issued 2016 Water bonds. It is anticipated that the bonds will be sold in May of this year.

The issuance of the "new money" portion of the Series 2021 Water Bonds will increase the debt service burden of the water system in an amount dependent upon the structure, interest rate and final maturity of the financing. At this time, assuming a \$120 million borrowing, current interest rates, a level debt service structure and a 30-year final maturity date, it is estimated that annual debt service will be approximately \$5.7 million until the bonds are fully repaid.

Potential refunding of Series 2016 bonds: The refunding of \$400 million of the Series 2016 Water bonds (assuming all callable bonds are refunded) could provide an economic savings of approximately \$21.14 million (a 6.35% savings on a present value basis), which would equate to a \$1.1 million annual savings. The actual size of the refunding will be determined at a later date, as the effect of market rates on savings are established. In accordance with City of Aurora policies, the refunding will not be consummated if savings are less than three (3) percent as compared to the interest costs of the 2016 transaction.

Does the Committee support moving the proposed financing ordinance forward to Study Session?

Committee Discussion

There were no questions from the Committee.

Outcome

The Committee recommended the item move forward to Study Session.

Follow-up Action

Staff will forward the item to Study Session.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2021

NEW ISSUE—BOOK-ENTRY-ONLY

RATINGS (See “RATINGS”): ____: “____”
 ____: “____”

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the 2021B Bonds is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, the 2021B Bonds and the income therefrom are exempt from State of Colorado taxation, except inheritance, estate and transfer taxes. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

City of Aurora, Colorado
 acting by and through its
 Utility Enterprise

\$ _____*

**First-Lien Water Refunding and Improvement
 Revenue Bonds, Series 2021A**
[(GREEN BONDS)]

\$ _____*

**Taxable First-Lien Water Refunding Revenue
 Bonds, Series 2021B**
[(GREEN BONDS)]

Dated: Date of Delivery

Due: _____, as shown below

The First-Lien Water Refunding and Improvement Revenue Bonds, Series 2021A (the “Series 2021A Bonds”) and the Taxable First-Lien Water Refunding Revenue Bonds, Series 2021B (the “Series 2021B Bonds”) and, together with the Series 2021A Bonds, the “Series 2021 Bonds”) will be issued in fully registered book-entry form in denominations of \$5,000 or integral multiples thereof. The Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), securities depository for the Series 2021 Bonds. UMB Bank, n.a. will act as Paying Agent, Registrar and Transfer Agent for the Series 2021 Bonds. Individual purchases are to be made in book-entry-only form in authorized denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their ownership interest in the Series 2021 Bonds. Interest is payable _____, 20__ and semiannually thereafter each _____ 1 and _____ 1 to and including the maturity dates shown below, unless the Series 2021 Bonds are redeemed earlier.

<u>Year</u> *	<u>Amount</u> *	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ® ¹	<u>Year</u> *	<u>Amount</u> *	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ® ¹
2021					2031				
2022					2032				
2023					2033				
2024					2034				
2025					2035				
2026					2036				
2027					2037				
2028					2038				
2029					2039				
2030					2040				

\$ _____* _____% Term Bond due _____ 1, 20__ – Yield: _____% CUSIP® Number: _____¹
 \$ _____* _____% Term Bond due _____ 1, 20__ – Yield: _____% CUSIP® Number: _____¹

The Series 2021 Bonds are issued for the purpose of (a) refinancing [all/a portion] of the outstanding First Lien Water Refunding Revenue Bonds, Series 2016 (the “Series 2016 Bonds”), (b) financing, in part, the cost of additions and improvements to the Water System operated by the Utility Enterprise of the City and (c) paying expenses of issuance of the Series 2021 Bonds. The Series 2021 Bonds are special, limited obligations of the City, acting by and through its Utility Enterprise, and are payable solely from and secured by a first (but not necessarily exclusively first) lien upon certain net pledged revenues, consisting of the net revenues of the Water System of the City remaining after the payment of operation and maintenance expenses. See “THE SERIES 2021 BONDS—Security and Flow of Funds.”

The Series 2021 Bonds are not a debt or indebtedness or a multiple-fiscal year debt or other financial obligation of the City under the Constitution and laws of the State of Colorado. The Series 2021 Bonds are not payable from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for their payment.

The Series 2021 Bonds are subject to redemption as described under the caption “THE SERIES 2021 BONDS—Redemption.”

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

The Series 2021 Bonds are offered when, as and if issued by the City and accepted by the Underwriter named below, subject to approval of validity by Kutak Rock LLP, Bond Counsel, and certain other conditions. Kutak Rock LLP has also been retained to assist the City in the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the Office of the City Attorney and for the Underwriter by _____. Hilltop Securities Inc. has acted as financial advisor to the City in connection with the Series 2021 Bonds. Delivery of the Series 2021 Bonds through DTC in New York, New York, is expected on or about _____, 2021.

[Underwriter]

The date of this Official Statement is _____, 2021.

* Preliminary; subject to change.

¹ The City assumes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of owners of the Series 2021 Bonds.

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No broker, dealer, salesman, or other person has been authorized to give any information or to make any representation with respect to the Series 2021 Bonds which is not contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. The information in this Official Statement is subject to change and neither the delivery of this Official Statement nor any sale made after any such delivery shall, under any circumstances, create any implication that there has been no change since the date of this Official Statement. This Official Statement shall not constitute an offer to sell or the solicitation of any offer to buy, and there shall be no sale of any of the Series 2021 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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THE PRICES OR YIELDS AT WHICH THE SERIES 2021 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS SHOWN ON THE COVER PAGE HEREOF, AND THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS TO DEALERS AND OTHERS TO FACILITATE DISTRIBUTION OF THE SERIES 2021 BONDS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE HAS APPROVED OR DISAPPROVED THE SERIES 2021 BONDS OR THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

SUMMARY OF THE OFFICIAL STATEMENT

The City The City of Aurora, Colorado (the “City”) is located within the Denver, Colorado metropolitan area with an estimated population of 381,057 persons in 2019, and covers approximately 160 square miles. The City is a home rule city and operates under a council manager form of government. See “THE CITY.”

The Series 2021 Bonds The First-Lien Water Refunding and Improvement Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) are being issued in the aggregate principal amount of \$_____ by the City, acting by and through its Utility Enterprise (the “Enterprise” or “Aurora Water”). The Series 2021 Bonds are issued in book-entry-only form, in denominations of \$5,000 or integral multiples thereof, through the facilities of The Depository Trust Company, New York, New York. See Appendix F “INFORMATION RELATED TO BOOK-ENTRY-ONLY SYSTEM.”

Green Bond Designation The City has designated [a portion of] the Series 2021 Bonds as Green Bonds, pursuant to the generally accepted Green Bond Principles promulgated by the International Capital Market Association. [A portion of t]he proceeds of the Series 2021 Bonds will be allocated to the Refunding Project (as defined below), which the City has determined, in its sole discretion, is a qualified “Green Project” because substantially all of the obligations expected to be refunded by the Series 2021 Bonds financed or refinanced projects having environmental and conservation benefits. See “GREEN BOND DESIGNATION.” **[Under review by Kutak and Hilltop]**

Security for the Series 2021 Bonds The Series 2021 Bonds are special and limited obligations of the City, acting by and through Aurora Water, payable solely out of and secured by an irrevocable pledge of and a first lien upon the Net Pledged Revenues as defined under the caption “THE SERIES 2021 BONDS—Security and Flow of Funds.” *The Series 2021 Bonds are not general obligations of the City and are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation. No property of the City or Aurora Water, other than the Net Pledged Revenues, is pledged as security for the Series 2021 Bonds.*

Redemption The Series 2021 Bonds are subject to optional redemption prior to maturity and certain Series 2021 Bonds are subject to mandatory sinking fund redemption as described herein. See “THE SERIES 2021 BONDS—Redemption.”

Aurora Water Aurora Water was organized to operate the City’s municipal water system (the “System”), together with the City’s storm and sanitary sewer utilities (collectively, “Aurora Water”), on a fully self-supporting basis, and operates as a City-owned business. The City Council is the governing body of Aurora Water. See “AURORA WATER.”

The System..... The System provides water service to persons and property both inside and outside the City. The System’s assets consist of water rights, raw water storage facilities, water treatment facilities, treated water storage facilities and distribution lines. Most improved properties in the City and certain properties outside the City are served by the System and pay service charges to Aurora Water based upon their water consumption, in addition to connection and development fees at the time of connection to the System. See “THE SYSTEM.”

The operations and revenue-generating capacity of the System are subject to many of the same risks and contingencies affecting other large Western water systems, including variability in supply due to weather and climate conditions (see “FACTORS AFFECTING THE DELIVERY OF WATER TO CUSTOMERS”); the need to convey raw water over long distances and provide adequate water storage (see “THE SYSTEM”); the need for ongoing management of ratemaking and financial policies (see “FINANCIAL INFORMATION CONCERNING THE SYSTEM”) substantial environmental regulation (see “FACTORS AFFECTING THE DELIVERY OF WATER TO CUSTOMERS—Environmental Concerns”); and substantial future capital needs for water rights and System infrastructure (see “CAPITAL IMPROVEMENT PLANNING”).

Plan and Purpose of Series 2021 Bonds The Series 2021 Bonds are issued for the purpose of (a) refinancing [all/a portion of] the outstanding First Lien Water Refunding Revenue Bonds, Series 2016 (the “Series 2016 Bonds”), (b) financing, in part, the cost of additions and improvements to the Water System operated by the Utility Enterprise of the City and (c) paying expenses of issuance of the Series 2021 Bonds. See “USE OF PROCEEDS.”

Constitutional Limitations on Taxes, Revenues, Borrowing and Spending In 1992, the Colorado Constitution was amended to impose substantial limitations, including voter approval requirements, upon the taxes, revenues, borrowing, and spending of the State and local governments. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.” The Series 2021 Bonds are permitted to be issued without voter approval under the provisions of such amendment which exclude “enterprises” and their bonds, and refundings at lower interest rates, from such limitations.

Tax Treatment of Interest on the Series 2021 Bonds..... In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the 2021B Bonds is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that, under existing State of Colorado

statutes, to the extent interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, the 2021B Bonds and the income therefrom are exempt from State of Colorado taxation, except inheritance, estate and transfer taxes. Such conclusions may be subject to substantial limitations and exceptions in the case of particular taxpayers as described under the caption "TAX MATTERS."

Professional Services..... The professional firms participating in the initial offering of the Series 2021 Bonds are as follows:

Bond Counsel: Kutak Rock LLP
Suite 3000
1801 California Street
Denver, CO 80202-2626
Telephone: 303-297-2400

Financial Advisor: Hilltop Securities Inc.
Suite 500
8055 East Tufts Avenue
Denver, CO 80237
Telephone: 303-771-0217

Underwriter:

Underwriter's Counsel:

**Additional Information;
Continuing Disclosure
Undertaking.....**

Additional information concerning the City, Aurora Water, the System and the Series 2021 Bonds may be obtained from the City's Director of Finance, 5th Floor, 15151 East Alameda Parkway, Aurora, Colorado 80012, Telephone: (303) 739-7055, or from the Financial Advisor at the address and telephone shown above. The City will enter into an undertaking for the benefit of the beneficial owners of the Series 2021 Bonds pursuant to Securities and Exchange Commission Rule 15c2-12 to provide certain information concerning the Series 2021 Bonds on a continuing basis, and to file such information with specified information repositories accessible to investors. See "THE SERIES 2021 BONDS—Continuing Disclosure Undertaking" and Appendix E hereto.

THE FOREGOING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE DETAILED INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT. EACH PROSPECTIVE INVESTOR SHOULD READ THE OFFICIAL STATEMENT IN ITS ENTIRETY.

OFFICIAL STATEMENT

Relating to:

\$ _____ *

City of Aurora, Colorado

acting by and through its Utility Enterprise

First-Lien Water Refunding and Improvement Revenue Bonds, Series 2021

INTRODUCTION

Generally

This Official Statement, including its cover page and appendices, is provided in connection with the issuance by the City of Aurora, Colorado (the “City”) acting by and through its Utility Enterprise (the “Enterprise” or “Aurora Water”) of \$ _____* aggregate principal amount of First-Lien Water Refunding and Improvement Revenue Bonds, Series 2021 (the “Series 2021 Bonds”). The Series 2021 Bonds will be issued under the Water System General Revenue Bond Ordinance, Ordinance No. 2003-18, as amended (the “General Ordinance”) and the Series 2021 Water Revenue Bond Series Ordinance, Ordinance No. 2021-__ (the “Series Ordinance”), adopted by the City Council (the “Council”), supplemented, as to certain details of the Series 2021 Bonds, by a Final Terms Certificate executed by the City’s Director of Finance (the “Final Terms Certificate” and, together with the General Ordinance and the Series Ordinance, the “Bond Ordinance”). The term “City” as used in this Official Statement refers to the City and, where appropriate, to the City acting by and through Aurora Water. The City is a political subdivision of the State of Colorado (the “State”) organized and existing as a home rule city under the laws of the State and a home rule charter (the “Charter”).

The Series 2021 Bonds will be payable solely from and secured by a first (but not necessarily exclusively first) lien upon the Net Pledged Revenues of the System of the City (as defined herein). For a definition of the term “Net Pledged Revenues,” see “THE SERIES 2021 BONDS—Security and Flow of Funds.”

THE SERIES 2021 BONDS DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OR A MULTIPLE-FISCAL YEAR DEBT OR OTHER FINANCIAL OBLIGATION OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OR LAWS OF THE STATE OF COLORADO. THE SERIES 2021 BONDS ARE NOT PAYABLE IN WHOLE OR IN PART FROM THE PROCEEDS OF GENERAL PROPERTY TAXES OR ANY OTHER FORM OF TAXATION AND THE FULL FAITH AND CREDIT OF THE CITY IS NOT PLEDGED FOR THEIR PAYMENT.

Plan and Purpose of Financing

The Series 2021 Bonds are being issued in part for the purposes of refunding, paying and discharging [all/a portion] of the outstanding First-Lien Water Refunding Revenue Bonds, Series 2016 (the “Series 2016 Bonds” or the “Refunded Obligations”). The refunding of the Refunded Obligations (the “Refunding Project”) is being undertaken for the purpose of effecting debt service savings and other economies. The Refunded Obligations were originally issued for the purpose of refinancing a portion of Aurora Water’s ongoing program of additions and improvements to the Water System operated by Aurora

* Preliminary; subject to change.

Water (the “System”). The Series 2021 Bonds are also being issued in part for the purposes of financing a portion of Aurora Water’s ongoing program of additions and improvements to the System.

The references to and summaries of provisions of the Constitution and laws of the State and the descriptions of documents included herein do not purport to be complete and are qualified in their entirety by reference to the complete provisions thereof, copies of which are available from the City, or through the Underwriter during the period of the initial offering of the Series 2021 Bonds.

Capitalized terms used and not defined herein have the respective meanings specified in Appendix C to this Official Statement.

FORWARD-LOOKING STATEMENTS

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO FUTURE RESULTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS “ESTIMATE,” “FORECAST,” “INTEND,” “EXPECT,” “PROJECTED” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. ANY PROJECTION IS SUBJECT TO SUCH UNCERTAINTIES. INEVITABLY, SOME ASSUMPTIONS USED TO DEVELOP THE PROJECTIONS WILL NOT BE REALIZED AND UNANTICIPATED EVENTS AND CIRCUMSTANCES WILL OCCUR. THEREFORE, IT CAN BE EXPECTED THAT THERE WILL BE DIFFERENCES BETWEEN PROJECTIONS AND ACTUAL RESULTS, AND THOSE DIFFERENCES MAY BE MATERIAL.

GREEN BOND DESIGNATION [Under review]

Green Projects

The City has designated [a portion of] the Series 2021 Bonds as “Green Bonds,” in accordance with the generally accepted Green Bond Principles promulgated by the International Capital Market Association (the “Green Bond Principles”). Pursuant to the Green Bond Principles, the City is permitted to make this voluntary designation due to the intended use of the proceeds of the Series 2021 Bonds. The proceeds of the Series 2021 Bonds are to be used to finance the Refunding Project. The Refunded Obligations refinanced all of the City’s then-outstanding First Lien Water Improvement Revenue Bonds, Series 2007A (the “Series 2007A Bonds”) and First-Lien Water Refunding Revenue Bonds, Series 2008A (the “Series 2008A Bonds”), as well as the City’s Colorado Water Conservation Board Loan, dated as of November 20, 2007, in the original principal amount of \$75,750,000 (the “CWCB Loan”). The Series 2007A Bonds, the Series 2008A Bonds and the CWCB Loan in turn funded the Prairie Waters project (“Prairie Waters”) and other improvements to the Water System. The City estimates that more than 90% of the proceeds of the Refunded Obligations were allocated to Prairie Waters and other purposes of the kind contemplated by the Green Bond Principles.

The term “Green Bonds” is used herein for identification purposes only. The purpose of labeling the Series 2021 Bonds as Green Bonds and describing particular characteristics of the System and Prairie Waters in detail in this Official Statement is to allow investors seeking to invest directly in bonds that finance or refinance environmentally beneficial projects to evaluate the environmental merits and benefits of the projects financed by the Refunded Obligations. The owners of the Series 2021 Bonds do not assume any specific project risk or economic benefit related to the Refunding Project as a result of the Green Bonds

designation. No independent certification is being obtained with respect to the treatment of the Series 2021 Bonds as Green Bonds.

At the time of its initial design, Prairie Waters was one of the largest water-related projects in the State, designed to provide a sustainable long-term water supply to the City's growing population under drought conditions. Among other benefits, Prairie Waters makes use of riverbank filtration (see "PRAIRIE WATERS—Current Status), a cost-effective natural pretreatment process. See "PRAIRIE WATERS." The City considers Prairie Waters an environmentally beneficial project because it resulted in more efficient utilization of the existing water supplies of the System and reduced the need for additional water rights acquisitions. As a result of Prairie Waters, the availability of water to the System increased by approximately 20%, without the acquisition of new water rights or construction of additional raw water storage. See "PRAIRIE WATERS—Successive Uses of Existing Water Rights." Prairie Waters makes use of technology to promote the conservation of water resources, improve water usage efficiency, provide protection to System customers under drought conditions and make deliveries of water possible to smaller water providers outside the System's current service area, thereby providing regional water supply and conservation benefits.

All of the proceeds of the Series 2007A Bonds as well as the proceeds of the CWCB Loan were used to fund Prairie Waters. Proceeds from the Series 2008A Bonds were used to refund obligations of the City issued in 2004, the proceeds of which were used to finance various additions and improvements to the System, including: the renovation and expansion of the Wemlinger Water Treatment Plant (expanding the plant's treatment capacity from 60 to 80 MGD, installing state-of-the-art treatment technology designed to meet regulatory requirements and improving architectural features); constructing approximately three miles of water transmission line to serve the redevelopment of the 577 acre former Fitzsimons Army Medical Center (improving the City's existing distribution system and facilitating urban infill development); acquiring and constructing storage capacity (including the acquisition of the City's storage easement in Spinney Mountain Reservoir on the South Platte River, which increased the City's water storage capacity by approximately 4,000 acre-feet); and acquiring and developing water rights. The City considers at least some portion of each of these projects to be environmentally beneficial because these projects improved the System by making it more drought-resistant and increasing its capacity to serve customers.

Process for Evaluation and Selection

Aurora Water frequently undertakes extensive project evaluation, including implementing its Water Management Plan and Integrated Master Plan, in order to maintain compliance with federal and State standards. See "THE SYSTEM—Treatment and Distribution Assets—Water Management Plan", "CAPITAL IMPROVEMENT PLANNING—System Expansion and Improvement Projects" and "FACTORS AFFECTING THE DELIVERY OF WATER TO CUSTOMERS." In 2003, the City undertook a detailed study of various methods of drought hardening the System after drought conditions prevailing over preceding years had reduced the amounts of the System's stored water to historically low levels. See "FACTORS AFFECTING THE DELIVERY OF WATER TO CUSTOMERS." The City determined that Prairie Waters was the most cost-effective, efficient and sustainable project of the proposed projects considered in the 2003 study. See "PRAIRIE WATERS."

Management of Proceeds

The funding and construction of Prairie Waters was administered under extensive project management and cost analysis procedures. As a result of labor and construction industry conditions during the construction period, as well as the effectiveness of Aurora Water's management of Prairie Waters funds, Prairie Waters was completed approximately \$100 million below its budgeted cost. Funds for Prairie Waters were placed in segregated accounts and monitored by Aurora Water and an external construction

manager to ensure that the proceeds of the obligations to be refinanced by the Refunding Project were properly allocated to project purposes. Prairie Waters is currently in operation and performing its intended purposes. The funding of the other projects financed or refinanced by the Refunded Obligations was also effected through segregated accounts monitored by Aurora Water.

Reporting and Tracking

All of the proceeds of that portion of the Series 2021 Bonds designated as Green Bonds are to be allocated to the Refunding Project immediately following the issuance of the Series 2021 Bonds. Because all projects financed by the Refunded Obligations are now complete, the City does not intend to undertake any further tracking of and reporting on the use of such proceeds. See “PRAIRIE WATERS—Components of Prairie Waters” and “PRAIRIE WATERS—Current Status.”

THE SERIES 2021 BONDS

Description of the Series 2021 Bonds

The Series 2021 Bonds are special and limited obligations of the City, acting by and through Aurora Water, and are issued for the purpose of refunding the Refunded Obligations and financing a portion of Aurora Water’s ongoing program of additions and improvements to the System. The Series 2021 Bonds are in the denominations, bear interest, mature, and are subject to the other terms and conditions stated on the cover page hereof.

Debt Service Requirements. The debt service requirements of the Series 2021 Bonds and the other obligations payable from the Net Pledged Revenues are set forth in Table XI.

Authority for Issuance

The Series 2021 Bonds are issued under authority of the Charter and Article II of Chapter 138 of the City Code (the “Enterprise Ordinance”). Under the Enterprise Ordinance, the City has designated and currently maintains its water and storm and sanitary sewer activities as an “enterprise” for purposes of Article X, Section 20 of the Colorado Constitution (“TABOR”). See “AURORA WATER.” As bonds of a TABOR enterprise, the Series 2021 Bonds are authorized to be issued without approval by the electors of the City. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

Registration and Payment

The Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), securities depository for the Series 2021 Bonds. For so long as the Series 2021 Bonds are in book-entry form, the principal of and interest on the Series 2021 Bonds will be payable at the office of UMB Bank, n.a., or its successors, as paying agent, registrar and transfer agent (the “Paying Agent”). Interest on the Series 2021 Bonds is payable by wire transfer to Cede & Co. upon written instruction or by check or draft mailed by the Paying Agent to the registered owners of the Series 2021 Bonds whose names and addresses appear in the registration books of the City on the Regular Record Date, i.e., the fifteenth day, whether or not a business day, of the calendar month preceding the interest payment date. Under certain circumstances a Special Record Date may be fixed by the Paying Agent to establish ownership of the Series 2021 Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

Book-Entry-Only System

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2021 Bond will be issued for each maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, and each of such Series 2021 Bonds will be deposited with DTC. For information regarding DTC see “Appendix F—Information Related to Book-Entry-Only System.”

Redemption

The Series 2021 Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. Series 2021 Bonds maturing on _____, 20__ and thereafter are subject to redemption prior to maturity at the option of the City on _____, 20__ or any date thereafter, in whole or in part, and if in part in such order of maturity as the City shall determine and by lot within maturities, at a redemption price of par plus accrued interest to the redemption date, without redemption premium.

Mandatory Sinking Fund Redemption. Certain of the Series 2021 Bonds are also subject to mandatory sinking fund redemption.

The Series 2021 Bonds maturing on _____, 20__ are subject to mandatory redemption by lot from mandatory sinking fund installments, at a redemption price equal to par plus accrued interest only to the redemption date, on _____1, of the following years and in the following amounts, such redemption amounts to be subject to proportionate reduction in the event of partial optional redemption of such Series 2021 Term Bonds:

Year **Amount**

20__ (stated maturity)

The Series 2021 Bonds maturing on _____, 20__ are subject to mandatory redemption by lot from mandatory sinking fund installments, at a redemption price equal to par plus accrued interest only to the redemption date, on _____1, of the following years and in the following amounts, such redemption amounts to be subject to proportionate reduction in the event of partial optional redemption of such Series 2021 Bonds:

Year **Amount**

20__ (stated maturity)

Notice of Redemption. Notice of redemption of any Series 2021 Bonds is to be given by the Paying Agent by sending a copy of such notice by first-class mail, postage prepaid, at least 30 days prior to the redemption date, to the Underwriters and to the registered owner of each Series 2021 Bond all or a portion

of which is called for prior redemption, at his or her address as it last appears on the registration records kept by the Paying Agent. For so long as the Series 2021 Bonds are in book-entry form, any such redemption notice may be given, in lieu of such mailing, by sending a copy thereof by electronic means, to DTC or its designee. Failure, as to any Series 2021 Bond, to mail or send such notice as provided above, or any defect therein, does not affect the validity of the proceedings for the redemption of any other Series 2021 Bonds. Any failure of DTC to advise any Participant, or of any Participant or indirect participant to notify the Beneficial Owner, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2021 Bonds called for redemption or any other action premised on that notice.

In the event of a call for redemption, the City's notification to DTC initiates DTC's standard call procedure. In the event of a partial call, DTC's practice is to determine by lot the amount of the interest of each Participant in the Series 2021 Bonds to be redeemed, and each such Participant then selects by lot the ownership interest in such Series 2021 Bonds to be redeemed. When DTC and Participants allocate the call, the Beneficial Owners of the book-entry interests called are to be notified by the broker or other organization responsible for maintaining the records of those interests and subsequently credited by that organization with the proceeds once the Series 2021 Bonds are redeemed.

Security and Flow of Funds

[to be conformed to Series 2021 Bond Documents]

The General Ordinance and the Series Ordinance. The Series 2021 Bonds are to be issued pursuant to a Water System General Revenue Bond Ordinance (the "General Ordinance") and a Series 2021 First-Lien Water Revenue Bond Ordinance (the "Series Ordinance"), adopted by the City Council, acting as such and as the governing body of the Enterprise, and supplemented, as to certain final terms of the Series 2021 Bonds, by a final terms certificate executed by the Director of Finance (the "Final Terms Certificate" and, collectively with the General Ordinance and the Series Ordinance, the "Bond Ordinance"). The Series Ordinance provides for the application of substantially all of the proceeds of the Series 2021 Bonds as follows: (a) an amount sufficient to pay the Costs of Issuance is to be deposited in the Series 2021 Costs of Issuance Subaccount of the Series 2021 Construction Account; (b) an amount to be deposited to the Series 2021 Refunding Escrow Account as described under the caption "USE OF PROCEEDS—Sources and Uses of Funds;" (iii) an amount to be deposited to the Series 2021 Construction Account as described under the caption "USE OF PROCEEDS—Sources and Uses of Funds"; and an amount to fund the Debt Service Reserve Account. The Bond Ordinance provides that the General Ordinance and the Series Ordinance are irrevocable until the Series 2021 Bonds and the interest thereon are fully paid or defeased. The following are brief summaries of certain material provisions of the Bond Ordinance.

The Series 2021 Construction Account. The Series Ordinance establishes a Series 2021 Construction Account. A portion of the net proceeds of the Series 2021 Bonds will be held in the Series 2021 Construction Account and applied to the Improvement Project.

The Series 2021 Costs of Issuance Subaccount. The Series Ordinance establishes a Series 2021 Costs of Issuance Subaccount within the Series 2021 Construction Account. The portion of the proceeds of the Series 2021 Bonds reasonably required to pay costs of issuance is required to be deposited in the Series 2021 Costs of Issuance Subaccount, and used, to the extent required, for the payment of Costs of Issuance of the Series 2021 Bonds, and to the extent of any excess, for any other lawful purpose.

Series 2021 Debt Service Reserve Account. The Series Ordinance establishes a Debt Service Reserve Account in the amount of \$_____.

Pledged Revenues and Flow of Funds. The General Ordinance defines the System to include the municipal water system presently owned and operated by the City, acting by and through the Enterprise,

together with all Equipment and Improvements to the System (but excluding Special Facilities) and any other property or facilities specifically added to the System by ordinance of the City Council. Special Facilities are defined in the General Ordinance as any property financed or refinanced for water purposes upon the express condition that it shall be financed or refinanced with Special Facilities Obligations and excluded from the System during the time such Special Facilities Obligations are Outstanding. The Income of the System is defined in the General Ordinance to include all rates, fees, or charges for services furnished by, or the direct or indirect use of the System, together with any interest income of the System attributable to the investment of moneys in the accounts created in the General Ordinance and not specifically excluded from the lien of the General Ordinance, and subject to certain exclusions enumerated in the full text of the definition of "Income" in Appendix C hereto. See "THE SYSTEM."

The General Ordinance establishes a special account (the "Income Account") into which all Income is to be deposited. The Income Account may be maintained as a subfund, account or subaccount of the Water Enterprise Fund.

The Income on deposit in the Income Account is to be applied in the following order of priority:

FIRST, to the payment of necessary and proper costs of operating and maintaining the System ("Operation and Maintenance Expenses") as they become due (the Income less such Operation and Maintenance Expenses being referred to as the "Net Pledged Revenues");

SECOND, to the Debt Service Account in monthly installments sufficient to pay any interest accrued and due on the next interest payment date and a ratable portion of the next installment of principal, if any, on the Series 2021 Bonds and similar installments with respect to any outstanding parity securities;

THIRD, to the debt service reserve accounts, if any, established in connection with outstanding First Lien Revenue Obligations to the extent required to maintain minimum reserve requirements or, if the minimum reserve requirements are satisfied with surety bonds or other credit facilities, to reimburse the issuers thereof for any amounts advanced by them, with interest (no such reserve accounts will exist upon issuance of the Series 2021 Bonds, but such reserve accounts could be established in connection with future issues of First Lien Revenue Obligations);

FOURTH, to the payment of the Debt Service Requirements of obligations having a lien on the Net Pledged Revenues subordinate to the lien of the Series 2021 Bonds and other outstanding First Lien Revenue Obligations; and

FIFTH, to be used, free of the lien of the General Ordinance, for the acquisition of improvements or other properties or facilities for the System or for any one or any combination of other lawful purposes of the City or Aurora Water as the City may from time to time determine.

Moneys in any or all of the foregoing accounts may, to the extent provided by Final Terms Certificate, be made subject to transfer to an Excess Investment Earnings Account. In order to give effect to the requirements of both the Internal Revenue Code of 1986, as amended, and the General Ordinance the City may, to the extent necessary, advance, subject to reimbursement, moneys required for the payment of Operation and Maintenance Expenses from funds earmarked for Improvements or Capital Projects, and may also, to the extent necessary, advance, subject to reimbursement, Net Pledged Revenues required for the payment of Debt Service Requirements of Obligations from funds earmarked for Operation and Maintenance Expenses. Nothing in the General Ordinance prevents the City from creating subfunds or subaccounts for the purpose of recording payments and accumulations in a manner consistent with the accounting principles which may be employed by the City from time to time.

Rate Maintenance. In the General Ordinance, the City covenants, among other things, to prescribe, revise and collect fair and reasonable rates, fees and charges for use of the System which shall produce Income sufficient, together with any other moneys legally available therefor and credited to the Income Account, to make the payments and accumulations required by the Ordinances; and which shall produce Net Pledged Revenues in each ensuing Fiscal Year at least equal to the sum of 120% of the Combined Annual Debt Service Requirements of all Outstanding First-Lien Revenue Obligations and 105% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, plus any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom. For purposes of compliance with the Ordinances, including the Rate Maintenance Covenant, there may be counted as Income any funds contributed to the System by the City. See “TABLE XVII—WATER SERVICE CHARGES AND USAGE RATES” for past and certain currently estimated future rates.

The Series Ordinance provides, with respect to the Series 2021 Bonds, that so long as the Net Pledged Revenues in any calendar year are sufficient to pay at least 100% of the Combined Annual Debt Service Requirements of all Outstanding First-Lien Revenue Obligations (as such terms are defined in the Series Ordinance) and 100% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, the failure to meet the rate maintenance requirements of the General Ordinance in such calendar year shall not constitute an Event of Default so long as the City shall, within 180 days after the end of such calendar year, promptly retain and cause an Independent Accountant or Consulting Engineer, as such terms are defined in the General Ordinance, to prepare a rate study for the purpose of recommending a schedule of rates, fees and charges for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Income to be collected in the next succeeding calendar year which will allow compliance with such rate maintenance requirements. In the Series Ordinance, the City agrees, within three (3) months of receipt of such study, and in any event before the end of the calendar year, to adopt rates, fees and charges for the use of the System, based upon the recommendations contained in such study, which will provide compliance with such rate maintenance requirements in the next succeeding calendar year.

First-Lien Bonds. Pursuant to the General Ordinance, the Series 2021 Bonds and any Additional First-Lien Revenue Obligations constitute a first and prior (but not necessarily exclusive) lien on the Net Pledged Revenues.

Additional Obligations. Additional Obligations may be issued, subject to certain provisions of the Bond Ordinance.

The General Ordinance prohibits the issuance of Obligations having a claim to the Income prior or superior to that of the Series 2021 Bonds. Subordinate securities may be issued at any time.

Additional First-Lien Revenue Obligations may be issued provided that, at the time of their issuance: (a) the City is not in default under the provisions of the Bond Ordinance; and (b) the Net Pledged Revenues for the last complete Fiscal Year or any 12 consecutive whole months out of the last 18 prior to the issuance of the proposed Additional First-Lien Revenue Obligations, as certified by the City Manager or a Consulting Engineer or Independent Accountant, must have been equal to at least 120% of the Maximum Annual Debt Service Requirements of the Series 2021 Bonds and Additional First-Lien Revenue Obligations then Outstanding and the Additional First-Lien Revenue Obligations proposed to be issued. If any adjustment in System rates or fees is to be effective during or prior to any Fiscal Year in which the Maximum Annual Debt Service Requirements occur, the Net Pledged Revenues may be adjusted to reflect the Net Pledged Revenues which would have been produced had the modified rates been in effect throughout such Fiscal Year.

For a more detailed description of the Bond Ordinance, see Appendix C hereto.

Continuing Disclosure Undertaking

In order to facilitate compliance by the Underwriters with Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the City will enter into an undertaking in substantially the form set forth in Appendix E hereto (the “Continuing Disclosure Undertaking”) to provide certain information, including audited financial results, on an annual basis, and to provide notice of certain specified events contemplated by the Rule, to the information repositories designated in the Continuing Disclosure Undertaking. Investors may obtain access to such filings in the manner specified in Appendix E hereto.

The specific information required to be provided by the City under the Continuing Disclosure Undertaking includes: (a) notice of the occurrence of any of the material events enumerated in the Rule; (b) annual audited financial statements; and (c) annual operating results with respect to the items described under the caption “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Operating History” and Tables II, III, VII, X, XII, XVII, XIX and XXI. **[confirm TABLES]**

Failure to perform the Continuing Disclosure Undertaking does not constitute an Event of Default under the Bond Ordinance, but in the event of a failure to perform the Continuing Disclosure Undertaking, the owners of the Series 2021 Bonds have the right to seek a court order directing the City to perform its obligations thereunder.

[update and conform to Compliance Report] In June of 2012, 2013 and 2014, the City did not file with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access facility for municipal securities disclosure (“EMMA”) certain operating data required by a continuing disclosure undertaking entered into by the City with respect to certain bonds issued by the Metro Wastewater Reclamation District, Colorado (“Metro”), a regional sewer treatment provider. The City filed the required information as part of its own 2012-14 EMMA filings but such filings did not refer to the Metro bonds’ CUSIP numbers. In November, 2015, the City filed such operating data through EMMA, specifically with respect to the Metro bonds.

USE OF PROCEEDS

Sources and Uses of Funds

The City estimates the following sources and uses of funds in connection with the sale of the Series 2021 Bonds:

Sources

Principal Amount of Series 2021 Bonds
Original Issue Premium
[Release of Prior Debt Service and Reserve Funds]

Total Sources

Uses

Tender of Tendered Bonds
Refunding Escrow Cash Deposit
Deposit to Construction Account
Federal Securities Purchases
Costs of Issuance¹

Total Uses

¹ Includes underwriting discount, legal, printing, accounting, financial advisory fees and rounding amount.

The Project

The Series 2021A Refunding Project. The City has solicited offers for the tender of all or a portion of its outstanding First Lien Water Refunding Revenue Bonds, Series 2016 (the “Series 2016 Bonds”). The owners of \$_____ of such Series 2016 Bonds (the “Tendered Bonds”) have agreed to tender their bonds to the City in exchange for payment of a purchase price equal to the par amount of such bonds plus interest accrued to the date of such tender. A portion of the net proceeds of the Series 2021 Bonds, together with certain other legally available funds, are to be applied after delivery of the Series 2021 Bonds to the payment and discharge of the Tendered Bonds (the “Series 2021A Refunding Project”).

The Series 2021A Improvement Project. A portion of the net proceeds of the Series 2021 Bonds are to be applied to the construction and equipping of the Improvement Project described hereafter. The Southeast Area Maintenance (“SEAM”) facility was previously identified in a 1999 facility master plan as a necessary project due to City growth projections. In 2016-2017, the City conducted a study of the current System (as defined herein) facilities (the “2017 Study”). The 2017 Study provided that the current facilities are over-crowded and found that additional space was needed, particularly for operational functions. Based on these findings, the 2017 Study recommended the construction of a new facility in Southeast Aurora (the “Improvement Project”), to provide needed facilities for Water, Public Works, Fleet and Parks, Recreation and Open Space City employees. The SEAM facility is to be constructed on an 88-acre, City owned parcel located between Powhaton Road and Robertsdale Way on the north side of Quincy Avenue (the “Site”).

During its initial phase, the new SEAM [campus] is planned to house Aurora Water employees, however the facility is expected to have long-term growth opportunities for expansion to include other City departments such as Public Works, Fleet and Parks, Recreation and Open Space. The [Improvement Project or just the initial phase of the larger project?] will consist of the development of approximately 40 acres of the Site, with approximately 367,600 square feet of gross building area. The SEAM campus is expected to include: a main facility building that includes administrative office space; a water quality lab; shop

workspaces; vehicular and equipment storage areas, as well as drive-through operations and maintenance bays; a warehouse and trades Building including a welding shop, associated administrative office spaces, exterior storage and work areas, a drive-through connection to the main facility building, and a loading dock; a climate-controlled storage building with drive-through bays; a fleet maintenance and wash building including drive-through fleet maintenance bays and two vehicle wash bays; maintenance yard areas with material storage bins; and a fueling station [will all of these projects be funded by Bond proceeds?]. The wash bays and fueling station are to be made available for use by all City departments.

Construction of the Improvement Project began in early 2021 and is expected to be completed in 2023. [add details regarding construction contract?]

The Series 2021B Refunding Project. The net proceeds of the Series 2021B Bonds, together with certain other legally available funds, are to be applied after delivery of the Series 2021B Bonds to the payment and discharge of the Refunding Obligations, pursuant to a Refunding Escrow Agreement (the “Escrow Agreement”) dated as of _____, 2021 between the City and [UMB Bank, n.a.] (the “Escrow Bank”). [Under the Escrow Agreement the Escrow Bank is directed to pay in the ordinary course and call for redemption on _____, 20__ , the refunded Series 2016 Bonds.]

The funds held by the Escrow Bank pursuant to the Escrow Agreement (the “Refunding Escrow Account”) are required to be held, pending their use to pay the Refunded Obligations, in cash, direct obligations of or obligations unconditionally guaranteed as to principal and interest by the United States of America (“Federal Securities”). The Owners of the Series 2021 Bonds will have no claim to the assets of the Refunding Escrow Account.

The accuracy of computations indicating that the Refunding Escrow Account is sufficient to make the required payments in connection with the Refunded Obligations will be verified by a firm of certified public accounts. See “VERIFICATION OF CERTAIN CALCULATIONS.”

THE CITY

Currently the third largest municipality in Colorado, the City was founded in 1891 as an unincorporated community and was incorporated on May 5, 1903 as the Town of Fletcher. In 1907, the Town Council changed the name to “Aurora.” The Council-Manager form of government was adopted by the City in 1954, and the 11 members of the City Council (including a full-time Mayor, who is elected specifically for that position) are chosen biennially for staggered four-year terms in non-partisan elections. The Mayor serves as the presiding officer at all meetings of the Council and is not entitled to vote upon any resolution or ordinance unless it is to create or break a tie vote. A Mayor Pro Tem is elected by the Council to serve in the absence of the Mayor. In 1961, the City became a home rule city by adopting its own Charter pursuant to Article XX of the Constitution of the State. The City is a full-service local government and owns Aurora Water. For more detailed information concerning the City, its government, growth and development and the local economy, see “Appendix D—GENERAL INFORMATION CONCERNING THE CITY.” While the City has other sources of revenue, the Series 2021 Bonds are not secured by any funds or revenues of the City other than the Net Pledged Revenues.

AURORA WATER

Aurora Water was organized to operate the City’s municipal water system (the “System”), as well as its sanitary sewer system and the storm drainage system (together with the System, “Aurora Water”), on a fully self-supporting basis as a City owned business. The Council is the governing body of Aurora Water.

Only the net revenues of the Water System are included in the Net Pledged Revenues and the Series 2021 Bonds are not secured by any pledge of sewer system or storm drainage system revenues.

Aurora Water, under the administration of its General Manager, has approximately 470 full time equivalent employees and is responsible for the operation and maintenance of all water, sanitary sewer, reclaimed effluent and storm drainage facilities owned by the City. Aurora Water has two major functional divisions, Water and Wastewater. The Water Division is engaged in developing, protecting, operating, maintaining and expanding the System for the benefit of users within the City and limited service areas outside the City. Funds of the System are maintained in accounts separate from funds of the Wastewater Division. The Wastewater Division is further divided into the Sanitary Sewer and Storm Drainage operating divisions. An Administration Division provides administrative oversight for the entire department. Other divisions provide financial and customer billing, plan review and connection application, master planning and capital projects, public information and conservation, and water resource acquisition and quality control functions.

Principal Officials

Aurora Water is operated under the supervision of its General Manager. Following is a description of the principal Aurora Water officials involved in the management of the System. See “Appendix D—GENERAL INFORMATION CONCERNING THE CITY—City Management” for information concerning key elected and appointed officials of the City government.

Marshall Brown, General Manager of Aurora Water, has been employed with the City since 2012. Mr. Brown has more than 25 years of experience in the water industry. He began in the private sector, where he gained significant technical expertise on water resource evaluation and development, feasibility studies, groundwater modeling and groundwater characterization and remediation. Mr. Brown was previously the head of the water utility in Scottsdale, Arizona. During his time with Aurora and Scottsdale, two industry leading utilities, Mr. Brown has had the opportunity to plan, manage and direct activities to position each organization for sustainable futures. Mr. Brown received a Bachelor of Science degree from Brigham Young University in Geological Engineering and a Master of Science degree from the University of Arizona in Geophysical and Geological Engineering.

Alexandra Davis, Deputy Director of Water Resources, has been employed with the City since 2015. Ms. Davis has spent almost 25 years in the water resources field. She started at the Colorado Attorney General’s office representing Natural Resource agencies and the State Engineer in Colorado Water Court. She spent a year as a Special U.S. Attorney representing Department of Interior agencies on water issues. While at the Colorado Department of Natural Resources (the “DNR”), she served as the Assistant Director for Water and the Director of the Inter Basin Compact Committee. There, she was responsible for implementing the Governor’s and the DNR Director’s agendas, creating and implementing statewide water policy, and aiding the Department agencies with water-related issues, policies and projects. As Assistant Director for Water, she served on a number of influential boards and committees including the Upper Colorado River Commission, the Colorado Ground Water Commission, Colorado Water Conservation Board, Western States Water Council, Governor Ritter’s South Platte Task Force, and the Colorado Supreme Court Water Rules Committee. After a short stint in private law practice, Ms. Davis returned to the State as the Colorado Parks and Wildlife Water Resources Manager and from there came to Aurora Water. Ms. Davis has a Bachelor of Arts degree from Pitzer College, majoring in Psychology and Organizational Psychology and a Juris Doctorate degree from the University of Colorado. Ms. Davis also spent a year in Japan studying International Studies at Waseda University.

Dan Mikesell, Director of Operations, has been employed with the City since 1981. Mr. Mikesell has 40 years of experience in the water industry. During that time, he has held the positions of Interim

Director, Deputy Director of Operations & Engineering, Manager of Operations, Water Services Manager and Customer Service Superintendent, all with the City. He currently serves as a member of the Homestake Steering Committee and the Aurora/Colorado Springs Joint Water Authority, as well as the Metropolitan Wastewater Reclamation District Board of Directors. Mr. Mikesell has an Associate of Applied Science degree in Management.

Steve Sciba, Deputy Director of Operations, has been employed with the City since 2005. Mr. Sciba has over 33 years of experience in the utility industry and previously held positions with the City of Englewood Engineering and Utilities Departments and was a supervisor for Colorado Springs Utilities before coming to the City. Since joining the City, Mr. Sciba has held the positions of Customer Service Superintendent, Water Services Division Manager, Support Services Division Manager and the Operations and Maintenance Division Manager for Aurora Water. He currently serves as the President of the Aurora/Colorado Springs Joint Water Authority and is Vice President of the Homestake Steering Committee. Mr. Sciba graduated with a Bachelor of Arts degree in Psychology from the University of Colorado and is currently designated as a State of Colorado, Certified Water Professional. He has obtained industry specific certifications as a Class 4 Collection System Operator, Class 4 Distribution System Operator, a “D” Water Treatment Operator and a Cross Connection Control Technician.

Jo Ann Giddings, Deputy Director of Water Financial Administration, has been employed with the City since 2005. Ms. Giddings has over 18 years of experience in government finance at the city and county level. Ms. Giddings’ experience at the City includes working in the City finance department as well as the finance office of Aurora Water. In addition to working for the City and Arapahoe County, Ms. Giddings also worked for a public accounting firm performing audits mainly for governmental entities. In addition to the city, county and audit experience, Ms. Giddings also has experience in commercial banking. Ms. Giddings received a Bachelor of Science degree in Accounting from Regis University and is a certified public accountant licensed in the State of Colorado. She serves on the Metropolitan Wastewater Reclamation District Board of Directors.

Sarah Young, Deputy Director of Water Planning & Engineering, has been employed with the City since 2013. Mrs. Young has over 25 years of engineering and water-related experience. Prior to joining the City, Mrs. Young spent several years in civil construction and prior to that 12 years in private engineering consulting, focusing on master planning, water/wastewater design, environmental permit support, and enterprise fund feasibility and implementation. Mrs. Young has a Bachelor of Science degree in Civil Engineering from the University of Colorado and is a licensed professional engineer in Colorado.

Employee Pension Plan. Employees of Aurora Water are employees of the City and as such are covered under the City’s pension and post-employment benefits policies and plans. The City’s pension policies and plans are described in Appendix D hereto. See “Appendix D—GENERAL INFORMATION CONCERNING THE CITY—Employees; Unions and Labor Relations—*Employee Pension Plans.*”

Designation and Character of the Enterprise for Purposes of TABOR

To facilitate compliance with certain provisions of Article X, Section 20 of the Colorado Constitution (“TABOR”) described under the caption “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING,” the Council enacted the Enterprise Ordinance, confirming the existence of Aurora Water (including both the Water and Sewer Systems) as an “enterprise” for purposes of TABOR. TABOR defines an “enterprise” as a government owned business authorized to issue its own revenue bonds and receiving less than 10% of its annual revenue in grants from all State and local governments combined. In the 12 months ended December 31, 2020, Aurora Water did not receive any material portion of its total revenues in grants from the State or its political subdivisions, including the

City. Total revenues for that period, including development fees, were \$_____ (\$_____ of which were water system revenues and \$_____ of which were wastewater and storm drainage system revenues). Because total revenues for this purpose include items such as development fees, which are not treated as operating revenues for financial reporting purposes, these amounts are higher than the revenue figures reflected in Tables XIV and XV.

The City has made no covenant in the Bond Ordinance or the Enterprise Ordinance that it will continue to maintain Aurora Water as an “enterprise” under TABOR beyond the current fiscal year. A future failure of Aurora Water to qualify as an “enterprise” for purposes of TABOR would not affect the validity of the Series 2021 Bonds or the right and obligation of the City to increase fees and charges when required by the Bond Ordinance, but the absence of continuing spending exceptions such as those described under the caption “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING” would result in the inclusion of Aurora Water in the City’s overall spending and revenue base and limitations while Aurora Water continued to be disqualified. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.” In part because of voter-approved exceptions to the City’s TABOR revenue and spending limits, such a result, in the event that it occurred, would not be expected to adversely affect either Aurora Water or the City as a whole.

THE SYSTEM

Aurora Water operates the Water System, which is the second-largest independent municipal water supply system in the Denver/Aurora metropolitan area, supplying treated water to over 90,000 active customer accounts as of December 31, 2020.

Origins; Establishment; Early Development

From 1918 until 1949, the portion of the System in the City was operated by the Denver Board of Water Commissioners (“Denver Water”) and individual payments for water bills were made by customers directly to Denver Water. In October 1949, the City’s Utility Department was established. Meters were installed on the main transmission lines leading from Denver to the City, and the City contracted with Denver Water for bulk water service. Individual customers’ payments for water service were then made directly to the Aurora Water Department. Under terms of the contract then in force, Denver Water had to approve all new connections and all system taps had to be made by Denver Water employees.

In 1951, due to a combination of factors causing a shortage in its supply system, including drought and the growth of the metropolitan area, Denver Water established a “blue line” beyond which water service would not be provided. In the City, the blue line coincided generally with the City limits at that time. Because Denver Water would not supply water outside the blue line boundary, and because of strong growth pressures, the City decided to seek its own water supplies.

The City’s initial source of supply was obtained in 1957 from a shallow well field pumping ground water from the Cherry Creek alluvium. Nearly all sources of water developed since then have been renewable surface water supplies.

In 1962, the City entered into an agreement with the City of Colorado Springs to jointly undertake the Homestake Project, a major transmountain diversion project which was completed in 1967 and serves as a source of water for both cities. The Homestake Project and the City’s acquisition of South Platte River water rights periodically from the 1960s through the 1990s made it possible for the City to establish a water supply system independent of Denver Water. During the 1980s, the City purchased several large blocks of agricultural water in the lower Arkansas Valley and transferred them to municipal use. These water sources are delivered through the same physical facilities that are used for water from the Homestake Project.

Aurora Water continues to purchase water rights as they become available. Since 2002, various operating agreements and spot leases have been negotiated to provide short term water sources during drought conditions.

The City is currently pursuing additional projects and agreements designed to increase water supplies and delivery capacity, and to improve water treatment and reclaimed water plants. Many of these projects are described under the caption “CAPITAL IMPROVEMENT PLANNING.”

Growth of the System

The following tables show the total growth of the System during the past ten years, growth by class of customer for the past three years, and the ten largest customers of the System in 2020. For a discussion of certain information presented in the following table, see “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Management’s Discussion and Analysis of Trends in Water Fund Financial Results.”

**TABLE I
Selected System Statistics**

Year ¹	Total No. of Water Taps	Total Miles of Water Pipe ²	Million Gallons Supplied	Daily Average Supplied (Million Gallons)	Metered Sales
2011	79,006	1,363	15,403	42.2	\$ 95,932,103
2012	79,723	1,368	16,653	45.5	102,772,014
2013	80,567	1,370	14,418	39.5	89,352,538
2014	81,382	1,395	14,564	39.9	90,734,124
2015	82,309	1,408	15,148	41.5	94,028,301
2016	83,725	1,424			101,483,336
2017	85,487	1,446			102,309,480
2018	86,153	1,465			106,930,845
2019	87,635	1,486			105,447,271
2020	88,998	1,514			116,817,133

¹ As of, and for the year ended, December 31.

² Water pipe for this purpose includes pipes with a diameter of 6” and greater.

Source: Aurora Water

TABLE II
Customers by Class¹¹

	2016	2017	2018 ²	2019	2020
Single Family Residential	76,176	77,643	78,280	79,614	81,452
Multi-Family (2+ units)	2,478	2,470	3,575	3,636	3,664
Commercial	3,006	3,052	3,085	3,124	3,152
Irrigation	<u>1,122</u>	<u>1,177</u>	<u>1,213</u>	<u>1,261</u>	<u>1,300</u>
Total	<u>82,782</u>	<u>84,342</u>	<u>86,153</u>	<u>87,635</u>	<u>88,998</u>

¹ Excludes tertiary, hydrant, raw and well water customers and inactive and stubbed taps.

² In 2018 the definition of residential class changed to include only single family residential dwellings. Any residential dwelling with 2 or more units is classified as Multi-Family. 2016-2017 reflect previous definition of customer classes.

Source: Aurora Water

TABLE III
Ten Largest Treated Water Customers of the System in 2020

Customer	Consumption ¹	Percent of Total Consumption	Metered Sales	Percent of Total Metered Sales
City	385,774	2.3%	\$2,923,182	2.5%
University	295,860	1.7	1,820,043	1.6
Public School System	281,745	1.7	1,788,260	1.5
Public School System	209,570	1.2	1,312,230	1.1
Bottling Company	196,487	1.2	1,180,962	1.0
Military Base	153,032	0.9	915,341	0.8
Hotel	124,528	0.7	646,107	0.6
Apartment Complex	122,212	0.7	750,647	0.6
Commercial	87,617	0.5	470,225	0.4
Commercial	<u>58,851</u>	<u>0.3</u>	<u>357,082</u>	<u>0.3</u>
Total	<u>1,915,676</u>	<u>11.2%</u>	<u>\$12,164,078</u>	<u>10.4%</u>

¹ Annual consumption in thousand gallons.

² Total consumption in 2020 was approximately 17,050,000 gallons.

³ Total metered sales in 2020 were \$116,817,133.

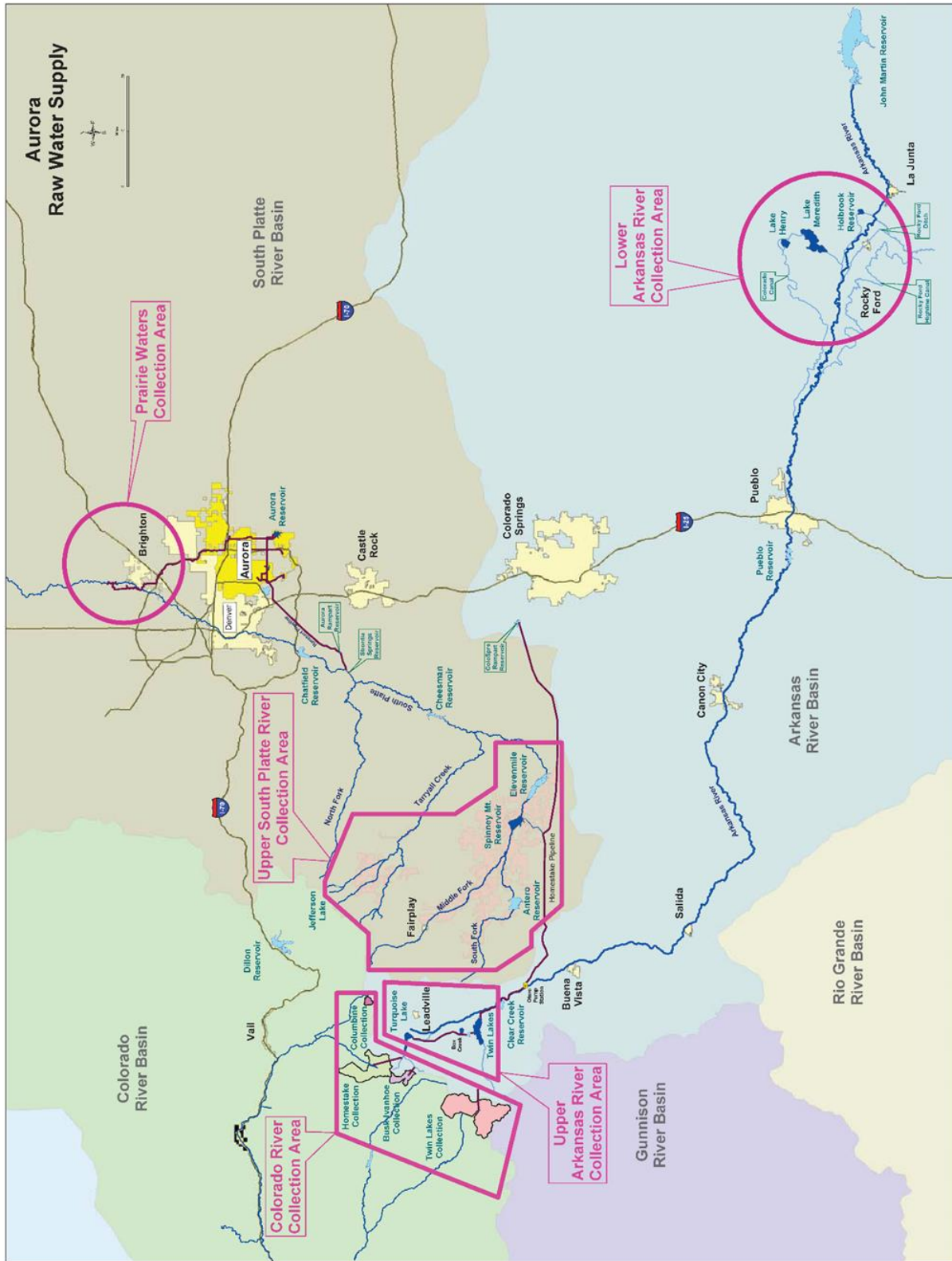
Source: Aurora Water

Service Area

The policy of Aurora Water is to make water service available to all the land within the City, provided that each prospective customer making a new connection to the System pays the required connection and development fees. The majority of Aurora Water’s customers are within the City. Based on historical population data and trends, the City’s planning department estimates that the City’s population will grow at a rate of approximately 1.7% each year. The 2021 Financial Plan (see “FINANCIAL INFORMATION CONCERNING THE SYSTEM—The System Financial Plan”) assumed growth in the System’s customer base at a rate of 1.7%. Currently, there are approximately 70 square miles (a little less than 50% of the total area of the City) of developable vacant land within the City limits. See “Appendix D—GENERAL INFORMATION CONCERNING THE CITY—Growth and Development.” Although the City agrees to provide water service to newly annexed areas, the decision as to when there are sufficient inhabitants to make construction of water lines feasible is in the sole discretion of the City. Current City annexation policy requires that owners of property to be annexed by the City must dedicate to the City any groundwater rights they own. A Water Transmission Development Fee is charged to pay for extension of

water lines to the property. Connection fees are also charged when any new customer connection is added to the System. See “THE SYSTEM—Supply Assets,” “—Treatment and Distribution Assets” and “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Water Rates and Fees” and “Appendix D—GENERAL INFORMATION CONCERNING THE CITY—Growth and Development.” As of December 31, 2020, the System served approximately 89,000 customer accounts.

WATER SYSTEM AREA MAP



The following paragraphs describe the major components of the System.

Supply Assets

All of the City's surface water supply originates in three major watersheds. Evaluated based on the estimated maximum annual yields of principal raw water supply sources, approximately 67% of the source of supply is from the South Platte River Basin, approximately 18% is from Colorado River Basin and approximately 15% is from the Arkansas River Basin (see the map on preceding page). About 95% of the City's water is derived from renewable surface water supplies. Nearly 75% of the City's water supply was purchased from senior agricultural water users in open market transactions. The raw water yield and storage capacities of the City's water supply system are shown in Tables IV, V and VI.

In the Colorado River Basin, the City is a partner in water supply projects with other governmental agencies. The Homestake Water Project is shared with Colorado Springs Utilities and collects water from the Eagle River watershed. Homestake Reservoir, on Colorado's Western Slope, is used to regulate the seasonal delivery of this supply. The Homestake Tunnel conveys water underneath the Continental Divide to Turquoise Lake, located in the headwaters of the Arkansas River near Leadville. The Busk Ivanhoe Water Project, equally shared by the City and the Pueblo Board of Water Works, also supplies water to Turquoise Lake via the Carlton Tunnel. This water supply originates in the Fryingpan River watershed, a tributary of the Colorado River Basin. The City also owns 5% of the Twin Lakes Project, which collects water from the Roaring Fork watershed and conveys it to Twin Lakes via the Independence Pass Tunnel.

In the upper Arkansas River Basin, Turquoise Lake and Twin Lakes are interconnected through the federally owned Mount Elbert Pipeline, a component of the Fryingpan Arkansas Project. The City purchased water rights historically used to irrigate four ranches in the vicinity of these reservoirs. The City's largest water supply in the Arkansas River Basin originates from agricultural water rights (Rocky Ford Ditch and Colorado Canal) purchased from farms located about 50 miles east of Pueblo. The point of diversion for transferred water derived from these rights is moved upstream to Twin Lakes by exchange, trade, or contract.

Water derived from all of the City's water rights originating in the Colorado and Arkansas River Basins is ultimately delivered to Twin Lakes and then pumped through the Otero Pump Station to Spinney Mountain Reservoir in the headwaters of the South Platte River. The Otero Pump Station, which also pumps water over Trout Creek Pass to the Arkansas River, is jointly owned with Colorado Springs Utilities. In the South Platte River Basin, the City's largest source of supply, the City has acquired water rights which were used to irrigate a number of ranches in South Park, located upstream from Spinney Mountain Reservoir and in the Tarryall Creek watershed. Spinney Mountain Reservoir is a major element of the City's water supply system as it captures water supply that yields principally from May through July. Water is released from Spinney Mountain Reservoir down the South Platte River to Strontia Springs Reservoir, a project owned by Denver Water and jointly maintained by the City, Denver Water and other entities.

From Strontia Springs Reservoir, the City's water is combined with water from other surface water rights and delivered into the City via the Rampart Parallel Pipelines. Along the route, water may be temporarily stored in Rampart and Quincy Reservoirs, delivered to one of the City's water treatment plants, or placed in terminal storage at Aurora Reservoir. Water stored at the Aurora Reservoir can be delivered to the Peter D. Binney Water Purification Facility ("Binney") or the Wemlinger Water Treatment Plant for treatment and distribution in the City. Additional supplies from ground water, principally from the Cherry Creek alluvium, are also delivered either directly to the treatment plants or to Quincy Reservoir.

The following table summarizes the City's principal raw water supply sources. Annual volumes shown are based on actual annual yields at the source in acre feet. Each basin has its own unique

characteristics which include snowpack, stream flows, irrigation patterns, industrial uses and municipal demands. In the process of collection, transportation and storage of raw water up to, but not including, the treatment facilities, approximately 30% of the gross amounts diverted are lost annually due to evaporation, water rights administration and stream seepage. The table below is not adjusted for these amounts.

TABLE IV
Annual Yields (in acre-feet) of Principal Raw Water Supply Sources
by River Basin as of December 31, 2020

Source	Minimum ¹	Maximum ²
Colorado River Basin		
Homestake	1,504	23,112
Busk-Ivanhoe	1,373	2,413
Twin Lakes	631	3,148
Pueblo Lease	<u>5,000</u>	<u>5,000</u>
Colorado River Basin Total	9,335	37,120
Arkansas River Basin		
Upper Arkansas Ranches	288	2,170
Rocky Ford Ditch (I and II)	5,103	15,649
Colorado Canal	<u>1,970</u>	<u>14,420</u>
Arkansas River Basin Total	7,361	32,239
South Platte River Basin		
South Platte Above Spinney Mountain Reservoir	1,698	90,893
Spinney Mountain Reservoir	0	13,623
Tarryall Basin	504	16,412
Last Chance Ditch	2045	6,540
Intake Priority	0	17,600
Denver Basin Wells	70	766
Effluent Exchange to Strontia	0	3,700
Cherry Creek Wells	148	4,783
Prairie Water Well ³	0	5,620
Return Flows Used ³	0	3,000
Lower South Platte Ag Rights	<u>0</u>	<u>1,100</u>
South Platte River Basin Total	<u>4,465</u>	<u>164,037</u>
System Total	<u>21,161</u>	<u>233,396</u>

¹ Minimum yield based on 2000-2020 water year yields.

² Maximum yield based on 2000-2020 water year yields.

Note: One acre foot = 325,851 gallons. Excludes return flows. Table IV does not include any short term water leases. Observed flows may be outside the range of the minimum and maximum levels under extreme hydrologic conditions.

³ Return flows captured are not included as part of native yield.

Source: Aurora Water

Aurora Water estimates that its water rights portfolio can annually deliver 35,000 acre-feet over a four-year period under drought conditions similar to those observed in the early 1950s. This is considered to be the firm yield of the System.

Raw water diverted pursuant to the City’s water rights is stored in various reservoirs as described in the following table.

TABLE V
Summary of System Raw Water Storage
Capacity (acre-feet) as of December 31, 2020

Reservoir	Capacity Available for City Use
Pueblo Reservoir	10,000
Lake Meredith	8,934
Lake Henry	852
Twin Lakes	2,758
Turquoise Reservoir	20,000
Homestake Reservoir	21,441
Jefferson Lake	2,313
Spinney Mountain Reservoir	53,651
Aurora Reservoir	31,064
Strontia Springs Reservoir	700
Rampart Reservoir	1,238
Quincy Reservoir	<u>2,693</u>
Total Storage	<u>155,644</u>

Source: Aurora Water

The volumes of water deliverable to the City for its customer uses are reflected by average year yields minus losses plus any supplemental water that must be released from reservoir storage. The volume of water stored in the City’s reservoirs increases during wetter periods when the City’s water rights produce more yield than actual customer demands and decreases in drier periods when the City’s water rights produce less yield than actual customer demands. The following table details the City’s raw water supply, outflow and end of year storage.

TABLE VI
System Raw Water Supply, Outflow and Storage (acre-feet)

Year	Gross Raw Water System Yield ¹	Lease Water Purchases	Outflow ²	End of Year Storage ³	Percent of Total Capacity Filled as of 12/31 ⁴
2016	93,475	1,530	81,400	119,984	77%
2017	95,730	1,545	85,880	125,930	81%
2018	84,930	7,462	58,254	104,166	67%
2019	91,600	0	93,800	120,747	78%
2020	63,356	9,544	61,317	104,508	67%

¹ The quantity of water flowing into the raw water system.

² The quantity of water flowing from the water system. Includes water supplied to the City’s customers and water system losses (e.g. reservoir evaporation and stream transit losses).

³ Total quantity of water in the City’s raw water reservoirs on December 31 of each year.

⁴ The lowest reservoir storage typically occurs in April or May before the snowmelt runoff.

⁵ There was no storage at Homestake Reservoir during this time due to needed maintenance.

Source: Aurora Water

Based on the System’s current capacity, Aurora Water management considers the desired storage as of May 1 to be a minimum of 33% of the total storage (as shown in Table V) or 50,000 acre feet. Various measures have been instituted to encourage conservation and maintain minimum storage as nearly as possible at that level. In 2020, measurements indicate storage has exceeded the 61% target.

Treatment and Distribution Assets

Treatment Facilities. The City has three potable water purification facilities, the Griswold Water Purification Plant, Wemlinger Water Purification Plant and Binney. Each plant individually has adequate capacity to service the population’s peak daily water demands from October through April, which allows for efficient maintenance of the facilities during the winter months. Typically, these water treatment plants deliver up to four times more water on peak summer days than on winter days when only indoor demands must be served. In the normal operations of the System, two of the three plants are kept operational for redundancy purposes. All three plants operate during the peak season to ensure redundancy and uninterrupted supply of treated water.

Griswold Water Purification Plant (formerly known as the Kuiper Water Treatment Plant). The plant was completed in 1968 and provided the City with treatment capacity of 20 million gallons per day (MGD). Expansions in 1972 and 1976 increased the capacity to 50 and 70 MGD, respectively. A renovation completed in 2001 improved water treatment technology and expanded the facility’s treatment capacity to approximately 80 MGD.

Wemlinger Water Purification Plant. The plant was completed in 1983 as a 40 MGD facility. An expansion of the plant in 1986 increased its treatment capacity to approximately 60 MGD. Expansion and improvements to the plant completed in 2004 increased its capacity to 80 MGD and improved its operational flexibility in treating the variety of water sources available to the City.

Peter D. Binney Water Purification Plant. Binney, which began operations in 2010, is currently a 50 MGD facility. A portion (up to 16.67 MGD) of the water processed at Binney comes from the South Platte (Prairie Waters) source and the remainder comes from mountain sources stored in Aurora Reservoir. Construction is currently underway to continue to expand the North Campus (Prairie Waters) plant to an

expected capacity of 30 MGD by 2036, the end of the current 20-year capital plan. The design of the plant contemplates that it could be expanded to a total capacity of 100 MGD in the future.

In 2012, Binney received the Marvin M. Black Partnering Excellence Award from the Associated General Contractors of America. In 2016, Binney was also awarded the Phase IV “Excellence in Water Treatment” designation through the American Water Works Association’s Partnership for Safe Drinking Water program. In order to achieve this highest level of recognition, staff at Aurora Water had to pass a rigorous evaluation and three levels of review demonstrating optimized performance of all unit treatment processes. Only 19 water providers in the country have achieved Phase IV “Excellence in Water Treatment” status. Aurora Water’s Wemlinger and Griswold facilities received the Phase IV designation in 2008 and 2011 respectively, making Aurora Water the only water provider in the country to have achieved and maintained the Phase IV “Excellence in Water Treatment” designation for three treatment facilities.

The following table represents the City’s average daily and peak day demands for treated potable water and the consumption of such treated water from 2016 to 2020. Treatment values represent the volume of water delivered to the water treatment plants while consumption values represent the volume of water delivered to the City’s distribution system for customer use. The difference between treatment and consumption values represents process water that is not available for customer use.

TABLE VII
Average Daily and Peak Day Demand
(In Millions of Gallons per Day)

	2016	2017	2018	2019	2020
Average Daily Treatment	45.6	44.6	49.6	47.8	54.05
Average Daily Consumption	44.9	44.1	46.9	44.4	49.21
Peak Hour Consumption	138.2	130.7	143.8	144.2	151.53
Peak Day Treatment	89.3	90.7	99.5	95.3	104.59
Peak Day Consumption	87.8	89.9	90.9	90.4	95.18

Source: Aurora Water

TABLE VIII
Finished Water Storage—2020

Facility	Capacity
Griswold Clearwell ¹	15.0 MG
Wemlinger Clearwell ¹	10.0 MG
Smoky Hill Tanks ²	14.0 MG
Robertsdale	10.0 MG
Blackstone	5.0 MG
Marina	6.5 MG
Powhaton	<u>3.7 MG</u>
Total	<u>64.2 MG</u>

¹ A clear well is a tank or vessel located on-site at a water treatment plant and used for storing treated water. Clearwell storage reduces the need to adjust plant flow rates to meet changing demands in the System.

² Includes three tanks.

Source: Aurora Water

Distribution to Customers. The water distribution system provides delivery of potable water through a network of system facilities including finished water storage tanks, pump stations, pipelines, pressure reducing stations and service connections. The distribution system includes nine storage tanks capable of holding over 64 million gallons of finished water. Finished water storage (Table VIII) includes clear wells and above grade, at grade and below grade tanks. On average, approximately half of the volume of finished water storage is available for emergency purposes. Emergencies include fire protection, as well as pump station and system outages. The balance of finished water storage is operational storage used to meet peak demand during any given day. Distribution and transmission pipelines range in size from 4 inches up to 66 inches. The System covers eight pressure zones and includes both pumped (nine pump stations) and gravity fed distribution systems.

Management of Non-Revenue Water. Aurora Water performs periodic reviews of the amount of the System’s water that is lost to pipeline leakage, evaporation, testing, flushing and other unanticipated sources of water loss between the treatment facilities and the ultimate customers (“non-revenue water”). As of the staff’s latest review of the System’s non-revenue water in June of 2019, it was estimated that only 7.4% of water passing through the System was non-revenue water.

Monitoring of Lead in Distribution System. Aurora Water reports results for all regulated indicators of water quality on the City website. Water quality tests are conducted in the City’s Quality Control Laboratory, which is certified by the Colorado Department of Public Health and Environment (“CDPHE”). Lead testing is done every year. When 10% of samples taken in a given testing year exceed 15 parts lead per billion, action is required, which would include notification to and education of, the public, as well as determining preventative measures to stop the leaching of lead from occurring. The City’s most recent test for lead in 2020 did not exceed the 90th percentile action level. Water samples from at least 50 homes considered high risk under EPA guidelines are used for the testing.

Because the System is relatively new, there is not a substantial amount of lead pipe in the distribution system. Lead can be found in the service lines or in the solder used to join copper pipes. When lines are replaced or repaired, Aurora Water employees routinely check for lead in the pipes as well as the pipe joints to the extent practicable. Through treatment system best management practices, a protective film develops over lead to help prevent it from leaching into the water. When the City replaces a lead

service line, affected customers are notified and have the option to also replace their lines. Addresses of potentially affected customers are also tracked for possible samples in future tests.

Aurora Water implemented a lead service line replacement program. This resulted in testing 1,548 service lines, the result of which identified 37 as lead and 25 service lines were replaced. The program was ended once all properties were reviewed. Customers can contact Aurora Water if they suspect lead and can qualify for replacement moving forward.

Water Management Plan. Drought conditions have existed periodically throughout the mountain states and other parts of the western United States since at least 2000, necessitating careful management of all water uses by municipal water system operators. The last major drought directly affecting the System began in 2002 and ended in 2003. See “FACTORS AFFECTING THE DELIVERY OF WATER TO CUSTOMERS.” Beginning in 2002, Aurora Water, like other water utilities in the area, adopted (and has since amended) a Water Management Plan which describes various levels of water availability and restrictions that can be implemented depending on the ability to meet water demand based on reservoir storage levels, water supply, water reuse system capacity and weather conditions, and the amount of water that is available to meet the City’s needs over the subsequent three-year period. The Water Management Plan identifies four stages of water availability, total month supply and progressive water use limitations at each stage. The intent of the Water Management Plan is to preserve the existing water supply by promoting prudent water use and encouraging citizens to support water conservation programs.

Aurora Water reviews the Water Management Plan in light of mountain snowpack, reservoir levels and other conditions existing in spring and early summer. If conditions warrant, the City Council passes a Water Availability Resolution, adopting a stage of water availability (from Stage I to Stage III), each stage representing a progressively higher demand reduction goal up to Stage III, which would be adopted when emergency drought conditions exist. Irrigation and outdoor water usage become more restricted, under policies established by the Water Management Plan, as the stages progress. When no drought stages are declared, a normal schedule is recommended for all customers, to limit watering to no more than three days a week. Pursuant to the Water Management Plan, the General Manager, or his or her designee, monitors water supply and demand conditions on a weekly basis during the months of March through September and on a monthly basis from October through February. The City Council may make any necessary program or policy changes, or alter the Water Availability Resolution and its implementation, based on the recommendation of the General Manager.

Pursuant to the City Code, as incorporated into the Water Management Plan, water availability surcharges are assessed, in addition to standard rates, when a customer’s water usage exceeds amounts permitted under the City’s relevant Water Availability Resolution. Progressive rate surcharges are implemented at the three highest water availability stages. The applied water availability surcharge for each customer is based on the customer’s cumulative usage tier or rate, as applicable, under the approved water availability stage. The first 5,000 gallons of monthly use by residential accounts are exempt from surcharges. The surcharges are meant to both encourage consumer conservation of water as well as prevent potential losses in revenue during drought conditions. Compliance by customers with the Water Management Plan is mandatory and enforceable as provided by the City Code. A customer’s first violation of the restrictions imposed under the Water Management Plan results in a warning. Any subsequent violations within a 12-month period result in penalties being added to the violator’s water bill.

The System forms a physical and operating framework onto which future supply elements can be added to increase System reliability and to meet the current and future customer needs. The Prairie Waters system, which began operations in 2010, provides an additional supply capacity that can be used to protect customers during severe droughts. However, it is still necessary to aggressively conserve the System’s water supply by maintaining minimum acceptable reservoir levels in case long-term dry conditions are

experienced in the future. Additional water sources are being obtained and water development projects are expected to provide contributions to the City's water rights portfolio. In the near term, acquisition of smaller blocks of water, water leases, water restrictions and supplies available through Prairie Waters are expected to be used to manage the City's overall water assets. Interim water supplies are available through dry year leases and optional water leases. Prior Water Management Plans have focused on the goal of accelerated recovery of reservoir levels. As of February 1, 2021 measurements indicated water supply availability exceeded normal operating conditions prior to the 2021 outdoor watering season.

Homeland Security

The City has implemented various security measures designed to protect critical portions of the System from acts of terrorism and other hazards. Beginning early in 2002 key Aurora Water employees participated in the Sandia Labs training Risk Assessment Methodology for Water Systems ("RAMW") and have performed numerous Risk Self-Assessment Tests. In addition, all key City employees have attended and have been certified in the National Incident Management System ("NIMS") and key managers attended a weeklong training at the Homeland Security Training Institute in Emmitsburg, Virginia. Aurora Water maintains emergency action plans for the System which include each of its dams, and coordinates annually with federal, State, and local jurisdictions on communication plans and protocols if an emergency were to occur.

A Risk and Resiliency Assessment was conducted in 2020, in compliance with the America's Water Infrastructure Act of 2018. This review identified key recommendations for protecting the System. This assessment was sent to and approved by the EPA in accordance with the deadlines outlined in the Act and review will occur every five years as recommended. All facilities have been hardened to protect them from potential immediate threats, agreements have been made with local police and fire and a tightening of policies and procedures has occurred at water facilities. In 2005, the City upgraded all existing critical sites with an advanced security system and planning is currently in place for improving video access to infrastructure.

The Colorado Information Analysis Center notifies Aurora Water of credible threats against drinking water infrastructure identified by law enforcement agencies, locally or nationally. Additionally, a private security company has been put on retainer to provide additional security if a threat warrants.

CAPITAL IMPROVEMENT PLANNING

The following summarizes the current status of Aurora Water's capital improvement planning for the System.

System Expansion and Improvement Projects

Based on the results of the latest water master plan study, water demand by 2045, with enhanced conservation programs, is projected to increase about 45% to 78,000 acre feet annually to serve a population of 570,000. Water sources to meet projected demand are expected to be developed through a variety of capital projects including the further acquisition of water rights through new source development, purchase and transfer from existing senior water rights, leases, operating agreements and expansion of the raw, reuse and reclaimed water systems. The addition of these new water sources will require construction of diversion structures, storage reservoirs, pump station expansions, river bank wells, transmission pipelines, expansion of the distribution system and treated water storage reservoirs. All facilities will be designed and operated to meet federal drinking water standards and the reliability/security standards expected of a major municipal water system. Management of water demand, development of nonpotable uses, and further limited

development of groundwater sources is expected to reduce or delay the amount of trans basin water resources that must be developed.

Aurora Water finalized an Integrated Water Master Plan (the “IWMP”) in 2016 to guide the development of the various capital improvements, the acquisition of new water resources and a prioritization of the most viable water supply alternatives to meet the City’s future water demand projections. The plan is revisited every five years and will be reviewed later in 2021.

Supply Assets. A key element of the future System capital improvements program is the addition of major raw water storage. This storage is expected to be developed through storage reallocation of existing facilities, construction of off-channel reservoirs and/or operating agreements with other water agencies resulting in higher levels of seasonal operating storage and drought resilience of the System. It is projected that more than 100,000 acre feet of additional storage capacity could be developed by Aurora Water by year 2050 of which 12,000 to 14,000 acre-feet could be developed by 2025. Short term reservoir projects include the acquisition of gravel pits to facilitate water rights exchanges and storage of reclaimed water and reusable return flows.

The City maintains a continuing program of acquiring senior agricultural water rights for transfer to municipal use. The City expects the costs of these rights to continue to rise. A review of potentially available water rights on select ditch systems that can be integrated with proposed System operations has been completed and has focused efforts on certain water rights for acquisition when they become available. All rights acquired under this program would need to be transferred to municipal use. The City is also considering entering into short term leases or interruptible supply programs with parties who may want to temporarily cease their irrigation operations and provide water for municipal use. This arrangement has been used by the City in recent leasing programs in the Arkansas Valley.

Wild Horse Reservoir. In accordance with the City’s ongoing commitment to acquire additional System reservoir and storage capacity, the City purchased land in Park County and is in the feasibility design stage for a reservoir, to be known as Wild Horse Reservoir. The City is not required to acquire additional water rights to use Wild Horse, which is located approximately 10 miles from the System’s Spinney Mountain Reservoir. Under the current design scenario, Wild Horse is expected to provide the City with an additional 96,00 acre-feet of water storage. The Wild Horse project has a current target completion date of 2025.

Planned Improvements to Treatment and Distribution Assets. The City upgraded the Griswold Water Purification Plant to 80 MGD and completed the upgrading and expansion of the Wemlinger Water Purification Plant to 80 MGD in 2004. Binney produces up to 16.67 MGD from the lower South Platte River (Prairie Waters) source and the remainder (up to 50 MGD) comes from mountain sources stored in Aurora Reservoir. The plants provide the City with water treatment capacity and process upgrades capable of meeting and exceeding all federal drinking water standards. See “CAPITAL IMPROVEMENT PLANNING.”

Aurora Water, as part of its master planning process, continuously reviews delivery system needs as the City continues to grow. The IWMP contemplates expected expansion of development in the City along the E 470 corridor and the Northeast Plains area. A phased expansion of water distribution pipelines, pump stations and finished water storage reservoirs is planned. The delivery of high-quality drinking water to all existing and new customers on the System requires the construction and operation of a fully integrated and looped water distribution system to stabilize the operating demands on the City’s water treatment plants.

Capital Plan

The long-term Capital Improvement Plan (the “CIP”) of the System contemplates a capital budget for System expansion and improvement through 2025 of nearly \$[680] million. The CIP projects approximately \$150 million of this amount to be incurred in 2021. Major costs over Aurora Water’s 20-year capital plan (commencing in 2021 and concluding in 2041) include water storage projects, raw water supply, plant upgrades and expansions and water rights acquisitions. The CIP is expected to be funded through a combination of available cash of Aurora Water and future bond proceeds, if needed.

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TABLE IX
Capital Improvement Program (In Thousands)

Capital Project Type ¹	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	TOTALS
Operations and General Management ²	\$ 1,559	\$ 417	\$ 937	\$ 5,690	\$ 6,196	\$ 63,502	\$ 5,808	\$ 4,364	\$ 5,220	\$ 377	\$ 94,069
Pumping ³	6,821	2,200	8,300	2,000	4,500	1,000	4,750	11,000	12,000	0	52,571
Source of Supply – Other ⁴	3,900	6,000	3,250	5,750	20,873	23,950	42,000	10,100	10,500	11,750	138,073
Source of Supply – Storage ⁵	25,753	30,167	13,665	15,595	13,613	0	17,188	34,945	40,159	63,830	254,915
Source of Supply – Water ⁶	8,188	7,040	11,200	24,500	25,250	22,950	19,150	52,500	8,000	0	178,778
Transmission and Distribution ⁷	9,588	7,955	16,668	5,400	20,400	19,070	20,020	22,619	17,019	15,670	154,409
Treatment ⁸	<u>13,705</u>	<u>11,468</u>	<u>19,696</u>	<u>8,380</u>	<u>26,959</u>	<u>19,649</u>	<u>54,274</u>	<u>5,024</u>	<u>6,024</u>	<u>32,024</u>	<u>197,203</u>
TOTALS	<u>\$69,514</u>	<u>\$65,247</u>	<u>\$73,716</u>	<u>\$67,315</u>	<u>\$117,791</u>	<u>\$150,120</u>	<u>\$163,190</u>	<u>\$140,552</u>	<u>\$98,922</u>	<u>\$123,651</u>	<u>\$1,070,018</u>

¹ FY 2016 reflects 2016 Adopted Budget appropriations; remaining years reflect estimated future appropriations. The System's financial plan is done on a cash, rather an appropriation, basis.

² Refers to projects dedicated to the maintenance of citywide water operations, including automated meters, uninterruptable power supply, vault/valve rehab and future maintenance facilities.

³ Refers to projects to maintain or improve existing pump stations and new pumping facilities.

⁴ Refers to pipelines, wells, tunnels and projects associated with facilitating the storage of water and transporting stored water.

⁵ Refers to reservoirs, gravel pits, water storage projects and land acquisition for associated storage projects.

⁶ Refers to water rights acquisitions, rehabilitation and maintenance of existing storage facilities.

⁷ Refers to projects used to operate, maintain, improve, or construct new facilities used to convey water throughout the System, predominately through pipelines.

⁸ Refers to projects used to operate, maintain, improve, or construct new treatment facilities, or projects related to the treatment of water.

FACTORS AFFECTING THE DELIVERY OF WATER TO CUSTOMERS

The following describes some of the factors affecting the ability of the System and other municipal water systems in Colorado to generate revenue by delivering water to their customers.

The Prior Appropriation System of Water Rights. Colorado and most other western States follow the prior appropriation doctrine for allocating and administering tributary water (i.e., water in, or hydrologically connected to surface streams). The Colorado Constitution provides that rights to use tributary water are rights of use, which means that water may be used pursuant to water rights but the water itself is not actually owned. While tributary water rights are transferred and encumbered in a manner similar to real estate, the ownership of land does not carry with it the ownership of tributary water rights. Rather, tributary water rights arise from the act of diverting water and putting it to particular beneficial uses recognized by State law.

The seniority of a tributary water right, i.e. its priority in the event that there is not enough water physically available for all who wish to divert water from the same source, is established mainly by reference to the date of appropriation (i.e., the taking of steps to put the tributary water to beneficial use) by the owner in the Water Courts of the State (“Water Court”) adjudication proceeding. Earlier adjudications are generally senior to later adjudications. Water Court decrees typically specify the amount, place and type of use and the water rights must be used in that manner unless the Water Court approves a change of the place and type of use. For purposes of describing water rights, quantities of water are typically expressed in acre feet (one acre foot = 325,851 gallons, the amount which would cover one acre with one foot of water) or in cubic feet per second (“c.f.s.”) of flow. This discussion primarily concerns direct flow tributary water rights, i.e., rights to divert water flowing in a stream or other body of water. State law also recognizes tributary storage rights and rights to exchange tributary water. Additionally, State laws provide for ownership of underground water. If underground water has a direct connection to the surface stream it is administered as the tributary water. Underground water with only an attenuated connection, or no connection with surface streams, is referred to as non-tributary water. Non-tributary water is non-renewable (i.e. after it is used it is not replenished naturally) and its use and ownership is based upon a different system that treats such water as an element of land ownership similar to a mineral interest.

Senior tributary water rights are often purchased by municipalities from agricultural users and then changed through a proceeding in the Water Court from their historically decreed agricultural use to municipal use. Water Court decrees of this kind generally include conditions meant to prevent injury to other users of water by replicating historic patterns of use. There exists an active market in senior tributary water rights, which are highly valued and sought after by municipal, industrial, agricultural and other users.

Water Rights Acquisitions and Water Court Proceedings. As part of its ongoing process of acquiring water rights, the City must seek decrees concerning the status of its water rights from the Water Court. The City presently has numerous cases pending in the Water Court, in which the issues relate to: (1) changes in the beneficial use of water rights from irrigation to uses in the System; (2) changes in points of diversion of water to which the City has rights; (3) the amount of water actually yielded by water rights of the City; or (4) various combinations of the foregoing issues. In some Water Court proceedings involving trans-mountain water rights, the objectors include well-organized and funded western slope water interests. Water Court proceedings are necessary in the ordinary course of development and operation of the System, and generally concern the City’s use, at its points of diversion, of such water rights, or the protection of acquired water rights. The City believes these cases can be concluded without material adverse effect on Aurora Water’s future financial position or the operations of the System.

Physical Availability of Water. The process of water administration and ownership of rights to the use of water reflects the semi-arid climate and relative scarcity of water in the region. All of the available

surface water comes from streams carrying seasonal snowmelt from the higher elevations of the Rocky Mountains. The physical availability of water from this source is substantially affected by seasonal weather patterns which cannot be relied on from year to year. In the event of low stream flows in a particular year, a “call” may result, in which owners of junior tributary water rights are required to cease diversions to accommodate owners of more senior tributary water rights. The seasonality of available flows and high variability in runoff conditions between years are the reasons large reservoirs are an important part of the City’s raw water infrastructure. The City currently maintains reservoir storage capacity equivalent to approximately three years of customer demand to mitigate the effects of varying water runoff conditions and severe droughts.

Climate Change. Staff of Aurora Water are continually accumulating data for purposes of estimating whether and to what extent permanent changes in weather patterns (“climate change”) may affect the quality or quantity of existing or future water supplies. Changes in weather patterns could have various effects on the operations of the System, in addition to affecting the total yield of the System’s sources of supply. For example, while historic drought conditions were experienced in 2002, resulting in substantial depletion of reservoir storage, heavy spring rains in recent years have exceeded reservoir storage capacity in some cases, a condition which could be managed by the acquisition or construction of additional reservoir space. Master planning efforts include measures intended to make the System more robust to account for changes in run-off and water yields likely to be encountered with potential climate change.

Environmental Concerns. The operation of the System, including the administration of its sources of supply, is subject to substantial environmental protection regulation under local, State and federal law. Aurora Water management believes it is presently in compliance with all material regulations. Due to the constantly changing environmental regulatory environment, there can be no assurance that new laws and regulations or new interpretations of existing laws and regulations will not frustrate or delay otherwise feasible projects or result in increased capital and operating expenses for the System. This has occurred in other water development and public works projects in recent years throughout the United States.

Various federal and State legislative measures have influenced prior water development proposals by the City. Such legislation, and the related claims made by special interest groups as well as federal and state agencies, generally concern environmental policies, land use, appropriation of water, and water quality. The constraints imposed by environmental laws and regulations can potentially limit the current yield or further expansion of existing water projects as well as prohibit or significantly modify new project development. The following summarizes some of the issues related to existing laws or proceedings.

The National Environmental Policy Act of 1969 subjects a water project that is within the regulatory jurisdiction of the federal government to a detailed analysis of the impact of that project upon the environment. In addition to an examination of potential project alternatives, an environmental assessment or environmental impact statement is to be prepared and reviewed as part of the federal decision making process. This requirement has had the effect of both delaying projects and increasing project costs, and may apply to various construction projects proposed for the System in the future.

The Federal Land Policy and Management Act (“FLPMA”) authorizes the issuance by the federal government of easements or special use permits for rights of way for water facilities crossing or located upon federal property. Some seventy-five percent of the City’s watershed is on federal land, primarily belonging to the United States Forest Service. The special use permits include conditions considered necessary to protect the environment. All rights of way issued under FLPMA are for limited periods of time and frequently contain reopener provisions. Upon renewal or reopening, additional conditions, such as minimum stream flow or bypass requirements, may be imposed, the effect of which could be a reduction in the amount of water available to the City in the future.

The federal government has designated large parcels of federally owned mountain land as controlled land use areas pending an evaluation for possible inclusion within the national wilderness preservation system. The inclusion of land within a wilderness area may render a water source unusable due to access restrictions and federal reserved rights claims, or force a change to a more expensive alternate development plan. Furthermore, in 2012 the United States Department of Agriculture Forest Service (USFS) adopted the Colorado Roadless Rule, which restricts development of roads within specified lands throughout Colorado. While the rule included provisions to allow roads under certain circumstances, such as fire reduction efforts, construction and maintenance of water conveyance structures, and exploration and development of coal resources in the North Fork coal mining area, these provisions have not been tested. It is still unclear how the rule will be implemented should it be necessary to develop water conveyance structures in designated roadless areas.

In 2011, the United States Forest Service (the “USFS”) attempted to revise special use permit regulations by including a stipulation that required ski areas relinquish their water rights to the USFS if the ski areas wished to maintain their special use permits. A number of Colorado ski areas challenged the new permit conditions in U.S. District Court. The Court ruled in favor of the ski areas in 2012 by providing the permit regulation violated federal procedural rules, failed to evaluate economic impact and violated ski area rights. Had the ruling gone differently, it may have impacted water projects on federal lands where special use permits must be maintained with the USFS. However, there is still a chance the USFS will pursue legal action in which it claims vested federal reserved rights to water flowing in and through National Forests. The priorities claimed for these water rights can predate the priorities of certain water rights of the City. The forest areas of primary concern to the City are the Arapahoe-Roosevelt, Pike/San Isabel and White River National Forests, all of which were reserved by the United States Forest Service. These forests, located within the Colorado River and Arkansas River drainages, include sources of City owned rights and entitlements connected with the Homestake Project and other material sources of water for the System.

The Federal Wild and Scenic Rivers Act is designed to protect certain free flowing waters identified by federal agencies. This Act allows a river to be designated by Congress as wild, scenic or recreational depending upon the degree of existing encroachment. Designation of a segment carries with it a federal reserved water right, and may also affect flow management of the river and its corridor with respect to water quality. The South Platte River from Eleven-Mile Reservoir to Strontia Springs Reservoir was excluded from designation through the designation of the South Platte Protection Plan, which provided an alternative to listing and protects the outstandingly remarkable values envisioned in the Act. A similar plan is being negotiated on the Colorado River.

The federal Clean Water Act, as amended in 1987 and currently enforced by federal and State entities with regulatory responsibility for water quality protection, creates the potential for additional constraints on water diversion and water management activities. This is relevant in light of a United States Supreme Court case decided in 1994 in which the Court held that hydrologic modifications (i.e., a water diversion that causes a change in the flow of a stream or river) may impact instream water quality requirements under the federal Clean Water Act, and thus, instream flow permit conditions may be appropriate to protect designated beneficial uses. Additionally, two federal court of appeals decisions rendered in 2001 and 2002 (outside Aurora Water’s jurisdiction) raise the issue whether a permit is necessary for transbasin diversions. The U.S. Supreme Court has remanded for further factual determination by a lower court this issue from a case in Florida that could impact other water utilities in the West if a broad interpretation is made of those specific circumstances. Such new permitting conditions, along with existing requirements imposed under Section 404 of the Federal Clean Water Act (relating to dredge and fill permits), Section 401 (relating to state water quality certification conditions), Section 303(d) (relating to impairment and pollutant load and wasteload allocations), and those which may be necessary to meet Section 319 (nonpoint source best management practices) may increase the costs of System operation and development. These regulations may also affect the viability or configuration of a proposed

water project in terms of where a project can be located (both from the standpoint of source water protection and minimization of environmental impacts) and the size and operations of the project. Furthermore, the EPA continues to emphasize drinking water quality and watershed planning, which could lead to future changes in the law, such as new or more stringent drinking water criteria, more scrutiny on new projects to ensure that they will not degrade existing water quality levels, and changes to water quality standards for constituents such as sediment and nutrient loading. These developments could impact System construction and operation. For instance, changes in the law related to these issues could necessitate more advanced drinking water treatment technology, result in further restrictions on the siting of new water storage projects, and mandate additional watershed protection measures and operational safeguards to protect new and existing drinking water sources from pollution. In late 2015, the EPA in conjunction with the United States Army Corps of Engineers (the “Corps”) released a new rule clarifying the definition of what was considered a “Water of the United States” and therefore subject to the requirements of the federal Clean Water Act. While EPA and the Corps claimed the rule was merely a clarification, it stood to have substantial impacts on water projects throughout the US, in particular, on projects in the arid west. Waters and wetlands that historically would not have been considered “Waters of the United States” would have come under EPA and the Corps jurisdiction and, therefore, would have been subject to the permitting requirements of the Clean Water Act. The rule has been stayed by a U.S. District court pending a number of legal challenges to the rule by several States and industry groups.

The federal Endangered Species Act requires consultation with the U.S. Fish and Wildlife Service (the “USFWS”) by a federal agency before the agency issues any authorization or permit for an activity. If the USFWS determines that the proposed activity will have a detrimental impact on threatened or endangered species or their habitat, it must identify a reasonable and prudent alternative which would not jeopardize the species or result in the destruction of its habitat. The Section 7 consultation process and the Section 9 “take” provisions of the Federal Endangered Species Act may result in a decrease in project yields and/or an increase in project costs. Construction activities in certain areas in and around the System may be impacted by threatened or endangered species designations which can require special permits, conservation plans and consultation with the USFWS. Furthermore, the USFWS recently adopted changes to the Endangered Species Act (the “ESA”) regulations which considerably change the regulatory definitions related to “critical habitat” and “adverse modification,” increasing the agencies’ discretion to designate and protect areas that do not presently contain features essential to the conservation of an endangered species. The result of these changes could cause extensive expansion of the impact of the ESA on the development of lands, including the development of water rights. Water diversions in the South Platte and Colorado Rivers are currently allowed without Section 7 consultations due to robust programs to protect identified threatened and endangered species. The System is a participant and supporter of these programs.

Colorado county land use powers under H.B. 1041, adopted by the Colorado legislature in 1974, may be used to regulate new water projects or the expansion of existing projects. Specifically, any municipal water project built in unincorporated portions of Colorado counties will need to comply with the permitting requirements imposed by H.B. 1041. This process may include public hearings and imposition of permit conditions to alleviate perceived environmental harms or nuisance conditions. In addition, project alternatives may need to be analyzed, although the law is unsettled in this area. Thus, the time associated with the H.B. 1041 review process in impacted counties and the possibility of additional environmental conditions imposed on projects may cause delays or increase project costs, require a change in a project’s approach or even result in the denial of permitting for the project.

During the 2001 legislative session, the Colorado General Assembly passed Senate Bill 216, which authorized the Colorado Water Conservation Board to make recommendations to the Water Court on Recreation In Channel Diversion Water Rights filings. If the Water Court grants the rights requested in these filings, they become junior water rights, but may be problematic for senior water rights owners.

Recreation In Channel Diversion Water Rights filings are becoming problematic for future water development and may make it more difficult for municipalities to develop additional water supply on certain rivers.

State Water Plan. In 2015, the CWCB finalized the Colorado Water Plan (the “State Plan”). The CWCB describes the State Plan as “the State’s framework for solutions to its water challenges,” a document to guide “future decision-making to address water challenges with a collaborative, balanced, and solutions-oriented approach” and notes that “[t]he goals within Colorado’s Water Plan are to meet the water supply and demand gaps; defend Colorado’s compact entitlements; improve regulatory processes; and explore financial incentives—all while honoring Colorado’s water values and ensuring that the state’s most valuable resource is protected and available for generations to come.” One of the articulated measurable objectives is to “reduce the projected 2050 municipal and industrial gap from as much as 560,000 acre-feet to zero acre-feet by 2030.” The storage objective is to increase available water supply storage by 400,000 AF by 2050. There are also funding, conservation, land use, agricultural, storage, watershed health, environment and recreational goals in the document. The State Plan is used to direct State funding to projects that support the measurable objectives. It does not change any law related to water rights in the State. Because the State Plan is not a regulatory document, but aspirational in nature, its impact on the System is negligible. The primary impact is with respect to determining which projects receive State funding. If the City pursues State grants, it will have to show that it is within the goals of the State Plan. Since those goals include increasing storage and meeting the water supply and demand gap, Aurora Water’s supply projects would be within the State Plan.

Mechanical Capacity of the System. System pipeline and reservoir capacities must be balanced with water supply and demand for an integrated system to optimally perform. Even where an adequate supply of water is legally and physically available, the mechanical characteristics of a given utility system may limit operations or the use of the available raw water supply. For example, water supply may seasonally exceed diversion or storage capacity during some wet years. This can, and has, resulted in loss of otherwise divertible flows.

PRAIRIE WATERS

In General

Prairie Waters was designed to substantially increase the raw water supplies available to the System by maximizing the use of the City’s water rights, primarily for the purpose of improving the drought resistance of the System. Prairie Waters also serves future growth and facilitates future expansions of the System.

The City undertook a detailed study of various methods of drought hardening the System during 2003, after drought conditions prevailing over preceding years had reduced the amounts of water in storage to historically low levels. Management of the System considered these levels to be inadequate for a water utility the size of the System. See “TABLE VI—System Raw Water Supply, Outflow and Storage.”

As the result of a detailed comparison of available alternatives, the City concluded that the best method of expanding available water supplies and providing for future needs of the System would be the construction of a pipeline and associated structures to permit the use of the City’s rights to return flows under its existing water rights. Prairie Waters accomplishes this by withdrawing water from the lower South Platte River downstream of the metropolitan area and transporting it to the Peter D. Binney Water Purification Facility (“Binney”) treatment plant and distribution facilities in the City.

Prairie Waters had a total estimated cost of approximately \$754,800,000 and was financed from a combination of proceeds of the Series 2007A Bonds, proceeds of a \$75,000,000 second-lien loan from the Colorado Water Conservation Board, a loan to the City funded with the proceeds of a Colorado Water Resources and Power Development Authority revenue bond issue (the “Series 2005D Bonds”), cash on hand and available revenues of the System. The City was able to complete Prairie Waters on schedule and more than \$100 million under the original projected project cost, allowing the City to reduce its related borrowing from \$600 million to \$542.6 million. A substantial part of that borrowing has been paid in the ordinary course or prepaid from available cash. The loan funded by the Series 2005D Bonds was paid in full by the City in June of 2015.

Successive Uses of Existing Water Rights

Typically, water rights developed within a river basin can only be used once and return flows are available for downstream users. However, the majority of the City’s existing water rights include the right to use return flows from interbasin and transferred agricultural waters to extinction, i.e. successive uses can be made by diverting water from the river because of the classification of such rights under the State’s water laws.

A substantial amount of the City’s diverted water is returned to the South Platte River following its use by System customers. This process results in reusable return flows that are available for successive uses by the System. The terms “return flow” and “re use” in this context refer to a specific volume of water being returned to the river as the result of the City’s use of its water rights, rather than to the same water being reused. The efficient use of return flows significantly increases the value of upstream water rights and minimizes or delays the need to acquire additional trans basin waters from the Colorado or Arkansas River basins. Prairie Waters was designed to utilize these reusable return flows, as well as amounts of water which may become available from additional transfers of decreed water rights along the South Platte River, to supplement the yields otherwise available from the System’s water rights. Supplemental South Platte water rights acquired for this purpose would typically be agricultural water rights that would be required to be transferred to municipal use through the State’s Water Court system.

Substantially all of the City’s existing surface water supplies are diverted from the South Platte River at Strontia Springs Reservoir, above the metropolitan area, and transported to raw water storage and treatment facilities of the System through the Rampart Parallel Pipelines. See “THE SYSTEM—Supply Assets.” Although Prairie Waters water is also obtained from the South Platte River, it is withdrawn through shallow wells adjacent to the South Platte River, downstream of the metropolitan area. Because of differences in treatment requirements between the Strontia Springs/Rampart Parallel Pipeline water and Prairie Waters water, Prairie Waters incorporates additional steps in the treatment process, both immediately after Prairie Waters water is withdrawn and at the water purification facility, where it is blended with water from Aurora Reservoir and the Rampart Pipeline.

Components of Prairie Waters

Prairie Waters consists of three principal components (collectively, the “Core Project”): (1) a facility (the “North Campus”) adjacent to the South Platte River at a downstream location generally between Brighton and Fort Lupton, Colorado, for the extraction of water through shallow wells approximately 300 feet from the River, and initial purification of the well water in aquifer recharge and recovery facilities, including recharge basins and wells for the extraction of water beneath the basins; (2) a 60” diameter conveyance pipeline including three pumping stations (the “Conveyance System”) extending from the North Campus approximately 34 miles to the vicinity of the existing Aurora Reservoir, east of the City; and (3) Binney Water Purification Facility (BWPF), a water purification facility with two treatment trains which is able to process 16.6 MGD of the Prairie Water supply (South Platte train) which is being expanded and

is expected to eventually have a capacity to process 50 MGD, employing advanced oxidation utilizing high intensity ultraviolet light and hydrogen peroxide treatment, as well as granular activated carbon (GAC) filtration and adsorption followed by disinfection, with associated connections to the System's existing treatment and distribution facilities. Following the multiple stage advanced treatment processes, water from South Platte treatment train is blended with mountain water delivered through the Rampart Pipeline to Aurora Reservoir and treated at the BWPF Aurora Reservoir treatment train. See "PRAIRIE WATERS SCHEMATIC" and "ILLUSTRATION OF PRAIRIE WATERS COMPONENTS."

Although particular features of Prairie Waters have been successfully employed in other water systems, Prairie Waters is believed to be one of the largest and most innovative projects of its kind ever constructed in the United States using all of such features in a single plan. The Core Project, as completed in 2010, was designed to immediately increase the City's supply of raw water by 10,000 acre feet annually. Prairie Waters can therefore supply approximately 20% of the City's current demand. It delivers as much as nine million gallons of water to the City daily and is expandable to 50 MGD with additional infrastructure. The current 20-year capital plan includes expanding Prairie Waters to 30 MGD. Prairie Waters is the cornerstone of a water supply plan that is expected to help meet the City's needs for decades.

Current Status

The Core Project was completed in April 2010, followed by a requisite six-month start-up and testing period, and became fully operational in October 2010 (nearly three months ahead of the scheduled December completion). Budgeted at \$754.8 million, Prairie Waters came in well under budget at \$637.4 million. The project uses both natural treatment processes and state-of-the-art purification technology to deliver an additional capacity of 3.3 billion gallons of water per year to the City. The Prairie Waters system opened with 17 alluvial wells drilled (average from 30 to 50 feet deep) within 200 yards of the banks of the South Platte River in Weld County, Colorado to pull the water through hundreds of feet of sand and gravel to remove impurities ("Riverbank Filtration"). Riverbank Filtration is a cost-effective natural pretreatment technology used in water systems throughout the world, which has gained acceptance in the United States in recent years. The well water is delivered either to the North Campus aquifer-recharge-and-recovery basin where it percolates through more sand and gravel over a longer period of time to remove more contaminants or piped directly to the transmission system, then, via 34 miles of 60-inch diameter pipeline and three pump stations, to BWPF near the Aurora Reservoir. At BWPF, the water undergoes some of the most advanced purification processes in the country. The entire system can be monitored and operated remotely by flow control operators at the treatment plants. Data is transmitted via fiber-optic cable running parallel to the pipeline. Buildings at the BWPF site are designed to blend in with the Aurora Reservoir park's surroundings, in some cases being constructed partially below ground.

Recently, Riverbank Filtration was expanded from 17 alluvial wells to 23 alluvial wells to increase the capacity of the Prairie Waters system. Current projects underway will expand the number of Riverbank Filtration wells from 23 alluvial wells to 29 alluvial wells. Projects previously completed to increase the output and the efficiency of water treatment at BWPF was the equipping of four additional South Platte Train filters, conversion of four existing solids dewatering lagoons to drying beds, addition of a new gravity thickener and thickened solids pump station for residual handling, and additional storage for cationic polymer used in the treatment process.

Together with Aurora Water's mountain supply, Prairie Waters provides residents with drought protection and the additional water supply to accommodate future customers.

Out-of-City Water Deliveries

As one of the largest water providers in the State, Aurora Water has the capacity to deliver substantial amounts of water by contract to public water systems outside the City limits, at negotiated rates, without impairing deliveries to in-City customers.

The WISE Partnership. Prairie Waters enables the City to generate third party revenues through a regional water supply project (the “Water Infrastructure and Supply Efficiency Partnership” or “WISE Partnership”) by putting Prairie Waters to greater use in times when the full system capacity is not needed by City customers. The WISE Partnership is a regional water supply project among Aurora Water, Denver Water and the South Metro WISE Authority (“South Metro”) (collectively, the “WISE Parties”). The South Metro WISE Authority is a quasi-governmental entity created by intergovernmental agreement among the third-party members identified below. The three-party WISE Partnership is authorized under various intergovernmental agreements and the Amended and Restated WISE Delivery Agreement (the “WDA”), effective December 31, 2013, among the WISE Parties.

The WISE Partnership is intended to provide for average deliveries of 10,000 acre-feet/year from Aurora Water and Denver Water reusable supplies through Prairie Waters to South Metro, for delivery to its eleven third party members, which include: (i) Town of Castle Rock; (ii) Dominion Water and Sanitation District; (iii) Stonegate Village Metropolitan District; (iv) Cottonwood Water and Sanitation District; (v) Denver Southeast Suburban Water and Sanitation District (also known as Pinery Water and Wastewater District); (vi) Centennial Water and Sanitation District; (vii) Rangeview Metropolitan District; (viii) Parker Water and Sanitation District; (ix) Meridian Metropolitan District; (x) Inverness Water and Sanitation District; and (xi) Douglas County. Each of the third-party members is the current or prospective owner or operator of water utility infrastructure within its service area and has need for supplemental water supplies, although their individual needs and circumstances vary.

The WDA provided that Aurora Water and Denver Water deliver at least 72,250 acre-feet over 10-year blocks (an average of 7,225 acre-feet per year). On June 28, 2019, Douglas County exercised a reservation agreement to increase the deliveries to an average of 100,000 acre-feet per ten year period (an average of 10,000 acre-feet per year). WISE deliveries are subject to interruption by Aurora Water and Denver Water under certain circumstances provided in the WDA. Aurora Water and Denver Water can limit deliveries as necessary to protect deliveries to their primary customers, including interrupting deliveries for up to 24 consecutive months. For this reason, the WDA provides a supplemental, rather than primary, source of water to the third-party WISE members, which must also have their own primary supplies.

The WISE Partnership delivery system is currently in operation, with initial infrastructure to allow for water delivery. The costs of all infrastructure needs for delivery to South Metro are the responsibility of South Metro. The contract contemplated a permanent connection to be complete and full deliveries were initially expected to start in 2021. The WISE partners have extended the start date by one year. By agreement, minimum deliveries are 5,000 acre-feet in 2020 and 2021 before full deliveries start in 2022, at a permanent connection which is currently under construction. The connection is funded entirely by WISE customers through South Metro.

The WISE water rate is based on a cost of service rate methodology outlined in the WDA. That rate takes into consideration the cost of infrastructure used, the cost of operations and maintenance, the cost of raw water and a rate of return on capital for Aurora Water.

Roxborough Water and Sanitation District Contracts. Under an Intergovernmental Agreement executed December 20, 2010 and effective December 20, 2010, (the “Roxborough Agreement”), which

superseded previous agreements originally entered into as far back as 1972, the City, acting by and through Aurora Water, agreed to provide Roxborough Water and Sanitation District (“Roxborough”) a perpetual supply of raw water, either from the Rampart Pipeline through the Roxborough treatment plant, or from the WISE Partnership through an East Cherry Creek Valley Water and Sanitation District pipeline, at an initial rate of \$3.77 per 1,000 gallons of water, increased annually in an amount equal to 70% of the percentage increase in the City’s treated water user rates in its service area. The Roxborough Agreement also provides for the payment of certain one-time development and connection fees with respect to capital improvements and increases in delivery capacity. A second agreement dated as of October 15, 2014 between the City and Roxborough (the “150 Agreement”) provides for a one-time use of an additional 150 acre-feet of water by Roxborough on an emergency basis to supply certain small water providers in Douglas County (the “150 Service Area”), currently operating with nonrenewable supplies of well water.

Dominion Water and Sanitation District Contracts. Dominion Water and Sanitation District (“Dominion”), a governmental entity formed to provide water to an area outside the City, is planning utility services to Sterling Ranch, a 3,400 acre/12,000 home mixed use proposed development located near Chatfield Reservoir in Douglas County. Dominion is a member of the WISE Partnership as a subscriber of 1,325 acre-feet, and is a member of South Metro. Under the WDA, South Metro has initiated infrastructure development which may permit deliveries as early as November 2016 to some members. However, since Sterling Ranch’s construction began in 2015, Dominion’s immediate need for water for that purpose could not be met under the WDA, and Dominion is consequently reliant upon temporary water supply service agreements with the City in order to bridge its supply needs until the WDA is fully functional.

The City’s current agreements with Dominion include (1) an Agreement for the Trade of Water, dated as of October 1, 2009 (the “Trade Agreement”); (2) an Intergovernmental Agreement for Temporary Lease of Water dated July 30, 2012 (the “570 Agreement”); and (3) an Intergovernmental Agreement for Delivery of Water dated December 11, 2013 (the “250 Agreement” and together with the 570 Agreement, the “Dominion Agreements”). The Trade Agreement provided for Dominion to surrender certain water rights owned by it as the result of a stipulation entered into with the City of Thornton, Colorado, to Aurora Water in return for Aurora Water’s agreement to deliver 230 acre-feet of water annually to Dominion on a permanent basis from a location to be determined between Strontia Springs Reservoir and the outlet works of Chatfield Reservoir in the Southwest portion of the metropolitan area. In 2009, the Trade Agreement was amended to specify that deliveries would be made at a point adjacent to the Roxborough treatment plant. The 250 and 570 Agreements together provide for Aurora Water to deliver annually a total of up to 820 acre-feet of water derived from mountain sources, through the Rampart Pipeline and Roxborough Treatment Plant to Dominion, or, in the case of the 250 Agreement, from other sources, for use in Sterling Ranch. Both of the 250 and 570 Agreements contemplate that Dominion will ultimately utilize WISE water as its primary supply, at which time deliveries under the 570 Agreement, but not the 250 Agreement, would cease. Rates payable under the 570 Agreement for deliveries of water to Dominion are \$5.52/1000 gallons (the WISE delivery rate, subject to adjustment in the same manner provided in the WDA). Rates payable under the 250 Agreement for deliveries of water to Dominion are from \$3.09/1000 gallons to \$6.84/1000 gallons, depending on the source of water and location of delivery, adjusted annually. The delivery rate under the Trade Agreement is the 2010 rate of \$3.77/1000 gallons, adjusted annually.

PRAIRIE WATERS PROJECT SCHEMATIC

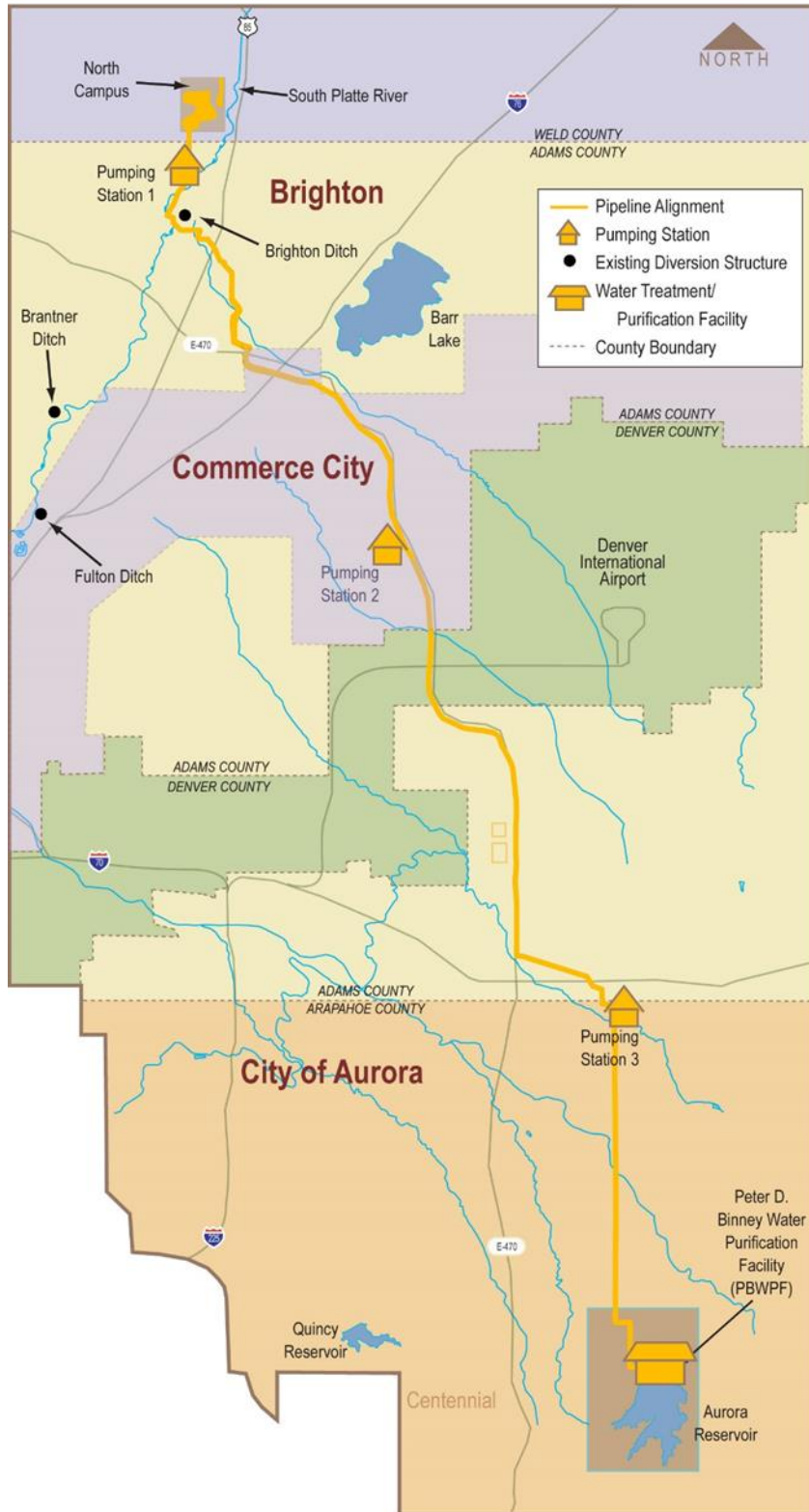
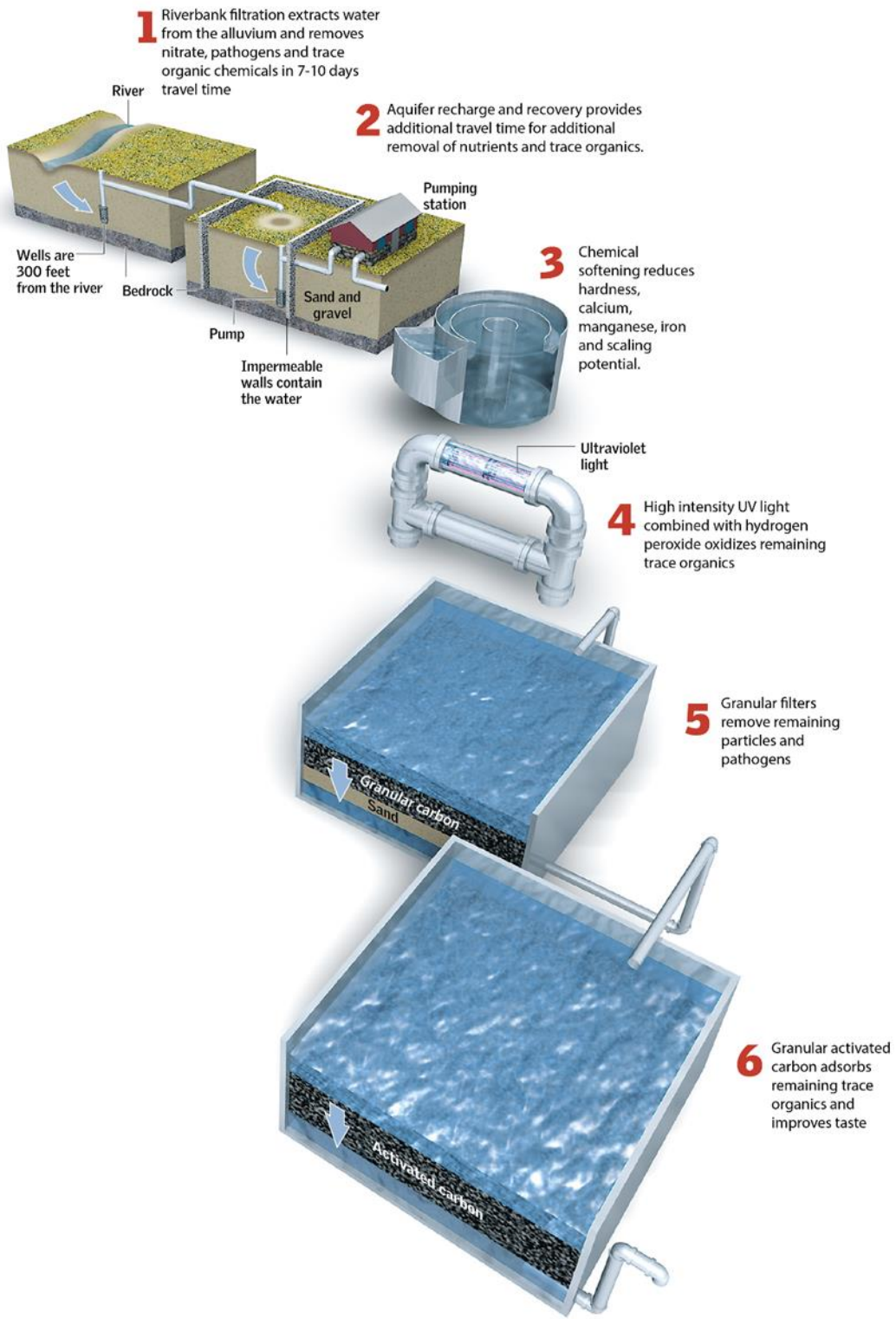


ILLUSTRATION OF PRAIRIE WATERS PROJECT COMPONENTS



DEBT STRUCTURE OF THE SYSTEM

The following tables summarize the outstanding water obligations of the City and Aurora Water and their annual debt service requirements.

TABLE X
Debt Supported by Water Fund Revenues as of December 31, 2020

Issue	Dated	Original Amount	Interest Rate	Maturity Date	Principal Outstanding
First-Lien Water Revenue Obligations					
Water Refunding Revenue Bonds, Series 2016	08/16/16	\$437,025,000	1.50%-5.00%	2046	\$389,675,000
Total First-Lien Water Revenue Obligations					<u>\$389,675,000</u>
Subordinate-Lien Water Revenue Obligations					
Total Subordinate-Lien Water Revenue Obligations					--
Total					<u>\$ 389,675,000</u>

¹[To be refunded by the Series 2021 Bonds.]

TABLE XI
Summary of Debt Service Requirements to Maturity

Year	First-Lien Water Revenue Obligations ¹		Subordinate Water Revenue Obligations ²		Total Requirements to Maturity
	Principal	Interest	Principal	Interest	
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					

¹ Series 2021 Bonds; exclusive of Refunded Obligations to be refunded by the Series 2021 Bonds.

² Includes certain contractual obligations not secured by a lien upon, but payable from, Net Pledged Revenues on a basis subordinate to first-lien obligations.

TABLE XII
Historic Debt Service Coverage for Water Fund for the Fiscal Years ended December 31, 2016—2020

	2016	2017	2018	2019	2020
Pledged Revenue:					
Charges for Services ¹	\$115,042,144	\$116,705,953	\$123,402,275	\$122,093,292	\$135,413,254
Connection and Development Fees ²	38,476,180	38,669,726	46,240,162	37,838,083	53,843,677
Investment Income and Other	3,594,931	2,387,341	7,006,977	11,865,277	8,842,648
Non-operating Revenue ³					
Total Pledged Revenue	157,113,255	157,763,019	176,649,414	171,796,652	198,099,578
Operating Expenses ⁴	(57,026,820)	(57,764,348)	(81,363,971)	(62,894,753)	(63,165,547)
Net Pledged Revenue	100,086,435	99,998,670	95,285,443	108,901,898	134,934,031
First Lien Revenue Obligations—Debt Service	20,425,954	18,932,802	18,936,050	18,266,611	20,386,050
First Lien Revenue Obligations—Coverage	4.90	5.28	5.03	5.96	6.62
All Revenue Obligations—Debt Service	27,596,368	19,128,673	19,121,777	18,266,611	20,386,050
All Revenue Obligations—Coverage	3.63x	5.23x	4.98x	5.96x	6.62x

¹ Includes charges for services, licenses and permits.

² Includes connection, main extension and front footage fees and drought replacement surcharge (for applicable years). Does not include annexation fees.

³ Includes investment income and other non-operating revenue, less the adjustment to fair value.

⁴ Excludes depreciation and amortization expenses.

Source: Aurora Water

Based on the 2021 System budget and projected Net Pledged Revenues, management of the System currently estimates the following approximate debt service coverage in the years 2021-2026:

TABLE XIII
Estimated Debt Service Coverage for Water Fund for the Fiscal Years ended December 31, 2021—2026

	2021 Budget ⁵	2022 Estimate ⁵	2023 Estimate ⁵	2024 Estimate ⁵	2025 Estimate ⁵	2026 Estimate ⁵
Pledged Revenue:						
Charges for Services ¹						
Connection and Development Fees ²						
Investment Income and Other Non-operating Revenue ³						
Total Pledged Revenue						
Operating Expenses ⁴						
Net Pledged Revenue						
First Lien Revenue Obligations—Debt Service						
First Lien Revenue Obligations—Coverage						
All Revenue Obligations—Debt Service						
All Revenue Obligations—Coverage						

¹ Includes charges for services, licenses and permits.

² Includes connection, main extension and front footage fees and drought replacement surcharge (for applicable years). Does not include annexation fees.

³ Includes investment income and other non-operating revenue, less the adjustment to fair value.

⁴ Excludes depreciation and amortization expenses.

⁵ Estimated based upon assumptions concerning future operations, including events and conditions which are not within Aurora Water's control, used by Aurora Water for planning purposes. These estimates assume Aurora Water does not implement an increase in rates charged to its customers during the years indicated. Actual results will vary from the assumptions and such variations may be material.

Source: Aurora Water

FINANCIAL INFORMATION CONCERNING THE SYSTEM

Operating History

The following table sets forth the operating history of the Water Fund for the years indicated.

**TABLE XIV
City of Aurora Water Fund
Comparative Schedule of Revenues, Expenses and Changes in Net Assets
Years Ended December 31¹**

	2015	2016	2017	2018	2019
Operating Revenues					
<i>Charges for services</i>					
Customers	\$ 102,488,841	\$ 115,044,646	\$ 116,707,437	\$ 123,403,667	\$ 122,094,491
Operating Expenses					
Cost of Sales and Services	50,393,700	52,871,359	55,326,527	61,198,052	61,387,582
Administrative Expenses	2,961,771	3,463,181	2,910,957	3,558,923	3,047,901
Depreciation	<u>29,472,592</u>	<u>30,024,405</u>	<u>31,255,482</u>	<u>31,385,685</u>	<u>32,221,914</u>
Total Operating Expenses	<u>82,828,063</u>	<u>86,358,945</u>	<u>89,492,966</u>	<u>96,142,660</u>	<u>96,657,397</u>
Operating Income	<u>19,660,778</u>	<u>28,685,701</u>	<u>27,214,471</u>	<u>27,561,007</u>	<u>25,437,094</u>
Nonoperating Revenues					
(Expenses)					
Investment Earnings	3,202,708	1,906,106	1,377,681	4,016,839	7,204,507
Intergovernmental Revenue	653,591	32,375	7,059	92,941	552,504
Miscellaneous Revenue	431,871	372,527	105,619	2,648,700	1,564,040
Interest Expense	(22,652,684)	(18,857,258)	(15,873,633)	(18,944,894)	(18,266,610)
Bond Insurance Expense	--	(2,550,621)	--	--	--
Amortization of premiums and (discounts)	375,461	1,078,743	2,107,939	2,150,058	2,063,730
Gain (loss) Disposal Capital Assets	26,070	(433,081)	(3,797,984)	(1,324,384)	37,892
Gain on early extinguishment of debt	117,614	--	--	--	6,502,663
Equity in Joint Venture	<u>32,742</u>	<u>(24,891)</u>	<u>(30,073)</u>	<u>(36,038)</u>	<u>(21,879)</u>
Net Non-Operating Revenues (Expenses)	<u>(17,812,627)</u>	<u>(18,476,100)</u>	<u>(16,103,392)</u>	<u>(11,396,778)</u>	<u>(363,153)</u>
Income (Loss) Before Contributions and Transfers	1,848,151	10,209,601	11,111,079	15,864,229	25,073,941
Capital Contributions	32,335,016	64,967,312	52,554,562	59,721,658	64,575,661
Transfers In	--	50,000	--	(50,098)	500,000
CHANGE IN NET POSITION	34,183,167	75,226,913	63,665,641	75,535,789	90,149,602
NET POSITION-January 1, before restatement	<u>1,160,979,875</u>	<u>1,195,006,170</u>	<u>1,270,233,083</u>	<u>1,333,898,724</u>	<u>1,407,965,616</u>
Adjustment for Change in Accounting Principle	(156,872)	--	--	(1,468,897)	--
NET POSITION-January 1, after restatement	<u>1,160,823,003</u>	<u>1,195,006,170</u>	<u>1,270,233,083</u>	<u>1,332,429,827</u>	<u>1,407,965,616</u>
NET POSITION- December 31	<u>\$1,195,006,170</u>	<u>\$1,270,233,083</u>	<u>\$1,333,898,724</u>	<u>\$1,407,965,616</u>	<u>\$1,498,115,218</u>

¹ See Appendix B to this Official Statement containing the audited financial statements of the City for the year ended December 31, 2019 and accompanying notes for more complete information related to the Water Fund.

TABLE XV
City of Aurora Water Fund
Schedule of Sources, Uses and Changes in Funds Available
Actual, (Non-GAAP) Budgetary Basis Years Ended December 31

	2015	2016	2017	2018	2019
Sources					
Charges for Services	\$102,351,506	\$114,913,654	\$116,363,036	\$123,039,021	\$121,710,529
Intergovernmental	2,748,403	20,937	237,585	51,264	679,716
Licenses and Permits	134,042	128,490	342,916	363,254	382,761
Fines and Forfeitures	3,293	2,502	1,486	1,393	1,201
Investment Income	3,363,669	2,773,919	1,927,787	3,865,938	4,691,000
Miscellaneous Revenues ¹	25,288,266	39,167,995	38,826,672	49,127,429	44,288,039
Proceeds—Sale of Assets	187,413	105,758	63,536	201,115	43,404
Proceeds—Long Term Borrowing	--	517,847,922	--	--	--
Transfers In	--	50,000	--	--	500,000
Funds from Restricted Assets	--	37,830,158	--	374,749	--
Total Sources	<u>134,073,299</u>	<u>712,841,335</u>	<u>157,763,018</u>	<u>177,024,163</u>	<u>172,296,650</u>
Uses					
Operating Costs					
Operations Group	109,933,290	636,062,953	77,848,713	99,996,713	125,847,068
Continuing Appropriations					
Operations Group	<u>35,765,778</u>	<u>62,219,271</u>	<u>63,015,632</u>	<u>81,643,772</u>	<u>75,746,737</u>
Total Uses	<u>145,699,068</u>	<u>698,282,224</u>	<u>140,864,345</u>	<u>181,640,485</u>	<u>201,593,805</u>
Change in Funds Available	(11,625,769)	14,559,111	16,898,673	(4,616,322)	(29,297,155)
Funds Available—January 1	<u>68,646,670</u>	<u>57,020,901</u>	<u>71,580,012</u>	<u>88,478,685</u>	<u>83,862,363</u>
Funds Available—December 31	<u>\$ 57,020,901</u>	<u>\$ 71,580,012</u>	<u>\$ 88,478,685</u>	<u>\$ 83,862,363</u>	<u>\$ 54,565,208</u>

¹ Includes connection, development and annexation fees in addition to other miscellaneous revenues.

Management’s Discussion and Analysis of Trends in Water Fund Financial Results

[City to review and update; include effects of COVID-19]

Introduction. Aurora Water maintains a major water supply asset acquisition and capital improvements development program for the System to enhance the level of service provided to existing customers and to respond to projected growth in the City. Master planning is done to plan projects needed to serve current and future customers. Projections of planned population growth indicate that the System will require significant new water supplies on a sustained and accumulating basis in the coming decades. The addition of new sources of water from river and ditch systems that are currently applied to other uses (primarily agriculture) will require raw water collection and storage systems, and related infrastructure such as transmission pipelines and pump stations. Increasingly stringent drinking water quality standards and customer expectations will require expansions and continuing upgrades in water treatment capabilities and improvements in distribution pipelines and finished water reservoirs within the City system.

The City acquires water supplies from a variety of primarily renewable surface water sources. The City’s infrastructure allows for the recapture of legally reusable return flows as described under the captions “FACTORS AFFECTING THE DELIVERY OF WATER TO CUSTOMERS” and “PRAIRIE WATERS—Successive Uses of Existing Water Rights.” Lawn irrigation and sewer treatment return flows can be quantified and corresponding volumes of South Platte water reused as established by Water Court adjudication. Also, tertiary treatment of effluent provides water of sufficient quality that it can be used for irrigation of parks, golf courses and other open spaces. Thus, the System enhances itself through the recapture of these supplies.

The right to use water is a transferable property right in Colorado. Many of the renewable surface water supplies that the City may acquire in the future are currently used for agricultural purposes and must be transferred through proceedings before State Water Courts. Technical, environmental, economic and institutional issues must be addressed in those proceedings. The Water Court determines supply amounts, priorities, diversion points and legal status. Once transferred, the transferred supply is protected from injury by owners and users of other water rights. Accordingly, the City acts opportunistically and aggressively to acquire these water resources when they can be effectively and efficiently integrated into the City's system. Aurora Water expects to continually assess whether its forecasted revenues, operating expenses and capital needs may require periodic adjustments in rates and user fees to allow for the continued opportunistic development of water sources and ensure the System maintains sufficient fund balances.

The City has conducted a comprehensive assessment of available water resources in the State of Colorado and anticipates the continued development of water reclamation opportunities, agricultural transfers of water, conservation and demand management strategies and cooperative projects with other water users under an integrated resources plan.

2019 Financial Results.

2020 Financial Results.

2021 Financial Plan. The 2021 Adopted Budget assumes overall revenues of \$170 million. As part of the 2021 Water Financial Plan update, revenues will be reviewed and updated as needed.

Connection and development fees are projected at \$34 million. This is a conservative estimate. Connection and development fees have been averaging \$40 million over the last three years due to the strong development environment.

The System Financial Plan

Since 2007 Aurora Water has performed annual updates of the Water Enterprise Financial Plan (the "Financial Plan"). The first version of the plan was approved by the City Council on March 26, 2007. The Financial Plan incorporates a comprehensive capital and operating plan, a cash flow model for the System, and includes a 15-year schedule of water rate increases for system requirements. The Financial Plan is used by Aurora Water Managers in the overall management of the System. The 2016 cash flow model associated with the Financial Plan uses the results of the Integrated Water Master Plan (the "IWMP") and the demand forecast study developed by Aurora Water's Planning & Engineering Department. The IWMP resulted in a scheduling of capital costs consistent with water demand requirements of the system.

The Financial Plan demonstrates the necessary rate increases sufficient to pay annual operating and capital costs as well as maintaining the required debt service coverage and target reserve requirements. The target reserves were approved by Council resolution in 2016. The assumptions used in the Financial Plan and cash flow model are subject to revision in the future as warranted by circumstances.

The rates currently charged to System customers are believed to be competitive with other systems in the Denver metropolitan area. The Financial Plan assumes the timely completion of the IWMP Project

within its current schedule and contemplates a specific program of rate and fees increases which must be implemented to provide the required revenues. While the City Council has the authority to increase rates to whatever extent necessary to meet the City's obligations, there is no assurance that unforeseen circumstances will not require greater rate increases than currently contemplated.

Financial Policies; Debt Service Coverage

Aurora Water maintains voluntary financial policies which reflect management's current understanding of industry best practices. The financial policies are not mandatory and may be changed from time to time, at the discretion of Aurora Water, with Council approval. In general, the financial policies are contained in a document approved by the City Council on July 11, 2016, stating goals which include rate setting practices; impact fees; maintenance of debt service coverage in excess of bond covenant requirements; capital planning; maintenance of credit ratings; and optimum levels of reserves and liquidity. In addition, the policies contemplate continued acquisition of water supplies and infrastructure sufficient to accommodate growth and provide drought protection, maintenance of high water quality, and the employment of various mechanisms for conservation and wise use of water.

Table XII describes the historic coverage of revenues over debt service for the System during the years 2016 through 2020 and management's current estimates with respect to coverage in the years 2021-2026.

Debt Service Prepayments

Since 2010, Aurora Water has used cash on hand to prepay or defease a number of outstanding obligations, which practice has favorably affected debt service requirements and coverage. Once Prairie Waters was substantially completed, the cash balance in the Water Fund was reviewed and, due to the low rate of return on investments, it was determined to be more advantageous to prepay debt rather than to continue to invest the cash balances. Even after completion of these transactions, Aurora Water has had sufficient liquidity to operate as needed. In addition, prepayment of debt also helped to smooth out the Water Fund debt repayment schedule. Since 2010, Aurora Water has prepaid a little over \$185 million in par value of debt resulting in aggregate net present value savings on debt service costs of nearly \$55 million.

Water Rates and Fees

Water rates and fees are established by the City Council by ordinance. The Colorado Supreme Court has held that rate ordinances are administrative, rather than legislative, in nature and are therefore not subject to popular referendum.

Since 2002, Aurora Water has been billing on a tiered basis to encourage conservation. Aurora Water uses an inclining tier structure with a base rate for all properties. A new four-tier structure was implemented in 2021. The structure will help to keep basic water needs at a more affordable rate and more discretionary water usage will be billed at higher rates.

Aurora Water's practice is to examine its water rates and fee structure on an annual basis in connection with the City's fall budget cycle. For financial planning purposes, Aurora Water annually prepares an updated fifteen year financial plan. Separate subfunds accounting for operations and capital functions are maintained in the financial plan for rate and fee setting purposes. Operating and capital improvement project spending is updated in the financial plan based on growth and development trends, system improvements, and the cost of providing service to water customers. Operating revenues sufficient to support operations, maintenance and administrative costs, routine capital outlay, and debt service requirements are projected in the financial plan. Rates for water service within the City are generally

designed to recover costs of service from customers related to the service provided. Additional goals for rate design include: (a) conservation, (b) affordability, (c) system equity among customer classes and between current users and new growth in the City, (d) rate stability, and financial stability. Development fees are maintained at levels sufficient to fund the cost of growth related infrastructure inclusive of water source development and acquisitions costs. Rate and development related fee increases necessary to support operation and development, as identified in the financial plan, are presented to Council for approval by ordinance.

The 2021 financial plan model uses the results of the IWMP and the demand forecast developed through the master planning process. The IWMP provided the scheduling of capital costs consistent with the IWMP water demand requirements of the System to meet future customer needs.

The following tables summarize the City’s historic, current and adopted service charges and water usage rates. The City continues to monitor its service charges needs. Aurora Water is currently engaged in an ongoing process of evaluating the need for future rate increases and expects to adjust rates as needed.

TABLE XVI
Water Service Charges and Usage Rates

Monthly Service Charges
For Residential, Multi-Family & Commercial Accounts

Meter Size	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
5/8”&3/4”	\$ 12.06	\$ 12.06	\$ 12.06	\$ 12.06	\$ 12.06	\$ 12.44	\$ 12.44	\$ 12.81	\$ 12.81	\$ 12.81
1” & 1 ¼”	17.77	17.77	17.77	17.77	17.77	19.02	19.02	19.59	19.59	19.59
1 1/2”	27.31	27.31	27.31	27.31	27.31	30.00	30.00	30.90	30.90	30.90
2”	38.74	38.74	38.74	38.74	38.74	43.17	43.17	44.47	44.47	44.47
3”	69.23	69.23	69.23	69.23	69.23	78.29	78.29	80.64	80.64	80.64
4”	103.53	103.53	103.53	103.53	103.53	117.80	117.80	121.33	121.33	121.33
6”	198.81	198.81	198.81	198.81	198.81	227.55	227.55	234.38	234.38	234.38
8”	465.60	465.60	465.60	465.60	465.60	465.60	465.60	479.57	479.57	479.57

Monthly Service Charges
For Irrigation Accounts Only

Meter Size	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
5/8”&3/4”	\$ 10.46	\$ 10.46	\$ 10.46	\$ 10.46	\$ 10.46	\$10.46	\$11.66	\$12.01	\$12.01	\$12.01
1”	13.77	13.77	13.77	13.77	13.77	13.77	17.07	17.58	17.58	17.58
1-1/4”	13.77	13.77	13.77	13.77	13.77	19.28	26.1	26.88	26.88	26.88
1-1/2”	19.28	19.28	19.28	19.28	19.28	25.91	36.93	38.04	38.04	38.04
2”	25.91	25.91	25.91	25.91	25.91	43.57	65.82	67.79	67.79	67.79
3”	43.57	43.57	43.57	43.57	43.57	63.45	98.31	101.26	101.26	101.26
4”	63.45	63.45	63.45	63.45	63.45	118.64	188.58	194.24	194.24	194.24
6”	118.64	118.64	118.64	118.64	118.64	273.18	296.89	305.8	305.8	305.8
8”	273.18	273.18	273.18	273.18	273.18	\$10.46	\$11.66	\$12.01	\$12.01	\$12.01

TABLE XVII
Tiered Usage Rates¹

Type of Account	2016	2017	Use Rate per 1,000 Gallons			2020	2021
			2018	2019			
Residential							
Tier 1 (0-20,000 gallons)	\$5.27	\$5.44	\$5.44	\$5.63	\$5.63		
Tier 2 (20,001-40,000 gallons)	6.00	6.19	6.19	6.41	6.41		
Tier 3 (40,001 gallons and above)	7.50	7.74	7.74	8.01	8.01		
Residential							
Tier 1 (0-5,000 gallons)							\$5.63
Tier 2 (5,001-10,000 gallons)							5.73
Tier 3 (10,001-20,000 gallons)							5.83
Tier 4 (20,001 gallons and above)							8.01
Multi-Family (two or more units)							
Tier 1 (up to 100% allocation)	\$5.60	\$5.71	\$5.71	\$5.80	\$5.80	\$5.80	\$5.80
Tier 2 (greater than 100%)	6.16	6.28	6.28	6.38	6.38	6.38	6.38
Commercial							
Tier 1 (up to 100% allocation)	\$5.67	\$5.78	\$5.78	\$5.87	\$5.87	\$5.87	\$5.87
Tier 2 (greater than 100%)	6.24	6.35	6.36	6.46	6.46	6.46	6.46
Irrigation							
Tier 1 (up to 100% allocation)	\$6.48	\$6.77	\$6.77	\$7.21	\$7.21	\$7.21	\$7.21
Tier 2 (greater than 100%)	7.13	7.45	7.45	7.93	7.93	7.93	7.93

¹Rates for multifamily, commercial and irrigation customers are based on the Annual Block Allocation amounts which are the individualized annual water blocks allocated to each customer for use in each calendar year.

**TABLE XVIII
Water Service Connection Fees**

Type and Size of Connection	Water Service Connection Fee				
	2017	2018	2019	2020	2021
Single Family Attached (per unit)	\$ 9,320	\$ 9,320	\$ 9,760	\$9,760	\$9,760
Multi-Family (per unit)	\$ 9,320	\$ 9,320	\$ 9,760	\$9,760	\$9,760
Commercial					
5/8" & 3/4"	\$21,194	\$21,194	\$22,195	\$22,195	\$22,195
1"	37,937	37,937	39,729	39,729	39,729
1-1/2"	83,292	83,292	87,227	87,227	87,227
2"	151,324	151,324	(b)	(b)	(b)
3" to 8" (a)	(a)	(a)	(a)	(a)	(a)
Single Family Detached					
Indoor Use:					
1-2 bathrooms	\$ 5,825	\$ 5,825	\$ 6,100	\$6,100	\$6,100
3-4 bathrooms	9,412	9,412	9,857	9,857	9,857
5+ bathrooms	16,311	16,311	17,082	17,082	17,082
Outdoor Use (Single Family Residential Detached and Single Family Residential Attached-Fee Simple Lots)					
Per Square Foot of Lot Size	0.995	0.995	1.042	1.042	1.042
Irrigation (per square foot of landscaped area):					
Non-water Conserving	2.91	2.91	3.05	3.05	3.05
Water Conserving	1.59	1.56	1.63	1.63	1.63

(a) Commercial Water Connection fees for meters greater than 2" will be determined on an individual basis and are based on the estimated daily volume of water and assessed at \$63.62 per gallon per day. Consumption beyond initial allocation may be addressed through monthly bill or payment of additional connection fees.

(b) Starting January 2019, 2" meters were determined on an individual basis.

Source: Aurora Water

**TABLE XIX
Aurora Water Rates History and Average Annual Water Bill 2016–2020**

Single Family Residential ¹	2016	2017	2018	2019	2020
Base Charge	\$12.06	\$12.44	\$12.44	\$12.81	\$12.81
Rates per 1,000 gallons (0-20,000 gals)	5.27	5.44	5.44	5.63	5.63
Rates per 1,000 gallons (20,001-40,000 gals)	6.00	6.19	6.19	6.41	6.41
Rates per 1,000 gallons (above 40,001 gals)	7.50	7.74	7.74	8.01	8.01
Average Annual Bill	\$587.40 ²	\$625.32	\$625.82	\$629.48	\$690.61

¹ Includes only charges for water; does not include sewer service charges.

² Estimated average monthly bill for water exclusively is \$48.95. For a comparison on total average monthly water and sewer bills, please see Table XXII.

Source: Aurora Water billing system

Connection and development fees are not treated as income under generally accepted accounting principles. However, such fees are included in Income as defined in the General Ordinance. The following table shows receipts of connection and development fees in 2016 through 2020.

TABLE XX
Connection and Development Fee Receipts

Year	Connection Fee Revenues	Development Fee Revenues	Total Connection and Development Fees
2016	\$38,307,283	\$168,897	\$38,476,180
2017	38,475,253	194,473	38,669,726
2018	46,086,605	153,557	46,240,162
2019	37,700,200	137,883	37,838,083
2020	53,753,550	90,127	53,843,676

Billing Practices and Collections

The System’s service area is divided into 19 geographical zones, each of which is billed every month. The customers are billed for monthly service charges and usage fees for water, sanitary sewer and storm drainage services in the same bill. Payment is due twenty days from the statement date. The City receives payments through various means. Due to the concern for public safety, the City makes every effort to collect delinquent accounts prior to disconnection of water service. The City provides at least 15 days prior notification of service disconnection. Discontinuance and reinstatement charges due to delinquency in payment, of \$28.00 each, are added to the customer’s account. Under the City Code, water, sewer and storm drainage services provided by the City or Metro Wastewater Reclamation District are deemed to be provided to the real property so served without regard to the actual person billed for such services. The City is authorized to place a lien on the real property so served in the amount of all unpaid fees and rates, including a late fee of 5% of the bill and an administrative fee not to exceed ten percent of the total amount of such unpaid fees and rates, such lien being enforceable in the same manner provided for collection of delinquent real property taxes.

As of December 31, 2020, the City served approximately 89,000 (currently, over 90,000) active water accounts, including seasonal users. As of December 31, 2020, the receivable amount over 30 days delinquent for all water accounts totaled \$1,083,959. The table below summarizes the City’s billed revenues and cash collections for the past five years. During the five-year period ended December 31, 2020 total cash collected by the City averaged \$114,308,749 of aggregate sales.

TABLE XXI
System Annual Billed Revenues and Cash Collections¹

Year	Billed Revenues	Cash Collected During Year for Current and Prior Years’ Sales	Percentage of Billed Revenues Collected
2015	\$ 97,966,627	\$ 98,161,298	100.2%
2016	107,370,630	107,236,053	99.9
2017	110,280,119	109,335,836	99.1
2018	118,671,115	119,667,342	100.8
2019	117,410,549	118,887,060	101.3
2020	133,509,230	132,564,902	99.3

¹ Revenues include metered sales, fire protection, raw water irrigation, raw water resale, well water, tertiary reuse water, and related services (trip charges, meter testing, wasting water fees and non-sufficient funds fees) WISE and other. Adjusted to match cash collection cycle.

Source: Aurora Water

TABLE XXII
2020 Comparison of Total Average Monthly Water, Sewer and Storm Bills by Metropolitan Area Water Providers

Provider	Average Monthly Rate ¹
ACWWA, as of 1/01/2021	161.55
Castle Pines North Metro District, as of 1/01/2021	148.10
Roxborough WSD, as of 3/25/2020	145.97
Inverness WSD, as of 5/01/2020	143.17
Stonegate Village Metro District, as of 10/01/2020	133.54
Denver Water Total Service (Outside City), as of 1/01/2021	130.89
City of Fountain, as of 3/01/2020	125.57
Parker WSD, as of 1/01/2021	121.24
City of Fort Lupton, as of 1/01/2020	120.04
Town of Castle Rock, as of 1/01/2021	118.22
Cottonwood WSD, as of 1/01/2021	117.80
ECCV WSD, as of 1/01/2020	114.12
City of Boulder, as of 1/01/2021	110.49
Meridian Service Metro District, as of 1/01/2021	109.98
Colorado Springs, as of 1/01/2020	109.17
South Adams County WSD, as of 1/01/2020	101.83
Pinery W&WW District, as of 1/01/2021	101.17
City of Loveland, as of 1/01/2021	98.08
City of Fort Collins, as of 1/01/2021	90.98
City of Aurora, as of 1/01/2021	88.84
Castle Pines Metro District, as of 1/01/2010	87.24
City of Greeley, as of 1/01/2021	86.17
City of Brighton, as of 1/01/2021	83.17
Denver Water (Inside City), as of 1/01/2021	82.73
Centennial WSD, as of 1/01/2021	76.71
Thornton, as of 1/01/2020	73.83

¹ Includes charges for water, sewer and stormwater services. For purposes of evaluating the average monthly bill, the total annual charges were divided by 12. Water use assumes the average customer’s annual usage pattern of 8,000 gallons a year with a winter quarter usage of 5,000 gallons for sewer services. For some utilities that use other factors to determine rates, it is assumed 4 people per household, 7,700 sq. ft. lot, 4,230 sq. ft. irrigable area and 3,583 sq. ft. of impervious area. For a comparison to the City’s average annual bill for water charges exclusively, please see Table XIX.
Source: Aurora Water

Depending upon drought stage determinations in particular years, rates may also be affected by the Water Management Plan described under the caption “THE SYSTEM—Water Management Plan.”

**CONSTITUTIONAL LIMITATIONS ON TAXES,
REVENUES, BORROWING AND SPENDING**

At the general election held November 3, 1992, the voters of the State approved a constitutional amendment (“TABOR”) limiting the ability of the State and local governments such as the City to increase revenues, debt and spending and restricting property, income and other taxes. Generally, TABOR limits the percentage increases in spending and property tax revenues to the prior year’s amounts, adjusted for inflation, local growth and voter approved changes, requires the maintenance of certain reserves, and

prohibits the imposition of new real estate transfer taxes. In addition, TABOR requires that the State and local governments obtain voter approval for certain tax or tax rate increases or to keep or spend revenues received in excess of TABOR limits, and to create any “multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years,” except for refinancing debt at a lower interest rate or adding new employees to existing pension plans. City Charter amendments approved by voters in 1999 and 2000 limited the rate of property taxes imposed in the City, but also excluded most categories of City revenue, including City fees for services, from the TABOR fiscal year spending limit.

Many of the provisions of TABOR are ambiguous and will continue to require judicial interpretation. There is no assurance that the application of TABOR, particularly during periods of reduced economic activity, will not adversely affect the operations or financial condition of the City.

TABOR excepts from its restrictions the borrowings and fiscal operations of “enterprises,” which term is defined to include government owned businesses authorized to issue their own revenue bonds and receiving under 10% of their revenues in grants from all Colorado State and local governments combined. In a 1995 decision the Colorado Supreme Court held that a governmental entity with taxing power was not itself an “enterprise.” Aurora Water is authorized to issue revenue bonds in its own name, has no taxing power and receives no material portion of its revenues as grants from governmental sources. The City therefore treats, and expects to continue to treat, Aurora Water as an “enterprise” within the meaning of TABOR. Such treatment would depend upon conditions which may or may not exist in the future. Accordingly, the actual treatment of Aurora Water under TABOR may vary and such variations may be material. A failure by Aurora Water to qualify as a TABOR enterprise in a future year would potentially cause its revenues to be counted against the City’s TABOR fiscal year spending limits, although the Charter amendments described above under this caption would tend to mitigate any adverse effect of such a failure. See “AURORA WATER—Designation and Character of the Enterprise for Purposes of TABOR.”

FINANCIAL ADVISOR

Hilltop Securities Inc. is employed as Financial Advisor to the City to render certain professional services including advising the City concerning the plan of financing for the Series 2021 Bonds. Under the terms of its agreement with the City, the Financial Advisor is not permitted to underwrite or competitively bid on any City securities issued by the City.

RATINGS

_____ (“___”) and _____ (“_____”) have assigned ratings of “___” and “___” respectively, to the Series 2021 Bonds. Such ratings reflect only the views of the respective rating agencies, and do not constitute a recommendation to buy, sell or hold securities. Explanations of the significance of such ratings may be obtained from the rating agencies.

The ratings are subject to revision or withdrawal at any time by the respective rating agency and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn. The Underwriters have undertaken no responsibility either to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Series 2021 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Series 2021 Bonds.

LITIGATION

There is no litigation now pending or, to the knowledge of the City officials responsible for the issuance of the Series 2021 Bonds, threatened which questions the validity of the Series 2021 Bonds or of any proceedings of the City taken with respect to issuance or sale thereof. There is no litigation pending or, to the knowledge of City officials, threatened that would, if determined adversely to the City, have a material effect on the financial condition of Aurora Water.

TAX MATTERS

The Series 2021A Bonds [KR to review]

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes and exempt from State of Colorado income tax and is not a specific preference item for purposes of the federal or State of Colorado alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Series 2021A Bonds. Failure to comply with such requirements could cause interest on the Series 2021A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2021A Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2021A Bonds.

Notwithstanding Bond Counsel's opinion that interest on the Series 2021A Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

The Series 2021A Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes the amount of original issue premium on such Premium Bond. A purchaser of a Premium Bond must amortize any original issue premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the original issue premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As original issue premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no corresponding federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of original issue premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

The accrual or receipt of interest on the Series 2021A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2021A Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2021A Bonds,

particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2021A Bonds.

The Series 2021B Bonds

In the opinion of Kutak Rock LLP, Bond Counsel, under existing State of Colorado statutes, the 2021B Bonds and the income therefrom are exempt from State of Colorado taxation, except inheritance, estate and transfer taxes. However, interest on the 2021B Bonds is included in gross income for federal income tax purposes. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 2021B Bonds under the laws of the State of Colorado or any other state or jurisdiction.

Changes in Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax principles referred to above or adversely affect the market value of the Series 2021 Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted they would apply to bonds issued prior to enactment. In addition, regulatory actions are announced or proposed from time to time and litigation of tax issues is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of obligations such as the Series 2021 Bonds. Purchasers of the Series 2021 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial authorities as of the date of issuance and delivery of the Series 2021 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

UNDERWRITING

The Underwriter named on the cover page of this Official Statement has agreed to purchase the Series 2021 Bonds from the City at a purchase price equal to the principal amount thereof, less an underwriting discount of \$_____ plus original issue premium of \$_____. The City's obligation to deliver, and the Underwriters' obligation to accept, the Series 2021 Bonds are subject to various conditions contained in the bond purchase agreement relating to the Series 2021 Bonds.

[[Dealer Manager] will also act as Dealer Manager for the tender offer of the Series 2016 Bonds expected to be funded from proceeds of the Series 2021A Bonds. [Dealer Manager will be paid a dealer manager fee in the amount of \$_____ from the proceeds of the Series 2021A Bonds. [Dealer Manager] does not hold any of the Series 2016 Bonds.]

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2021 Bonds are subject to approval by Kutak Rock LLP, Bond Counsel, whose opinion is expected to be delivered in substantially the form set forth in Appendix A hereto. In addition to acting as Bond Counsel, Kutak Rock LLP has also been retained to advise the City concerning, and has assisted in, the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the Office of the City Attorney and for the Underwriter by [_____].

FINANCIAL STATEMENTS

The financial statements of the City as of December 31, 2019 and for the year then ended, included in APPENDIX C to this Official Statement, have been audited by BKD, LLP, independent auditors, as stated in their report appearing therein. The City did not request that BKD, LLP perform any updating procedures subsequent to the date of its audit report on the December 31, 2019 financial statements.

VERIFICATION OF CERTAIN CALCULATIONS

At the time of delivery of the Series 2021 Bonds to the Underwriter _____, certified public accountants, are expected to deliver a report as to the mathematical accuracy of certain computations contained in schedules provided to them by the Financial Advisor and the Underwriter relating to (a) the adequacy of the Refunding Escrow Account investments and cash balances to provide for payment of principal of, interest on and premiums, if any, due in connection with the redemption of the Refunded Obligations and (b) the actuarial yields relied upon by Bond Counsel to support their opinion described under the caption "TAX MATTERS."

MISCELLANEOUS

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

The execution and delivery of this Official Statement have been duly authorized by the City.

CITY OF AURORA, COLORADO

By /s/ _____
Mayor

APPENDIX A
FORM OF OPINION OF BOND COUNSEL

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE CITY
AS OF DECEMBER 31, 2019**

APPENDIX C

**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE
AND THE SERIES ORDINANCE**

APPENDIX D

GENERAL INFORMATION CONCERNING THE CITY

The City's boundaries include portions of Arapahoe, Adams, and Douglas counties, covering an area of approximately 160 square miles. The Colorado Supreme Court recognized the prominence of the City among Colorado municipalities in 2012 in an opinion approving a congressional redistricting plan that, among other things, sought to unify major cities such as Aurora within single districts. Growth in the City is generally expanding to the northeast, east and southeast into currently undeveloped areas. Located on the plains east of the Rocky Mountains, the City comprises the eastern portion of the Denver metropolitan area, affording its residents short (approximately 15 minute) drives to Denver International Airport as well as the area's two major employment centers (downtown Denver and the Southeast Corridor). The City's population has grown from 983 in 1920 to an estimated 381,057 in 2019, with approximately 86% of its population residing in Arapahoe County, approximately 14% of its population residing in Adams County and approximately 0.10% of its population residing in Douglas County. This growth has brought significant private investment to the City, along with demand for more public services.

Elected Officials

The following persons, as of the date hereof, are members of the City Council.

Name	Council Position	Principal Occupation	Term Expires
Mike Coffman	Mayor	Full-time Mayor	2023
Nicole Johnston	Mayor Pro Tem	Program Consultant/Business Owner	2021
Crystal Murillo	Council Member	Advancement Fellow	2021
Marsha Berzins	Council Member	Business Owner	2021
Juan Marcano	Council Member	Architectural Design	2023
Alison Coombs	Council Member	Residential Program Manager	2023
Francoise Bergan	Council Member	Retired	2023
Curtis Gardner	Council Member	Executive Vice President	2023
Dave Gruber	Council Member	Retired	2021
Allison Hiltz	Council Member	Policy Associate	2021
Angela Lawson	Council Member	Lobbyist Program Manager	2023

Pursuant to the Colorado Constitution, Council members are limited to two consecutive terms of office. City voters may lengthen, shorten or eliminate these term limitations. At the regular municipal election of November 1, 2005, City voters approved such a change to the term limitation. Accordingly, except for those persons holding elective office prior to November 1, 2005, Council members are now limited to three consecutive terms of office.

The position of mayor is a full time salaried position. Council members are also salaried but do not hold full time positions.

City Management

The City Manager is responsible for providing administrative support, direction and interpretation of City Council policies to the Deputy City Managers, City departments and agencies. The City Manager, appointed by the City Council, serves at the pleasure of the Council.

James Twombly, City Manager, was appointed to his position at the City in August, 2018. Prior to coming to the City, Mr. Twombly served as the Director of Administration/City Manager for Tulsa, Oklahoma from 2009 to 2017. He served as the City Manager for Broken Arrow, Oklahoma, from 2004 to 2009, and the City Administrator for Pella, Iowa, from 1994 to 2004. Mr. Twombly served in multiple positions for the City of Oklahoma City, Oklahoma between 1982 and 1994, the last five years of which were in the City Manager's Office. He has had varied experience over his career in organizing and directing capital improvement program planning and financing, including voter-approved debt, revenue-backed debt, tax increment financing and fundraising. Mr. Twombly holds a Master of Arts degree and a Bachelor of Arts degree in Urban Affairs from St. Louis University.

Nancy Freed, Deputy City Manager, began working for the City in 1993 as Neighborhood Services Director and then became Deputy City Manager for the City in 1995. She currently is responsible for Water, Public Works, Human Resources, Library and Cultural Services, and Parks, Recreation and Open Space. From 1990 to 1992, Ms. Freed served as Executive Director of the American Leadership Forum, a national non-profit corporation dedicated to improving civic leadership. From 1978 to 1990, Ms. Freed worked for the City of Lakewood, Colorado, in a number of capacities including Acting City Manager, Assistant City Manager, and Executive Director of the Housing Authority/Housing Manager. Ms. Freed received a Bachelor's degree in Political Science from Goucher College in Towson, Maryland and a Master's degree in Public Administration from the University of Denver, Colorado.

Roberto Venegas currently serves as the Deputy City Manager for the City, as of December, 2019, after serving as Interim Deputy City Manager from July, 2019. In that role, Mr. Venegas oversees several departments, including Housing and Community Development, the Office of International and Immigrant Affairs, Communications, the Clerk's Office, and Finance. Mr. Venegas is also responsible for all intergovernmental relations for the City at the local, state and federal level. Since beginning his career with the City in 2012, he helped reestablish the Aurora Sister Cities program in 2013 and has significantly contributed to the positioning of the City as an international city. Mr. Venegas previously served as a Policy Advisor and City Council Liaison for former Denver Mayor, John Hickenlooper. In 2006, he was selected as a German Marshall Fellow. Mr. Venegas has a Bachelor of Arts degree from Colorado College and a Master of Arts degree from Stanford University.

Jason Batchelor has been Deputy City Manager for the City since 2015. He is currently responsible for Police, Fire, Office of Development Assistance, and Planning and Development Services. Mr. Batchelor served as the City's Finance Director from 2011 to 2015 and the City's Budget Officer from 2008 to 2011. Prior to his work with the City, Mr. Batchelor was the Corporate Budget Manager for the City of Austin, Texas. Mr. Batchelor served in the United States Army as a tanker with the First Cavalry Division, stationed at Fort Hood, Texas from 1996 through 2001. Mr. Batchelor received a Master of Public Policy degree from the LBJ School of Public Affairs at the University of Texas and a Master of Science degree in Environmental and Water Resources Engineering from the University of Texas. He received a Bachelor of Science degree from United States Military Academy – West Point.

Terri Velasquez has been Finance Director since 2015. She is responsible for operations of the City's Finance Department and the overall management of the City's finances. Previously, Ms. Velasquez served as the Deputy Finance Director of the City from 2012 to 2015. From 1987 through 2011 she worked for the City of Colorado Springs, Colorado in a number of capacities including Director of Finance and

Administrative Services and Chief Finance Officer. Ms. Velasquez received a Master’s degree in Finance and a Bachelor’s degree in Accounting from the University of Colorado and is licensed as a Certified Public Accountant in the State of Colorado. She also holds a Certified Public Finance Officer designation from the Government Finance Officers’ Association.

Teresa Sedmak was appointed as City Treasurer in December of 2020. In this position, she oversees the City’s debt, treasury and investment functions. Prior to her employment for the City, Ms. Sedmak served as the City Treasurer for the City of Tacoma, Washington from June 2012 through most of 2020. Prior to that experience, from 1999 to 2012, Ms. Sedmak served as the Manager of Debt and Investments for the Regional Transportation District in Denver, Colorado. Ms. Sedmak received a Bachelor’s degree in Business and a Master’s degree in Business, both from the University of Colorado.

Daniel L. Brotzman, Esq., was appointed City Attorney of the City on November 21, 2019. The City Attorney serves at the pleasure of and is directly responsible to the City Council. Mr. Brotzman has worked for the City since 2016, serving as the Manager of Legal Operations/Senior Attorney, Deputy City Attorney and Interim City Attorney. Prior to his work with the City, Mr. Brotzman served as the City Attorney of the City of Englewood, Colorado from 1995 to 2016. Mr. Brotzman received his Bachelor of Science in Business Administration from the University of Denver and his Juris Doctorate from Creighton University Law School. Mr. Brotzman studied international law at Magdalen College, Oxford University/McGeorge School of Law and pursued advanced graduate studies in tax at the University of Denver.

Services Available to City Residents

Generally. Pursuant to its Charter, the City provides the following services: police, fire protection and emergency medical services, water, sanitary sewer and storm drainage facilities and services, street construction and maintenance, parks and open space, libraries and recreation facilities and services. The City operates the second largest municipal water utility system in the metropolitan area. Most sewage from the City is treated by the Metropolitan Wastewater Reclamation District pursuant to contract. Garbage collection is provided by private contractors by arrangement with individual residents.

Schools. The public school system serving City residents consists of facilities operated by two school districts, Adams-Arapahoe School District 28J and Cherry Creek School District No. 5, both of which are independent political subdivisions of the State of Colorado not connected with the City government. The following table presents a five year history of school enrollment for Adams and Arapahoe County School District No. 28J and Cherry Creek School District No. 5.

School Enrollment		
Year	Adams and Arapahoe County School District No. 28J	Cherry Creek School District No. 5
2016/2017	41,797	54,815
2017/2018	40,920	55,657
2018/2019	39,892	55,791
2019/2020	40,088	56,172
2020/2021	37,907	54,167

Source: Colorado Department of Education

Employees, Unions and Labor Relations

Positions. The City has a total of 4,450 full, part-time and temporary positions for 2020. As set forth in the Charter, all regular full time and part time City employees, except Council appointees and City Manager appointees, are subject to a Civil or Career Service system, pursuant to which positions are graded and hiring and promotion policies are based upon standardized assessments of merit.

Unions and Labor Relations. Approximately 35% of the City’s full time employees are members of the Fraternal Order of Police (the “Police Association”) or the International Association of Firefighters Local 1290 (the “Firefighters Association” and together with the Police Association, the “Associations”). The City has contracts with the Associations providing, among other things, for specified wage increases and containing grievance procedures allowing for appeals to the City Civil Service Commission. The City has been holding periodic meet-and-confer discussions with the Associations for a number of years. The current contracts are effective through December 31, 2022.

As of the date of this Official Statement, labor management relations in the City may be characterized as free of major controversy, but the City cannot predict what wage settlements or added costs, if any, may result from future discussions or the resolution of grievances.

In 1976, the Colorado Supreme Court ruled that a municipality may not agree to binding arbitration on “legislative” matters, which include wages, on the basis that the delegation of legislative power to the arbitrator violates the State Constitution. Subsequent cases held that, as a general rule, the powers of the City can only be delegated to persons with political accountability to elected officials. The City’s procedures for resolving labor disputes involving police and fire employees are provided in its Charter. The Charter provisions governing police and fire labor disputes prohibit strikes and provide that disputes concerning wages, hours or working conditions are to be subject to collective bargaining; and that, in the event of an impasse in such bargaining, the matters in controversy may be submitted to a vote of the electors of the City.

Employee Pension Plans. City employees and elected officials participate in one of nine pension plans, including six defined benefit plans and three defined contribution plans, as further described in Note 13 to the basic financial statements in APPENDIX C to this Official Statement. Counted among these nine plans are the City’s pension trust funds: the City General Employees’ Retirement Plan (“GERP”) and the City Elected Officials’ and Executive Personnel Defined Benefit Plan (“EOEP”). For executive personnel, EOEP is a supplemental plan available to the employee in addition to the Executive Retirement Plan – Money Purchase Pension Plan (“ERP”) which is a defined contribution plan available to these executives. GERP was created in 1967 to provide retirement benefits to career service personnel. EOEP plans were created in 2001 to provide retirement benefits to elected officials and executive personnel. City police officers and firefighters are covered by one of the six other available retirement plans which are established and maintained exclusively for these first responders.

The City’s various defined benefit pension plans are evaluated in terms of net pension liability, net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense. The net pension liability or asset is the difference between the total pension liability and the fiduciary net position of the plan as of the measurement date. If the fiduciary net position exceeds the total pension liability as of the measurement date, there is a net pension asset. Deferred outflows of resources and deferred inflows of resources related to pensions are the amounts that are required to be deferred and recognized in subsequent periods. These terms refer to items that are not yet recognized in the net pension liability or asset or the pension expense. From time to time, changes in actuarial assumptions are expected to occur which would impact the net pension liability or asset of the defined benefit pension plans.

GERP. GERP is a contributory single employer defined benefit pension plan that covers all full- and part-time City employees, with the exception of City police officers, City firefighters, elected officials, contingent employees and executives who have elected to participate in ERP. Under GERP, employee contributions are required as a condition of employment and are matched equally by the City. The employee contribution was 7.00% for 2019. Benefits under GERP include retirement, death, disability and supplemental benefits. Pursuant to the City’s financial statements, as of December 31, 2019 (measured as of December 31, 2018), there were 996 retirees and others receiving benefits under GERP with 1,755 active plan members. There were 255 former employees who are “deferred vested” under the plan, meaning participants with at least five years of credited service who terminate before normal retirement age and leave their contribution accumulation with the plan, have the option to receive an early or normal retirement benefit at a later time.

GERP administrative costs are financed using contributions and earnings of the plan. Employee and employer contributions are recognized for financial reporting purposes as revenues of the plan when due. Employer contributions recognized by GERP for the year ended December 31, 2019 were \$8,187,470. As of December 31, 2019, the City reported a liability of \$51,450,686 for GERP. The net pension liability was measured as of December 31, 2018.

While GERP maintained an actuarial surplus prior to the national financial crisis of 2008, investment losses in that year and changes in actuarial assumptions led the City to develop a plan to return GERP to fully funded status. Actions taken included increasing employee contributions, increasing City matching and developing a less costly tier of benefits for new employees hired after 2011. These changes are factored into budget estimates for the year 2020 and beyond.

ERP. ERP is an open defined contribution money purchase plan established by ordinance. The ERP plan provides retirement benefits to executive personnel who do not choose to join GERP and is administered by ICMA-RC. Normal retirement age under ERP is age 50 for plan members hired before November 5, 2013, and age 62 for plan members hired on or after November 5, 2013. Members vest at 33.33% each year and are fully vested at three years. Provisions and contribution requirements under this plan are established and may be amended by City Council. As of December 31, 2019, there were 24 plan members. In the year ended December 31, 2019, plan members and the City both contributed 10.0% to the plan, for a total of \$391,686.

EOEP. EOEP is a non-contributory single employer defined benefit pension plan that covers the Mayor of the City and all elected City Council members (“elected officials”). Individuals performing services as executive employees of the City on or after January 1, 2000 are also eligible to participate in EOEP (“executive personnel”) if they participate in the City’s ERP. The plan relies exclusively on contributions by the City; no member contributions are accepted. Under this plan, the City is required to contribute at an actuarially determined amount. An actuarial valuation is performed every other year and the City makes its full annual required contribution to EOEP each January. Benefits under EOEP include base and supplemental retirement benefits for elected officials, a standard supplemental benefit to executive personnel who are also members of ERP, supplemental and death benefits. As of December 31, 2019, there were 58 retirees receiving benefits under this plan with 30 active plan members and seven former employees who are deferred vested and entitled to receive benefits under EOEP at a later time. As of the December 31, 2018 measurement date, there were 52 retirees receiving benefits with 33 active members and seven former employees who are deferred vested.

EOEP administrative costs are financed using contributions and earnings of the plan. For the year ended December 31, 2019, the City’s average contribution rate was 2.14% of annual covered payroll and employer contributions recognized by the plan were \$94,018. As of December 31, 2019, the City reported a net pension asset of \$684,018 for EOEP. The net pension asset was measured as of December 31, 2018.

Additional Pension Plans. In addition to GERP, EOEP and ERP, the City has six pension plans exclusively available to its police officers and firefighters: four defined benefit pension plans including Old Hire – Fire; Old Hire – Police; Fire Statewide Defined Benefit Pension Plan; and Fire Statewide Hybrid Pension Plan; and two defined contribution plans including the Police Money Purchase Pension Plan and the Fire Money Purchase Pension Plan. A brief overview of each plan is presented below with additional information provided in Note 13 to the basic financial statements in APPENDIX C to this Official Statement. The City is periodically involved in contract discussions with the Fraternal Order of Police and the International Association of Firefighters Local 1290. See “—*Unions and Labor Relations*” above. The current contracts are effective through December 31, 2022.

Old Hire Fire and Police Pension Plans. The Old Hire Plans are closed, non-contributory agent multiple-employer defined benefit plans covering all full-time police officers or fire fighters hired before April 8, 1978 and provide normal, delayed, vested or deferred retirement benefits to plan participants. The Old Hire Plans are a part of the statewide multiple agent employer public employee retirement system and are administered by the Fire and Police Pension Association of Colorado (the “FPPA”). The FPPA follows the Colorado Revised Statutes for plan contribution requirements and benefits. Both plans are included in the FPPA’s annual separately issued audited financial statements.

On April 1, 2020, House Bill 20-1044 was signed into law which will allow the FPPA Board to pursue a more individualized funding approach, including contribution policies, for each Old Hire plan. The effective date is January 1, 2021. The impact of this change cannot be predicted at this time.

Old Hire – Fire. As of December 31, 2019 (measured as of December 31, 2018), there were 132 retirees and others receiving benefits under the plan with no active or inactive, nonretired plan members. The City is required to contribute at an actuarially determined rate. Employer contributions recognized by the plan for the year ended December 31, 2019 were \$3,033,111. At December 31, 2019, the City reported a liability of \$34,654,014 for the plan. The net pension liability was measured as of December 31, 2018.

Old Hire – Police. As of December 31, 2019 (measured as of December 31, 2018), there were 146 retirees and others receiving benefits under the plan with one active member and no inactive, nonretired plan members. The City is required to contribute at an actuarially determined rate. Employer contributions recognized by the plan for the year ended December 31, 2019 were \$4,164,773. At December 31, 2019, the City reported a liability of \$47,914,096 for the plan. The net pension liability was measured as of December 31, 2018.

Statewide Defined Benefit Plan – Fire New Hire Pension Plan. The Fire Statewide Defined Benefit Plan (the “SWDB”) is a cost-sharing multiple employer defined benefit pension plan administered by the FPPA. The plan provides retirement and death benefits to firefighters hired on or after April 8, 1978. In addition to the initial transfer plan implemented at that time (which initial transfer plan is now closed), an updated plan was instituted in 2011 and remains in effect for firefighters hired on or after October 1, 2011. State statute assigns authority to establish and amend benefit provisions to the FPPA. This plan is included in the FPPA’s annual separately issued audited financial statements.

The City is required to contribute at a statutorily determined rate. The FPPA Board sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute while member contribution rates can be amended by state statute or election of the membership and City Council ordinance. As of December 31, 2019, 149 City firefighters are active members of the transfer plan and 9 are inactive, nonretired members of the transfer plan. In 2019, members of the transfer plan and the City contributed 12.0% (\$1,660,532) and 10.0% (\$1,328,502), respectively.

Contribution rates for members of the transfer plan are scheduled to increase 0.5% annually through 2022 for a total combined member and employer contribution of 24.0% in 2022. In 2011, an updated plan was instituted for firefighters hired on or after October 1, 2011. As of December 31, 2019, 261 City firefighters were members of this plan. In 2019, plan members and the City contributed 10.5% (\$1,620,473) and 8.0% (\$1,234,803), respectively. Member contribution rates for this plan are scheduled to increase 0.5% annually through 2022 to a total of 12.0% of base salary. As a result of House Bill 20-1044, signed into law April 1, 2020, employer contribution rates for this plan will increase 5.0% over a 10-year period (0.5% annually) beginning in January 2021 resulting in a total combined member and employer contribution of 25.0% in 2030.

As of December 31, 2019, the City reported a liability of \$5,377,143 for its proportionate share of the net pension liability for the plan. The net pension liability was measured as of December 31, 2018. The City's portion of the net pension liability was based on the City's contributions to the SWDB plan for the calendar year 2018 relative to the total contributions of participating employers to the plan. At December 31, 2018, the City's proportion was 4.25%.

Statewide Hybrid Plan – Fire New Hire Pension Plan. The Statewide Hybrid Fire Pension Plan (the “SWH”) is a cost-sharing multiple employer defined benefit pension plan administered by the FPPA. This plan contains a defined benefit component and a money purchase component. State statute assigns authority to establish and amend benefit provision to the FPPA. This plan is included in the FPPA's annual separately issued audited financial statements.

The City is required to contribute at a statutorily determined rate. The FPPA Board sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWH plan are set by each individual employer; however, the rate for both employer and members must be at least 8% of the member's base salary. As of December 31, 2019, 34 City firefighters were members of this plan with 3 inactive, nonretired plan members. In 2019, plan members and the City each contributed an amount equal to 10.5% (\$318,581) of the member's base salary. The percentage split is recalculated each year.

At December 31, 2019, the City reported an asset of \$2,755,129 for its proportionate share of the net pension asset for the plan. The net pension asset was measured as of December 31, 2018. The City's portion of the net pension asset was based on the City's contributions to the SWH plan for the calendar year 2018 relative to the total contributions of participating employers to the plan. At December 31, 2018, the City's proportion was 19.96%.

Police Money Purchase Pension Plan – New Hire. The Police New Hire Plan is an open defined contribution money purchase plan established by agreement to provide retirement benefits for full time police hired on or after April 8, 1978. The plan is administered by a board established by the agreement. Plan provisions and contribution requirements are amended by an affirmative vote of 65% of the members as well as a City Council resolution. Normal retirement age is 50. The member is 100.0% vested at 5 years of service and 0.0% vested until that time. At December 31, 2019, there were 798 plan members. Plan members and the City were both required to contribute 10.5%. In 2019, plan members and the City each contributed \$7,233,828.

In 2020, City Council and Police civil service employees approved increasing contributions to the money purchase plan by 1.5% each, for a total contribution of 12.0% each for 2020. This increase addressed a request from the Police Money Purchase Plan Board for additional funding to offset investment risks that impact employee retirement accounts. An additional request has been made by the Police Money Purchase Plan Board to increase the total contributions to 12.0% ongoing. This request is to be considered by City Council in the 2021 budget. In addition, the City is working with the Police Money Purchase Plan Board

to establish a defined benefit plan option for Police civil service employees. These efforts by the City and Police Money Purchase Plan Board are meant to assist in the attraction and retention of police officers and to address their retirement needs outside of the collective bargaining process.

Fire Money Purchase Pension Plan. The Fire Money Purchase Pension Plan is a closed defined contribution money purchase plan established by City ordinance to provide retirement benefits for City firefighters hired on or after April 8, 1978 and is administered by the FPPA. Plan provisions and contribution requirements are established and may be amended by City Council. Normal retirement age is 50. All members are fully vested. As of December 31, 2019, there were 10 plan members. Plan members and the City are both required to contribute 11.0%. In 2019, plan members and the City each contributed \$99,380.

Governmental Accounting Standards Board Statements No. 67 and 68. The Governmental Accounting Standards Board (“GASB”) adopted Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* (“GASB 67”) to establish the requirements for governmental pension plan financial statement reporting for defined benefit pension plans. GASB 67 applies to pension plan financial statements included as a pension trust fund of a governmental entity. For the City’s defined benefit pension plans that issue stand-alone financial statements, GASB 67 does not require that the City include the information identified in GASB 67 within the City’s report as the stand-alone plan financial reports include the GASB 67 requirements. GASB 67 does apply to the City’s reporting of EOEP’s statement of fiduciary net position, statement of changes in fiduciary net position, certain notes to the financial statements and certain required supplementary information (“RSI”), as no stand-alone financial report is issued for EOEP.

Additionally, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (“GASB 68”) provides pension accounting and reporting requirements with regard to statements of net position, statements of activities, certain notes to the financial statements and certain RSI for governments that provide their employees with pension benefits that are administered through trusts and equivalent arrangements in which specific criteria are met. Under GASB 68, governments providing defined benefit pensions, including the City, are required to recognize the difference between the pension plan’s net fiduciary position and the total pension liability as of the measurement date as a liability or asset. The City’s required disclosures under both GASB 67 and GASB 68 are contained in Note 13 of the City’s basic financial statements in APPENDIX C to this Official Statement.

Other Postemployment Benefits (“OPEB”). In addition to providing pension benefits, the City, acting in a single-employer capacity, provides medical benefits to eligible retirees and their qualifying dependents who elect to participate through one of the five fully insured medical plans offered through Kaiser Permanente. Once retirees reach Medicare eligibility, they are required to switch their coverage to a fully insured Medicare supplemental plan. As of the December 31, 2017 actuarial valuation (OPEB actuarial valuations are done every odd numbered year), there were 2,845 active employees eligible to be covered under the City’s health insurance plan and, of these, 647 were fully eligible for the plan. In addition, there were 404 retired employees who received medical coverage under this program. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 as the plan is funded on a pay-as-you-go basis. Further information related to OPEB is included in Note 14 to the City’s basic financial statements in APPENDIX C to this Official Statement.

GASB adopted Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”) to revise and establish new accounting and financial reporting standards for governments that provide their employees postemployment benefits other than pensions. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources,

deferred inflows of resources and expense/expenditures. The City's OPEB plan meets the GASB 75 criteria. No assets are accumulated in a trust that meets the criteria of GASB 75 as the plan is funded on a pay-as-you-go basis. To fund OPEB, retirees pay 100% of the blended premium cost of their participation for health care coverage. Since current and retired employees participate in the same group plan, the City, in effect, is providing an "implicit subsidy" for the retirees covered by the plan. As of December 31, 2019, the City reported a liability of \$18,741,089 for the plan of which \$932,917 is considered current. The total OPEB liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2017 rolled forward using standard actuarial methods.

Major Sources of Development and Economic Activity in the City and Surrounding Metropolitan Area

The City has benefited from several major infrastructure, transportation and development projects in recent years.

Transportation, Infrastructure and Light Rail. Aurora's proximity to Denver International Airport ("DIA") along with major infrastructure construction activity along the City's I-70, I-225 and E-470 corridors during the 1990s as well as more recent large-scale transportation projects provide the City with a strong transportation and mobility base, facilitating population growth along with residential and commercial construction activity. These infrastructure assets maintain their importance as a source of development and economic activity in the City as the build out in these areas continues following the post-2008 national economic downturn. As an example, the City, along with the Colorado Department of Transportation ("CDOT") and other regional and national entities, made wholesale improvements to the I-225/Colfax interchange and constructed an additional exit/interchange off I-225 north of Colfax Avenue, enabling direct access into the Anschutz Medical Campus. More recently, the Regional Transportation District's ("RTD") \$7.4 billion FasTracks program included the East Rail Line, a 22.8-mile commuter transit line known as the University of Colorado A Line (the "A Line") between Denver Union Station and DIA, and a 10.5-mile light rail line running virtually the length of I-225 with ten stops in the City, including the Peoria Station junction with the A Line to the north, and connecting with existing RTD lines through Nine Mile Station to the south (the "R Line"). The A Line opened in April, 2016 and the R Line began operating in February, 2017. The addition of light rail stations and two City-owned parking garages prompted the need to create a new City-managed Parking and Mobility System. The purpose of this system is to manage parking efficiently to provide a safe and positive parking experience for customers, while supporting and strengthening the transit-oriented development areas, the City's urban center and a City goal to make the City a great place to locate or expand a business. The City manages the Hyatt Regency Aurora Conference Center's 506-space public parking garage and the 600-space Iliff Station parking garage.

The City remains committed to transportation projects to improve the City's transportation network, including the opening of the Stephen D. Hogan Parkway, named in honor of the City's late mayor, in 2019. The new parkway closes a two-mile gap in the current system by connecting East Sixth Avenue to the E-470 Tollway. The parkway provides a continuous east-west connection between the two roads and improves the reliability and efficiency of the transportation system including improved access to residential communities east of E-470 and to Buckley Air Force Base.

The City was recently awarded a \$25 million U.S. Department of Transportation BUILD grant to kick-start the I-70/Picadilly Interchange Project. The \$56.6 million project, including funding from the City and private developers, will provide additional infrastructure needed to support the planned population and employment growth in the area, improve safety on Tower Road, replace deficient roadways and connect Picadilly Road between Colfax Avenue and Smith Road to further improve mobility in the area. Construction could start by mid-2021 with an anticipated completion occurring in 2023.

Anschutz Medical Campus. Located on the 579-acre site of the former Fitzsimons Army Medical Center, the Anschutz Medical Campus and the Fitzsimons Innovation Campus are dedicated to bioscience, biotechnology, healthcare, medical education and advanced research – making it the largest academic health center in the Rocky Mountain region and one of the largest in the country. The Anschutz Medical Campus includes education facilities for physicians and other health professionals, and the University of Colorado Hospital and Children’s Hospital Colorado, the primary adult and pediatric hospital partners of the University of Colorado School of Medicine. In addition, the state-of-the-art Rocky Mountain Regional Veteran’s Administration Medical Center opened in 2018. Fitzsimons Innovation Campus, including the Bioscience 3 building completed in early 2020, is recognized internationally for its medical research and offers opportunities to research and development companies from small start-ups to established industry leaders. The Anschutz Medical Campus treats more than 2 million adult and pediatric patients each year and has nearly 25,000 employees, faculty and staff.

While the Anschutz Medical Campus is not expected to directly provide major new revenue to the City budget due to its tax exempt and incentivized development, it is a major economic engine for the City and the surrounding area. The impact on the State’s economy is currently over \$7 billion annually. As an example, the City and Corporex Colorado, LLC constructed a 249-room Hyatt Regency Hotel, the 30,000-square foot Hyatt Aurora-Denver Conference Center and a 506-space parking structure directly across the street from the Anschutz Medical Campus. The hotel is privately owned and the City owns the conference center and parking structure. Additionally, the Forum - Fitzsimons, the City’s first transit-oriented upscale midrise residential mixed-use development, opened in 2018. It includes 397 apartment homes with first floor retail/commercial space at the corner of East Colfax Avenue and Potomac Street. The Forum is across from the Anschutz Medical Campus, in close proximity to a R Line light rail station.

The Legacy. Recently breaking ground, the Legacy at Fitzsimons Village is a 363-unit, five-story rental project to be constructed on a 4.5-acre vacant site within Fitzsimons Village. Specifically, this project is located adjacent to and just east of the Hyatt Regency Hotel and Conference Center. As currently planned, the project would include a mix of studios, one-bedroom units, two-bedroom apartment units and 9 three-story rental townhomes. Project amenities are expected to include study lounge areas, a clubhouse and fitness center, several courtyards, a swimming pool and community rooftop common space.

Military Facilities. Buckley Air Force Base, the City’s largest employer and home to the 460th Air Base Wing and the Colorado Air National Guard, is an Air Force Space Command base that employs over 12,000 active duty, National Guard, civilian and contractor personnel. Another 6,000 employees – a third of Colorado’s aerospace jobs – support Buckley’s mission at over 20 aerospace companies including Raytheon, Boeing, Northrop Grumman and Lockheed Martin, making Colorado the second largest aerospace presence in the United States. Buckley Air Force Base provides support for a wide variety of military and satellite-related activities including maintaining air operations, space-based missile warning capabilities, space surveillance operations, and space communications operations. Buckley Air Force Base serves more than 92,000 active duty, National Guard, Reserve and retired personnel throughout the Front Range community and provided a \$1.28 billion annual economic impact in 2019.

Aurora Highlands. The Aurora Highlands is a 5,000-acre master planned community just south and west of DIA. This project is expected to include homes, shops and restaurants, parks and recreational amenities, office space, commercial/industrial employment centers and medical campuses. This project is expected to be home to more than 23,000 families at complete build out. A regional transportation authority has been formed to construct the regional infrastructure supporting the project.

Gaylord Rockies Resort and Convention Center. Opening in late 2018, the \$824 million Gaylord Rockies Resort and Convention Center enhances the economic vitality of the City by adding an estimated \$273.3 million to Colorado’s economy and an estimated 450,000 new visitors to the metro area annually.

The much-anticipated hotel and convention center near DIA covers 1.9 million square feet, has over 1,500 hotel rooms and more than 485,000 square feet of meeting and convention space on 85 acres. The resort includes a year-round indoor/outdoor Rocky Mountain waterpark experience for hotel guests. The project brought in over 10,000 construction jobs to the City and is estimated to provide over 2,500 permanent jobs. In 2020, RIDA Development Corporation, the lead developer behind the Gaylord project, announced an \$80 million, 317-room expansion to the resort; due to the impact of COVID-19, the construction schedule has yet to be determined.

Other Development. With its business-friendly environment, available land and strong infrastructure, the City continues to attract housing and retail development. Major commercial and residential projects, including several transit-oriented developments, were completed in 2019 with others under construction. Current projects include Citadel on Colfax, 2nd and Abilene Station, Argenta, Parkside at City Centre, Spur at Iliff Station and The Point at Nine Mile. Master plans have also been approved for the area surrounding the Gaylord Rockies Resort and Conference Center with the first project, Painted Prairie, breaking ground in 2019. These projects encompass a range of development including single-family homes, townhomes, retail, rentals, hotels, senior living facilities as well as parks and open space. Several large commercial/industrial development master plans were approved in 2019 including Majestic Commerce Center II, an expansion of the existing industrial park, Fulenwider Industrial Park and JAG Logistics Center.

Recreational Facilities. The City is committed to providing its citizens high quality parks and recreation options by continuing to make investments in those areas. The City offers two reservoirs, five golf courses, 97 developed parks, six recreation centers, three nature centers, six outdoor pools, four indoor pools, a 27-field sports complex as well as trails and open space to explore. The renovated Moorhead Recreation Center, which reopened in 2017, added a large 3-court gym, community rooms, teaching kitchen, indoor aquatic center featuring an indoor/outdoor water slide, enhanced fitness amenities and new locker rooms. In 2019, the City opened its first new recreation center in 40 years, the Aurora Central Recreation Center at Tower Road and East Vassar Place. Located on 20-acres of land, the 61,000-square foot two-story facility features state of the art amenities including an aquatic area, gym, elevated walking/jogging track and fitness area along with a teaching kitchen, party rooms, and multi-purpose rooms.

In 2020, the City broke ground on a new recreation center located in the southeastern area of the City. Opening in 2023, the 72,000 square foot project is expected to include: a lobby/front desk area; locker rooms; fieldhouse, gymnasium and indoor sports spaces; walking/running track; a fitness center; group exercise studio space; a multi-purpose meeting room; child watch; and a natatorium that features a current channel, zero depth entry water play area, lap lanes/teaching area, hot tub and a large water slide.

Metropolitan Area. Denver ranked fourth among U.S. metropolitan areas in Forbes' 2019 ranking of the best places for business and careers. Located on the eastern slope of the Rocky Mountains, the Denver-Aurora Combined Statistical Area (comprising the 10-county Denver-Aurora-Lakewood Metropolitan Statistical Area, the Boulder Metropolitan Statistical Area and the Greeley Metropolitan Statistical Area) (collectively, the "Metropolitan Area") is a major business center, both in Colorado and the larger Rocky Mountain Region. Its central location, moderate climate and proximity to natural resources make the Metropolitan Area an attractive option for a wide variety of businesses and individuals.

According to the Metro Denver Economic Development Corporation's 2019 Economic Profile, the Metropolitan Area ranks first nationally in aerospace employment, second in beverage production employment concentration, fifth in broadcasting and telecommunications employment concentration, fifth in energy employment, eighth in information technology/software employment concentration and 13th in aviation employment concentration.

The Metropolitan Area is considered the largest financial center between Los Angeles and Chicago. Due to its unique location, the Metropolitan Area is the largest metropolitan area in the nation to offer one-bounce satellite uplinks. The Metropolitan Area is also home to 10 of the 2019 Fortune 500 Companies. U.S. News and World Report recently ranked Colorado as the number one state in the nation for economy.

The following table summarizes the population growth of the City and the Metropolitan Area.

Population			
Year	City of Aurora	Denver/Aurora Metropolitan Area	Aurora as % of Regional Population
1970	74,974	1,116,060	6.7%
1980	158,588	1,465,282	10.8
1990	222,103	1,666,883	13.3
2000	276,393	2,179,240	12.7
2010	325,078	2,543,482	12.8
2018	374,154	2,932,415	12.8
2019 ¹	381,057	2,967,239	12.8

¹ Estimate.

Sources: U.S. Department of Commerce, Bureau of the Census, and Colorado Division of Local Government, Demography Section; and the City 2019 CAFR

The City has received inquiries concerning potential annexations which could expand the City eastward by as much as approximately 20,000 acres of property, potentially increasing the City’s population by 128,000 residents over a period of 20 to 50 years. According to a study conducted by Mark A. Nuszer Consultants (the “Annexation Study”), the expansion could cost a minimum of \$15,000,000 per year to provide services to the area for the next 20 to 50 years, due to a large portion of the expansion being residential in nature. Annexations in 2019 of 713.3 acres (1.1 square miles) were added to the City boundary. Development and capital impact fees offset the capital costs related to any new development and capital impact fees were updated in 2019 to reflect current capital costs.

Before any annexation or development is considered, landowners must agree to build or arrange construction of the required infrastructure. These up-front commitments routinely include the construction of water and sewer lines, roads, bridges and drainage improvements. In many new developments, infrastructure is funded and constructed by special districts, which are local quasi-governmental units with taxing powers. The formation of special districts within the City is subject to the approval of the City. However, the City does not guarantee the financial obligations of special districts. Developers also must dedicate to the City any groundwater rights they own, donate parcels for fire stations and schools, and preserve land for parks and open space.

Retail Development. The Westerly Creek Village Urban Renewal Area was a recipient of an Environmental Protection Agency Brownfields Area-Wide Planning Pilot Program grant. The project features Stapleton Aurora, a master planned residential community, and the Stanley Marketplace, a food-centric, community-inspired 100,000 square foot marketplace planned to include over 50 independently owned retail tenants at build out. The Marketplace opened in 2016 in the former 22-acre Stanley Aviation campus. Zagat named the Stanley Marketplace one of the nation’s 15 most anticipated restaurant openings of 2016 and *Bon Appetit* named Annette, one of the restaurants within the Marketplace, one of the 50 finalists for American’s Best New Restaurants 2017.

The retail trade sector employs a large portion of the City’s work force and is important to the area’s economy. The following table sets forth recent retail sales figures for the City and the State.

Retail Sales ¹

Year	City of Aurora	Colorado
2016	\$10,502,047,000	\$184,703,410,000
2017	10,678,846,000	194,641,958,000
2018	11,397,189,000	206,121,045,000
2019	11,914,044,000	224,618,938,000
2020 ²	11,744,942,000	204,788,720,000

¹ The retail trade sector employs a large portion of the City and State’s work force and is important to the area’s economy.

² Sales through November 30, 2020.

Source: State of Colorado, Department of Revenue, Retail Sales Reports 2016-2020

Median Household Effective Buying Income ¹

	2016	2017	2018	2019	2020
Adams County ²	\$49,918	\$52,915	\$58,065	\$60,370	\$66,400
Arapahoe County ³	53,589	57,549	60,256	64,082	67,348
Colorado	52,345	48,043	57,732	59,227	62,340
United States	46,738	54,718	50,620	52,468	54,686

¹ As calculated on January 1 of each year.

² Approximately 14% of the City’s population resides in Adams County.

³ Approximately 86% of the City’s population resides in Arapahoe County.

Source: The Nielsen Company, *Site Reports*, 2016-2017; Environics Analytics, *Spotlight Claritas Reports* 2018-2020

Percent of Households by Effective Buying Income Groups—2020 ¹

	Less Than \$25,000	\$25,000- \$49,999	\$50,000- \$99,999	\$100,000- \$149,999	\$150,000 and more
Adams County ²	13.50%	23.03%	37.27%	14.95%	11.25%
Arapahoe County ³	11.47	23.66	38.55	15.19	11.15
Colorado	15.57	24.20	36.17	14.08	9.98
United States	20.24	25.61	34.10	11.57	8.47

¹ Calculated as of January 1. Totals may not equal 100% due to rounding.

² Approximately 14% of the City’s population resides in Adams County.

³ Approximately 86% of the City’s population resides in Arapahoe County.

Source: The Nielsen Company, *Site Reports*, 2020

The following table sets forth historical information with respect to the Consumer Price Index for the past five years for the Denver-Boulder-Greeley MSA, which includes Adams, Arapahoe, Boulder, Denver, Douglas, Jefferson and Weld Counties (the “Denver MSA”) and the United States. Such information is not available separately for the City.

Consumer Price Index ¹

	2015		2016		2017		2018		2019		2020	
	1 st Half	2 nd Half	1 st Half	2 nd Half	1 st Half	2 nd Half	1 st Half	2 nd Half	1 st Half	2 nd Half	1 st Half	2 nd Half
Denver MSA	1.0%	1.4%	3.0%	2.6%	3.1%	3.7%	3.2%	2.3%	1.3%	2.6%	2.7%	n/a
United States	(0.5)%	0.3%	1.1%	1.5%	2.2%	2.0%	2.5%	2.4%	1.7%	1.9%	1.2%	n/a

¹ Reflects the percent change from half to half (e.g. 1st half 2015 to 1st half 2016).

Source: State of Colorado, Division of Local Government, Demographic Section and United States Bureau of Labor Statistics

Construction Activity. The following table sets forth building activity in the City for the period indicated.

Recent History of Building Permits Issued in the City

Year	Single Family		Multi-Family		Commercial/Industrial	
	Permits	Value	Permits / Units	Value	Permits	Value
2015	978	\$246,990,860	0 / 0	--	71	\$162,550,490
2016	1,350	326,969,435	39 / 1,396	\$170,353,007	50	125,289,770
2017	1,655	378,288,595	18 / 341	47,992,429	67	305,297,799
2018 ¹	1,411	--	44 / 1,114	--	62	--
2019	1,516	--	32 / 1,153	--	57	--
2020 ²	1,630	--	29 / 689	--	47	--

¹ Effective January 1, 2018, the City no longer accounts for valuations of building construction.

² Permits issued through October 31, 2020.

Source: The City Building Division

Foreclosures. Foreclosure actions are commenced when a default on a deed of trust has occurred, usually when buyers fail to make timely payments in accordance with a promissory note. Set forth below is a history of the number of foreclosure actions filed by the Public Trustee's Offices of the Counties over the past five years.

History of Foreclosures Filed ¹

Year	Adams County	Percent Change	Arapahoe County	Percent Change
2016	704	--	729	--
2017	660	(6.25)%	706	(3.16)%
2018	611	(7.42)	632	(10.48)
2019	658	7.69	645	2.06
2020 ²	207	(68.54)	223	(65.43)
2021 ³	5	--	5	--

¹ Excludes foreclosures that were restarted in a given year.

² The decrease in the number of foreclosures filed in 2020 was the result of the State imposed restrictions in place regarding foreclosures. See "[COVID-19.]"

³ Foreclosures through February 10, 2021.

Sources: Adams and Arapahoe County Public Trustee's Offices

Insurance

The City enjoys a limited form of governmental immunity for specified types of claims, pursuant to a State statute which establishes dollar limits for such claims. The statutory limits generally do not apply to federal claims. The City retains insurable risk up to the amounts where it has determined that commercial insurance is more cost beneficial. The City maintains a self-insured Risk Management Fund with total assets of \$20,357,815 and total liabilities of \$16,228,643 as of December 31, 2019.

Employment

It is estimated that, in 2019, the City’s total labor force averaged 200,678 and that, on average, in the same period 195,661 City residents were employed. Major employers in the City include the Anschutz Medical Campus (with approximately 27,000 combined public, private and not for profit sector workers); Buckley Air Force Base (with approximately 14,000 Air Force, Marine, Navy, Department of Defense, Colorado National Guard, Army National Guard and Air Force Reserve employees); the City itself, with 4,450 full, part-time and temporary employees; and two public school districts with more than 10,000 total employees. TABLE IX below summarizes the City’s major employers. TABLES X and XI provide historical employment trends for the City as well as current unemployment data for the region and State. For 2019, the average annual local unemployment rate for Denver-Aurora-Lakewood was 2.7% which compares favorably to the state’s average unemployment rate of 2.8% and the national unemployment rate of 3.7%.

Major Employers—2019

Employer	Employees	Rank	Percentage of Total City Employment ¹
Anschutz Medical Campus (includes University Colorado, UCHealth, Children’s Hospital, VA)	27,000	1	13.8%
Buckley Air Force Base (includes military, civilian, national guard and reserve employees)	14,000	2	7.2
Aurora Public Schools	6,300	3	3.2
City of Aurora (includes contingent and seasonal workers)	4,450	4	2.3
Cherry Creek Schools (includes school district employees working within the City and the cities of Centennial, Cherry Hills Village, Englewood, Foxfield, Glendale and Greenwood Village)	3,750	5	1.9
Raytheon Company	2,500	6	1.3
Kaiser Permanente	2,000	7	1.0
HCA	1,800	8	0.9
ADT / Johnson Controls	1,550	9	0.8
Amazon	1,500	10	0.8

Source: Aurora Economic Development Council

City Historical Employment Trends

Year	Aurora Labor Force	Aurora Residents Employed	Annual Change in Resident Employment	Aurora Residents Unemployed	Unemployment Rate
2014	185,020	174,647	--	10,373	5.6%
2015	181,481	173,902	(0.4)%	7,579	4.2
2016	185,752	179,251	3.1	6,501	3.5
2017	190,579	168,912	(5.8)	21,667	2.9
2018	196,620	193,307	14.4	3,313	4.2
2019	200,678	195,661	1.2	5,018	2.5

Sources: The City 2019 CAFR and United States Bureau of Labor Statistics

State and Metro Employment—2020^{1, 2}

	Denver/Aurora/Lakewood Metropolitan Area	Colorado
Total Labor Force	1,683,979	3,130,345
Total Employed	1,563,708	2,913,146
Total Unemployed	120,271	217,199
Unemployment Rate	7.2%	7.0%

¹ Represents annual “not seasonally adjusted” Labor Force, Employment and Unemployment data through November 30, 2020.

² As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially since reported in April. See **“RISK FACTORS—COVID-19.”**

Source: State of Colorado, Division of Employment and Training

Capital Improvements Plan

The City’s Capital Improvements Plan (the “CIP”) is a five year capital-spending plan updated annually and includes appropriations to support required spending for approved capital projects. Unlike the operating budget, which authorizes expenditures for only one fiscal year, capital budget plans are multi-year and continue until the project is completed or changed by City Council.

There are multiple funds associated with the citywide CIP. The 2020 to 2024 five-year spending plan in support of CIP projects totals \$1.0 billion, including Water and Wastewater (\$736.4 million) and Golf (\$2.6 million) enterprise funds and the non-enterprise activities as noted in the table below.

The projects/programs described below primarily constitute capital maintenance for major city infrastructure, including roads and buildings as part of a continuing effort to maintain City assets. The five-year capital spending plans for these programs are generally level or slightly increasing annual expenditures.

Summary of Significant Capital Projects 2020-2024

Project	Total Estimated Project Cost ¹	Percent of Total
Projects and Programs (by category):		
Street/Street Light Maintenance, Repair and General Improvements	\$125.0	45.2%
TIP Projects, Major Traffic and TOD	35.2	12.7
Parks and Open Space ²	48.6	17.6
IT, Telephony and Other Projects	16.6	6.0
Public Safety Construction and Remodel	21.6	7.8
Building Maintenance, Repair and Improvements	<u>29.5</u>	<u>10.7</u>
Subtotal	<u>\$276.5</u>	<u>100.0%</u>
Future Projects:		
Streetlight Acquisition	\$ <u>30.0</u>	
Subtotal	<u>30.0</u>	
Total	<u>\$306.5</u>	

¹ Amounts expressed in millions. Amounts shown reflect total estimated project cost for these projects and not necessarily financed amounts. Costs exclude Golf, Water and Wastewater capital projects.

Source: The City Budget

The City Code of the City requires that 100% of all building materials and equipment use taxes (excluding any amounts attributable to TIF areas) plus 4% of all other General Fund revenues (excluding revenues from the 0.25% sales and use tax dedicated to Public Safety) be transferred into the Capital Projects Fund annually as the primary source of funding for capital projects, unless reduced by a two-thirds vote of the City Council. Total Sales and Use Taxes in the years indicated were as follows.

General Fund Sales and Use Tax Revenues (GAAP Basis)

Year	Sales and Use Tax Receipts
2015	\$206,044,737
2016	218,271,215
2017	223,036,313
2018	235,950,491
2019	254,451,747
2020 ¹	124,833,848

¹ Collections through July 31, 2020 (unaudited). [update]

Source: The City

Assessed and Estimated Actual Value of Property

Tax Levy Year	Assessed Valuation ¹	Estimated Actual Value
2016	\$3,658,660,909	\$29,818,794,294
2017	4,312,984,354	38,919,638,135
2018	4,394,274,636	40,229,042,344
2019	5,329,349,735	49,350,707,399
2020	5,480,961,876	[]

¹ Assessed valuation of property used as basis for taxes actually paid in subsequent year (excludes TIF areas; includes personal property).

Source: The City's 2019 CAFR and the Adams and Arapahoe County Assessor offices

Additional information concerning the City's historic property tax levies and collection, major property tax payers, direct and overlapping general obligation debt and mill levies of overlapping governments is set forth in the statistical section of the City's 2019 Comprehensive Annual Financial Report.

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Undertaking (the “Continuing Disclosure Undertaking” or the “Undertaking”) is executed and delivered by the City of Aurora, Colorado, acting by and through its Utility Enterprise (the “City”) in connection with the issuance by the City, acting by and through its Utility Enterprise, of \$_____ aggregate principal amount of First Lien Water Refunding and Improvement Revenue Bonds, Series 2021 (the “Series 2021 Bonds”). The Series 2021 Bonds are being issued under a Water System General Revenue Bond Ordinance No. 2003-18 (the “General Ordinance”) adopted by the City Council (the “Council”), a Series 2021 Water Revenue Bond Ordinance No. 2021-__ (the “Series Ordinance”) adopted by the Council acting as such and as the governing body of its Utility Enterprise supplemented, as to certain final terms of the Series 2021 Bonds, by a Final Terms Certificate executed by the City’s Director of Finance (the “Final Terms Certificate” and, collectively with the General Ordinance and the Series Ordinance, the “Bond Ordinance”). The City covenants and agrees as follows:

Section 1. Purpose of this Undertaking. This Undertaking is being executed and delivered by the City for the benefit of the owners, both registered and beneficial, of the Series 2021 Bonds, in consideration of the purchase of the Series 2021 Bonds by the original purchasers thereof.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“*Agreement*” means the obligations of the City pursuant to Sections 4, 5 and 6.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“*Audited Financial Statements*” means the audited consolidated financial statements of the City, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means, initially the City, or any successor agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Material Event*” means the occurrence of any of the events with respect to the Series 2021 Bonds set forth in Exhibit II.

“*Material Events Disclosure*” means dissemination of a notice of a Material Event as set forth in Section 6.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2021 Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Colorado.

Section 3. Final Official Statement. The final Official Statement relating to the Series 2021 Bonds is dated _____, 2021 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the City’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 210 days of the completion date of the City’s fiscal year.

The City is required to deliver such information in Prescribed Form and by such time so that the MSRB receives the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2021 Bonds or defeasance of any Series 2021 Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2021 Bonds pursuant to the Bond Ordinance.

Section 6. Duty To Update EMMA/MSRB. The City shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB’s e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the owner of any Series 2021 Bond may seek specific performance by court order to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Bond Ordinance or any other agreement, and the sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) This Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the owners of the Series 2021 Bonds, as determined either by parties unaffiliated with the City (such as the Paying Agent) or by an approving vote of the owners of the Series 2021 Bonds holding a majority of the aggregate principal amount of the Series 2021 Bonds (excluding Series 2021 Bonds held by or on behalf of the City or its affiliates) at the time of the amendment, pursuant to the terms of the Bond Ordinance; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder when the City shall no longer have any legal liability under the terms of the Bond Ordinance pursuant to the terms of the Bond Ordinance for any obligation on or relating to the repayment of the Series 2021 Bonds. The City shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Dissemination Agent shall transmit all information delivered to it by the City hereunder to the MSRB as provided in this Undertaking. The City may, from time to time, appoint or engage a substitute Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Undertaking, the

City shall not have any obligation under this Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the owners of the Series 2021 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Assignment. The City shall not transfer its obligations under the Bond Ordinance unless the transferee agrees to assume all obligations of the City under this Undertaking or to execute a continuing disclosure agreement under the Rule.

Section 15. Governing Law. This Undertaking shall be governed by the laws of the State.

Date: _____, 2021

CITY OF AURORA, COLORADO

By _____
Director of Finance

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means statistical and tabular material of the type contained in the Final Official Statement pertaining to the Series 2021 Bonds under the captions “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Operating History” and Tables II, III, VII, X, XII, XVII, XIX and XXI.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission, and such information need not be provided in the exact format as shown in the Final Official Statement. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 210 days after the last day of the City’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Undertaking, including for this purpose a change made to the fiscal year-end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2020 CERTIFICATES FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment-related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City ¹
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional Trustee or the change of name of a Trustee, if material
15. Incurrence of a financial obligation ² of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation ² of the City or obligated person, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation ² of the City, any of which reflect financial difficulties.

¹ This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

² As used here, "financial obligation" generally means a: (i) debt obligation; (ii) derivative instrument entered into, in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the City and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2021 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2021 Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book entry-system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their

registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2021 Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Series 2021 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2021 Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Series 2021 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2021 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Series 2021 Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2021 Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.



CITY OF AURORA

Council Agenda Commentary

Item Title: Financing Ordinance Series 2021 First-Lien Sewer Revenue Bonds
Item Initiator: Teresa Sedmak
Staff Source/Legal Source: Teresa Sedmak/Hanosky Hernandez, Assistant City Attorney
Outside Speaker: none
Council Goal: 2012: 6.1--Ensure the delivery of high quality services to residents in an efficient and cost effective manner

COUNCIL MEETING DATES:

Study Session: 3/15/2021

Regular Meeting: 3/22/2021

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
 - Information Only
 - Approve Item and Move Forward to Regular Meeting
 - Approve Item as proposed at Regular Meeting
 - Approve Item with Waiver of Reconsideration
- Why is a waiver needed?[Click or tap here to enter text.](#)

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date:

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval
- Does Not Recommend Approval
- Forwarded Without Recommendation
- Recommendation Report Attached
- Minutes Attached
- Minutes Not Available

HISTORY (Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)

This item was presented to the Management and Finance Committee on February 23, 2021. Minutes are attached.

ITEM SUMMARY (Brief description of item, discussion, key points, recommendations, etc.)

The attached proposed financing ordinance provides for the issuance of Series 2021 First-Lien Sewer Revenue bonds, in an amount not to exceed \$65 million to finance the acquisition and construction of improvements to the sewer system, including the acquisition and construction of a portion of the Southeast Area Maintenance Facility (the SEAM Project).

The Southeast Area Maintenance Facility (SEAM) was a future project identified in a facility master plan in 1999 based on City growth projections. In 2016-2017, a study was completed of current facilities. The study identified the current facilities as being over-crowded and additional space needed especially for operations functions. Based on the findings of the study, the recommendation was a new facility in Southeast Aurora, where existing facilities are limited for Water, Public Works, Fleet and Parks, Recreation and Open Space employees. The SEAM facility will be located in Southeast Aurora off Quincy Road. The initial phase of the project will house Aurora Water employees, with long-term growth opportunities to expand to include other City departments such as Public Works, Fleet and Parks, Recreation and Open Space.

This ordinance will be accompanied by a draft preliminary official statement (POS) prior to the March 22 regular meeting. The POS is the primary disclosure document referenced by investors and includes comprehensive information on the bonds, which is vital to investors in making their investment decisions. Assisting the City in the preparation of the POS will be Kutak Rock, the City's bond/disclosure counsel and Hilltop Securities, the City's financial advisor.

QUESTIONS FOR COUNCIL

Is this item approved for advancement to the council meeting of March 22, 2021?

LEGAL COMMENTS

City Council may authorize, by ordinance, without an election, the issuance of refunding bonds for the purpose of paying outstanding bonds of the City at a lower rate. Colorado Constitution Article X § 20(4)(b); City Charter § 11-21. City Council may also authorize water extension and water improvement bonds without an election. City Charter § 11-19. (Hernandez)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: The issuance of the Series 2021 Sewer Bonds will increase the debt service burden of the sewer system in an amount dependent upon the final interest rate and structure of the financing. At this time, assuming a \$65 million borrowing, current interest rates, a level debt service structure and a 30-year final maturity date, it is estimated that annual debt service will be approximately \$3.1 million until the bonds are fully repaid.

It is important to note that final debt service numbers will be dependent upon, among other things, market conditions on the date of issuance. It is expected that the bonds will be sold in May of this year.

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain:

**SERIES 2021 FIRST-LIEN SEWER
REVENUE BOND ORDINANCE**

CITY OF AURORA, COLORADO

acting by and through its

UTILITY ENTERPRISE

Authorizing
the issuance, sale and delivery of not to exceed
\$65,000,000
aggregate principal amount of
First-Lien Sewer Revenue Bonds
(SEAM Facility Improvement Project)
Series 2021

Effective _____, 2021

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APPENDIX A FORM OF REQUISITION

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF AURORA, COLORADO, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE, OF FIRST-LIEN SEWER REVENUE BONDS (SEAM FACILITY IMPROVEMENT PROJECT), SERIES 2021, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$65,000,000, FOR THE PURPOSE OF FINANCING, IN WHOLE OR IN PART, THE COST OF ADDITIONS AND IMPROVEMENTS TO THE SEWER SYSTEM OPERATED BY THE UTILITY ENTERPRISE, PLEDGING CERTAIN FUNDS AND REVENUES OF THE ENTERPRISE TO THE PAYMENT OF SUCH BONDS, PRESCRIBING THE FORM OF SUCH BONDS, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

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

WHEREAS, the City Council (the “Council”) of the City has previously acted by ordinance to recognize and confirm the existence of the Utility Enterprise of the City (the “Enterprise”), such ordinance being codified in Article II of Chapter 138 of the City Code (the “Code”) of the City; and

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

WHEREAS, the Council, acting as such and as the governing body of the Enterprise, deems it necessary and appropriate to authorize the issuance of its First-Lien Sewer Revenue Bonds (SEAM Facility Improvement Project), Series 2021 (the “Series 2021 Bonds”) upon the terms described herein, for the purpose of defraying, in whole or in part, the cost of financing additions and improvements to the City’s Sewer System (the “System”); and

WHEREAS, such Series 2021 Bonds are permitted, under the Charter of the City (the “Charter”), the Code and Article X, Section 20 of the Constitution, to be issued without an election; and

WHEREAS, pursuant to Section 11-25 of the Charter the City Manager shall certify that a private negotiated sale of the Series 2021 Bonds would be to the best advantage of the City; and

WHEREAS, pursuant to Ordinance No. 2006-08 (the “General Ordinance”), adopted prior to the adoption of this Ordinance, the Council has established a consistent procedure for the issuance of revenue bonds and other obligations to finance and refinance additions and improvements to the System;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, ACTING BY AND THROUGH THE CITY OF AURORA, COLORADO UTILITY ENTERPRISE:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings, respectively, provided in the General Ordinance. In this Series Ordinance the following additional terms have the following respective meanings unless the context clearly requires otherwise:

“*Closing*” means, in the case of Publicly Offered Series 2021 Bonds, the date of delivery of and payment for the Series 2021 Bonds and, in the case of Privately Placed Series 2021 Bonds, the date of delivery of and the first disbursement of proceeds of the Series 2021 Bonds.

“*Completion Date*” means the date as of which the City certifies that the Project is complete and no further disbursement of proceeds of the Series 2021 Bonds will be requested.

“*Continuing Disclosure Undertaking*” means, to the extent provided by Final Terms Certificate in connection with any Publicly Offered Series 2021 Bonds, the Continuing Disclosure Undertaking, if any, relating to the Official Statement and the Series 2021 Bonds, in substantially the form filed with the City Clerk at the time of introduction of this Series Ordinance.

“*General Ordinance*” means Ordinance No. 2006-08 of the City, as it may be amended from time to time.

“*Maximum Rate*” in the case of Fixed rate Series 2021 Bonds, means 5% and in the case of Variable Rate Series 2021 Bonds, means 10%.

“*Official Statement*” means, in the event that any of the Series 2021 Bonds are Publicly Offered, the Official Statement of the City relating to such Series 2021 Bonds.

“*Paying Agent*” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Paying Agent hereunder.

“*Publicly Offered*” means offered to the public in an underwritten transaction.

“*Privately Placed*” means sold in a direct placement to one or more bank lenders or institutional purchasers.

“*Project*” or “*Series 2021 Project*” means the acquisition and construction of improvements to the sewer system operated by the Enterprise, including without limitation the acquisition and construction of a portion of the Southeast Area Maintenance Facility.

“*Purchaser*” means the original purchaser of the Series 2021 Bonds identified by the Final Terms Certificate, who may be either a bank lender or institutional purchaser if the Series 2021 Bonds are Privately Placed, or the underwriter if the Series 2021 Bonds are Publicly Offered.

“*Registrar*” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Registrar hereunder.

“*Series Ordinance*” means this Series Ordinance.

“*Series 2021 Bonds*” means the First-Lien Sewer Revenue Bonds (SEAM Facility Improvement Project), Series 2021.

“*Series 2021 Costs of Issuance Subaccount*” means the subaccount created within the Series 2021 Construction Account and required to be maintained by Section 3.03 hereof.

“*Series 2021 Construction Account*” means the special account created and required to be maintained by Section 3.02 hereof.

“*Series 2021 Debt Service Reserve Account*” means, to the extent, if any, provided by Final Terms Certificate, the special account created and required to be maintained by Section 3.04 hereof.

“*Series 2021 Excess Investment Earnings Account*” means the special account created and required to be maintained by Section 3.05 hereof.

“*Series 2021 Reserve Requirement*” means, to the extent, if any, that a reserve account is required to be maintained pursuant to a Final Terms Certificate, initially, and except as it may be adjusted pursuant to Section 3.04 hereof, an amount equal to the least of (a) 10% of the principal amount of the Series 2021 Bonds, (b) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (c) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds.

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

“*Transfer Agent*” means a suitable institution or City official designated by Final Terms Certificate to perform the duties of Transfer Agent hereunder.

ARTICLE II

THE SERIES 2021 BONDS

Section 2.01. The Project. The City Council of the City hereby authorizes and directs that the Series 2021 Project be carried out with the net proceeds of the Series 2021 Bonds and any other legally available moneys of the City necessary for such purpose. The City Council of the City hereby acknowledges that a portion of the net proceeds of the Series 2021 Bonds may be applied to reimburse the City for prior expenditures made in connection with the Series 2021 Project as permitted pursuant to the City’s declaration of official intent to reimburse such expenditures from the proceeds of the Series 2021 Bonds pursuant to Section 1.150-2 of the Internal Revenue Code Regulations made as of August 4, 2020.

Section 2.02. Issuance of Series 2021 Bonds; Application of Series 2021 Bond Proceeds. The Series 2021 Bonds are authorized to be either Privately Placed or Publicly Offered, at a price, if Privately Placed, equal to the sum of the authorized disbursements of proceeds, or at a price, if Publicly Offered, not less than 96% of their aggregate principal amount plus accrued interest to the date of their delivery to the Purchaser, in either case as determined by Final Terms

Certificate. The net proceeds received by the City at Closing from the sale of the Series 2021 Bonds after deduction of costs of issuance and underwriting discount, if any, shall be applied as follows: (a) accrued interest, if any, on the Series 2021 Bonds shall be deposited in the Debt Service Account; (b) Series 2021 Bond proceeds sufficient to meet the Series 2021 Reserve Requirement, if any, shall be deposited to the Series 2021 Debt Service Reserve Account; and (c) the remaining Series 2021 Bond proceeds shall be deposited, at or after the issuance of the Series 2021 Bonds, to the extent necessary to accomplish the Series 2021 Project, into the Series 2021 Construction Account. Any excess funds remaining upon completion of the Series 2021 Project may be used for any lawful purpose of the City or the Enterprise.

Section 2.03. Authorization; Election To Apply Supplemental Public Securities Act.

The Series 2021 Bonds, payable as to all Debt Service Requirements solely out of the Net Pledged Revenues, are hereby authorized to be issued and outstanding in an aggregate principal amount not to exceed \$65,000,000. The actual amount of the Series 2021 Bonds and various other final terms of the Series 2021 Bonds, not inconsistent herewith, shall be approved by a certificate (a “Final Terms Certificate”) signed by the Director of Finance or an Authorized Officer of the City; provided however, that, to the extent the sale of the Series 2021 Bonds is completed as a negotiated sale, the City Manager shall certify to the Council that such method of sale is to the best advantage of the City in accordance with Section 11-25 of the City Charter. To the extent provided by Final Terms Certificate, amounts of principal redeemed or paid at maturity may be reborrowed, provided that the total principal amount of the obligation evidenced by the Series 2021 Bonds shall never exceed \$65,000,000. The City hereby elects to apply all provisions of the Supplemental Public Securities Act, to the extent not inconsistent herewith, to the Series 2021 Bonds. Any inconsistency between this Ordinance and the Supplemental Public Securities Act is intended as an exercise of the home rule legislative powers of the City.

Section 2.04. Bond Details.

(a) **Generally.** The provisions of the General Ordinance are hereby incorporated into this Series Ordinance. The Series 2021 Bonds shall be First-Lien Revenue Obligations within the meaning of the General Ordinance, secured by a first and prior (but not necessarily exclusive) lien upon the Net Pledged Revenues.

The Series 2021 Bonds shall be issued by the City Council of the City, as the governing body of the Enterprise, pursuant to the Code and the General Ordinance, (i) if Publicly Offered, in fully registered form in denominations of \$5,000 or any integral multiple thereof and (ii) if Privately Placed, in fully-registered form in denominations of \$500,000 and integral multiples of \$1,000 in excess thereof; provided that no Series 2021 Bond shall be issued in any denomination larger than the aggregate principal amount of Series 2021 Bonds maturing on a single maturity date.

Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, if the Series 2021 Bonds are Publicly Offered, CUSIP numbers may be printed on the Series 2021 Bonds. If the Series 2021 Bonds are Privately Placed no CUSIP numbers shall be applied for or used.

If the Series 2021 Bonds are Publicly Offered, then, to the extent determined by Final Terms Certificate, the Series 2021 Bonds may be issued in book-entry form through the facilities of The Depository Trust Company, and the appropriate officials of the City shall thereupon be authorized to execute such documents as are necessary to issue and deliver the Series 2021 Bonds in such form. If the Series 2021 Bonds are Privately Placed they shall not be issued in book-entry form through the facilities of The Depository Trust Company or otherwise.

The Series 2021 Bonds may be issued either as Fixed Rate Obligations or Variable Rate Obligations, or any combination thereof, as shall be provided by Final Terms Certificate, provided that any Publicly Offered Series 2021 Bonds shall be Fixed Rate Obligations.

The Series 2021 Bonds shall mature on August 1 in the years and in the aggregate principal amounts provided by a Final Terms Certificate; provided that the Series 2021 Bonds may mature within any period permitted by the Charter and Code but in any event not later than August 1, 2056. From the Completion Date to the Maturity Date, principal of any Variable Rate Series 2021 Bonds shall be amortized on a substantially level-debt basis, assuming interest accruals at the Maximum Rate. The Series 2021 Bonds shall bear interest, which may accrue at fixed, split, stepped or variable rates from the date as of which they are dated or the Interest Payment Date to which interest has been paid next preceding their respective dates, whichever is later, or, in the case of Privately Placed Series 2021 Bonds, from the date proceeds are advanced by a bank lender or institutional purchaser, to their respective Maturity Dates, except if redeemed prior thereto, at rates not exceeding the Maximum Rate, all as determined by Final Terms Certificate. Amounts of proceeds drawn with respect to Variable Rate Series 2021 Bonds may accrue interest either at the rate applicable on the date of such drawing or at variable rates which are the same as and subject to the same adjustments as other Variable Rate Series 2021 Bonds.

Said interest shall be payable commencing not later than February 1, 2022, and annually, semiannually or monthly thereafter at any convenient interval determined by Final Terms Certificate. If upon presentation at maturity the principal of any Series 2021 Bond is not paid as provided therein, interest shall continue thereon at the same interest rate (in the case of a Fixed Rate Obligation) or 10% (in the case of a Variable Rate Obligation) until the principal thereof is paid in full.

The Debt Service Requirements of the Series 2021 Bonds shall be payable to the Owners of the Series 2021 Bonds in lawful money of the United States of America by the Paying Agent. The final installments of principal and interest shall be payable to the Owner of each Series 2021 Bond upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest shall be payable to the Owner of each Series 2021 Bond determined as of the close of business on the Regular Record Date irrespective of any transfer of ownership of the Series 2021 Bond subsequent to the Regular Record Date and prior to such Interest Payment Date, by check or draft mailed to such Owner at the address appearing on the registration books of the City maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be payable to the Owner of each Series 2021 Bond entitled to receive such

interest determined as of the close of business on the Special Record Date irrespective of any transfer of ownership of the Series 2021 Bond subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or registered first-class, postage prepaid mail, at least 10 days prior to the special record date, to the Purchaser and to the Owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the City. Any premium shall be payable to the Owner of each Series 2021 Bond redeemed upon presentation and surrender thereof upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice shall be made or given on the next succeeding Business Day.

(b) ***Redemption; Notice of Redemption.*** The Series 2021 Bonds may be made subject to optional redemption prior to their maturity at a price or prices equal to the principal amount of the Series 2021 Bonds so redeemed either without premium or plus a premium not to exceed 2% of the principal amount thereof, plus accrued interest to the date of redemption, at such times and in such manner as provided by Final Terms Certificate. The Series 2021 Bonds may also be made subject to mandatory redemption from sinking fund installments or otherwise, at such times and in such manner, at prices not exceeding the principal amount of the Series 2021 Bonds so redeemed plus accrued interest to the date of redemption, as provided by a Final Terms Certificate.

Series 2021 Bonds which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. Such Series 2021 Bonds shall be treated as representing a corresponding number of separate Bonds in the denomination of \$5,000 each. Any such Series 2021 Bond to be redeemed in part shall be surrendered for partial redemption in the manner hereinafter provided for transfers of ownership. Upon payment of the redemption price of any such Series 2021 Bond redeemed in part the Owner thereof shall receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.

Notice of redemption shall be given by the Paying Agent in the name of the City by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 30 days prior to the Redemption Date, to the Purchaser and to the Owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice, at the addresses appearing on the registration books of the City maintained by the Registrar. Such notice shall specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption and shall further state that on the Redemption Date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the Redemption Date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, any redemption notice may be given, in lieu of such mailing, by sending a

copy thereof by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the Paying Agent is hereby authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of Series 2021 Bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond shall not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond. Any Series 2021 Bonds redeemed prior to their respective maturity dates by call for prior redemption or otherwise shall not be reissued and shall be cancelled the same as Series 2021 Bonds paid at or after maturity. Any notice of redemption may state that it is conditioned upon the deposit of funds for redemption on or prior to the redemption date.

(c) ***Interest Rates.*** The maximum net effective interest rate authorized for any Privately Placed Series 2021 Bonds is 10% per annum. The maximum net effective interest rate authorized for any Publicly Offered Series 2021 Bonds is 5% per annum. The actual net effective interest rate for the Series 2021 Bonds shall be determined by Final Terms Certificate or, in the case of Variable Rate Obligations, determined based upon the maximum interest rate provided therefor by Final Terms Certificate using the assumption that all proceeds are drawn on the date of delivery of the Series 2021 Bonds.

(d) ***Execution and Authentication.*** The Series 2021 Bonds shall be executed by and on behalf of the Council as the governing body of the Enterprise, with the facsimile signature of the Mayor, shall bear a facsimile of the seal of the City, shall be attested with the facsimile signature of the City Clerk, and shall be authenticated with the manual signature of a duly authorized signatory of the Registrar. Should any officer whose facsimile signature appears on the Series 2021 Bonds cease to be such officer before delivery of the Series 2021 Bonds to the Purchaser, such facsimile signature shall nevertheless be valid and sufficient for all purposes. No Series 2021 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Series Ordinance unless and until the certificate of authentication on such Series 2021 Bond shall have been duly executed by the Registrar, and such executed certificate upon any such Series 2021 Bond shall be conclusive evidence that such Series 2021 Bond has been authenticated and delivered under this Series Ordinance. The certificate of authentication on any Series 2021 Bond shall be deemed to have been duly executed by the Registrar if signed by an authorized signatory thereof, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Series 2021 Bonds.

(e) ***Registration, Transfer and Exchange.*** Upon their execution and authentication and prior to their delivery, the Series 2021 Bonds shall be registered for the purpose of payment of principal and interest by the Registrar. Thereafter, the Series 2021 Bonds shall be transferable only upon the registration books of the City maintained by the Registrar at the request of the Owner thereof or such Owner's duly authorized attorney-in-fact or legal representative. The Transfer Agent shall accept a Series 2021 Bond for registration or transfer only if the Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership, or a trust. A Series 2021 Bond may be transferred upon surrender thereof together with a written instrument of transfer

duly executed by the Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of any Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Owner of any Series 2021 Bond or Bonds may also exchange such Series 2021 Bond or Bonds for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges shall be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of any Series 2021 Bond shall be effective until entered on the registration books of the City maintained by the Registrar. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. New Series 2021 Bonds delivered upon any transfer or exchange shall be valid obligations, evidencing the same obligations as the Series 2021 Bonds surrendered, shall be secured by this Series Ordinance, the General Ordinance and any Final Terms Certificate and shall be entitled to all of the security and benefit hereof to the same extent as the Series 2021 Bonds surrendered. The City may deem and treat the person in whose name any Series 2021 Bond is last registered upon the books of the City as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Series 2021 Bond and for all other purposes, and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the City upon such Series 2021 Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

(f) ***Transfer Restrictions for Privately Placed Series 2021 Bonds.*** Notwithstanding the procedure described in paragraph (e) of this Section, no Privately Placed Series 2021 Bond shall be transferred by the Purchaser or any subsequent Owner unless: (i) the transferee shall have executed an investment letter satisfactory in form and substance to the City, and shall have provided such other evidence as the City may require in its discretion, to establish that the transferee is a Qualified Institutional Buyer within the meaning of Regulation D under the Securities Act of 1933 and that the transferee is purchasing for investment with no view to resale, participation or other distribution thereof; and (ii) the Series 2021 Bond or Bonds shall be transferred only in denominations of \$500,000 and integral multiples of \$1,000 in excess thereof. Any transfer or purported transfer of any interest in the Series 2021 Bonds in violation of the foregoing shall be void and the City shall have no obligation to recognize the ownership interest of, take any action on behalf of or make any payment to, the transferee or purported transferee.

(g) ***Resignation of Agents.*** If the Paying Agent, Registrar or Transfer Agent shall resign, or if the City shall reasonably determine that the Paying Agent, Registrar or

Transfer Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each Owner of Series 2021 Bonds at the addresses last shown on the registration books of the City, appoint a successor paying agent, registrar or transfer agent. Every such successor Paying Agent, Registrar or Transfer Agent shall be a Commercial Bank or an official of the City. It shall not be required that the same person serve as Paying Agent, Registrar and Transfer Agent hereunder, but the City shall have the right to appoint and have the same person serve as Paying Agent, Registrar and Transfer Agent hereunder.

(h) **Replacement of Series 2021 Bonds.** If any Series 2021 Bond shall have been lost, destroyed or wrongfully taken, the City shall provide for the replacement thereof upon receipt of the evidence of such loss, destruction or wrongful taking, along with an indemnity bond and reimbursement for expenses reasonably satisfactory to it.

(i) **Recitals in Bonds.** Each Series 2021 Bond shall recite in substance that such Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, that such Series 2021 Bond does not constitute a debt or an indebtedness or multiple fiscal-year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, that such Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes, and that the full faith and credit of the City is not pledged for the payment of the principal of or interest on such Series 2021 Bond. Each Series 2021 Bond shall further recite that it is issued under the authority of the Colorado Constitution, the Charter, the Code, the Supplemental Securities Act, the General Ordinance and this Series Ordinance.

Section 2.05. Form of Publicly Offered Series 2021 Bond. To the extent that the Series 2021 Bonds are Publicly Offered they shall be in substantially the form set forth in this Section, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2021 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the City.

[FORM OF PUBLICLY OFFERED BOND]

(Text of Face)

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ADAMS, ARAPAHOE AND DOUGLAS
CITY OF AURORA
UTILITY ENTERPRISE
FIRST-LIEN SEWER REVENUE BOND
(SEAM FACILITY IMPROVEMENT PROJECT)
SERIES 2021**

No. R-_____

\$_____

Interest Rate	Maturity Date	Original Date	CUSIP
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REGISTERED OWNER: **CEDE & CO.**
 Tax Identification Number: 13-2555119

PRINCIPAL SUM: ** _____ DOLLARS**

The City Council of the City of Aurora, in the Counties of Adams, Arapahoe and Douglas and State of Colorado, acting as the governing body of the Utility Enterprise of said City, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above) or so much thereof as has been advanced by or on behalf of the Registered Owner, in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from [the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the authentication date hereof, whichever is later], [the date or dates the proceeds hereof have been advanced] to the Maturity Date, except if redeemed prior thereto, [at the per annum Interest Rate (specified above), payable semiannually on the first day of February and the first day of August of each year], [at a variable interest rate determined in the manner provided in the Fixed Terms Certificate relating to the Series 2021 Bonds but not in excess of ___% (the "Maximum Rate") commencing on _____, 20___, or the first such date after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate [Maximum Rate] until the Principal Sum is paid in full.

[Bonds of this series maturing in the years _____ through _____ are not subject to optional redemption prior to their respective maturity dates. Bonds of this series maturing in the year _____ and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part in inverse order of maturity and by lot within a maturity, on _____ 1, 20___, and on any interest payment date thereafter, at a price equal to the principal amount of each Series 2021 Bond so redeemed plus accrued interest thereon to the redemption date plus a premium expressed as a percentage of the principal amount of each Series 2021 Bond so redeemed, depending on the redemption date, as follows:

Redemption Dates	Premiums
-------------------------	-----------------

Bonds of this series which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. In such case the Series 2021 Bond is to be surrendered in the manner provided for transfers of ownership. Upon

payment of the redemption price the Registered Owner is to receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.]

Notice of redemption of any Bonds of this series is to be given by the Paying Agent by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least 30 days prior to the redemption date, to _____, _____, _____, the Original Purchase hereof, and to the registered owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City. Such notice is to specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption, and is further to state that on the redemption date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, such notice may be given, in lieu of such mailing, by sending a copy thereof, by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the paying agent is authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond does not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond.

The principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond are payable to the Registered Owner by _____, _____, Colorado, or its successors, as Paying Agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by _____, _____, Colorado, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the paying agent for such purpose, irrespective of any transfer of ownership of this Series 2021 Bond subsequent to such special record date and prior to the date fixed by the paying agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to _____, _____, _____, and to the registered owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond upon prior redemption. If the date for making or giving any payment, determination or

notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Sewer System General Ordinance (the "General Ordinance") and the Series Ordinance pertaining to the Bonds of this Series (the "Series Ordinance"), as supplemented by the Final Terms Certificate (the "Final Terms Certificate") pursuant to which this Series 2021 Bond is delivered (the General Ordinance, the Series Ordinance and the Final Terms Certificate being referred to collectively as the "Ordinances"), [two/a] special account[s], thereby identified as the Debt Service Account [and the Debt Service Reserve Account], into which the City Council, acting as the governing body of the Utility Enterprise of the City, has covenanted in the Ordinances to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the Sewer System (the "System") of the City (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Series 2021 Bonds and any parity securities payable from such revenues[, and to accumulate and maintain a specified reserve for such purposes]. In addition, the City may at its option augment such funds with any other moneys of the City legally available for expenditure for the purposes thereof as provided in the Ordinances.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond, the City has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond in the manner provided by the Ordinances.

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

The City Council, acting as the governing body of the Utility Enterprise of the City, covenants and agrees with the Registered Owner hereof that it will keep and will perform all of the covenants of this Series 2021 Bond and of the Ordinances described below.

This Series 2021 Bond is authorized and issued for the purpose of defraying the cost of constructing and installing additions and improvements to the Sewer System of the City under the authority of and in full conformity with the Constitution of the State of Colorado, the City Charter, the City Code of the City, and all other applicable laws of the State of Colorado and pursuant to Ordinances, duly adopted, executed and delivered prior to the issuance of this Series 2021 Bond.

Reference is hereby made to the Ordinances for a description of the provisions, terms and conditions upon which the Bonds of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2021 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2021 Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, the terms and conditions on which the Series 2021 Bonds are issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the City and the members of its Council, acting as such and as the governing body of the Utility Enterprise of the City, and also the rights and remedies of the registered owners of the Series 2021 Bonds.

To the extent and in the respects permitted by the Ordinances, the provisions thereof, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City Council of the City taken in the manner and subject to the conditions and exceptions provided therein. The pledge of revenues and other obligations of the City and its Utility Enterprise under the Ordinances may be discharged at or prior to the maturity or prior redemption of the Series 2021 Bonds upon the making of provision for the payment of the Series 2021 Bonds on the terms and conditions set forth in the Ordinances.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City and the Utility Enterprise of the City in the issuance of this Series 2021 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City Charter, the City Code and the Ordinances; that this Series 2021 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the City Charter; and that this Series 2021 Bond is issued under the authority of the Ordinances.

This Series 2021 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2021 Bond after its delivery for value.

This Series 2021 Bond is transferable only upon the registration books of the City by _____, _____, Colorado, or his, her or its successors, as transfer agent, at the request of the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The transfer agent shall accept this Series 2021 Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership or a trust. The transfer agent is not required to transfer ownership of this Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for

redemption on or after the date of such mailing. The Registered Owner may also exchange this Series 2021 Bond for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the transfer agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of this Series 2021 Bond is to be effective until entered on the registration books of the City maintained by the registrar. In the case of every transfer or exchange, the registrar shall authenticate and the transfer agent shall deliver to the new registered owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. The City may deem and treat the person in whose name this Series 2021 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond and for all other purposes, and all such payments so made to such owner or upon such owner's order will be valid and effective to satisfy and discharge the liability of the City upon this Series 2021 Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

This Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, as more specifically provided in the Ordinances. This Series 2021 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, charter or statutory provision or limitation. This Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Series 2021 Bond.

IN WITNESS WHEREOF, the City Council of the City of Aurora, Colorado, acting as the governing body of the Utility Enterprise of said City, has caused this Series 2021 Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City, to be sealed with the facsimile seal of the City, and to be signed and attested with the facsimile signature of the City Clerk of the City.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

MIKE COFFMAN, Mayor.

ATTEST:

KADEE RODRIGUEZ City Clerk.

APPROVED AS TO FORM:

HANOSKY HERNANDEZ,
Assistant City Attorney

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds issued pursuant to the Ordinances herein described. [Printed on the reverse hereof][Attached hereto] is the complete text of the opinion of bond counsel, a signed copy of which, dated the date of the first delivery of the Series 2021 Bonds herein described, is on file with the undersigned.

Dated: _____

_____, as registrar

By _____
_____, Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2021 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

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

under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the attached Series 2021 Bond and does hereby irrevocably constitute and appoint _____, _____, _____, or its successor, to transfer said Series 2021 Bond on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

[BANK, TRUST COMPANY OR FIRM]

By _____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Series 2021 Bond in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE REQUIRED

[END OF FORM OF PUBLICLY OFFERED BOND]

Section 2.06. Form of Privately Placed Series 2021 Bond. To the extent that the Series 2021 Bonds are Privately Placed they shall be in substantially the form set forth in this Section, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2021 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the City.

[FORM OF PRIVATELY PLACED BOND]

(Text of Face)

THIS SERIES 2021 BOND WAS ISSUED AS AN EXEMPT SECURITY OR IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. UNDER NO CIRCUMSTANCES SHALL THIS SERIES 2021 BOND BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DISPOSED OF EXCEPT IN THE MANNER PROVIDED IN SECTION 2.04(f) OF THE SERIES ORDINANCE UNDER WHICH IT IS ISSUED AND IN COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS. ANY TRANSFER OR PURPORTED TRANSFER IN VIOLATION OF SUCH SECTION 2.04(f) OR SUCH LAWS SHALL BE VOID AND OF NO EFFECT.

UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ADAMS, ARAPAHOE AND DOUGLAS
CITY OF AURORA
UTILITY ENTERPRISE
FIRST-LIEN SEWER REVENUE BOND
(SEAM FACILITY IMPROVEMENT PROJECT)
SERIES 2021

No. R- _____ \$ _____

Interest Rate Maturity Date Original Date

[If Fixed]

REGISTERED OWNER: ** _____ **
Tax Identification Number: _____

PRINCIPAL SUM: ** _____ DOLLARS**

The City Council of the City of Aurora, in the Counties of Adams, Arapahoe and Douglas and State of Colorado, acting as the governing body of the Utility Enterprise of said City, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above), or so much thereof as has been advanced by or on behalf of the Registered Owner in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from [the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the authentication date hereof, whichever is later], [the date or dates the proceeds hereof have been advanced] to the Maturity Date, except if redeemed prior thereto, at [the per annum Interest Rate (specified above), payable semiannually on the first day of February and the first day of August of each year], [at a variable interest rate determined in the manner provided in the Final Terms Certificate relating to the Series 2021 Bonds] but not in excess of ___% (the "Maximum Rate") commencing on _____, 20____, or the first such date

after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

[Bonds of this series maturing in the years _____ through _____ are not subject to optional redemption prior to their respective maturity dates. Bonds of this series maturing in the year _____ and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part [in _____ order of maturity and _____ within a maturity,] on _____ 1, 20____, and on any interest payment date thereafter, at a price equal to the principal amount of each Series 2021 Bond so redeemed plus accrued interest thereon to the redemption date plus a premium expressed as a percentage of the principal amount of each Series 2021 Bond so redeemed, depending on the redemption date, as follows:

Redemption Dates

Premiums

Bonds of this series which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$500,000 and integral multiples of \$1,000 in excess thereof. In such case the Series 2021 Bond is to be surrendered in the manner provided for transfers of ownership. Upon payment of the redemption price the Registered Owner is to receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.]

Notice of redemption of any Bonds of this series is to be given by the Paying Agent by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least 30 days prior to the redemption date, to _____, _____, _____, the Original Purchase hereof, and to the registered owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City. Such notice is to specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption, and is further to state that on the redemption date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, such notice may be given, in lieu of such mailing, by sending a copy thereof, by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the paying agent is authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so given with respect to any Series 2021 Bond does not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond.

The principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond are payable to the Registered Owner by _____, _____, Colorado, or its successors, as Paying Agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by _____, _____, Colorado, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the paying agent for such purpose, irrespective of any transfer of ownership of this Series 2021 Bond subsequent to such special record date and prior to the date fixed by the paying agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to _____, _____, _____, and to the registered owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Sewer System General Ordinance (the "General Ordinance") and the Series Ordinance pertaining to the Bonds of this Series (the "Series Ordinance"), as supplemented by the Final Terms Certificate (the "Final Terms Certificate") pursuant to which this Series 2021 Bond is delivered (the General Ordinance, the Series Ordinance and the Final Terms Certificate being referred to collectively as the "Ordinances"), [two][a] special account[s], thereby identified as the Debt Service Account [and the Debt Service Reserve Account], into which the City Council, acting as the governing body of the Utility Enterprise of the City, has covenanted in the Ordinances to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the Sewer System (the "System") of the City (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Series 2021 Bonds and any parity securities payable from such revenues[, and to accumulate and maintain a specified reserve for such purposes]. In addition, the City may at its option augment such funds with any other moneys of the City legally available for expenditure for the purposes thereof as provided in the Ordinances.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond, the City has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond in the manner provided by the Ordinances.

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

The City Council, acting as the governing body of the Utility Enterprise of the City, covenants and agrees with the Registered Owner hereof that it will keep and will perform all of the covenants of this Series 2021 Bond and of the Ordinances described below.

This Series 2021 Bond is authorized and issued for the purpose of defraying the cost of constructing and installing additions and improvements to the Sewer System of the City under the authority of and in full conformity with the Constitution of the State of Colorado, the City Charter, the City Code of the City, and all other applicable laws of the State of Colorado and pursuant to Ordinances, duly adopted, executed and delivered prior to the issuance of this Series 2021 Bond.

Reference is hereby made to the Ordinances for a description of the provisions, terms and conditions upon which the Bonds of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2021 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2021 Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, the terms and conditions on which the Series 2021 Bonds are issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the City and the members of its Council, acting as such and as the governing body of the Utility Enterprise of the City, and also the rights and remedies of the registered owners of the Series 2021 Bonds.

To the extent and in the respects permitted by the Ordinances, the provisions thereof, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City Council of the City taken in the manner and subject to the conditions and exceptions provided therein. The pledge of revenues and other obligations of the City and its Utility Enterprise under the Ordinances may be discharged at or prior to the maturity or prior redemption of the Series 2021 Bonds upon the making of provision for the payment of the Series 2021 Bonds on the terms and conditions set forth in the Ordinances.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City and the Utility Enterprise of the City in the issuance of this Series 2021 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City Charter, the City Code and the Ordinances; that this Series 2021 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the City Charter; and that this Series 2021 Bond is issued under the authority of the Ordinances.

This Series 2021 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2021 Bond after its delivery for value.

This Series 2021 Bond is transferable only upon the registration books of the City by _____, _____, Colorado, or his, her or its successors, as transfer agent, at the request of the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The transfer agent shall accept this Series 2021 Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership or a trust. The transfer agent is not required to transfer ownership of this Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Series 2021 Bond for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the transfer agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of this Series 2021 Bond is to be effective until entered on the registration books of the City maintained by the registrar. In the case of every transfer or exchange, the registrar shall authenticate and the transfer agent shall deliver to the new registered owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. The City may deem and treat the person in whose name this Series 2021 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond and for all other purposes, and all such payments so made to such owner or upon such owner's order will be valid and effective to satisfy and discharge the liability of the City upon this Series 2021 Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

This Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, as more specifically provided in the Ordinances. This Series 2021 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the City within the

meaning of any constitutional, charter or statutory provision or limitation. This Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Series 2021 Bond.

IN WITNESS WHEREOF, the City Council of the City of Aurora, Colorado, acting as the governing body of the Utility Enterprise of said City, has caused this Series 2021 Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City, to be sealed with the facsimile seal of the City, and to be signed and attested with the facsimile signature of the City Clerk of the City.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

By _____
Mayor, City of Aurora, Colorado

Attest:

By _____
City Clerk, City of Aurora, Colorado

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds issued pursuant to the Ordinances herein described. [Printed on the reverse hereof][Attached hereto] is the complete text of the opinion of bond counsel, a signed copy of which, dated the date of the first delivery of the Series 2021 Bonds herein described, is on file with the undersigned.

Dated: _____

_____, as registrar

By _____
_____, Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2021 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

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

under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the attached Series 2021 Bond and does hereby irrevocably constitute and appoint _____, _____, _____, or its successor, to transfer said Series 2021 Bond on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

[BANK, TRUST COMPANY OR FIRM]

By _____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Series 2021 Bond in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE REQUIRED

[END OF FORM OF PRIVATELY PLACED BOND]

Section 2.07. Series 2021 Bonds Equally Secured. The Series 2021 Bonds shall be secured by an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues to the full extent provided in Section 5.01 of the General Ordinance, which lien shall be binding and enforceable as provided therein. The covenants and agreements herein set forth to be performed on behalf of the City and the Enterprise shall be for the equal benefit, protection and security of the Owners of any and all of the Series 2021 Bonds, all of which, regardless of the time or times of their maturity, shall be of equal rank without preference, priority

or distinction of any of the Series 2021 Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Series Ordinance.

Section 2.08. Special Obligations. All of the Series 2021 Bonds, as to all Debt Service Requirements thereof, shall be payable solely out of the Net Pledged Revenues. The Owners of the Series 2021 Bonds may not look to the general fund or any other fund of the City for the payment of the Debt Service Requirements, except the special funds and accounts pledged therefor. The Series 2021 Bonds shall not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, and the Series 2021 Bonds shall not be considered or held to be general obligations of the City, but shall constitute special and limited obligations of the City, acting by and through the Enterprise. The Series 2021 Bonds are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for payment of the Series 2021 Bonds.

ARTICLE III

SPECIAL ACCOUNTS

The proceeds of the Series 2021 Bonds and the Income shall be deposited by the City in the accounts described in this Article III, to be accounted for in the manner and priority set forth in this Article III.

Neither the Purchaser nor any subsequent Owner of any Series 2021 Bonds shall be in any manner responsible for the application or disposal by the City or by any of its officers, agents or employees of the moneys derived from the sale of the Series 2021 Bonds or of any other moneys designated in this Article III.

Section 3.01. Series 2021 Debt Service Subaccounts. There are hereby established within the Debt Service Account a Series 2021 Interest Subaccount and a Series 2021 Principal Subaccount. The Series 2021 Interest Subaccount shall be used to account for funds of the Debt Service Account allocable to payments of interest on the Series 2021 Bonds, and the Series 2021 Principal Subaccount shall be used to account for funds of the Debt Service Account allocable to payments of principal of the Series 2021 Bonds. The funds in the Series 2021 Interest Subaccount and the Series 2021 Principal Account are hereby appropriated for such purposes.

Section 3.02. Series 2021 Construction Account. The net proceeds of the Series 2021 Bonds shall be held in the Series 2021 Construction Account and applied to the Project. Any funds remaining in such account after completion of the Project may be applied to other additions and improvements to the System or to the payment of principal of or interest on the Series 2021 Bonds or to any other lawful purpose of the City or the Enterprise. Proceeds of the Privately Placed Series 2021 Bonds held or committed to be loaned by the Registered Owner shall be disbursed only upon written requisitions substantially in the form of Appendix A hereto. Upon the Completion Date any moneys remaining in the Construction Account may applied to reduce the principal balance of the Series 2021 Bonds Outstanding and the schedule of principal payments may be adjusted accordingly, all as may be provided by Final Terms Certificate.

Section 3.03. Series 2021 Costs of Issuance Subaccount. The portion of the proceeds of the Series 2021 Bonds reasonably required to pay the costs of issuance thereof shall be deposited in the Series 2021 Costs of Issuance Subaccount, which is hereby established within the Series 2021 Construction Account, and used, to the extent required, for the payment of Costs of Issuance of the Series 2021 Bonds, and to the extent of any excess, for any other Costs of the Series 2021 Capital Project.

Section 3.04. Series 2021 Debt Service Reserve Account. Pursuant to Section 3.04 of the General Ordinance, but only to the extent provided by Final Terms Certificate, there shall be established in connection with the Series 2021 Bonds a Debt Service Reserve Account to be known as the Series 2021 Debt Service Reserve Account. The Series Ordinance authorizing any Series of Additional First-Lien Revenue Obligations may provide that such Additional First-Lien Revenue Obligations are secured by the Series 2021 Debt Service Reserve Account as a common reserve on the same basis and subject to the same requirements as the Series 2021 Bonds, or may provide for a separate Debt Service Reserve Account for such Additional First-Lien Revenue Obligations. Subject to the payments required by Sections 3.02 and 3.03 of the General Ordinance and except as provided in Section 3.05 thereof, from the Net Pledged Revenues or the proceeds of the Series 2021 Bonds, or both, there shall be credited from time to time to the Series 2021 Debt Service Reserve Account moneys sufficient to accumulate and maintain the Series 2021 Debt Service Reserve Account at an amount at least equal to the Series 2021 Reserve Requirement. The dollar amount of the Series 2021 Reserve Requirement may be recalculated and reduced, but not increased, from time to time by the City as necessary to apply the Series 2021 Reserve Requirement to the remaining Debt Service Requirements of the Series 2021 Bonds; provided that the Series 2021 Reserve Requirement shall not be reduced to an amount less than the lesser of (a) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (b) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds. The moneys required to be deposited to the Series 2021 Debt Service Reserve Account, excluding any investment earnings which may be transferred to the Series 2021 Excess Investment Earnings Account to be rebated to the federal government, shall be set aside, accumulated and, if necessary, reaccumulated from time to time and maintained as a continuing reserve to be used, except as otherwise expressly provided in the General Ordinance or this Series Ordinance, only to prevent deficiencies in payment of the Debt Service Requirements of the Series 2021 Bonds then Outstanding resulting from failure to deposit into the Debt Service Account sufficient funds to pay such Debt Service Requirements as the same become due, and such funds are hereby appropriated for such purpose. To the extent and in the manner permitted by the General Ordinance a surety bond or other instrument issued by Credit Facility Provider may be used in lieu of cash to satisfy the Series 2021 Reserve Requirement. The amount of the Series 2021 Reserve Requirement and any other necessary details in connection with the Series 2021 Debt Service Reserve Account shall be determined by Final Terms Certificate.

Section 3.05. Series 2021 Excess Investment Earnings Account. The Director of Finance shall transfer into and pay from the Series 2021 Excess Investment Earnings Account hereby created within the Wastewater Fund the amount of required arbitrage rebate, if any, due to the federal government pursuant to Section 148(f)(2) of the Tax Code, and the applicable Treasury regulations (the "Regulations") promulgated thereunder. The Director of Finance shall determine such amounts in the manner required by said sections and related regulations and Section 4.01(f) hereof. Transfer of the required arbitrage rebate amounts shall be made from the Series 2021

Construction Account, the Debt Service Account and the Series 2021 Debt Service Reserve Account; provided, however, that required arbitrage rebate payments shall be made to the federal government from legally available funds regardless of whether there are any remaining proceeds or other funds attributable to the Series 2021 Bonds that are available for the purpose.

All amounts in the Series 2021 Excess Investment Earnings Account, including income earned from investment thereof, shall be held by the Director of Finance free and clear of any lien created by this Series Ordinance, and the Director of Finance shall remit the same to the federal government from time to time as provided in Section 4.01(f) hereof; provided that any amounts remaining in the Series 2021 Excess Investment Earnings Account after payment of, or in excess of, all arbitrage rebate payments reasonably expected to be due in connection with the Series 2021 Bonds shall be available for any lawful purpose of the Enterprise or the City. The amounts, if any, in the Series 2021 Excess Investment Earnings Account are hereby appropriated for such purposes.

Section 3.06. Reborrowing. Any reborrowing of previously paid principal shall be subject to the same provisions and limitations hereunder as other Series 2021 Bonds and shall be conditioned upon the receipt by each Registered Owner of an opinion of Bond Counsel to the effect that interest accruing on the reborrowed amount shall have the same treatment for federal and Colorado income tax purposes as interest on all other Series 2021 Bonds.

ARTICLE IV

SERIES 2021 COVENANTS

Section 4.01. Federal Income Tax Covenants. In addition to the various covenants made by it in the General Ordinance, the City covenants to and for the benefit of the Owners of the Series 2021 Bonds as follows:

(a) **General.** The City intends that the interest on the Series 2021 Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Tax Code, and Regulations. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Series 2021 Bonds to be includable in gross income, as defined in Section 61 of the Tax Code, for federal income tax purposes. In particular, the City covenants and agrees to comply with each requirement of this Section 4.01; provided, however, that the City shall not be required to comply with any particular requirement of this Section 4.01 if the City has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds or if the City has received a Counsel’s Opinion to the effect that compliance with some other requirement set forth in this Section 4.01 will satisfy the applicable requirements of the Tax Code and the Regulations, in which case compliance with such other requirement specified in such Counsel’s opinion shall constitute compliance with the corresponding requirement specified in this Section 4.01.

(b) **No Private Use or Payment and No Private Loan Financing.** The City covenants and agrees that it will make such use of the proceeds of the Series 2021 Bonds

including interest or other investment income derived from Series 2021 Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Series 2021 Bonds will not be “private activity bonds” or be deemed to finance any “private loan” within the meaning of the Tax Code and the Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2021 Bonds are delivered, that the proceeds of the Series 2021 Bonds will not be used in a manner that would cause the Series 2021 Bonds to be “private activity bonds” within the meaning of Section 141 of the Tax Code and the Regulations promulgated thereunder.

(c) **No Federal Guarantee.** The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Series 2021 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Tax Code and such Regulations.

(d) **No Hedge Bonds.** The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Series 2021 Bonds to be “hedge bonds” within the meaning of Section 149(g) of the Tax Code and the applicable Regulations thereunder.

(e) **No Arbitrage.** The City covenants and agrees that it will make such use of the proceeds of the Series 2021 Bonds including interest or other investment income derived from Series 2021 Bond proceeds, regulate investments of proceeds of the Series 2021 Bonds, and take such other and further action as may be required so that the Series 2021 Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code and the applicable Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2021 Bonds are delivered, the City will reasonably expect that the proceeds of the Series 2021 Bonds will not be used in a manner that would cause the Series 2021 Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code and the applicable Regulations promulgated thereunder.

(f) **Arbitrage Rebate.** If the City does not qualify for an exception to the requirements of Section 148(f) of the Tax Code relating to the required rebate to the United States of America, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Series 2021 Bonds (within the meaning of Section 148(f)(6)(B) of the Tax Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Series 2021 Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Series 2021 Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds

of any bonds of the City; (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Series 2021 Bonds which is required to be rebated to the federal government; and (iii) pay, not less often than every fifth anniversary date of the delivery of the Series 2021 Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Series 2021 Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) **Information Reporting.** The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2021 Bonds are issued, an information statement concerning the Series 2021 Bonds, all under and in accordance with Section 149(e) of the Tax Code and the applicable Regulations promulgated thereunder.

(h) **Continuing Obligation.** Notwithstanding any other provision of this Series Ordinance, the City's obligations under the covenants and provisions of this Section 4.01 shall survive the defeasance and discharge of the Series 2021 Bonds.

Section 4.02. Rate Maintenance; Rate Study Requirement. Notwithstanding anything in this Ordinance or the General Ordinance, so long as the Net Pledged Revenues in any calendar year are sufficient to pay at least 100% of the Combined Annual Debt Service Requirements of all Outstanding First-Lien Revenue Obligations and 100% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, the failure to meet the rate maintenance requirements of Section 6.01 of the General Ordinance in such calendar year shall not constitute an Event of Default, so long as the City shall, within 180 days after the end of such calendar year, promptly retain and cause an Independent Accountant or a Consulting Engineer, as such terms are defined in the General Ordinance, to prepare a rate study for the purpose of recommending a schedule of rates, fees and changes for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Income to be collected in the next succeeding calendar year which will allow compliance with such rate maintenance requirements. The City shall, within three (3) months of receipt of such study, and in any event before the end of the calendar year, adopt rates, fees and charges for the use of the System, based upon the recommendations contained in such study, which will provide compliance with such rate maintenance requirements in the next succeeding calendar year.

ARTICLE V

MISCELLANEOUS

Section 5.01. Enterprise Status. The City represents that the Enterprise is currently qualified as an “enterprise” for purposes of Article X, Section 20 of the constitution and covenants that it will cause the Enterprise to maintain such status during the current fiscal year.

Section 5.02. Sale of Series 2021 Bonds. The Series 2021 Bonds shall either be Publicly Offered at negotiated or competitive sale or Privately Placed, as determined by Final Terms Certificate, in either case at a price, to be determined by a Final Terms Certificate, (a) in the case of Publicly Offered Series 2021 Bonds, not less than 96% of their principal amount plus accrued interest to the date of their delivery to the Purchaser or, (b) in the case of Privately Placed Series 2021 Bonds, 100% of the amount of proceeds advanced by the Registered Owner. The Series 2021 Bonds may either be Publicly Offered with an Official Statement or Privately Placed with one or more banks or other institutions, in which case no Official Statement or Continuing Disclosure Undertaking shall be prepared. The Mayor and the Clerk, on behalf of the Enterprise, are authorized pursuant to this Series Ordinance and a Final Terms Certificate to take all such actions as reasonably required for the purpose of specifying the terms and conditions of sale of the Series 2021 Bonds and effecting their delivery to the Purchaser.

Section 5.03. Character of Agreement. None of the covenants, agreements, representations or warranties contained herein or in the Series 2021 Bonds shall ever impose or shall be construed as imposing any liability, obligation or charge against the City (except for the special funds pledged therefor) or against the general credit of the City payable out of its general funds or out of any funds derived from its general property taxes.

Section 5.04. No Pledge of Property. The payment of the Series 2021 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City except for the Net Pledged Revenues and other funds expressly pledged hereunder. No property of the City, subject to such exception with respect to the Net Pledged Revenues and other funds, as provided herein and in the General Ordinance, shall be liable to be forfeited or taken in payment of the Series 2021 Bonds.

Section 5.05. Delegated Duties. The officers of the City are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the provisions of this Series Ordinance and to comply with the requirements of law, including, without limitation:

(a) ***Preparation of Series 2021 Bonds.*** The preparation of the Series 2021 Bonds, including the printing upon or attachment to each such Bond of a copy of the approving legal opinion of bond counsel, duly certified by the Registrar, and, if necessary or desirable pending delivery of printed Series 2021 Bonds, the preparation of one or more temporary typewritten Series 2021 Bonds in an aggregate principal amount equal to that of the Series 2021 Bonds, otherwise in substantially the same form and bearing the same terms, to be delivered to the Purchaser and thereafter to be exchanged by the Purchaser for printed Bonds when the same are received by the City;

(b) ***Execution, Registration and Delivery of Series 2021 Bonds.*** The execution and registration of the Series 2021 Bonds and the delivery of the Series 2021 Bonds to the Purchaser pursuant to the provisions of this Series Ordinance;

(c) ***Information.*** The assembly and dissemination of financial and other information concerning the City and the Series 2021 Bonds;

(d) ***Official Statement and Continuing Disclosure Undertaking.*** In the event that the Series 2021 Bonds are Publicly Offered, the preparation of an Official Statement for the use of prospective buyers of the Series 2021 Bonds, including, without limitation, the Purchaser, and in connection therewith, the delivery and performance of the Continuing Disclosure Undertaking; and

(e) ***Related or Ancillary Documents; Closing Certificates.*** The execution of any related or ancillary documents as provided by Final Terms Certificate, to the extent not inconsistent with this Ordinance or necessary to effectuate the transactions authorized hereby, together with such certificates as may be reasonably required by the Purchaser, relating, inter alia, to:

(i) the signing of the Series 2021 Bonds;

(ii) the tenure and identity of the officials of the City;

(iii) if in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Series 2021 Bonds;

(iv) the excludability of interest on the Series 2021 Bonds from gross income for federal income tax purposes and the exemption of such interest from State income tax;

(v) the delivery of the Series 2021 Bonds and the receipt of the Series 2021 Bond purchase price; and

(vi) the accuracy and adequacy of information provided in the Official Statement, if any, prepared for prospective buyers of Publicly Offered Series 2021 Bonds.

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

Section 5.07. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the City, and the Owners from time to time of the Series 2021 Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All of the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, and any Owner of any of the Series 2021 Bonds.

No recourse shall be had for the payment of the Debt Service Requirements of the Series 2021 Bonds or for any claim based thereon or otherwise upon this Series Ordinance authorizing their issuance or any other ordinance or instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the City, past, present or future, either directly or indirectly through the City, or otherwise, whether by virtue of any constitution, statute or rule of law or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Series 2021 Bonds and as a part of the consideration of their issuance specially waived and released.

Section 5.08. Ratification. All action not inconsistent with the provisions of this Series Ordinance heretofore taken by the City or its officers, and otherwise by the City directed toward the Series 2021 Capital Project, the adoption of this Ordinance or the issuance of the Series 2021 Bonds for the purposes described herein is hereby ratified, approved and confirmed.

Section 5.09. Facsimile Signatures. Pursuant to the Uniform Facsimile Signature of public Officials Act, Part 1, Article 55, Title 11, C.R.S., as amended, the Mayor and the City Clerk shall forthwith, and in any event prior to the time the Series 2021 Bonds are delivered to the Purchaser, file with the Colorado Secretary of State their manual signatures certified by them under oath.

Section 5.10. Ordinance Irrepealable. This Series Ordinance is, and shall constitute, a legislative measure of the City and after any of the Series 2021 Bonds are issued, this Series Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Series 2021 Bonds; and this Series Ordinance, if any Series 2021 Bonds are in fact issued, shall be and shall remain irrepealable until the Series 2021 Bonds, as to all Debt Service Requirements, shall be fully paid, cancelled and discharged, as herein provided.

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

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

Section 5.13. Effective Date; Expiration. This Series Ordinance shall take effect 30 days after publication following final passage. This Series Ordinance shall expire to the extent that the Series 2021 Bonds authorized herein are not issued by December 31, 2021.

Section 5.14. Publication by Reference. Pursuant to Section 5-5 of the Charter of the City and the City Code, this Series Ordinance may be published either in full or in summary form.

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

INTRODUCED, READ AND ORDERED PUBLISHED this ____ day of _____,
2021.

PASSED AND ORDERED PUBLISHED BY REFERENCE this ____ day of _____,
2021.

[SEAL]

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS UTILITY
ENTERPRISE

By _____
MIKE COFFMAN, Mayor

Attest:

By _____
KADEE RODRIGUEZ, City Clerk

Approved as to Form:

By _____
HANOSKY HERNANDEZ, Assistant City Attorney

APPENDIX A

FORM OF CONSTRUCTION ACCOUNT REQUISITION

REQUISITION NO. _____

To: _____
Attention: _____

The undersigned City Representative (the “Authorized Person”) of the City of Aurora, Colorado (the “City”) hereby requisitions the following sum from the Construction Account established under City Ordinance No. 2021- __ (the “Series Ordinance”), and certifies as follows:

Amount: \$ _____

Name and Payment Instructions of Payee:

Capitalized terms used herein and not otherwise defined shall have the same meanings, respectively, as provided in the Series Ordinance.

The City further certifies that:

(a) the obligation described above has been properly incurred by the City, is a proper charge against the Construction Account and has not been the basis of any previous withdrawal or requisition;

(b) all conditions required by the Series Ordinance and the Final Terms Certificate dated as of _____, 20__ (the “Final Terms Certificate”) to be met prior to the disbursement of the above amount have been satisfied;

(c) the City is not in breach of any of the agreements contained in the Series Ordinance or the Final Terms Certificate; and

(d) no Event of Default, within the meaning of the Series Ordinance, has occurred and is continuing.

**CITY OF AURORA, COLORADO, acting by and
through its Utility Enterprise**

Date: _____ By: _____
Authorized Person

Proof of Publication

(Please see attached)

**MANAGEMENT FINANCE COMMITTEE MEETING
FEBRUARY 23, 2021**

PROPOSED FINANCING ORDINANCE SERIES 2021 FIRST-LIEN SEWER REVENUE BONDS
Summary of Issue and Discussion

Teresa Sedmak, City Treasury provided a summary. The proposed financing ordinance provides for the issuance of Series 2021 First-Lien Sewer Revenue bonds, in an amount not to exceed \$65 million to finance the acquisition and construction of improvements to the sewer system, including the acquisition and construction of a portion of the Southeast Area Maintenance Facility (the SEAM Project).

The Southeast Area Maintenance Facility (SEAM) was a future project identified in a facility master plan in 1999 based on City growth projections. In 2016-2017, a study was completed of current facilities. The study identified the current facilities as being over-crowded and additional space needed especially for operations functions. Based on the findings of the study, the recommendation was a new facility in Southeast Aurora, where existing facilities are limited for Water, Public Works, Fleet and Parks, Recreation and Open Space employees. The SEAM facility will be located in Southeast Aurora off Quincy Road. The initial phase of the project will house Aurora Water employees, with long-term growth opportunities to expand to include other City departments such as Public Works, Fleet and Parks, Recreation and Open Space.

This ordinance will be accompanied by a draft preliminary official statement (POS) prior to the March 22nd council meeting. The POS is the primary disclosure document referenced by investors and includes comprehensive information on the bonds, which is vital to investors in making their investment decisions. Assisting the City in the preparation of the POS will be Kutak Rock, the City's bond/disclosure counsel and Hilltop Securities, the City's financial advisor.

The issuance of the Series 2021 Sewer Bonds will increase the debt service burden of the sewer system in an amount dependent upon the final interest rate and structure of the financing. At this time, assuming a \$65 million borrowing, current interest rates, a level debt service structure and a 30-year final maturity date, it is estimated that annual debt service will be approximately \$3.1 million until the bonds are fully repaid. It is important to note that final debt service numbers will be dependent upon, among other things, market conditions on the date of issuance. It is expected that the bonds will be sold in May of this year.

Does the Committee support moving the proposed financing ordinance forward to Study Session?

Committee Discussion

CM Gruber: So, as a point of reference the City just issued the COPs for Southeast Aurora recreation center and it came close to 2% and something. So, I guess from where we are now with the debt that we already have. It should be relatively straightforward to hit the City policy and make these go through. Is that your feeling?

T. Sedmak: Yes. I don't anticipate a lot of change in interest rates. Interest rates have been trending up a little bit, but I don't see them moving significantly between now and the time we go to market. I would imagine to be mid to high two's or maybe less.

Outcome

The Committee recommended the item is moved forward to Study Session.

Follow-up Action

Staff will forward the item to Study Session.

PROPOSED FINANCING ORDINANCE SERIES 2021 FIRST-LIEN WATER REVENUE BONDS

Summary of Issue and Discussion

The proposed financing ordinance provides for the issuance of Series 2021 First-Lien Water Revenue Bonds for the purposes of (1) providing a portion of the costs of additions and improvements to the Water System, primarily related to the City's Southeast Area Maintenance Facility (the SEAM Project); and (2) to allow for the refunding of all or a portion of the City's outstanding Series 2016 First-Lien Water Revenue Bonds in order to realize economic savings.

The Southeast Area Maintenance Facility (SEAM) was a future project identified in a facility master plan in 1999 based on City growth projections. In 2016-2017, a study was completed of current facilities. The study identified the current facilities as being over-crowded and additional space needed especially for operations functions. Based on the findings of the study, the recommendation was a new facility in Southeast Aurora, where existing facilities are limited for Water, Public Works, Fleet and Parks, Recreation and Open Space employees. The SEAM facility will be located in Southeast Aurora off Quincy Road. The initial phase of the project will house Aurora Water employees, with long-term growth opportunities to expand to include other City departments such as Public Works, Fleet and Parks, Recreation and Open Space.

This ordinance will be accompanied by a draft preliminary official statement (POS) prior to the March 22nd council meeting. The POS is the primary disclosure document referenced by investors and includes comprehensive information on the bonds, which is vital to investors in making their investment decisions. Assisting the City in the preparation of the POS will be Kutak Rock, the City's bond/disclosure counsel and Hilltop Securities, the City's financial advisor.

The ordinance provides for a maximum issue size of \$539 million, which includes: (1) \$120 million in new money; and (2) up to \$419 million in refunding dollars for the redemption of the previously issued 2016 Water bonds. It is anticipated that the bonds will be sold in May of this year.

The issuance of the "new money" portion of the Series 2021 Water Bonds will increase the debt service burden of the water system in an amount dependent upon the structure, interest rate and final maturity of the financing. At this time, assuming a \$120 million borrowing, current interest rates, a level debt service structure and a 30-year final maturity date, it is estimated that annual debt service will be approximately \$5.7 million until the bonds are fully repaid.

Potential refunding of Series 2016 bonds: The refunding of \$400 million of the Series 2016 Water bonds (assuming all callable bonds are refunded) could provide an economic savings of approximately \$21.14 million (a 6.35% savings on a present value basis), which would equate to a \$1.1 million annual savings. The actual size of the refunding will be determined at a later date, as the effect of market rates on savings are established. In accordance with City of Aurora policies, the refunding will not be consummated if savings are less than three (3) percent as compared to the interest costs of the 2016 transaction.

Does the Committee support moving the proposed financing ordinance forward to Study Session?

Committee Discussion

There were no questions from the Committee.

Outcome

The Committee recommended the item is moved forward to Study Session.

Follow-up Action

Staff will forward the item to Study Session.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2021

NEW ISSUE—BOOK-ENTRY-ONLY

RATINGS (See “RATINGS”): ____: “____”
 ____: “____”

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of representations and continuing compliance by the City with certain covenants, interest on the Series 2021 Bonds (including any original issue discount properly allocable to certain of the Series 2021 Bonds) is not includible in gross income for federal income tax purposes, is exempt from State of Colorado income tax, is not a specific preference item for purposes of the federal alternative minimum tax and is excluded from the computation of State of Colorado alternative minimum tax. See the caption “TAX MATTERS.”

\$ _____*
City of Aurora, Colorado
 acting by and through its
 Utility Enterprise
First-Lien Sewer Revenue Bonds
(SEAM Facility Improvement Project)
Series 2021

Dated: Date of Delivery

Due: _____, as shown below

The First-Lien Sewer Revenue Bonds, (SEAM Facility Improvement Project) Series 2021 (the “Series 2021 Bonds”) will be issued in fully registered book-entry form in denominations of \$5,000 or integral multiples thereof. The Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), securities depository for the Series 2021 Bonds. UMB Bank, n.a. will act as Paying Agent, Registrar and Transfer Agent for the Series 2021 Bonds. Individual purchases are to be made in book-entry-only form in authorized denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their ownership interest in the Series 2021 Bonds. Interest is payable _____, 2021 and semiannually thereafter each _____ 1 and _____ 1 to and including the maturity dates shown below, unless the Series 2021 Bonds are redeemed earlier.

<u>Year*</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP®¹</u>	<u>Year*</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP®¹</u>
2021					2031				
2022					2032				
2023					2033				
2024					2034				
2025					2035				
2026					2036				
2027					2037				
2028					2038				
2029					2039				
2030					2040				
\$ _____*		%	Term Bond due	_____ 1, 20__	– Yield: _____%	CUSIP® Number: _____			¹
\$ _____*		%	Term Bond due	_____ 1, 20__	– Yield: _____%	CUSIP® Number: _____			¹

The Series 2021 Bonds are issued for the purpose of financing, in whole or in part, the cost of additions and improvements to the Sewer System operated by the Utility Enterprise of the City. The Series 2021 Bonds are special, limited obligations of the City, acting by and through its Utility Enterprise, and are payable solely from and secured by a first (but not necessarily exclusively first) lien upon certain net pledged revenues, consisting of the net revenues of the Sewer System of the City remaining after the payment of operation and maintenance expenses. See “THE SERIES 2021 BONDS—Security and Flow of Funds.”

The Series 2021 Bonds are not a debt or indebtedness or a multiple-fiscal year debt or other financial obligation of the City under the Constitution and laws of the State of Colorado. The Series 2021 Bonds are not payable from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for their payment.

The Series 2021 Bonds are subject to redemption as described under the caption “THE SERIES 2021 BONDS—Redemption.”

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

The Series 2021 Bonds are offered when, as and if issued by the City and accepted by the Underwriter named below, subject to approval of validity by Kutak Rock LLP, Bond Counsel, and certain other conditions. Kutak Rock LLP has also been retained to assist the City in the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the Office of the City Attorney and for the Underwriter by _____. Hilltop Securities Inc. has acted as financial advisor to the City in connection with the Series 2021 Bonds. Delivery of the Series 2021 Bonds through DTC in New York, New York, is expected on or about _____, 2021.

[Underwriter]

The date of this Official Statement is _____, 2021.

* Preliminary; subject to change.
¹ The City assumes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of owners of the Series 2021 Bonds.
 © Copyright 2021 CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Global Market Intelligence.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No broker, dealer, salesman, or other person has been authorized to give any information or to make any representation with respect to the Series 2021 Bonds which is not contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. The information in this Official Statement is subject to change and neither the delivery of this Official Statement nor any sale made after any such delivery shall, under any circumstances, create any implication that there has been no change since the date of this Official Statement. This Official Statement shall not constitute an offer to sell or the solicitation of any offer to buy, and there shall be no sale of any of the Series 2021 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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THE PRICES OR YIELDS AT WHICH THE SERIES 2021 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS SHOWN ON THE COVER PAGE HEREOF, AND THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS TO DEALERS AND OTHERS TO FACILITATE DISTRIBUTION OF THE SERIES 2021 BONDS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE HAS APPROVED OR DISAPPROVED THE SERIES 2021 BONDS OR THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL

SUMMARY OF THE OFFICIAL STATEMENT

The City The City of Aurora, Colorado (the “City”) is located within the Denver, Colorado metropolitan area with an estimated population of 381,057 persons in 2019, and covers approximately 160 square miles. The City is a home rule city and operates under a council manager form of government. See “THE CITY.”

The Series 2021 Bonds and Authorization The First-Lien Sewer Revenue Bonds, (SEAM Facility Improvement Project) Series 2021 (the “Series 2021 Bonds”) are being issued in the aggregate principal amount of \$_____ by the City, acting by and through its Utility Enterprise (the “Enterprise”). The Enterprise was organized to operate the City’s municipal water system (the “Water System”), as well as its storm drainage and Sewer facilities (respectively the “Storm Drainage System” and the “Sewer System” and together, the “System”), on a fully self-supporting basis as a City-owned business. The Council is the governing body of the Enterprise.

The Series 2021 Bonds are issued in book-entry-only form, in denominations of \$5,000 or integral multiples thereof, through the facilities of The Depository Trust Company, New York, New York. See Appendix F “BOOK-ENTRY-ONLY SYSTEM.”

The Series 2021 Bonds are authorized to be issued pursuant to the City’s home rule charter (“Charter”), the Enterprise Ordinance, constituting Article II of Chapter 138 of the Code of the City of Aurora, the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2 of the Colorado Revised Statutes, as amended, a Sewer System General Revenue Bond Ordinance No. 2006-08 (the “General Ordinance”) adopted by the City Council of the City (the “Council”), and a Series 2021 Series Ordinance No. 2021-__ (the “Series Ordinance”) adopted by the Council.

Security for the Series 2021 Bonds..... The Series 2021 Bonds are special and limited obligations of the City, acting by and through Aurora Water, payable solely out of and secured by an irrevocable pledge of and a first lien upon the Net Pledged Revenues as defined under the caption “THE SERIES 2021 BONDS—Security and Flow of Funds.” *The Series 2021 Bonds are not general obligations of the City and are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation. No property of the City or Aurora Water, other than the Net Pledged Revenues, is pledged as security for the Series 2021 Bonds.*

Redemption..... The Series 2021 Bonds are subject to optional redemption prior to maturity and certain Series 2021 Bonds are subject to mandatory sinking fund redemption as described herein. See “THE SERIES 2021 BONDS—Redemption.”

Aurora Water Aurora Water was organized to operate the City’s municipal water system (the “System”), together with the City’s storm and Sewer utilities (collectively, “Aurora Water”), on a fully self-supporting basis, and operates as a City-owned business. The City Council is the governing body of Aurora Water. See “AURORA WATER.”

The System..... The Sewer System was developed for the purpose of providing sewer service to persons and property both inside and outside the City. Its assets consist of a system of sewer mains, interceptors and pump stations for the collection of raw sewage, one reclaimed wastewater treatment plant and rights to sewage treatment under the Metro Contract.

The Storm Drainage System consists of a network of channels and storm drainage pipes that empty into either concrete-lined swales, natural and developed channels, detention ponds, or greenbelt areas. Most improved properties in the City and certain properties outside the City are served by both Storm Drainage and Sewer components of the System and pay service charges to the Enterprise based upon their water consumption (in the case of sewer) or impervious/total acreage (in the case of storm water), as well as development fees at the time of connection with the System. See “THE SYSTEM.”

Plan and Purpose of Series 2021 Bonds The Series 2021 Bonds are being issued to acquire and construct improvements to the Sewer System operated by the Enterprise, including without limitation the acquisition and construction of a portion of the Southeast Area Maintenance Facility (“SEAM”) (the “Project”). See “USE OF PROCEEDS—The Project.”

Constitutional Limitations on Taxes, Revenues, Borrowing and Spending In 1992, the Colorado Constitution was amended to impose substantial limitations, including voter approval requirements, upon the taxes, revenues, borrowing, and spending of the State and local governments. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.” The Series 2021 Bonds are permitted to be issued without voter approval under the provisions of such amendment which exclude “enterprises” and their bonds from such limitations.

Tax Treatment of Interest on the Series 2021 Bonds In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations by the City and continuing compliance by the City with certain covenants, interest on the Series 2021 Bonds is not includible in gross income for federal tax purposes, is exempt from State of Colorado income tax, is not a specific preference item for purposes of the federal or alternative minimum tax and is excluded from the computation of State of Colorado alternative minimum tax. Such conclusions may be subject to

substantial limitations and exceptions in the case of particular taxpayers as described under the caption “TAX MATTERS.”

Professional Services..... The professional firms participating in the initial offering of the Series 2021 Bonds are as follows:

Bond Counsel: Kutak Rock LLP
Suite 3000
1801 California Street
Denver, CO 80202-2626
Telephone: 303-297-2400

Financial Advisor: Hilltop Securities Inc.
Suite 500
8055 East Tufts Avenue
Denver, CO 80237
Telephone: 303-771-0217

Underwriter:

Underwriter’s Counsel:

**Additional Information;
Continuing Disclosure**

Undertaking..... Additional information concerning the City, Aurora Water, the System and the Series 2021 Bonds may be obtained from the City’s Director of Finance, 5th Floor, 15151 East Alameda Parkway, Aurora, Colorado 80012, Telephone: (303) 739-7055, or from the Financial Advisor at the address and telephone shown above. The City will enter into an undertaking for the benefit of the beneficial owners of the Series 2021 Bonds pursuant to Securities and Exchange Commission Rule 15c2-12 to provide certain information concerning the Series 2021 Bonds on a continuing basis, and to file such information with specified information repositories accessible to investors. See “THE SERIES 2021 BONDS—Continuing Disclosure Undertaking” and Appendix E hereto.

THE FOREGOING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE DETAILED INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT. EACH PROSPECTIVE INVESTOR SHOULD READ THE OFFICIAL STATEMENT IN ITS ENTIRETY.

OFFICIAL STATEMENT

Relating to:

\$ _____ *

City of Aurora, Colorado
acting by and through its Utility Enterprise
First-Lien Sewer Revenue Bonds
(SEAM Facility Improvement Project)
Series 2021

INTRODUCTION

Generally

This Official Statement, including its cover page and appendices, is provided in connection with the issuance by the City of Aurora, Colorado (the “City”) acting by and through its Utility Enterprise (the “Enterprise” or “Aurora Water”) of \$ _____* aggregate principal amount of First-Lien Sewer Revenue Bonds (SEAM Facility Improvement Project), Series 2021 (the “Series 2021 Bonds”). The Series 2021 Bonds will be issued under the Sewer System General Revenue Bond Ordinance, Ordinance No. 2006-08, as amended (the “General Ordinance”) and the Series 2021 First-Lien Sewer Revenue Bond Series Ordinance, Ordinance No. 2021-__ (the “Series Ordinance”), adopted by the City Council (the “Council”), supplemented, as to certain details of the Series 2021 Bonds, by a Final Terms Certificate executed by the City’s Director of Finance (the “Final Terms Certificate” and, together with the General Ordinance and the Series Ordinance, the “Bond Ordinance”). The term “City” as used in this Official Statement refers to the City and, where appropriate, to the City acting by and through Aurora Water. The City is a political subdivision of the State of Colorado (the “State”) organized and existing as a home rule city under the laws of the State and a home rule charter (the “Charter”).

The Series 2021 Bonds will be payable solely from and secured by a first (but not necessarily exclusively first) lien upon the Net Pledged Revenues of the System of the City (as defined herein). For a definition of the term “Net Pledged Revenues,” see “THE SERIES 2021 BONDS—Security and Flow of Funds.”

THE SERIES 2021 BONDS DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OR A MULTIPLE-FISCAL YEAR DEBT OR OTHER FINANCIAL OBLIGATION OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OR LAWS OF THE STATE OF COLORADO. THE SERIES 2021 BONDS ARE NOT PAYABLE IN WHOLE OR IN PART FROM THE PROCEEDS OF GENERAL PROPERTY TAXES OR ANY OTHER FORM OF TAXATION AND THE FULL FAITH AND CREDIT OF THE CITY IS NOT PLEDGED FOR THEIR PAYMENT.

Plan and Purpose of Financing

The Series 2021 Bonds are being issued to acquire and construct improvements to the Sewer System operated by the Enterprise, including without limitation the acquisition and construction of a portion of the Southeast Area Maintenance Facility (“SEAM”) (the “Project”). See “USE OF PROCEEDS—The Project.”

* Preliminary; subject to change.

The references to and summaries of provisions of the Constitution and laws of the State and the descriptions of documents included herein do not purport to be complete and are qualified in their entirety by reference to the complete provisions thereof, copies of which are available from the City, or through the Underwriter during the period of the initial offering of the Series 2021 Bonds.

Capitalized terms used and not defined herein have the respective meanings specified in Appendix C to this Official Statement.

FORWARD-LOOKING STATEMENTS

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO FUTURE RESULTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS “ESTIMATE,” “FORECAST,” “INTEND,” “EXPECT,” “PROJECTED” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. ANY PROJECTION IS SUBJECT TO SUCH UNCERTAINTIES. INEVITABLY, SOME ASSUMPTIONS USED TO DEVELOP THE PROJECTIONS WILL NOT BE REALIZED AND UNANTICIPATED EVENTS AND CIRCUMSTANCES WILL OCCUR. THEREFORE, IT CAN BE EXPECTED THAT THERE WILL BE DIFFERENCES BETWEEN PROJECTIONS AND ACTUAL RESULTS, AND THOSE DIFFERENCES MAY BE MATERIAL.

THE SERIES 2021 BONDS

Description of the Series 2021 Bonds

The Series 2021 Bonds are special and limited obligations of the City, acting by and through Aurora Water, and are issued for the purpose of financing a portion of Aurora Water’s ongoing program of additions and improvements to the System. The Series 2021 Bonds are in the denominations, bear interest, mature, and are subject to the other terms and conditions stated on the cover page hereof.

Debt Service Requirements. The debt service requirements of the Series 2021 Bonds and the other obligations payable from the Net Pledged Revenues are set forth in Table XI.

Authority for Issuance

The Series 2021 Bonds are issued under authority of the Charter and Article II of Chapter 138 of the City Code (the “Enterprise Ordinance”). Under the Enterprise Ordinance, the City has designated and currently maintains its water and storm and Sewer activities as an “enterprise” for purposes of Article X, Section 20 of the Colorado Constitution (“TABOR”). See “AURORA WATER.” As bonds of a TABOR enterprise, the Series 2021 Bonds are authorized to be issued without approval by the electors of the City. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

Registration and Payment

The Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), securities depository for the Series 2021 Bonds. For so long as the Series 2021 Bonds are in book-entry form, the principal of and interest on the Series 2021 Bonds will be payable at the

office of UMB Bank, n.a., or its successors, as paying agent, registrar and transfer agent (the “Paying Agent”). Interest on the Series 2021 Bonds is payable by wire transfer to Cede & Co. upon written instruction or by check or draft mailed by the Paying Agent to the registered owners of the Series 2021 Bonds whose names and addresses appear in the registration books of the City on the Regular Record Date, i.e., the fifteenth day, whether or not a business day, of the calendar month preceding the interest payment date. Under certain circumstances a Special Record Date may be fixed by the Paying Agent to establish ownership of the Series 2021 Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

Book-Entry-Only System

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2021 Bond will be issued for each maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, and each of such Series 2021 Bonds will be deposited with DTC. For information regarding DTC see “Appendix F—Information Related to Book-Entry-Only System.”

Redemption

The Series 2021 Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. Series 2021 Bonds maturing on _____, 20__ and thereafter are subject to redemption prior to maturity at the option of the City on _____, 20__ or any date thereafter, in whole or in part, and if in part in such order of maturity as the City shall determine and by lot within maturities, at a redemption price of par plus accrued interest to the redemption date, without redemption premium.

Mandatory Sinking Fund Redemption. The Series 2021 Bonds are also subject to mandatory sinking fund redemption.

The Series 2021 Bonds maturing on _____, 20__ are subject to mandatory redemption by lot from mandatory sinking fund installments, at a redemption price equal to par plus accrued interest only to the redemption date, on _____1, of the following years and in the following amounts, such redemption amounts to be subject to proportionate reduction in the event of partial optional redemption of such Series 2021 Bonds:

Year	Amount
-------------	---------------

20__ (stated maturity)	
------------------------	--

The Series 2021 Bonds maturing on _____, 20__ are subject to mandatory redemption by lot from mandatory sinking fund installments, at a redemption price equal to par plus accrued interest only to the redemption date, on _____1, of the following years and in the following amounts, such redemption amounts to be subject to proportionate reduction in the event of partial optional redemption of such Series 2021 Bonds:

Year

Amount

20__ (stated maturity)

Notice of Redemption. Notice of redemption of any Series 2021 Bonds is to be given by the Paying Agent by sending a copy of such notice by first-class mail, postage prepaid, at least 30 days prior to the redemption date, to the Underwriters and to the registered owner of each Series 2021 Bond all or a portion of which is called for prior redemption, at his or her address as it last appears on the registration records kept by the Paying Agent. For so long as the Series 2021 Bonds are in book-entry form, any such redemption notice may be given, in lieu of such mailing, by sending a copy thereof by electronic means, to DTC or its designee. Failure, as to any Series 2021 Bond, to mail or send such notice as provided above, or any defect therein, does not affect the validity of the proceedings for the redemption of any other Series 2021 Bonds. Any failure of DTC to advise any Participant, or of any Participant or indirect participant to notify the Beneficial Owner, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2021 Bonds called for redemption or any other action premised on that notice.

In the event of a call for redemption, the City’s notification to DTC initiates DTC’s standard call procedure. In the event of a partial call, DTC’s practice is to determine by lot the amount of the interest of each Participant in the Series 2021 Bonds to be redeemed, and each such Participant then selects by lot the ownership interest in such Series 2021 Bonds to be redeemed. When DTC and Participants allocate the call, the Beneficial Owners of the book-entry interests called are to be notified by the broker or other organization responsible for maintaining the records of those interests and subsequently credited by that organization with the proceeds once the Series 2021 Bonds are redeemed.

Security and Flow of Funds

The General Ordinance and the Series Ordinance. The Series 2021 Bonds are to be issued pursuant to the General Ordinance and a the Series Ordinance, adopted by the City Council, acting as such and as the governing body of the Enterprise, and supplemented, as to certain final terms of the Series 2021 Bonds, by a final terms certificate executed by the Director of Finance (the “Final Terms Certificate” and, collectively with the General Ordinance and the Series Ordinance, the “Bond Ordinance”). The Series Ordinance provides for the application of substantially all of the proceeds of the Series 2021 Bonds as follows: (a) an amount sufficient to pay the Costs of Issuance is to be deposited in the Series 2021 Costs of Issuance Subaccount of the Series 2021 Construction Account; (b) an amount to be deposited to the Series 2021 Construction Account as described under the caption “USE OF PROCEEDS—Sources and Uses of Funds”; and an amount to fund the Debt Service Reserve Account. The Bond Ordinance provides that the General Ordinance and the Series Ordinance are irrevocable until the Series 2021 Bonds and the interest thereon are fully paid or defeased. The following are brief summaries of certain material provisions of the Bond Ordinance.

The Series 2021 Debt Service Reserve Account. The Series Ordinance establishes a reserve designated as the Series 2021 Debt Service Reserve Account (the “Series 2021 Debt Service Reserve Account”). The Series 2021 Debt Service Reserve Account is required to be maintained in an amount (the “Minimum Reserve Requirement”) equal to the least of (a) maximum annual debt service requirements of the Series 2021 Bonds; or (b) 125% of the average annual debt service of the Series 2021 Bonds, to prevent deficiencies in the payment of the Series 2021 Bonds. The Bond Ordinance permits this requirement to be satisfied by the deposit of a reserve fund surety policy of a qualified insurer in lieu of cash.

Pledged Revenues and Flow of Funds. The General Ordinance defines the System to include the Sewer System and the Storm Drainage System presently owned and operated by the City, acting by and through the Enterprise, together with all Equipment and Improvements to the System (but excluding Special Facilities) and any other property or facilities specifically added to the System by ordinance of the City Council. The Income of the System is defined in the General Ordinance to include all rates, fees, or charges for services furnished by, or the direct or indirect use of the System, together with any interest income of the System attributable to the investment of moneys in the accounts created in the General Ordinance and not specifically excluded from the lien of the General Ordinance, and subject to certain exclusions enumerated in the full text of the definition of “Income” in Appendix B hereto. See “THE SYSTEM—Sources of Revenue.”

The General Ordinance establishes a special account (the “Income Account”) into which is to be deposited all Income. The Income Account may be maintained as a subfund, account or subaccount of the Sewer Enterprise Fund.

The Income on deposit in the Income Account is to be deposited and applied in the following order of priority:

FIRST, to the payment of necessary and proper costs of operating and maintaining the System (“Operation and Maintenance Expenses”) as they become due (the Income less such Operation and Maintenance Expenses being referred to as the “Net Pledged Revenues”);

SECOND, to the Debt Service Account in monthly installments sufficient to pay any interest accrued and due on the next interest payment date and a ratable portion of the next installment of principal, if any, on the Series 2021 Bonds and similar installments with respect to any outstanding parity securities;

THIRD, to the Debt Service Reserve Account, to the extent required to maintain the Debt Service Reserve Account at the Minimum Reserve Requirement (or, if the Minimum Reserve Requirement is satisfied with a surety bond or other credit facility, to reimburse the issuer thereof for any amounts advanced by it, with interest);

FOURTH, to the payment of the Debt Service Requirements of obligations having a lien on the Net Pledged Revenues subordinate to the lien of the Series 2021 Bonds and other outstanding First Lien Revenue Obligations; and

FIFTH, to any other lawful purpose determined by the City Council, acting as the governing body of the Enterprise.

Moneys in any or all of the foregoing accounts may, to the extent provided by the Final Terms Certificate, be made subject to transfer to an Excess Investment Earnings Account. In order to give effect to the requirements of both the Code and the General Ordinance, the City may, to the extent necessary, advance, subject to reimbursement, moneys required for the payment of Operation and Maintenance Expenses from funds earmarked for Improvements or Capital Projects, and may also, to the extent necessary, advance, subject to reimbursement, Net Pledged Revenues required for the payment of Debt Service Requirements of Obligations from funds earmarked for Operation and Maintenance Expenses. Nothing in the General Ordinance prevents the City from creating subfunds or subaccounts for the purpose of recording payments and accumulations in a manner consistent with the accounting principles which may be employed by the City from time to time.

Rate Maintenance. In the General Ordinance, the City covenants, among other things, to prescribe, revise and collect fair and reasonable rates, fees and charges for use of the System which shall produce Income sufficient, together with any other moneys legally available therefor and credited to the Income Account, to make the payments and accumulations required by the Ordinances; and which shall produce Net Pledged Revenues in each ensuing Fiscal Year at least equal to the sum of 120% of the Combined Annual Debt Service Requirements of all Outstanding First-Lien Revenue Obligations and 105% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, plus any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom. For purposes of compliance with the Ordinances, including the Rate Maintenance Covenant, there may be counted as Income any funds contributed to the System by the City. See “TABLE XVII—WATER SERVICE CHARGES AND USAGE RATES” for past and certain currently estimated future rates.

The Series Ordinance provides, with respect to the Series 2021 Bonds, that so long as the Net Pledged Revenues in any calendar year are sufficient to pay at least 100% of the Combined Annual Debt Service Requirements of all Outstanding First-Lien Revenue Obligations (as such terms are defined in the Series Ordinance) and 100% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, the failure to meet the rate maintenance requirements of the General Ordinance in such calendar year shall not constitute an Event of Default so long as the City shall, within 180 days after the end of such calendar year, promptly retain and cause an Independent Accountant or Consulting Engineer, as such terms are defined in the General Ordinance, to prepare a rate study for the purpose of recommending a schedule of rates, fees and charges for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Income to be collected in the next succeeding calendar year which will allow compliance with such rate maintenance requirements. In the Series Ordinance, the City agrees, within three (3) months of receipt of such study, and in any event before the end of the calendar year, to adopt rates, fees and charges for the use of the System, based upon the recommendations contained in such study, which will provide compliance with such rate maintenance requirements in the next succeeding calendar year.

First-Lien Bonds. Pursuant to the General Ordinance, the Series 2021 Bonds and any Additional First-Lien Revenue Obligations constitute a first and prior (but not necessarily exclusive) lien on the Net Pledged Revenues.

Additional Obligations. Additional Obligations may be issued, subject to certain provisions of the Bond Ordinance.

The General Ordinance prohibits the issuance of Obligations having a claim to the Income prior or superior to that of the Series 2021 Bonds. Subordinate securities may be issued at any time.

Additional First-Lien Revenue Obligations may be issued provided that, at the time of their issuance: (a) the City is not in default under the provisions of the Bond Ordinance; and (b) the Net Pledged Revenues for the last complete Fiscal Year or any 12 consecutive whole months out of the last 18 prior to the issuance of the proposed Additional First-Lien Revenue Obligations, as certified by the City Manager or a Consulting Engineer or Independent Accountant, must have been equal to at least 120% of the Maximum Annual Debt Service Requirements of the Series 2021 Bonds and Additional First-Lien Revenue Obligations then Outstanding and the Additional First-Lien Revenue Obligations proposed to be issued. If any adjustment in System rates or fees is to be effective during or prior to any Fiscal Year in which the Maximum Annual Debt Service Requirements occur, the Net Pledged Revenues may be adjusted to reflect the Net Pledged Revenues which would have been produced had the modified rates been in effect throughout such Fiscal Year.

Liquidity Requirement. The Series Ordinance requires an unrestricted cash balance to be maintained in the Wastewater Fund in an amount established by Final Terms Certificate. Pursuant to the Series Ordinance and the Final Terms Certificate, the City will designate the Liquidity Requirement to be 60 days' average Operation and Maintenance Expenses of the System, based upon the adjusted budget for the ensuing Fiscal Year. See "APPENDIX C - Summary of Certain Provisions of the General Ordinance and the Series Ordinance."

For a more detailed description of the Bond Ordinance, see Appendix C hereto.

Continuing Disclosure Undertaking

In order to facilitate compliance by the Underwriters with Securities and Exchange Commission Rule 15c2-12 (the "Rule") the City will enter into an undertaking in substantially the form set forth in Appendix E hereto (the "Continuing Disclosure Undertaking") to provide certain information, including audited financial results, on an annual basis, and to provide notice of certain specified events contemplated by the Rule, to the information repositories designated in the Continuing Disclosure Undertaking. Investors may obtain access to such filings in the manner specified in Appendix E hereto.

The specific information required to be provided by the City under the Continuing Disclosure Undertaking includes: (a) notice of the occurrence of any of the material events enumerated in the Rule; (b) annual audited financial statements; and (c) annual operating results with respect to the items described under the caption "FINANCIAL INFORMATION CONCERNING THE SYSTEM—Operating History" and Tables II, III, VII, X, XII, XVII, XIX and XXI. **[confirm TABLES]**

Failure to perform the Continuing Disclosure Undertaking does not constitute an Event of Default under the Bond Ordinance, but in the event of a failure to perform the Continuing Disclosure Undertaking, the owners of the Series 2021 Bonds have the right to seek a court order directing the City to perform its obligations thereunder. **[update and conform to Compliance Report]**

USE OF PROCEEDS

Sources and Uses of Funds

The City estimates the following sources and uses of funds in connection with the sale of the Series 2021 Bonds:

Sources

Principal Amount of Series 2021 Bonds
Net Original Issue Premium/Discount

Total Sources

Uses

Deposit to Construction Account
Deposit to Reserve Fund Account
Costs of Issuance¹

Total Uses

¹ Includes underwriting discount, legal, printing, accounting, financial advisory fees and rounding amount.

The Project

The net proceeds of the Series 2021 Bonds are to be used to pay expenses of issuance of the Series 2021 Bonds and to finance the construction of the SEAM facility, as described hereafter (the “Project”).

Southeast Area Maintenance Facility. The Southeast Area Maintenance (“SEAM”) facility was previously identified in a 1999 facility master plan as a necessary project due to City growth projections. In 2016-2017, a study was completed of the current System (as defined herein) facilities (the “2017 Study”). The 2017 Study provided that the current facilities are over-crowded and found that additional space was needed, particularly for operational functions. Based on the findings of the 2017 Study, the recommendation was to construct a new facility in Southeast Aurora (the “Improvement Project”), where existing facilities are limited for Water, Public Works, Fleet and Parks, Recreation and Open Space City employees. The SEAM facility is to be constructed on an 88-acre, City owned parcel located between Powhaton Road and Robertsdale Way on the north side of Quincy Avenue (the “Site”).

During its initial phase, the new SEAM [campus] is planned to house Aurora Water employees, however the facility is expected to have long-term growth opportunities for expansion to include other City departments such as Public Works, Fleet and Parks, Recreation and Open Space. The [Improvement Project or just the initial phase of the larger project?] will consist of the development of approximately 40 acres of the Site, with approximately 367,600 square feet of gross building area. The SEAM campus is expected to include: a main facility building that includes administrative office space; a water quality lab; shop workspaces; vehicular and equipment storage areas, as well as drive-through operations and maintenance bays; a warehouse and trades Building including a welding shop, associated administrative office spaces, exterior storage and work areas, a drive-through connection to the main facility building, and a loading dock; a climate-controlled storage building with drive-through bays; a fleet maintenance and wash building including drive-through fleet maintenance bays and two vehicle wash bays; maintenance yard areas with material storage bins; and a fueling station [will all of these projects be funded by Bond proceeds?]. The wash bays and fueling station are to be made available for use by all City departments.

In addition to the building, the Project also requires a new sewer interceptor to serve this facility and other growth happening in this area. [to be discussed – which components funded with water v. sewer bond proceeds?]

Construction of the Improvement Project began in early 2021 and is expected to be completed in 2023. [add details regarding construction contract?]

THE CITY

Currently the third largest municipality in Colorado, the City was founded in 1891 as an unincorporated community and was incorporated on May 5, 1903 as the Town of Fletcher. In 1907, the Town Council changed the name to “Aurora.” The Council-Manager form of government was adopted by the City in 1954, and the 11 members of the City Council (including a full-time Mayor, who is elected specifically for that position) are chosen biennially for staggered four-year terms in non-partisan elections. The Mayor serves as the presiding officer at all meetings of the Council and is not entitled to vote upon any resolution or ordinance unless it is to create or break a tie vote. A Mayor Pro Tem is elected by the Council to serve in the absence of the Mayor. In 1961, the City became a home rule city by adopting its own Charter pursuant to Article XX of the Constitution of the State. The City is a full-service local government and owns Aurora Water. For more detailed information concerning the City, its government, growth and development and the local economy, see “Appendix D—GENERAL INFORMATION CONCERNING THE CITY.” While the City has other sources of revenue, the Series 2021 Bonds are not secured by any funds or revenues of the City other than the Net Pledged Revenues.

AURORA WATER

Aurora Water was organized to operate the City’s municipal water system (the “Water System”), as well as its Sewer system (the “Sewer System”) and the storm drainage system (the “Storm Drainage System”) together with the Water System, “Aurora Water”), on a fully self-supporting basis as a City owned business. The Council is the governing body of Aurora Water. Only the net revenues of the Sewer System are included in the Net Pledged Revenues and the Series 2021 Bonds are not secured by any pledge of Water System revenues.

Aurora Water, under the administration of the Director of Aurora Water, has approximately 470 full time equivalent employees and is responsible for the operation and maintenance of all water, Sewer, reclaimed effluent and storm drainage facilities owned by the City. Aurora Water has two major functional divisions, Water and Wastewater. The Water Division is engaged in developing, protecting, operating, maintaining and expanding the System for the benefit of users within the City and limited service areas outside the City. Funds of the System are maintained in accounts separate from funds of the Wastewater Division. The Wastewater Division is further divided into the Sewer and Storm Drainage operating divisions. An Administration Division provides administrative oversight for the entire department. Other divisions provide financial and customer billing, plan review and connection application, capital projects, public information and conservation, and resource acquisition and quality control functions.

Principal Officials

Aurora Water operates under the supervision of the Director of Aurora Water. Following is a description of the principal Aurora Water officials involved in the management of the System. See “Appendix D—GENERAL INFORMATION CONCERNING THE CITY—City Management” for information concerning key elected and appointed officials of the City government.

Marshall Brown, Director of Aurora Water (the “Director”), has been employed with the City since 2012. Mr. Brown has more than 25 years of experience in the water industry. He began in the private sector, where he gained significant technical expertise on water resource evaluation and development, feasibility studies, groundwater modeling and groundwater characterization and remediation. Mr. Brown was previously the head of the water utility in Scottsdale, Arizona. During his time with Aurora and Scottsdale, two industry leading utilities, Mr. Brown has had the opportunity to plan, manage and direct activities to position each organization for sustainable futures. Mr. Brown received a Bachelor of Science degree from Brigham Young University in Geological Engineering and a Master of Science degree from the University of Arizona in Geophysical and Geological Engineering.

Alexandra Davis, Deputy Director of Water Resources, has been employed with the City since 2015. Ms. Davis has spent almost 25 years in the water resources field. She started at the Colorado Attorney General’s office representing Natural Resource agencies and the State Engineer in Colorado Water Court. She spent a year as a Special U.S. Attorney representing Department of Interior agencies on water issues. While at the Colorado Department of Natural Resources (the “DNR”), she served as the Assistant Director for Water and the Director of the Inter Basin Compact Committee. There, she was responsible for implementing the Governor’s and the DNR Director’s agendas, creating and implementing statewide water policy, and aiding the Department agencies with water-related issues, policies and projects. As Assistant Director for Water, she served on a number of influential boards and committees including the Upper Colorado River Commission, the Colorado Ground Water Commission, Colorado Water Conservation Board, Western States Water Council, Governor Ritter’s South Platte Task Force, and the Colorado Supreme Court Water Rules Committee. After a short stint in private law practice, Ms. Davis returned to the State as the Colorado Parks and Wildlife Water Resources Manager and from there came to Aurora Water. Ms. Davis has a Bachelor of Arts degree from Pitzer College, majoring in Psychology and

Organizational Psychology and a Juris Doctorate degree from the University of Colorado. Ms. Davis also spent a year in Japan studying International Studies at Waseda University.

Dan Mikesell, Director of Water Operations, has been employed with the City since 1981. Mr. Mikesell has 40 years of experience in the water industry. During that time, he has held the positions of Interim Director, Deputy Director of Operations & Engineering, Manager of Operations, Water Services Manager and Customer Service Superintendent, all with the City. He currently serves as a member of the Homestake Steering Committee and the Aurora/Colorado Springs Joint Water Authority, as well as the Metropolitan Wastewater Reclamation District Board of Directors. Mr. Mikesell has an Associate of Applied Science degree in Management.

Steve Sciba, Deputy Director of Operations, has been employed with the City since 2005. Mr. Sciba has over 33 years of experience in the utility industry and previously held positions with the City of Englewood Engineering and Utilities Departments and was a supervisor for Colorado Springs Utilities before coming to the City. Since joining the City, Mr. Sciba has held the positions of Customer Service Superintendent, Water Services Division Manager, Support Services Division Manager and the Operations and Maintenance Division Manager for Aurora Water. He currently serves as the President of the Aurora/Colorado Springs Joint Water Authority and is Vice President of the Homestake Steering Committee. Mr. Sciba graduated with a Bachelor of Arts degree in Psychology from the University of Colorado and is currently designated as a State of Colorado, Certified Water Professional. He has obtained industry specific certifications as a Class 4 Collection System Operator, Class 4 Distribution System Operator, a “D” Water Treatment Operator and a Cross Connection Control Technician.

Jo Ann Giddings, Deputy Director of Water Financial Administration, has been employed with the City since 2005. Ms. Giddings has over 18 years of experience in government finance at the city and county level. Ms. Giddings’ experience at the City includes working in the City finance department as well as the finance office of Aurora Water. In addition to working for the City and Arapahoe County, Ms. Giddings also worked for a public accounting firm performing audits mainly for governmental entities. In addition to the city, county and audit experience, Ms. Giddings also has experience in commercial banking. Ms. Giddings received a Bachelor of Science degree in Accounting from Regis University and is a certified public accountant licensed in the State of Colorado.

Sarah Young, Deputy Director of Water Planning & Engineering, has been employed with the City since 2013. Mrs. Young has over 25 years of engineering and water-related experience. Prior to joining the City, Mrs. Young spent several years in civil construction and prior to that 12 years in private engineering consulting, focusing on master planning, water/wastewater design, environmental permit support, and enterprise fund feasibility and implementation. Mrs. Young has a Bachelor of Science degree in Civil Engineering from the University of Colorado and is a licensed professional engineer in Colorado.

Employee Pension Plan. Employees of Aurora Water are employees of the City and as such are covered under the City’s pension and post-employment benefits policies and plans. The City’s pension policies and plans are described in Appendix D hereto. See “Appendix D—GENERAL INFORMATION CONCERNING THE CITY—Employees; Unions and Labor Relations—*Employee Pension Plans.*”

Designation and Character of the Enterprise for Purposes of TABOR

To facilitate compliance with certain provisions of Article X, Section 20 of the Colorado Constitution (“TABOR”) described under the caption “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING,” the Council enacted the Enterprise Ordinance, confirming the existence of Aurora Water (including both the Water and Sewer Systems) as an “enterprise” for purposes of TABOR. TABOR defines an “enterprise” as a government owned business authorized to

issue its own revenue bonds and receiving less than 10% of its annual revenue in grants from all State and local governments combined. In the 12 months ended December 31, 2021, Aurora Water did not receive any material portion of its total revenues in grants from the State or its political subdivisions, including the City. Total revenues for that period, including development fees, were \$_____ (\$_____ of which were water system revenues and \$_____ of which were wastewater and storm drainage system revenues). Because total revenues for this purpose include items such as development fees, which are not treated as operating revenues for financial reporting purposes, these amounts are higher than the revenue figures reflected in Tables XIV and XV.

The City has made no covenant in the Bond Ordinance or the Enterprise Ordinance that it will continue to maintain Aurora Water as an “enterprise” under TABOR beyond the current fiscal year. A future failure of Aurora Water to qualify as an “enterprise” for purposes of TABOR would not affect the validity of the Series 2021 Bonds or the right and obligation of the City to increase fees and charges when required by the Bond Ordinance, but the absence of continuing spending exceptions such as those described under the caption “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING” would result in the inclusion of Aurora Water in the City’s overall spending and revenue base and limitations while Aurora Water continued to be disqualified. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.” In part because of voter-approved exceptions to the City’s TABOR revenue and spending limits, such a result, in the event that it occurred, would not be expected to adversely affect either Aurora Water or the City as a whole.

THE SYSTEM

The System is operated by the Enterprise and provides both Storm Drainage and Sewer facilities and services to persons and property within the City and to certain persons and property outside the City. The System is operated on a fee-for-service basis under a uniform system of rates designed to charge System customers for their relative shares of the cost of Sewer and Storm Drainage services.

General Description of the System

The following describes the facilities and operations of the Sewer System and the Storm Drainage System, which are physically separate but are administered as a single utility referred to collectively in this Official Statement as the “System.”

Service Area. The service area of the System includes the entire area of the City, with the exception of several relatively small and isolated areas which are presently undeveloped or receive service from special districts, as well as certain areas outside the City which have contracted for sewage collection and treatment.

The largest of the areas outside the City is the East Cherry Creek Valley Water and Sanitation District (“ECCV”) which maintains its own sewage collection system but, by contract, interconnects with the City’s sewer interceptors for delivery to Metro Wastewater Reclamation District for treatment. The contract with ECCV allows ECCV to provide sewer service to its customers without having to construct and own its own wastewater treatment plant. ECCV pays a premium to the City for the conveyance of its sewage and gives up its rights to successive use of that sewage as a developable water right. It is expected that this arrangement will continue, although ECCV could exercise its right to construct an independent treatment facility and disconnect from the System.

Sewer System. The Sewer System has been in operation since the 1920s. The status of development of the facilities of the Sewer System during the past five years is reflected in the following table:

TABLE I
Sewer System Development

Year	Total Sewer Connections	Total Miles of Sewage Collection Lines
2016	81,692	
2017	83,254	
2018	84,980	
2019	86,413	
2020	88,363	

The facilities of the Sewer System include a large network of collection and interceptor lines and various sewage lift pump stations. Lines larger than 30 inches in diameter are generally reinforced concrete, while most lines between 30 inches and eight inches in diameter are vitreous clay pipe. Numerous smaller lines are also constructed of polyvinyl chloride. It is the policy of the Water Department not to use asbestos concrete in sewer line construction. The longest force main in the Sewer System is approximately 9,000 feet long.

Approximately 84% of the wastewater collected by the Sewer System is conveyed through the collection lines to a regional sewage treatment plant located northwest of the City and operated by Metropolitan Wastewater Reclamation District (“Metro”), a separate governmental entity which provides sewage treatment to many municipalities and a number of special districts in the Denver area. Under a contract with the entities which deliver raw sewage to it, Metro treats that sewage for an annual fee which is calculated on the basis of Metro’s cost of operations and debt service. See “—Metro and the Metro Contract” below. The remaining portion of the wastewater collected by the Sewer System is treated by the City at its 5 million gallon per day wastewater reclamation facility at Sand Creek, near the City’s northern boundary. This facility reclaims wastewater from the Sewer System for irrigating five municipal golf courses, four City parks and one Municipal Center. Treated effluent not used for irrigation is discharged to Sand Creek under the conditions of a National Pollutant Discharge Elimination System (NPDES) permit.

The following tables show the total growth of the Sewer System by class of customer over the past five years, and the ten largest customers of the System in 2020.

TABLE II
Sewer System Customers By Class

Classification	2016	2017	2018¹	2019	2020
Single-Family Residential	76,136	77,524	78,273	79,609	81,496
Multi-Family (2+ Units)	2,502	2,535	3,655	3,713	3,743
Commercial	<u>2,974</u>	<u>3,040</u>	<u>3,052</u>	<u>3,091</u>	<u>3,124</u>
Total	<u>81,612</u>	<u>83,099</u>	<u>84,980</u>	<u>86,413</u>	<u>88,363</u>

¹ In 2018 the definition of residential class changed to include only single family residential dwellings. Any residential dwelling with 2 or more units is classified as Multi-Family.

TABLE III
2020 Sewer System Usage and Revenues by Classification

Classification	Percent of Consumption	Percent of Revenues
Commercial	76.0%	77.5%
Residential	<u>24.0</u>	<u>22.6</u>
Total	<u>100%</u>	<u>100%</u>

TABLE IV
Ten Largest Customers of the Sewer System

Customer	Total User Charge Revenue Collected	Percent of Total Service Charges Collected ¹
Heather Gardens HOA	\$ 693,441	1.6%
Buckley Air Force Base	646,495	1.5
ERP Operating, LP	318,316	0.8
Aurora Public Schools	286,681	0.7
AOF/Riverfalls Affordable Housing	265,719	0.6
Mountain View Apartments	201,896	0.5
United Dominion Realty Trust	176,130	0.4
Aurora Meadows Apartments	172,186	0.4
Elk Ridge LP	168,274	0.4
Ridge Hill Apartments	160,077	0.4
Total	\$3,089,215	7.3%

¹ Based on total sewer service billings of \$42,356,147 in 2020.
Source: The Enterprise

Storm Drainage System. The City’s Storm Drainage System has formally been in existence since 1968, although the majority of the Storm Drainage System has been constructed since 1971. The Storm Drainage System facilities consist of a network of channels and storm drainage pipes ranging from 18 inches to 112 inches in diameter. These pipes are primarily reinforced concrete. The storm drainage channels and mains empty into either concrete-lined swales, natural and developed channels, detention ponds or greenbelt areas. The Storm Drainage System does not contain machinery or mechanical systems. The operation and maintenance of the Storm Drainage System consists primarily of keeping the pipes and channels free of debris and sediment and making periodic repairs to broken or eroded parts of the Storm Drainage System.

The Storm Drainage System contains approximately 337 miles of storm drainage, pipes and 31 miles of drainageways and in 2020 served an estimated 89,000 residential and commercial customers. the following table sets forth information on the Storm Drainage System’s ten largest customers in 2020.

TABLE V
Ten Largest Customers of the Storm Drainage System

Customer	Total User Charge Revenue Collected	Percent of Total Service Charges Collected ¹
Heather Gardens HOA		
ERP Operating, LP		
Aurora Public Schools		
Denver Auto Auction		
Hickory Ridge Apartments		
United Dominion Realty Trust		
Mountain View Apartments		
Hillcrest Village		
Ridge Hill Apartments		
Buckley Air Force Base		
Total		

¹ Based on total storm drainage service billings of \$ _____ in 2020.
Source: The Enterprise

The Storm Drainage System lies within the Mile High Flood District, established by statute to coordinate storm drainage and flood control efforts in the six county metropolitan Denver area. See “— Mile High Flood District” below.

Metro and the Metro Contract

The City is a party to the Metro Wastewater Reclamation District (“Metro”) Sewage Treatment and Disposal Agreement (Service Contract), dated as of January 1, 1964, as amended through December 1, 1994 (the “Metro Contract”). Metro was formed under the Metro Contract for the purpose of constructing and operating a sewage transmission and treatment system serving most of the Denver metropolitan area. The Metro Contract provides that the City, along with other municipalities that are parties to the Metro Contract, may connect to Metro’s sewage collection system and discharge the sewage from the System into interceptor sewers constructed and maintained by Metro. Metro collects and conveys sewage from the collection systems of the parties to the Metro Contract and from special connecting municipalities which also use Metro’s system (together, the “Connectors”). The wastewater is conveyed to a regional wastewater treatment facility which treats and discharges effluent to the South Platte River. In return, the City and the other Connectors agree to pay annual fees to Metro for the operation of its system.

The City is the second largest contributor to Metro’s system after the City and County of Denver. In 2004, the City provided 20% of Metro’s revenues from customers and, based on the City’s revised estimated 2005 budget, provided 20% of Metro’s revenues from customers in 2005. The City used 46.3% of the City’s Wastewater Fund 2005 operating and maintenance expenses to pay Metro’s 2005 charges and fees. In 2004, Metro treated a total of 47,663.58 million gallons of sewage. Of this total, the City contributed 8,196.74 million gallons, or approximately 17.2%. Metro has built a second treatment plant northeast of the City to handle the additional capacity needed for the continued development in the eastern side of the City.

Metro is governed by a Board of Directors (the “Metro Board”). Each party to the Metro Contract (each a “Member Municipality”) is entitled to one seat on the Metro Board for each twenty-five thousand

of population, or fraction thereof, provided, however, that no Member Municipality is entitled to more than one-half of the total number of Directors. The Directors from each Member Municipality are appointed by the chief executive of the Member Municipality with the approval of its governing body. The regular term of each Director is two years. The representation on the Metro Board is reapportioned every two years based on the latest population estimates made by the Colorado Department of Local Affairs, Division of Planning and the governing bodies of the Member Municipalities. There are currently 4 Directors from the City on the Metro Board.

Annual fees paid by the Connectors for the transmission and treatment of sewage are based on the volume and strength of the sewage delivered to Metro's system. Each Connector is obligated to Metro for all sewage contributed by it, including that originating from any other municipality. Metro collects annual fees sufficient to provide for all operation and management expenses and reserves therefor, requisite debt service coverage, deficits, if any, capital expenditures and all other charges legally payable from Metro's system.

Metro also levies a sewer connection charge for each new tap connected to its sewage collection system or to the lines of the Connectors. This charge is used to pay for growth-related projects and debt service of Metro. Each Connector either charges the newly connected customer directly for the sewer tap connection or pays the fee through other sources. The City collects tap fees at the time the connection is made. The tap fees are typically paid by the developer, contractor or property owner. See "—Sources of Revenue" below.

On the first day of September preceding each fiscal year, Metro delivers to each municipality subject to the payment of any service charge or any annual charges, a certificate stating the estimated amount of such charge. Any such certificate may be adjusted by Metro during the fiscal year. The final annual charge is adjusted in amount, regardless of whether the original estimate was adjusted prior to that time, on the last day of March following the last day of the fiscal year.

Under the Metro Contract, each Connector must comply with any requirements of Metro including the quantity, quality and characteristics of the sewage delivered and discharged into Metro's system. Each Connector must have and administer pretreatment/industrial waste control programs in accordance with the Metro Contract. In addition, each Connector must control the industrial waste discharges from significant industrial users within its service area.

Mile High Flood District

The Storm Drainage System lies within the Mile High Flood District ("Mile High"), an entity established by statute to coordinate storm drainage and flood control efforts in the six-county Denver metropolitan area. Mile High has powers of taxation, eminent domain, and assessment of both public and private property to defray costs of its projects, and presently imposes a 0.82 mill levy on property in the City. Although the City is responsible for all physical structures of the Storm Drainage System within its service area, the Storm Drainage System is required to be designed and constructed in a manner consistent with the regional master storm drainage plan administered by Mile High. Mile High provides various services to the storm drainage utilities within its boundaries including regional planning and engineering of improvements, construction of major regional storm drainage facilities, and some maintenance funds.

Mile High also enters into inter-governmental agreements with the City and other operators of drainage systems providing for the joint design and construction of projects and the administration of grant funds. Mile High's enabling act provides, among other things, that Mile High's Board, which includes a representative from the City, may disapprove funding for storm drainage projects found to be inconsistent with Mile High's overall drainage plan and may order modification of nonconforming facilities. Projects

done jointly by the City and Mile High require a cost participation intergovernmental agreement prior to contract award. Projects done independently by the City, although they do not need an intergovernmental agreement, are submitted to Mile High for approval prior to awarding contracts. Consequently, Mile High will typically have approved all storm drainage projects done by the City before any contracts are awarded.

Environmental Concerns

The operation of the Storm Drainage and Sewer Systems is subject to substantial environmental regulation under both State and federal law. All operations of the System must comply with the provisions of the Clean Water Act (PL92-500 and amendments) and the City holds various NPDES permits as the regulating agency responsible for point and nonpoint pollution management. Although management of the System believes it is presently in compliance with all material regulations affecting the System, there can be no assurance future compliance with such requirements will not prevent the development of otherwise feasible projects or result in substantially increased capital and operating expenses for the System. Metro is subject to similar environmental regulation, and its costs of compliance are expected to be included in the annual Metro fees paid by the City and other governmental users of Metro’s transmission and treatment services.

Five-Year Capital Improvement Plan

The System has a five-year Capital Improvement Plan (the “Capital Improvement Plan”) which is updated and revised annually. The Capital Improvement Plan includes a list of projects designed to meet the needs of current customers and provide for future development. These projects include, among others, expansion of the Sanitary Sewer System along First Creek, Second Creek and Senac Creek which will result in the decommissioning of five lift stations throughout the City. Additional projects include rehabilitation of manholes, interceptors and diversion structures and upsizing of some undersized sewers in the older parts of Aurora. The Storm Sewer System improvements include flood reduction, detention and water quality projects in Westerly Creek, Easterly Creek, First Creek, Second Creek, Tollgate Creek, rehabilitation of existing pipe networks and infrastructure reimbursements for regional infrastructure constructed by the development community. The proposed 2021-2025 Capital Improvement Plan includes \$___ million for Sewer System and Storm Drainage System projects. A substantial portion of the total cost is expected to be funded by borrowing.

**TABLE VI
Five-Year Projected Capital Improvements**

	2021 Adopted	2022 Planned	2023 Planned	2024 Planned	2025 Planned	Total Cost 2021-2025
Sanitary sewer	\$73,500,000	\$31,500,000	\$17,050,000	\$35,300,000	\$7,000,000	\$164,350,033
Storm drainage	<u>6,148,815</u>	<u>7,125,442</u>	<u>8,150,067</u>	<u>13,136,079</u>	<u>10,000,000</u>	<u>44,560,403</u>
Total Wastewater Fund	<u>\$79,648,848</u>	<u>\$38,625,442</u>	<u>\$25,200,067</u>	<u>\$48,436,079</u>	<u>\$17,000,000</u>	<u>\$208,910,436</u>

DEBT STRUCTURE OF THE SYSTEM

The following tables summarize the outstanding System obligations of the City and Aurora Water and their annual debt service requirements.

TABLE VII
Debt Supported by Wastewater Fund Revenues as of December 31, 2020

Issue	Dated	Original Amount	Interest Rate	Maturity Date	Principal Outstanding
First-Lien Sewer Obligations					
Sewer Revenue Bonds, Series 2016		\$ 28,900,000	1.560%	8/1/2026	\$ 17,805,000
Sewer Revenue Bonds, Series 2018A		2,000,000	3.035	8/1/2030	2,000,000
Sewer Revenue Bonds, Series 2018B ¹		<u>28,000,000</u>	<u>1.231</u>	<u>8/1/2030</u>	<u>13,000,000</u>
Total First-Lien Sewer Revenue Obligations		<u>\$58,900,000</u>			<u>\$32,805,000</u>
Subordinate-Lien Sewer Revenue Obligations					
Subordinate Interfund Revenue Note, Series 2018		16,000,000	2.500	12/1/2026	16,000,000
Total Subordinate-Lien Sewer Revenue Obligations		<u>16,000,000</u>			<u>16,000,000</u>
Total		<u>\$74,900,000</u>			<u>\$48,805,000</u>

¹ Revolving drawdown loan with \$13 million drawn as of January 1, 2021.

TABLE VIII
Summary of Debt Service Requirements to Maturity

Year	First-Lien Sewer Revenue Obligations ¹		Subordinate Sewer Revenue Obligations ²		Total Requirements to Maturity
	Principal	Interest	Principal	Interest	
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
Total					

¹ Series 2021 Bonds; Series 2016 Bonds and Series 2018 Bonds.

² Includes certain contractual obligations not secured by a lien upon, but payable from, Net Pledged Revenues on a basis subordinate to first-lien obligations.

TABLE IX
Historic Debt Service Coverage for Wastewater Fund for the Fiscal Years ended December 31, 2016—2020

	2016	2017	2018	2019	2020
Net Pledged Revenue:					
Charges for Services ¹	61,010,450	64,039,032	67,385,881	69,555,133	72,448,526
Connection and Development Fees ²	6,433,524	6,124,204	11,647,178	7,188,582	11,685,972
Investment Income and Other Non-operating Revenue ³	2,522,589	2,341,797	2,170,773	3,347,617	3,428,611
Total Pledged Revenue	69,966,563	72,505,033	81,203,832	80,091,332	87,563,110
Operating Expenses ⁴	(46,205,800)	(50,018,172)	(51,254,250)	(52,899,919)	(52,607,198)
Net Pledged Revenue	23,760,763	22,486,861	29,949,582	27,191,413	34,955,912
First Lien Revenue Obligations—Debt Service	1,387,990	3,227,801	3,119,718	3,176,555	3,219,456
First Lien Revenue Obligations—Coverage	17.12	6.97	9.60	8.56	10.86
	1,387,990	3,227,801	3,119,718	3,609,342	3,619,456
All Revenue Obligations—Debt Service	17.12	6.97	9.60	7.53	9.66
All Revenue Obligations—Coverage	61,010,450	64,039,032	67,385,881	69,555,133	72,448,526

¹ Includes charges for services, licenses and permits.

² Includes connection, main extension and front footage fees and drought replacement surcharge (for applicable years). Does not include annexation fees.

³ Includes investment income and other non-operating revenue, less the adjustment to fair value.

⁴ Excludes depreciation and amortization expenses.

Source: Aurora Water

Based on the 2021 System budget and projected Net Pledged Revenues, management of the System currently estimates the following approximate debt service coverage in the years 2021-2026:

TABLE X
Estimated Debt Service Coverage for Wastewater Fund for the Fiscal Years ended December 31, 2021—2026

	2021 Budget ⁵	2022 Estimate ⁵	2023 Estimate ⁵	2024 Estimate ⁵	2025 Estimate ⁵	2026 Estimate ⁵
Pledged Revenue:						
Charges for Services ¹						
Connection and Development Fees ²						
Investment Income and Other Non-operating Revenue ³						
Total Pledged Revenue						
Operating Expenses ⁴						
Net Pledged Revenue						
First Lien Revenue Obligations—Debt Service						
First Lien Revenue Obligations—Coverage						
All Revenue Obligations—Debt Service						
All Revenue Obligations—Coverage						

¹ Includes charges for services, licenses and permits.

² Includes connection, main extension and front footage fees and drought replacement surcharge (for applicable years). Does not include annexation fees.

³ Includes investment income and other non-operating revenue, less the adjustment to fair value.

⁴ Excludes depreciation and amortization expenses.

⁵ Estimated based upon assumptions concerning future operations, including events and conditions which are not within Aurora Water's control, used by Aurora Water for planning purposes. These estimates assume Aurora Water does not implement an increase in rates charged to its customers during the years indicated. Actual results will vary from the assumptions and such variations may be material.

Source: Aurora Water

FINANCIAL INFORMATION CONCERNING THE SYSTEM

Operating History

The following table sets forth the operating history of the Wastewater Fund for the years indicated.

TABLE XI
City of Aurora Wastewater Fund
Comparative Schedule of Revenues, Expenses and Changes in Net Position
Years Ended December 31¹

	2015	2016	2017	2018	2019
Operating Revenues					
<i>Charges for services</i>	\$ 57,664,236	\$ 61,010,961	\$ 64,039,032	\$ 67,385,881	\$ 69,555,133
Operating Expenses					
Cost of Sales and Services	44,953,375	46,201,755	49,632,079	50,330,286	51,048,471
Administrative Expenses	1,064,355	1,188,042	1,392,186	1,432,561	1,477,126
Depreciation	<u>10,133,859</u>	<u>10,848,883</u>	<u>11,696,684</u>	<u>12,558,089</u>	<u>13,268,985</u>
Total Operating Expenses	<u>56,151,589</u>	<u>58,238,680</u>	<u>62,720,949</u>	<u>64,320,936</u>	<u>65,794,582</u>
Operating Income	<u>1,512,647</u>	<u>2,772,881</u>	<u>1,318,083</u>	<u>3,064,945</u>	<u>3,760,551</u>
Nonoperating Revenues (Expenses)					
Investment Earnings	912,735	775,011	828,282	1,116,554	2,791,095
Intergovernmental Revenue	2,131,543	--	--	--	55,077
Miscellaneous Revenue	71,244	126,852	23,201	22,240	39,609
Interest Expense	(602,477)	--	(230,078)	(394,717)	(844,342)
Bond Issuance Expense	--	(67,731)	--	--	--
Amortization of premiums and (discounts)	29,655	31,297	48,644	47,558	47,558
Gain (loss) Disposal Capital Assets	<u>107,659</u>	<u>104,035</u>	<u>(3,731,753)</u>	<u>(4,072)</u>	<u>147,193</u>
Net Non-Operating Revenues (Expenses)	<u>2,650,359</u>	<u>969,464</u>	<u>(3,061,704)</u>	<u>787,563</u>	<u>2,236,190</u>
Income (Loss) Before Contributions and Transfers	4,163,006	3,741,745	(1,743,621)	3,852,508	5,996,741
Capital Contributions	12,203,329	36,928,988	22,041,122	31,716,001	29,653,554
Transfers Out	--	--	(100,000)	(33,399)	--
CHANGE IN NET POSITION	16,366,335	40,670,733	20,197,501	35,535,110	35,650,295
NET POSITION-January 1, before restatement	<u>490,184,991</u>	<u>506,478,286</u>	<u>547,149,019</u>	<u>567,346,520</u>	<u>602,171,554</u>
Adjustment for Change in Accounting Principle	(73,040)	--	--	(710,076)	--
NET POSITION-January 1, after restatement	<u>490,111,951</u>	<u>506,478,286</u>	<u>547,149,019</u>	<u>566,636,444</u>	<u>602,171,554</u>
NET POSITION- December 31	<u>\$506,478,286</u>	<u>\$547,149,019</u>	<u>\$567,346,520</u>	<u>\$602,171,554</u>	<u>\$637,821,849</u>

¹ See Appendix B to this Official Statement containing the audited financial statements of the City for the year ended December 31, 2019 and accompanying notes for more complete information related to the Wastewater Fund.

TABLE XII
City of Aurora Wastewater Fund
Schedule of Sources, Uses and Changes in Funds Available
Actual, (Non-GAAP) Budgetary Basis Years Ended December 31

	2015	2016	2017	2018	2019
Sources					
Charges for Services	\$57,598,847	\$ 60,936,669	\$ 63,636,075	\$ 66,768,676	\$68,917,395
Intergovernmental Revenues	1,122,929	1,002,393	960,207	319,920	1,081,077
Investment Income	999,766	953,522	936,014	1,092,907	1,693,205
Other Revenues ¹	5,092,160	6,969,944	6,926,692	12,975,304	8,252,462
Proceeds—Sale of Assets	107,659	104,035	46,045	47,025	147,193
Proceeds—Long Term Borrowing	--	28,900,000	--	30,000,000	--
Funds from Restricted Assets	--	3,995,645	--	--	--
Transfers In	--	--	--	<u>16,000,000</u>	--
Total Sources	<u>64,921,361</u>	<u>102,862,208</u>	<u>72,505,033</u>	<u>127,203,832</u>	<u>80,091,332</u>
Uses					
Operating Costs					
Operations Group	47,970,872	80,257,440	53,045,536	54,506,952	56,755,020
Continuing Appropriations					
Operations Group	<u>6,167,471</u>	<u>22,824,952</u>	<u>30,379,073</u>	<u>72,634,160</u>	<u>10,066,112</u>
Total Uses	<u>54,138,343</u>	<u>103,082,392</u>	<u>83,424,609</u>	<u>127,141,112</u>	<u>66,821,132</u>
Change in Funds Available	10,783,018	(220,184)	(10,919,576)	62,720	13,270,200
Funds Available—January 1	<u>14,609,274</u>	<u>25,392,292</u>	<u>25,172,108</u>	<u>14,252,532</u>	<u>14,315,252</u>
Funds Available—December 31	<u>\$25,392,292</u>	<u>\$ 25,172,108</u>	<u>\$ 14,252,532</u>	<u>\$ 14,315,252</u>	<u>\$27,585,452</u>

¹ Includes connection, development and annexation fees in addition to other miscellaneous revenues.

Management’s Discussion and Analysis of Trends in Wastewater Fund Financial Results

Aurora Water maintains the System. Master plans are completed routinely to guide the capital planning for the System to enhance the level of service provided to existing customers and to respond to projected growth in the City. Projections of planned population growth indicate that the System will require significant expansion in the coming decades. Increasingly stringent regulations and customer expectations will require expansions and continuing upgrades in the System. [additional details?]

The System Financial Plan

Since 2007 Aurora Water has performed annual updates of the Water Enterprise Financial Plan (the “Financial Plan”). The first version of the Financial Plan was approved by the City Council on March 26, 2007. The Financial Plan incorporates a comprehensive capital and operating plan, a cash flow model for the System, and includes a 15-year schedule of water rate increases for system requirements. The Financial Plan is used by Aurora Water Managers in the overall management of the System. The 2016 cash flow model associated with the Financial Plan uses the results of the master plans. The master plans resulted in a scheduling of capital costs consistent with customer demand requirements of the System.

The Financial Plan demonstrates the necessary rate increases sufficient to pay annual operating and capital costs as well as maintaining the required debt service coverage and target reserve requirements. The assumptions used in the Financial Plan and cash flow model are subject to revision in the future as warranted by circumstances.

The rates currently charged to System customers are believed to be competitive with other systems in the Denver metropolitan area. The Financial Plan assumes the timely completion of the master plan

projects within its current schedule and contemplates a specific program of rate and fees increases which must be implemented to provide the required revenues. While the City Council has the authority to increase rates to whatever extent necessary to meet the City's obligations, there is no assurance that unforeseen circumstances will not require greater rate increases than currently contemplated.

Financial Policies; Debt Service Coverage

[revise for Sewer System; following taken from 2016 Water Official Statement] Aurora Water maintains voluntary financial policies which reflect management's current understanding of industry best practices. The financial policies are not mandatory and may be changed from time to time, at the discretion of Aurora Water, with Council approval. In general, the financial policies are contained in a document approved by the City Council on July 11, 2016, stating goals which include rate setting practices; impact fees; maintenance of debt service coverage in excess of bond covenant requirements; capital planning; maintenance of credit ratings; and optimum levels of reserves and liquidity. In addition, the policies contemplate continued development and maintenance of infrastructure sufficient to accommodate growth.

Table XII describes the historic coverage of revenues over debt service for the System during the years 2016 through 2020 and management's current estimates with respect to coverage in the years 2021-2026.

Debt Service Prepayments

Aurora Water has previously used cash on hand to prepay or defease a portion of its outstanding obligations, which practice has favorably affected debt service requirements and coverage.

System Rates and Fees

System rates and fees are established by the City Council by ordinance. The Colorado Supreme Court has held that rate ordinances are administrative, rather than legislative, in nature and are therefore not subject to popular referendum.

The Enterprise maintains the Wastewater Fund, which accounts for the revenues and expenses of the System. Within the Wastewater Fund there are four principal sub-funds, the Sanitary Sewer Operations, the Sanitary Sewer Development Sub-Fund, and the Storm Drainage Operations and Storm Drainage Development Sub-Fund. Moneys derived from one-time Sewer Service Connection Fees are credited to the Sanitary Sewer Development Sub-Fund and monthly fees are credited to the Sanitary Sewer Operations. Moneys derived from one-time Storm Drainage Development Fees and monthly Storm Usage Fees are credited to the Storm Drainage Operations and Development Sub-Fund. In both cases, monthly fees are allocated to operating and system improvement projects while connection fees are allocated to growth-related projects.

Sewer System Tap Fees. The primary sources of revenue of the Sewer System include Sewer Service Tap Fees which are one-time fees imposed for the privilege of tapping or connecting to the Sewer System and Sewer Charges which are the monthly fees and usage amounts charged to the customers of the Sewer System (see "Sewer Charges" below). Historical tap fees charged by the City to Sewer System customers are as follows:

TABLE XIII
Sewer System Tap Fees by Service Size

Type and Size of Connection	Sewer System Tap Fees				
	2017	2018	2019	2020	2021
Single Family Detached (per unit)	\$ 2,400	\$ 2,700	\$ 2,860	\$3,040	\$3,040
Single Family Attached (per unit)	1,320	1,485	1,573	1,672	1,672
Multi-Family (per unit)	1,224	1,377	1,459	1,550	1,550
Commercial (per tap size)					
3/4"	4,560	5,400	5,720	6,080	6,080
1" & 1 1/4"	10,800	12,960	13,728	14,592	14,592
1-1/2"	26,400	29,700	31,460	33,440	33,440
2"	48,000	54,000	57,200	60,800	60,800
3"	100,800	116,100	122,980	130,720	130,720
4"	182,400	232,200	245,960	261,440	261,440
6" and larger	(a)	(a)	(a)	(a)	(a)

(a) Commercial Sewer fees for meters greater than 6" will be determined on an individual basis

Historical Sewer System tap fee revenues for the years ended December 31, 2016-2020, have been as follows:

TABLE XIV
Sewer System Tap Fee Revenues

Year	Tap Fee Revenue
2016	\$5,184,196
2017	5,162,741
2018	8,667,365
2019	6,242,461
2020	9,751,076

In addition to the Tap Fee, the City collects, as agent for Metro (See “—Metro and the Metro Contract” above), Metro’s sewer connection charge. Such charge is determined by Metro and is applied to all new or altered connections to the City’s Sewer System. The connection charge is determined directly for single-family residential units and by the installed water service connection size for multifamily and nonresidential connections.

Sewer Service Charges. Sewer service charges for single-family detached, single-family attached, multifamily, commercial and industrial users of the Sewer System are assessed based upon the user’s average monthly water consumption computed from meter readings taken during the winter period. The current Sewer System volume charge is \$1.78 per 1,000 gallons of water consumed by the user.

The rates charged by the City to Sewer System customers, based upon the size of the water meter servicing the user, are as follows:

TABLE XV
Sewer System Monthly Service and Volume Charges ¹

Meter Size	2017	2018	2019	2020	2021
5/8”&3/4”	\$ 3.81	\$ 3.96	\$ 4.12	4.28	4.28
1” & 1 ¼”	9.53	9.90	10.30	10.71	10.71
1-1/2”	19.05	19.80	20.60	21.42	21.42
2”	30.48	31.72	32.96	34.28	34.28
3”	66.68	69.34	72.10	74.98	74.98
4”	190.50	198.00	206.00	214.24	214.24
6”	381.00	396.00	412.00	428.48	428.48
Volume Charge per 1,000 gallons ²	3.50	3.64	3.79	3.94	3.94

¹ Total monthly fee includes the monthly service charge plus the volume charge.

² Sewer usage is based on the average water use for December, January and February.

Storm Drainage System Usage and Development Fees. Revenues for the Storm Drainage Operations and Development Sub-fund of the Wastewater Fund are derived from the Storm Drainage Usage Fees imposed monthly upon the owners of property served by the Storm Drainage System, and from the Stormwater Development Fee charged developers at the time building permits are issued. The Storm Drainage Usage Fees are as follows:

TABLE XVI
Monthly Storm Drainage Usage Fees

	2017	2018	2019	2020	2021
Stormwater Development Fee (Per Acre)	\$2,903	\$3,250	\$1,242	\$1,242	\$1,242
Single Family (per sq. ft. of lot size)	--	--	--	0.048	0.048
Commercial and Multi-Family	--	--	--	0.14	0.14
Residential ¹	10.16	10.46	10.46	10.46	10.46
Multifamily 1 st Unit ²	10.16	10.46	10.46	10.46	10.46
Additional Unit	8.00	8.24	8.24	8.24	8.24
Commercial 1 st Unit ³	10.16	10.46	10.46	10.46	10.46
Additional Unit ³	8.08	8.24	8.24	8.24	8.24

¹ Includes single family detached and individually metered single family attached dwellings.

² Multifamily units are equal to the number of total dwellings units

³ For commercial and industrial building, each unit is equal to 2,500 square feet of gross floor space or portion thereof.

Billing Practices and Collections

The System’s service area is divided into 19 geographical zones, each of which is billed every month. The customers are billed for monthly service charges and usage fees for water, sewer and storm drainage services in the same bill. Payment is due twenty days from the statement date. The City receives payments through various means. Due to the concern for public safety, the City makes every effort to collect delinquent accounts prior to disconnection of water service. The City provides notification at least 15 days prior to service disconnection. Discontinuance and reinstatement charges due to delinquency in payment, of \$28.30 respectively, are added to the customer’s account. Under the City Code, water, sewer and storm drainage services provided by the City or Metro Wastewater Reclamation District are deemed to

be provided to the real property so served without regard to the actual person billed for such services. The City is authorized to place a lien on the real property so served in the amount of all unpaid fees and rates, including a late fee of 5% of the bill and an administrative fee not to exceed ten percent of the total amount of such unpaid fees and rates, such lien being enforceable in the same manner provided for collection of delinquent real property taxes.

CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING

At the general election held November 3, 1992, the voters of the State approved a constitutional amendment (“TABOR”) limiting the ability of the State and local governments such as the City to increase revenues, debt and spending and restricting property, income and other taxes. Generally, TABOR limits the percentage increases in spending and property tax revenues to the prior year’s amounts, adjusted for inflation, local growth and voter approved changes, requires the maintenance of certain reserves, and prohibits the imposition of new real estate transfer taxes. In addition, TABOR requires that the State and local governments obtain voter approval for certain tax or tax rate increases or to keep or spend revenues received in excess of TABOR limits, and to create any “multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years,” except for refinancing debt at a lower interest rate or adding new employees to existing pension plans. City Charter amendments approved by voters in 1999 and 2000 limited the rate of property taxes imposed in the City, but also excluded most categories of City revenue, including City fees for services, from the TABOR fiscal year spending limit.

Many of the provisions of TABOR are ambiguous and will continue to require judicial interpretation. There is no assurance that the application of TABOR, particularly during periods of reduced economic activity, will not adversely affect the operations or financial condition of the City.

TABOR excepts from its restrictions the borrowings and fiscal operations of “enterprises,” which term is defined to include government owned businesses authorized to issue their own revenue bonds and receiving under 10% of their revenues in grants from all Colorado State and local governments combined. In a 1995 decision the Colorado Supreme Court held that a governmental entity with taxing power was not itself an “enterprise.” Aurora Water is authorized to issue revenue bonds in its own name, has no taxing power and receives no material portion of its revenues as grants from governmental sources. The City therefore treats, and expects to continue to treat, Aurora Water as an “enterprise” within the meaning of TABOR. Such treatment would depend upon conditions which may or may not exist in the future. Accordingly, the actual treatment of Aurora Water under TABOR may vary and such variations may be material. A failure by Aurora Water to qualify as a TABOR enterprise in a future year would potentially cause its revenues to be counted against the City’s TABOR fiscal year spending limits, although the Charter amendments described above under this caption would tend to mitigate any adverse effect of such a failure. See “AURORA WATER–Designation and Character of the Enterprise for Purposes of TABOR.”

FINANCIAL ADVISOR

Hilltop Securities Inc is employed as Financial Advisor to the City to render certain professional services including advising the City concerning the plan of financing for the Series 2021 Bonds. Under the terms of its agreement with the City, the Financial Advisor is not permitted to underwrite or competitively bid on any City securities issued by the City.

RATINGS

_____ (“___”) and _____ (“_____”) have assigned ratings of “___” and “___” respectively, to the Series 2021 Bonds. Such ratings reflect only the views of the respective rating agencies, and do not constitute a recommendation to buy, sell or hold securities. Explanations of the significance of such ratings may be obtained from the rating agencies.

The ratings are subject to revision or withdrawal at any time by the respective rating agency and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn. The Underwriters have undertaken no responsibility either to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Series 2021 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Series 2021 Bonds.

LITIGATION

There is no litigation now pending or, to the knowledge of the City officials responsible for the issuance of the Series 2021 Bonds, threatened which questions the validity of the Series 2021 Bonds or of any proceedings of the City taken with respect to issuance or sale thereof. There is no litigation pending or, to the knowledge of City officials, threatened that would, if determined adversely to the City, have a material effect on the financial condition of Aurora Water.

TAX MATTERS

General

[KR to review] In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes and exempt from State of Colorado income tax and is not a specific preference item for purposes of the federal or State of Colorado alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Series 2021 Bonds. Failure to comply with such requirements could cause interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2021 Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2021 Bonds.

Notwithstanding Bond Counsel’s opinion that interest on the Series 2021 Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporation’s adjusted current earnings over its alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

The Series 2021 Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes the amount of original issue premium on such Premium Bond. A purchaser of a Premium Bond must amortize any original issue premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior

to their maturity, generally by amortizing the original issue premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As original issue premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no corresponding federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of original issue premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

The 2.000% (initial rate) Series 2021 Step Coupon Term Bonds maturing on August 1, 2046 bear an interest rate that increases over time. Due to the fact that the interest rate of the Series 2021 Step Coupon Term Bonds increases over time, such Bonds may be deemed to have been issued with original issue discount. The accrual of any original issue discount on the Series 2021 Step Coupon Term Bonds will be treated as interest that is excluded from gross income for federal income tax purposes. Owners of Series 2021 Step Coupon Term Bonds should consult their tax advisors regarding the amount, if any, of original issue discount on such Bonds and the treatment thereof for federal income tax purposes.

The accrual or receipt of interest on the Series 2021 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2021 Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2021 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2021 Bonds.

Changes in Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax principles referred to above or adversely affect the market value of the Series 2021 Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted they would apply to bonds issued prior to enactment. In addition, regulatory actions are announced or proposed from time to time and litigation of tax issues is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of obligations such as the Series 2021 Bonds. Purchasers of the Series 2021 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial authorities as of the date of issuance and delivery of the Series 2021 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

UNDERWRITING

The Underwriter named on the cover page of this Official Statement has agreed to purchase the Series 2021 Bonds from the City at a purchase price equal to the principal amount thereof, less an underwriting discount of \$_____ plus original issue premium of \$_____. The City's obligation to deliver, and the Underwriters' obligation to accept, the Series 2021 Bonds are subject to various conditions contained in the bond purchase agreement relating to the Series 2021 Bonds.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2021 Bonds are subject to approval by Kutak Rock LLP, Bond Counsel, whose opinion is expected to be delivered in substantially the form set forth in Appendix A hereto. In addition to acting as Bond Counsel, Kutak Rock LLP has also been retained to advise the City concerning, and has assisted in, the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the Office of the City Attorney and for the Underwriter by [_____].

FINANCIAL STATEMENTS

The financial statements of the City as of December 31, 2019 and for the year then ended, included in APPENDIX C to this Official Statement, have been audited by BKD, LLP, independent auditors, as stated in their report appearing therein. The City did not request that BKD, LLP perform any updating procedures subsequent to the date of its audit report on the December 31, 2019 financial statements.

MISCELLANEOUS

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

The execution and delivery of this Official Statement have been duly authorized by the City.

CITY OF AURORA, COLORADO

By /s/ _____
Mayor

APPENDIX A
FORM OF OPINION OF BOND COUNSEL

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE CITY
AS OF DECEMBER 31, 2019**

APPENDIX C

**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE
AND THE SERIES ORDINANCE**

APPENDIX D

GENERAL INFORMATION CONCERNING THE CITY

The City's boundaries include portions of Arapahoe, Adams, and Douglas counties, covering an area of approximately 160 square miles. The Colorado Supreme Court recognized the prominence of the City among Colorado municipalities in 2012 in an opinion approving a congressional redistricting plan that, among other things, sought to unify major cities such as Aurora within single districts. Growth in the City is generally expanding to the northeast, east and southeast into currently undeveloped areas. Located on the plains east of the Rocky Mountains, the City comprises the eastern portion of the Denver metropolitan area, affording its residents short (approximately 15 minute) drives to Denver International Airport as well as the area's two major employment centers (downtown Denver and the Southeast Corridor). The City's population has grown from 983 in 1920 to an estimated 381,057 in 2019, with approximately 86% of its population residing in Arapahoe County, approximately 14% of its population residing in Adams County and approximately 0.10% of its population residing in Douglas County. This growth has brought significant private investment to the City, along with demand for more public services.

Elected Officials

The following persons, as of the date hereof, are members of the City Council.

Name	Council Position	Principal Occupation	Term Expires
Mike Coffman	Mayor	Full-time Mayor	2023
Nicole Johnston	Mayor Pro Tem	Program Consultant/Business Owner	2021
Crystal Murillo	Council Member	Advancement Fellow	2021
Marsha Berzins	Council Member	Business Owner	2021
Juan Marcano	Council Member	Architectural Design	2023
Alison Coombs	Council Member	Residential Program Manager	2023
Francoise Bergan	Council Member	Retired	2023
Curtis Gardner	Council Member	Executive Vice President	2023
Dave Gruber	Council Member	Retired	2021
Allison Hiltz	Council Member	Policy Associate	2021
Angela Lawson	Council Member	Lobbyist Program Manager	2023

Pursuant to the Colorado Constitution, Council members are limited to two consecutive terms of office. City voters may lengthen, shorten or eliminate these term limitations. At the regular municipal election of November 1, 2005, City voters approved such a change to the term limitation. Accordingly, except for those persons holding elective office prior to November 1, 2005, Council members are now limited to three consecutive terms of office.

The position of mayor is a full time salaried position. Council members are also salaried but do not hold full time positions.

City Management

The City Manager is responsible for providing administrative support, direction and interpretation of City Council policies to the Deputy City Managers, City departments and agencies. The City Manager, appointed by the City Council, serves at the pleasure of the Council.

James Twombly, City Manager, was appointed to his position at the City in August, 2018. Prior to coming to the City, Mr. Twombly served as the Director of Administration/City Manager for Tulsa, Oklahoma from 2009 to 2017. He served as the City Manager for Broken Arrow, Oklahoma, from 2004 to 2009, and the City Administrator for Pella, Iowa, from 1994 to 2004. Mr. Twombly served in multiple positions for the City of Oklahoma City, Oklahoma between 1982 and 1994, the last five years of which were in the City Manager's Office. He has had varied experience over his career in organizing and directing capital improvement program planning and financing, including voter-approved debt, revenue-backed debt, tax increment financing and fundraising. Mr. Twombly holds a Master of Arts degree and a Bachelor of Arts degree in Urban Affairs from St. Louis University.

Nancy Freed, Deputy City Manager, began working for the City in 1993 as Neighborhood Services Director and then became Deputy City Manager for the City in 1995. She currently is responsible for Water, Public Works, Human Resources, Library and Cultural Services, and Parks, Recreation and Open Space. From 1990 to 1992, Ms. Freed served as Executive Director of the American Leadership Forum, a national non-profit corporation dedicated to improving civic leadership. From 1978 to 1990, Ms. Freed worked for the City of Lakewood, Colorado, in a number of capacities including Acting City Manager, Assistant City Manager, and Executive Director of the Housing Authority/Housing Manager. Ms. Freed received a Bachelor's degree in Political Science from Goucher College in Towson, Maryland and a Master's degree in Public Administration from the University of Denver, Colorado.

Roberto Venegas currently serves as the Deputy City Manager for the City, as of December, 2019, after serving as Interim Deputy City Manager from July, 2019. In that role, Mr. Venegas oversees several departments, including Housing and Community Development, the Office of International and Immigrant Affairs, Communications, the Clerk's Office, and Finance. Mr. Venegas is also responsible for all intergovernmental relations for the City at the local, state and federal level. Since beginning his career with the City in 2012, he helped reestablish the Aurora Sister Cities program in 2013 and has significantly contributed to the positioning of the City as an international city. Mr. Venegas previously served as a Policy Advisor and City Council Liaison for former Denver Mayor, John Hickenlooper. In 2006, he was selected as a German Marshall Fellow. Mr. Venegas has a Bachelor of Arts degree from Colorado College and a Master of Arts degree from Stanford University.

Jason Batchelor has been Deputy City Manager for the City since 2015. He is currently responsible for Police, Fire, Office of Development Assistance, and Planning and Development Services. Mr. Batchelor served as the City's Finance Director from 2011 to 2015 and the City's Budget Officer from 2008 to 2011. Prior to his work with the City, Mr. Batchelor was the Corporate Budget Manager for the City of Austin, Texas. Mr. Batchelor served in the United States Army as a tanker with the First Cavalry Division, stationed at Fort Hood, Texas from 1996 through 2001. Mr. Batchelor received a Master of Public Policy degree from the LBJ School of Public Affairs at the University of Texas and a Master of Science degree in Environmental and Water Resources Engineering from the University of Texas. He received a Bachelor of Science degree from United States Military Academy – West Point.

Terri Velasquez has been Finance Director since 2015. She is responsible for operations of the City's Finance Department and the overall management of the City's finances. Previously, Ms. Velasquez served as the Deputy Finance Director of the City from 2012 to 2015. From 1987 through 2011 she worked for the City of Colorado Springs, Colorado in a number of capacities including Director of Finance and Administrative Services and Chief Finance Officer. Ms. Velasquez received a Master's degree in Finance and a Bachelor's degree in Accounting from the University of Colorado and is licensed as a Certified Public Accountant in the State of Colorado. She also holds a Certified Public Finance Officer designation from the Government Finance Officers' Association.

Teresa Sedmak was appointed as City Treasurer in December of 2020. In this position, she oversees the City’s debt, treasury and investment functions. Prior to her employment for the City, Ms. Sedmak served as the City Treasurer for the City of Tacoma, Washington from June 2012 through most of 2020. Prior to that experience, from 1999 to 2012, Ms. Sedmak served as the Manager of Debt and Investments for the Regional Transportation District in Denver, Colorado. Ms. Sedmak received a Bachelor’s degree in Business and a Master’s degree in Business, both from the University of Colorado.

Daniel L. Brotzman, Esq., was appointed City Attorney of the City on November 21, 2019. The City Attorney serves at the pleasure of and is directly responsible to the City Council. Mr. Brotzman has worked for the City since 2016, serving as the Manager of Legal Operations/Senior Attorney, Deputy City Attorney and Interim City Attorney. Prior to his work with the City, Mr. Brotzman served as the City Attorney of the City of Englewood, Colorado from 1995 to 2016. Mr. Brotzman received his Bachelor of Science in Business Administration from the University of Denver and his Juris Doctorate from Creighton University Law School. Mr. Brotzman studied international law at Magdalen College, Oxford University/McGeorge School of Law and pursued advanced graduate studies in tax at the University of Denver.

Services Available to City Residents

Generally. Pursuant to its Charter, the City provides the following services: police, fire protection and emergency medical services, water, Sewer and storm drainage facilities and services, street construction and maintenance, parks and open space, libraries and recreation facilities and services. The City operates the second largest municipal water utility system in the metropolitan area. Most sewage from the City is treated by the Metropolitan Wastewater Reclamation District pursuant to contract. Garbage collection is provided by private contractors by arrangement with individual residents.

Schools. The public school system serving City residents consists of facilities operated by two school districts, Adams-Arapahoe School District 28J and Cherry Creek School District No. 5, both of which are independent political subdivisions of the State of Colorado not connected with the City government. The following table presents a five year history of school enrollment for Adams and Arapahoe County School District No. 28J and Cherry Creek School District No. 5.

School Enrollment

Year	Adams and Arapahoe County School District No. 28J	Cherry Creek School District No. 5
2016/2017	41,797	54,815
2017/2018	40,920	55,657
2018/2019	39,892	55,791
2019/2020	40,088	56,172
2020/2021	37,907	54,167

Source: Colorado Department of Education

Employees, Unions and Labor Relations

Positions. The City has a total of 4,450 full, part–time and temporary positions for 2020. As set forth in the Charter, all regular full time and part time City employees, except Council appointees and City Manager appointees, are subject to a Civil or Career Service system, pursuant to which positions are graded and hiring and promotion policies are based upon standardized assessments of merit.

Unions and Labor Relations. Approximately 35% of the City’s full time employees are members of the Fraternal Order of Police (the “Police Association”) or the International Association of Firefighters Local 1290 (the “Firefighters Association” and together with the Police Association, the “Associations”). The City has contracts with the Associations providing, among other things, for specified wage increases and containing grievance procedures allowing for appeals to the City Civil Service Commission. The City has been holding periodic meet-and-confer discussions with the Associations for a number of years. The current contracts are effective through December 31, 2022.

As of the date of this Official Statement, labor management relations in the City may be characterized as free of major controversy, but the City cannot predict what wage settlements or added costs, if any, may result from future discussions or the resolution of grievances.

In 1976, the Colorado Supreme Court ruled that a municipality may not agree to binding arbitration on “legislative” matters, which include wages, on the basis that the delegation of legislative power to the arbitrator violates the State Constitution. Subsequent cases held that, as a general rule, the powers of the City can only be delegated to persons with political accountability to elected officials. The City’s procedures for resolving labor disputes involving police and fire employees are provided in its Charter. The Charter provisions governing police and fire labor disputes prohibit strikes and provide that disputes concerning wages, hours or working conditions are to be subject to collective bargaining; and that, in the event of an impasse in such bargaining, the matters in controversy may be submitted to a vote of the electors of the City.

Employee Pension Plans. City employees and elected officials participate in one of nine pension plans, including six defined benefit plans and three defined contribution plans, as further described in Note 13 to the basic financial statements in APPENDIX C to this Official Statement. Counted among these nine plans are the City’s pension trust funds: the City General Employees’ Retirement Plan (“GERP”) and the City Elected Officials’ and Executive Personnel Defined Benefit Plan (“EOEP”). For executive personnel, EOEP is a supplemental plan available to the employee in addition to the Executive Retirement Plan – Money Purchase Pension Plan (“ERP”) which is a defined contribution plan available to these executives. GERP was created in 1967 to provide retirement benefits to career service personnel. EOEP plans were created in 2001 to provide retirement benefits to elected officials and executive personnel. City police officers and firefighters are covered by one of the six other available retirement plans which are established and maintained exclusively for these first responders.

The City’s various defined benefit pension plans are evaluated in terms of net pension liability, net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense. The net pension liability or asset is the difference between the total pension liability and the fiduciary net position of the plan as of the measurement date. If the fiduciary net position exceeds the total pension liability as of the measurement date, there is a net pension asset. Deferred outflows of resources and deferred inflows of resources related to pensions are the amounts that are required to be deferred and recognized in subsequent periods. These terms refer to items that are not yet recognized in the net pension liability or asset or the pension expense. From time to time, changes in actuarial assumptions are expected to occur which would impact the net pension liability or asset of the defined benefit pension plans.

GERP. GERP is a contributory single employer defined benefit pension plan that covers all full- and part-time City employees, with the exception of City police officers, City firefighters, elected officials, contingent employees and executives who have elected to participate in ERP. Under GERP, employee contributions are required as a condition of employment and are matched equally by the City. The employee contribution was 7.00% for 2019. Benefits under GERP include retirement, death, disability and supplemental benefits. Pursuant to the City’s financial statements, as of December 31, 2019 (measured as of December 31, 2018), there were 996 retirees and others receiving benefits under GERP with 1,755 active

plan members. There were 255 former employees who are “deferred vested” under the plan, meaning participants with at least five years of credited service who terminate before normal retirement age and leave their contribution accumulation with the plan, have the option to receive an early or normal retirement benefit at a later time.

GERP administrative costs are financed using contributions and earnings of the plan. Employee and employer contributions are recognized for financial reporting purposes as revenues of the plan when due. Employer contributions recognized by GERP for the year ended December 31, 2019 were \$8,187,470. As of December 31, 2019, the City reported a liability of \$51,450,686 for GERP. The net pension liability was measured as of December 31, 2018.

While GERP maintained an actuarial surplus prior to the national financial crisis of 2008, investment losses in that year and changes in actuarial assumptions led the City to develop a plan to return GERP to fully funded status. Actions taken included increasing employee contributions, increasing City matching and developing a less costly tier of benefits for new employees hired after 2011. These changes are factored into budget estimates for the year 2020 and beyond.

ERP. ERP is an open defined contribution money purchase plan established by ordinance. The ERP plan provides retirement benefits to executive personnel who do not choose to join GERP and is administered by ICMA-RC. Normal retirement age under ERP is age 50 for plan members hired before November 5, 2013, and age 62 for plan members hired on or after November 5, 2013. Members vest at 33.33% each year and are fully vested at three years. Provisions and contribution requirements under this plan are established and may be amended by City Council. As of December 31, 2019, there were 24 plan members. In the year ended December 31, 2019, plan members and the City both contributed 10.0% to the plan, for a total of \$391,686.

EOEP. EOEP is a non-contributory single employer defined benefit pension plan that covers the Mayor of the City and all elected City Council members (“elected officials”). Individuals performing services as executive employees of the City on or after January 1, 2000 are also eligible to participate in EOEP (“executive personnel”) if they participate in the City’s ERP. The plan relies exclusively on contributions by the City; no member contributions are accepted. Under this plan, the City is required to contribute at an actuarially determined amount. An actuarial valuation is performed every other year and the City makes its full annual required contribution to EOEP each January. Benefits under EOEP include base and supplemental retirement benefits for elected officials, a standard supplemental benefit to executive personnel who are also members of ERP, supplemental and death benefits. As of December 31, 2019, there were 58 retirees receiving benefits under this plan with 30 active plan members and seven former employees who are deferred vested and entitled to receive benefits under EOEP at a later time. As of the December 31, 2018 measurement date, there were 52 retirees receiving benefits with 33 active members and seven former employees who are deferred vested.

EOEP administrative costs are financed using contributions and earnings of the plan. For the year ended December 31, 2019, the City’s average contribution rate was 2.14% of annual covered payroll and employer contributions recognized by the plan were \$94,018. As of December 31, 2019, the City reported a net pension asset of \$684,018 for EOEP. The net pension asset was measured as of December 31, 2018.

Additional Pension Plans. In addition to GERP, EOEP and ERP, the City has six pension plans exclusively available to its police officers and firefighters: four defined benefit pension plans including Old Hire – Fire; Old Hire – Police; Fire Statewide Defined Benefit Pension Plan; and Fire Statewide Hybrid Pension Plan; and two defined contribution plans including the Police Money Purchase Pension Plan and the Fire Money Purchase Pension Plan. A brief overview of each plan is presented below with additional information provided in Note 13 to the basic financial statements in APPENDIX C to this Official Statement. The City is periodically involved in contract discussions with the Fraternal Order of Police and

the International Association of Firefighters Local 1290. See “—*Unions and Labor Relations*” above. The current contracts are effective through December 31, 2022.

Old Hire Fire and Police Pension Plans. The Old Hire Plans are closed, non-contributory agent multiple-employer defined benefit plans covering all full-time police officers or fire fighters hired before April 8, 1978 and provide normal, delayed, vested or deferred retirement benefits to plan participants. The Old Hire Plans are a part of the statewide multiple agent employer public employee retirement system and are administered by the Fire and Police Pension Association of Colorado (the “FPPA”). The FPPA follows the Colorado Revised Statutes for plan contribution requirements and benefits. Both plans are included in the FPPA’s annual separately issued audited financial statements.

On April 1, 2020, House Bill 20-1044 was signed into law which will allow the FPPA Board to pursue a more individualized funding approach, including contribution policies, for each Old Hire plan. The effective date is January 1, 2021. The impact of this change cannot be predicted at this time.

Old Hire – Fire. As of December 31, 2019 (measured as of December 31, 2018), there were 132 retirees and others receiving benefits under the plan with no active or inactive, nonretired plan members. The City is required to contribute at an actuarially determined rate. Employer contributions recognized by the plan for the year ended December 31, 2019 were \$3,033,111. At December 31, 2019, the City reported a liability of \$34,654,014 for the plan. The net pension liability was measured as of December 31, 2018.

Old Hire – Police. As of December 31, 2019 (measured as of December 31, 2018), there were 146 retirees and others receiving benefits under the plan with one active member and no inactive, nonretired plan members. The City is required to contribute at an actuarially determined rate. Employer contributions recognized by the plan for the year ended December 31, 2019 were \$4,164,773. At December 31, 2019, the City reported a liability of \$47,914,096 for the plan. The net pension liability was measured as of December 31, 2018.

Statewide Defined Benefit Plan – Fire New Hire Pension Plan. The Fire Statewide Defined Benefit Plan (the “SWDB”) is a cost-sharing multiple employer defined benefit pension plan administered by the FPPA. The plan provides retirement and death benefits to firefighters hired on or after April 8, 1978. In addition to the initial transfer plan implemented at that time (which initial transfer plan is now closed), an updated plan was instituted in 2011 and remains in effect for firefighters hired on or after October 1, 2011. State statute assigns authority to establish and amend benefit provisions to the FPPA. This plan is included in the FPPA’s annual separately issued audited financial statements.

The City is required to contribute at a statutorily determined rate. The FPPA Board sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute while member contribution rates can be amended by state statute or election of the membership and City Council ordinance. As of December 31, 2019, 149 City firefighters are active members of the transfer plan and 9 are inactive, nonretired members of the transfer plan. In 2019, members of the transfer plan and the City contributed 12.0% (\$1,660,532) and 10.0% (\$1,328,502), respectively. Contribution rates for members of the transfer plan are scheduled to increase 0.5% annually through 2022 for a total combined member and employer contribution of 24.0% in 2022. In 2011, an updated plan was instituted for firefighters hired on or after October 1, 2011. As of December 31, 2019, 261 City firefighters were members of this plan. In 2019, plan members and the City contributed 10.5% (\$1,620,473) and 8.0% (\$1,234,803), respectively. Member contribution rates for this plan are scheduled to increase 0.5% annually through 2022 to a total of 12.0% of base salary. As a result of House Bill 20-1044, signed into law April 1, 2020, employer contribution rates for this plan will increase 5.0% over a 10-year period (0.5% annually)

beginning in January 2021 resulting in a total combined member and employer contribution of 25.0% in 2030.

As of December 31, 2019, the City reported a liability of \$5,377,143 for its proportionate share of the net pension liability for the plan. The net pension liability was measured as of December 31, 2018. The City's portion of the net pension liability was based on the City's contributions to the SWDB plan for the calendar year 2018 relative to the total contributions of participating employers to the plan. At December 31, 2018, the City's proportion was 4.25%.

Statewide Hybrid Plan – Fire New Hire Pension Plan. The Statewide Hybrid Fire Pension Plan (the "SWH") is a cost-sharing multiple employer defined benefit pension plan administered by the FPPA. This plan contains a defined benefit component and a money purchase component. State statute assigns authority to establish and amend benefit provision to the FPPA. This plan is included in the FPPA's annual separately issued audited financial statements.

The City is required to contribute at a statutorily determined rate. The FPPA Board sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWH plan are set by each individual employer; however, the rate for both employer and members must be at least 8% of the member's base salary. As of December 31, 2019, 34 City firefighters were members of this plan with 3 inactive, nonretired plan members. In 2019, plan members and the City each contributed an amount equal to 10.5% (\$318,581) of the member's base salary. The percentage split is recalculated each year.

At December 31, 2019, the City reported an asset of \$2,755,129 for its proportionate share of the net pension asset for the plan. The net pension asset was measured as of December 31, 2018. The City's portion of the net pension asset was based on the City's contributions to the SWH plan for the calendar year 2018 relative to the total contributions of participating employers to the plan. At December 31, 2018, the City's proportion was 19.96%.

Police Money Purchase Pension Plan – New Hire. The Police New Hire Plan is an open defined contribution money purchase plan established by agreement to provide retirement benefits for full time police hired on or after April 8, 1978. The plan is administered by a board established by the agreement. Plan provisions and contribution requirements are amended by an affirmative vote of 65% of the members as well as a City Council resolution. Normal retirement age is 50. The member is 100.0% vested at 5 years of service and 0.0% vested until that time. At December 31, 2019, there were 798 plan members. Plan members and the City were both required to contribute 10.5%. In 2019, plan members and the City each contributed \$7,233,828.

In 2020, City Council and Police civil service employees approved increasing contributions to the money purchase plan by 1.5% each, for a total contribution of 12.0% each for 2020. This increase addressed a request from the Police Money Purchase Plan Board for additional funding to offset investment risks that impact employee retirement accounts. An additional request has been made by the Police Money Purchase Plan Board to increase the total contributions to 12.0% ongoing. This request is to be considered by City Council in the 2021 budget. In addition, the City is working with the Police Money Purchase Plan Board to establish a defined benefit plan option for Police civil service employees. These efforts by the City and Police Money Purchase Plan Board are meant to assist in the attraction and retention of police officers and to address their retirement needs outside of the collective bargaining process.

Fire Money Purchase Pension Plan. The Fire Money Purchase Pension Plan is a closed defined contribution money purchase plan established by City ordinance to provide retirement benefits for City firefighters hired on or after April 8, 1978 and is administered by the FPPA. Plan provisions and

contribution requirements are established and may be amended by City Council. Normal retirement age is 50. All members are fully vested. As of December 31, 2019, there were 10 plan members. Plan members and the City are both required to contribute 11.0%. In 2019, plan members and the City each contributed \$99,380.

Governmental Accounting Standards Board Statements No. 67 and 68. The Governmental Accounting Standards Board (“GASB”) adopted Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* (“GASB 67”) to establish the requirements for governmental pension plan financial statement reporting for defined benefit pension plans. GASB 67 applies to pension plan financial statements included as a pension trust fund of a governmental entity. For the City’s defined benefit pension plans that issue stand-alone financial statements, GASB 67 does not require that the City include the information identified in GASB 67 within the City’s report as the stand-alone plan financial reports include the GASB 67 requirements. GASB 67 does apply to the City’s reporting of EOEP’s statement of fiduciary net position, statement of changes in fiduciary net position, certain notes to the financial statements and certain required supplementary information (“RSI”), as no stand-alone financial report is issued for EOEP.

Additionally, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (“GASB 68”) provides pension accounting and reporting requirements with regard to statements of net position, statements of activities, certain notes to the financial statements and certain RSI for governments that provide their employees with pension benefits that are administered through trusts and equivalent arrangements in which specific criteria are met. Under GASB 68, governments providing defined benefit pensions, including the City, are required to recognize the difference between the pension plan’s net fiduciary position and the total pension liability as of the measurement date as a liability or asset. The City’s required disclosures under both GASB 67 and GASB 68 are contained in Note 13 of the City’s basic financial statements in APPENDIX C to this Official Statement.

Other Postemployment Benefits (“OPEB”). In addition to providing pension benefits, the City, acting in a single-employer capacity, provides medical benefits to eligible retirees and their qualifying dependents who elect to participate through one of the five fully insured medical plans offered through Kaiser Permanente. Once retirees reach Medicare eligibility, they are required to switch their coverage to a fully insured Medicare supplemental plan. As of the December 31, 2017 actuarial valuation (OPEB actuarial valuations are done every odd numbered year), there were 2,845 active employees eligible to be covered under the City’s health insurance plan and, of these, 647 were fully eligible for the plan. In addition, there were 404 retired employees who received medical coverage under this program. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 as the plan is funded on a pay-as-you-go basis. Further information related to OPEB is included in Note 14 to the City’s basic financial statements in APPENDIX C to this Official Statement.

GASB adopted Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”) to revise and establish new accounting and financial reporting standards for governments that provide their employees postemployment benefits other than pensions. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. The City’s OPEB plan meets the GASB 75 criteria. No assets are accumulated in a trust that meets the criteria of GASB 75 as the plan is funded on a pay-as-you-go basis. To fund OPEB, retirees pay 100% of the blended premium cost of their participation for health care coverage. Since current and retired employees participate in the same group plan, the City, in effect, is providing an “implicit subsidy” for the retirees covered by the plan. As of December 31, 2019, the City reported a liability of \$18,741,089 for the plan of which \$932,917 is considered current. The total

OPEB liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2017 rolled forward using standard actuarial methods.

Major Sources of Development and Economic Activity in the City and Surrounding Metropolitan Area

The City has benefited from several major infrastructure, transportation and development projects in recent years.

Transportation, Infrastructure and Light Rail. Aurora's proximity to Denver International Airport ("DIA") along with major infrastructure construction activity along the City's I-70, I-225 and E-470 corridors during the 1990s as well as more recent large-scale transportation projects provide the City with a strong transportation and mobility base, facilitating population growth along with residential and commercial construction activity. These infrastructure assets maintain their importance as a source of development and economic activity in the City as the build out in these areas continues following the post-2008 national economic downturn. As an example, the City, along with the Colorado Department of Transportation ("CDOT") and other regional and national entities, made wholesale improvements to the I-225/Colfax interchange and constructed an additional exit/interchange off I-225 north of Colfax Avenue, enabling direct access into the Anschutz Medical Campus. More recently, the Regional Transportation District's ("RTD") \$7.4 billion FasTracks program included the East Rail Line, a 22.8-mile commuter transit line known as the University of Colorado A Line (the "A Line") between Denver Union Station and DIA, and a 10.5-mile light rail line running virtually the length of I-225 with ten stops in the City, including the Peoria Station junction with the A Line to the north, and connecting with existing RTD lines through Nine Mile Station to the south (the "R Line"). The A Line opened in April, 2016 and the R Line began operating in February, 2017. The addition of light rail stations and two City-owned parking garages prompted the need to create a new City-managed Parking and Mobility System. The purpose of this system is to manage parking efficiently to provide a safe and positive parking experience for customers, while supporting and strengthening the transit-oriented development areas, the City's urban center and a City goal to make the City a great place to locate or expand a business. The City manages the Hyatt Regency Aurora Conference Center's 506-space public parking garage and the 600-space Iliff Station parking garage.

The City remains committed to transportation projects to improve the City's transportation network, including the opening of the Stephen D. Hogan Parkway, named in honor of the City's late mayor, in 2019. The new parkway closes a two-mile gap in the current system by connecting East Sixth Avenue to the E-470 Tollway. The parkway provides a continuous east-west connection between the two roads and improves the reliability and efficiency of the transportation system including improved access to residential communities east of E-470 and to Buckley Air Force Base.

The City was recently awarded a \$25 million U.S. Department of Transportation BUILD grant to kick-start the I-70/Picadilly Interchange Project. The \$56.6 million project, including funding from the City and private developers, will provide additional infrastructure needed to support the planned population and employment growth in the area, improve safety on Tower Road, replace deficient roadways and connect Picadilly Road between Colfax Avenue and Smith Road to further improve mobility in the area. Construction could start by mid-2021 with an anticipated completion occurring in 2023.

Anschutz Medical Campus. Located on the 579-acre site of the former Fitzsimons Army Medical Center, the Anschutz Medical Campus and the Fitzsimons Innovation Campus are dedicated to bioscience, biotechnology, healthcare, medical education and advanced research – making it the largest academic health center in the Rocky Mountain region and one of the largest in the country. The Anschutz Medical Campus includes education facilities for physicians and other health professionals, and the University of Colorado Hospital and Children's Hospital Colorado, the primary adult and pediatric hospital partners of the

University of Colorado School of Medicine. In addition, the state-of-the-art Rocky Mountain Regional Veteran's Administration Medical Center opened in 2018. Fitzsimons Innovation Campus, including the Bioscience 3 building completed in early 2020, is recognized internationally for its medical research and offers opportunities to research and development companies from small start-ups to established industry leaders. The Anschutz Medical Campus treats more than 2 million adult and pediatric patients each year and has nearly 25,000 employees, faculty and staff.

While the Anschutz Medical Campus is not expected to directly provide major new revenue to the City budget due to its tax exempt and incentivized development, it is a major economic engine for the City and the surrounding area. The impact on the State's economy is currently over \$7 billion annually. As an example, the City and Corporex Colorado, LLC constructed a 249-room Hyatt Regency Hotel, the 30,000-square foot Hyatt Aurora-Denver Conference Center and a 506-space parking structure directly across the street from the Anschutz Medical Campus. The hotel is privately owned and the City owns the conference center and parking structure. Additionally, the Forum - Fitzsimons, the City's first transit-oriented upscale midrise residential mixed-use development, opened in 2018. It includes 397 apartment homes with first floor retail/commercial space at the corner of East Colfax Avenue and Potomac Street. The Forum is across from the Anschutz Medical Campus, in close proximity to a R Line light rail station.

The Legacy. Recently breaking ground, the Legacy at Fitzsimons Village is a 363-unit, five-story rental project to be constructed on a 4.5-acre vacant site within Fitzsimons Village. Specifically, this project is located adjacent to and just east of the Hyatt Regency Hotel and Conference Center. As currently planned, the project would include a mix of studios, one-bedroom units, two-bedroom apartment units and 9 three-story rental townhomes. Project amenities are expected to include study lounge areas, a clubhouse and fitness center, several courtyards, a swimming pool and community rooftop common space.

Military Facilities. Buckley Air Force Base, the City's largest employer and home to the 460th Air Base Wing and the Colorado Air National Guard, is an Air Force Space Command base that employs over 12,000 active duty, National Guard, civilian and contractor personnel. Another 6,000 employees – a third of Colorado's aerospace jobs – support Buckley's mission at over 20 aerospace companies including Raytheon, Boeing, Northrop Grumman and Lockheed Martin, making Colorado the second largest aerospace presence in the United States. Buckley Air Force Base provides support for a wide variety of military and satellite-related activities including maintaining air operations, space-based missile warning capabilities, space surveillance operations, and space communications operations. Buckley Air Force Base serves more than 92,000 active duty, National Guard, Reserve and retired personnel throughout the Front Range community and provided a \$1.28 billion annual economic impact in 2019.

Aurora Highlands. The Aurora Highlands is a 5,000-acre master planned community just south and west of DIA. This project is expected to include homes, shops and restaurants, parks and recreational amenities, office space, commercial/industrial employment centers and medical campuses. This project is expected to be home to more than 23,000 families at complete build out. A regional transportation authority has been formed to construct the regional infrastructure supporting the project.

Gaylord Rockies Resort and Convention Center. Opening in late 2018, the \$824 million Gaylord Rockies Resort and Convention Center enhances the economic vitality of the City by adding an estimated \$273.3 million to Colorado's economy and an estimated 450,000 new visitors to the metro area annually. The much-anticipated hotel and convention center near DIA covers 1.9 million square feet, has over 1,500 hotel rooms and more than 485,000 square feet of meeting and convention space on 85 acres. The resort includes a year-round indoor/outdoor Rocky Mountain waterpark experience for hotel guests. The project brought in over 10,000 construction jobs to the City and is estimated to provide over 2,500 permanent jobs. In 2020, RIDA Development Corporation, the lead developer behind the Gaylord project, announced an

\$80 million, 317-room expansion to the resort; due to the impact of COVID-19, the construction schedule has yet to be determined.

Other Development. With its business-friendly environment, available land and strong infrastructure, the City continues to attract housing and retail development. Major commercial and residential projects, including several transit-oriented developments, were completed in 2019 with others under construction. Current projects include Citadel on Colfax, 2nd and Abilene Station, Argenta, Parkside at City Centre, Spur at Iliff Station and The Point at Nine Mile. Master plans have also been approved for the area surrounding the Gaylord Rockies Resort and Conference Center with the first project, Painted Prairie, breaking ground in 2019. These projects encompass a range of development including single-family homes, townhomes, retail, rentals, hotels, senior living facilities as well as parks and open space. Several large commercial/industrial development master plans were approved in 2019 including Majestic Commerce Center II, an expansion of the existing industrial park, Fulenwider Industrial Park and JAG Logistics Center.

Prairie Waters Project. The City completed a major capital investment in its water system (the “Prairie Waters Project”) in order to protect the City against drought and meet future water needs. The City was able to complete this project on schedule and over \$100 million under the original projected project cost of \$754.8 million, allowing the City to reduce its related borrowing from \$600 million to \$542.6 million. The City refinanced the Prairie Waters Project and all of its outstanding water debt in August 2016, taking advantage of lower interest rates at a net present value savings of over \$68 million. On September 18, 2019, the City voluntarily redeemed \$45 million of the outstanding Series 2016 First-Lien Refunding Revenue Bonds. The called bonds contained a step coupon feature with a final maturity of 2046. The redemption yielded a net present value savings of \$11.85 million.

The Prairie Waters Project uses an innovative natural process to perform initial treatment of a sustainable water supply drawn from the South Platte River under water rights already owned by the City. After the initial treatment process, water is piped thirty-four miles south to the Binney Water Purification Facility, treated using a multi-step purification process, and delivered to City customers along with water derived from other sources. The Prairie Waters Project can supply up to 20% of the City’s current demand. It delivers as much as nine million gallons of water to the City daily and is expandable to 50 million gallons with additional infrastructure. The Prairie Waters Project is the cornerstone of a water supply plan that is expected to help meet the City’s needs for decades. It also enables the City to generate third party revenues through a regional water supply project (the “Water Infrastructure and Supply Efficiency Partnership” or “WISE Partnership”) by putting the Prairie Waters Project to greater use in times when the full system capacity is not needed by City customers. The WISE Partnership, with Denver Water and 10 water systems in the south metro area, allows regional sharing of water and infrastructure resources to meet future regional water supply needs.

Aurora Water. In addition to the Prairie Waters Project and the WISE Partnership, the City’s water department (“Aurora Water”) continues to seek innovative solutions to meet future demand, including a substantial water purchase from the London Mine in Park County which also provides environmental benefits to the area. Other projects expected to come online in the next decade include a maintenance and administrative campus called the Southeast Area Maintenance facility (“SEAM”), Wild Horse Reservoir, a large storage project that would help with the management of transbasin diversion, and an aquifer storage and recovery system that is being pilot tested to provide additional protection from climatic change. Aurora Water is the only water utility in the nation with three water treatment facilities awarded the Phase IV “Excellence in Water Treatment” designation and continues to be nationally recognized having won the U.S. Water Prize and the Platinum Award for Utility Excellence.

Recreational Facilities. The City is committed to providing its citizens high quality parks and recreation options by continuing to make investments in those areas. The City offers two reservoirs, five golf courses, 97 developed parks, six recreation centers, three nature centers, six outdoor pools, four indoor pools, a 27-field sports complex as well as trails and open space to explore. The renovated Moorhead Recreation Center, which reopened in 2017, added a large 3-court gym, community rooms, teaching kitchen, indoor aquatic center featuring an indoor/outdoor water slide, enhanced fitness amenities and new locker rooms. In 2019, the City opened its first new recreation center in 40 years, the Aurora Central Recreation Center at Tower Road and East Vassar Place. Located on 20-acres of land, the 61,000-square foot two-story facility features state of the art amenities including an aquatic area, gym, elevated walking/jogging track and fitness area along with a teaching kitchen, party rooms, and multi-purpose rooms.

Metropolitan Area. Denver ranked fourth among U.S. metropolitan areas in Forbes’ 2019 ranking of the best places for business and careers. Located on the eastern slope of the Rocky Mountains, the Denver-Aurora Combined Statistical Area (comprising the 10-county Denver-Aurora-Lakewood Metropolitan Statistical Area, the Boulder Metropolitan Statistical Area and the Greeley Metropolitan Statistical Area) (collectively, the “Metropolitan Area”) is a major business center, both in Colorado and the larger Rocky Mountain Region. Its central location, moderate climate and proximity to natural resources make the Metropolitan Area an attractive option for a wide variety of businesses and individuals.

According to the Metro Denver Economic Development Corporation’s 2019 Economic Profile, the Metropolitan Area ranks first nationally in aerospace employment, second in beverage production employment concentration, fifth in broadcasting and telecommunications employment concentration, fifth in energy employment, eighth in information technology/software employment concentration and 13th in aviation employment concentration.

The Metropolitan Area is considered the largest financial center between Los Angeles and Chicago. Due to its unique location, the Metropolitan Area is the largest metropolitan area in the nation to offer one-bounce satellite uplinks. The Metropolitan Area is also home to 10 of the 2019 Fortune 500 Companies. U.S. News and World Report recently ranked Colorado as the number one state in the nation for economy.

The following table summarizes the population growth of the City and the Metropolitan Area.

Population

Year	City of Aurora	Denver/Aurora Metropolitan Area	Aurora as % of Regional Population
1970	74,974	1,116,060	6.7%
1980	158,588	1,465,282	10.8
1990	222,103	1,666,883	13.3
2000	276,393	2,179,240	12.7
2010	325,078	2,543,482	12.8
2018	374,154	2,932,415	12.8
2019 ¹	381,057	2,967,239	12.8

¹ Estimate.

Sources: U.S. Department of Commerce, Bureau of the Census, and Colorado Division of Local Government, Demography Section; and the City 2019 CAFR

The City has received inquiries concerning potential annexations which could expand the City eastward by as much as approximately 20,000 acres of property, potentially increasing the City’s population by 128,000 residents over a period of 20 to 50 years. According to a study conducted by Mark A. Nuszer

Consultants (the “Annexation Study”), the expansion could cost a minimum of \$15,000,000 per year to provide services to the area for the next 20 to 50 years, due to a large portion of the expansion being residential in nature. Annexations in 2019 of 713.3 acres (1.1 square miles) were added to the City boundary. Development and capital impact fees offset the capital costs related to any new development and capital impact fees were updated in 2019 to reflect current capital costs.

Before any annexation or development is considered, landowners must agree to build or arrange construction of the required infrastructure. These up-front commitments routinely include the construction of water and sewer lines, roads, bridges and drainage improvements. In many new developments, infrastructure is funded and constructed by special districts, which are local quasi-governmental units with taxing powers. The formation of special districts within the City is subject to the approval of the City. However, the City does not guarantee the financial obligations of special districts. Developers also must dedicate to the City any groundwater rights they own, donate parcels for fire stations and schools, and preserve land for parks and open space.

Retail Development. The Westerly Creek Village Urban Renewal Area was a recipient of an Environmental Protection Agency Brownfields Area-Wide Planning Pilot Program grant. The project features Stapleton Aurora, a master planned residential community, and the Stanley Marketplace, a food-centric, community-inspired 100,000 square foot marketplace planned to include over 50 independently owned retail tenants at build out. The Marketplace opened in 2016 in the former 22-acre Stanley Aviation campus. Zagat named the Stanley Marketplace one of the nation’s 15 most anticipated restaurant openings of 2016 and *Bon Appetit* named Annette, one of the restaurants within the Marketplace, one of the 50 finalists for American’s Best New Restaurants 2017.

The retail trade sector employs a large portion of the City’s work force and is important to the area’s economy. The following table sets forth recent retail sales figures for the City and the State.

Retail Sales¹

Year ¹	City of Aurora	Colorado
2016	\$10,502,047,000	\$184,703,410,000
2017	10,678,846,000	194,641,958,000
2018	11,397,189,000	206,121,045,000
2019	11,914,044,000	224,618,938,000
2020 ²	11,744,942,000	204,788,720,000

¹ The retail trade sector employs a large portion of the City and State’s work force and is important to the area’s economy.

² Sales through November 30, 2020.

Source: State of Colorado, Department of Revenue, Retail Sales Reports 2016-2020

Median Household Effective Buying Income ¹

	2016	2017	2018	2019	2020
Adams County ²	\$49,918	\$52,915	\$58,065	\$60,370	\$66,400
Arapahoe County ³	53,589	57,549	60,256	64,082	67,348
Colorado	52,345	48,043	57,732	59,227	62,340
United States	46,738	54,718	50,620	52,468	54,686

¹ As calculated on January 1 of each year.

² Approximately 14% of the City's population resides in Adams County.

³ Approximately 86% of the City's population resides in Arapahoe County.

Source: The Nielsen Company, *Site Reports*, 2016-2017; Environics Analytics, *Spotlight Claritas Reports* 2018-2020

Percent of Households by Effective Buying Income Groups—2020 ¹

	Less Than \$25,000	\$25,000- \$49,999	\$50,000- \$99,999	\$100,000- \$149,999	\$150,000 and more
Adams County ²	13.50%	23.03%	37.27%	14.95%	11.25%
Arapahoe County ³	11.47	23.66	38.55	15.19	11.15
Colorado	15.57	24.20	36.17	14.08	9.98
United States	20.24	25.61	34.10	11.57	8.47

¹ Calculated as of January 1. Totals may not equal 100% due to rounding.

² Approximately 14% of the City's population resides in Adams County.

³ Approximately 86% of the City's population resides in Arapahoe County.

Source: The Nielsen Company, *Site Reports*, 2020

The following table sets forth historical information with respect to the Consumer Price Index for the past five years for the Denver-Boulder-Greeley MSA, which includes Adams, Arapahoe, Boulder, Denver, Douglas, Jefferson and Weld Counties (the "Denver MSA") and the United States. Such information is not available separately for the City.

Consumer Price Index ¹

	2015		2016		2017		2018		2019		2020	
	1 st Half	2 nd Half	1 st Half	2 nd Half	1 st Half	2 nd Half	1 st Half	2 nd Half	1 st Half	2 nd Half	1 st Half	2 nd Half
Denver MSA	1.0%	1.4%	3.0%	2.6%	3.1%	3.7%	3.2%	2.3%	1.3%	2.6%	2.7%	n/a
United States	(0.5)%	0.3%	1.1%	1.5%	2.2%	2.0%	2.5%	2.4%	1.7%	1.9%	1.2%	n/a

¹ Reflects the percent change from half to half (e.g. 1st half 2015 to 1st half 2016).

Source: State of Colorado, Division of Local Government, Demographic Section and United States Bureau of Labor Statistics

Construction Activity. The following table sets forth building activity in the City for the period indicated.

Recent History of Building Permits Issued in the City

Year	Single Family		Multi-Family		Commercial/Industrial	
	Permits	Value	Permits / Units	Value	Permits	Value
2016	1,350	326,969,435	39 / 1,396	\$170,353,007	50	125,289,770
2017	1,655	378,288,595	18 / 341	47,992,429	67	305,297,799
2018 ¹	1,411	--	44 / 1,114	--	62	--
2019	1,516	--	32 / 1,153	--	57	--
2020 ²	1,630	--	29 / 689	--	47	--

¹ Effective January 1, 2018, the City no longer accounts for valuations of building construction.

² Permits issued through October 31, 2020.

Source: The City Building Division

Foreclosures. Foreclosure actions are commenced when a default on a deed of trust has occurred, usually when buyers fail to make timely payments in accordance with a promissory note. Set forth below is a history of the number of foreclosure actions filed by the Public Trustee’s Offices of the Counties over the past five years.

History of Foreclosures Filed ¹

Year	Adams County	Percent Change	Arapahoe County	Percent Change
2016	704	--	729	--
2017	660	(6.25)%	706	(3.16)%
2018	611	(7.42)	632	(10.48)
2019	658	7.69	645	2.06
2020 ²	207	(68.54)	223	(65.43)
2021 ³	5	--	5	--

¹ Excludes foreclosures that were restarted in a given year.

² The decrease in the number of foreclosures filed in 2020 was the result of the State imposed restrictions in place regarding foreclosures. See “[COVID-19.]”

³ Foreclosures through February 10, 2021.

Sources: Adams and Arapahoe County Public Trustee’s Offices

Insurance

The City enjoys a limited form of governmental immunity for specified types of claims, pursuant to a State statute which establishes dollar limits for such claims. The statutory limits generally do not apply to federal claims. The City retains insurable risk up to the amounts where it has determined that commercial insurance is more cost beneficial. The City maintains a self-insured Risk Management Fund with total assets of \$20,357,815 and total liabilities of \$16,228,643 as of December 31, 2019.

Employment

It is estimated that, in 2019, the City’s total labor force averaged 200,678 and that, on average, in the same period 195,661 City residents were employed. Major employers in the City include the Anschutz Medical Campus (with approximately 27,000 combined public, private and not for profit sector workers); Buckley Air Force Base (with approximately 14,000 Air Force, Marine, Navy, Department of Defense,

Colorado National Guard, Army National Guard and Air Force Reserve employees); the City itself, with 4,450 full, part-time and temporary employees; and two public school districts with more than 10,000 total employees. TABLE IX below summarizes the City’s major employers. TABLES X and XI provide historical employment trends for the City as well as current unemployment data for the region and State. For 2019, the average annual local unemployment rate for Denver-Aurora-Lakewood was 2.7% which compares favorably to the state’s average unemployment rate of 2.8% and the national unemployment rate of 3.7%.

Major Employers—2019

Employer	Employees	Rank	Percentage of Total City Employment ¹
Anschutz Medical Campus (includes University Colorado, UCHealth, Children’s Hospital, VA)	27,000	1	13.8%
Buckley Air Force Base (includes military, civilian, national guard and reserve employees)	14,000	2	7.2
Aurora Public Schools	6,300	3	3.2
City of Aurora (includes contingent and seasonal workers)	4,450	4	2.3
Cherry Creek Schools (includes school district employees working within the City and the cities of Centennial, Cherry Hills Village, Englewood, Foxfield, Glendale and Greenwood Village)	3,750	5	1.9
Raytheon Company	2,500	6	1.3
Kaiser Permanente	2,000	7	1.0
HCA	1,800	8	0.9
ADT / Johnson Controls	1,550	9	0.8
Amazon	1,500	10	0.8

Source: Aurora Economic Development Council

City Historical Employment Trends

Year	Aurora Labor Force	Aurora Residents Employed	Annual Change in Resident Employment	Aurora Residents Unemployed	Unemployment Rate
2014	185,020	174,647	--	10,373	5.6%
2015	181,481	173,902	(0.4)%	7,579	4.2
2016	185,752	179,251	3.1	6,501	3.5
2017	190,579	168,912	(5.8)	21,667	2.9
2018	196,620	193,307	14.4	3,313	4.2
2019	200,678	195,661	1.2	5,018	2.5

Sources: The City 2019 CAFR and United States Bureau of Labor Statistics

State and Metro Employment—2020 ^{1, 2}

	Denver/Aurora/Lakewood Metropolitan Area	Colorado
Total Labor Force	1,683,979	3,130,345
Total Employed	1,563,708	2,913,146
Total Unemployed	120,271	217,199
Unemployment Rate	7.2%	7.0%

¹ Represents annual “not seasonally adjusted” Labor Force, Employment and Unemployment data through November 30, 2020.

² As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially since reported in April. See “RISK FACTORS—COVID-19.”

Source: State of Colorado, Division of Employment and Training

Capital Improvements Plan

The City’s Capital Improvements Plan (the “CIP”) is a five year capital-spending plan updated annually and includes appropriations to support required spending for approved capital projects. Unlike the operating budget, which authorizes expenditures for only one fiscal year, capital budget plans are multi-year and continue until the project is completed or changed by City Council.

There are multiple funds associated with the citywide CIP. The 2020 to 2024 five-year spending plan in support of CIP projects totals \$1.0 billion, including Water and Wastewater (\$736.4 million) and Golf (\$2.6 million) enterprise funds and the non-enterprise activities as noted in the table below.

The projects/programs described below primarily constitute capital maintenance for major city infrastructure, including roads and buildings as part of a continuing effort to maintain City assets. The five-year capital spending plans for these programs are generally level or slightly increasing annual expenditures.

Summary of Significant Capital Projects 2020-2024

Project	Total Estimated Project Cost ¹	Percent of Total
Projects and Programs (by category):		
Street/Street Light Maintenance, Repair and General Improvements	\$125.0	45.2%
TIP Projects, Major Traffic and TOD	35.2	12.7
Parks and Open Space ²	48.6	17.6
IT, Telephony and Other Projects	16.6	6.0
Public Safety Construction and Remodel	21.6	7.8
Building Maintenance, Repair and Improvements	<u>29.5</u>	<u>10.7</u>
Subtotal	<u>\$276.5</u>	<u>100.0%</u>
Future Projects:		
Streetlight Acquisition	\$ <u>30.0</u>	
Subtotal	<u>30.0</u>	
Total	<u>\$306.5</u>	

¹ Amounts expressed in millions. Amounts shown reflect total estimated project cost for these projects and not necessarily financed amounts. Costs exclude Golf, Water and Wastewater capital projects.
Source: The City Budget

The City Code of the City requires that 100% of all building materials and equipment use taxes (excluding any amounts attributable to TIF areas) plus 4% of all other General Fund revenues (excluding revenues from the 0.25% sales and use tax dedicated to Public Safety) be transferred into the Capital Projects Fund annually as the primary source of funding for capital projects, unless reduced by a two-thirds vote of the City Council. Total Sales and Use Taxes in the years indicated were as follows.

General Fund Sales and Use Tax Revenues (GAAP Basis)

Year	Sales and Use Tax Receipts
2015	\$206,044,737
2016	218,271,215
2017	223,036,313
2018	235,950,491
2019	254,451,747
2020 ¹	124,833,848

¹ Collections through July 31, 2020 (unaudited). **(update)**
Source: The City

Assessed and Estimated Actual Value of Property

Tax Levy Year	Assessed Valuation ¹	Estimated Actual Value
2016	\$3,658,660,909	\$29,818,794,294
2017	4,312,984,354	38,919,638,135
2018	4,394,274,636	40,229,042,344
2019	5,329,349,735	49,350,707,399
2020	5,480,961,876	[]

¹ Assessed valuation of property used as basis for taxes actually paid in subsequent year (excludes TIF areas; includes personal property).

Source: The City's 2019 CAFR and the Adams and Arapahoe County Assessor offices

Additional information concerning the City's historic property tax levies and collection, major property tax payers, direct and overlapping general obligation debt and mill levies of overlapping governments is set forth in the statistical section of the City's 2019 Comprehensive Annual Financial Report.

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Undertaking (the “Continuing Disclosure Undertaking” or the “Undertaking”) is executed and delivered by the City of Aurora, Colorado, acting by and through its Utility Enterprise (the “City”) in connection with the issuance by the City, acting by and through its Utility Enterprise, of \$_____ aggregate principal amount of First Lien Water Revenue Bonds, Series 2021 (the “Series 2021 Bonds”). The Series 2021 Bonds are being issued under a Water System General Revenue Bond Ordinance No. 2003-18 (the “General Ordinance”) adopted by the City Council (the “Council”), a Series 2021 Water Refunding Revenue Bond Series Ordinance No. 2021-__ (the “Series Ordinance”) adopted by the Council acting as such and as the governing body of its Utility Enterprise supplemented, as to certain final terms of the Series 2021 Bonds, by a Final Terms Certificate executed by the City’s Director of Finance (the “Final Terms Certificate” and, collectively with the General Ordinance and the Series Ordinance, the “Bond Ordinance”). The City covenants and agrees as follows:

Section 1. Purpose of this Undertaking. This Undertaking is being executed and delivered by the City for the benefit of the owners, both registered and beneficial, of the Series 2021 Bonds, in consideration of the purchase of the Series 2021 Bonds by the original purchasers thereof.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“*Agreement*” means the obligations of the City pursuant to Sections 4, 5 and 6.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“*Audited Financial Statements*” means the audited consolidated financial statements of the City, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means, initially the City, or any successor agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Material Event*” means the occurrence of any of the events with respect to the Series 2021 Bonds set forth in Exhibit II.

“*Material Events Disclosure*” means dissemination of a notice of a Material Event as set forth in Section 6.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2021 Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Colorado.

Section 3. Final Official Statement. The final Official Statement relating to the Series 2021 Bonds is dated _____, 2021 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the City’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 210 days of the completion date of the City’s fiscal year.

The City is required to deliver such information in Prescribed Form and by such time so that the MSRB receives the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2021 Bonds or defeasance of any Series 2021 Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2021 Bonds pursuant to the Bond Ordinance.

Section 6. Duty To Update EMMA/MSRB. The City shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB’s e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the owner of any Series 2021 Bond may seek specific performance by court order to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Bond Ordinance or any other agreement, and the sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City may amend this Undertaking, and any provision of this Undertaking may be waived, if:

- (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;
- (ii) This Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (iii) The amendment or waiver does not materially impair the interests of the owners of the Series 2021 Bonds, as determined either by parties unaffiliated with the City (such as the Paying Agent) or by an approving vote of the owners of the Series 2021 Bonds holding a majority of the aggregate principal amount of the Series 2021 Bonds (excluding Series 2021 Bonds held by or on behalf of the City or its affiliates) at the time of the amendment, pursuant to the terms of the Bond Ordinance; or
- (iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder when the City shall no longer have any legal liability under the terms of the Bond Ordinance pursuant to the terms of the Bond Ordinance for any obligation on or relating to the repayment of the Series 2021 Bonds. The City shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Dissemination Agent shall transmit all information delivered to it by the City hereunder to the MSRB as provided in this Undertaking. The City may, from time to time, appoint or engage a substitute Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Undertaking, the

City shall not have any obligation under this Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the owners of the Series 2021 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Assignment. The City shall not transfer its obligations under the Bond Ordinance unless the transferee agrees to assume all obligations of the City under this Undertaking or to execute a continuing disclosure agreement under the Rule.

Section 15. Governing Law. This Undertaking shall be governed by the laws of the State.

Date: _____, 2021

CITY OF AURORA, COLORADO

By _____
Director of Finance

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means statistical and tabular material of the type contained in the Final Official Statement pertaining to the Series 2021 Bonds under the captions “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Operating History” and Tables II, III, VII, X, XII, XVII, XIX and XXI.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission, and such information need not be provided in the exact format as shown in the Final Official Statement. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 210 days after the last day of the City’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Undertaking, including for this purpose a change made to the fiscal year-end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2020 CERTIFICATES FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment-related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City ¹
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional Trustee or the change of name of a Trustee, if material
15. Incurrence of a financial obligation ² of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation ² of the City or obligated person, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation ² of the City, any of which reflect financial difficulties.

¹ This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

² As used here, "financial obligation" generally means a: (i) debt obligation; (ii) derivative instrument entered into, in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the City and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2021 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2021 Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book entry-system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their

registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2021 Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Series 2021 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2021 Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Series 2021 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2021 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Series 2021 Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2021 Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.



CITY OF AURORA

Council Agenda Commentary

Item Title: Lobbyist Registration Ordinance
Item Initiator: Luke Palmisano, Intergovernmental Relations Manager
Staff Source/Legal Source: Luke Palmisano/Rachel Allen
Outside Speaker: N/A
Council Goal: 2012: 2.0--Serve as leaders and partners with other governments and jurisdictions

COUNCIL MEETING DATES:

Study Session: 12/21/2020

Regular Meeting: TBD

Dual Listed Why is this item dual listed?[Click or tap here to enter text.](#)

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration
Why is a waiver needed?

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: Federal, State & Intergovernmental Relations

Policy Committee Date: 11/20/2020

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval Does Not Recommend Approval
- Forwarded Without Recommendation Recommendation Report Attached
- Minutes Attached Minutes Not Available
-

HISTORY (Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)

ITEM SUMMARY (Brief description of item, discussion, key points, recommendations, etc.)

The Federal, State and Intergovernmental Relations Committee is the standing committee that oversees Aurora's relationships with our state legislative and federal congressional delegations. Being necessary to continue civil relationships and a professional culture the city maintains lobbying standards for employees and elected members of city government. These lobbying guidelines and regulations are periodically updated as professional standards change. The FSIR committee forwarded for full council discussion and approval an ordinance that update lobbying standards during the committee's regularly scheduled meeting on November 20, 2020.

QUESTIONS FOR COUNCIL

Does Council approve the update to the lobbying standards and recommend to move to Council Meeting for formal approval?

LEGAL COMMENTS

Council shall act only by ordinance, resolution or motion. All legislative enactments must be in the form of ordinance. City Charter Art. 5-1. (Allen)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: See fiscal note

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain:

ORDINANCE NO. 2021 - ____

A BILL

FOR AN ORDINANCE OF THE CITY CODE OF THE CITY OF AURORA, COLORADO, ADDING ARTICLE IX TO CHAPTER 2 OF THE CITY CODE PERTAINING TO THE REGULATION OF LOBBYISTS.

WHEREAS, lobbying involves private interests seeking access to public servants, seeking to influence public servants, and seeking to obtain special public benefits; and

WHEREAS, because of their public nature, lobbying activities need to be disclosed to the public; and

WHEREAS, the City Council of the City of Aurora, Colorado (the “City”), finds and determines that, to ensure transparency and the integrity of the City’s decision-making processes, it is appropriate to establish a regulatory system that allows the public to have timely access to information about attempts to influence the City’s decisions; and

WHEREAS, it is the Council’s intent that such system will apply the same rules to all persons engaged in lobby activities and will prohibit improper influence on City officials and employees in the decision- making process.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. The City Code of the City of Aurora, Colorado, is hereby amended by adding an article, to be numbered Article IX to Chapter 2 which article reads as follows:

ARTICLE IX. REGULATION OF LOBBYISTS

Sec. 2-951. Legislative intent.

It is the intent of the City Council to provide for the submission of pertinent information pertaining to those persons and their representatives who seek to influence the outcome of the City’s decision-making processes, such information to serve as a public record in order that the citizens of Aurora may know of municipal lobbying activities.

Sec. 2-952. Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- (1) ***Communication*** means a transmittal of information, data, ideas, opinions, or anything of a similar nature, by oral, written, or any other means to a covered official.
- (2) ***Covered official*** means:
 - a. The Mayor and members of the City Council;
 - b. The City Manager and any Deputy or Assistant City Manager;
 - c. The director of any City Department or agency, and any deputy or assistant director, or division manager;
 - d. The Chief of Police, the Fire Chief, and any deputy or division chief of the Police or Fire Department;
 - e. The City Attorney and any Deputy City Attorney;
 - f. The appointed members of the Board of Adjustment and Appeals, the Building Code and Contractors Appeals and Standards Board, the Planning and Zoning Commission, and the Civil Service Commission;
 - g. The Court Administrator and the Presiding Judge; and
 - h. Any candidate who has been elected to office but not yet sworn in. For purposes of this definition, a candidate is considered elected to office on the date the City Council adopts its resolution declaring the results of the election.
- (3) ***Expenditure*** means a payment, distribution, loan, advance, deposit, or gift of money or anything of value directly connected to the purpose of lobbying, including any contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.
- (4) ***Lobbying*** means communicating directly, or soliciting others to communicate, with a covered official for the purpose of aiding in or influencing the covered official to favor or oppose, recommend or not recommend, vote for or against, or to take or refrain from taking any official action.
 - a. “Lobbying” excludes communications by persons who are not otherwise registered as lobbyists and:
 - i. Who limit their activities to appearances for the purpose of giving testimony or providing information to the City Council or a committee thereof, or a City board or commission at a public hearing or meeting; or
 - ii. Who give testimony or provide information at the request of public officials or employees and who clearly identify themselves and the interest for whom they are testifying or providing information.
- (5) ***Lobbyist*** means any individual, including an attorney, who is self-employed or is employed or otherwise retained by any other person or organization, no matter the organization’s legal or IRS designation:
 - a. For the purpose of engaging in lobbying; or

- b. Whose scope of work requires him or her to lobby from time to time.
- c. “Lobbyist” does not include:
 - i. Any elected official, any City official, any person duly appointed to a City board, commission or other such body, or any City employee; provided the elected official, City official, person duly appointed to a City board, commission or other such body, or City employee is acting in his or her official capacity; or
 - ii. An attorney when representing a client or self in a pending or imminent publicly- noticed judicial or quasi-judicial proceeding; provided that the attorney must register as a lobbyist before engaging in an ex-parte communication regarding such a proceeding or its settlement. Whenever engaged in lobbying activities, attorneys must follow all of the rules set forth in this article and may not use the attorney-client privilege as a defense to the registration requirement.

(6) *Official action* means any action in the City of Aurora that involves:

- a. Any legislative matter, including the drafting, introduction or sponsorship of any ordinance, resolution, amendment, motion, or other matter, whether or not in writing, pending or proposed for consideration by the City Council or a committee thereof;
- b. Any development application, including the review, recommendation for or against, approval, denial, administration, or enforcement of any permit, site plan, rezoning, variance, or other action that would change the character or appearance of real property and any improvements thereon;
- c. Any contract to which the City, or any agency or instrumentality thereof, is a party, including the review, recommendation for or against, approval, denial, administration, or enforcement of any such contract, purchase order, lease, concession, franchise, grant, or other obligation; or
- d. The review, issuance, denial, administration, or enforcement of any permit or license for which the City is the issuing authority.

Sec. 2-953. Annual registration statement required.

- (1) *Registration required.* Before conducting any lobbying, a lobbyist shall file a registration statement with the City Clerk. In every succeeding year where a lobbyist intends to lobby covered officials, the lobbyist shall file an annual registration statement with the City Clerk by no later than January 15. Notwithstanding this deadline, a lobbyist must file an annual registration pursuant to this section each year prior to conducting any lobbying during that year. The City Clerk will make the filed registrations available to the public online within a reasonable time, not to exceed seven business days from the date of receipt.

- (2) ***Form of statement.*** The City Clerk shall prepare forms for the registration statement and other information required to be filed by this article and furnish such forms and information for use by persons subject to the requirements herein.
- (3) ***Information required.*** Each registration statement shall contain the following information:
 - a. The lobbyist's full name, lobbyist's employer, business mailing and email address, and business telephone number;
 - b. The name, business mailing and email address, and business telephone number of each client;
 - c. Who reimburses, retains or contracts with the lobbyist to lobby on any official action;
 - d. On whose behalf the lobbyist lobbies on any official action; and
 - e. By whom the lobbyist is paid or to be paid for such lobbying.
 - f. The matters of official action on which the lobbyist lobbies; and
 - g. The name of any covered official with whom the lobbyist has any familial relationship or is engaged in any business or employment relationship.
- (4) ***Amendments.*** If at any time, after a registration statement is filed pursuant to this article, any information required by this section changes in any way from that which is stated on the registration statement, the lobbyist shall supplement such information in writing within five days from the date upon which such change occurs.
- (5) ***Certificate of registration.*** Upon the filing of a registration statement in accordance with the requirements of this section, the City Clerk shall issue a certificate of registration to the lobbyist. Such certificate shall be valid for a period of one year from the date of issuance.

Sec. 2-954. Quarterly financial report.

- (1) ***Reports required.*** A financial report shall be filed each annual quarter with the City Clerk by each lobbyist. The report shall be filed no later than the fifteenth day of April for the first quarter of the year, fifteenth day of July for the second quarter of the year, fifteenth day of October for the third quarter of the year, and fifteenth day of January for the last quarter of the previous year, and each subsequent quarter in which the lobbyist receives any income or makes any expenditures for lobbying.
- (2) ***Form of report.*** The City Clerk shall prepare forms for the quarterly financial report and other information required to be filed by this article and furnish such forms and information for use by persons subject to the requirements herein.
- (3) ***Information required.*** Each quarterly financial report shall contain the following information:
 - a. The lobbyist's full name, business or occupation, business mailing

address, business telephone number, and name of employer, if applicable;

- b. The name of and total gross income for lobbying received from each client or other for whom the lobbyist lobbied during the previous quarter; and
 - c. A statement of expenditure directly benefitting a covered official. When a lobbyist reports an expenditure for lobbying a covered official, the following information shall be provided:
 - d. An itemized list and the estimated value of any gift, entertainment, or direct expenditure equal to or in excess of \$75.00 to, on behalf of, or benefitting the covered official for lobbying purposes, including, but not limited to: monies, tickets, gratuities, expressed agreements, or any tangible thing of value of any amount;
 - i. The \$75.00 amount set forth in subsection (3)(d) of this section shall be adjusted by an amount based upon the percentage change over a four-year period in the U.S. Bureau of Labor Statistics Consumer Price Index for Denver-Boulder-Greeley, all items, all consumers, or its successor index, rounded to the nearest lower dollar. The first adjustment shall be done in the first quarter of 2024 and then every four years thereafter.
 - e. The name of the client or employer on whose behalf money is expended;
 - f. The name and title of the covered official lobbied; and
 - g. The date lobbied and the official action on which the covered official was lobbied.
- (4) *Attorney as lobbyist.* Notwithstanding any other provision of this article, an attorney who is a lobbyist is required to disclose information about the clients for whom he or she lobbies in accordance with this article to the same extent as a lobbyist who is not an attorney.

Sec. 2-955. Termination of lobbyist status.

A lobbyist may terminate his or her registration by filing an amendment pursuant to section 2-953(d).

Sec. 2-956. Exceptions.

The provisions of this Article shall not apply to:

- (1) Any newspaper or other regularly published periodical, radio or television station, including any individual who owns, publishes or is employed by any such newspaper, periodical, radio or television station, which, in the ordinary course of business, publishes news items, editorials or other comments or paid advertisements which directly or indirectly urge action upon any official action, if such newspaper, periodical, radio or television station or individual engages in

- no further or other activities in connection with action upon such official action.
- (2) Any individual communicating and/or appearing on his own behalf, or appearing without compensation or consideration on behalf of an ad hoc committee, with respect to any official action, whether in support thereof or in opposition thereto, and pursuant to a procedure mandated by state or federal law, or local ordinance or rule or regulation.
 - (3) Any communication concerning the establishment, amendment, administration, implementation, or interpretation of a collective bargaining agreement between the City and a recognized employee organization.
 - (4) Any communication concerning management decisions regarding the working conditions of represented employees that clearly relate to the terms of collective bargaining agreements pursuant to (c) above.

Sec. 2-957. Employment of unregistered person.

No person shall employ for pay or any other consideration or agree to pay any consideration to an individual to engage in lobbying covered officials, unless such individual is a registered lobbyist or agrees to register in accordance with section 2-953(a).

Sec. 2-958. Rules and regulations.

The City Clerk may promulgate rules and regulations, to be approved by resolution by City Council, to define, interpret, implement and enforce the provisions of this article and to prevent the evasion of the requirements of this article. In accordance with section 2-3 of this code, the City Clerk shall promulgate rules and regulations to provide for show-cause hearings as required herein.

Sec. 2-959. Prohibited practices.

It shall be unlawful to violate, or fail to comply with, the provisions of this article. No person engaging in lobbying shall:

- (1) Do so without first registering pursuant to Sec. 2-953;
- (2) Make any agreement under which any consideration is to be given, transferred, or paid to any covered official contingent upon the passage or defeat of any legislation or the decision to take or refrain from taking any other official action;
- (3) Attempt to influence any covered official by means of deceit or by threat of violence or economic or political reprisal against or political or personal advantage to any person or property, with intent thereby to alter or affect such covered official's decision, vote, or opinion concerning any official action which is to be considered or performed by him or her or the agency or body of which he or she is a member;
- (4) Knowingly provide false information to any covered official as to any material fact pertaining to any official action which is to be considered or performed by him or her or the agency or body of which he or she is a member;

- (5) **Knowingly file any document provided for in this article which contains any materially false statement or material omission;**
- (6) **Conceal from a covered official the identity of the person or entity for whom the lobbyist is lobbying; or**
- (7) **Attempt to evade the obligations in this article through indirect efforts or through the use of agents, associates, or employees.**

Sec. 2-960. Lobbyist Violations, Hearings.

- (1) **On his or her own written motion or on the verified complaint of any person, the City Clerk shall investigate or cause the investigation of the activities of any person who is or who has allegedly engaged in lobbying and who may be in violation of any provision of this article.**
- (2) **The City Clerk shall determine if probable cause exists to take further action upon the complaint. If such a determination is made, the City Clerk shall send notice to the affected party ("respondent"), containing the allegations and grounds for a suspension, revocation, and/or fine, and the right to request a hearing. Such notice must be sent no later than one year from the date on which the violation is alleged to have occurred. The respondent may submit a written request to the Clerk for a hearing on the allegations no later than ten (10) business days from the date of the notice.**
- (3) **If the respondent does not request a hearing within the timeframe stated in (2) above, the Clerk may issue one or more sanctions stated in section 2-961 below as he or she deems appropriate. If the respondent requests a hearing with the timeframe, the Clerk shall appoint a hearing officer who shall not be an officer, employee, or agent of the City, and shall not have any relationship with the complainant or respondent. The City Clerk shall fix a date for the hearing, which shall be concluded no later than 60 days from the date the Clerk initiated his or her motion or the verified complaint was filed.**
- (4) **The respondent, Clerk and other interested parties may attend the hearing. Pursuant to the rules and regulations adopted pursuant to section 2-958, the respondent and the City Clerk may present evidence to the hearing officer in the form of testimony, documents, rebuttal testimony, and opening and closing statements. There shall be no cross-examination. The hearing officer shall be entitled to examine any witness and request the submission of additional evidence and arguments.**
- (5) **Upon completion of the hearing, the hearing officer shall take all evidence available as a result of the investigation, all evidence presented at the hearing, and shall give written notice of the findings and ruling to the respondent and City Clerk, dismissing some or all of the matter or issuing sanctions as stated in section 2-961 below as he or she deems appropriate.**

Sec. 2-961 – Sanctions

- (1) **Each violation of this article, with the exception of late filings addressed by penalties stated in Section 2-963, constitutes a separate and distinct civil offense**

to which a separate penalty or fine may apply. The sanctions for a violation of this article can be one or more of the sanctions stated below:

- a. Written warning to the individual or organization committed the violation.
 - b. Revocation or suspension for a maximum period of 12 months, the certificate of registration issued pursuant to section 9-253(5).
 - c. A bar on the individual or organization from registration for a maximum period of 12 months.
 - d. A fine of \$125 per violation, not to exceed \$2,500 per total charge.
- (2) The City Clerk shall notify covered officials within ten (10) working days regarding any action taken pursuant to paragraphs (a) of this section.

Sec. 2-962. Notice.

If, in any quarterly financial report filed under section 2-954, it is reported that more than the amount set forth in section 2-954 was spent while lobbying a covered official or that a lobbyist donated to a covered official any meals, tickets to events for which admission is charged, or reduced-price admissions to events for which admission is charged, then the City Clerk shall notify the covered official in writing within 15 days. The City Clerk shall also notify any covered official if a lobbyist reports any business or employment relationship involving that official within 15 days. Following receipt of either notification, the covered official may, within 10 days, file a written statement containing the reasons why his or her name should not be included in the quarterly report. This statement shall be attached to and remain a part of the quarterly report.

Sec. 2-963. Fees.

- (1) The City Clerk is authorized to establish fees and late filing penalties in accordance with section 2-587 of this code for:
 - a. Filing of lobbyist registration statements as required by section 2-953(a);
 - b. Amending lobbyist registration statements as required by section 2-953(d); and
 - c. Filing quarterly financial reports as required by section 2-954(a).
- (2) The Clerk shall establish a fee schedule and make said schedule available to the public online.

Section 2. The effective date of this ordinance shall be August 1, 2021.

Section 3. Pursuant to Section 5-5 of the Charter of the City of Aurora, Colorado, the second publication of this Ordinance shall be by reference, utilizing the ordinance title. Copies of this Ordinance are available at the Office of the City Clerk.

Section 4. All acts, orders, resolutions, ordinances, or parts thereof, in conflict with this Ordinance or with any of the documents hereby approved, are hereby repealed only to the extent

of such conflict. This repealer shall not be construed as reviving any resolution, ordinance, or part thereof, heretofore repealed.

INTRODUCED, READ AND ORDERED PUBLISHED THIS _____ day
of _____, 2021.

PASSED AND ORDERED PUBLISHED BY REFERENCE this _____ day of
_____, 2021.

MIKE COFFMAN, Mayor

ATTEST:

KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:



Rachel Allen, Client Group Manager



TO: Mayor & City Council

FROM: Roberto Venegas, Deputy City Manager

DATE: December 4, 2020

SUBJECT: Fiscal Impact – Lobbyist Registration System

At the November 20th Federal, State, & Intergovernmental Relations (FSIR) Committee, members will discuss two proposed ordinances by Mayor Pro Tem (MPT) Johnston and CM Lawson to amend the city's ethics code and implement a lobbyist registration system. MPT Johnston and CM Lawson asked that staff review the proposed ordinances and provide a fiscal impact analysis for the FSIR Committee and in advance of the full Council discussion at Study Session. Staff reviewed the ordinance language looking specifically for fiscal impacts to the city. As such, the analysis below does not speak to the policy merits of the ordinance itself or any particular provision.

The Clerk's Office and Information Technology (IT) were consulted for this fiscal analysis.

Information Technology

IT will use an existing platform, from SeamlessDocs, that will enable the required functionality for the proposed Lobbyist Registration and Reporting ordinance as well as the ethics code amendments. The City Clerk's Office currently uses SeamlessDocs for other business needs, including reporting and compliance related to campaign finance. As it relates to the ethics ordinance amendment, IT can also use the existing platform to add online capability for residents to submit an ethics complaint (we currently do not provide an electronic option). Using existing resources, IT will incorporate adjustments to the SeamlessDocs application to provide for the reporting and compliance functionality needed for the lobbying and ethics ordinance changes. Those adjustments will be added to the workplan for IT in the first quarter of 2021.

The estimated IT staff time will be 120 to 140 hours to deliver the solution in SeamlessDocs. The city will require 2 licenses for the City Clerk staff at a total cost of approximately \$1,000. Funds and staffing to implement the project are available in the existing IT department budget.

City Clerk Responsibility Related to Lobbyist Registration and Ethics Code Amendments

Passage of the ethics ordinance amendments and adoption of a lobbyist registration system will add additional responsibilities beyond the current duties of the Clerk's Office. Those duties include the following:

- coordinating with IT in the monitoring and maintenance of a newly created lobbyist registration system
- should a complaint be received, investigating those complaints and issuing findings
- preparing information packets and providing periodic training for lobbyists
- monitoring any submissions related to the ethics complaints and the adjudication process for the proposed Board of Ethics.

It is not possible to accurately predict the number of complaints that the Clerk's Office will receive related to the lobbyist registration or ethics ordinance. If it is under 5 annually, staff does not anticipate requiring additional resources. However, if additional investigations are needed, staff would likely need to request additional resources to handle the workload.

With the recent adoption of a campaign finance ordinance, the City Manager's Office is reviewing the Clerk's Office organizational structure and resources necessary to adequately meet those new election related responsibilities. Should the proposed lobbyist registration system be enacted, staffing in the Clerk's Office will certainly need to be addressed. We currently do not have any individual with direct responsibility for elections and campaign finance compliance. Those tasks currently fall on the Clerk and other staff, as needed. But given the increased complexity and scrutiny associated with elections, and the potential for a lobbyist registration system, we propose the following:

- Create a Deputy City Clerk position in the City Clerk's Office, with a significant portion of their responsibilities devoted to these key tasks: 1) election administration, including campaign finance compliance and training; 2) monitoring and training associated with the lobbyist registration system; 3) monitoring and investigating ethics complaints; 4) assisting the City Clerk as needed.

For a precise number, costing out a potential Deputy position in the Clerk's Office would require market analysis by the HR department. However, for the purposes of this fiscal analysis, an approximate range for a Deputy City Clerk will be between \$60,000 and \$95,000, including benefits.

Please note that a current, budgeted vacant position in the Clerk's Office could be utilized for a potential Deputy position. Doing so would substantially reduce the fiscal note, as the cost of a proposed Deputy would only be the net increase above the currently budgeted vacant position salary.



CITY OF AURORA

Council Agenda Commentary

Item Title: FOR AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, AMENDING ARTICLE II OF SECTION 130 OF THE CITY CODE RELATING TO EXEMPTING FEMININE HYGIENE PRODUCES FROM SALES AND USE TAX

Item Initiator: Trevor Vaughn, Manager of Tax and Licensing

Staff Source/Legal Source: Trevor Vaughn, Manager of Tax and Licensing/Hans Hernandez, Assistant City Attorney

Outside Speaker:

Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

COUNCIL MEETING DATES:

Study Session: 2/22/2021

Regular Meeting: [Click or tap to enter a date or type N/A](#)

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration

Why is a waiver needed?[Click or tap here to enter text.](#)

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: Management & Finance

Policy Committee Date: 1/26/2021

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval Does Not Recommend Approval
- Forwarded Without Recommendation Recommendation Report Attached
- Minutes Attached Minutes Not Available

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

Subsequently after comments from the Business Advisory Board meeting on January 25th and the Management and Finance Committee on January 26th regarding concerns of the definition of the products, the definition has been modified. The definition in the revised ordinance utilizes the definition in the Streamlined Sales Tax Agreement. This definition from the agreement is used in multiple states under the term "Feminine Hygiene Products". However, for purposes of this ordinance, the term used is Menstrual Care Products. This term matches the term used by the IRS and highlights the medical nature of the products as well as removing a gender reference. This will also set this definition apart from the Denver definition. The new definition also closely aligns with the IRS definition for the products.

In the interest of uniformity the definition was proposed to the CML standard definitions subcommittee of tax professionals. The consensus was to support the Streamlined definition as the definition. This also adds the definition of grooming and hygiene products as a needed exclusion from the definition of menstrual care products.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

This ordinance would exempt menstrual care products from the city's sales and use tax. The reduction in revenue is estimated to be \$230,000 annually. This exemption was adopted by the City and County of Denver in 2019. A similar measure at the state failed in committee in 2017. Below is a summary of sales and use tax exemptions that the city has and the year it was adopted if known.

Summary of Sales and Use Tax Exemptions – December 2020

- Health and Athletic Club Memberships – 1994
- Precious metal bullion and collector coins - 2012
- Short term on premises rental of tangible personal property (laundromat, carwash) – 2015 *
- Admissions to a school event - 2013
- Sales benefitting a school - 2009
- Food for Home Consumption (except candy and soda) – 1974
- Food purchased with funds provided by a federal nutritional assistance program
- Manufacturing Equipment – 1963
- Commercial Packaging Material - 1971
- Recreation services by tax exempt organizations - 1987
- Seeds, feed, livestock and farm equipment purchased by agricultural producers - 1963
- Prescription drugs for humans - 1965
- Prescription drugs for animals - 1965
- Prosthetic devices - 1965
- Insulin – 1989
- Sales to governments and charities for use in their functions
- Used factory-built housing
- 48% of the purchase price of new factory-built housing
- Telecommunications and public utility equipment by a service provider for use outside the city
- Admissions to city owned facilities
- Newspapers
- Internet access - 2000
- Motor Vehicles registered outside of the city
- Gasoline and fuels subject to special fuel tax

- Items purchased for resale

*Policy exclusion rather than an exemption. Allows businesses to pay use tax on purchase rather than collect sales tax on subsequent rentals.

QUESTIONS FOR COUNCIL

Does the council wish to forward this on for formal consideration?

LEGAL COMMENTS

Pursuant to the city's home rule authority granted to the City of Aurora under Article XX Section 6 (g) of the Colorado Constitution, the City has the power of taxation for local municipal purposes. This ordinance clarifies the enforcement section of the tax code by adding an exemption, is not imposing a new tax, and is compliant with Article X Section 20 of the Colorado Constitution. City Council shall act only by ordinance, resolution or motion. All legislative enactments must be in the form of an ordinance; all actions, except as herein provided, may be in the form of Resolutions or motions. Section 5-1 Aurora City Charter. (Hernandez)

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: Reduction of annual revenues by and estimated \$230,000

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain: Reduction in taxes of \$230,000.

ORDINANCE NO. 2021-____

A BILL

FOR AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, AMENDING ARTICLE II OF SECTION 130 OF THE CITY CODE RELATING TO EXEMPTING MENSTRUAL CARE PRODUCTS FROM SALES AND USE TAX

WHEREAS, the City of Aurora, Colorado, (the “City”), is a home rule municipality, organized and existing under and by virtue of Article XX, Section 6 of the Colorado Constitution; and

WHEREAS, under Article XX, Section 6 the Colorado Constitution, the City has authority over local taxation matters; and

WHEREAS, the City Council (the “Council”) has the power to make and publish from time to time ordinances as it shall deem necessary and proper to provide for the safety; preserve the health; promote the prosperity; and improve the morals, order, comfort and convenience of the city, and the Council has found and determined that removing the sales tax for menstrual care products fulfills this purpose.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. Section 130-31 of the City Code of the City of Aurora, Colorado, is hereby amended to add the following definition, which shall read as follows:

Sec. 130-31. Definitions.

***Menstrual care products* means tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for hygiene in connection with the human menstrual cycle, but does not include “grooming and hygiene products”.**

***Grooming and hygiene products* means soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, regardless of whether the items meet the definition of “over-the-counter-drugs.”**

Section 2. Section 130-157 of the City Code of the City of Aurora, Colorado, is hereby amended to add a new subsection, to be numbered (34), which subsection shall read as follows:

Sec. 130-157. Items Exempt from taxation.

(34) All sales of menstrual care products.

Section 3. Section 130-198 of the City Code of the City of Aurora, Colorado, is hereby amended to add a new subsection, to be numbered (32), which subsection shall read as follows:

Sec. 130-198. Exemptions.

(32) The storage, use, or consumption of menstrual care products.

Section 4. Notwithstanding any provision of the Charter or the City Code of the City of Aurora, Colorado, to the contrary, this ordinance shall become effective on the first day of the month which is at least thirty days after the date of adoption.

Section 5. Severability. The provisions of this Ordinance are hereby declared to be severable. If any section, paragraph, clause, or provision of this Ordinance shall, for any reason, be held to be invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 6. Pursuant to Section 5-5 of the Charter of the City of Aurora, Colorado, the second publication of this Ordinance shall be by reference, utilizing the ordinance title. Copies of this Ordinance are available at the Office of the City Clerk.

Section 7. Repealer. All orders, resolutions, or ordinances in conflict with this Ordinance or with any of the documents hereby approved, are hereby repealed only to the extent of such conflict. This repealer shall not be construed as reviving any resolution, ordinance, or part thereof, heretofore repealed.

INTRODUCED, READ AND ORDERED PUBLISHED this _____ day of _____, 2021.

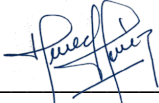
PASSED AND ORDERED PUBLISHED BY REFERENCE this _____ day of _____, 2021.

MIKE COFFMAN, Mayor

ATTEST:

KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read "Hanosky Hernandez", written over a horizontal line.

RLA

HANOSKY HERNANDEZ,
Assistant City Attorney



IRS outlines changes to health care spending available under CARES Act

IR-2020-122, June 17, 2020

WASHINGTON — The Internal Revenue Service has advised that new rules under the CARES Act provide flexibility for health care spending that may be helpful in the current environment where more people may need at-home services due to measures to fight the coronavirus.

Telehealth and High Deductible Health Plans

Under the CARES Act, a high deductible health plan (HDHP) temporarily can cover telehealth and other remote care services without a deductible, or with a deductible below the minimum annual deductible otherwise required by law. Telehealth and other remote care services also are temporarily included as categories of coverage that are disregarded for the purpose of determining whether an individual who has other health plan coverage in addition to an HDHP is an eligible individual who may make tax-favored contributions to his or her HSA. Thus, an otherwise eligible individual with coverage under an HDHP may still contribute to an HSA despite receiving coverage for telehealth and other remote care services before satisfying the HDHP deductible, or despite receiving coverage for these services outside the HDHP. The temporary rules under the CARES Act, as extended by IRS [Notice 2020-29](#) [PDF](#), apply to services provided on or after Jan. 1, 2020, with respect to plan years beginning on or before Dec. 31, 2021.

Expansion of qualified medical expenses

The CARES Act also modifies the rules that apply to various tax-advantaged accounts (HSAs, Archer MSAs, Health FSAs, and HRAs) so that additional items are "qualified medical expenses" that may be reimbursed from those accounts. Specifically, the cost of menstrual care products is now reimbursable. These products are defined as tampons, pads, liners, cups, sponges or other similar products. In addition, over-the-counter products and medications are now reimbursable without a prescription. The new rules apply to amounts paid after Dec. 31, 2019. Taxpayers should save receipts of their purchases for their records and so that they are able to submit claims for reimbursements.

More information

The IRS will provide any further updates as soon as they are available on its webpage at [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).

Page Last Reviewed or Updated: 19-Sep-2020



Aurora Business Advisory Board

15151 E. Alameda Parkway
Aurora, Colorado 80012
Ph: (303) 326-8690
Fax:(303) 739-7136

January 25, 2021

Mayor & City Council
City of Aurora
15151 E. Alameda Pkwy., 5th Floor
Aurora, CO 80012

Subject: Exemption of Feminine Hygiene Products from Sales and Use Tax

Dear Mayor Coffman & Members of City Council:

At the January 25, 2021 Business Advisory Board (BAB) meeting, Councilmember Allison Hiltz and Councilmember Curtis Gardner presented for discussion and consideration, an Amendment of Article II Section 130 of the City Code, relating to Exempting Feminine Hygiene Products from Sales and Use Tax.

COVID-19 has greatly impacted women, in December, women had a net 100% of the loss of jobs in the community. Further, the pandemic has highlighted disparities in gender equity. Finally, in June of last year the IRS moved menstrual care products into the FSA eligible category, thus making the products benefit from tax considerations. In view of the above, the members present from the Board voted without objection to support the Exemption of Feminine Hygiene Products from Sales and Use Tax. The only suggestions discussed by the Board with Council Members Hiltz and Gardner was the possibility of amending the proposed ordinance to match the scope and definition nomenclature within the IRS publication and the possibility of allowing retailers time to implement the ordinance. The Board would also encourage further retailer and businessowner training concurrent with or included in the ongoing sales tax training provided by the City and the SBDC.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "G Walls".

Garrett Walls, Chairperson

GW/ev

CC: BAB Members
Elena Vasconez, Economic and Business Development Supervisor
Trevor Vaughn, Manager of Tax & Licensing

**MANAGEMENT FINANCE COMMITTEE MEETING
JANUARY 26, 2021
DRAFT MINUTES**

**FOR AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AURORA,
COLORADO, AMENDING ARTICLE II OF SECTION 130 OF THE CITY CODE
RELATING TO EXEMPTING FEMININE HYGIENE PRODUCES FROM SALES AND
USE TAX**

Summary of Issue and Discussion

Council Member Hiltz introduced the ordinance. This ordinance would exempt menstruation products from the City's sales and use tax. The reduction in revenue is estimated to be \$230,000 annually. This exemption was adopted by the City and County of Denver in 2019. A similar measure at the state failed in committee in 2017. Below is a summary of sales and use tax exemptions that the city has and the year it was adopted if known.

Summary of Sales and Use Tax Exemptions – December 2020

- Health and Athletic Club Memberships – 1994
- Precious metal bullion and collector coins - 2012
- Short term on premises rental of tangible personal property (laundromat, carwash) – 2015 *
- Admissions to a school event - 2013
- Sales benefitting a school - 2009
- Food for Home Consumption (except candy and soda) – 1974
- Food purchased with funds provided by a federal nutritional assistance program
- Manufacturing Equipment – 1963
- Commercial Packaging Material - 1971
- Recreation services by tax exempt organizations - 1987
- Seeds, feed, livestock and farm equipment purchased by agricultural producers - 1963
- Prescription drugs for humans - 1965
- Prescription drugs for animals - 1965
- Prosthetic devices - 1965
- Insulin – 1989
- Sales to governments and charities for use in their functions
- Used factory-built housing
- 48% of the purchase price of new factory-built housing
- Telecommunications and public utility equipment by a service provider for use outside the city
- Admissions to city owned facilities
- Newspapers
- Internet access - 2000
- Motor Vehicles registered outside of the city
- Gasoline and fuels subject to special fuel tax
- Items purchased for resale

*Policy exclusion rather than an exemption. Allows businesses to pay use tax on purchase rather than collect sales tax on subsequent rentals.

Does the Committee wish to forward this for full Council consideration?

Committee Discussion

CM Gardner: The only thing that I would like to mention, and it was provided in the backup. But last year IRS changed the designation for menstrual care products. To give them as a tax benefit as it pertains to flex benefit accounts. Essentially treating them as a medical device. So, I just wanted to mention that as well. One other thing I'll share, and I'll put the link in the chat. But it's interesting that Greg shared the link from the Common Sense Institute because they also released an article just a couple weeks ago. And essentially referred to what happened with COVID, and women as a 'shesession' and talking about how the significant amount of job losses impacted women more so than men. So, I thought that was interesting and I'll place that link in the chat as well. Trevor do you have anything that you would like to add.

T. Vaughn: Yes, just on the definition. This is the same definition that was adopted in Denver and this came up yesterday. What I was trying to do, is so that retailers would have consistency between jurisdictions in regard to at least what something means, so considered adopting the same definition. I know the staff in Denver weren't big fans of the definition that got adopted. It actually got changed at Council. They had originally proposed the narrower definition and instead now are narrowing it by regulations. I don't know that changing the definition would make us that much different. In some ways it probably makes sense. So, at some point there'll probably be some standardization to this definition especially if the state adopts it. But we don't have to adopt what Denver did, but that might make in some ways a little bit simpler as far as the administration by the retailers. Along those lines the state doesn't have this exemption, so this does make the overall tax code a little bit more complicated to administer. The retail council didn't seem to show too much concern about that. Just in general the more exemptions you have especially if they're not adopted across jurisdictions in a uniformed matter does make the code a little bit more difficult to administer. The revenue impact is about \$230,000 decrease in ongoing revenue. This is an item that's a particularly stable source of revenue. Which I'll just mention in regard to your overall structure when depending upon sales and use tax just as a consideration. To make sure you have a stable revenue structure there. This exemption is not completely out of line with some of the existing exemptions that are in the City code with regard to certain medical exemptions. That's all I have.

CM Gardner: Few other things that I like to mention when Trevor was talking, and it reminded me. One, was on the ease of reprogramming point of sale (POS) system. I talked to a couple of retailers. Because these products are coded separately for flex spending account purposes. They're already coded separately so it's relatively easy transition for them to do this. In addition to the Business Advisory Board (BAB) we also had Kevin Hogan from the Aurora Chambers of Commerce on yesterday. He did not have any concerns for many of his business members either. So, I just wanted to mention both of those.

T. Vaughn: CM Gardner, I just have one follow up on that. Probably the retailers that will have the most challenges with this will be the small ones. You know your local convenience stores and small shops. We still find them having a lot of issues with regards to grocery store exemptions in general which are pretty complicated. For example, prepared salads are taxable

but lettuce in a bag is not taxable. There are some of them that still struggle with getting candy and soda taxable. That's probably where you will see some challenges with regards to this rather than perhaps those that interact with the retail council.

CM Gardner: Council Members any questions or comments?

CM Johnston: I will definitely be supporting this. Thank you for the different reasons that you and CM Hiltz outlined. This is medical as you said about the IRS exemptions. Also, as CM Hiltz said some equity issues. I know that this will benefit women but also girls. I know personally in schools there's been an issue of trying to get menstrual products donated. Because some of the girls that go to school aren't able to afford that. And that makes me sad on many levels for those girls and the emotional and physical effects of that, so if we can make that easier. Again, I don't think that this is a stretch, it's consistent with IRS, it's medical. It just makes sense a majority of states are having these exemptions or even looking at that. So, we're just catching up with some of those movements as well so I definitely will be supporting.

CM Gruber: I like to go a little bit deeper into the POS programming of this. I've been searching on the side as to how the products are characterized. In other words, the idea is the definition in the ordinance is pretty tight. What I wanted to find out is that tight definition coupled with the UPR code or some other code on the product so that the POS would recognize that or is that something that would require programming. Trevor, how will that work and could you explain that?

T. Vaughn: So, yes for the big retailers it is. They have the codes on them that says what the product is. Chances are especially if they are operating in multiple jurisdictions and in other states and in Denver, they've already key coded what this is, so in some ways fairly an easy adoption for those large retailers to do this. The smaller grocery stores they're a bit different. For example, perhaps the Pacific Ocean Marketplace. Where they just have a couple stores, they don't have any in Denver. This will be more of a lift for them and its possible they even have this stuff keyed in as general merchandise into their systems. I don't know that's the right example or another store. But I have seen that particularly with some of these single store grocery retailers where they'll have a general merchandise code. They're going to have to go in and try to figure out what these items are. Where they're not or may not be using bar codes in the same way if they are a small convenience store. They may just have price tags and they just outfit it and so they'll have to kind of track that differently.

CM Gruber: Okay so what I want to make sure of and I'm good with making this happen. But at the same time, I don't want to punish any store any mom and pop or smaller store that's implementing it and so the recommendation of bringing it in. How do we hold the hands of the small stores, so they implement it as fast as possible but by the same token we don't fine them right away and could you explain that?

CM Hiltz: Can I jump in on that one really quick. Thank you. So, I intend to if this passes to work with the Business Advisory Board (BAB) on making sure that we have kind of that proper roll out. Because we certainly don't want too so make a big burden on the coding and what not within the stores and as someone who's not a retail store owner. I think they've been really great at doing some of that outreach and also providing feedback in the retailer's association, etc. on looking at what that is. Therefore, I don't want to put an arbitrary this would be the timeline.

Because I do think you raised a good point and we need to make sure that we're very thoughtful and mindful about how we go about and do that. My idea or my plan was to do if Council agrees, is to work with those associations to make sure that we are dealing this properly. Just for context that I'm not trying to make this an overnight change. I mean I would love to see an overnight change if that's possible that's great. But recognizing the smaller mom and pop shops may have some of these limitations.

CM Gruber: To follow up. Therefore, Trevor again the concerns that I have. That many of these stores aren't members of the Chambers of Commerce or members of the BAB especially the very small stores. So, could you explain how it will work from the city's Licensing point of view.

T. Vaughn: We would send out a notice to all our registered businesses that this was occurring. Experience does tell me that a lot of them still won't make the adjustment right away for whatever reason. What will happen and the good news here for those retailers is that there's not necessarily a penalty to the retailer for collecting tax when they shouldn't, as long as they remit that tax. The issue I think is that some people not implementing reduce the full effect of the exemption. I think we do our best to try to get the outreach out there. We know the big retailers and trying to target those retailers specifically that would sell these types of products. These products are probably sold in a lot of places but doing our best trying to get that outreach. But I'll tell you when the City removed the exemption for candy and soda, we had a large retailer that had missed that for a long period of time despite multiple outreach. So, it's a little bit of a concern as you have a change in tax rules and trying to get that outreach done. But as far as the penalties, as long as they remit the tax their pretty much held-harmless.

CM Johnston: Trevor, I just have a follow up. I don't know if I heard that right and I know there was an effort a few years ago to increase a soda tax but did I hear you correctly? That currently there is no tax on soda and candy?

T. Vaughn: No there is. I'm saying when the City removed the exemption. We still see a lot of retailers struggle with that one.

CM Johnston: Okay, thanks for clarifying that.

The Committee recommended that this item is moved forward unanimously.

https://gazette.com/opinion/columnists/compounding-covid-s-travails-ashecession/article_d12c6614-5ce8-11eb-b8a0-539d741035aa.html.

Outcome

The Committee recommended that the item is moved forward to Study Session.

Follow-up Action

Staff will forward the item to Study Session.



CITY OF AURORA

Council Agenda Commentary

Item Title: FOR AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, AMENDING CHAPTER 26 ADDING ARTICLE III REFERRED TO AS “TEMPORARY CAPS ON FEES FOR FOOD DELIVERY,” AND OTHER RELATED MATTERS

Item Initiator: Trevor Vaughn, Manager of Tax and Licensing

Staff Source/Legal Source: Hanosky Hernandez Perez, Assistant City Attorney

Outside Speaker: [Click here to type the name and title \(e.x. Jane Smith, Executive Director\) of outside speaker\(s\)](#)

Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

COUNCIL MEETING DATES:

Study Session: 3/1/2021

Regular Meeting: 3/8/2021

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration

Why is a waiver needed? [Click or tap here to enter text.](#)

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: Management & Finance

Policy Committee Date: 10/27/2020

Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval Does Not Recommend Approval
- Forwarded Without Recommendation Recommendation Report Attached
- Minutes Attached Minutes Not Available

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

This item was previously approved by City Council as ordinance number 2020-64 and was effective December 16, 2020 and expires March 31, 2021. This ordinance extends the expiration date to June 30, 2021.

This item was requested to be brought for council consideration by Councilmember Gardner.

The ordinance was heard at the following meetings:

October 6, 2020 – Business Advisory Board gave a favorable recommendation

October 27- Management and Finance Policy Committee

November 2, 2020 – City Council Study Session and Regular Meeting

November 16, 2020 – City Council – 2nd reading.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

This proposed ordinance is the same as ordinance 2020-64 with an extended expiration date of June 30, 2021. The ordinance caps the commission that a third party delivery service can charge a local food establishment at no more than 15%. This cap cannot be offset by reductions in compensation that is paid to the delivery driver.

Additionally, this ordinance prohibits a third party delivery service from listing a restaurant on their platform without written permission.

The ordinance also requires transparency on the receipt provided to the customer with itemization of fees and taxes charged in accordance with the service.

QUESTIONS FOR COUNCIL

Does the City Council approve of forwarding the item for formal consideration?

LEGAL COMMENTS

The City of Aurora is a home rule municipality, organized and existing under and Article XX, Section 6 of the Colorado Constitution. Article XX Section 6 grants the city and its citizens the right to self-government in matters of local affairs not preempted by the State legislature. The City Council shall have and shall exercise the powers, privileges and duties granted and conferred by the state constitution, statute or city Charter. The City Council has the power to make and publish from time to time ordinances not inconsistent with the laws of the state for carrying into effect or discharging the powers and duties conferred by the state constitution, statute or city Charter and such as it shall deem necessary and proper to provide for the safety; preserve the health; promote the prosperity; and improve the morals, order, comfort and convenience of the city. City Code Section 2-32. The City Council has found and determined that establishing a limit on the fees imposed by third parties on food deliveries charged to small business under the recent pandemic caused by COVID-19 is necessary to achieve these objectives. City Council shall act only by ordinance, resolution or motion. All legislative enactments must be in the form of an ordinance; all actions, except as herein provided, may be in the form of Resolutions or motions. This is a legislative action and must be taken in the form of an ordinance. See, Section 5-1 Aurora City Charter. (Hernandez).

PUBLIC FINANCIAL IMPACT

YES NO

If yes, explain: Enforced with existing resources

PRIVATE FISCAL IMPACT

Not Applicable Significant Nominal

If Significant or Nominal, explain: Places a cap of 15% on commissions charged by third party food delivery services. The cap expires on June 30th, 2021 or sooner if restaurants are allowed to return to full capacity.

ORDINANCE NO. 2021-____

A BILL

FOR AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, AMENDING CHAPTER 26 ADDING ARTICLE III REFERRED TO AS “TEMPORARY CAPS ON FEES FOR FOOD DELIVERY,” AND OTHER RELATED MATTERS

WHEREAS, the City of Aurora, Colorado, (the “City”), is a home rule municipality, organized and existing under and by virtue of Article XX, Section 6 of the Colorado Constitution, and as such the City has the authority to regulate matters of local concern; and

WHEREAS, currently the United States is undergoing a severe pandemic due to a respiratory illness caused by the Severe Acute Respiratory Syndrome Coronavirus 2, SARS-CoV-2, (“COVID-19”) creating a national health emergency that continues to restrict all food service establishments from operating freely within the City, and causing a severe financial impact on all food service establishments within the City; and

WHEREAS, the pandemic and the restrictions associated with it have increased the need for take-out meal services for all customers, and while some restaurants may receive take-out orders directly, there are many third-party food delivery platforms and other services that operate through websites and/or mobile phone applications used by consumers to quickly and easily order pick-up and delivery meals from local food establishments; and

WHEREAS, the Aurora City Council (the “Council”) finds that third party delivery services contract food delivery services without the knowledge or consent of local food establishments, and therefore will represent to the consumer that they are selling meals from, or on behalf of, the local food establishment to the consumers, and in some cases the delivery platforms charge exorbitant fees to the already struggling local food establishment; and

WHEREAS, the Council finds that the fees charged by a third-party food delivery platform to local food establishments in the City should be temporarily capped, while restrictions on dine in at local food establishments remain in place, to prevent further economic harm to local food establishments within the City; and

WHEREAS, the Council finds that this ordinance is necessary to provide for the safety; preserve the health; promote the prosperity; and improve the morals, order, comfort and convenience of the City and its residents.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. Chapter 26, Article III, of the City Code of the City of Aurora, Colorado, is hereby added and shall read as follows:

Sec. 26-61. Definitions.

“Licensing administrator” means that person designated as such by the Finance director, or his or her designee, whose duties include the issuance, denial, and renewal of licenses required by and issued to businesses within the city and the general administration and enforcement of all provisions of chapter 86 relating to such licenses.

“Local Food Establishment” means a business licensed within the City as required on Chapter 86 of the City Code.

“Online order” means an order placed by a customer through a platform provided by the third-party food delivery platform for delivery or pickup within the City.

“Purchase price” for purposes of this ordinance, means the menu price of an online order, excluding taxes, gratuities, or any other fees that may make up the total cost to the customer of an online order.

“Telephone order” means an order placed by a customer to a restaurant through a telephone call forwarded by a call system provided by a third-party food delivery platform for delivery or pickup within the City.

“Third-party food delivery platform” means any person, website, mobile application, or other internet service that offers or arranges for the sale of food and beverages prepared by, and the same-day delivery or same-day pickup of food and beverages from, retail food establishments, that is engaged in business in the City as defined in Section 130-31 of the City Code.

Sec. 26-62. Third-party food delivery fee or commissions limitations. Duty to disclose fees or commissions.

- (a) A third-party food delivery platform shall not perform any service for, or disclose any information, about a local food establishment without their written consent.
- (b) No person shall cause a third-party food delivery platform to charge a local food establishment a commission fee for the use of the platform's services for delivery or pick-up that exceeds 15% of the purchase price

per online order. In order to charge a commission or fee above the 15% established in this subsection, the third-party delivery service shall receive consent from the local food establishment.

- (c) No person shall cause a third-party food delivery platform to reduce the compensation rate paid to a delivery service driver or garnish gratuities or tips in order to comply with subsection (b) of this section.
- (d) At the time a final price is disclosed to a customer for the intended purchase and delivery of food from a local food establishment through a third-party food delivery platform, and before that transaction is completed by the customer, the third-party food delivery platform shall disclose to the customer, any commission, fee, or any other monetary payment charged to the customer by the third-party food delivery platform as a line item on the receipt.
- (e) After a transaction occurs for the purchase and delivery of food from a local food establishment through a third-party food delivery platform, the third-party food delivery platform shall provide an electronic or printed receipt to the customer. The receipt shall disclose, in plain and simple language and in a conspicuous manner:
 - (1) The menu price of the food.
 - (2) Any sales tax applied to the transaction.
 - (3) Any delivery charge or service fee, imposed on and collected from the customer by the third-party food delivery platform and by the local food establishment, in addition to the menu price of the food.
 - (4) Any tip that will be paid to the person delivering the food, and not to the third-party food delivery platform, that was added into the transaction when it occurred.
 - (5) Any commission associated with the transaction.
- (f) No third-party food delivery platform may charge any fee from a local food establishment for a telephone order if a telephone call between such retail food establishment and a customer does not result in an actual transaction during such telephone call.
- (g) The provisions of this section shall not limit the ability of any retail food establishment to choose to pay a higher commission or supplemental fee to access additional advertising or other products and services offered by any third-party food delivery platform.

Sec. 26-63. Complaints. Procedure.

- (a) *Complaints.* Subject to any rules and regulations that may be issued by the Licensing Administrator, any local food establishment may submit a complaint of a violation of this section to the Licensing Administrator. Any such complaint shall be made in writing to the Licensing Administrator and shall include all information relied upon by the retail food establishment. The local food establishment bears the burden of proving a violation under this ordinance by preponderance of the evidence.
- (b) *Investigation.* The Licensing Administrator shall investigate all written complaints, shall notify any third-party food delivery platform alleged to have violated the regulations established in this ordinance of any complaint lodged against them, and shall provide a summary of findings regarding any such complaint to both the complainant and the third-party delivery platform. Third-party food delivery platforms shall maintain books and records available for the Licensing Administrator to investigate any complaints. Such books and records shall be made available to the Licensing Administrator upon demand. Failure to provide the records as required in this section shall be prima facie rebuttable evidence of a violation.
- (c) *Civil or Administrative Penalty.* If the Licensing Administrator determines a violation of this article has occurred, the third-party food delivery platform shall be subject to a civil penalty not to exceed the amount established in Section 86-47 per violation, each day a violation of this article occurs. For purposes of this article, the continuation of a violation shall be a separate violation for each day the Licensing Administrator determines a third-party food delivery platform has violated this ordinance. Nothing in this section prevents the Licensing Administrator from reaching a settlement agreement with respect to one or multiple violations.
- (d) *Administrative Hearing.* Any person or third-party delivery service who disputes a civil penalty assessed pursuant to a violation of this Article shall request a hearing in writing pursuant to the procedure established by Section 86-47, regarding hearings before the Director of Finance. The decision of the Director of Finance shall be the final decision which may only be appealed to Arapahoe District Court under the provisions of Colorado Rule of Civil Procedure 106(a)(4) within thirty (30) days of the date the order becomes final.

Section 2. This ordinance shall expire on June 30, 2021, or when public health orders allow restaurants to have 100% unrestricted capacity, whichever is sooner.

Section 3. All ordinances, or parts of ordinances, of the City Code of the City of Aurora, Colorado, in conflict herewith are expressly repealed.

Section 4. Pursuant to Section 5-5 of the Charter of the City of Aurora, Colorado, the second publication of this ordinance shall be by reference, utilizing the ordinance title. Copies of this ordinance are available at the Office of the City Clerk.

INTRODUCED, READ AND ORDERED PUBLISHED this _____ day of _____, 2021.


PASSED AND ORDERED PUBLISHED BY REFERENCE this _____ day of _____, 2021.

MIKE COFFMAN, Mayor

ATTEST:

KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM

 RLA

HANOSKY HERNANDEZ,
Assistant City Attorney



City of Aurora

COUNCIL AGENDA CONTINUATION PAGE

<p>Item Title:</p> <p>RECONSIDERATION OF RESOLUTION 2020-22 – Review of the powers granted to the City Manager by Resolution 2020-22. The powers granted to the City Manager which are set forth in the Disaster Declaration shall remain in place until a majority of Council votes to end the Declaration.</p>
<p>Item Initiator: Jim Twombly, City Manager</p>
<p>Staff Source: Matt Chapman, Fire Battalion Chief</p>
<p>City Attorney Signature:</p>
<p>City Manager/Deputy City Manager Signature:</p>
<p>Date of Change/Update: May 29, 2020</p>

ITEM SUMMARY

On March 18, 2020 the City Manager signed a Disaster Declaration because of the serious emergency conditions the City of Aurora was facing due to the outbreak of COVID-19. There were two primary purposes the City Manager considered in the decision to declare a disaster. First, little was known about what demands would be placed on the City to react and keep our residents and employees safe. Both the Governor and President had issued state of emergency orders. The effects and impacts of the virus were quickly unfolding and the impacts on local governments were unknown. Given the powers provided to the City Manager under City Code Section 38-33 regarding Disaster Declaration, the ability to exercise those powers in an expeditious manner was viewed as critical.

In addition, “Stay at Home” Orders were adopted by both the Tri-County Health and the Governor during the week following March 18th. The City was committed to enforcement of those orders which closed “Non-Essential” businesses. At the same time, the City did not want to burden the City’s Police Department with that enforcement in order to allow them to continue their normal public safety duties. The Declaration allowed the City to use personnel from the City’s Finance, Neighborhood Services and Parks, Recreation and Open Space Departments for that enforcement duty.

The current state of the pandemic has changed to the point that the City Manager recommends that the Disaster Declaration be terminated. The powers granted to the City Manager in City Code under Disaster Declaration are no longer needed. There is more information known today about the pandemic itself related to spread, testing, contact tracing, importance of social distancing, mask wearing, and sanitizing. Colorado as a state has greatly improved numbers relating to the virus: hospitalizations are at the lowest

level since March 29; new patients admitted to hospitals yesterday, May 28th, with the virus are at the lowest level since the state began tracking that number; testing is at an all-time high and supplies are available to test the 8,500 people per day that public health experts say is necessary to monitor the outbreak.

The Governor's orders are allowing businesses to re-open and relaxing "Safer at Home" Orders while following guidance provided by the Colorado Department of Public Health and Environment, informed by the Centers for Disease Control and Prevention. The City has appointed a Recovery Manager and a Recovery Committee to review plans for the safe opening or reestablishing services provided by the City. Municipal courts will reopen safely for business June 1st.

In summary, the reasons for implementing the disaster Declaration are either no longer present or have been mitigated and are able to be managed to an extent not possible before. There is concern about a second wave and it would be prudent to reserve the extensive powers of the Disaster Declaration for such an occurrence, should it happen.

Disaster Declaration

WHEREAS, the City Code of the City of Aurora, Section 38-33 gives the City Manager the authority to declare that a state of disaster exists when a disaster has occurred or the threat of disaster is imminent; and

WHEREAS, the state of disaster shall continue until the City Manager finds that the threat of danger has passed or the disaster has been dealt with to the extent that disaster conditions no longer exist; and

WHEREAS, no state of disaster may continue for longer than seven days unless renewed by the consent of the majority of the City Council; and

WHEREAS, the City of Aurora, Colorado is experiencing serious emergency conditions as a result of the outbreak of COVID-19, causing a public health incident; and

WHEREAS, on March 10, 2020, Governor Polis declared a state of epidemic disaster emergency in Colorado; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic; and

WHEREAS, on March 13, 2020, President Trump issued a proclamation that the COVID-19 outbreak in the United States constitutes a national emergency; and

WHEREAS, on March 13, 2020, the City of Aurora declared a local state of emergency due to the outbreak of COVID-19; and

WHEREAS, this incident has required a change in operations and policy for the City of Aurora in order to respond to the public health incident; and

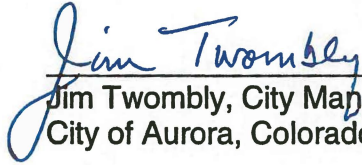
WHEREAS, the City Manager of the City of Aurora, Colorado hereby finds, determines, and declares a Proclamation of a State of Disaster is necessary for the preservation and protection of the public health, safety, and welfare of the inhabitants of the City of Aurora, Colorado; and

WHEREAS, the state of disaster may be lifted when public health incident is mitigated; and

WHEREAS, this declaration of disaster shall remain in effect until the City Manager finds that the threat of danger has passed or the disaster has been dealt with to the extent that disaster conditions no longer exist or for seven days, unless and until such declaration is renewed by the consent of the majority of the City Council.

NOW THEREFORE, I proclaim there to be State of Disaster.

Dated this 18 day of March, 2020.



Jim Twombly, City Manager
City of Aurora, Colorado

Approved as to form:



RESOLUTION NO. R 2020-_____

A RESOLUTION BY THE CITY COUNCIL OF AURORA, COLORADO, TO
RENEW THE CITY MANAGER'S DISASTER DECLARATION

WHEREAS, the City Code of the City of Aurora, Section 38-33 gives the City Manager the authority to declare that a state of disaster exists when a disaster has occurred or the threat of disaster is imminent; and

WHEREAS, the state of disaster shall continue until the City Manager finds that the threat of danger has passed or the disaster has been dealt with to the extent that disaster conditions no longer exist; and

WHEREAS, no state of disaster may continue for longer than seven days unless renewed by the consent of the majority of the City Council; and

WHEREAS, the City of Aurora, Colorado is experiencing serious emergency conditions as a result of the outbreak of COVID-19, causing a public health incident; and

WHEREAS, on March 10, 2020, Governor Polis declared a state of epidemic disaster emergency in Colorado; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic; and

WHEREAS, on March 13, 2020, President Trump issued a proclamation that the COVID-19 outbreak in the United States constitutes a national emergency; and

WHEREAS, on March 13, 2020, the City of Aurora declared a local state of emergency due to the outbreak of COVID-19; and

WHEREAS, this incident has required a change in operations and policy for the City of Aurora in order to respond to the public health incident; and

WHEREAS, the City of Aurora City Manager declared a local state of disaster on March ____, 2020; and

WHEREAS, the City Council finds and declares that a state of disaster is necessary for the preservation and protection of the public health, safety, and welfare of the inhabitants of the City of Aurora, Colorado.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. The Disaster Declaration signed by the City Manager on March ____, 2020, is hereby renewed by the City Council. This Disaster Declaration shall remain in place until the

City Council terminates the Declaration by motion, whereupon the City Manager shall issue a proclamation ending the state of disaster.

Section 2. All resolutions or parts of resolutions of the City in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this _____ day of _____, 2020.

MIKE COFFMAN, Mayor

ATTEST:

STEPHEN RUGER, City Clerk

APPROVED AS TO FORM:  

Isabelle Evans, Assistant City Attorney

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA MUNICIPAL
CODE ORDINANCE 38-33(d)**

Regulation 20-03

On March 18, 2020, the City of Aurora declared a state of disaster due to the public health incident related to COVID-19 in order to preserve and protect the public health, safety, and welfare of the inhabitants of the City. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulations are hereby adopted:

1. The City of Aurora hereby adopts the restrictions promulgated by the State of Colorado in Executive Order D 2020 039 and Public Health Order 20-26, as they may be amended from time to time.
2. The City Manager hereby delegates enforcement authority for violations of the Executive Order and the Public Health Order to the Director of Finance. The Director may delegate enforcement duties to appropriate personnel within the Department.
3. The City of Aurora further orders that all businesses operating within the City shall establish a policy requiring customers to wear medical or non-medical cloth face coverings at all times when customers may be in indoor public areas associated with the business. It shall be the responsibility of all businesses to enforce such policies. The City of Aurora Department of Finance and the Aurora Police Department shall have authority to enforce this regulation under Aurora Municipal Code, Section 38-28.
4. This regulation shall remain in place until midnight on May 8, 2020, or until the City Manager determines that such regulation is no longer necessary to protect life and property in the City of Aurora.

Dated this 27th day of April, 2020.

Jim Twombly, City Manager

City of Aurora, Colorado

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA MUNICIPAL
CODE ORDINANCE 38-33(d)**

Regulation 20-03

On March 18, 2020, the City of Aurora declared a state of disaster due to the public health incident related to COVID-19 in order to preserve and protect the public health, safety, and welfare of the inhabitants of the City. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulations are hereby adopted:

1. The City of Aurora hereby adopts the restrictions promulgated by the State of Colorado in Executive Order D 2020 039 and Public Health Order 20-26, as they may be amended from time to time.
2. The City Manager hereby delegates enforcement authority for violations of the Executive Order and the Public Health Order to the Director of Finance. The Director may delegate enforcement duties to appropriate personnel within the Department.
3. The City of Aurora further orders that all persons shall wear medical or non-medical cloth face coverings at all times when located in indoor public places, including, but not limited to, when entering critical businesses within the City of Aurora. The Aurora Police Department shall have the authority to enforce this individual requirement under Aurora Municipal Code, Section 38-28.
4. This regulation shall remain in place until midnight on May 8, 2020, or until the City Manager determines that such regulation is no longer necessary to protect life and property in the City of Aurora.

Dated this 27th day of April, 2020.

Jim Twombly, City Manager
City of Aurora, Colorado

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA
MUNICIPAL CODE ORDINANCE 38-33(d)**

Regulation 20-04

On March 18, 2020, the City of Aurora declared a state of disaster due to the public health incident related to COVID-19 in order to preserve and protect the public health, safety, and welfare of the inhabitants of the City. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulations are hereby adopted:

1. The City of Aurora hereby adopts the restrictions promulgated by the Tri-County Health Department in its order dated April 25, 2020, Adopting and Extending State Stay at Home Orders, as it may be amended from time to time. This regulation, consistent with the language of the order, shall apply only in areas of the City of Aurora located in Adams and Arapahoe Counties.
2. The City Manager hereby delegates enforcement authority for violations of the Executive Order and the Public Health Order to the Director of Finance. The Director may delegate enforcement duties to appropriate personnel within the Department.
3. This regulation shall remain in place until midnight on May 8, 2020, or until the City Manager determines that such regulation is no longer necessary to protect life and property in the City of Aurora.

Dated this 27th day of April, 2020.

Jim Twombly, City Manager
City of Aurora, Colorado

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA
MUNICIPAL CODE ORDINANCE 38-33(d)**

Regulation 20-05

On March 18, 2020, the City of Aurora declared a state of disaster due to the public health incident related to COVID-19 in order to preserve and protect the public health, safety, and welfare of the inhabitants of the City. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulations are hereby adopted:

1. The City of Aurora hereby adopts the restrictions promulgated by the Tri-County Health Department in its Public Health Order Adopting and Extending State Stay at Home Orders, dated April 25, 2020, as it may be amended from time to time (“TCHD Stay at Home Order”).
2. The City Manager hereby delegates enforcement authority for violations of the TCHD Stay at Home Order to the Director of Neighborhood Services; the Director of Parks, Recreation, and Open Space; and the Director of Finance. Such Directors may delegate enforcement duties to personnel within their respective Departments.
3. This regulation shall remain in place so long as the TCHD Stay at Home Order remain in place, or until the City Manager determines that such regulation is no longer necessary to protect life and property in the City of Aurora.

Dated this 30th day of April, 2020.

Jim Twombly, City Manager
City of Aurora, Colorado

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA
MUNICIPAL CODE ORDINANCE 38-33(d)**

Regulation 20-06

On July ____, 2020, the City of Aurora declared a state of disaster due to the public health incident related to COVID-19 in order to preserve and protect the public health, safety, and welfare of the inhabitants of the City. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulations are hereby adopted:

1. The City of Aurora hereby adopts the restrictions promulgated by State Executive Order D 2020-138, dated July 16, 2020 (“State Facial Coverings Order”) as it may be amended from time to time.
2. The City Manager hereby delegates enforcement authority for violations of the State Facial Coverings Order to the Director of Housing and Community Services; the Director of Parks, Recreation, and Open Space; and the Director of Finance. Such Directors may delegate enforcement duties to personnel within their respective Departments.
3. This regulation shall remain in place so long as the State Facial Coverings Order remains in place, or until the City Manager determines that such regulation is no longer necessary to protect life and property in the City of Aurora.

Dated this ____ day of July, 2020.

Jim Twombly, City Manager

City of Aurora, Colorado

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA
MUNICIPAL CODE ORDINANCE 38-33(d)**

Regulation 20-06

On July ____, 2020, the City of Aurora declared a state of disaster due to the public health incident related to COVID-19 in order to preserve and protect the public health, safety, and welfare of the inhabitants of the City. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulations are hereby adopted:

1. The City of Aurora hereby adopts the restrictions promulgated by the Tri-County Health Department in its Order Requiring Facial Coverings in Public Where Social Distancing Cannot be Maintained, dated July 10, 2020 (“Facial Coverings Order”) as it may be amended from time to time.
2. The City Manager hereby delegates enforcement authority for violations of the Facial Coverings Order to the Director of Housing and Community Services; the Director of Parks, Recreation, and Open Space; and the Director of Finance. Such Directors may delegate enforcement duties to personnel within their respective Departments.
3. This regulation shall remain in place so long as the Facial Coverings Order remains in place, or until the City Manager determines that such regulation is no longer necessary to protect life and property in the City of Aurora.

Dated this ____ day of July, 2020.

Jim Twombly, City Manager

City of Aurora, Colorado

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA
MUNICIPAL CODE ORDINANCE 38-33(d)**

Regulation 20-07

On July 20, 2020, the City of Aurora declared a state of disaster due to the public health incident related to COVID-19 in order to preserve and protect the public health, safety, and welfare of the inhabitants of the City. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulations are hereby adopted:

1. The City of Aurora hereby adopts the restrictions promulgated by State Executive Order D 2020-091, dated June 1, 2020 (“Safer at Home and in the Vast, Great Outdoors”) as it may be amended from time to time.
2. The City Manager hereby delegates enforcement authority for violations of Safer at Home and in the Vast, Great Outdoors to the Director of Housing and Community Services; the Director of Parks, Recreation, and Open Space; and the Director of Finance. Such Directors may delegate enforcement duties to personnel within their respective Departments.
3. This regulation shall remain in place so long as Safer at Home and in the Vast, Great Outdoors remains in place, or until the City Manager determines that such regulation is no longer necessary to protect life and property in the City of Aurora.

Dated this ____ day of August, 2020.

Jim Twombly, City Manager
City of Aurora, Colorado

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA
MUNICIPAL CODE ORDINANCE 38-33(d)**

Regulation 20-10

On July 20, 2020, the City of Aurora declared a state of disaster due to the public health incident related to COVID-19 to preserve and protect the public health, safety, and welfare of the inhabitants of the City. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulations are hereby adopted:

1. The City of Aurora hereby adopts the restrictions promulgated by State Executive Order D 2020-101, dated June 13, 2020 (“State Relief for Tenants Order”) as it may be amended from time to time pertaining to prohibiting landlords from charging any late fees or penalties for any breach of the terms of a lease or rental agreement due to nonpayment that were incurred from May 1, 2020 through the duration of the state declared state of epidemic disaster by extending the termination date of the Executive Order D 2020-101 by multiple successive Executive Orders.
2. The City Manager hereby delegates enforcement authority for State Relief for Tenants Order to the Director of Housing and Community Services and the Director of Finance. Such Directors may delegate enforcement duties to personnel within their respective Departments.
3. This regulation shall remain in place so long as Executive Order D 2020-101 is extended by additional Executive Orders, or until the City Manager determines that such regulation is no longer necessary to protect life and property in the City of Aurora.

Dated this ____ day of October 2020.

James M. Twombly, City Manager

City of Aurora, Colorado

**NOTICE OF CITY OF AURORA REGULATION PURSUANT TO AURORA
MUNICIPAL CODE ORDINANCE 38-33(d)**

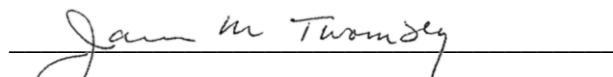
Regulation 20-11

**Prohibiting enforcement of City Code section 146-4.6.3.B.4 at
3293 Oakland Street, Aurora, Colorado**

On July 2, 2020, the City of Aurora, Colorado declared a state of disaster due to the public health incident related to COVID-19 to preserve and protect the public health, safety, and welfare of the inhabitants of the City. The disaster declaration was reaffirmed by City Council on November 2, 2020. Under Aurora Municipal Ordinance 38-33(d), during a declared state of disaster, the City Manager may promulgate regulations necessary to protect life and property and preserve critical resources. At this time, the City Manager has determined that an exercise of that authority is necessary to protect the citizens of the City of Aurora, Colorado and to facilitate statewide efforts to stop the spread of COVID-19. Therefore, the following regulation is hereby adopted:

1. The City of Aurora, Colorado hereby adopts the provisions of the fourth updated Public Health Order 20-24, as may be amended or extended, that strongly urged the City to make shelter available to people experiencing homelessness. The City has a temporary shelter for persons experiencing homelessness at 3293 Oakland Street, Aurora, Colorado. This location also provides parking for Recreational Vehicles and personal vehicles the homeless may use to sleep in rather than sleep inside the shelter.
2. The City Manager hereby determines enforcement of City Code section 146-4.6.3.B.4, that prohibits people from living in vehicles, shall not be enforced at the 3293 Oakland Street, Aurora, Colorado location for the duration of the City's declaration of disaster, if the use of the parking area at the temporary shelter for Recreational Vehicles and personal vehicles used by the homeless is terminate sooner, or until the City Manager determines that this prohibition is no longer necessary to protect life and property in the City of Aurora, Colorado.

Dated this ____ day of 12th January 2021.


James M. Twombly, City Manager

City of Aurora, Colorado

Subject: Planning and Zoning Commission Applications
Date: Friday, March 12, 2021 at 10:30:42 AM Mountain Standard Time
From: Rodriguez, Kadee
To: Elected A, Venegas, Roberto, Freed, Nancy, Batchelor, Jason
CC: Varney, Patricia, Lathers, David

Mayor and Council Members,


The One Drive link to access the applications for the Planning and Zoning Commission is at the end of this email. Please review all of the applications and use the ranking sheet provided in the link to list the applicants in preferred order from 1 to 7; a number 1 ranking gets more weight than a number 7 ranking. The number of applicants that will be interviewed will be determined after the rankings are reviewed. There will be an item on the March 22nd Regular Council Meeting to discuss the rankings and determine the final candidates to be interviewed. The proposed schedule is listed below:

March 10th – Deadline to submit an application
March 17th – Deadline to submit rankings
March 22nd Regular Council – Determine final candidates to be interviewed
April 5th Study Sessions – P&Z Commission interviews
April 12th Regular Council – Approve Appointment

One Drive link: https://auroragov-my.sharepoint.com/:f:/r/personal/svc_councilpackets_auroragov_org/Documents/Council/2021%20Planning%20and%20Zoning%20Commission%20Applications?csf=1&web=1&e=3gT71j

Please let me know if you have trouble accessing the folder in One Drive. I will be available to answer any other questions or concerns you have regarding this process.

Kadee Rodriguez, CMC
City Clerk | City of Aurora
office 303.739.7180

signature_1623751124


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