



CITY COUNCIL AGENDA

NOTICE TO READERS: City Council meeting packets are prepared several days prior to the meetings. Timely action and short discussion on agenda items is reflective of Council's prior review of each issue with time, thought and analysis given.

Members of the audience are invited to speak at the Council meeting. Citizen Communication (Section 7) and Citizen Presentations (Section 12) are reserved for comments on any issues or items pertaining to City business except those for which a formal public hearing is scheduled under Section 10 when the Mayor will call for public testimony. Please limit comments to no more than 5 minutes duration except when addressing the City Council during Section 12 of the agenda.

1. Pledge of Allegiance
2. Roll Call
3. Consideration of Minutes of Preceding Meetings
4. Report of City Officials
 - A. City Manager's Report
5. City Council Comments
6. Presentations
 - A. National Public Works Week Proclamation
 - B. Mental Health Month Proclamation
 - C. Police Week Proclamation
7. Citizen Communication (5 minutes or less)

The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to remove an item for separate discussion. Items removed from the consent agenda will be considered immediately following adoption of the amended Consent Agenda.

8. Consent Agenda
 - A. Benefit Broker Services
 - B. 2010 Chipseal Project Contract
 - C. Additional 2010 Water Leases to Irrigators
 - D. IGA with Adams County re Little Dry Creek Drainage and Park Plan Improvements
 - E. Water Conservation Plan Contract and Water Conservation Verification Study Contract
 - F. Purchase and Sale Agreement re a 3.53-acre Parcel for the Little Dry Creek Park Project
 - G. Purchase 14.52-acre Lot 11 Northridge at Park Centre Property for Open Space (122nd Ave. and Park Centre Dr.)
 - H. Second Reading of Councillor's Bill No. 12 re Miscellaneous Amendments to the Comprehensive Land Use Plan
 - I. Second Reading of Councillor's Bill No. 13 re Rezoning for Amberwood Estates (101st Ave. & Sheridan Blvd)
 - J. Second Reading of Councillor's Bill No. 14 re Feldman Property Annexation (128th Avenue and Pecos Street)
 - K. Second Reading of Councillor's Bill No. 15 re CLUP Amendment for the Feldman Property
 - L. Second Reading of Councillor's Bill No. 16 re Rezone of the Feldman Property
 - M. Second Reading of Councillor's Bill No. 17 re 68th Avenue and Utica Street Project Supplemental Appropriation
9. Appointments and Resignations
 - A. Resolution No. 13 re Appointments to Fill Vacancies on the Planning Commission
10. Public Hearings and Other New Business
 - A. Public Hearing re Annexation, CLUP Amendment and Zoning for the 144th Avenue and Tejon Street Property
 - B. Resolution No. 14 re Annexation Finding re the 144th Avenue and Tejon Street Property
 - C. Councillor's Bill No. 18 re Annexation of the 144th Avenue and Tejon Street Property
 - D. Councillor's Bill No. 19 re CLUP Amendment for the 144th Avenue and Tejon Street Property
 - E. Councillor's Bill No. 20 re Rezone of the 144th Avenue and Tejon Street Property
 - F. Public Hearing re Annexation, CLUP Amendment and Zoning for the 144th Avenue and Zuni Street Property
 - G. Resolution No. 15 re Annexation Finding re the 144th Avenue and Zuni Street Property
 - H. Councillor's Bill No. 21 re Annexation of the 144th Avenue and Zuni Street Property
 - I. Councillor's Bill No. 22 re CLUP Amendment for the 144th Avenue and Zuni Street Property
 - J. Councillor's Bill No. 23 re Rezone of the 144th Avenue and Zuni Street Property

- K. Councillor's Bill No. 24 re 2010 Community Development Block Grant Fund Appropriation
- L. Councillor's Bill No. 25 re 2009 Final Budget Supplemental Appropriation
- M. Councillor's Bill No. 26 re 2010 1st Quarter Budget Supplemental Appropriation
- N. Councillor's Bill No. 27 re Lease for the Former Animal Shelter
- O. Councillor's Bill No. 28 re Issuance of Water and Wastewater Utility Enterprise Revenue Bonds Series 2010
- P. Resolution No. 16 re Water Conservation Planning Grant Application
- Q. Resolution No. 17 re Elimination of the Operating Reserve in the City's Utility Fund Fiscal Policy

11. Old Business and Passage of Ordinances on Second Reading

12. Citizen Presentations (longer than 5 minutes), Miscellaneous Business, and Executive Session

- A. City Council

13. Adjournment

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY MEETING (separate agenda)

136th AVENUE GENERAL IMPROVEMENT DISTRICT MEETING (separate agenda)

GENERAL PUBLIC HEARING PROCEDURES ON LAND USE MATTERS

A. The meeting shall be chaired by the Mayor or designated alternate. The hearing shall be conducted to provide for a reasonable opportunity for all interested parties to express themselves, as long as the testimony or evidence being given is reasonably related to the purpose of the public hearing. The Chair has the authority to limit debate to a reasonable length of time to be equal for both positions.

B. Any person wishing to speak other than the applicant will be required to fill out a "Request to Speak or Request to have Name Entered into the Record" form indicating whether they wish to comment during the public hearing or would like to have their name recorded as having an opinion on the public hearing issue. Any person speaking may be questioned by a member of Council or by appropriate members of City Staff.

C. The Chair shall rule upon all disputed matters of procedure, unless, on motion duly made, the Chair is overruled by a majority vote of Councillors present.

D. The ordinary rules of evidence shall not apply, and Council may receive petitions, exhibits and other relevant documents without formal identification or introduction.

E. When the number of persons wishing to speak threatens to unduly prolong the hearing, the Council may establish a time limit upon each speaker.

F. City Staff enters a copy of public notice as published in newspaper; all application documents for the proposed project and a copy of any other written documents that are an appropriate part of the public hearing record;

G. The property owner or representative(s) present slides and describe the nature of the request (maximum of 10 minutes);

H. Staff presents any additional clarification necessary and states the Planning Commission recommendation;

I. All testimony is received from the audience, in support, in opposition or asking questions. All questions will be directed through the Chair who will then direct the appropriate person to respond.

J. Final comments/rebuttal received from property owner;

K. Final comments from City Staff and Staff recommendation.

L. Public hearing is closed.

M. If final action is not to be taken on the same evening as the public hearing, the Chair will advise the audience when the matter will be considered. Councillors not present at the public hearing will be allowed to vote on the matter only if they listen to the tape recording of the public hearing prior to voting.

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE CITY COUNCIL MEETING
HELD ON MONDAY, APRIL 26, 2010 AT 7:00 P.M.

PLEDGE OF ALLEGIANCE

Mayor McNally led the Council, staff and audience in the Pledge of Allegiance.

ROLL CALL

Mayor Nancy McNally, Mayor Pro Tem Chris Dittman, and Councillors Bob Briggs, Mark Kaiser, Mary Lindsey, Scott Major, and Faith Winter were present at roll call. J. Brent McFall, City Manager, Marty McCullough, City Attorney, and Linda Yeager, City Clerk, also were present.

CONSIDERATION OF MINUTES

Councillor Kaiser moved, seconded by Major, to approve the minutes of the regular meeting of April 12, 2010, as distributed. The motion passed unanimously.

CITY MANAGER'S REPORT

Mr. McFall reported that Community Pride Day would be held in association with Hyland Hills Recreation District on May 8. In excess of 1,500 volunteers would be working that morning throughout the City to pick up trash and beautify open spaces, parks and rights-of-way. Everyone would congregate at City Hall at noon for an appreciation barbecue. Interested people could still volunteer and participate.

PRESENTATIONS

Mayor McNally presented a proclamation to Carolyn Corbett and Caitee, her canine therapy partner, and proclaimed April 29, 2010 to be Pay (Paw) It Forward Day in recognition of their role in supporting victims of crime and other life-altering experiences.

Councillor Briggs presented a proclamation for National Drinking Water Week from May 2 through 8, 2010, to Steve Ramer of the Public Works and Utilities Department.

CONSENT AGENDA

The following items were submitted for Council's consideration on the consent agenda: accept the March 2010 Financial Report; accept the first quarter 2010 Insurance Claims Report; authorize the City Manager to execute documents to accomplish a trade of land with the Colorado Department of Transportation to accommodate the reconstruction of the 80th Avenue Bridge over US Highway 36; authorize the Police and Fire Department's purchase of 90 fully ruggedized General Dynamics Itronix GD8000 (MDT's) from Global Mounting in an amount not to exceed \$433,814; based on the City Manager's report, find that the public interest would be best served by accepting the bid for the Shoenberg Farm barn renovation from TC Squared Construction Inc., authorize the City Manager to award and execute a \$294,665 contract with TC Squared Construction Inc., and authorize a construction contingency of 10% in the amount of \$29,764, subject to final budget approval by the grant agency, the State Historical Fund; based on the City Manager's recommendation, find that the public interest would best be served by authorizing the City Manager to execute a \$263,961 contract with Burns and McDonnell Engineering Company, Inc. to provide engineering design and construction management services for the Meadowlark and Transit Oriented Development Waterline Project and authorize a 10% contingency in the amount of \$26,396 for a total expenditure of \$290,357; and authorize the City Manager to execute an agreement for bond counsel services with Sherman & Howard for a fee not to exceed \$30,000, plus actual expenses not to exceed \$1,000, and an agreement for disclosure counsel services with Kutak Rock for a total fee not to exceed \$28,000, plus actual expenses not to exceed \$250 in connection with the proposed issuance of approximately \$30 Million Water and Wastewater Utility Enterprise, Taxable and/or Tax-exempt Water and Wastewater Revenue Bonds, Series of 2010, in the form included in the agenda packet.

Having heard no one ask the Mayor to remove any items for individual consideration, Councillor Major moved, seconded by Councillor Kaiser, to approve the consent agenda as presented. The motion carried.

PUBLIC HEARING TO CONSIDER MISCELLANEOUS AMENDMENTS TO THE CLUP

At 7:11 p.m. the Mayor opened a public hearing to consider miscellaneous amendments to the Comprehensive Land Use Plan (CLUP). Jana Easley, Principal Planner, entered into the record the legal notice of hearing as published in the *Westminster Window* and the agenda memorandum with attachments. Staff monitored the CLUP to assure it was up to date and free of errors. This proposal contained 35 separate map updates, focusing predominately on City-owned properties that needed to be revised as a result of Open Space acquisitions or the recent re-designation of property between parks and open space, which Council had approved in December 2009.

Mayor McNally opened the hearing for public comment. There was none, and Councillors had no questions.

Ms. Easley reported that the Planning Commission had considered the proposed amendments on April 13 and had recommended approval.

Mayor McNally closed the hearing at 7:14 p.m.

COUNCILLOR'S BILL NO. 12 APPROVING MISCELLANEOUS AMENDMENTS TO THE CLUP

Mayor Pro Tem Dittman moved to pass Councillor's Bill No. 12 on first reading approving the miscellaneous Comprehensive Land Use Plan amendments as proposed, based on finding that the proposed amendments would be in the public good and that: there was justification for the proposed changes and the Plan was in need of revision as proposed; the amendments were in conformance with the overall purpose and intent and the goals and policies of the Plan; the proposed amendments were compatible with existing and planned surrounding land uses; and the proposed amendments would not result in excessive detrimental impacts to the City's existing or planned infrastructure systems. Councillor Major seconded the motion, and it passed unanimously on roll call vote.

PUBLIC HEARING FOR AMBERWOOD ESTATES REZONE AND COMBINED PDP/ODP

At 7:15 p.m. the Mayor opened a public hearing to consider the Amberwood Estates rezoning and combined Preliminary and Official Development Plan. Jana Easley entered into the record the legal notice of hearing published in the *Westminster Window*, proof that the property had been posted to notify passersby, a copy of the notification mailed to property owners within 300 feet of the parcel in question, the agenda memorandum with attachments and two letters from neighboring property owners. The 4.54-acre parcel of vacant land was located at the southwest corner of Sheridan Boulevard and 101st Avenue. Proposed development was of 13 single-family detached lots for a density of 2.86 dwelling units per acre. Residential use was consistent with surrounding uses.

Tyler Peter of Land Architects represented the owner. He provided pictures of the vacant property, described proposed drainage, fence and street improvements; and displayed pictures of the planned design of the residences to be built.

John Carpenter, Community Development Director, reported that the developer had been advised there could be no impacts, grading or drainage to the neighboring property owned by Leonard and Ruby Holtzclaw.

The Mayor opened the hearing for public comment.

Leonard Holtzclaw, 10115 Sheridan Boulevard, identified that support of his fence was his main concern; and he had been assured his concerns would be taken care of during construction.

Ms. Easley reported that the Planning Commission had reviewed this development proposal at a public hearing on April 13, 2010, and had recommended approval.

Once questions of Council were answered, the Mayor closed the hearing. The time was 7:33 p.m.

COUNCILLOR'S BILL NO 13 TO REZONE AMBERWOOD ESTATES

It was moved by Councillor Briggs, seconded by Mayor Pro Tem Dittman, to pass Councillor's Bill No. 13 on first reading to rezone the proposed Amberwood Estates residential project from Open (O-1) to Planned Unit Development (PUD) based on finding that the criteria set forth in Section 11-5-3 of the Westminster Municipal Code had been met. The motion passed unanimously on roll call vote.

APPROVAL OF COMBINED PDP/ODP FOR AMBERWOOD ESTATES

It was moved by Councillor Briggs and seconded by Mayor Pro Tem Dittman to approve the combined Preliminary and Official Development Plan for Amberwood Estates based on find that the criteria set forth in Sections 11-5-14 and 11-5-15 of the Westminster Municipal Code had been met. The motion carried with all Council members voting affirmatively.

PUBLIC HEARING FOR FELDMAN PROPERTY ANNEXATION, CLUP AMENDMENT AND REZONE

At 7:35 p.m. the Mayor opened a public hearing to consider the annexation, Comprehensive Land Use Plan amendment, and rezoning of the Feldman Property. Ms. Easley entered into the record the notice of hearing as published in the *Westminster Window*, the posting of the property to notify passersby, the written notification to property owners within 300 feet, the agenda memorandum with attachments, and a letter from Mark Aldrich received earlier in the day. The property was about 4.5 acres in size and was located approximately 350 feet south of 128th Avenue just west of Pecos Street. The City had purchased the property from the Feldmans in 2008 for open space purposes. The parcel was an enclave, surrounded entirely on all sides by the City for at least three years. The intent would be to remove structures on the site and restore the property to native vegetation.

Mayor McNally opened the hearing for public comment. No one wished to speak and Council had no questions.

Ms. Easley added that the Planning Commission had considered this proposal in public hearing on April 13 and had voted to recommend approval.

The Mayor closed the hearing at 7:40 p.m.

COUNCILLOR'S BILL NO. 14 TO ANNEX THE FELDMAN PROPERTY

It was moved by Councillor Lindsey and seconded by Councillor Major to pass Councillor's Bill No. 14 on first reading to annex the Feldman Property into the City. At roll call, the motion carried unanimously.

COUNCILLOR'S BILL NO. 15 APPROVING CLUP AMENDMENT FOR FELDMAN PROPERTY

Councillor Lindsey moved, seconded by Councillor Major, to pass Councillor's Bill No. 15 on first reading approving the Comprehensive Land Use Plan amendment for the Feldman property to designate the property as City-owned open space based on finding that the proposed amendment would be in the public good; that there was justification for the proposed change and the Plan was in need of revision as proposed; that the amendment was in conformance with the overall purpose and intent and the goals and policies of the Plan; that the proposed amendment was compatible with existing and planned surrounding land uses; and that the proposed amendment would not result in excessive detrimental impacts to the City's existing or planned infrastructure systems. On roll call vote, the motion passed unanimously

COUNCILLOR’S BILL NO. 16 REZONING THE FELDMAN PROPERTY

Councillor Lindsey moved, seconded by Mayor Pro Tem Dittman, to pass Councillor’s Bill No. 16 on first reading changing the zoning of the Feldman property from A-3 (Adams County) to City of Westminster Open District (O-1). The motion passed unanimously at roll call.

COUNCILLOR’S BILL NO. 17 AUTHORIZING SUPPLEMENTAL APPROPRIATION FOR 68TH/UTICA

Upon a motion by Councillor Winter, seconded by Councillor Kaiser, the Council voted unanimously on roll call vote to pass Councillor’s Bill No. 17 on first reading to appropriate \$1,100,000 to the 68th Avenue and Utica Street project.

68TH AVENUE/UTICA STREET PROJECT CONSTRUCTION CONTRACT AWARDED

Councillor Winter moved to authorize the City Manager to execute a contract with the low bidder, Premier Paving, Inc., in the amount of \$739,537.30 for the construction of the 68th Avenue and Utica Street Roadway Reconstruction Project, to authorize a construction contingency in the amount of \$75,000, and to authorize the payment of an amount not to exceed \$105,100 to Xcel Energy for the design and installation of street lights for the project. The motion was seconded by Councillor Kaiser and passed unanimously.

RESOLUTION NO. 12 OPPOSING PROPOSED FLOODPLAIN REGULATION REVISIONS

It was moved by Councillor Major and seconded by Councillor Kaiser to adopt Resolution No. 12 setting forth the City of Westminster’s concerns with the Colorado Water Conservation Board’s proposed revisions to the “Rules and Regulations for Regulatory Floodplains in Colorado.” The motion carried unanimously on roll call vote.

ADJOURNMENT

There being no further business to come before the Council, it was moved by Councillor Kaiser, seconded by Major, to adjourn. The motion carried, and the meeting adjourned at 7:46 p.m.

ATTEST:

City Clerk

Mayor



Agenda Item 6 A

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Proclamation re National Public Works Week

Prepared By: Michael B. Smith, Director of Public Works and Utilities

Recommended City Council Action

Proclaim the week of May 16 - 22, 2010 as Public Works Week in the City of Westminster. Councillor Kaiser is requested to present the proclamation to Jackie Bowers, Secretary, Administration Division; Barb Cinkosky, Secretary, Street Operations Division; Lili Cox, Secretary, and Andy Mead, Senior Management Analyst, Utilities Operations Division; Dan Strietelmeier, Senior Engineer, Tim Woodard, Plant Superintendent and Chris Gray, Management Analyst, Utility Planning and Engineering Division.

Summary Statement

- National Public Works Week is a celebration of the tens of thousands of men and women across America who provide and maintain the infrastructure and services collectively known as public works.
- The American Public Works Association and State Chapters dedicate the third week in May each year to inform and educate citizens of the importance of Public Works.
- The theme of this year's Public Works Week is "Above, Below & All Around You."
- Posters, displays and brochures will be available at City Hall, City Recreation Centers, and City Libraries.
- Public Works & Utilities staff will be in attendance to receive the proclamation on behalf of the Department.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

None identified

Alternative

None identified

Background Information

Public Works professionals throughout the United States and Canada will celebrate National Public Works Week, May 16 - 22, 2010.

Since 1960, the annual observance has been an opportunity to increase public awareness of the role that Public Works plays in all of our daily lives. The 2010 events are being coordinated in the State by the Colorado Chapter of the American Public Works Association. The week seeks to enhance the prestige of the often-unsung heroes of our society – the professionals who serve the public good every day with quiet dedication. Through National Public Works Week the Colorado Chapter of the American Public Works Association seeks to raise the public’s awareness of public works issues and to increase confidence in Public Works employees who are dedicated to improving the quality of life for present and future generations.

Below is the graphic that was created for this year’s National Public Works Week.



This proclamation supports City Council’s goal of a Financially Sustainable City Government by recognizing Public Works and Utilities employees for their efforts towards a well-maintained city infrastructure and facilities and providing efficient, cost-effective internal and external services

Respectfully submitted,

J. Brent McFall
City Manager

Attachment - Proclamation

WHEREAS, Public Works and Utilities services provided in our community are an integral part of our citizens' lives; and

WHEREAS, support of an understanding and informed citizenry is vital to the efficient operation of Public Works and Utilities and programs concerning the maintenance of water, sewers, streets and highways, public buildings, solid waste collection, and snow removal operations; and

WHEREAS, the health, safety, and comfort of this community greatly depends on these facilities and services; and

WHEREAS, the quality and effectiveness of these facilities, as well as their planning, design, and construction, are vitally dependent upon the efforts and skill of Public Works officials; and

WHEREAS, the efficiency of the qualified and dedicated personnel who staff Public Works and Utilities departments is materially influenced by the people's attitude and understanding of the importance of the work they perform.

NOW, THEREFORE, I, Chris Dittman, Mayor Pro Tem of the City of Westminster, on behalf of the entire City Council and Staff, do hereby proclaim the week of May 16 through 22, 2010, as

PUBLIC WORKS WEEK

in the City of Westminster and call upon all citizens and civic organizations to acquaint themselves with the challenges and opportunities involved in providing our Public Works and Utilities and to recognize the contributions that Public Works and Utilities officials make every day to our health, safety, comfort and quality of life.

Signed this 10th day of May, 2010.

Chris Dittman, Mayor Pro Tem



Agenda Item 6 B

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010

SUBJECT: Proclamation re Mental Health Month

Prepared By: Linda Yeager, City Clerk

Recommended City Council Action

Mayor Pro Tem Dittman to present the proclamation for Mental Health Month.

Summary Statement

- Jefferson Center for Mental Health and Community Reach, which serves Adams County residents, have requested that the City proclaim the month of May as Mental Health Month in Westminster.
- The City has been very supportive of both of these mental health organizations through the City's Human Services funding each year.
- Vicki Rodgers, Deputy Chief Operating Officer at Jefferson Center for Mental Health, and Lindy Schultz, Public Information Officer at Community Reach, will accept the proclamations.

Expenditure Required: \$0

Source of Funds: N/A

SUBJECT: Proclamation re Mental Health Month

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Policy Issue

None identified

Alternative

None identified

Background Information

Community Reach and Jefferson Center for Mental Health have requested that the month of May be recognized as Mental Health month in Westminster in order to increase community awareness that persons with mental illness can be treated and can be productive citizens.

In 2010, the City is providing \$7,500 to Jefferson Center for Mental Health and \$12,000 to Community Reach as part of the Human Services Agency Funding. In addition the City supports Community Reach by providing facility space for their Westminster office in the former 76th Avenue Library building.

Representatives of Community Reach and Jefferson Center for Mental Health will be in attendance to accept the proclamation.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

WHEREAS, Mental illness is the leading cause of disability in the United States, resulting in 217 million days of work lost annually due to productivity decline, more than many other chronic conditions; and

WHEREAS, By 2020, behavioral health disorders will surpass all physical diseases world-wide; and

WHEREAS, Good mental health is essential to the overall health and emotional well-being of Colorado's children, youth, adults, and families; and

WHEREAS, People who have mental illnesses can recover and lead full, productive lives; and

WHEREAS, Access to medication and treatment helps prevent people from ending up in emergency rooms, corrections facilities, becoming homeless and, most importantly, prevents suicide; and

WHEREAS, It costs 6.5 times more to incarcerate people experiencing mental health issues than to treat them in the community; and

WHEREAS, The vast majority of children, youth, and adults in Colorado who have mental health disorders are not receiving the help they need; and that addressing their complex mental health needs is fundamental to the future of Colorado;

NOW, THEREFORE, I, Chris Dittman, Mayor Pro Tem of the City of Westminster, Colorado, on behalf of the entire City Council and Staff, do hereby proclaim May 2010 as

MENTAL HEALTH MONTH

and call upon all citizens, government agencies, public and private institutions, businesses, and schools to recommit our communities and resources to increasing awareness and understanding of mental health, providing appropriate and accessible services for all citizens, and making mental health a priority.

Dated this 10th day of May, 2010.

Chris Dittman, Mayor Pro Tem



WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Proclamation re Police Week

Prepared By: Lee Birk, Chief of Police
Heather Wood, Public Information Officer

Recommended City Council Action

Councillor Major to designate May 15, 2010 as Peace Officers Memorial Day and May 9-15, 2010 as Police Week.

Summary Statement

- The President of the United States proclaims May 15 of each year as Peace Officers Memorial Day and the week in which it falls as Police Week.
- In 1994, President William J. Clinton signed into public law a joint resolution of the 103rd Congress directing that the flag of the United States be flown at half-staff on all government buildings on May 15.
- Police Week recognizes the service and sacrifice of United States law enforcement and pays special recognition to those law enforcement officers who have lost their lives in the line of duty for the safety and protection of others.
- A public memorial service will be held in front of the Westminster Public Safety Center on Thursday, May 13 beginning at noon to honor fallen officers and will include the Westminster Police Department Honor Guard and a bagpiper playing "Amazing Grace."
- Tri-City Baptist Church will honor local law enforcement agencies and their officers with a special service. The Ninth Annual Law Enforcement Appreciation Memorial Service will be held on May 16, 2010 at Tri City Baptist Church at 10:30 a.m.
- Chief Lee Birk will be present to accept the Proclamation on behalf of the Police Department.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

None identified

Alternative

None identified

Background Information

Law Enforcement officers throughout the United States will observe Peace Officers Memorial Day on May 15, 2009 and Police Week during May 10-16, 2009. On October 1, 1961, Congress asked the President to designate May 15 to honor law enforcement officers. President John F. Kennedy signed the bill into law on October 1, 1962. President Kennedy designated the calendar week during which May 15 occurs as Police Week in recognition of the service given by men and women who, day and night, stand guard in our midst to protect us through enforcement of our laws. It was not until May 15, 1982 that the first National Peace Officers Memorial day Service was held. In 1991, President George H.W. Bush dedicated the Law Enforcement Officers Memorial, which commemorates the service and ultimate sacrifice of America's law enforcement officers.

According to a Proclamation by President George W. Bush in 2002, "Peace Officers Memorial Day and Police Week pay tribute to the local, state, and federal law enforcement officers who serve and protect us with courage and dedication. These observances also remind us of the ongoing need to be vigilant against all forms of crime, especially to acts of extreme violence and terrorism."

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

WHEREAS, in 2009, across the United States, 123 law enforcement officers lost their lives in the line of duty; and,

WHEREAS, more than 18,700 federal, state, and local law enforcement officers have died in the line of duty and their names are engraved on the National Law Enforcement Officers Memorial in Washington D.C.; and,

WHEREAS, we pay homage to the heroes who have fallen in the line of duty and pray for the families and friends left behind; and,

WHEREAS, the Westminster Police Department has 185 authorized commissioned police officers,

WHEREAS, Westminster police officers responded to 112,307 police service events in 2009,

WHEREAS, with valor and devotion, our law enforcement officers stand watch on the front lines and help make our communities safer and more secure; and,

WHEREAS, fulfilling their duties with courage and commitment, law enforcement officers work tirelessly and put themselves in harm's way, exemplifying the good and decent character of America.

NOW, THEREFORE, I, Chris Dittman, Mayor Pro Tem of the City of Westminster, Colorado, on behalf of the entire City Council and Staff, do hereby proclaim May 15 as

PEACE OFFICERS MEMORIAL DAY

and May 9-15 as

POLICE WEEK

in the City of Westminster, and urge all citizens to thank the men and women who have answered the call to serve in law enforcement for their commitment to justice and to their communities.

Signed this 10th day of May, 2010.

Chris Dittman, Mayor Pro Tem



Agenda Item 8 A

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Benefit Broker Services

Prepared By: Debbie Mitchell, Human Resources Manager
Dee Martin, Human Resources Administrator

Recommended City Council Action

Find that the public interest would be best served by authorizing the City Manager to award the bid and execute a one year contract with Hays Companies of Denver for benefit broker services in the amount of \$90,000, with the option to renew for three years at the same cost.

Summary Statement

The City contracts for benefit broker services to provide consultation and advice on establishment of analysis, cost savings measures, and assistance in administering all components of employee benefits. This includes employee Medical/Dental, Term Life/AD&D, Group Survivor benefits and Long Term Disability Insurance. In selecting a benefits consulting firm, City objectives included choosing a firm that will:

- Meet the needs of the City at a competitive cost
- Provide a proactive partnering approach to benefit package formation with the final goal of maintaining a comprehensive and fiscally responsible, market driven benefit package
- Provide proactive and responsive services that encourage communication and prompt action on projects
- Remain well-informed on trends, legislation and cost containment strategies and provide advice and analysis on benefits
- Advise the City on long-term sustainable, strategies for benefits formation

Based on the Request for Proposal process, Staff believes Hays Companies of Denver is clearly superior to the rest of the firms at meeting the current needs of the City for employee benefit consulting services. Their fixed fee guaranteed for three years is \$50,000 less on an annual basis than what the City's current broker charges and \$17,000 less than the current broker's proposal quote. Hays Companies of Denver has a tremendous amount of expertise in the industry and a creative, client-focused approach. Their records management/claims tracking and analysis is comprehensive, and unlike the systems that the other respondents had to offer, provides something the City can use to effectively manage program costs.

Expenditure Required: \$90,000 annually

Source of Funds: Medical and Dental Fund

Policy Issue

Based on the analysis of submittals to the Request for Proposal, is Hays Companies of Denver the best available resource to provide necessary benefit broker services?

Alternatives

1. Continue to contract with Arthur J. Gallagher and Company for benefit broker services
2. Further analyze other bids from the Request for Services process
3. Discontinue contracting with a benefit broker consultant

From the Request for Proposal process, Hays Companies of Denver provides exceptional employee benefit consulting services that can help the City maintain a sustainable, cost effective and competitive benefit package to City employees. Therefore, Staff does not recommend any of these alternatives.

Background Information

A request for proposals was issued for a benefit broker for the City of Westminster. Proposals were distributed to 18 brokers who had in the past expressed interest in doing business with the City or were known to have provided the same kind of service for other companies and municipalities in the Denver metropolitan area.

Six companies returned proposals to act as broker and employee benefit consultant for the City. Those companies and their proposals were:

- **Benefits & Incentives Group, Inc.** **Fee Structure-** \$85,000 (all scope of services included)
Commission Structure- Not to exceed \$85,000
- **Arthur J. Gallagher Benefits** **Fee Structure-** \$107,000 (not all scope of services included in price; additional fees on a project basis); guaranteed for 2 years
Commission Structure- Not to exceed \$107,000 in the first year
- **GCG Financial Inc.** No fees outlined in proposal
- **Hays Companies of Denver** **Fee Structure-** \$90,000 (all scope of services included); guaranteed for 3 years
Commission Structure- n/a
- **Leif Associates, Inc.** **Fee Structure-** \$66,000 (not all scope of services included in price; additional fees on a project basis)
Commission Structure- n/a
- **The Segal Company** **Fee Structure-** \$70,000 (not all scope of services included in price; additional fees on a project basis)
Commission Structure- n/a

The proposals received from Benefits & Incentives Group, Inc, Arthur J. Gallagher Benefits, Hays Companies of Denver, Leif Associates, Inc. and The Segal Company all included a proposal to provide the scope of services that were outlined on the request for proposals (RFP). The submittal from GCG Financial Inc. was considered incomplete because it did not outline the cost for services as requested in the RFP.

The criteria that had previously been identified for selection of the benefits broker were as follows:

1. Experience of the firm and its staff with providing benefits consulting services to include:
 - Prior years of experience with similar sized organizations and with similar benefits
 - Prior years of experience with governmental entities as clients
 - Experience with self-funded medical and dental plans
 - Experience working with cafeteria-style benefit programs, including Sections 125 and 129 flexible spending plan arrangements
 - Experience in evaluating benefit program designs and in making recommendations for program improvements and/or restructuring
 - Experience with actuarial/underwriting services for self-insured plans
2. Qualifications of staff to be assigned to the City
3. The ability to provide the requested services
4. Fees and compensations
5. The value of service suggestions or other new ideas and enhancements
6. Quality and conciseness of proposal
7. Integration of wellness program benefits into a healthcare plan

Per the RFP, the scope of services requested by the City included:

Description 1: Initial/Annual Strategic Planning

- Assess and identify benefit philosophy, risk profile, priorities
- Reaffirm plans for short/long term benefit goals
- Discuss new or alternative products and/or funding approaches
- Provide benefit and plan design analysis with recommendations
- Discuss budget timeline and implementation of any resulting actions

Description 2: Communication and Education

- Assist with employee benefit communication strategies
- Develop communication tools outlining plan design changes, task force results summaries
- Attend employee meetings as requested
- Assist with written information pieces as needed and legal compliance communication
- Assist with Open Enrollment information and communication to employees
- Educate and inform Human Resources staff / City Management on important industry trends, products, legislation and cost containment strategies
- Conduct educational seminars for Human Resources on topics such as COBRA, HIPAA, etc.
- Assist with communication strategy and implementation when a change in provider(s) occurs

Description 3: 1st year, Renewal Analysis, Reporting

- Submit underwriting analysis of insured plan's carrier renewal/projections for self-funded plans
- Review performance of carriers
- Investigate alternative benefit options
- If client is interested in the viability of changing carriers - Prepare RFP(s) for both current and alternative plan designs and submit thorough analysis of responses including, but not limited to, cost, quality of services, assessment of services offered, background and references and long term implications with recommendations
- Negotiate terms of new contract(s)
- Assist with implementation of any new carrier(s)

Description 4: Renewal and Contract Negotiations

- For all plans, work with providers in assisting the City with service negotiations, favorable rates and contracting
- Compare documents to RFP's and SPD's for accuracy and legislative compliance
- Review and, as needed, consolidate and/or write Plan Documents, SPDs
- Request and edit amendments

Description 5: Legal Requirements

- Keep the City informed on new applicable legislation as it occurs
- Provide interpretation and resources, notification of significant case law, bulletins, assistance with implementation of required changes
- Provide assistance with form changes and mandated employee information and messages

Description 6: Benefit Plan Financial Information and Management

- Review and analyze carrier reports, submit and discuss reports with the City
- Determine the type and scope of reports needed to keep the City fully informed as to current and projected status of plans and the frequency of the reports

Description 7: Actuarial/Underwriting Services for Self Insured Plans

- Provide annual analysis of adequacy of rates and rate calculations
- Provide analysis and discussion of funding alternatives
- Provide projections of impact on rates of plan revisions,
- Provide projections of claims for subsequent years
- Provide periodic (frequency decided by the City and consultant as appropriate for each plan) claim reports with analysis of utilization and trends with frequency decided

Description 8: Benefit Cost Containment Strategies

- On-going analysis of benefit structure and options
- Provide cost containment ideas and strategies based on a Denver-metro market trend analysis and with special emphasis placed on public sector data
- Provide analysis of strategies
- Provide implementation assistance as needed

Description 9: Eligibility Audit(s)

- Conduct periodic dependent audit(s) as deemed appropriate by and consultant for healthcare eligibility

Description 10: Ongoing City Benefit Administration Assistance

- Assist with claims administration by providing a comprehensive, objective review of received and processed claims to determine whether the claims are adjudicated according to contractual performance standards, appropriate benefits, and industry standards
- Provide responsive attention as needed to address claim issues providing research with carriers and adjudication of specific claims as requested by client
- Provide liaison services between and other benefits contractors/vendors and providers including coordination of reporting and assistance resolving problems and concerns

Description 11: Retiree Healthcare Program Actuarial Valuation

- Complete a GASB 45 actuarial study on a two year basis
- Provide analysis on annual required contribution
- Provide annual OPEB cost analysis and financial disclosure information

Description 12: Additional Requests for Other Services

- The City reserves the right under the terms of this RFP to request services or project support unrelated to this defined set of consulting services. The scope of these services and related costs will be agreed to prior to the consultant performing any work.

After extensive analysis of the proposals submitted by the five qualified firms in the RFP process, including interviews and reference checks, staff recommend Hays Companies of Denver. Through the evaluation process, it was determined that Hays Companies of Denver is differentiated by their superior product, including their:

- Innovative approach to healthcare planning
- Cost effective fee structure
- Quality team with diversified skills
- Creative cost control ideas
- Superior analysis tools and strategy
- Long-term strategic approach
- Integration of wellness programs as a cost-control driver
- Familiarity with similar organizations and plan structures
- Exceptional references regarding their services and collaborative and comprehensive approach

Staff has full confidence that the work performed by Hays Companies of Denver is of superior quality at a competitive cost. Contracting with Hays Companies of Denver addresses Council's Strategic Plan goal of Financially Sustainable City Government Providing Exceptional Services as their work will assist the City in providing a sustainable, quality healthcare package that will continue to help Westminster recruit and retain exceptional employees.

Respectfully submitted,

J. Brent McFall
City Manager



Agenda Item 8 B

WESTMINSTER COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: 2010 Chipseal Project Contract

Prepared By: Dave Cantu, Contract Maintenance Supervisor
Ray Porter, Street Operations Division Manager

Recommended City Council Action

Authorize the City Manager to execute a contract for 2010 with options for two additional one-year renewals (2011 and 2012) for Chipseal application to the low bidder, A-1 Chipseal Co. in the amount of \$796,204 and authorize a contingency of \$10,000 for a total project budget of \$806,204.

Summary Statement

- City Council approved adequate funds for this expense in the 2010 Department of Public Works and Utilities, Street Operations Division Operating budget and General Capital Improvement Fund.
- As proposed, annual contract renewals for 2011 and 2012 will require agreement by both parties and any price adjustments will not exceed the Consumer Price Index for All Urban Consumers.
- The 2010 Chipseal Project consists of 248,258 square yards of conventional chipseal to be applied on 84 Westminster residential streets and another 69,692 square yards of 7/8" thick double bonded hot applied chipseal overlay on 3 major roadways (see location list).
- Formal bids were solicited from three contractors with one responding.
- The only bidder, A-1 Chipseal has successfully completed chipseal projects in the City of Westminster for the past 13 years and meets all of the City bid requirements.

Expenditure Required: \$ 806,204

Source of Funds: General Fund

- Street Operations Division Operating Budget \$524,616

General Capital Improvement Fund

- Arterial Roadway Resurfacing \$281,588

Policy Issue

Should Council authorize the City Manager to execute a contract with the low bidder, A-1 Chipseal Company for the application of Chipseal on City streets as specified in the contract documents for this project and authorize negotiations for 2011 and 2012 chipseal work?

Alternatives

1. Bid the chipseal work with the annual Asphalt Pavement Rehabilitation Project.
 - Costs would increase by an estimated 15% due to the fact that both the general contractor and sub-contractor will calculate profit into the project.
2. Resurface the conventional chipseal streets with a thin 1” overlay of hot-mix asphalt (HMA).
 - Staff does not recommend this alternative for the following reasons:
 - With this alternative, the cost would double and the added strength of the pavement structure would be similar to conventional Chipseal.
 - The pavement’s flexibility would not increase as it does with the Chipseal application.

Background Information

The 2010 Chipseal Project represents a total of 45.2 lane miles of pavement surface improvements to 87 street segments throughout the City of Westminster through a combination of two processes; double bonded hot applied Chipseal resurfacing and conventional single process chipseal.

The double bonded hot applied chipseal resurfacing will be applied on 3 major roadways, totaling 9.9 lane miles of improvements, extending pavement life 8 – 10 years.

The conventional single process chipseal will be applied to 35.3 lane miles of residential roadways at 84 locations throughout the city, extending pavement life 8-10 years with this economical process.

City Staff’s estimated cost of \$783,239 included an increase of 7% over 2009 pricing. The actual bid price increased by 9% due to increase in the liquid asphalt cement used in the chipseal process.

In previous years chipseal has been sole sourced due to only one contractor performing this work in the Denver Meter Area. Prior to bidding two other contractors, Quality Resurfacing and Western Chipseal, indicated a desire and capability to perform the project. However, both were unable to meet material specifications and/or obtain sufficient material quantities to allow participation in the bid.

The contract sum for renewal periods 2011 and 2012 shall be negotiated and agreed to by both parties. Any adjustment shall not exceed the annual percent of change of the Denver-Boulder-Greeley Consumer Price Index for All Urban Consumers.

In an effort to respond to citizen concerns, Staff will again be sending a letter to affected residents explaining the process of the chipseal application and what to expect during the curing period. Special attention will be given to consistent and timely inspection during the construction process and sweeping will be scheduled the day after the chipseal is applied. Once sweeping is done, a fogseal will be applied over the surface to seal loose rock from the top down. The fogseal finish has upgraded the quality of construction and has been done successfully for the past 17 years.

The contractor, A-1 Chipseal Company, has successfully completed chipseal projects over the past thirteen years in Westminster and the Denver, Metro Area. A-1 Chipseal’s owner has been in the business since 1981 and the City of Westminster has been chipsealing City streets since 1976.

The combined Chipseal project is recommended by Staff after each street segment was carefully analyzed through the computerized Pavement Management process. Through this careful analytical process it was determined that the preventative maintenance strategies outlined in this memorandum continue to be the most cost effective.

This contract helps achieve City Council's Strategic Plan Goals of "Financially Sustainable City Government, Safe and Secure Community and Vibrant Neighborhoods and Commercial Area" by meeting the following objectives:

- Well maintained City infrastructure and facilities
- Safe citizen travel throughout the City
- Maintain and improve neighborhood infrastructure and housing

Respectfully submitted,

J. Brent McFall
City Manager

Attachments:

- Location List
- Location Map

**City of Westminster
 Department of Public Works & Utilities
 Street Operations Division
 2010 Chipseal Location List**

Arterial/Collector/Industrial Streets

| LOCATION | FROM: | TO: |
|----------|-------|-----|
|----------|-------|-----|

HAC Overlay

- | | | | |
|----|---------------|-------------------|--------------|
| 1. | Pierce Street | 88th Avenue | 92nd Avenue |
| 2. | Oak Street | Countryside Drive | 100th Avenue |

Chipseal

- | | | | |
|----|--------------|--------------|--------------|
| 1. | Pecos Street | 112th Avenue | 120th Avenue |
|----|--------------|--------------|--------------|

Residential Streets

Chipseal

- | | | | |
|-----|---------------------|---------------------|-------------------|
| 1. | 100th Circle | Garland Street | Garland Street |
| 2. | Holland Court | 100th Circle | 100th Circle |
| 3. | Garland Street | 100th Avenue | 104th Drive |
| 4. | 104th Drive | Garland Street | Moore Street |
| 5. | Moore Street | 104th Drive | Countryside Drive |
| 6. | Holland Court | 104th Drive | North End |
| 7. | Holland Place | 104th Drive | South End |
| 8. | Independence Circle | 104th Drive | 104th Drive |
| 9. | Holland Way | Independence Circle | 104th Avenue |
| 10. | 104th Way | Holland Way | 104th Court |
| 11. | 104th Court | Holland Way | West End |
| 12. | Hoyt Way | 104th Court | South End |
| 13. | Hoyt Court | 104th Drive | North End |
| 14. | Hoyt Place | 104th Drive | South End |
| 15. | 105th Avenue | Independence Circle | Kline Street |
| 16. | Kline Street | 105th Avenue | 104th Drive |
| 17. | Kline Way | Kline Street | West End |
| 18. | Johnson Court | 104th Drive | North End |
| 19. | Kipling Court | 104th Drive | North End |
| 20. | 101st Avenue | Simms Street | Routt Street |
| 21. | Routt Street | 100th Place | 104th Avenue |
| 22. | 100th Place | Routt Street | West End |
| 23. | 102nd Avenue | Routt Street | West End |
| 24. | 102nd Place | Routt Street | West End |
| 25. | 102nd Ave | Routt Street | East End |
| 26. | Quail Court | 102nd Ave | North End |
| 27. | 102nd Drive | 102nd Ave | Robb Street |
| 28. | Robb Street | 102nd Ave | 103rd Ave |
| 29. | 102nd Place | Robb Street | 103rd Ave |
| 30. | 103rd Ave | Simms Street | Quail Street |
| 31. | Quail Way | 103rd Ave | South End |
| 32. | 103rd Circle | Quail Street | East End |
| 33. | Quail Street | 103rd Ave | 104th Avenue |

| | | | |
|-----|--------------------|----------------------------|-----------------------|
| 34. | 104th Ave | Quail Street | Rouff Street |
| 35. | Robb Court | 104th Ave | South End |
| 36. | 103rd Drive | 103rd Ave | West End |
| 37. | 107th Place | Queen Street | Oak Street |
| 38. | 118th Place | Sheridan Boulevard | Newton Street |
| 39. | Tennyson Street | 118th Place | 117th Avenue |
| 40. | 118th Way | Tennyson Street | Bradburn Boulevard |
| 41. | 117th Court | Tennyson Street | Quitman Street |
| 42. | 117th Way | Tennyson Street | Quitman Street |
| 43. | 117th Avenue | Tennyson Street | Quitman Street |
| 44. | Stuart Place | 117th Court | 118th Way |
| 45. | Raleigh Place | 117th Court | 118th Way |
| 46. | Quitman Street | Main Street | Bradburn Boulevard |
| 47. | Quitman Street | Bradburn Boulevard | 117th Avenue |
| 48. | Quitman Place | Perry Street | Quitman Street |
| 49. | Bradburn Boulevard | 116th Way | 120th Avenue |
| 50. | Perry Street | 118th Mews | Bradburn Boulevard |
| 51. | Perry Street | Bradburn Boulevard | 116th Way |
| 52. | Osceola Street | 118th Mews | Bradburn Boulevard |
| 53. | Osceola Street | Bradburn Boulevard | 116th Way |
| 54. | Newton Street | 118th Mews | 117th Court |
| 55. | Main Street | Tennyson Street | East End |
| 56. | Newton Street | 117th Court | Bradburn Boulevard |
| 57. | Newton Drive | Bradburn Boulevard | 117th Court |
| 58. | 117th Court | Newton Drive | Osceola Street |
| 59. | Newton Street | Bradburn Boulevard | 116th Way |
| 60. | Newton Place | Bradburn Boulevard | 116th Way |
| 61. | 116th Way | Bradburn Boulevard | Quitman Street |
| 62. | 115th Avenue | Sheridan Boulevard | Wolff Street |
| 63. | 116th Avenue | Sheridan Boulevard | Pavement Ends |
| 64. | 117th Avenue | Sheridan Boulevard | Xavier Court |
| 65. | Wolff Street | 100' South of 115th Avenue | 117th Avenue |
| 66. | Wolff Street | 117th Avenue | 118th Place |
| 67. | 118th Court | Xavier Court | Wolff Street |
| 68. | 118th Court | Wolff Street | Winona Court |
| 69. | Winona Court | 118th Court | South End |
| 70. | 117th Way | Winona Court | West End - Cul-de-sac |
| 71. | Xavier Court | 118th Court | Wolff Street |
| 72. | 117th Way | East of Xavier Court | |
| 73. | Zenobia Loop | 117th Avenue | 118th Place |
| 74. | 116th Court | Zenobia Court | Wolff Street |
| 75. | Zenobia Court | 11695 Zenobia Court | 11605 Zenobia Court |
| 76. | Yates Way | 117th Avenue | 116th Court |
| 77. | Xavier Way | 116th Court | 116th Way |
| 78. | 116th Way | Wolff Street | Zenobia Court |
| 79. | 116th Lane | Wolff Street | Winona Court |
| 80. | 117th Avenue | Wolff Street | Tennyson Street |
| 81. | Utica Way | 117th Avenue | 118th Place |
| 82. | Tennyson Way | 117th Avenue | NE Cul-de-sac |
| 83. | 117th Way | Utica Way | Tennyson Way |
| 84. | Vrain Street | 118th Place | 120th Avenue |

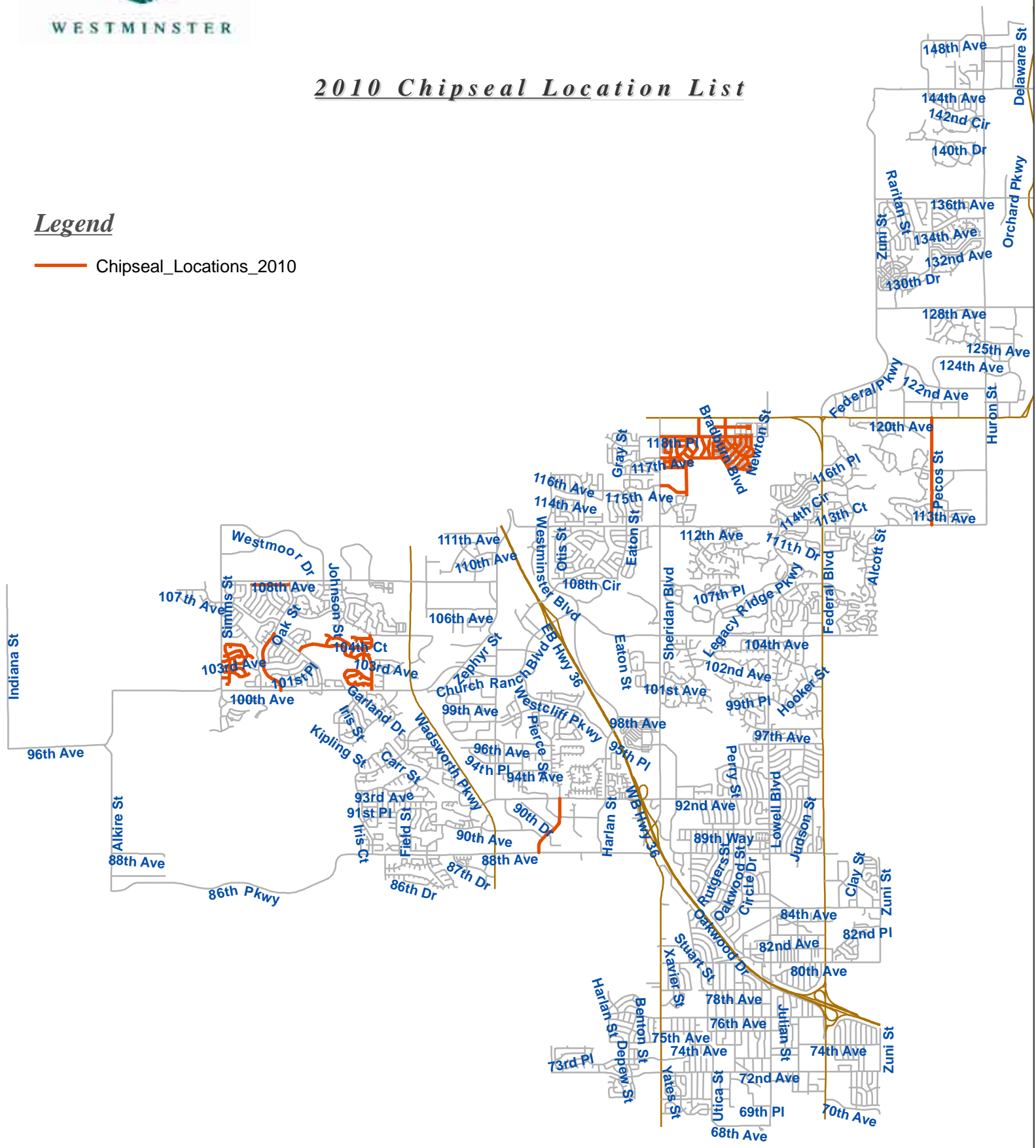


WESTMINSTER

2010 Chipseal Location List

Legend

Chipseal_Locations_2010





WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Additional 2010 Water Leases to Irrigators

Prepared By: Mary Jay Vestal, Water Resources Engineer
Josh Nims, Water Resources Engineering Coordinator

Recommended City Council Action

Authorize the City Manager to enter into short-term water leases not to exceed a total of 350 Farmers Reservoir and Irrigation Company Standley Lake Division shares of surplus water in 2010.

Summary Statement

- On April 12, 2010, Council authorized leasing 31.26 shares of Farmers Reservoir and Irrigation Company (FRICO) owned by the City to FRICO irrigators in 2010.
- Requests for such leases have already exceeded Staff's expectations, notably by FRICO shareholders interested in selling their shares to the City.
- Staff is requesting authorization to lease an additional 318.74 FRICO shares for a total of 350 shares for the 2010 irrigation season.
- The City's water supply is in good shape and its storage accounts are anticipated to fill this year due to current robust storage levels and forecasts of average stream flow. Staff has determined that 350 FRICO shares will be surplus to the City's needs for 2010.
- Leasing additional surplus water to the FRICO irrigators this year will help facilitate additional purchases of FRICO shares and assist in maintaining good working relationships with Standley shareholders. Reimbursement of the leased water will be at \$27 per share, the assessment rate charged by FRICO and the rate previously charged by the City for lease of shares.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Does City Council wish to lease additional surplus water in the form of up to 300 FRICO shares in 2010 for \$27 per share to FRICO irrigators?

Alternative

City Council could decline to lease any more of the City's surplus water this year. This alternative is not recommended. Declining to lease surplus water would limit potential opportunities with agricultural water rights holders and would forego this additional revenue.

Background Information

Recently, the City has undertaken a large endeavor aimed at purchasing FRICO-Standley shares. In April, Council approved offering long-term leasebacks of shares sold to the City for up to 15 years for the added incentive it would give to those shareholders considering selling their shares. Staff also requested authorization to lease an additional amount of the City's surplus water in 2010 as a continuation of our 2009 short-term lease program, subject to certain conditions.

Interest in the short-term (one-year type) lease program has been higher than Staff estimated, notably from shareholders wishing to sell their shares to the City and lease them back, and who would also like to lease an additional supplemental amount to irrigate their crops. This interest prompted Staff to review the City's current water supply and 2010 runoff forecast to examine the possibility of leasing more water this year. According to Staff water supply planning efforts, an additional 300 FRICO shares could be leased in 2010 without impacting the ability to meet the City's needs.

For these reasons, in addition to the surplus shares previously authorized by Council to lease in 2010, Staff proposes to lease up 318.74 more shares at FRICO irrigators' requests, under the same terms approved by Council on April 12, 2010. These terms are, that the leases will be for the 2010 irrigation season, will be reimbursed at a rate of \$27 per share, and will meet all Charter requirements. Staff recommends leasing this additional amount to shareholders who will sell to the City in order to secure the best chance of purchasing FRICO shares.

As Council is aware, all water leasing programs are created and offered with the ultimate intention of supporting Council's goal of a Financially Sustainable City Government Providing Exceptional Services including to Secure and Develop a Long-Term Water Supply.

Respectfully submitted,

J. Brent McFall
City Manager



**WESTMINSTER
COLORADO**

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Intergovernmental Agreement with Adams County re Little Dry Creek Drainage and Park Plan Improvements

Prepared By: Tony Chacon, Senior Projects Coordinator

Recommended City Council Action

Authorize the City Manager to execute an intergovernmental agreement with Adams County, in substantially the same form as attached, regarding the planning and funding for drainage and park improvements along Little Dry Creek between Lowell and Federal Boulevards.

Summary Statement

- Over the past 15 years, the City of Westminster, Westminster Housing Authority, and Adams County have collectively acquired 82% of the flood prone property along Little Dry Creek (LDC), between Lowell and Federal Boulevards and north of 68th Avenue, to accommodate storm drainage and preserve open space along the LDC bicycle trail (see Attachment A).
- The City prepared a master drainage and park improvement plan (the Plan) for the LDC area that was presented to City Council on April 2, 2007.
- The estimated cost to implement the Plan included \$5.7 million in storm drainage improvements and \$6.7 million in park and roadway improvements, along with remaining potential acquisitions estimated at \$3.5 million to \$4.0 million.
- Upon presentation of the Plan to Adams County in 2008, County staff agreed to participate in further planning, engineering and funding for the drainage and park project subject to approval of an intergovernmental agreement (IGA). In late 2009, final design and engineering for drainage improvements proceeded with collective funding from the City, County and Urban Drainage and Flood Control District.
- With the design and engineering efforts underway, the City and County are proposing to enter into an IGA that includes the following major elements:
 - The City and County would each contribute \$1.5 million towards the acquisition of the Barnum Publishing property needed to accommodate optimal drainage capacity.
 - The County would convey County-owned land to the City in return for the City assuming operations and maintenance activities;
 - The City would annex the LDC area into the corporate City limits; and,
 - The City and County would continue to work collectively in planning and identifying funding for the park improvements.

Expenditure Required: \$1,500,000 (City’s portion of Barnum purchase)

Source of Funds: \$800,000 Open Space Fund
\$350,000 Storm Drainage Fund
\$350,000 Urban Drainage and Flood Control District Grant

Policy Issue

Should City Council authorize an IGA with Adams County relative to planning and funding for drainage and park improvements in the LDC area?

Alternative

The City could choose not to enter into an agreement with Adams County. Staff recommends that this option not be chosen as the City would need to find other sources of funding to complete the necessary acquisitions and planned improvements that will support the adjacent transit facilities and future redevelopment in the transit area.

Background Information

Most of the property south of the Burlington Northern Santa Fe railroad tracks between Lowell Boulevard and Federal Boulevard lies within the floodplain of Little Dry Creek (LDC) leaving virtually no opportunity for development. This area, however, is immediately adjacent to the planned commuter rail station to be constructed as part of the RTD FasTracks program. Given the limited development potential south of the tracks, and its immediate proximity to the future transit station and related redevelopment activity north of the tracks, City staff embarked upon the preparation of a storm drainage and park master plan for the area in early 2007.

The resulting Plan was presented at a study session on April 2, 2007, receiving favorable support from the City Council. The Plan, as presented to Council includes the following major components:

- Grading the site to more fully contain the 100-year flood;
- Creation of a lake at the east end of the park that will serve as both a storm detention facility and a recreational amenity;
- A “natural” area immediately surrounding the lower lake incorporating woodlands and wetlands;
- A plaza area immediately adjacent to and supporting the commuter train loading platform including a pedestrian passage under the tracks connecting the park to the future redevelopment;
- More formal lawn areas towards Lowell Boulevard;
- Relocation and reconstruction of the creek itself eliminating erosion and providing aesthetic visual and auditory features;
- Realignment of the Little Dry Creek bicycle path and a series of interconnected trail loops;
- Potential construction of a major roadway along the southern edge of the site to assist in containing storm water and provide continuous access through the site; and,
- Relocation of primary sanitary and water lines.

About 82% of the area needed to implement the Plan is already ownership of the City of Westminster and Adams County. The remaining property is owned by Barnum Printing and Publishing Company just west of Federal Boulevard adjacent to the railroad tracks, and four homeowners and the Lowell Group, LLC along Lowell Boulevard. With exception to the Lowell Group property along Lowell Boulevard, the area is physically located outside the City limits in unincorporated Adams County. The area also serves as a storm collection basin for the adjacent Goat Hill neighborhood (unincorporated Adams County) immediately south of the project area.

Beginning in 2008, City staff met on several occasions with the County to discuss the possibility of a partnership to implement the Plan. The discussions resulted in the City formally submitting a letter to the County in June, 2008 requesting support and financial assistance towards the project. Based upon a favorable response, City and County staff proceeded to outline planning and funding considerations for incorporation into an IGA formalizing responsibilities and commitments. As a result of these discussions, it was agreed that the following considerations be incorporated into the IGA:

- Responsibility and funding for acquisition of the Barnum Printing and Publishing Company property;
- Collective participation in preparation of final plans;
- Collective budgeting and identification of funding sources;
- Conveyance of County owned land to the City;
- Maintenance responsibility for LDC area before and after completion of improvements; and,
- Proposed annexation of the park and adjoining unincorporated areas.

In 2009, the City and County met with the Urban Drainage and Flood Control District (UDFCD) relative to securing funds for designing and constructing the drainage improvements. UDFCD agreed to participate in implementing the Plan and entered into an agreement with the City and County to collectively fund the preparation of final engineering design work for the storm drainage improvements. The engineering design work is currently underway.

Based upon preliminary engineering analysis, the acquisition of the Barnum Publishing property has become a critical factor in being able to achieve sufficient detention capacity to adequately constrict the floodplain to construct the pedestrian underpass serving the adjacent rail station. Given the heightened necessity to acquire the property, the City and County agreed to collectively contribute \$3.0 million in cash towards the purchase and include the acquisition in the IGA.

The major tenants of the IGA, as proposed, include the following:

- The City and County would each contribute \$1.5 million towards the acquisition of the Barnum Publishing property. The County would contribute \$1.5 million with the balance to be provided by the City using \$1,150,000 in City funds (Storm Management and Open Space accounts) and City grant proceeds from the UDFCD in the amount of \$350,000;
- The County would convey County-owned land to the City in return for the City assuming responsibility for maintenance;
- The City would annex the LDC area into the corporate City limits and reserve the right to annex additional unincorporated area south to 68th Avenue at the City's discretion in accordance with State law;
- Any financial investment provided towards acquisition and improvements could be claimed as local match towards the RTD FasTracks project by the respective jurisdictions; and,
- The City and County would continue to work collectively in planning and identifying funding for the park improvements.

Upon approval of the IGA, the City intends to move quickly on the acquisition of the Barnum property, which will permit the engineering study and plans to be accelerated leading to drainage improvements beginning in 2012-2013.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments

1. Attachment "A" – City and County Owned Property Map
2. Proposed IGA with Adams County with Exhibits A-E

ATTACHMENT "A"

CITY AND COUNTY OWNED PROPERTY
IN LITTLE DRY CREEK PARK AREA



 Owned by Adams County

 Owned by City/WHA



**INTERGOVERNMENTAL AGREEMENT REGARDING LITTLE DRY CREEK
DRAINAGE AND PARK IMPROVEMENTS**

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2010, by and between the City of Westminster, located at 4800 West 92nd Avenue, Westminster, CO 80031 (hereinafter referred to as the "City") and the Board of County Commissioners of Adams County, Colorado, located at 450 South 4th Avenue, Brighton, CO 80601 (hereinafter referred to as the "County"), collectively referred to herein as the "Parties."

RECITALS

WHEREAS, pursuant to Colorado Constitution Article XIV, § 18(2)(a) and § 29-1-203, C.R.S., as amended, the Parties may cooperate or contract with each other to provide any function or service lawfully authorized to each; and

WHEREAS, the Parties desire to enter into an agreement for the purpose of defining roles and responsibilities regarding financing, design, construction and maintenance of park and drainage facilities identified in Westminster's Little Dry Creek Drainage and Park Master Plan (Exhibit "A," hereinafter referred to as "the Plan."); and

WHEREAS, the Parties acknowledge that scarce funding and increasing construction costs make it difficult for a single jurisdiction to pursue these capital improvements; and

WHEREAS, The County owns six parcels of property acquired for flood protection purposes located within the Plan; and

WHEREAS, the Parties recognize that improvements to drainage facilities along shared jurisdictional boundaries will benefit both Parties; and

WHEREAS, the construction of the Northwest Rail commuter line including the station at 70th Avenue and Irving Street between Denver and Boulder will benefit both Parties;

NOW, THEREFORE, for and in consideration of the following promises, the sufficiency of which is acknowledged, the Parties agree as follows:

AGREEMENT

1. The above Recitals are hereby incorporated into this Agreement.
2. The City and County shall collectively work with the Urban Drainage and Flood Control District (UDFCD) in preparing final construction drawings related to storm water improvements within the Little Dry Creek basin located south of the Burlington Northern/Santa Fe Railroad rail tracks between Lowell Boulevard and Federal Boulevard.
3. City and County staff will work together with the UDFCD and UDFCD's consulting engineering team to modify the conceptual drainage and park plan shown on Exhibit "A." Funding for this design work was authorized by the City, County and UDFCD per UDFCD Agreement No. 08-09.09.
4. The City and County shall collectively provide \$3,000,000 towards the acquisition of the property at 6899 Grove Street as generally shown in Exhibit "B," commonly referred to as the Barnum property Barnum Publishing property. The County shall contribute half the cost of the acquisition up to a maximum of One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000) in cash to be applied towards closing on the acquisition of the property. The City shall assume responsibility for raising the remaining balance of not less than One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000) in cash towards acquisition

of the Barnum parcel at time of closing. All payments shall be escrowed with the title company for this transaction at least ten (10) days prior to the closing date. In the event the purchase price is less than three million and 00/100, the cost savings shall be shared equally between the Parties.

After the acquisition, the City shall own and maintain the Barnum property.

5. Beginning in 2010, the Parties shall convene a committee of policy-level and planning-level staff ("Committee") to develop and administer a comprehensive budget and implementation schedule ("Budget") for other facets of the Plan, identifying funding sources and commitments. In addition to the funding and acquisition of the Barnum property, the City and County shall cooperate in good faith to provide funding in its annual budget process for future phases of the Plan. The Parties shall agree to a budget for the Plan and their respective funding commitments, contingent on available resources.
6. The Committee shall identify portions of the Plan as potential joint projects to submit to the Adams County Open Space Advisory Board for consideration as a potential funding source.
7. All identified UDFCD matching funds allocated to the Plan will be designated from the City's UDFCD fund allocation.
8. The County shall convey the county-owned property, as generally shown on Exhibit "C" (the "County Property"), to the City by January 1, 2011, and support annexation of the property into the City. The City shall assume responsibility for the maintenance, public safety, and management of the County Property upon its conveyance to the City and agrees that the properties will be used solely for flood management and park purposes, unless otherwise agreed to by the Parties and UDCDF on said county properties that were purchased with UDCDF funds.
9. Following the transfer of ownership of the County Property from the County to the City, the City will annex the property upon which the Park is to be located as shown on Exhibit "D" with modification to the final annexation boundaries as agreed to by the parties, and may annex other areas in the vicinity of the Park as shown on Exhibit "E", in accordance with the Colorado Annexation Act.
10. Any contributions by the County pursuant to this Agreement shall be considered by the City as a part of the County's local match towards the FasTracks (Program), including the EAGLE-P3 and the Northwest Corridor in its entirety.
11. At such a time as the scope for the engineering and design for the Plan are underway, the Parties will work collectively with the design consultant to identify improvements that may be of financial benefit to the Program. Any benefits derived by the Plan to the Program will be used as a negotiation point with RTD to detail and establish proportional share of improvements to be applied to local match requirement. Thereafter, the Parties agree to negotiate in good faith as to establishing an equitable and proportionate distribution of the local match allowance as agreed to by RTD to be credited towards their respective local match requirements.
12. This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof. Neither this Agreement, nor the rights and obligations hereunder, may be changed, modified, or waived except by an instrument in writing that is duly approved and executed by the Parties.

IN WITNESS THEREOF, the City of Westminster and the Adams County Board of Commissioners have executed this Intergovernmental Agreement with its exhibits.

CITY OF WESTMINSTER

ADAMS COUNTY COMMISSIONERS

Nancy McNally, Mayor

Alice Nichol, Chair

Date _____

Date _____

Attest:

Linda Yeager, City Clerk

Karen Long, County Clerk and Recorder

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

Adams County Attorney's Office

EXHIBIT "A"

Conceptual Little Dry Creek Master Drainage and Park Plan



EXHIBIT "B"

Barnum Publishing Parcel



EXHIBIT "C"

Adams County Ownership



EXHIBIT "D"

Additional Potential Annexation Area





Agenda Item 8 E

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Water Conservation Plan Contract and Water Conservation Verification Study Contract

Prepared By: Stu Feinglas, Water Resources Analyst
Josh Nims, Water Resources Engineering Coordinator

Recommended City Council Action

Based on the recommendation of the City Manager, find that the public interest would best be served by authorizing the City Manager to award and execute a contract with Aquacraft in the amount of \$40,530 to develop a Water Conservation Plan; award and execute a second contract with Aquacraft in the amount of \$46,950 to perform a Water Conservation Verification Study; and authorize a 10% contingency for each project in the total amount of \$8,748, for a total expenditure of \$96,228.

Summary Statement

- City Council and Staff have identified water conservation as an essential component of the Comprehensive Water Supply Plan (CWSP) to meet the City's water demand at buildout.
- The creation of a Water Conservation Plan will help the City in the development, implementation, tracking and evaluation of various water conservation programs.
- A State-approved Water Conservation Plan is required in order to qualify for certain grants and loans from the Colorado Water Conservation Board (CWCB) and the Colorado Water Resources and Power Development Authority.
- Due to CWCB requirements, the Water Conservation Plan and the Water Conservation Verification Study need to be under separate contracts.
- A Water Conservation Verification Study will be performed to review the City's water demand projections and to quantify permanent and predictable water savings available through water conservation for meeting buildout water demands.
- Tracking the amount of water conserved is crucial to understanding the demand reduction achieved as part of the CWSP.
- Four proposals were received on March 5, 2010 and were subsequently evaluated by Staff. Aquacraft was selected based on their experience, qualifications, project approach and competitive pricing.

Expenditure Required: \$96,228

Source of Funds: Utility Fund Capital Improvement Program – Water Supply Development

Policy Issue

Should the City enter into contracts with Aquacraft to develop a State-approved Water Conservation Plan and to perform a Water Conservation Verification Study?

Alternatives

1. Do not contract with Aquacraft to provide consulting services in developing a State-approved Water Conservation Plan and performing a Water Conservation Verification Study. Staff does not recommend this action due to the reliance on water conservation savings to meet the buildout water needs of the City. Further, by not developing a State-approved Water Conservation Plan, the City will not be eligible for funding or loans from the Colorado Water Conservation Board or the Colorado Water Resources and Power Development Authority for future water projects.
2. Enter into a contract with Aquacraft to only provide consulting services to develop a State-approved Water Conservation Plan. Staff does not recommend this action based on the importance of developing accurate water conservation savings that are permanent and predictable to meeting the City’s buildout water demand. The Water Conservation Verification Study is critical to the development of the Water Conservation Plan in that it establishes the quantity of water savings available to meet the needs of the City at buildout.

Background Information

The City has long promoted water conservation. An active water conservation program has been in effect since 1996. The 2009 Comprehensive Water Supply Plan (CWSP) established that water conservation is an essential component of the City’s plan to meet buildout water demands. The CWSP recommends that the City develop a State-approved Water Conservation Plan and perform a verification study to confirm and refine estimates of available permanent water savings.

The first contract is to develop a State-approved Water Conservation Plan in accordance with the Water Conservation Act of 2004. The Water Conservation Plan is a critical document to set the City’s future path to achieve its conservation goals. The first contract also includes submitting an application for grant funding through the Colorado Water Conservation Board’s Water Efficiency Grant Program for the development of the City’s Water Conservation Plan. Since a CWCB grant may assist with the funding of the Water Conservation Plan, the City is required to establish separate contracts for the Water Conservation Plan and for the Water Conservation Verification Study. Due to the importance of a Water Conservation Plan, the City intends to proceed with the project even if a grant is not awarded.

The second contract is to perform a Water Conservation Verification Study. The Water Conservation Verification Study will quantify potential water conservation savings, assess the effectiveness of the City’s conservation programs and review the City’s projections of future water use. The Water Conservation Verification Study will help shape the focus and direction of the Water Conservation Plan.

In February 2010, Staff sent a Request for Proposals (RFP) to a list of three consultants and the RFP was posted on the City’s Demand Star website. The City received four proposals on March 5, 2010. The following is a summary of the firms that submitted a proposal with the proposed costs.

| Consulting Firm | Conservation Plan* | Verification Study | Total Fee |
|----------------------------|---------------------------|---------------------------|------------------|
| Great Western Institute | \$34,770 | \$45,970 | \$80,740 |
| Brendle Group | \$35,642 | \$48,466 | \$84,108 |
| AMEC Earth & Environmental | \$36,521 | \$48,975 | \$85,496 |
| Aquacraft | \$40,530 | \$46,950 | \$87,480 |

*The City is applying for a CWCB Water Efficiency Planning Grant to cover this cost.

The proposals were reviewed by Staff and were evaluated based on the project team's prior experience with similar work, proposed methodology, qualifications and hourly rates. Based on these criteria, Staff determined that Aquacraft was the consulting firm most qualified and capable to provide the consulting services. Aquacraft had the highest cost proposal; however, their project approach, the quality of their team, their view of the role of water conservation within water resources planning, and their reputation within the water conservation field outweighed the potential cost savings. Aquacraft has extensive experience analyzing water use by customers using a non-intrusive water meter based method. Aquacraft has tremendous experience developing water conservation plans and performing water use studies within Colorado and has been recognized nationally as a leading firm in water demand management. Staff is confident that Aquacraft will meet the City's objectives for these two projects.

The Water Conservation Plan and Water Conservation Verification Study help achieve the City Council's Strategic Plan Goal of "Financially Sustainable City Government Providing Exceptional Services" by contributing to the objective of securing and developing a long-term water supply for the City.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Purchase and Sale Agreement between the City of Westminster and JHR Barnum to Purchase a 3.53-acre Parcel for the Little Dry Creek Park Project

Prepared By: John Carpenter, Director of Community Development

Recommended City Council Action

Authorize the City Manager to execute a purchase and sale agreement between the City of Westminster and JHR Barnum LLC to acquire the 3.53-acre property located at 6899 Grove Street. Authorize the expenditure of \$800,000 from the City’s Open Space Bond Funds and \$350,000 from the City’s Stormwater Fund for this acquisition.

Summary Statement

- JHR Barnum LLC (Barnum) owns the 153,732 s.f./3.53-acre site on which the Barnum Printing and Publishing Company is located at 6899 Grove Street (see Exhibit A). The parcel contains a 20,123 square foot building in which the business is operated.
- This property is needed for the construction of storm water improvements related to the planned Little Dry Creek Park and the Westminster commuter rail station.
- According to the terms of the Purchase and Sale Agreement, the City pays \$3 million in cash to Barnum plus deeds the 6.25 acre City-owned property in Park Centre to Barnum.

Expenditure Required: \$3,000,000 (\$1,150,000 in City Funds)

Source of Funds: Adams County - \$1,500,000
 Urban Drainage and Flood Control District - \$350,000
 Westminster Stormwater Fund - \$350,000
 Westminster Open Space Bond Funds - \$800,000
 Plus conveyance of the 6.25 acre City-owned Park Centre parcel

Policy Issue

Should the City acquire the Barnum property for \$3.0 million and the conveyance of the 6.25 acre City owned Park Centre parcel?

Alternative

Do not acquire the property. This is not recommended since the City needs this property for the Little Dry Creek stormwater drainage improvements associated with the proposed park and commuter rail station underpass.

Background Information

The City has been pursuing the acquisition of land within the Little Dry Creek valley between Federal Boulevard and Lowell Boulevard for several years. The goal has been to purchase all of the parcels near the creek to accommodate needed drainage improvements and create a continuous public park/open space corridor in the area. Much of this area is subject to flooding, including some nearby homes. Plus the stream embankment is severely eroded and is undermining buried utilities. The plan is to develop this area into an approximately 33 acre, ½ mile long park/open space for the South Westminster area.

To date the City has acquired 21.3 acres of land between Federal Boulevard and Lowell Boulevard along the creek and one 0.7 acre purchase is pending (Skyline Vista). Adams County has also purchased 8.2 acres that will be incorporated into the park.

The Little Dry Creek Park Plan (see Exhibit B) calls for the entire flood plain area to be regraded to reconfigure the floodplain, improve water quality in the creek, retain storm water to reduce downstream flooding and reconstruct the creek in a sustainable design. The creek will be relocated and rebuilt as an attractive, meandering boulder lined stream. A lake near Federal Boulevard will detain storm waters and incorporate water quality enhancement features such as wetlands. The eastern half of the park is proposed to have a more natural open space appearance while the western part could be more park-like.

The Little Dry Creek Trail will be moved to the north and completely rebuilt next to the reconstructed creek channel. Improvements will occur in the first phase of the park construction scheduled for completion prior to the opening of the Westminster commuter rail station in July 2016.

The City and Adams County have acquired all of the property needed for moving forward with design of Phase I of the park with the exception of the 3.53-acre Barnum property. This is Lot 2, Block 1 of the Feighner Subdivision. Recently, City staff reached an agreement with the owners of Barnum to acquire their property. This culminates a negotiation process that has extended over the past several years.

The following are the key components of the deal as contained in the purchase and sale agreement.

- 1) \$3 million in cash paid to Barnum at closing.
- 2) City deeds the Park Centre 6.25 acre City-owned parcel to Barnum (see Exhibit C). Barnum has expressed an interest in relocating their facility to Park Centre although they are not required to do so by the agreement.
- 3) Barnum would be able to stay in the current facility for two years after the closing date. This provision is important to Barnum since it allows for the company to remain in place until their new facility is completed. This will allow for minimal disruption and down time as Barnum moves from its existing facility to a new facility. During this time period, Barnum would be responsible to pay for all maintenance costs at the existing facility such as insurance, utilities, snow removal etc. Barnum would need to vacate the premises after two years so that staff can commence the construction of phase I of the drainage improvements.

Staff proposes that the \$3 million cash payment come from the following sources:

- 1) Adams County General Fund – \$1.5 Million. An IGA between the City and Adams County scheduled for action by City Council elsewhere on this Agenda, commits Adams County to this funding.
- 2) Urban Drainage and Flood Control District - \$350,000. These funds have already been budgeted by the District for this project.
- 3) Westminster Storm Water Fund – \$350,000. Funds for the Little Dry Creek Drainage project have already budgeted by the City Council.
- 4) Westminster Open Space Fund - \$800,000. Funds are available in this fund. Use of Open Space funds are appropriate since the Barnum property will be used to construct the stormwater retention lake. The area abutting the lake is intended to have native vegetation and grasses with minimal irrigation and have an open space appearance.

All necessary environmental studies will be completed prior to finalizing any acquisition.

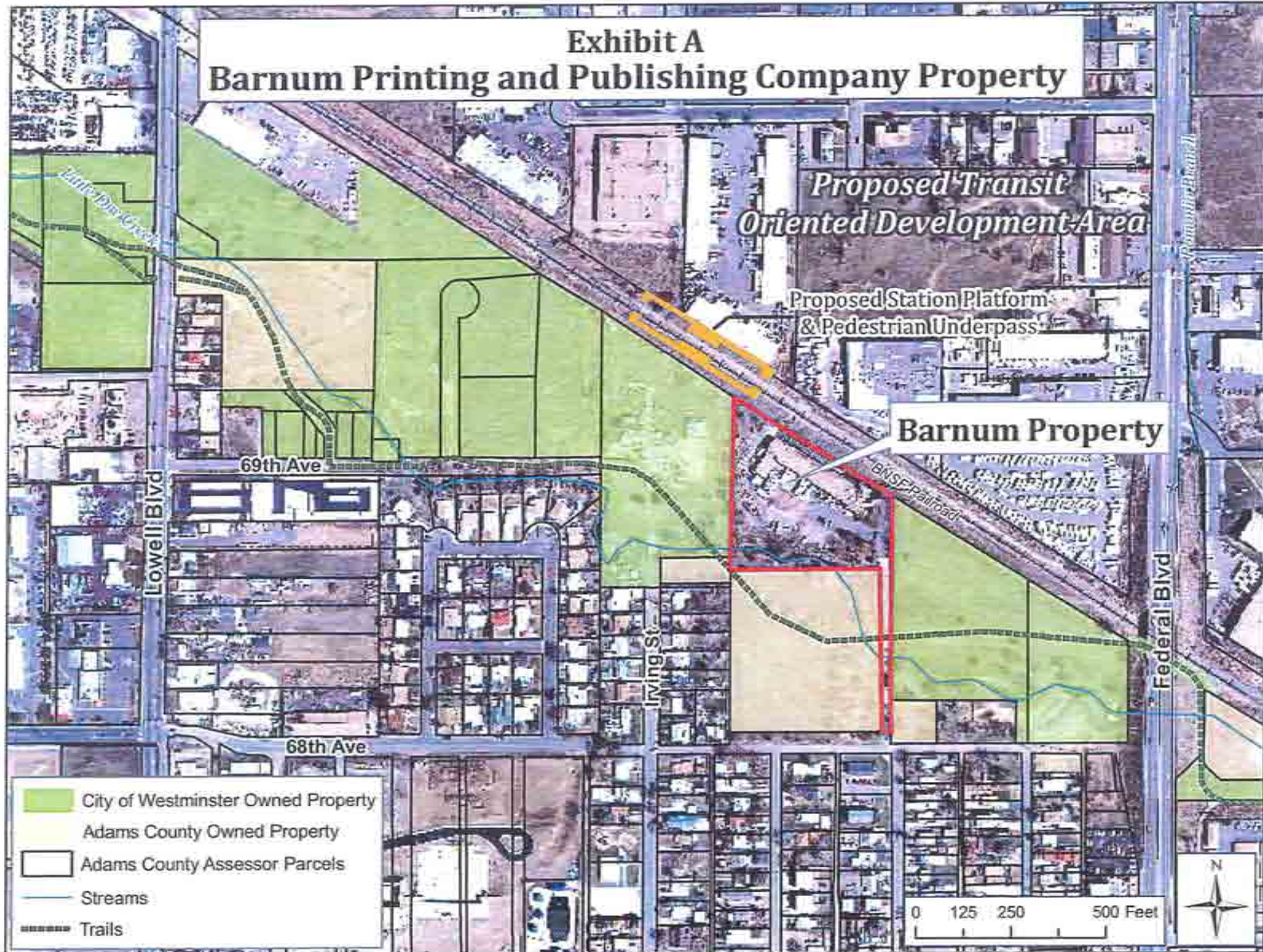
Respectfully submitted,

J. Brent McFall
City Manager

Attachments

- Exhibit A
- Exhibit B
- Exhibit C

Exhibit A Barnum Printing and Publishing Company Property



Proposed Transit Oriented Development Area

Proposed Station Platform & Pedestrian Underpass

Barnum Property

BNSF Railroad

- City of Westminster Owned Property
- Adams County Owned Property
- Adams County Assessor Parcels
- Streams
- Trails

0 125 250 500 Feet



Exhibit B Barnum Property within Little Dry Creek Park



*Proposed Transit
Oriented Development Area*

Proposed Station Platform
& Pedestrian Underpass

Barnum Property



0 125 250 500 Feet

Exhibit C Park Centre City Owned Property

Park Centre
Lot 5A





WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Purchase of the 14.52-acre Lot 11 Northridge at Park Centre Property located at 122nd Avenue and Park Centre Drive for Open Space

Prepared By: Heather Cronenberg, Open Space Coordinator

Recommended City Council Action

Authorize the purchase of the approximate 14.52-acre Lot 11 Northridge at Park Centre Property located at 122nd Avenue and Park Centre Drive for open space for \$1,635,000 plus closing costs not to exceed \$5,000, and authorize the City Manager to execute all documents required to close on the purchase of the property.

Summary Statement

- The Park Centre property has been recommended by the City’s Open Space Advisory Board as a top priority acquisition.
- The acquisition of this property will expand the existing Big Dry Creek open space corridor and provide additional upland wildlife habitat. It will also preserve a stunning mountain view from the hilltop on the parcel.
- Staff has negotiated the purchase of approximately 14.52 acres for a purchase price of \$1,635,000 (\$2.59 per square foot) including \$10,000 in earnest money.
- The Adams County Open Space Advisory Board recommended funding in the amount of \$790,000 towards the acquisition of this parcel. The Adams County Commissioners have recently approved the Board’s recommendations.

Expenditure Required: \$1,635,000 plus closing costs not to exceed \$5,000

Source of Funds: Open Space Bond Funds
\$790,000 grant from Adams County to be reimbursed

Policy Issue

Does City Council wish to proceed with the use of the open space bond funds for the purchase of the 14.52-acre parcel located at 122nd Avenue and Park Centre Drive?

Alternative

City Council could choose not to authorize the acquisition or the expenditure at this time. Staff does not recommend this option because the seller is currently very motivated to work with the City and is willing to sell the property at a fair price based on the City's recently completed appraisal.

Background Information

The acquisition of the approximately 14.52-acre Lot 11 Park Centre property will expand the existing Big Dry Creek Open Space corridor and provide additional upland wildlife habitat. It will also increase recreational opportunities and preserve a stunning view of the mountains from the hilltop. This property is surrounded by the Big Dry Creek Open Space corridor on three sides and is located next to a city owned parcel to the east. Acquisition of this parcel is key to completing the buffer along Big Dry Creek in this area as it will provide 1,200 linear feet of open space to the east of the creek. The Park Centre Trail, located on this parcel, links the Park Centre Business Park to the Big Dry Creek Open Space and Trail. Acquisition of this property will ensure public access to this trail connection into the future, which will enhance passive recreational opportunities for pedestrians, runners, bikers, and employees working in the business park who commute to work.

The Lake Erie Basin is located along the lower portion of this property and drains into Big Dry Creek to the west. This area provides riparian habitat and connectivity for wildlife using the Big Dry Creek corridor. Protecting the upland portion of the Park Centre property will provide habitat for rabbits, fox, and the Black-tailed Prairie Dog. Owls and raptors have been seen nesting in the cottonwood trees along Big Dry Creek to the west of this property. The prairie dog colony on this property provides a hunting ground for these birds. If this property develops in the business park, development could occur up to the edge of the hilltop over the Big Dry Creek Open Space area. This would negatively impact the view corridor through the Big Dry Creek valley and the view from Federal Parkway.

Lot 11 at Park Centre is zoned PUD with a Comprehensive Land Use Plan (CLUP) designation of Business Park, allowing a variety of employment-generating uses including office, research and development, light industrial, warehousing, and hotels. The property is currently on the market for sale for \$1,966,000. Because of the depressed real estate market, the City has an opportunity to purchase this property at a lower cost. The seller has agreed to sell the property to the City for \$1,635,000 based on the City's appraisal that came in at \$1,690,000. The property consists of approximately 8 acres of upland developable property and 6 acres of undevelopable drainage area around the Erie Basin. The appraised value combines the developable and undevelopable portions of the property for an overall land value of \$1,580,000 (\$108,815 per acre or \$2.50 per square foot). The appraisal also includes a value of \$110,000 that represents costs associated with membership in the Northridge at Park Centre Owner's Association. Entering into the Owner's Association is a requirement for the buyer of this lot. Yearly dues are paid by the members of the Association for common area maintenance within the office park. Because the City cannot enter into multi-year financial obligations and does not directly benefit from membership in the Association, staff negotiated an exemption from the Owner's Association for this parcel. In exchange for the exemption, the City will provide temporary access to the drainage facilities located on the property for maintenance obligations by the Owner's Association. Staff proposes paying \$55,000 or 50% of the \$110,000 value in exchange for exemption from the Owner's Association with the seller covering the remainder. This comes to a total purchase price of \$1,635,000.

City Council approved the submission of a grant to Adams County to request funds up to \$790,000 to assist with this purchase. The Adams County Open Space Advisory Board recommended full funding in the amount of \$790,000 towards the acquisition of this parcel. The Adams County Commissioners have reviewed the Board's recommendations and approved the grant. This purchase is contingent upon receipt of grant funds.

If the City purchases this property for open space, it will be maintained in a natural condition and open to the public for passive use. The City will control noxious weeds and revegetate the property with native grasses. The City may also decide to build a trail to access the high point on the property for users to enjoy the view of the mountains to the west. The Open Space Advisory Board recently added this property to their Wish List as a top priority. The funds for this purchase are available from the POST Bond issue approved by the voters in 2006.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

- Vicinity Map






Lot 11 - Park Centre Open Space Acquisition



14.2 Acres

*Big Dry Creek
Open Space*

*City Owned
Parcel*

-  Park Centre Acquisition
-  Streams
-  Trails
-  Parks
-  Open Space

0 100 200 400 Feet





**WESTMINSTER
COLORADO**

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Second Reading of Councillor’s Bill No. 12 re Miscellaneous Amendments to the Comprehensive Land Use Plan

Prepared By: Walter Patrick, Planner I

Recommended City Council Action

Pass Councillor’s Bill No. 12 on second reading approving the miscellaneous Comprehensive Land Use Plan amendments as proposed. This recommendation is based on a finding that the proposed amendments will be in the public good and that:

- a) There is justification for the proposed changes and the Plan is in need of revision as proposed;
- b) The amendments are in conformance with the overall purpose and intent and the goals and policies of the Plan;
- c) The proposed amendments are compatible with existing and planned surrounding land uses; and
- d) The proposed amendments would not result in excessive detrimental impacts to the City’s existing or planned infrastructure systems.

Summary Statement

- City staff monitors the Comprehensive Land Use Plan (CLUP) in order to assure that the Plan is up to date and free from errors. Staff brings any required changes to the Planning Commission and City Council for approval.
- This year there are 35 separate CLUP map updates. The updates proposed are predominately on City-owned properties that need revising as a result of Open Space purchases or the recent re-designation of property between parks and open space. The approval to re-designate the open space and public parks properties was given by City Council in December 2009. The CLUP designation for these properties should now be amended and reflected on the City’s CLUP map.
- Properties re-designated as open space are natural in character, and meet the criteria for open space preservation and management. Properties re-designated as public parks are properties with more active characteristics, already have recreation facilities, or could be developed into an active park or recreation facility in the future.
- This Councillor’s Bill was approved on first reading by City Council on April 26, 2010.

Expenditure Required: \$ 0
Source of Funds: N/A

Respectfully submitted,

J. Brent McFall
City Manager
Attachment

BY AUTHORITY

ORDINANCE NO. **3508**

COUNCILLOR'S BILL NO. **12**

SERIES OF 2010

INTRODUCED BY COUNCILLORS
Dittman - Major

**A BILL
FOR AN ORDINANCE AMENDING THE WESTMINSTER
COMPREHENSIVE LAND USE PLAN**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Council finds:

a. The City has initiated amendments to the Westminster Comprehensive Land Use Plan pursuant to W.M.C. §11-4-16(D) that are necessary to alter the designation of the following properties depicted on the attached exhibit maps, which are incorporated herein by reference as follows:

- Map #1: From R-2.5 to City-Owned Open Space.
- Map #2: From Office/Residential and Business Park to City-Owned Open Space.
- Map #3: From Industrial to City-Owned Open Space.
- Map #4: From Public/Quasi Public and Major Creek Corridor to City-Owned Open Space.
- Map #5: From City-Owned Open Space to Public Parks.
- Map #6: From Business Park, Major Creek Corridor, and Public/Quasi Public to City-Owned Open Space.
- Map #7: From Public Parks to City-Owned Open Space.
- Map #8: From Public Parks to City-Owned Open Space.
- Map #9: From Public Parks to City-Owned Open Space.
- Map #10: From Public Parks to City-Owned Open Space.
- Map #11: From Public Parks to City-Owned Open Space.
- Map #12: From Public Parks to City-Owned Open Space.
- Map #13: From Public Parks to City-Owned Open Space.
- Map #14: From District Center to City-Owned Open Space.
- Map #15: From Private Parks and Public Parks to City-Owned Open Space.
- Map #16: From Public Parks to City-Owned Open Space.
- Map #17: From R2.5 to City-Owned Open Space.
- Map #18: From Retail Commercial and R-3.5 to City-Owned Open Space.
- Map #19: From Public/Quasi Public to City-Owned Open Space.
- Map #20: From Public Parks and City-Owned Open Space to City-Owned Open Space and Public Parks.
- Map #21: From R-3.5 to City-Owned Open Space.
- Map #22: From City-Owned Open Space to Public Parks.
- Map #23: From City-Owned Open Space to Public Parks.
- Map #24: From City-Owned Open Space to Public Parks.
- Map #25: From Retail Commercial to City-Owned Open Space.
- Map #26: From Public Parks and City-Owned Open Space to City-Owned Open Space and Public Parks.
- Map #27: From Golf Courses and City-Owned Open Space to Golf Courses, City-Owned Open Space, and Public Parks.
- Map#28: From Golf Courses and Private Parks to City-Owned Open Space.
- Map #29: From Golf Courses to City-Owned Open Space.
- Map #30: From Private Parks to City-Owned Open Space.
- Map #31: From R-3.5 to City-Owned Open Space.

Map #32 From R-3.5 to City-Owned Open Space.
Map #33 From Retail Commercial to City-Owned Open Space.
Map #34 From City-Owned Open Space to Public Parks.
Map #35 From Private Parks/Open Space to City-Owned Open Space.

b. That such amendment has been referred to the Planning Commission, which body held a public hearing thereon on April 13, 2010, after notice complying with W.M.C. §11-4-16(B) and has recommended approval of the requested amendment.

c. That notice of the public hearing before Council has been provided in compliance with W.M.C. §11-4-16(B).

d. That Council, having considered the recommendations of the Planning Commission, has completed a public hearing and has accepted and considered oral and written testimony on the requested amendments.

e. That the requested amendment will further the public good and will be in compliance with the overall purpose and intent of the Comprehensive Land Use Plan, particularly the goal that encourages the enhancement of the City's open space system to preserve and protect natural areas, vistas, and view corridors, and to complete the open space and trail system.

Section 2. The City Council approves the requested amendments and authorizes City Staff to make the necessary changes to the map and text of the Westminster Comprehensive Land Use Plan to change the designations of the property more particularly depicted in attached Maps 1-35.

Section 3. Severability: If any section, paragraph, clause, word or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part deemed unenforceable shall not affect any of the remaining provisions.

Section 4. This ordinance shall take effect upon its passage after second reading.

Section 5. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 26th day of April, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 10th day of May, 2010.

Mayor Pro Tem

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney's Office

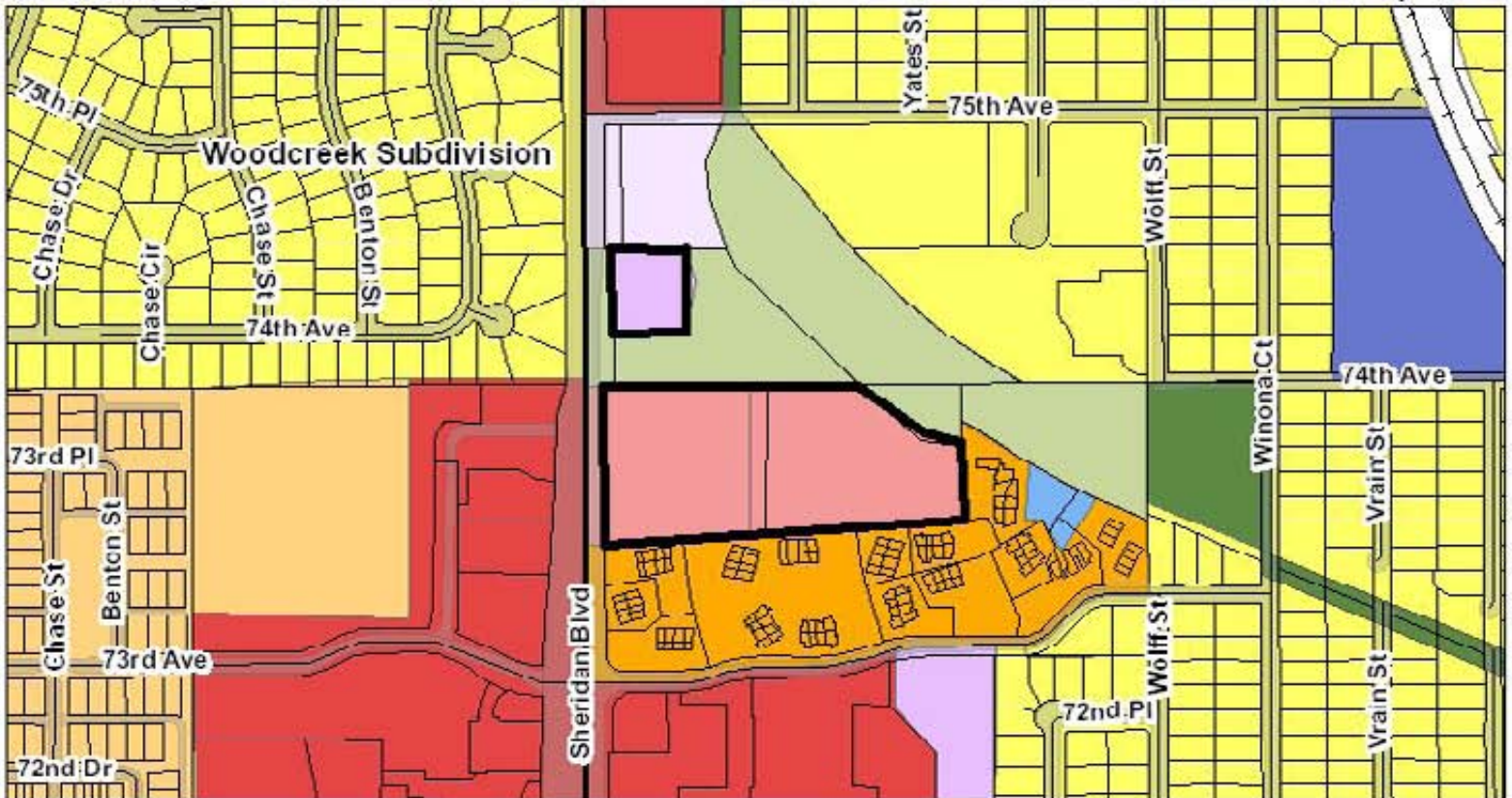


Change From: R 2.5

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

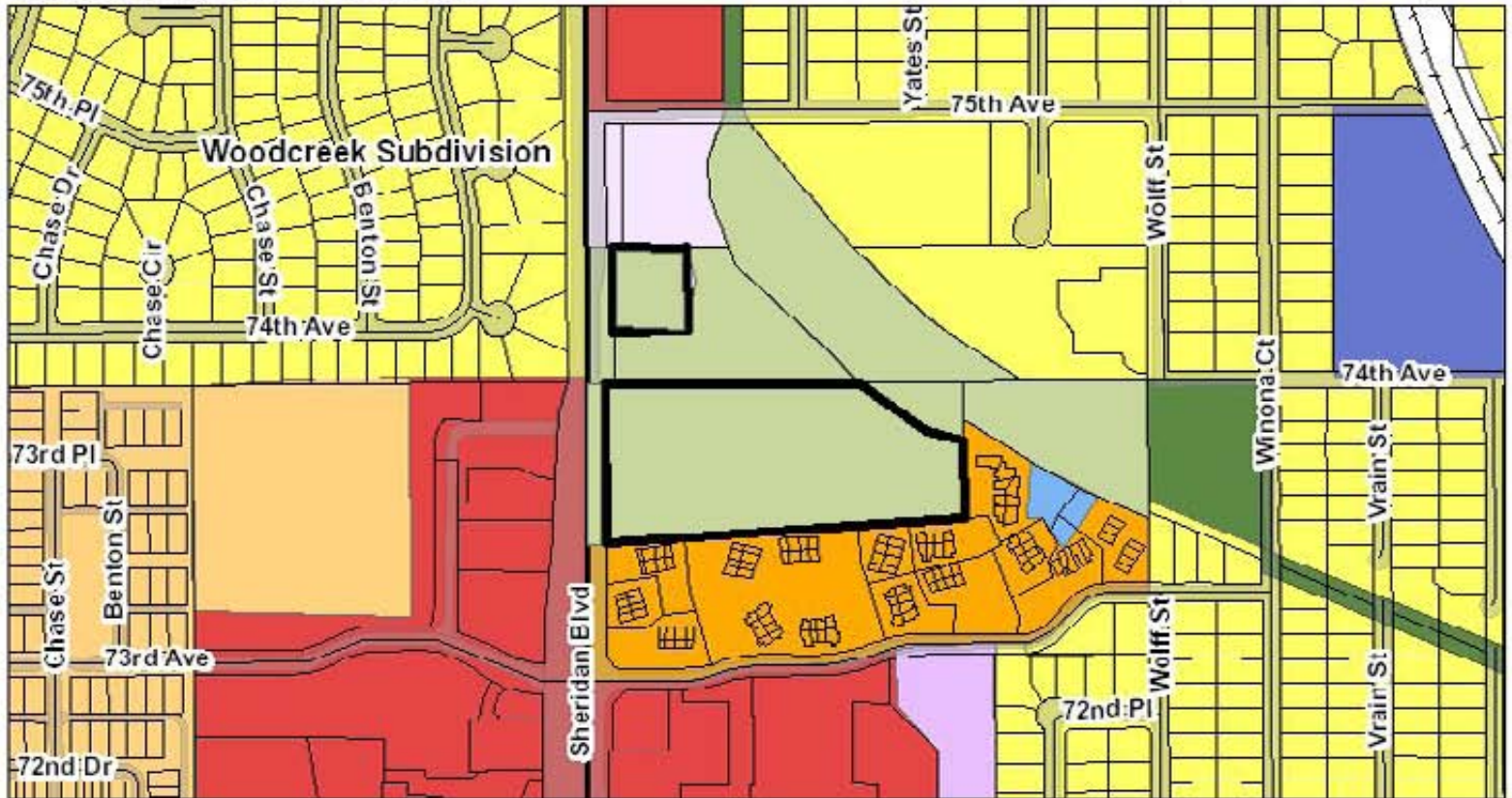
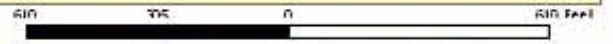


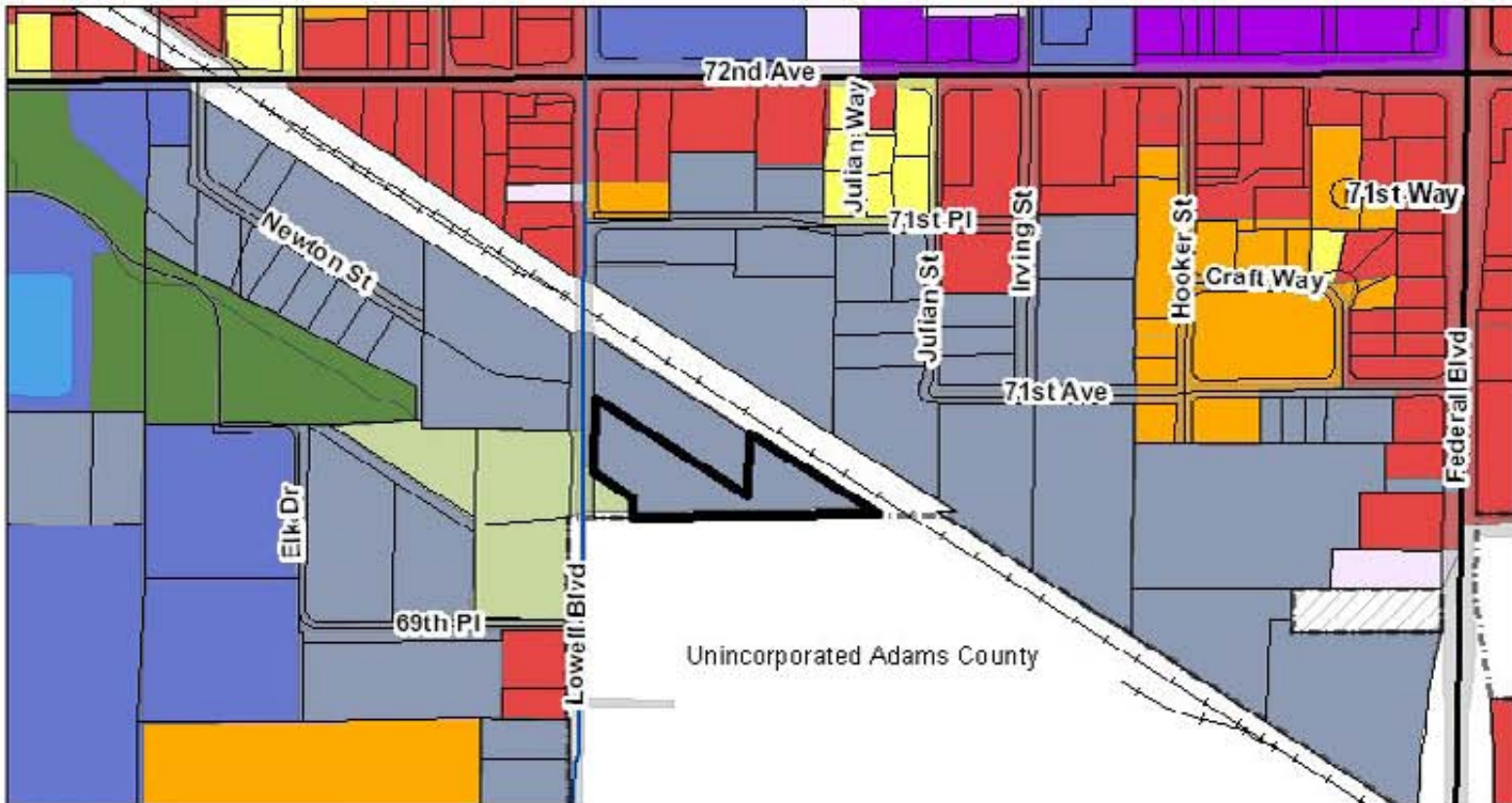


Change From: Office/Residential and Business Park

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

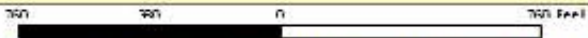
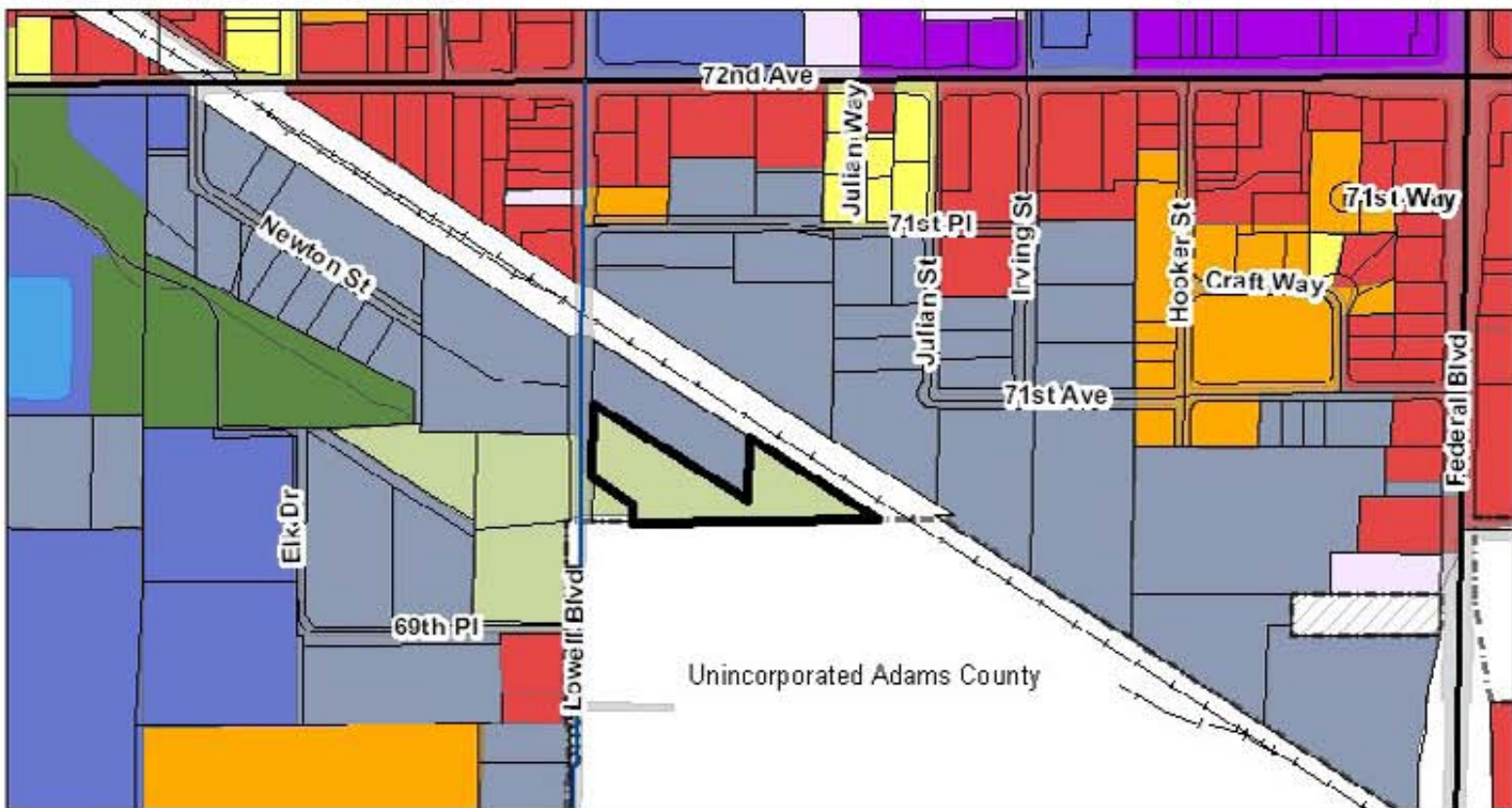


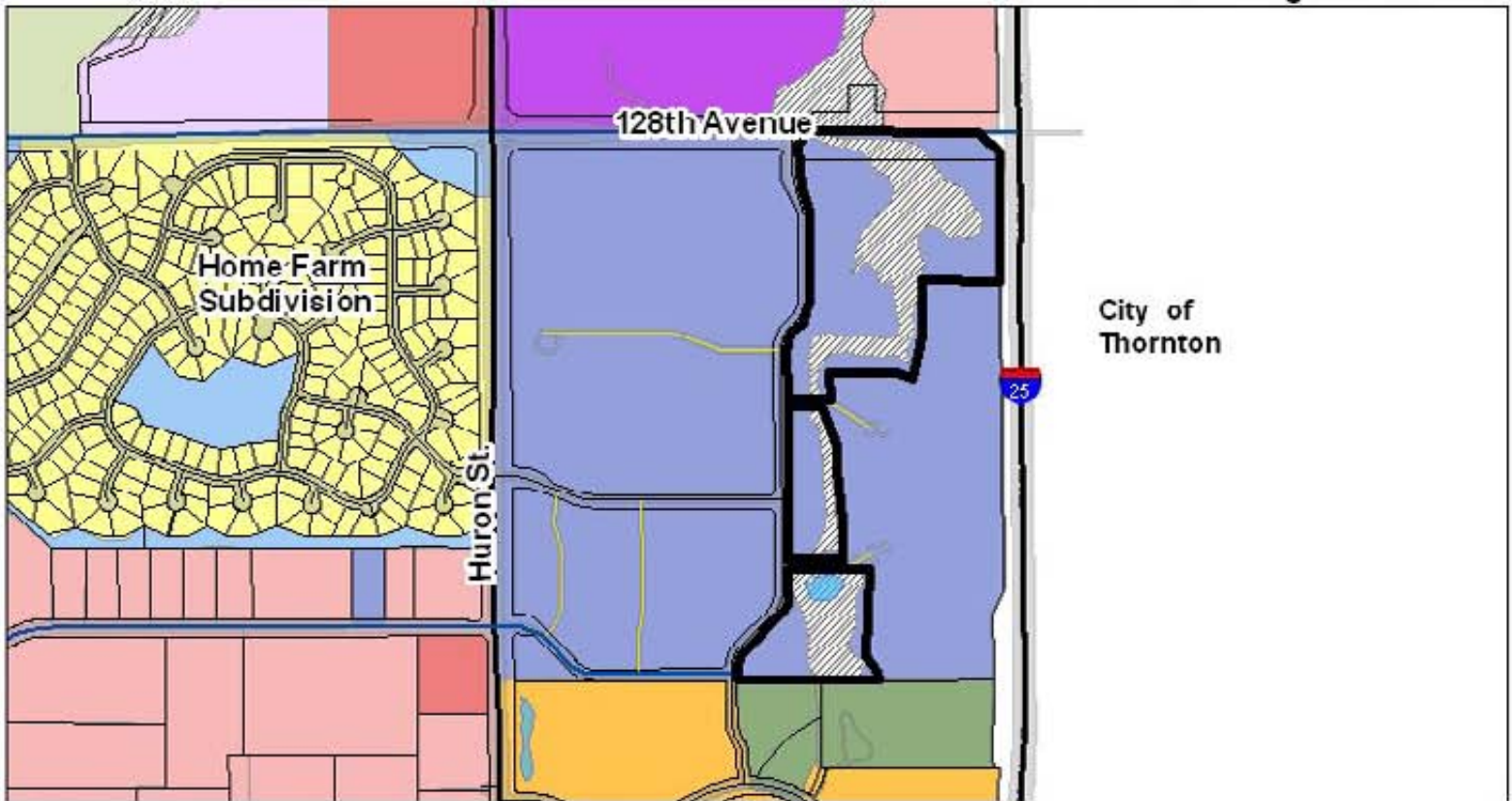


Change From: Industrial

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

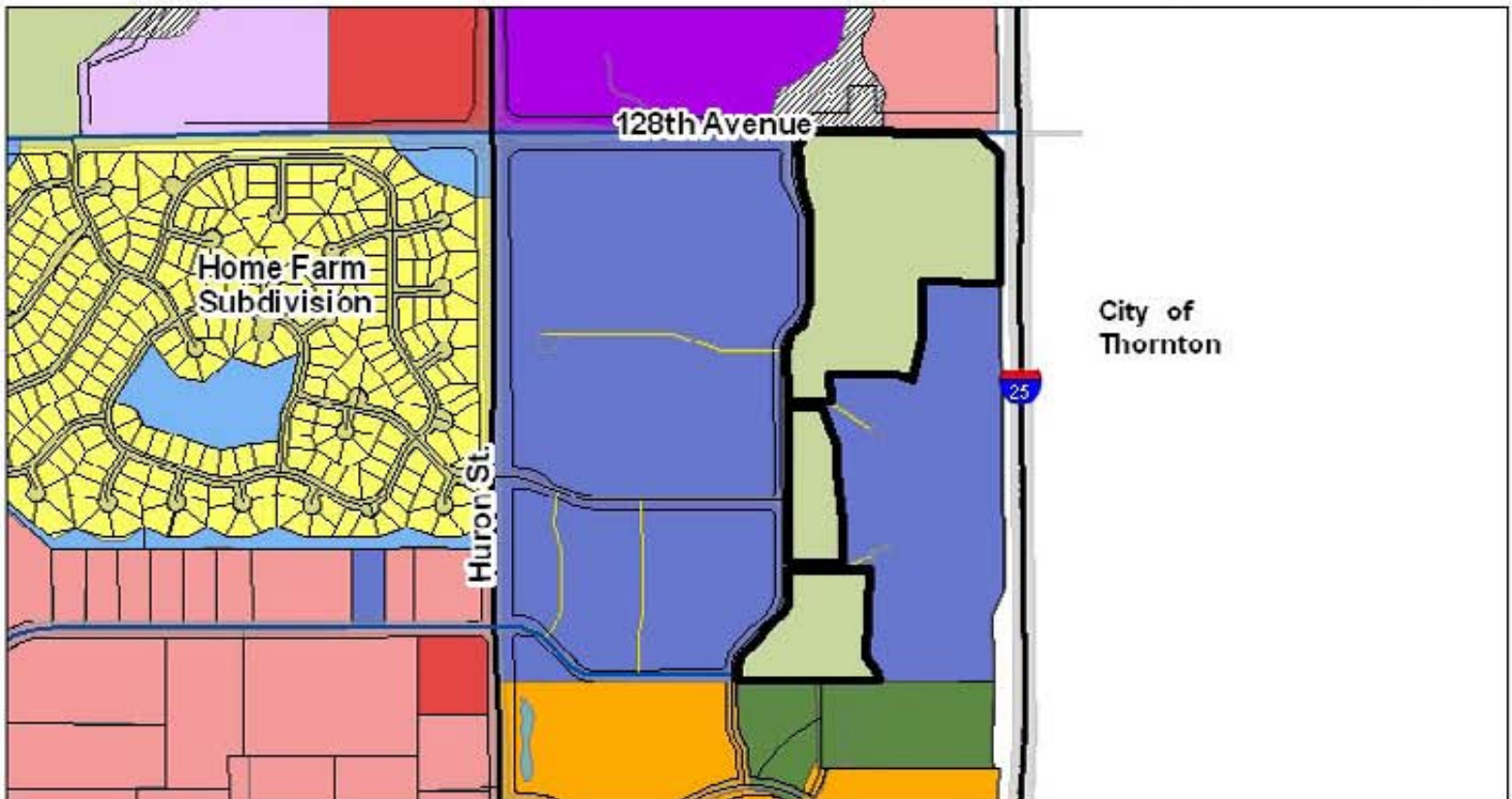


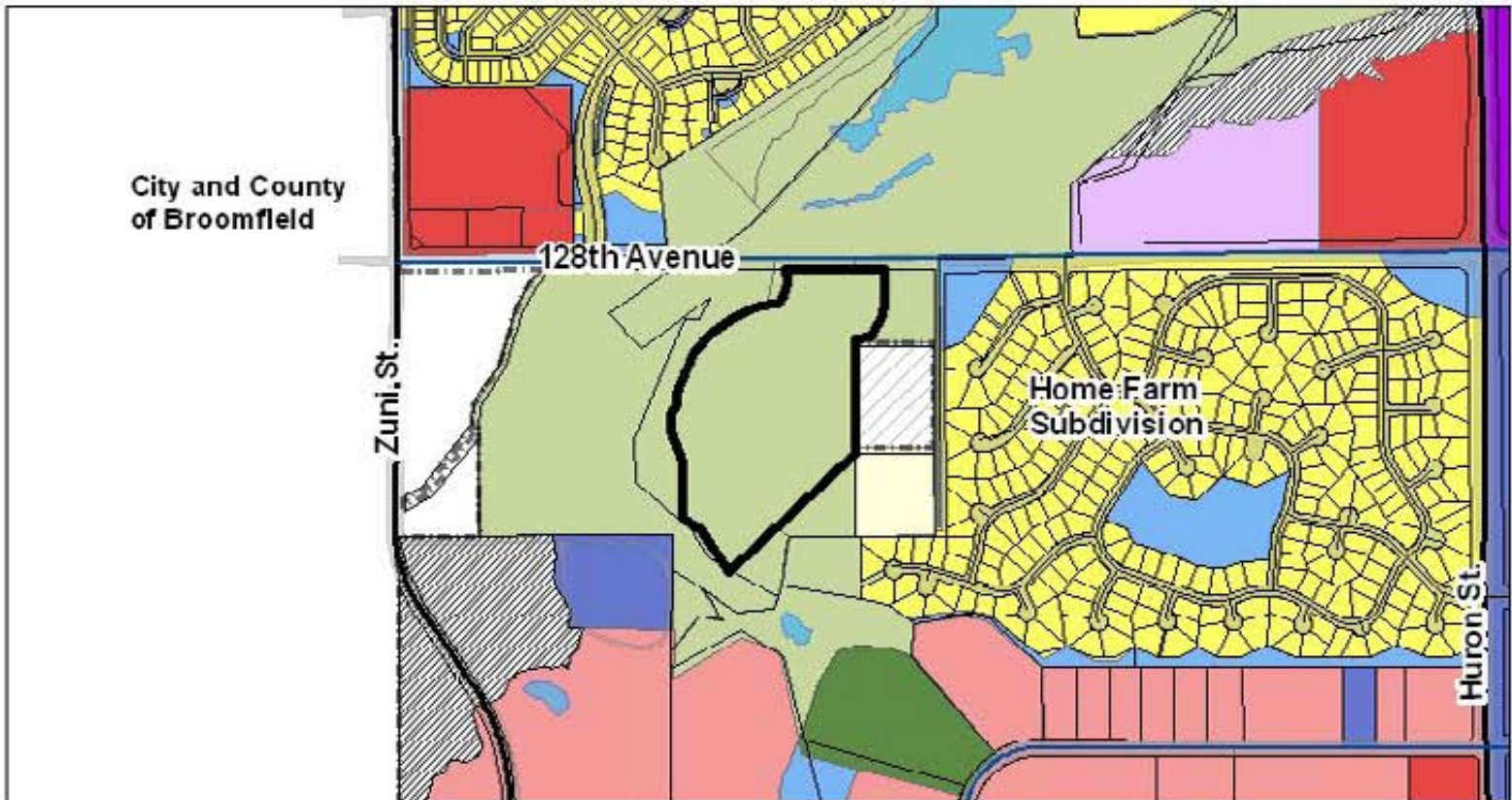


Change From: Public/Quasi Public and Major Creek Corridor

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

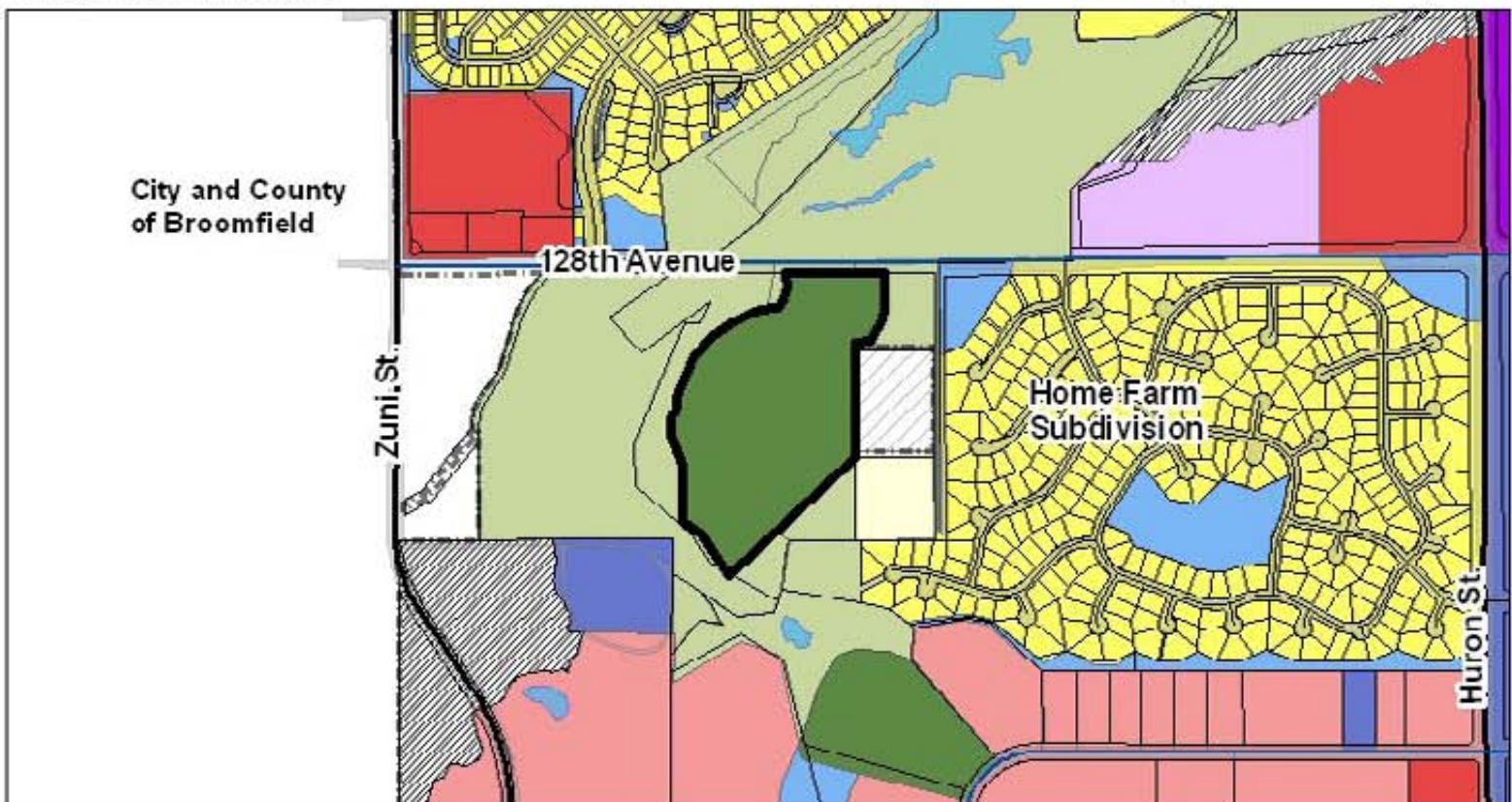
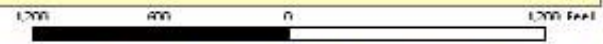




Change From: City Owned Open Space

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: Public Parks



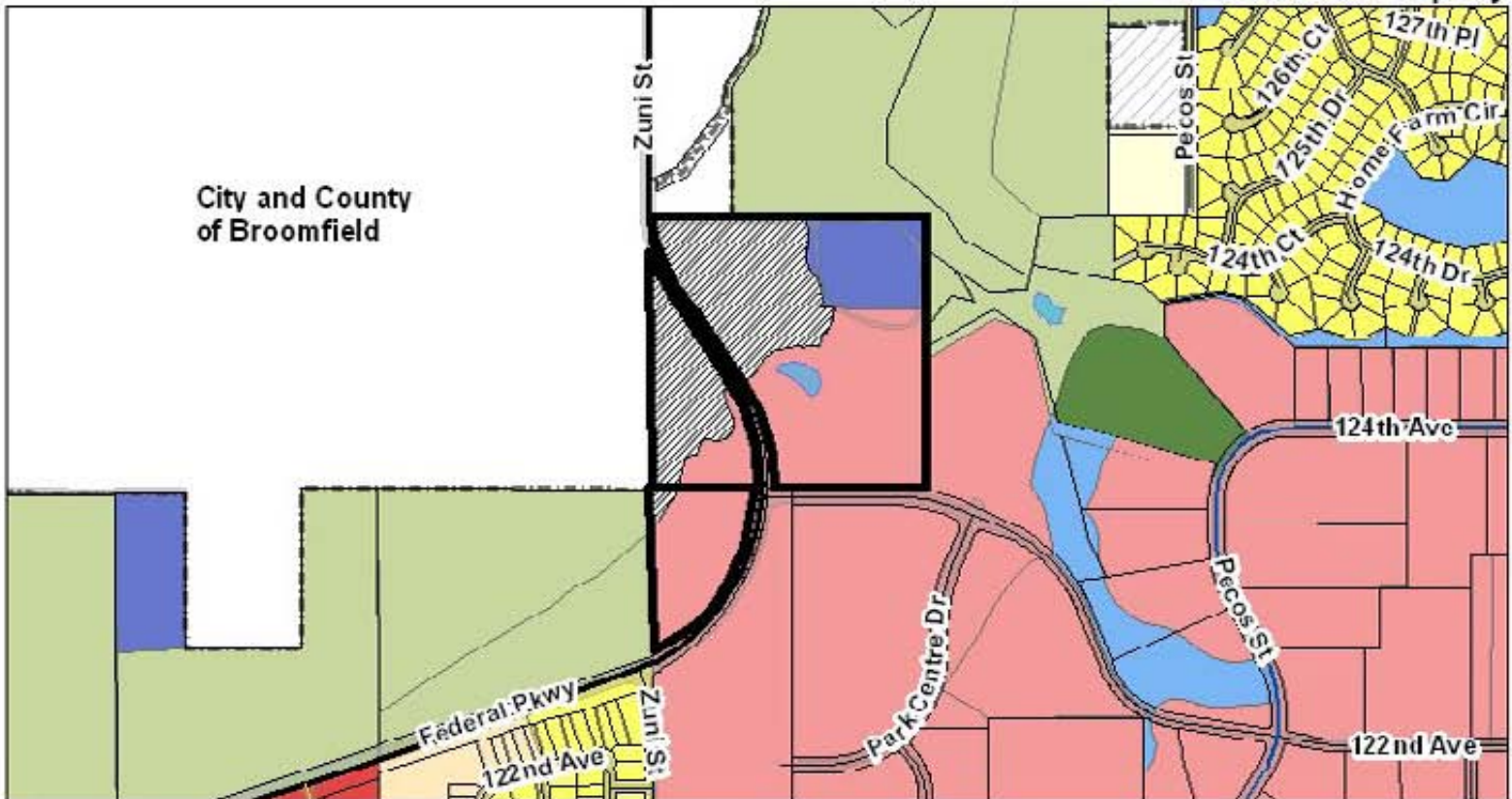
City and County of Broomfield

128th Avenue

Zuni St.

Home Farm Subdivision

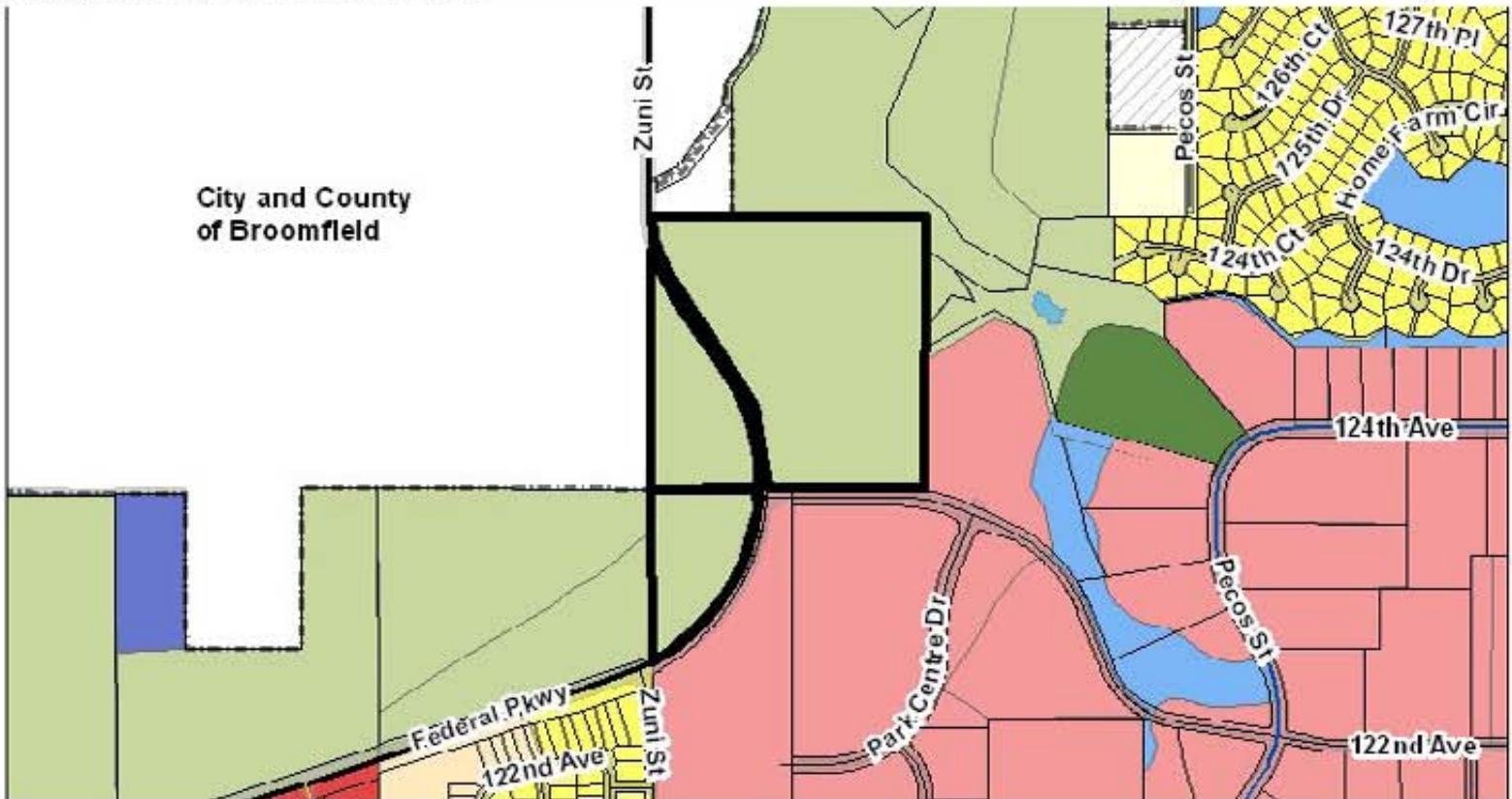
Huron St.



Change From: Business Park, Major Creek Corridor, and Public/Quasi Public

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space





Change From: Public Parks

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

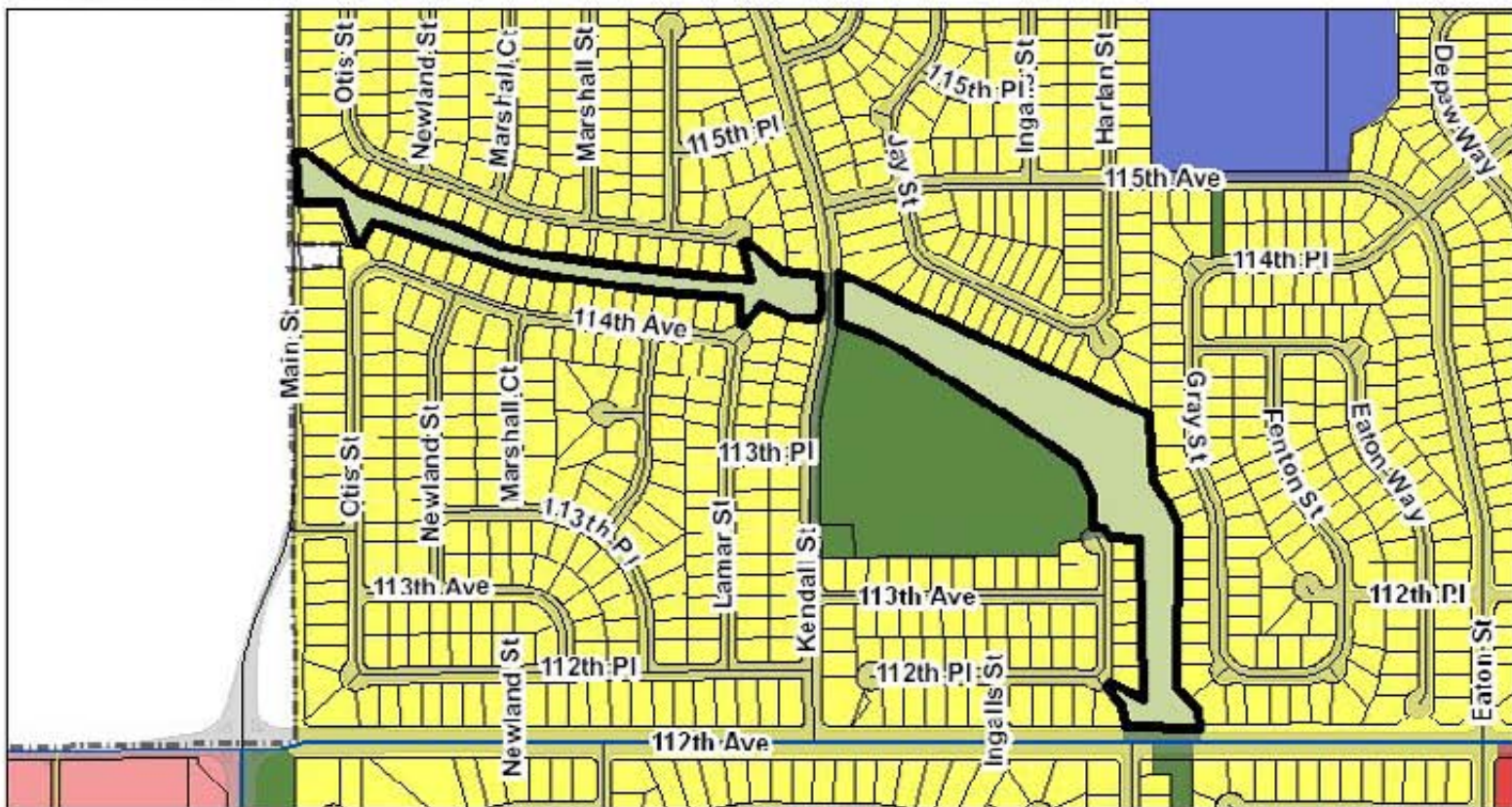


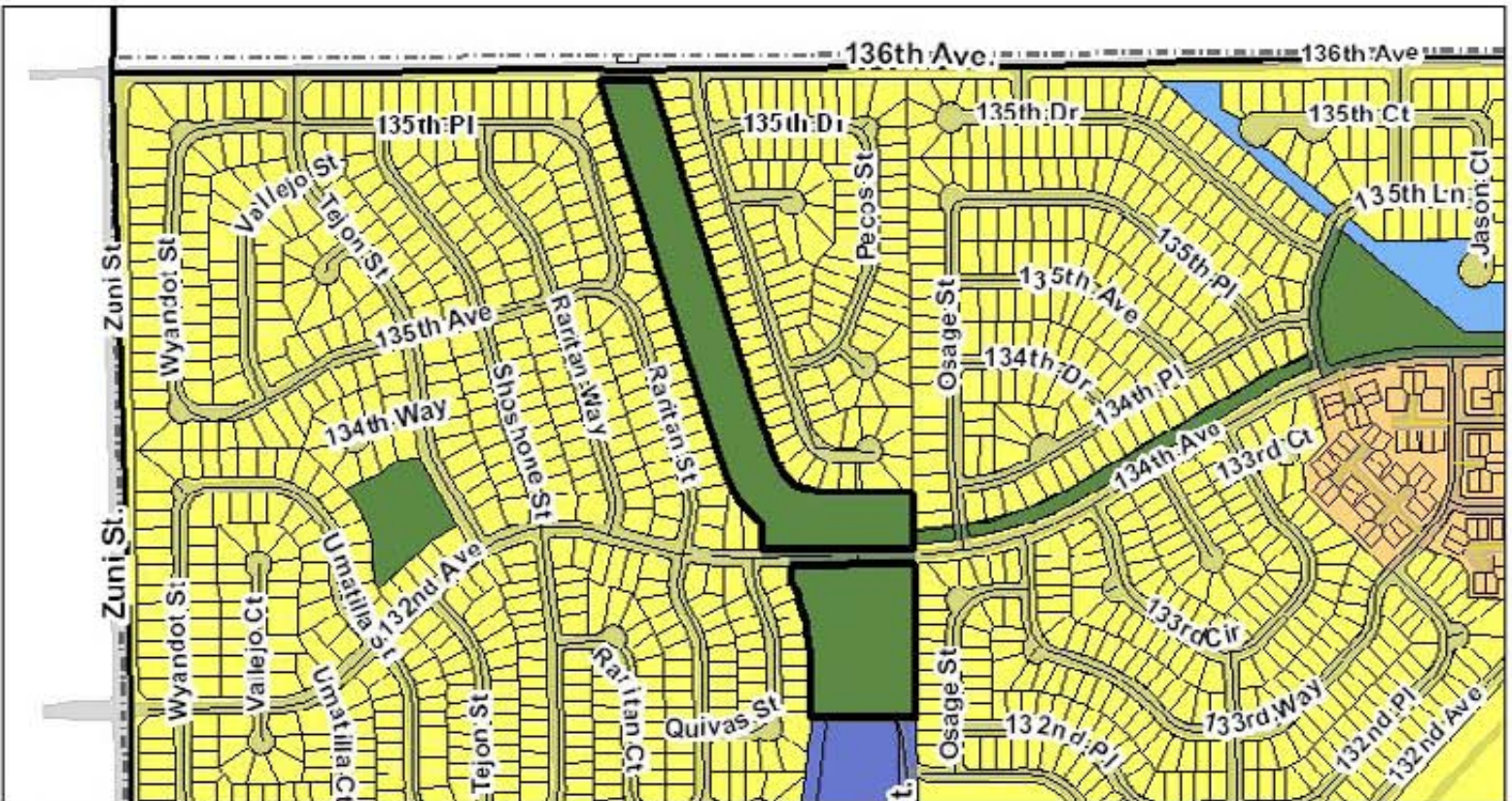


Change From: Public Parks

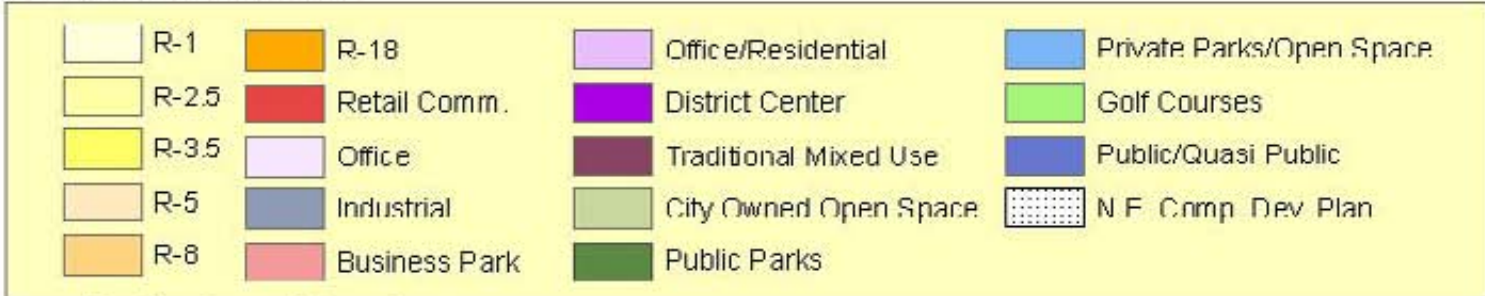
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|--|-------|--|---------------|--|-----------------------|--|--------------------------|
| | R-1 | | R-18 | | Office/Residential | | Private Parks/Open Space |
| | R-2.5 | | Retail Comm. | | District Center | | Golf Courses |
| | R-3.5 | | Office | | Traditional Mixed Use | | Public/Quasi Public |
| | R-5 | | Industrial | | City Owned Open Space | | N.F. Comp. Dev. Plan |
| | R-8 | | Business Park | | Public Parks | | |

Change To: City Owned Open Space

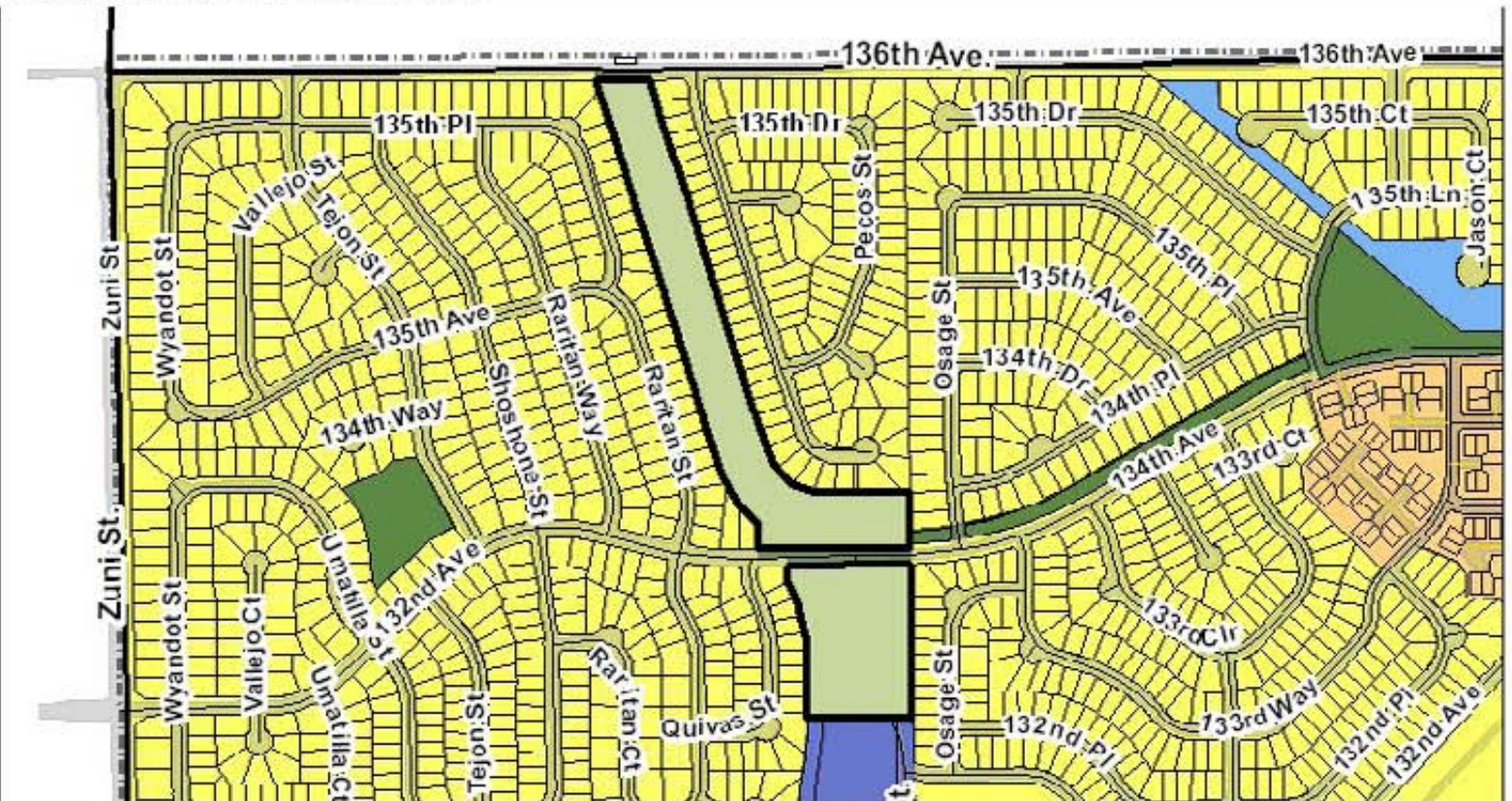


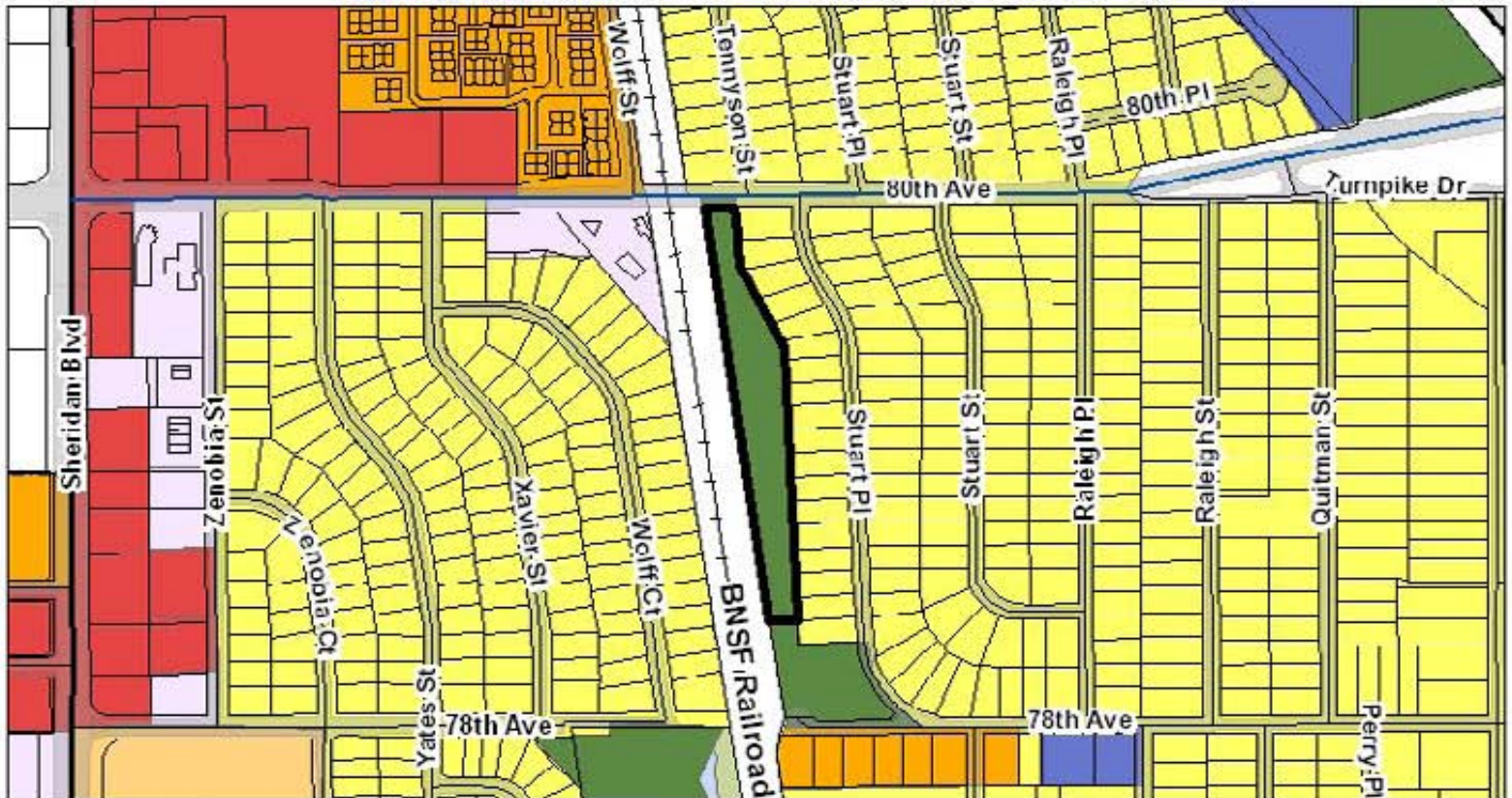


Change From: Public Parks



Change To: City Owned Open Space



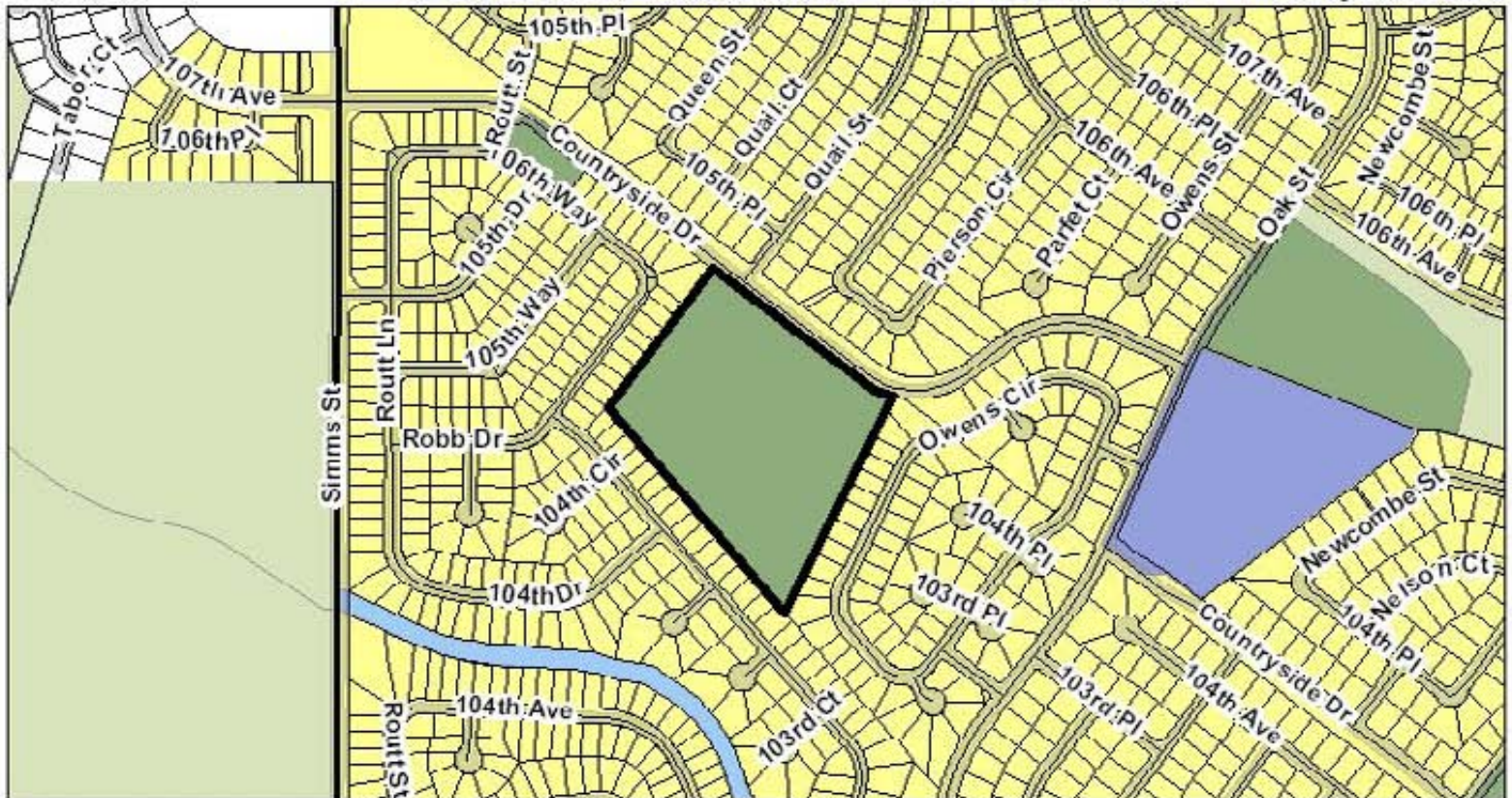


Change From: Public Parks

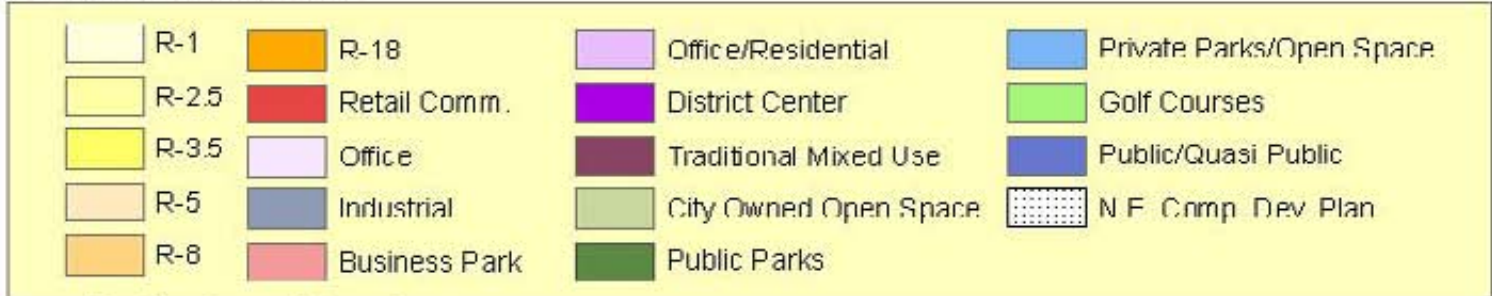
| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-6 | Business Park | Public Parks | |

Change To: City Owned Open Space

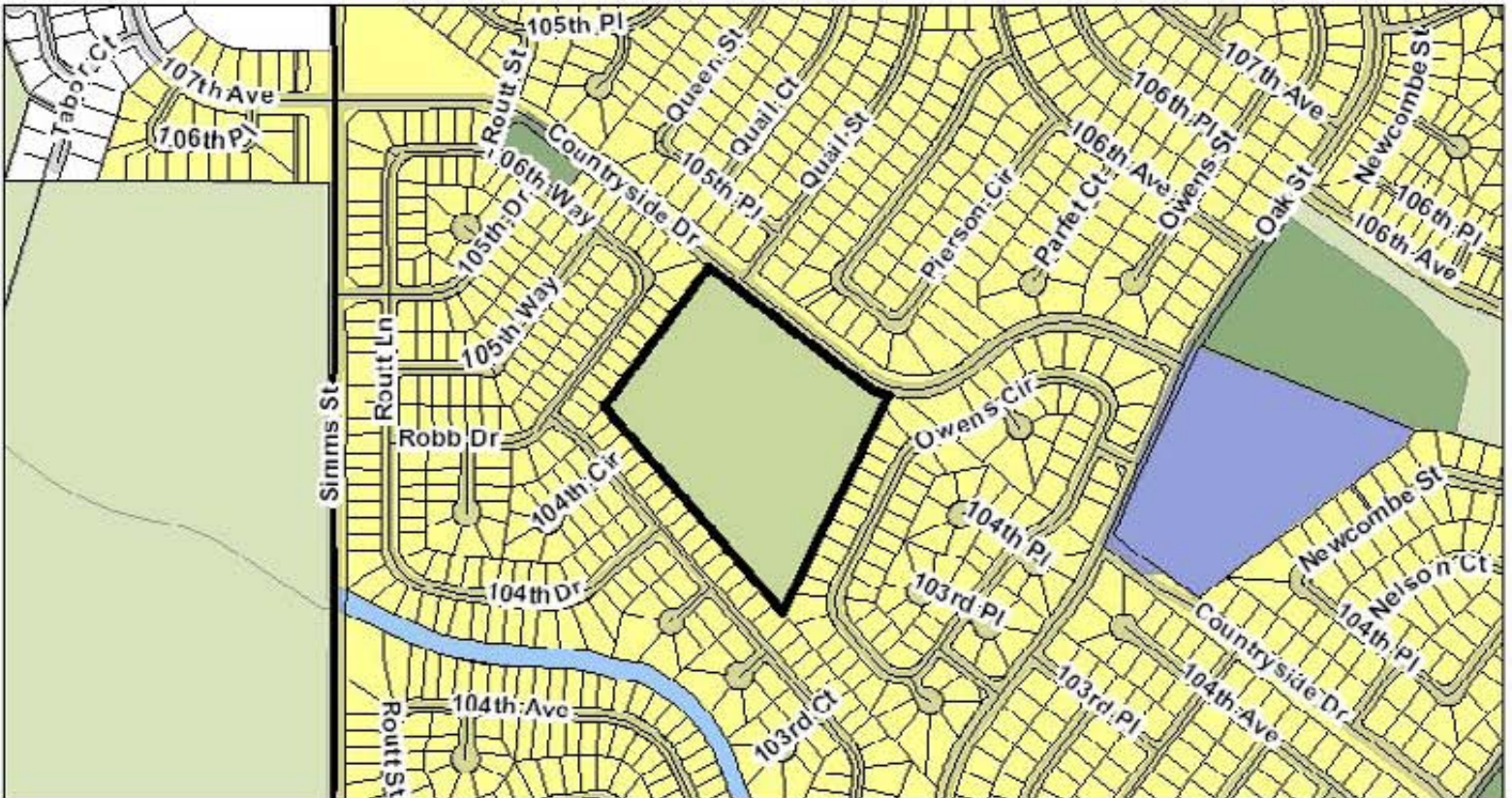


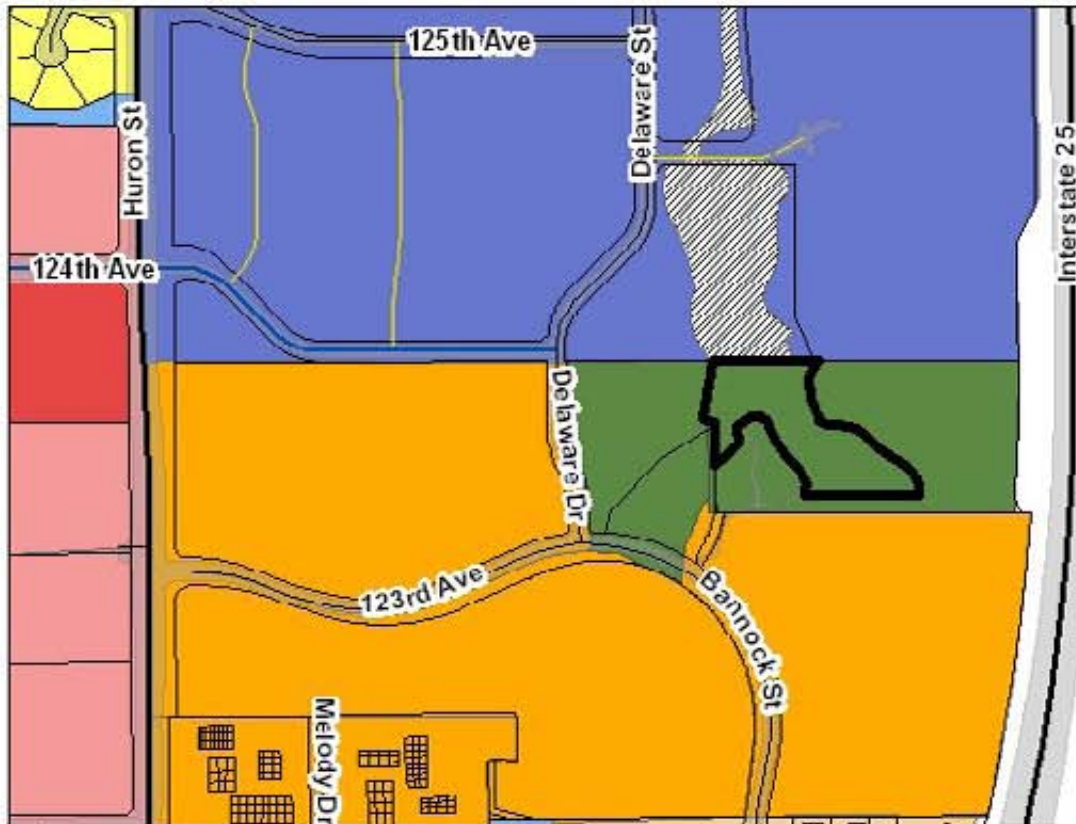


Change From: Public Parks



Change To: City Owned Open Space





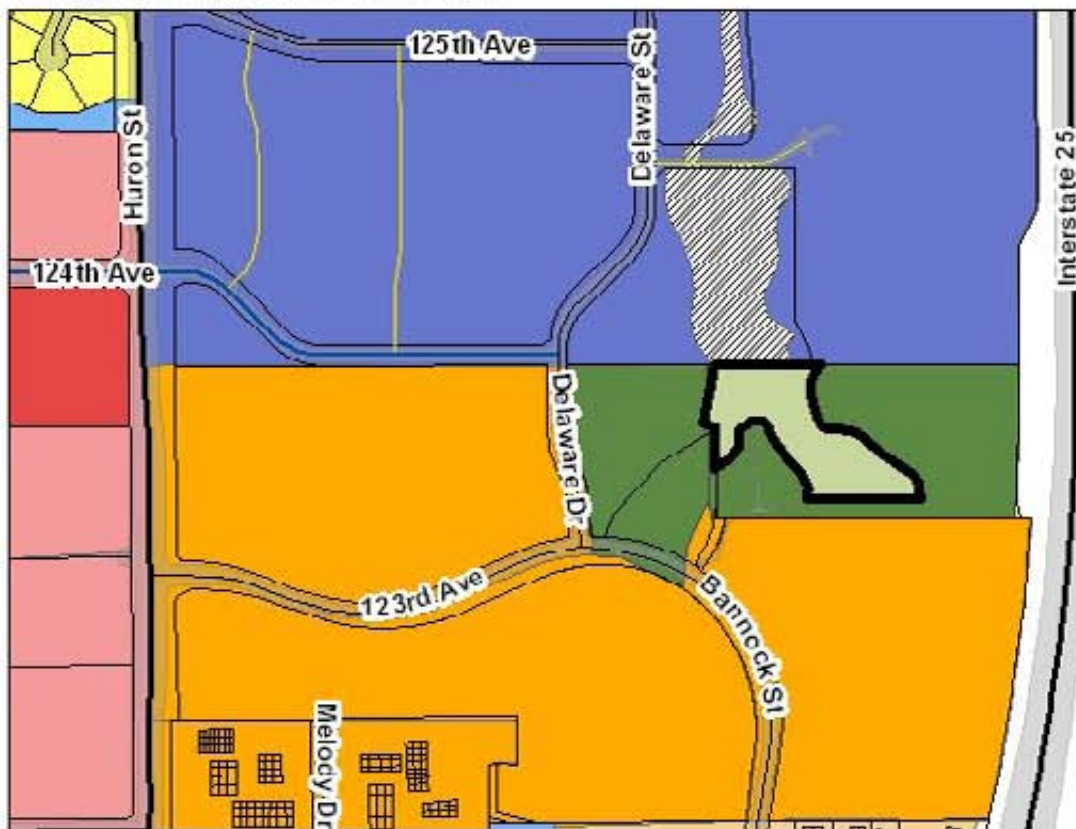
Interstate 25

City of Thornton

Change From: Public Parks

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space



Interstate 25

City of Thornton

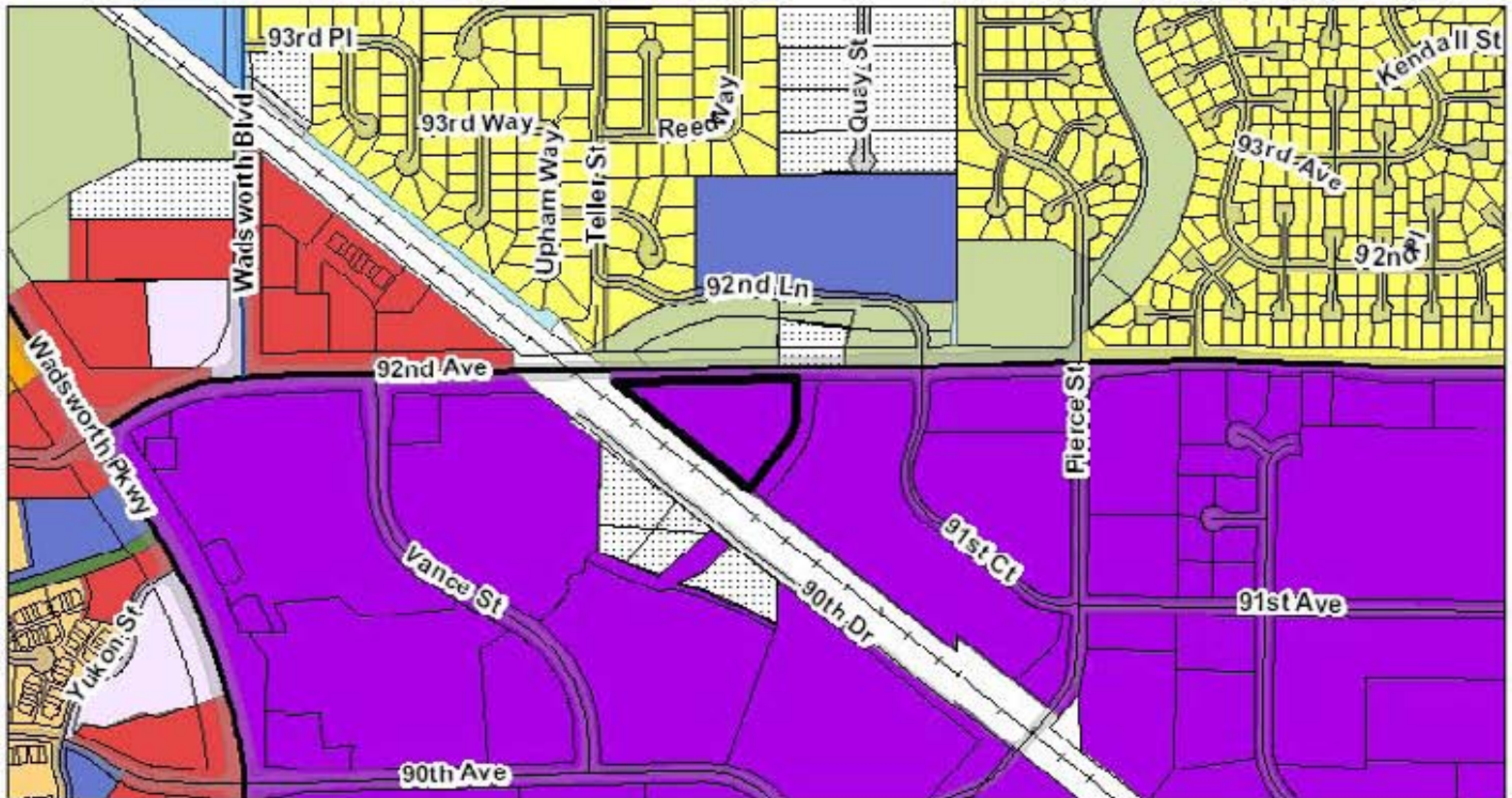


Change From: Public Parks

| | | | | | | | |
|--|-------|--|---------------|--|-----------------------|--|--------------------------|
| | R-1 | | R-18 | | Office/Residential | | Private Parks/Open Space |
| | R-2.5 | | Retail Comm. | | District Center | | Golf Courses |
| | R-3.5 | | Office | | Traditional Mixed Use | | Public/Quasi Public |
| | R-5 | | Industrial | | City Owned Open Space | | N.F. Comp. Dev. Plan |
| | R-8 | | Business Park | | Public Parks | | |

Change To: City Owned Open Space

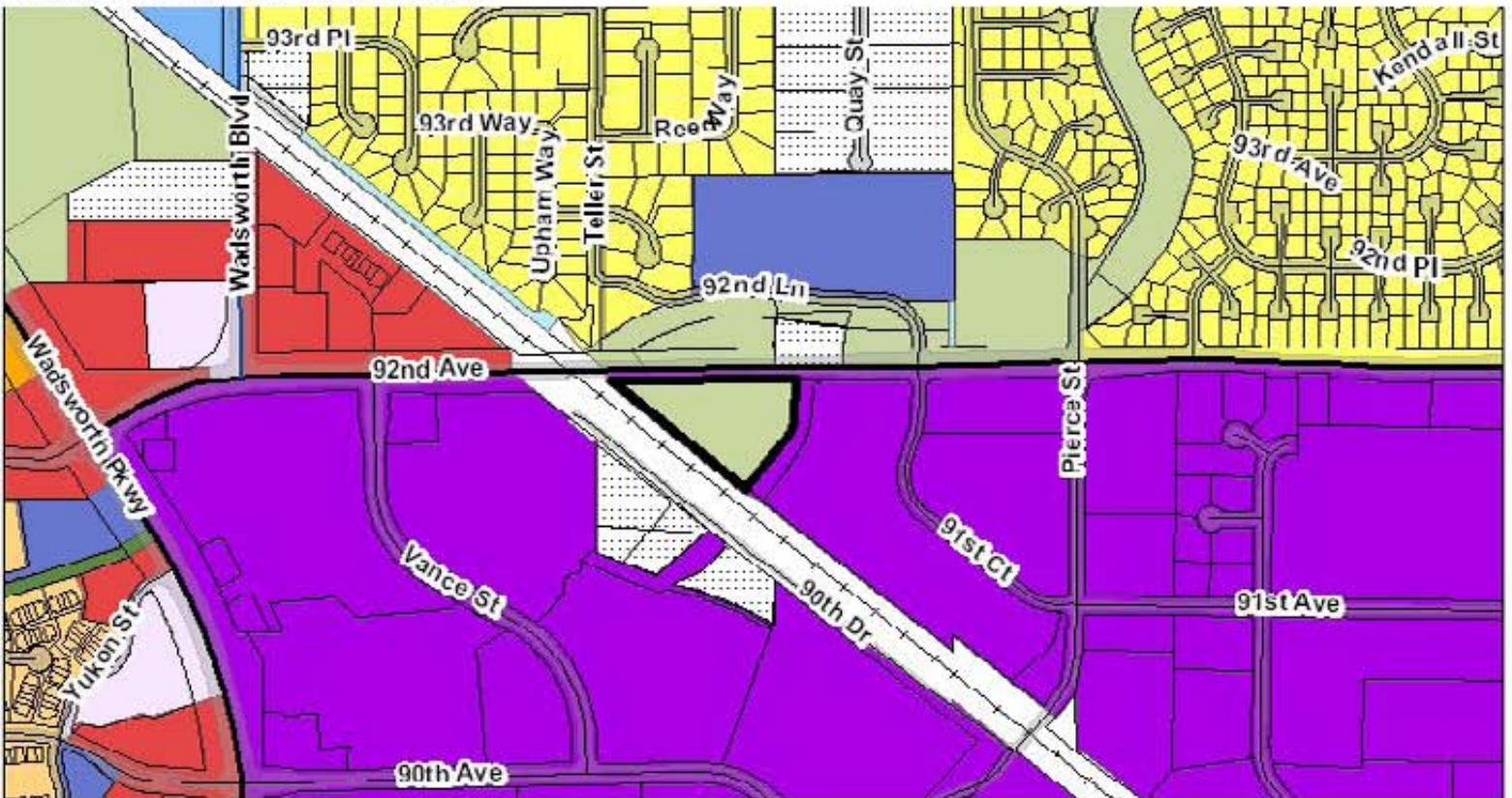




Change From: District Center

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

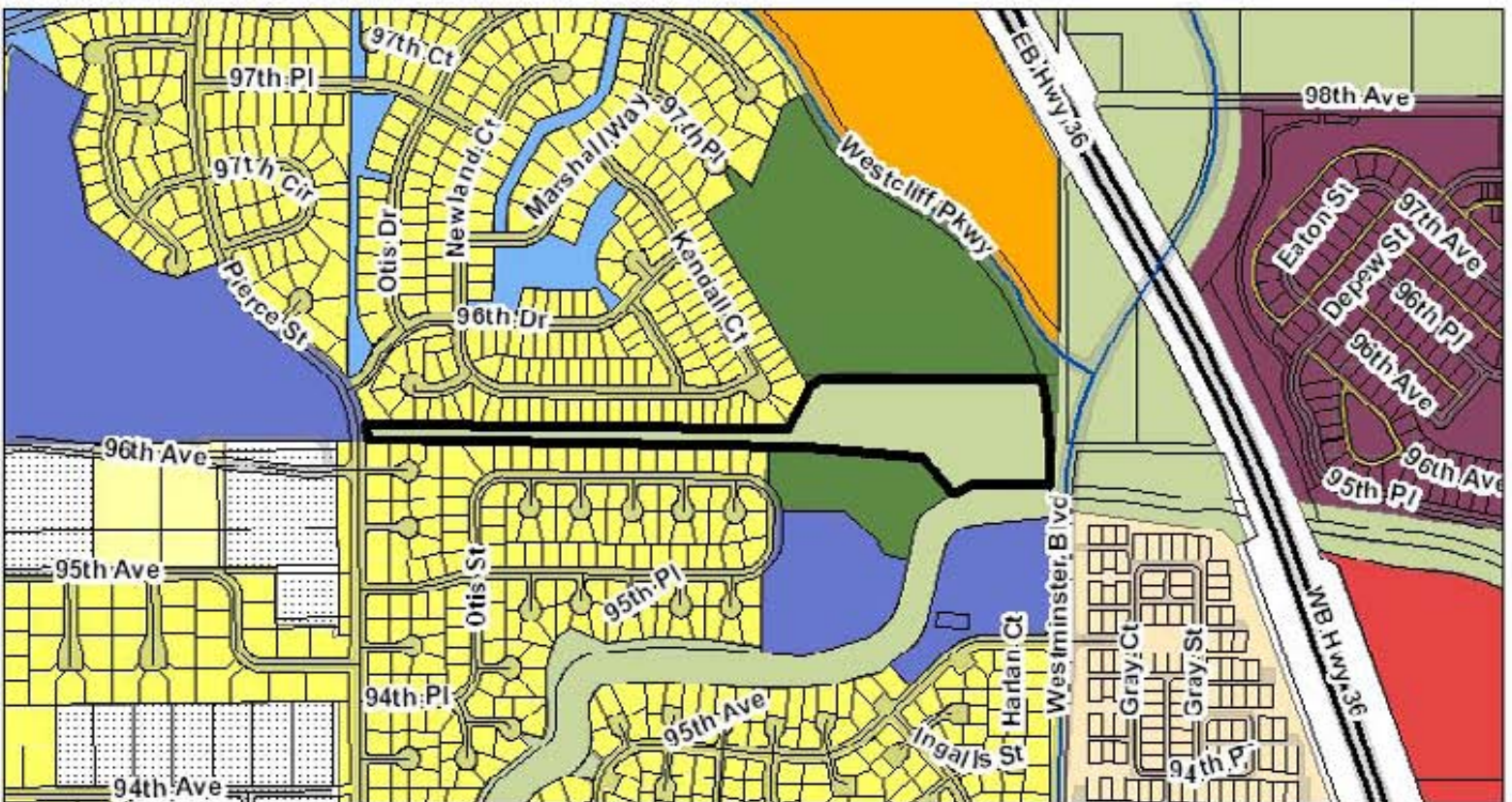




Change From: Private Parks and Public Parks

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

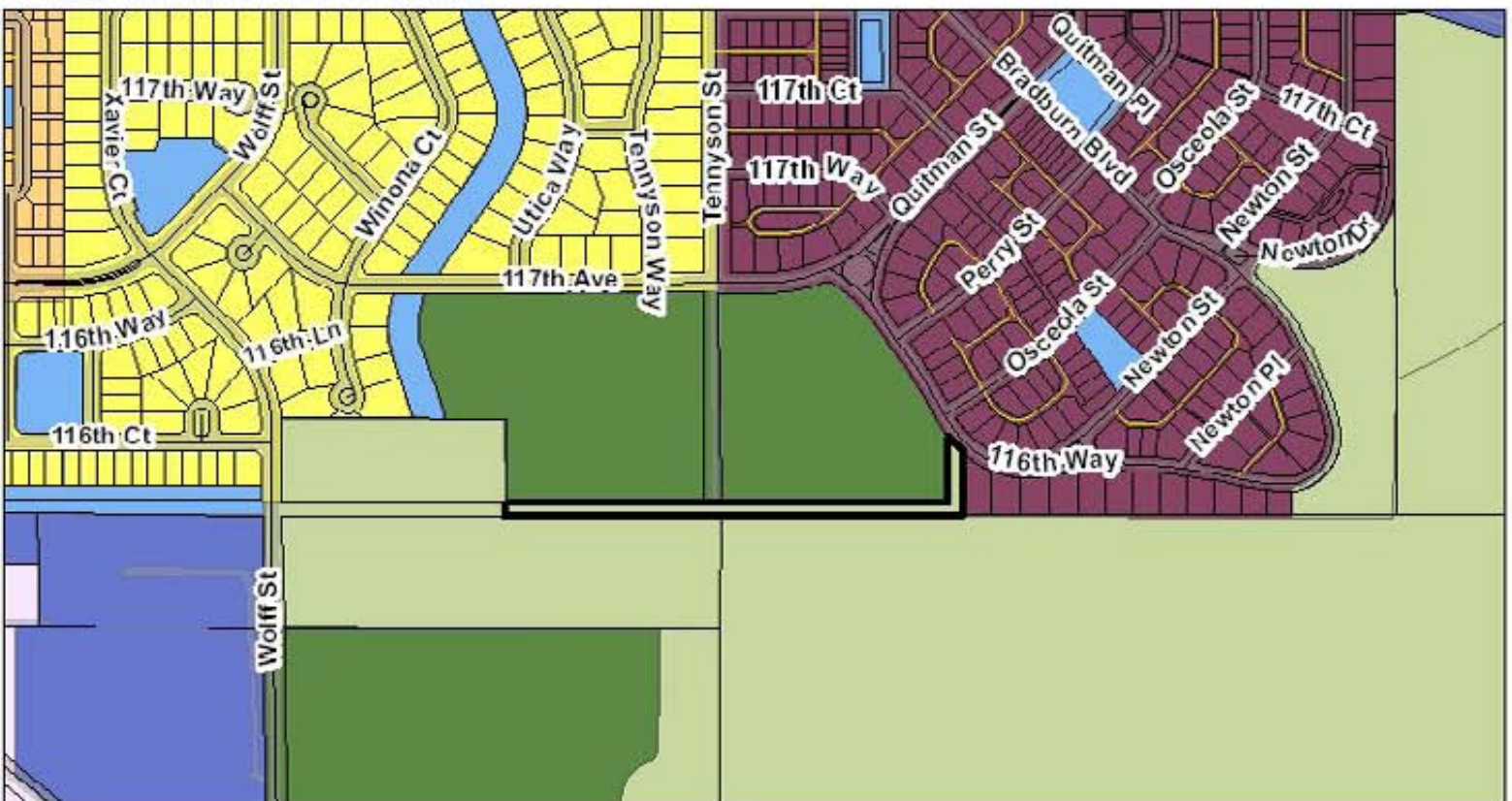


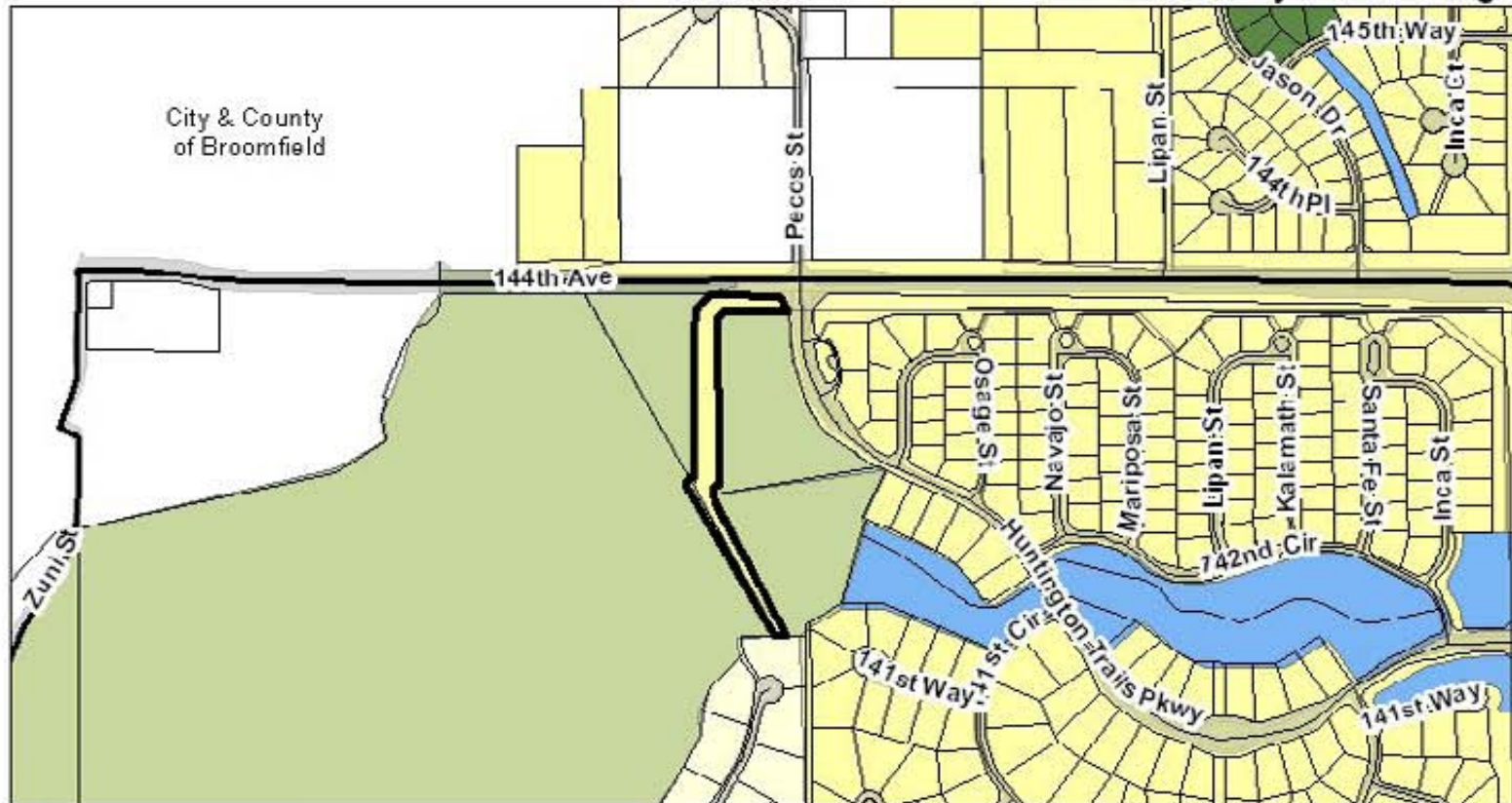


Change From: Public Parks

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space



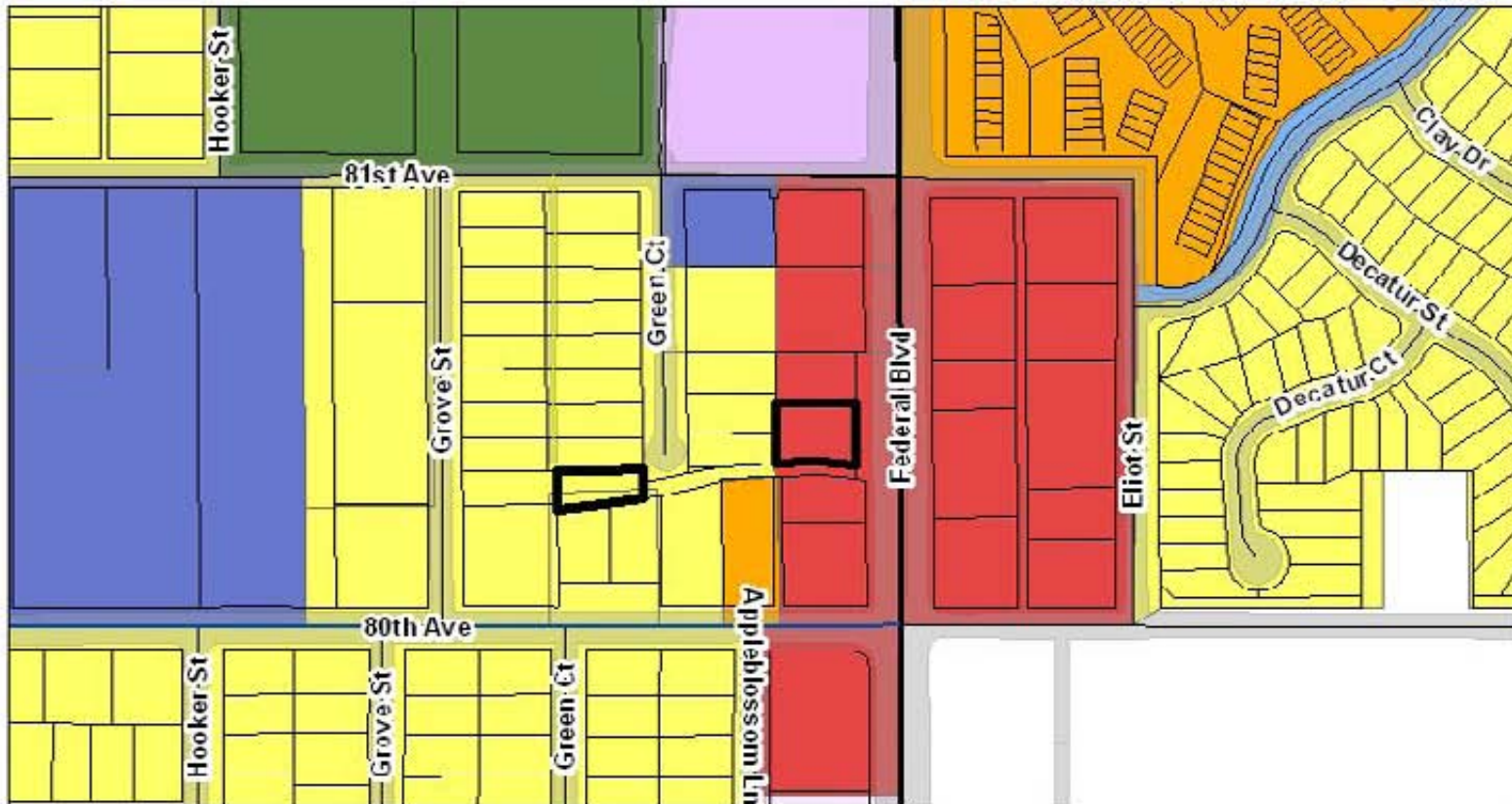


Change From: R-2.5

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space





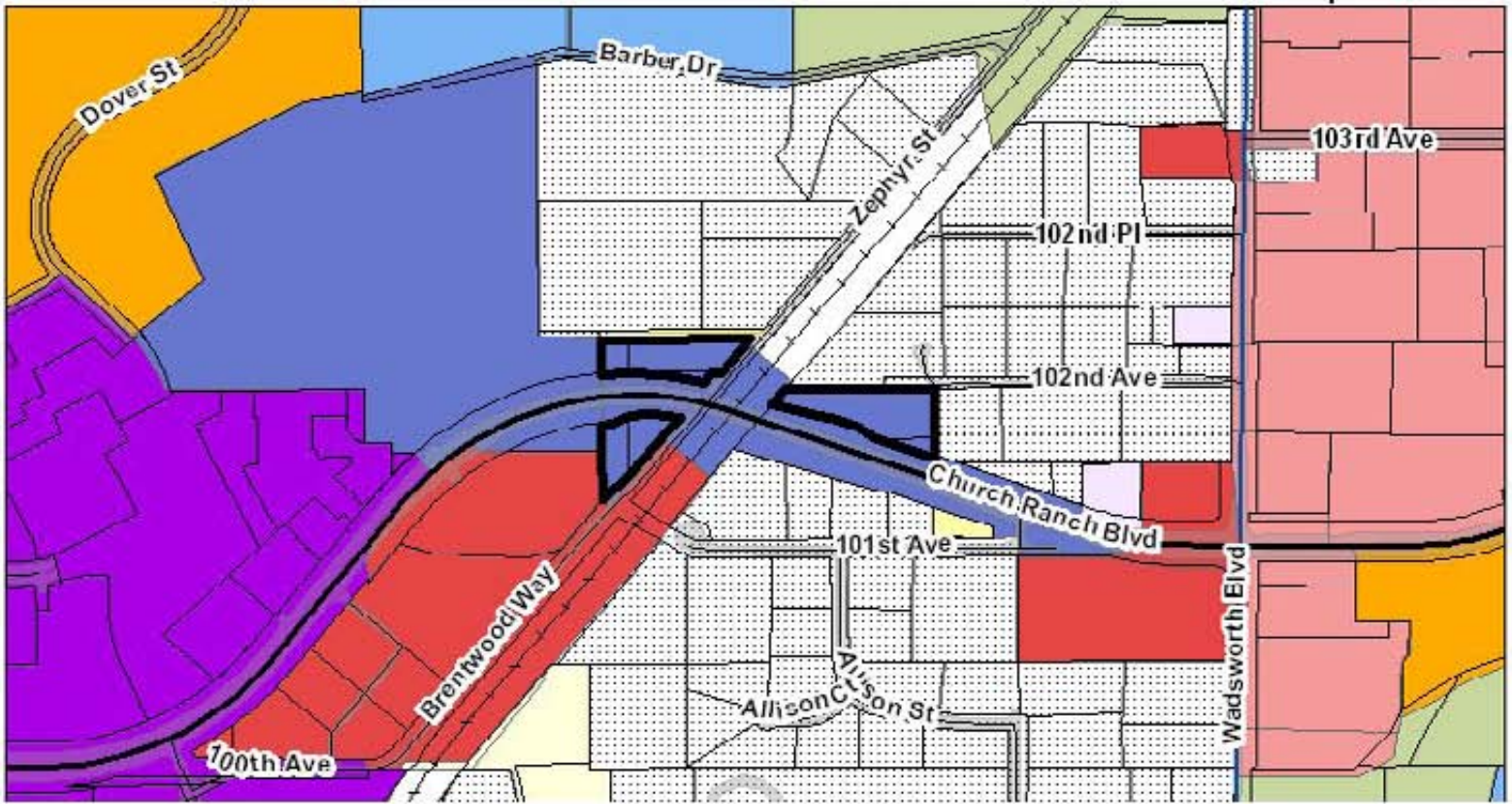
Change From: Retail Commercial and R-3.5

| | | | | | | | |
|--|-------|--|---------------|--|-----------------------|--|--------------------------|
| | R-1 | | R-18 | | Office/Residential | | Private Parks/Open Space |
| | R-2.5 | | Retail Comm. | | District Center | | Golf Courses |
| | R-3.5 | | Office | | Traditional Mixed Use | | Public/Quasi Public |
| | R-5 | | Industrial | | City Owned Open Space | | N.F. Comp. Dev. Plan |
| | R-8 | | Business Park | | Public Parks | | |

Change To: City Owned Open Space



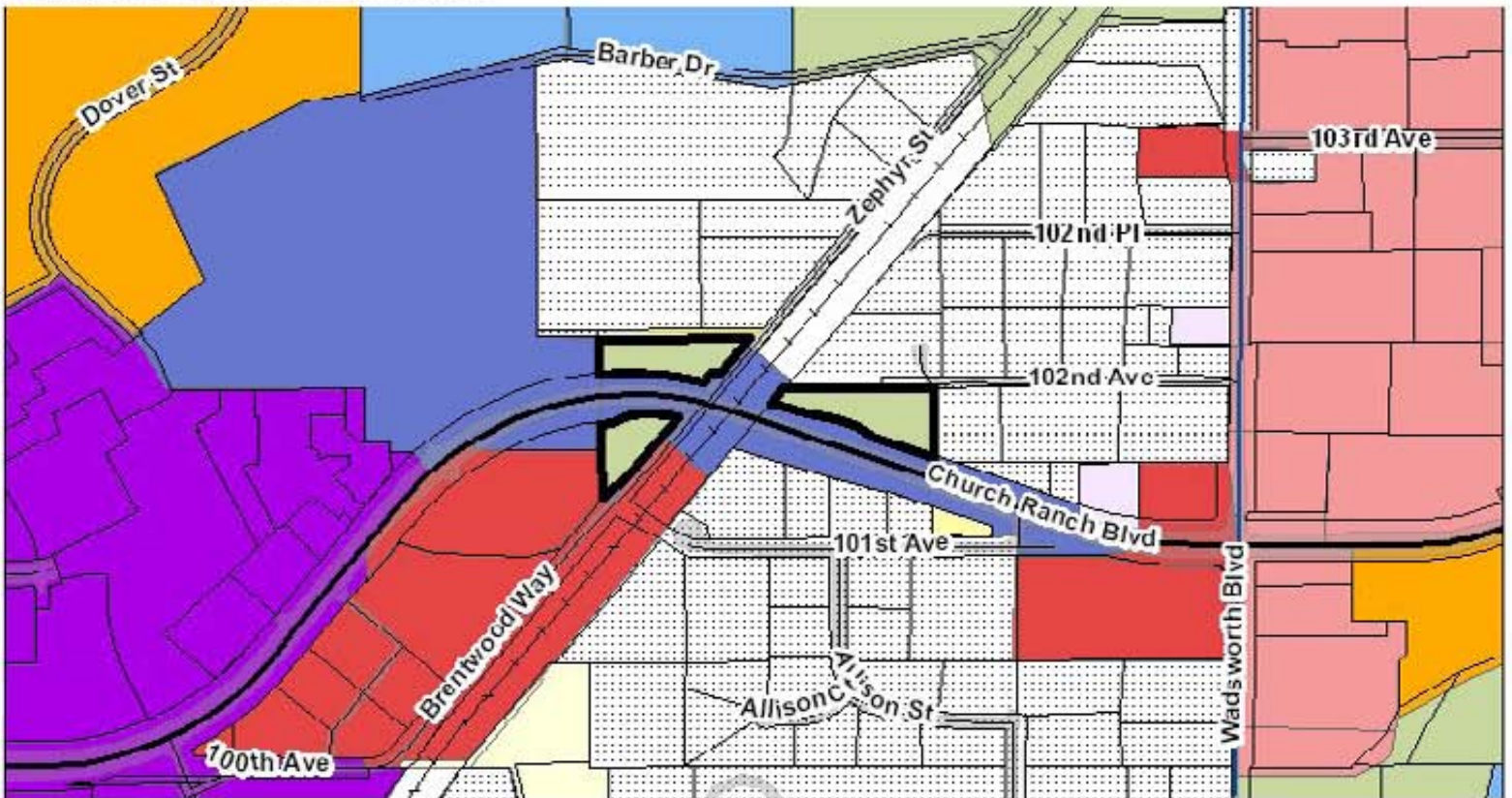
MAP 19 - Church Ranch Blvd. Improvements



Change From: Public/Quasi Public

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

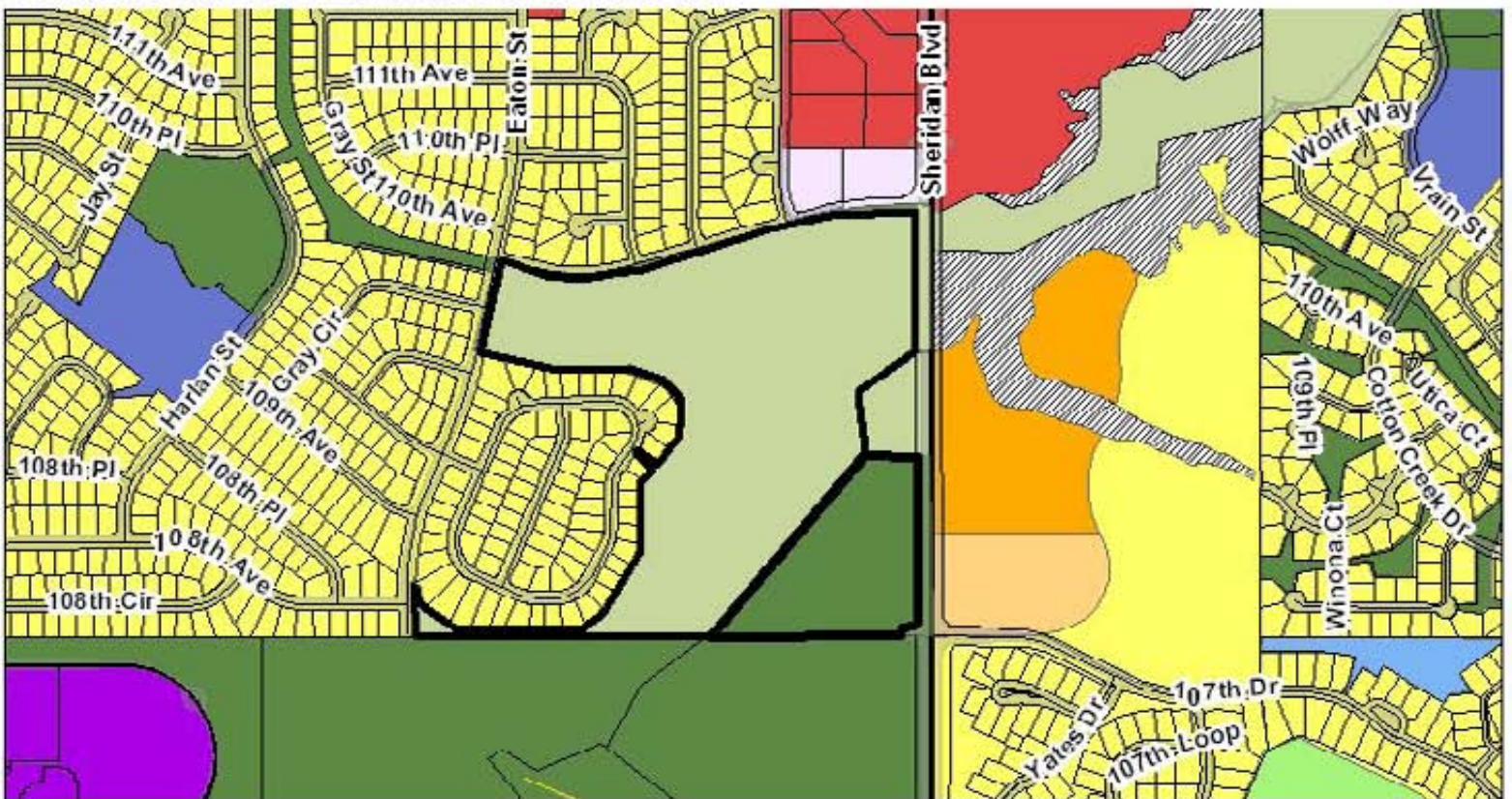


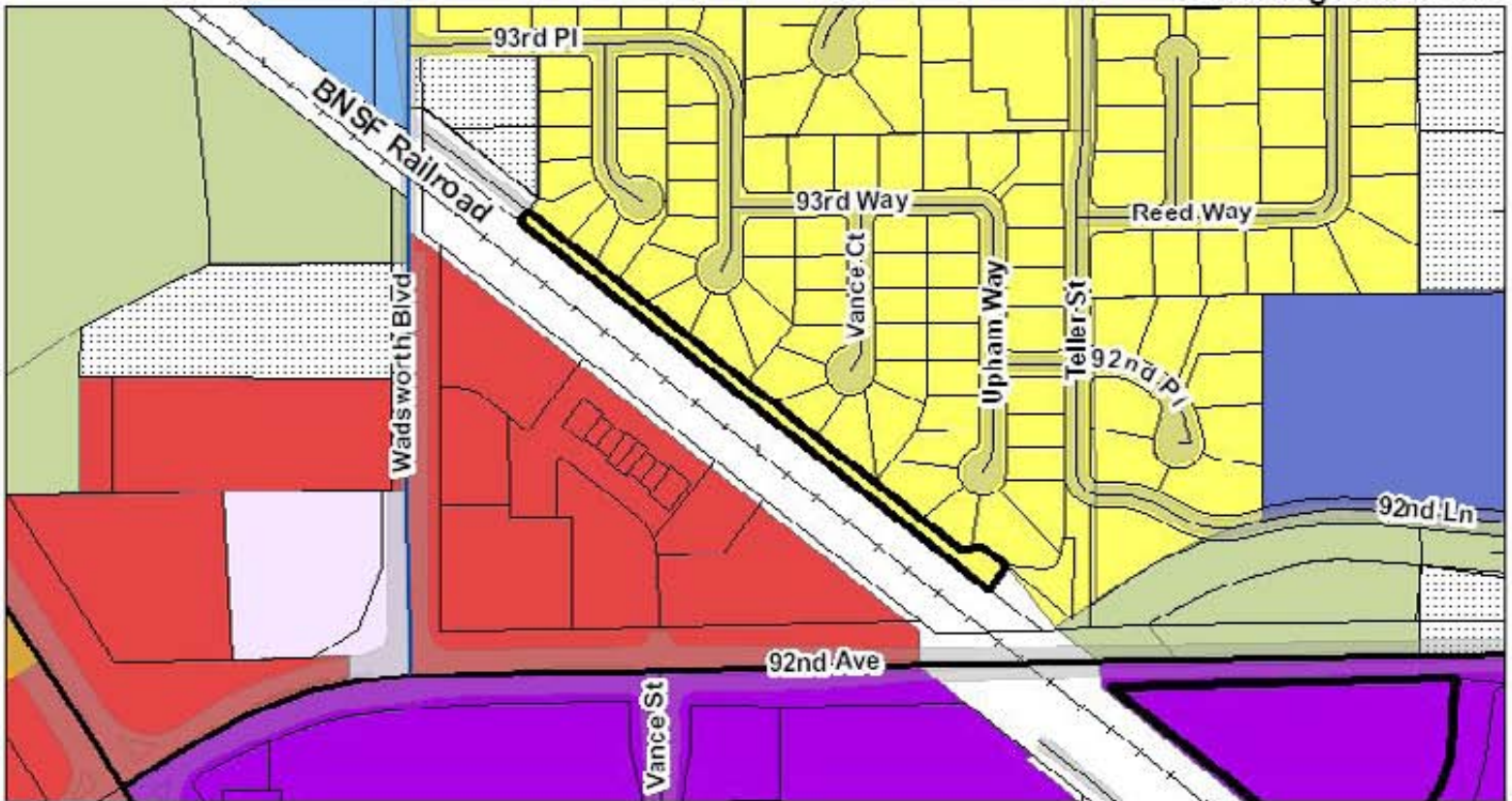


Change From: Public Parks and City Owned Open Space

| | | | | | | | |
|--|-------|--|---------------|--|-----------------------|--|--------------------------|
| | R-1 | | R-18 | | Office/Residential | | Private Parks/Open Space |
| | R-2.5 | | Retail Comm. | | District Center | | Golf Courses |
| | R-3.5 | | Office | | Traditional Mixed Use | | Public/Quasi Public |
| | R-5 | | Industrial | | City Owned Open Space | | N.F. Comp. Dev Plan |
| | R-8 | | Business Park | | Public Parks | | |

Change To: City Owned Open Space and Public Parks

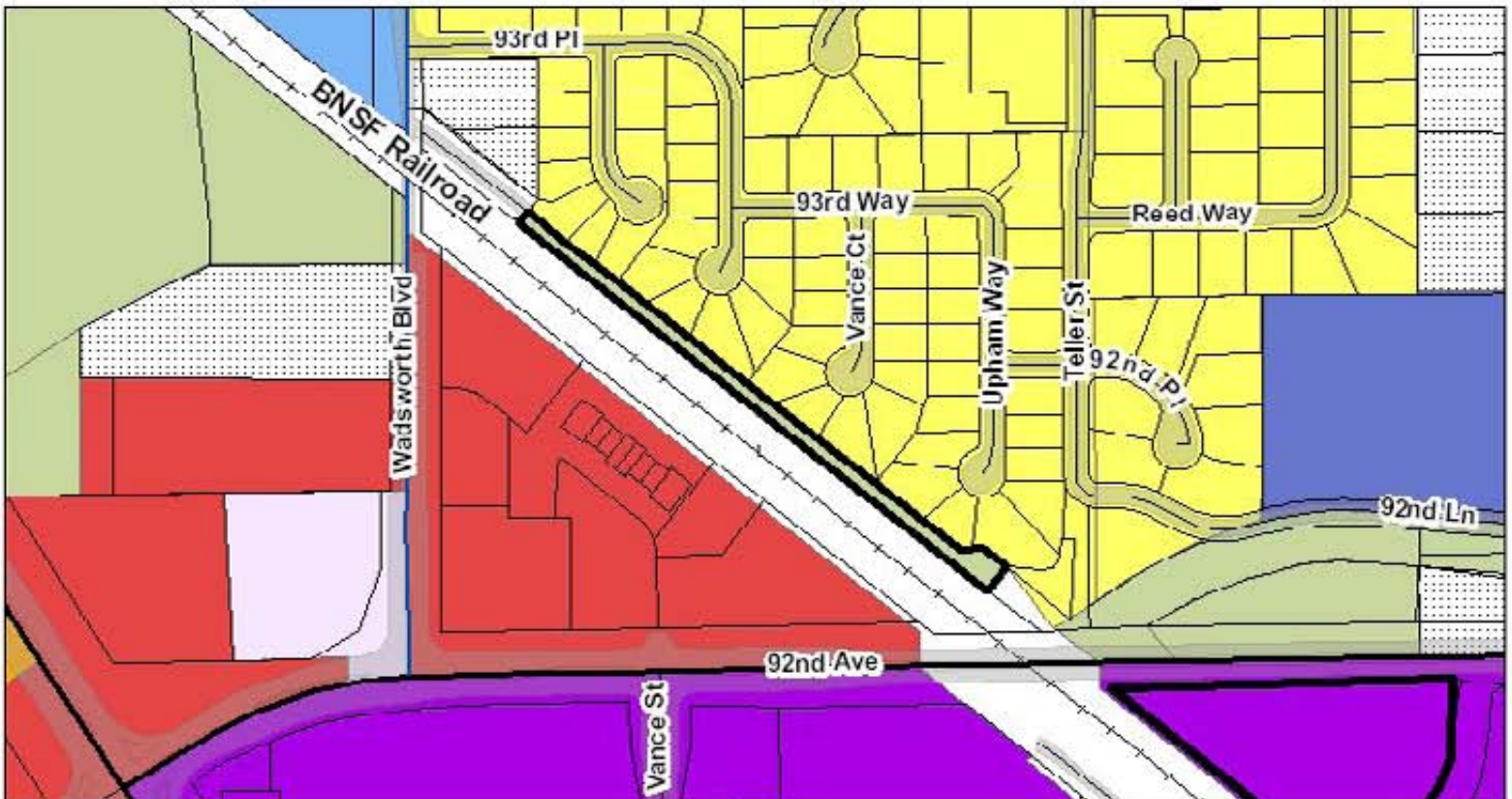




Change From: R-3.5

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space





Change From: City Owned Open Space

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: Public Parks



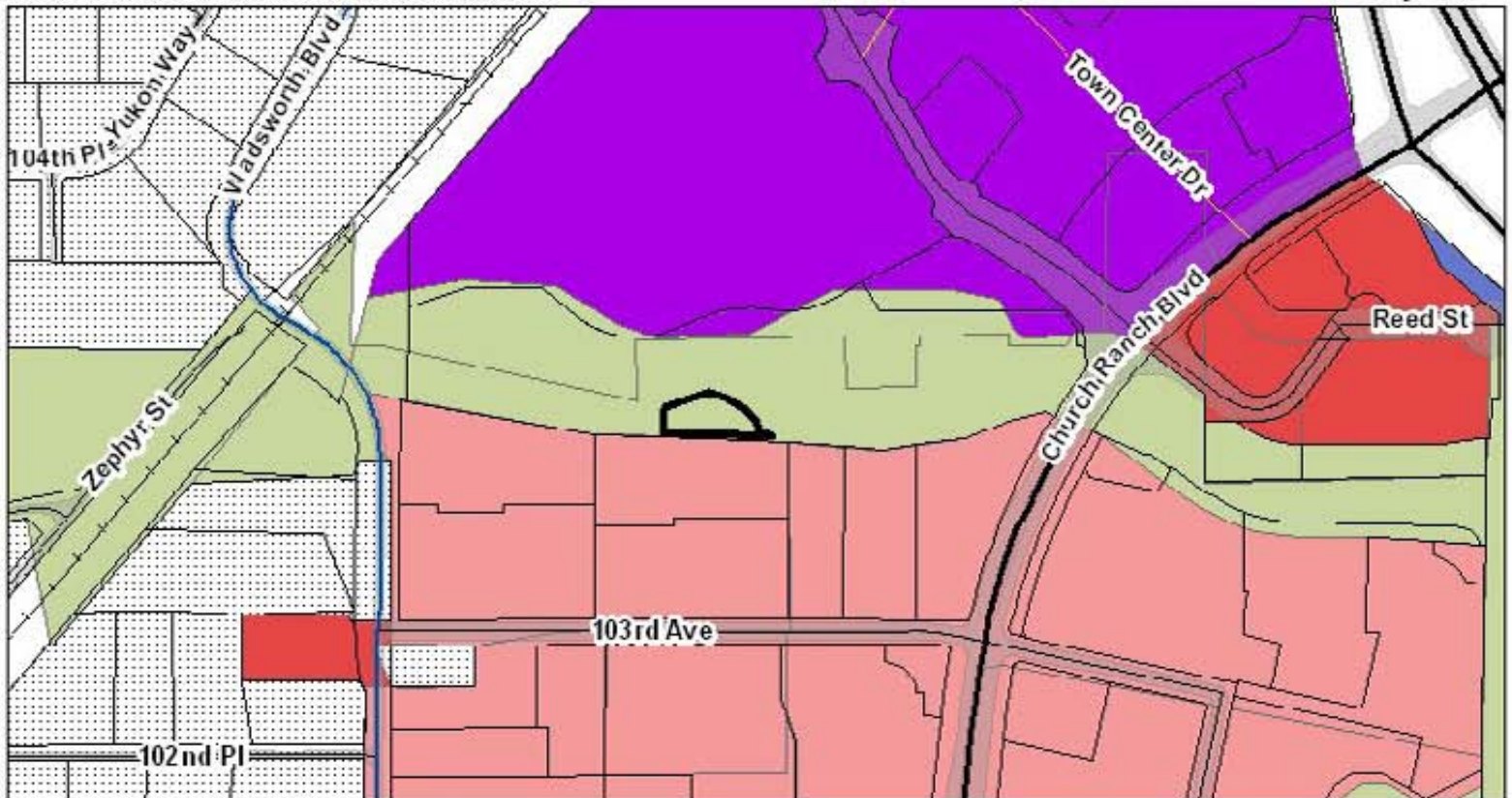


Change From: City Owned Open Space

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-6 | Business Park | Public Parks | |

Change To: Public Parks

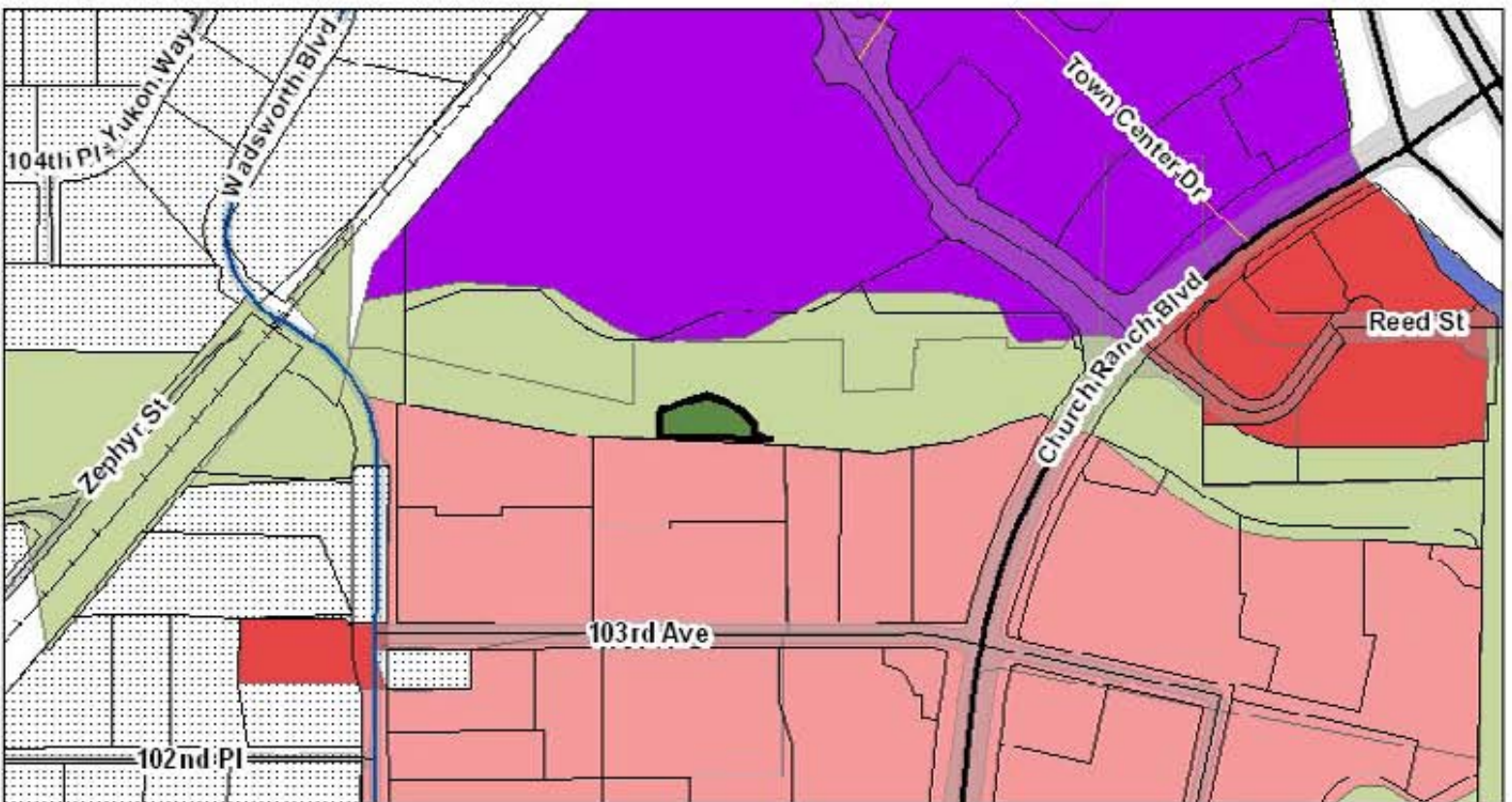


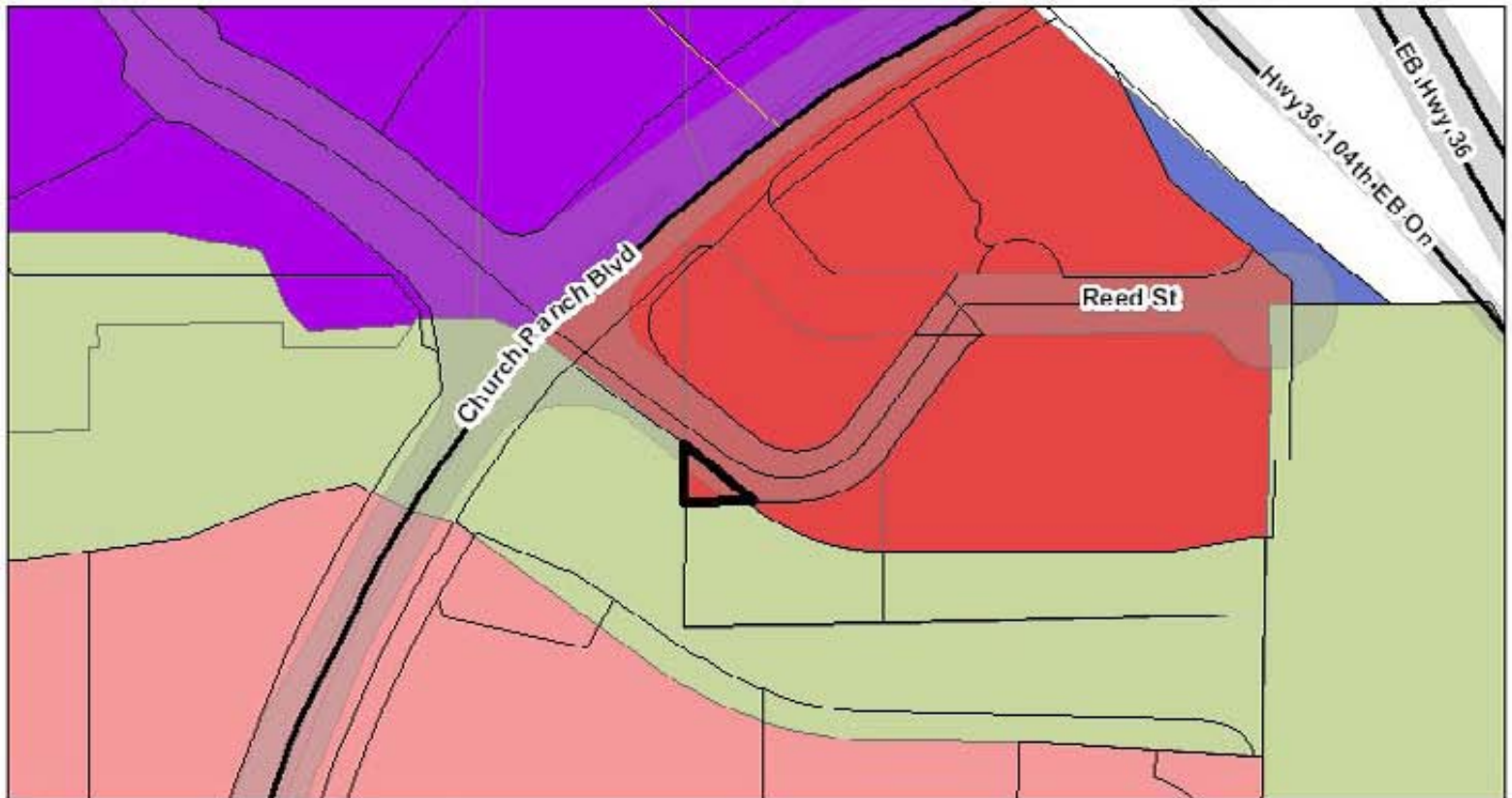


Change From: City Owned Open Space

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: Public Parks

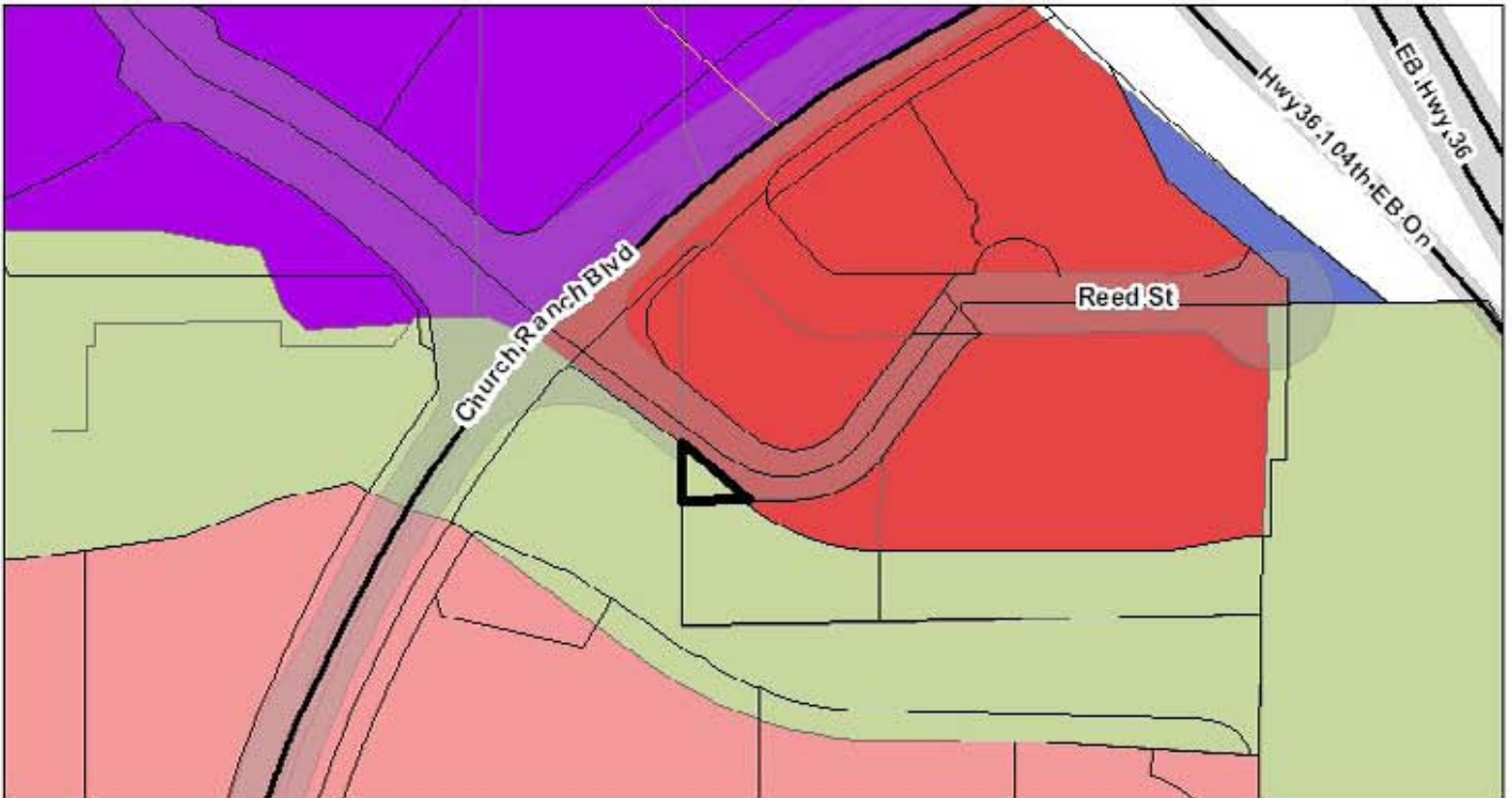




Change From: Retail Commercial

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space





Change From: Public Parks and City Owned Open Space

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space and Public Parks

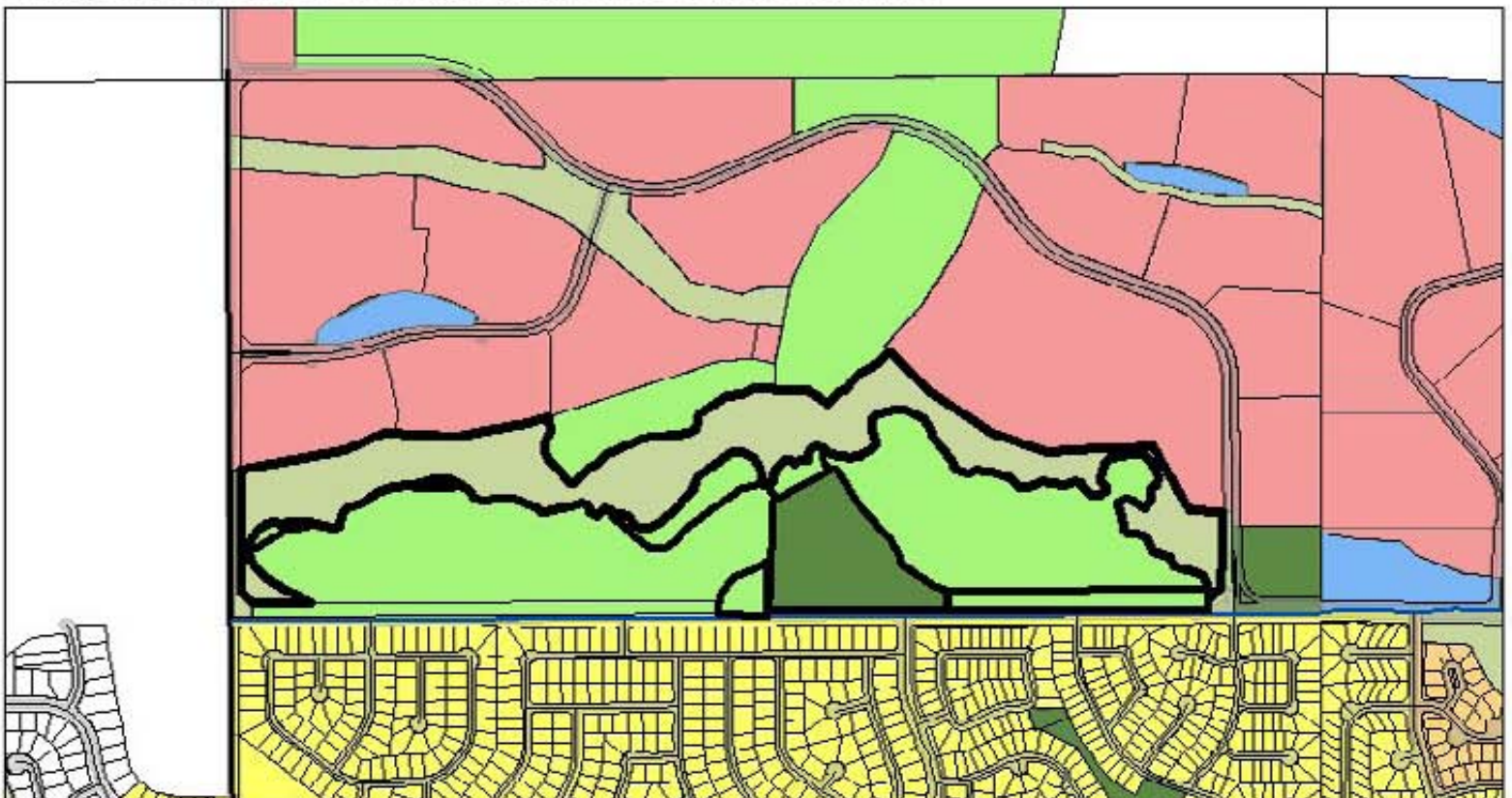




Change From: Golf Courses and City Owned Open Space

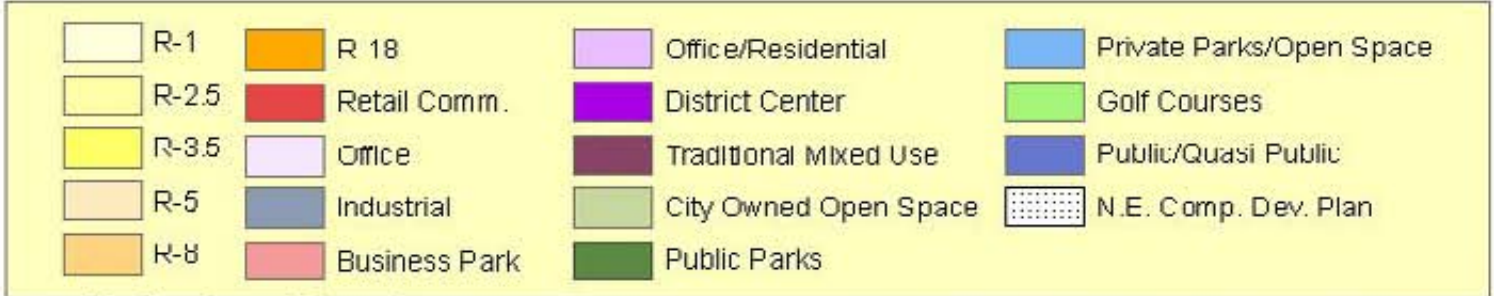
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|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.F. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space, Golf Courses, and Public Parks





Change From: Golf Courses and Private Parks



Change To: City Owned Open Space

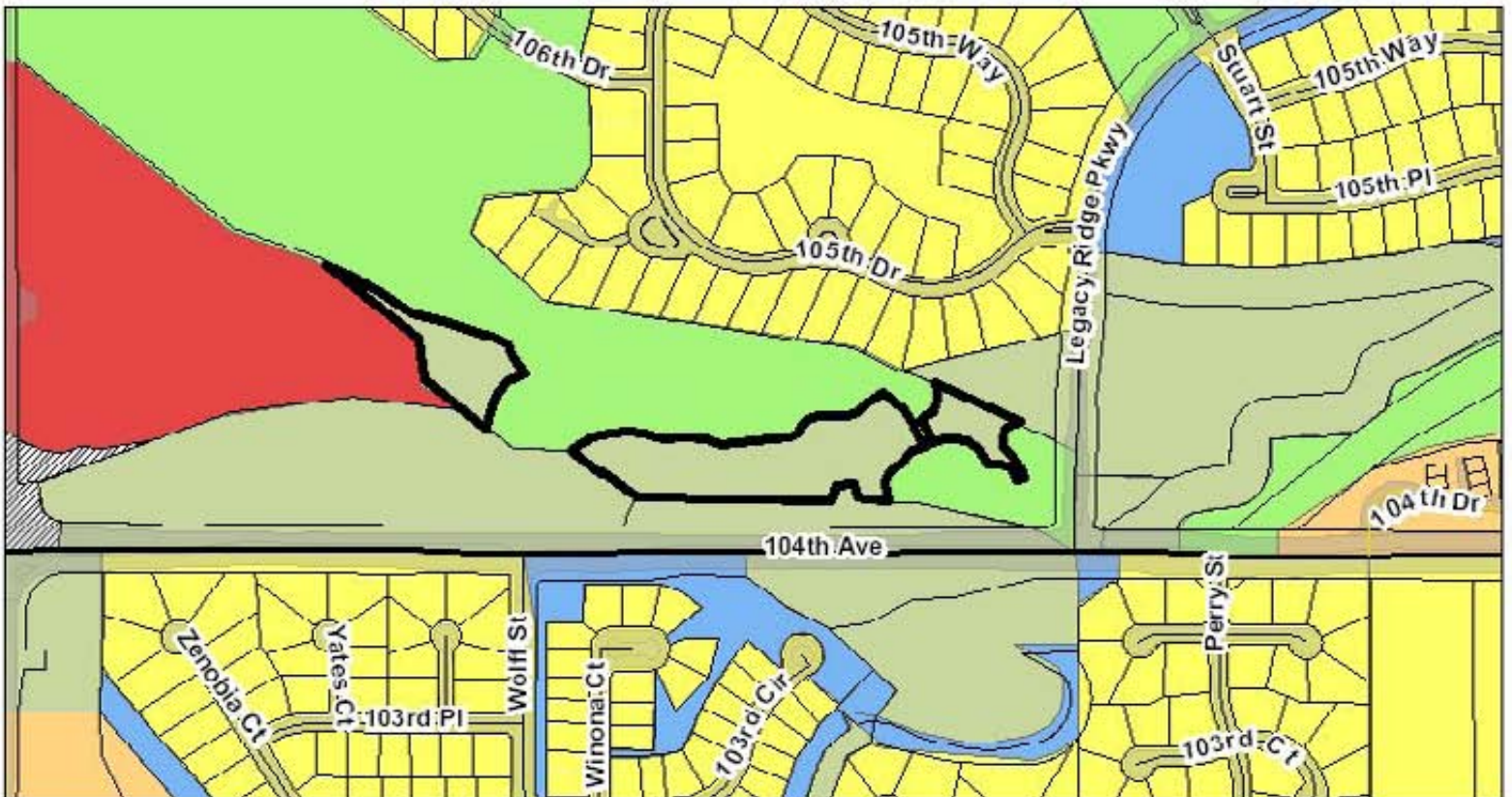




Change From: Golf Courses

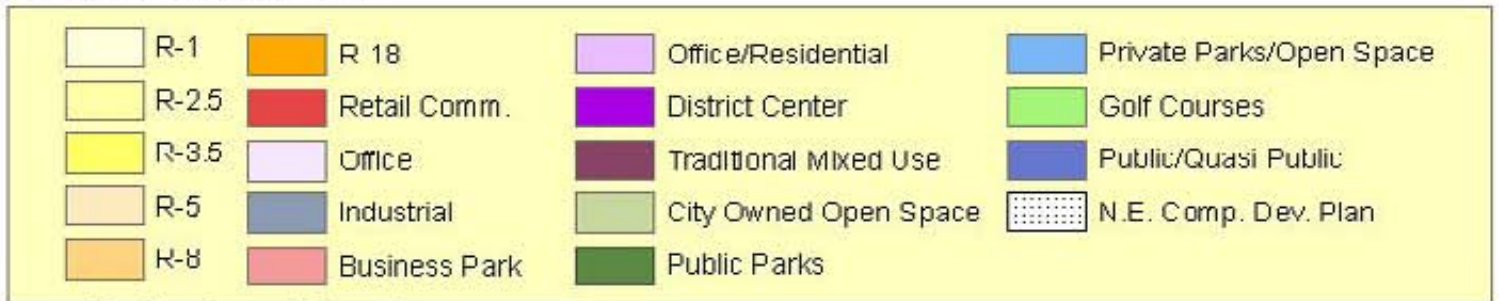
| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R 18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.E. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space



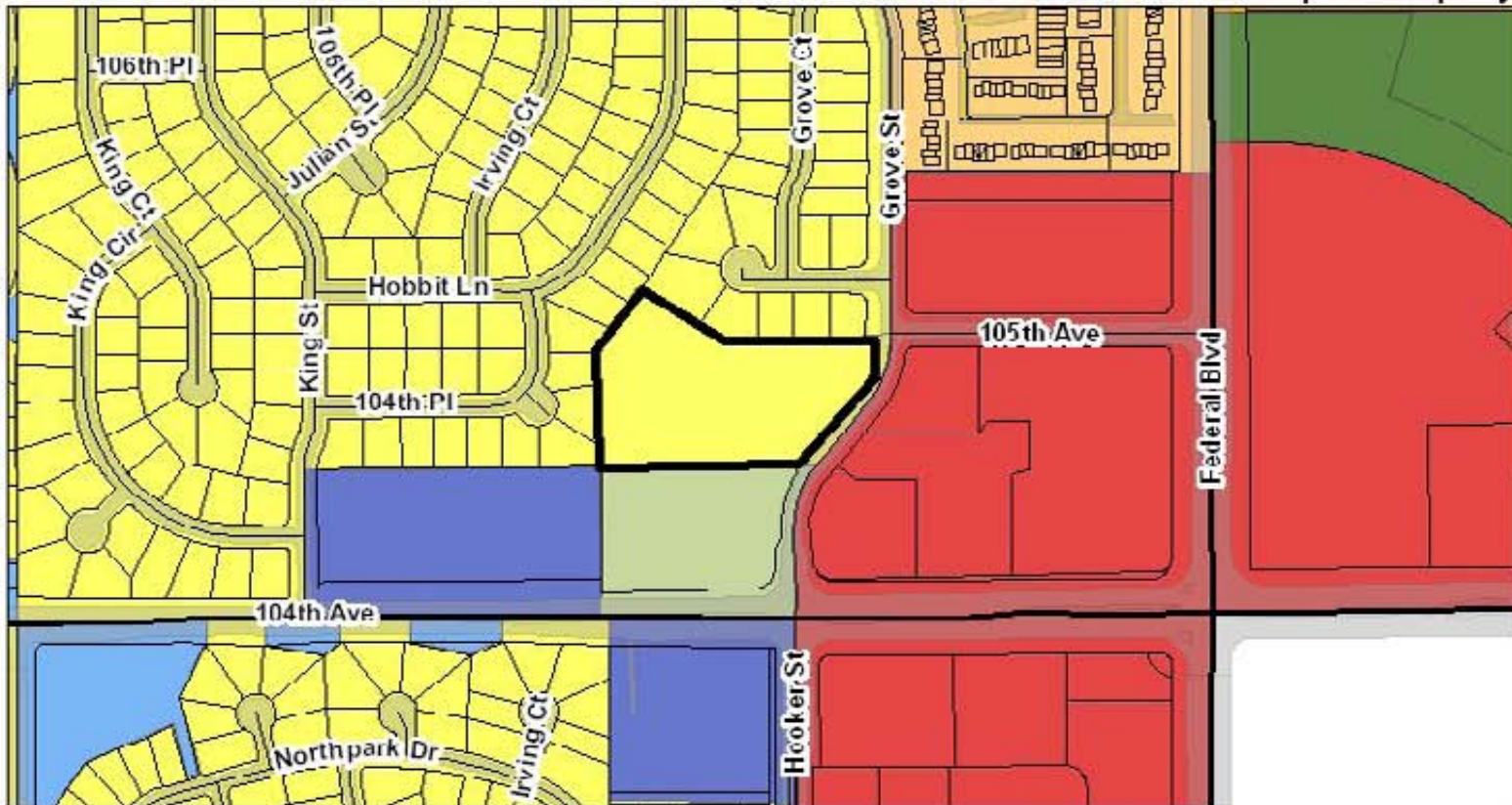


Change From: Private Parks



Change To: City Owned Open Space

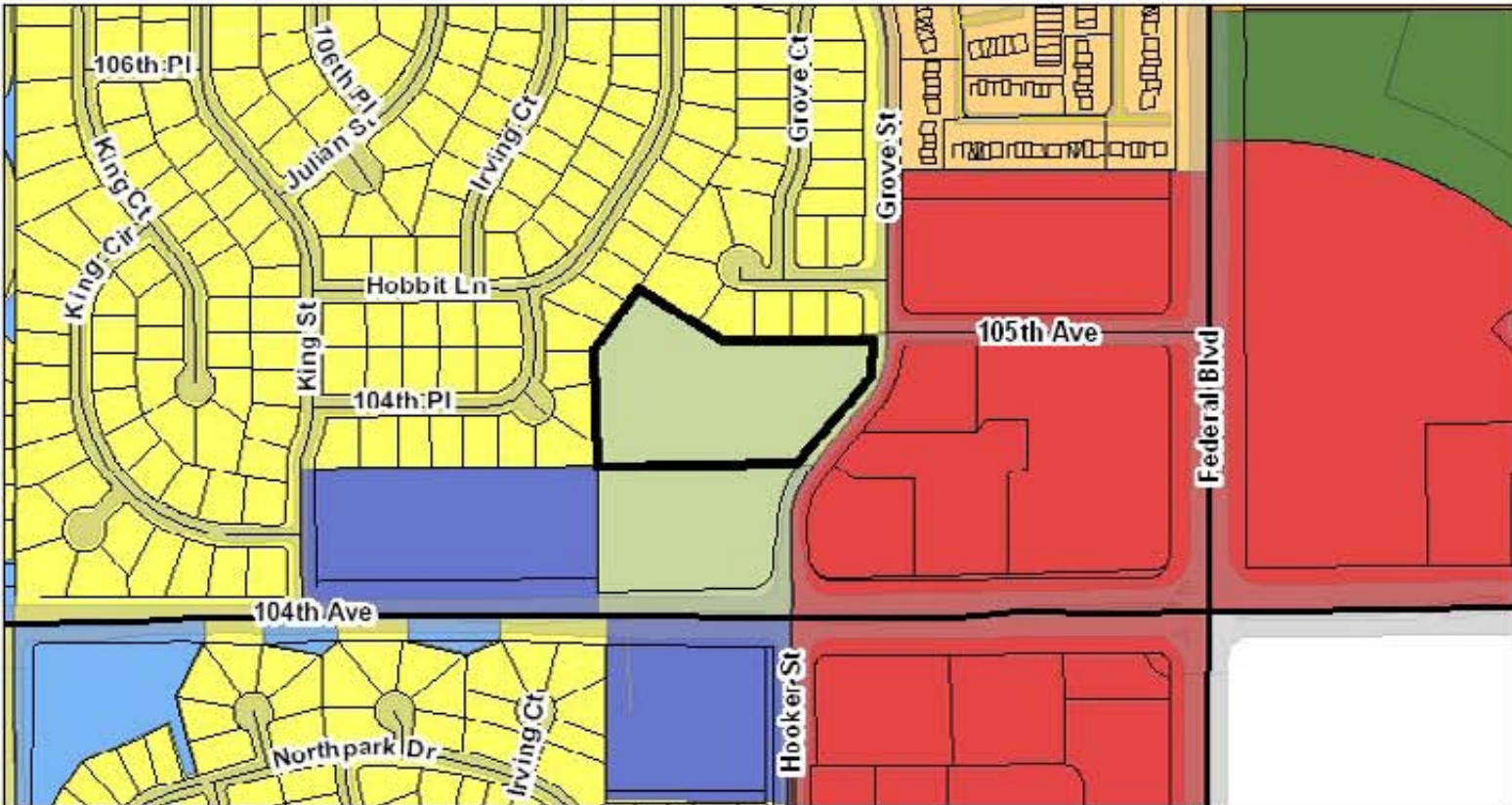


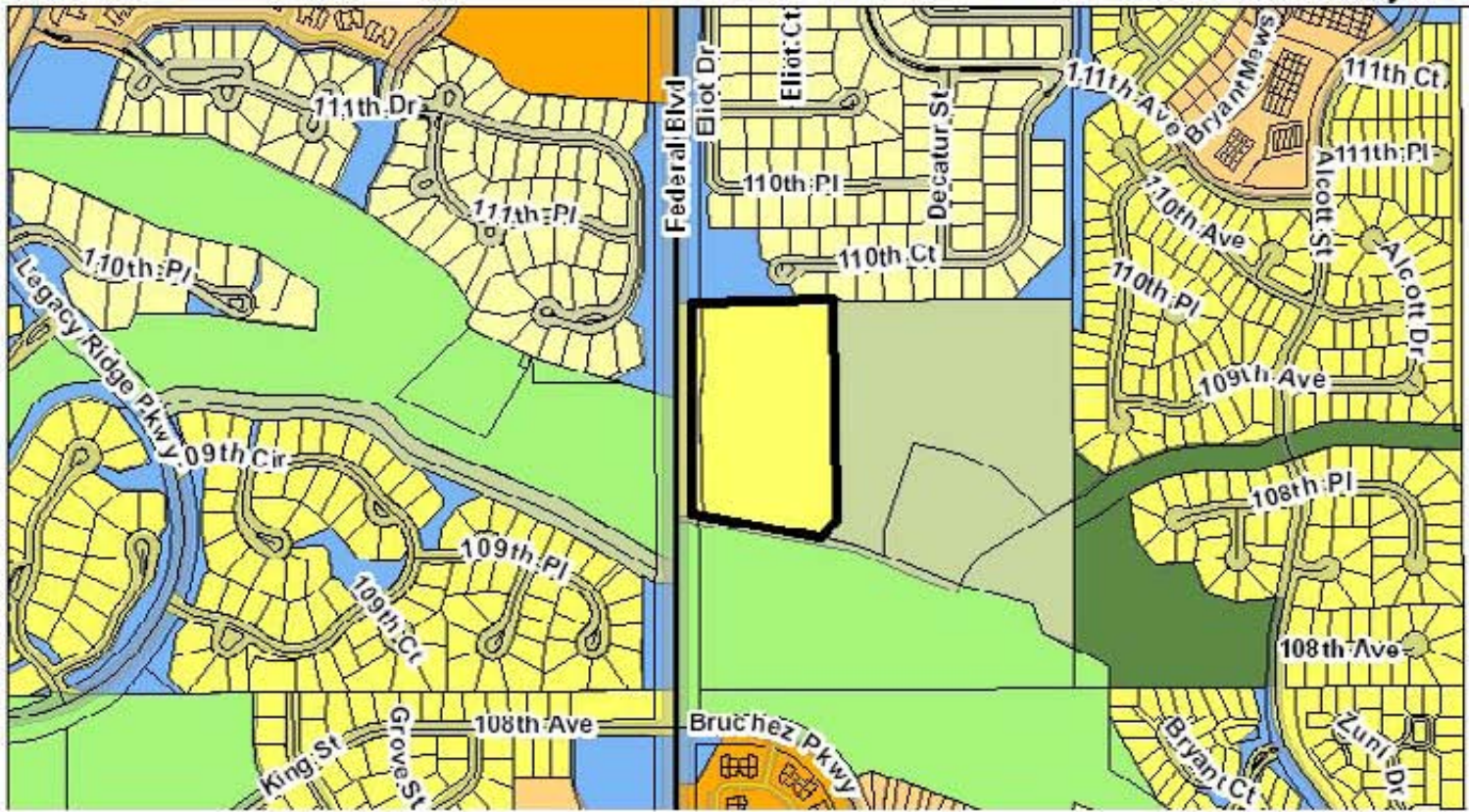


Change From: R-3.5


















| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R 18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.E. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space

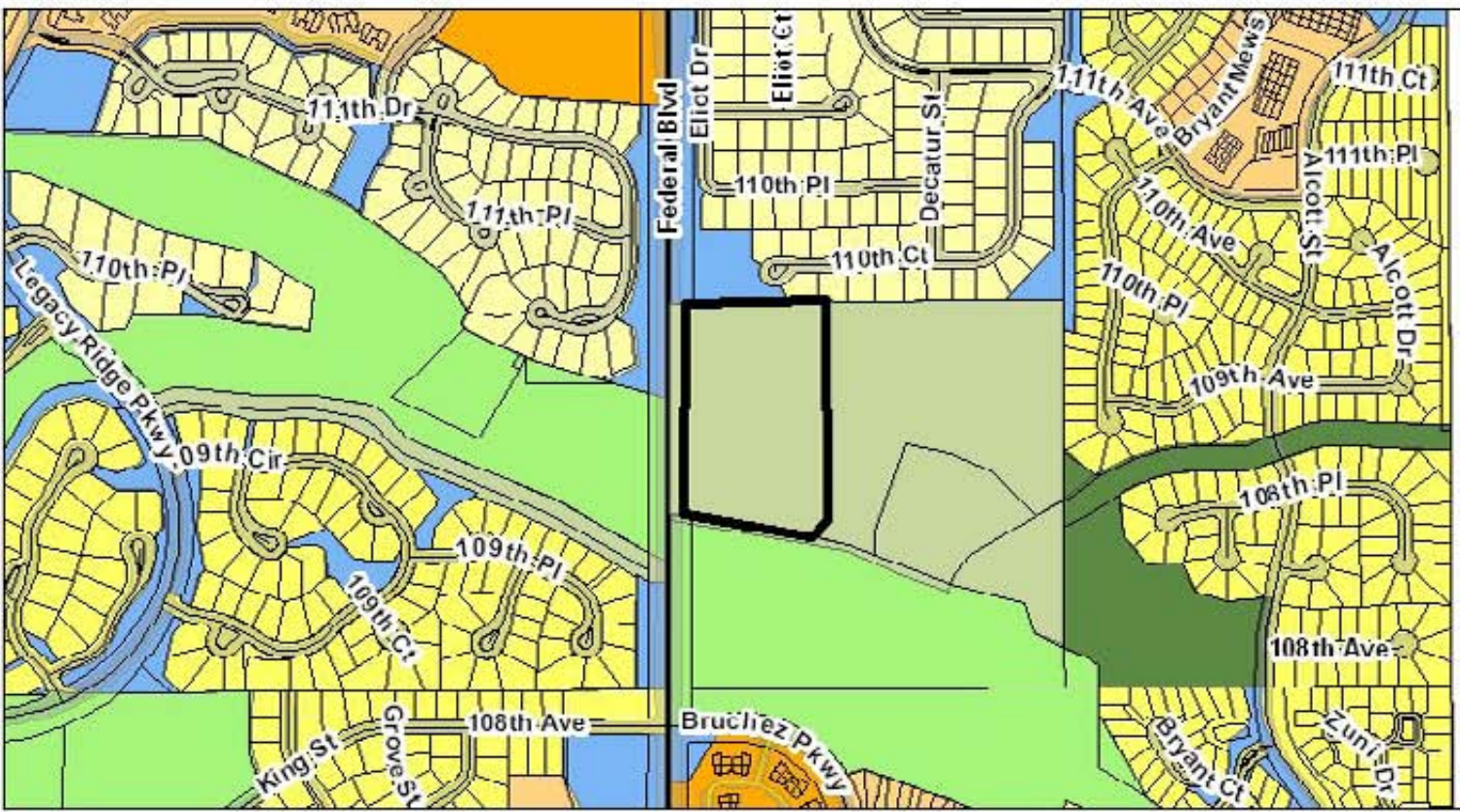


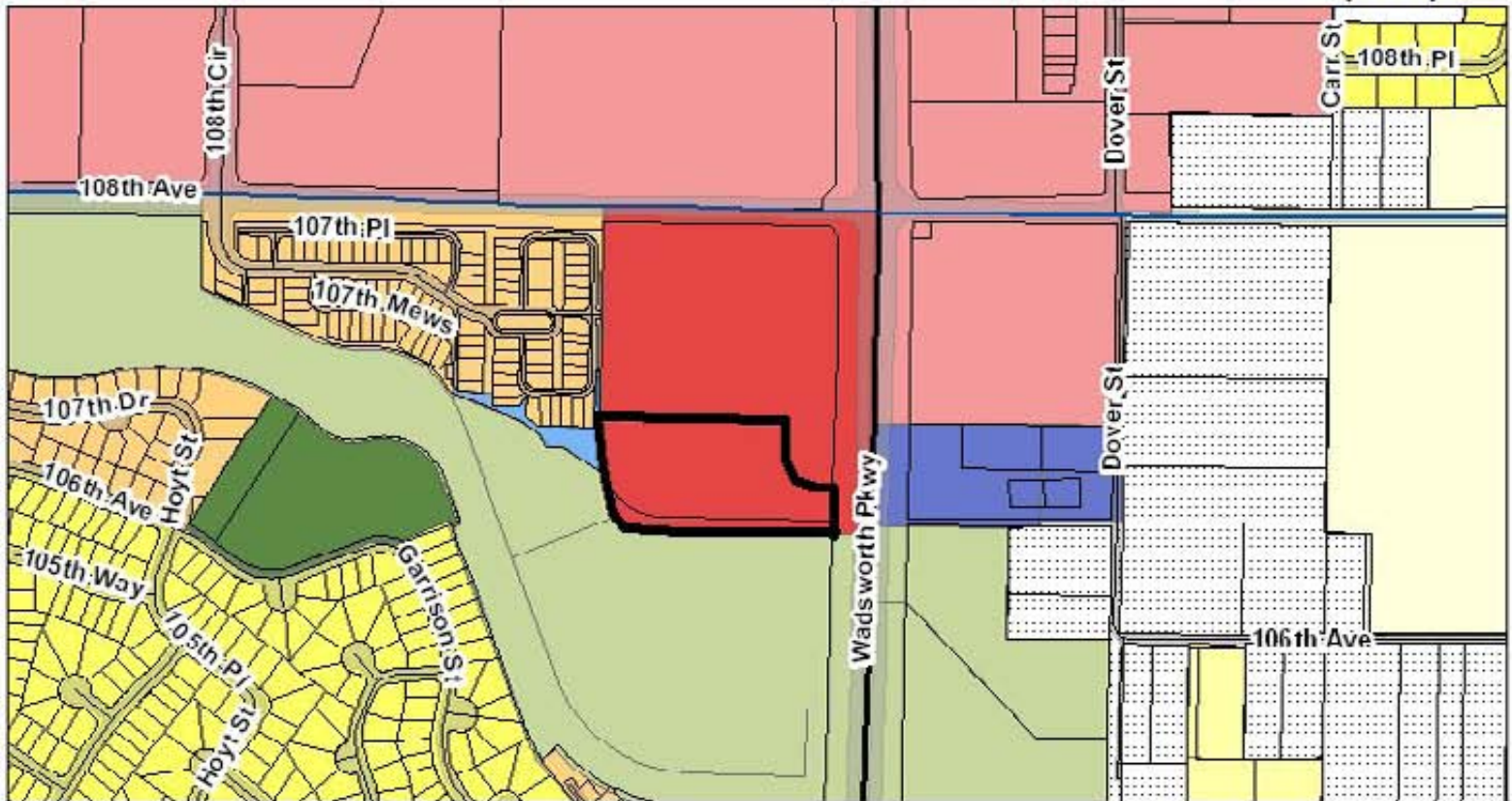


Change From: R-3.5

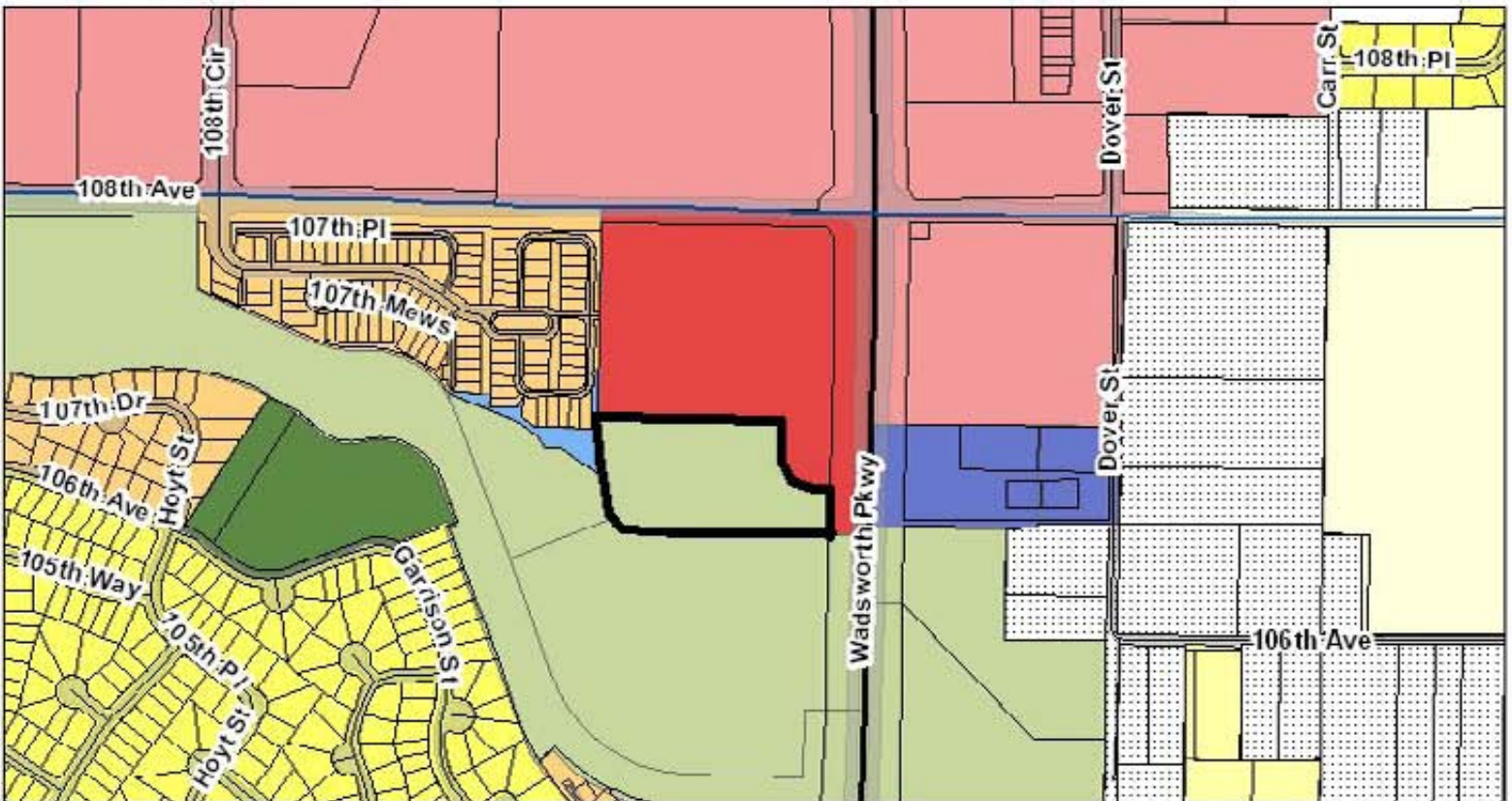
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|---|-------|---|---------------|---|-----------------------|---|--------------------------|
|  | R-1 |  | R 18 |  | Office/Residential |  | Private Parks/Open Space |
|  | R-2.5 |  | Retail Comm. |  | District Center |  | Golf Courses |
|  | R-3.5 |  | Office |  | Traditional Mixed Use |  | Public/Quasi Public |
|  | R-5 |  | Industrial |  | City Owned Open Space |  | N.E. Comp. Dev. Plan |
|  | R-8 |  | Business Park |  | Public Parks | | |

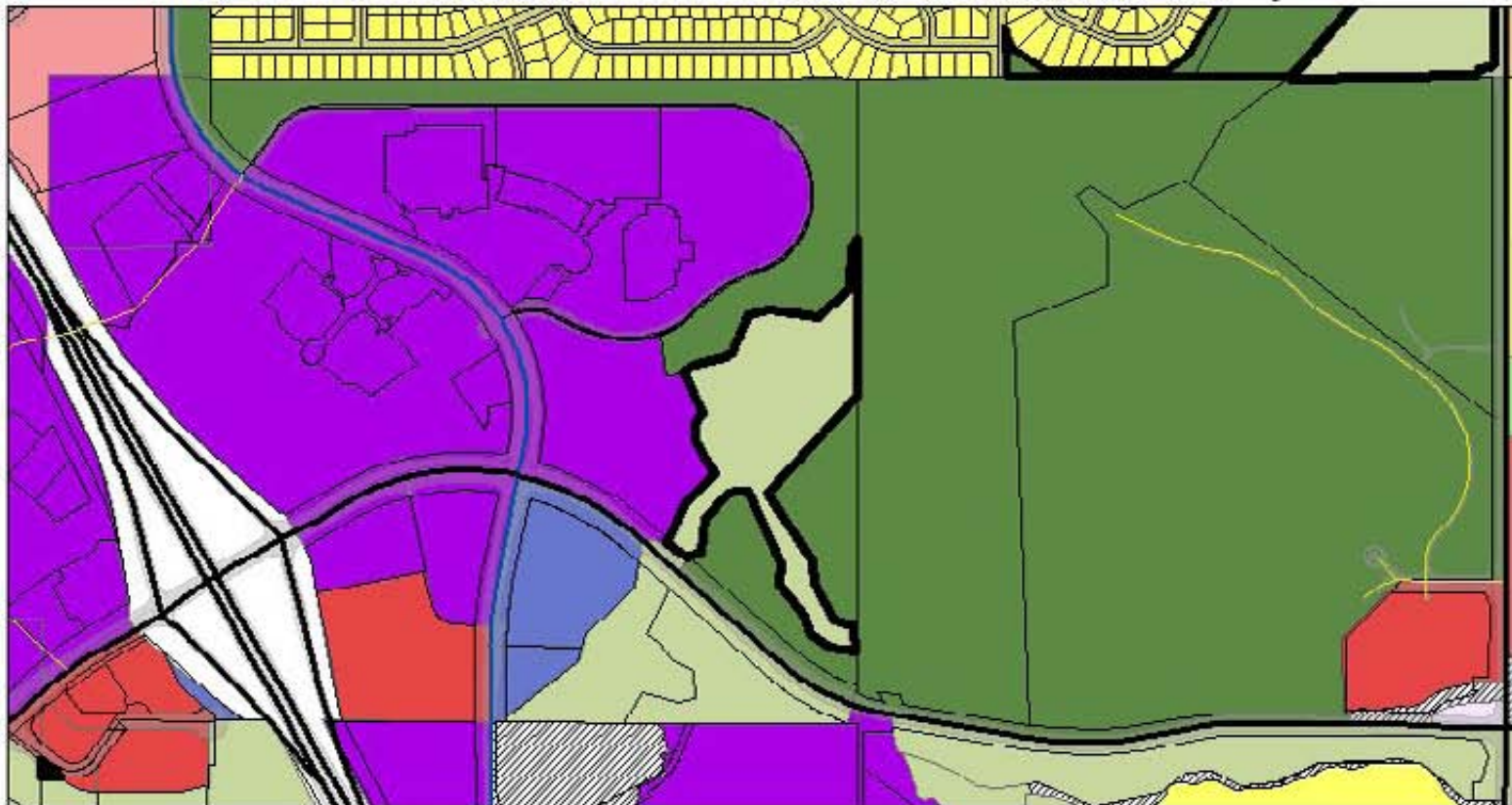
Change To: City Owned Open Space





Change To: City Owned Open Space

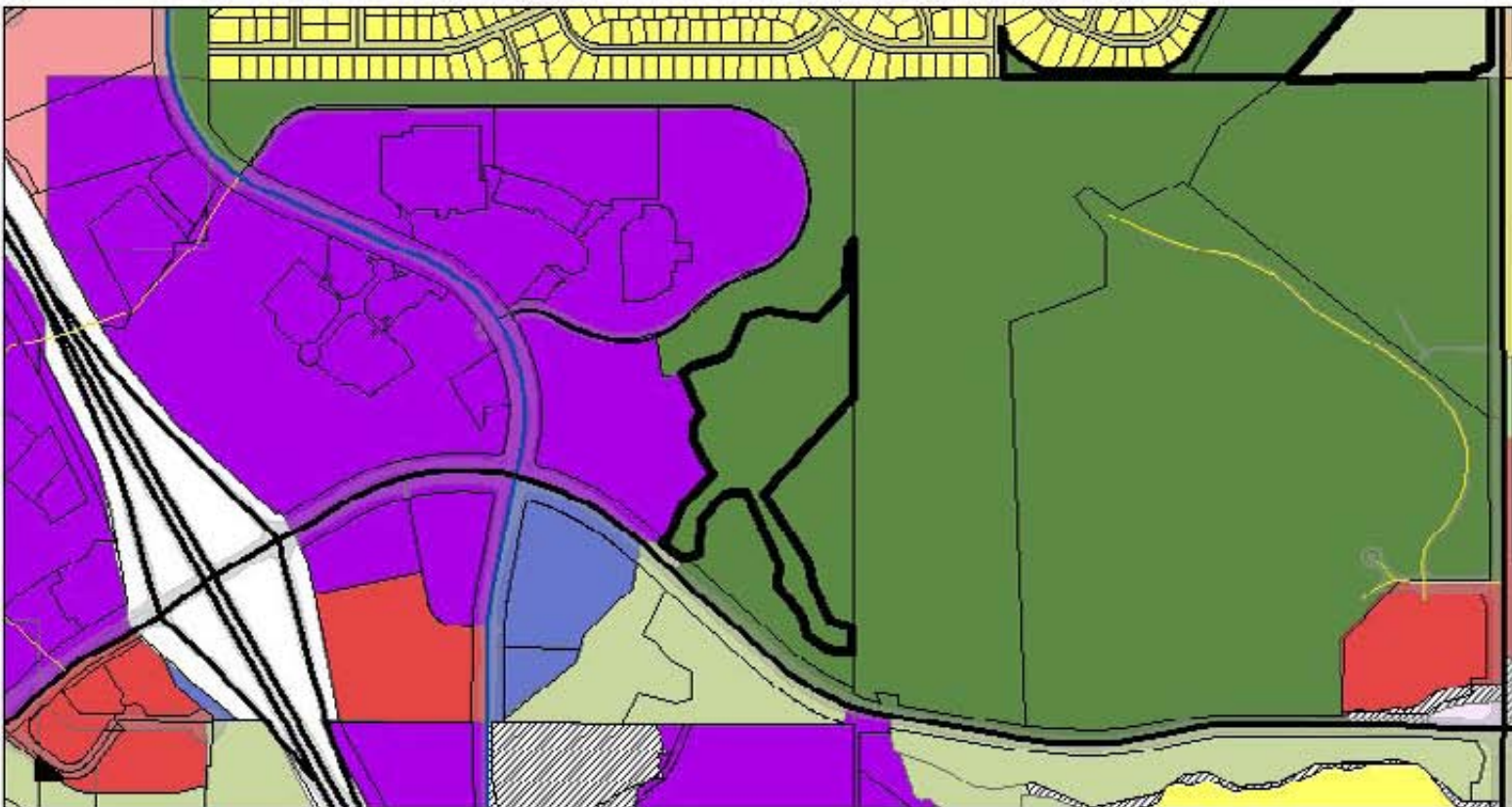


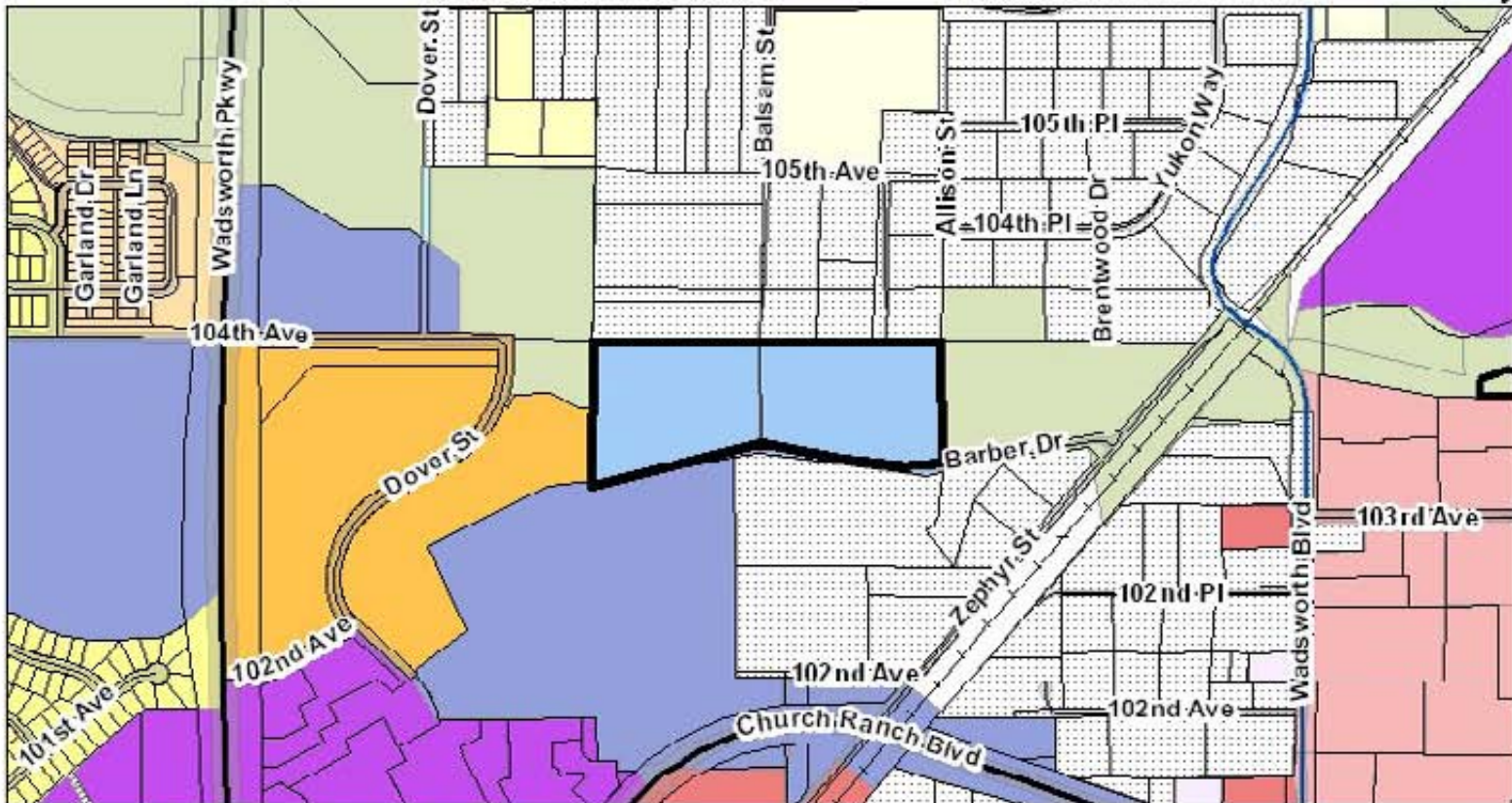


Change From: City Owned Open Space

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R 18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.E. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: Public Parks

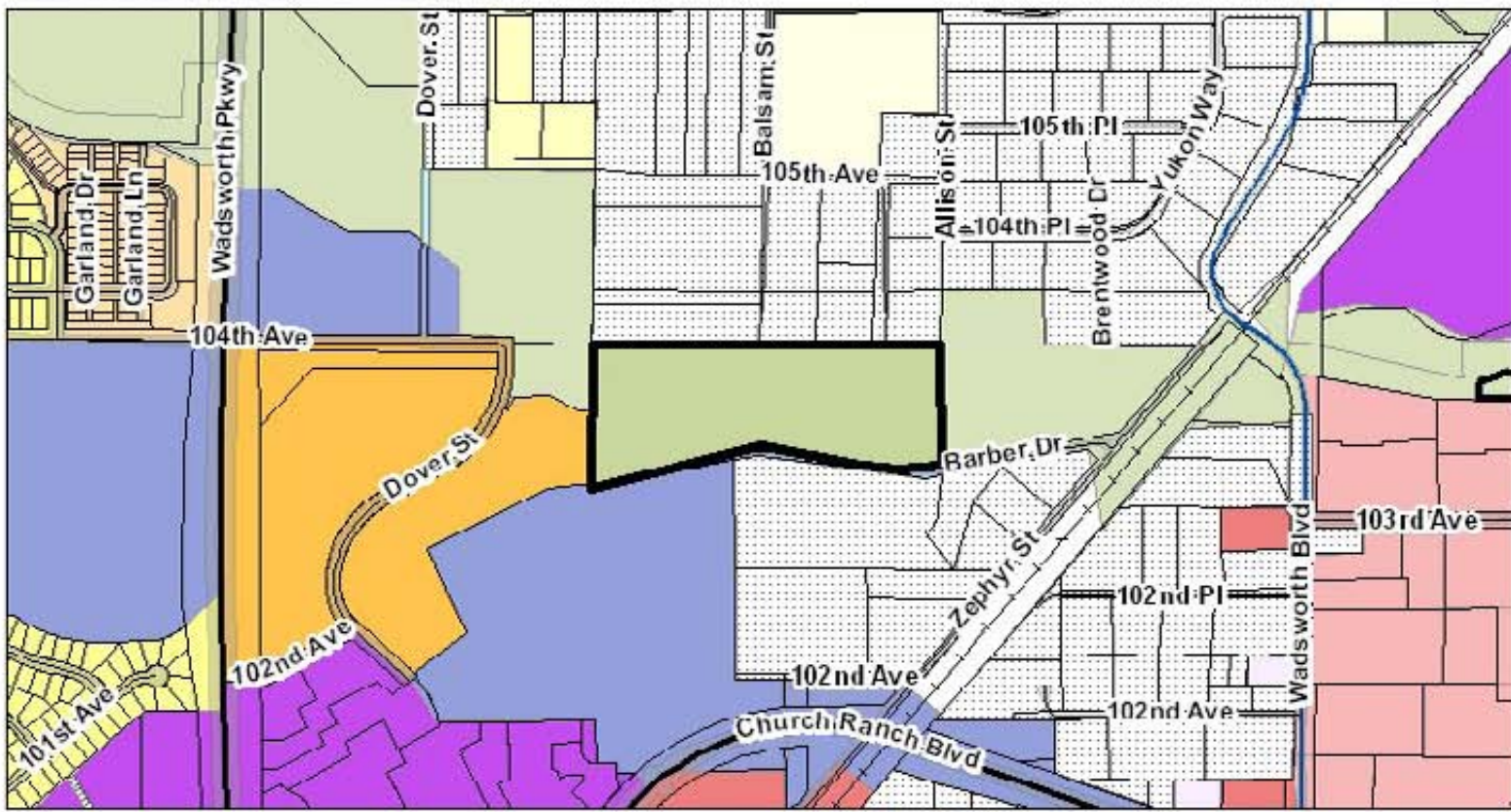




Change From: Private Parks/Open Space

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R 18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.E. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space





Agenda Item 8 I

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Second Reading of Councillor's Bill No. 13 re the Rezoning for Amberwood Estates

Prepared By: Michele McLoughlin

Recommended City Council Action:

Pass Councillor's Bill No. 13 on second reading approving rezoning the proposed Amberwood Estates residential project from Open (O-1) to Planned Unit Development. This recommendation is based on a finding that the criteria set forth in Section 11-5-3 of the Westminster Municipal Code have been met.

Summary Statement

- The 4.54-acre parcel of vacant land is located at the southwest corner of Sheridan Boulevard and 101st Avenue.
- The developer is proposing 13 single-family detached lots, for a density of 2.86 dwelling units per acre. Residential uses currently exist on all four sides of the property.
- The developer will construct 101st Avenue between Sheridan Boulevard and Benton Street with financial participation from the City. A left turn lane for northbound Sheridan Boulevard to westbound 101st Avenue will also be constructed with this development. The Sheridan Boulevard/101st Avenue intersection already has a traffic signal.
- Setbacks for the lots along the northern portion of the property have been reduced for the purpose of providing adequate right-of-way for 101st Avenue. The City's Single-Family Detached Residential Design Guidelines call for 25 foot front and rear yard setbacks. The required front setback is proposed to be reduced from 25 feet to 20 feet and the required rear setback is proposed to be reduced from 25 feet to 22 feet.
- This Councillor's Bill was passed on first reading by City Council on April 26, 2010.

Expenditure Required: \$ 0

Source of Funds: N/A

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

BY AUTHORITY

ORDINANCE NO. **3509**

COUNCILLOR' BILL NO. **13**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

Briggs - Dittman

**A BILL
FOR AN ORDINANCE AMENDING THE ZONING OF
A 4.54 ACRE PARCEL OF LAND AT THE SOUTHWEST CORNER OF 101ST AVE.
ALIGNMENT AND SHERIDAN BLVD.
JEFFERSON COUNTY, COLORADO FROM O-1 TO PUD**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Council finds:

a. That an application for the rezoning of the properties generally located at the southwest corner of W. 101st Ave. alignment and Sheridan Blvd, as described in attached Exhibit A, from the O-1 zone to the PUD zone has been submitted to the City for its approval pursuant to W.M.C. §11-5-2.

b. That the notice requirements of W.M.C. §11-5-13 have been met.

c. That such application has been referred to the Planning Commission, which body held a public hearing thereon on April 13, 2010 and has recommended approval of the requested amendment.

d. That Council has completed a public hearing on the requested zoning pursuant to the provisions of Chapter 5 of Title XI of the Westminster Municipal Code and has considered the criteria in W.M.C. § 11-5-14.

e. That based on the evidence produced at the public hearing, a rezoning to the proposed PUD zoning complies with all requirements of City Code, including, but not limited to, the provisions of W.M.C §11-5-14, regarding standards for approval of planned unit developments and §11-4-3, requiring compliance with the Comprehensive Land Use Plan.

Section 2. The Zoning District Map of the City is hereby amended by reclassification of the property described in Exhibit A, attached hereto and incorporated herein by reference, from the O-1 zoning district to the PUD zoning district, as depicted on the map marked Exhibit B, attached hereto.

Section 3. This ordinance shall take effect upon its passage after second reading.

Section 4. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 26th day of April, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 10th day of May, 2010.

ATTEST:

Mayor Pro Tem

APPROVED AS TO LEGAL FORM:

City Clerk

City Attorney's Office

Exhibit A
Legal Description
101st and Sheridan Blvd.
Amberwood Estates

A portion of tract 32, Semper Gardens, located in the Northeast Quarter of Section 13, Township 2 South, Range 69 West of the Sixth Principal Meridian, City of Westminster, County of Jefferson, State of Colorado.

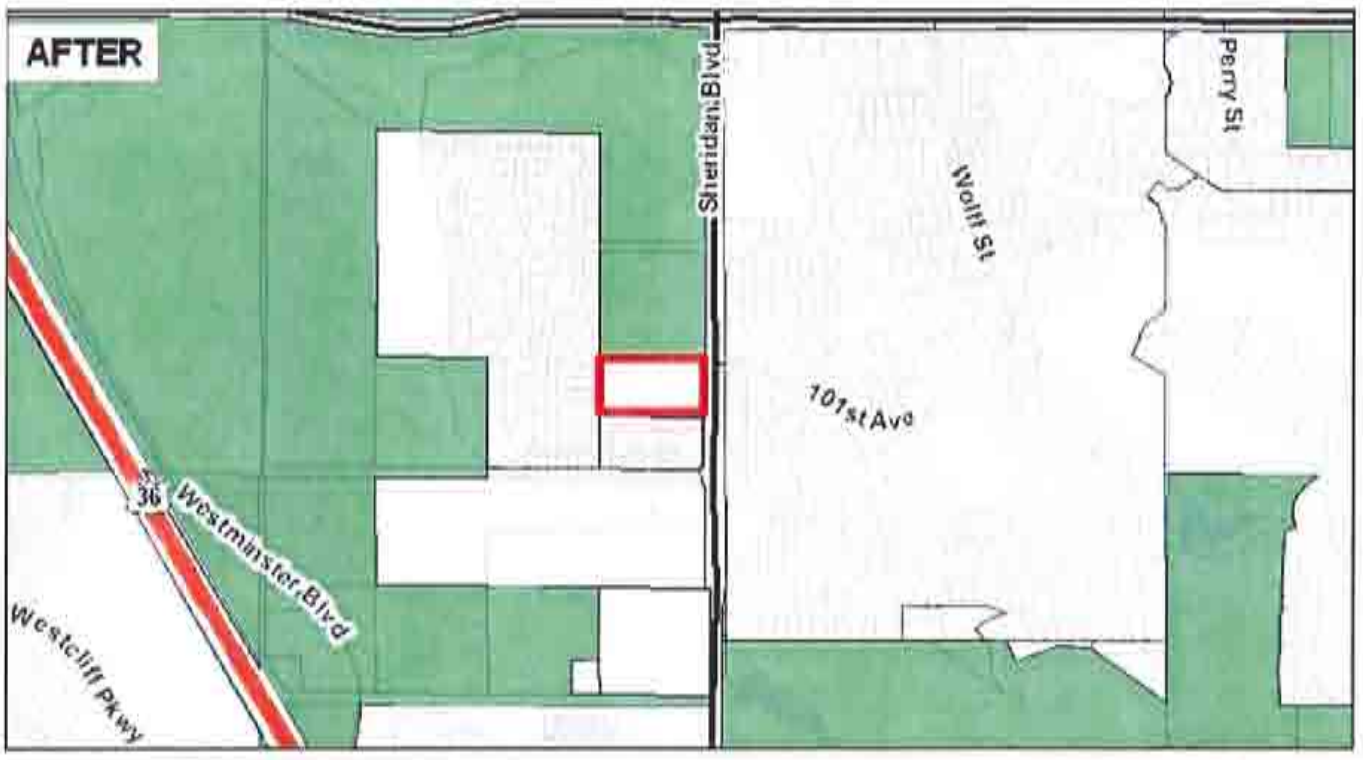
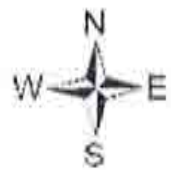
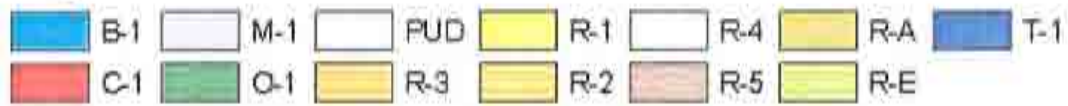
Commencing at the Southeast corner of the Northeast quarter of Section 13, Township 2 South, Range 69 west, of the Sixth Principal Meridian, City of Westminster, County of Jefferson, State of Colorado.

Thence North 00 degrees 07 minutes 45 seconds west, 330.52 feet; thence South 89 degrees 52 minutes 15 seconds West 66.50 feet to the Point of Beginning; thence North 89 degrees 31 minutes 22 seconds West along the North line of Hyland Meadows Subdivision amended, 609.70 feet to a point on the East right of way of Benton Street; thence North 00 degrees 06 minutes 01 seconds West along said right of way, 322.27 feet; thence South 89 degrees 55 minutes 17 seconds East, 609.59 feet to a point on the West right of way of Sheridan Boulevard; thence South 00 degrees 07 minutes 45 seconds East along said right of way, 326.52 feet to the Point of Beginning. Said parcel contains 197,771 square feet (4.540 acres) more or less

Zoning Change from O-1 to PUD for Amberwood Estates



Legend





Agenda Item 8 J-L

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Second Reading of Councillor’s Bills No. 14, 15, and 16 re the Annexation, Comprehensive Land Use Plan Amendment, and Zoning for the Feldman Property

Prepared By: Patrick Caldwell, Planner II

Recommended City Council Action

1. Pass Councillor’s Bill No. 14 on second reading annexing the Feldman property into the City.
2. Pass Councillor’s Bill No. 15 on second reading approving the Comprehensive Land Use Plan amendment for the Feldman property designating the property as City Owned open space. This recommendation is based on a finding that the proposed amendment will be in the public good and that:
 - a) There is justification for the proposed change and the Plan is in need of revision as proposed; and
 - b) The amendment is in conformance with the overall purpose and intent and the goals and policies of the Plan; and
 - c) The proposed amendment is compatible with existing and planned surrounding land uses; and
 - d) The proposed amendment would not result in excessive detrimental impacts to the City’s existing or planned infrastructure systems.
3. Pass Councillor’s Bill No. 16 on second reading changing the zoning for the Feldman property from A-3 (Adams County) to City of Westminster Open District (O-1).

Summary Statement

- The Feldman property consists of about 4.5 acres and is located approximately 350 feet south of 128th Avenue just west of Pecos Street.
- The property was purchased by the City in 2008 for open space purposes.
- The site is an enclave and has been entirely surrounded by the City for at least 3 years.
- The structures on the site will be removed and the property will be restored to native vegetation.
- These Councillor’s Bills were approved on first reading by City Council on April 26, 2010.

Expenditure Required: \$ 0

Source of Funds: NA

Respectfully submitted,

J. Brent McFall
City Manager

Attachments

- Annexation Ordinance
- Exhibit A - Annexation Map
- Comprehensive Land Use Plan Ordinance
- Exhibit B - Comprehensive Land Use Plan Map
- Zoning Ordinance
- Exhibit C - Zoning Map
- Exhibit D - Criteria and Standards for Land Use Application

BY AUTHORITY

ORDINANCE NO. **3510**

COUNCILLOR'S BILL NO. **14**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

Lindsey - Major

A BILL

**FOR AN ORDINANCE ANNEXING A PARCEL OF LAND LOCATED IN SECTION 23,
TOWNSHIP 1 SOUTH, RANGE 68 WEST, 6TH P.M., ADAMS COUNTY, COLORADO**

WHEREAS, pursuant to the laws of the State of Colorado

WHEREAS, the City of Westminster is the sole owner of a parcel of land, which parcel is eligible for annexation under the provisions of Sections 31-12-104(a) and 31-12-105, C.R.S.; and

WHEREAS, the property to be annexed is not solely a public street or right-of-way and is therefore eligible to be annexed pursuant to Section 31-12-106(3), C.R.S.;

NOW, THEREFORE, the City of Westminster ordains:

Section 1. That the parcel of land, below described, meets the requirements of Sections 31-12-104(a) and 31-12-105, C.R.S. and annexation of the following described contiguous unincorporated territory, situate, lying and being in the County of Adams, State of Colorado, is hereby accomplished by and to the City of Westminster, State of Colorado:

A PARCEL OF LAND BEING A PART OF NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 33;

THENCE ALONG THE EASTERLY LINE OF SAID NORTHWEST QUARTER SOUTH 00°28'19" EAST, A DISTANCE OF 404.91 FEET;

THENCE DEPARTING SAID EASTERLY LINE SOUTH 89°31'41" WEST, A DISTANCE OF 40.00 FEET TO THE WESTERLY LINE OF THE MCGUIRE PROPERTY ANNEXATION TO THE CITY OF WESTMINSTER WITH THE ANNEXZATION MAP RECORDED UNDER RECEPTION NO. 20050310000248610 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER'S OFFICE AND THE **POINT OF BEGINNING**.

THENCE ALONG SAID WESTERLY LINE SOUTH 00°28'19" EAST, A DISTANCE OF 521.86 FEET TO THE NORTHERLY LINE OF THE EGGING PARCEL ANNEXATION TO THE CITY OF WESTMINSTER WITH THE ANNEXATION MAP RECORDED UNDER RECEPTION NO. C0397605 IN SAID RECORDS;

THENCE ALONG SAID NORTHERLY LINE SOUTH 89°19'07" WEST, A DISTANCE OF 377.72 FEET TO THE EASTERLY LINE OF THE STINGRAY PROPERTY ANNEXATION TO THE CITY OF WESTMINSTER WITH THE ANNEXATION MAP RECORDED UNDER RECEPTION NO. 956482 IN SAID RECORDS;

THENCE ALONG SAID EASTERLY LINE NORTH 00°18'11" WEST, A DISTANCE OF 521.87 FEET TO THE SOUTHERLY LINE OF SAID MCGUIRE PROPERTY ANNEXATION;

THENCE ALONG SAID SOUTHERLY LINE NORTH 89°19'07" EAST, A DISTANCE OF 376.18 FEET TO THE **POINT OF BEGINNING** CONTAINING AN AREA OF 4.516 ACRES (196,714 SQUARE FEET) MORE OR LESS.

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 26th day of April, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 10th day of May, 2010.

ATTEST:

Mayor Pro Tem

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney's Office

BY AUTHORITY

ORDINANCE NO. **3511**

COUNCILLOR'S BILL NO. **15**

SERIES OF 2010

INTRODUCED BY COUNCILLORS
Lindsey - Major

**A BILL
FOR AN ORDINANCE AMENDING THE WESTMINSTER
COMPREHENSIVE LAND USE PLAN**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Council finds:

a. That an application for an amendment to the Westminster Comprehensive Land Use Plan has been submitted to the City for its approval pursuant to W.M.C. §11-4-16(D), by the owner(s) of the properties described in attached Exhibit A, incorporated herein by reference, requesting a change in the land use designations from "Adams County Public designation" to "City of Westminster City Owned Open Space designation" for the 4.5 acre Feldman Property located at 12261 Pecos Street.

b. That such application has been referred to the Planning Commission, which body held a public hearing thereon on April 13, 2010, after notice complying with W.M.C. §11-4-16(B) and has recommended approval of the requested amendments.

c. That notice of the public hearing before Council has been provided in compliance with W.M.C. § 11-4-16(B) and the City Clerk has certified that the required notices to property owners were sent pursuant to W.M.C. §11-4-16(D).

d. That Council, having considered the recommendations of the Planning Commission, has completed a public hearing and has accepted and considered oral and written testimony on the requested amendments.

e. That the owners have met their burden of proving that the requested amendment will further the public good and will be in compliance with the overall purpose and intent of the Comprehensive Land Use Plan, particularly that the amendment is in conformance with the overall purpose and intent and goals and policies of the Plan.

Section 2. The City Council approves the requested amendments and authorizes City Staff to make the necessary changes to the map and text of the Westminster Comprehensive Land Use Plan to change the designation of the property more particularly described on attached Exhibit A to "City Owned Open Space," as depicted on the map attached as Exhibit B.

Section 3. Severability: If any section, paragraph, clause, word or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part deemed unenforceable shall not affect any of the remaining provisions.

Section 4. This ordinance shall take effect upon its passage after second reading.

Section 5. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 26th of April, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 10th day of May, 2010.

ATTEST:

Mayor Pro Tem

APPROVED AS TO LEGAL FORM:

City Clerk

City Attorney's Office

BY AUTHORITY

ORDINANCE NO. **3512**

COUNCILLOR'S BILL NO. **16**

SERIES OF 2010

INTRODUCED BY COUNCILLORS
Lindsey - Dittman

**A BILL
FOR AN ORDINANCE AMENDING THE ZONING OF
THE 4.5 ACRE FELDMAN PROPERTY AT 12661 PECOS STREET,
ADAMS COUNTY, COLORADO FROM
ADAMS COUNTY A-3 TO CITY OF WESTMINSTER O-1**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Council finds:

a. That a rezoning of the property generally located at 12661 Pecos Street, as described in attached Exhibit A, incorporated herein by reference, from the Adams County A-3 zone to a O-1 zone is desirable because:

1. The current zoning is inconsistent with one or more of the goals or objectives of the City's Comprehensive Land Use Plan.

b. That the notice requirements of W.M.C. §11-5-13 have been met.

c. That such rezoning has been referred to the Planning Commission, which body held a public hearing thereon on April 13, 2010 and has recommended approval of the requested amendments.

d. That Council has completed a public hearing on the requested zoning pursuant to the provisions of Chapter 5 of Title XI of the Westminster Municipal Code and has considered the criteria in W.M.C. §11-5-3(A).

e. That based on the evidence produced at the public hearing, a rezoning to the proposed O-1 zoning complies with all requirements of City Code, including, but not limited to, the provisions of W.M.C. §11-4-3, requiring compliance with the Comprehensive Land Use Plan, and the criteria of W.M.C. §11-5-3(A).

Section 2. The Zoning District Map of the City is hereby amended by reclassification of the property, described in Exhibit A, attached hereto and incorporated herein by reference, from the Adams County A-3 zoning district to the O-1 zoning district, as depicted on Exhibit B, attached hereto.

Section 3. This ordinance shall take effect upon its passage after second reading.

Section 4. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 26th day of April, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 10th day of May, 2010.

Mayor Pro Tem

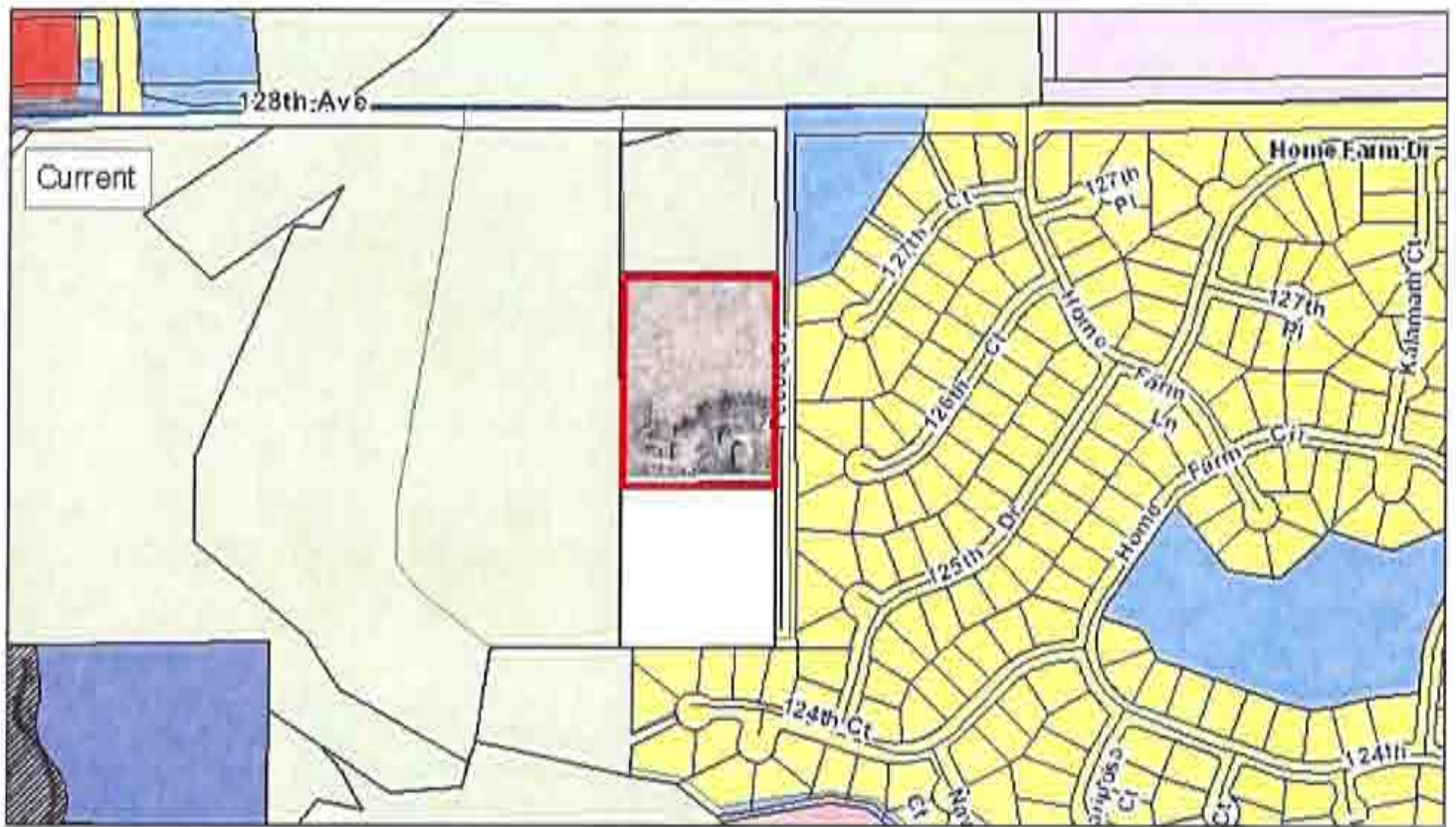
ATTEST:

APPROVED AS TO LEGAL FORM:

City Clerk

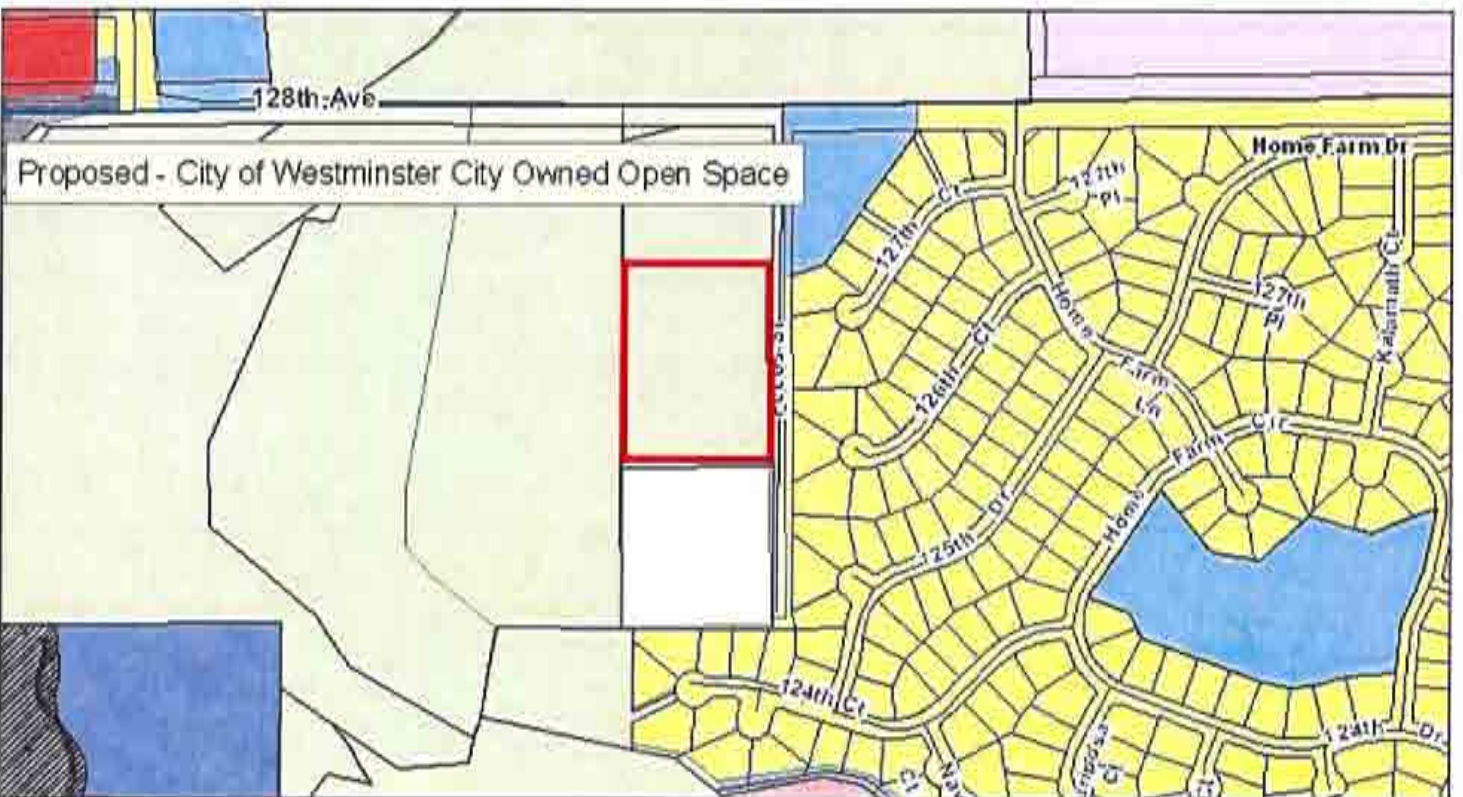
City Attorney's Office





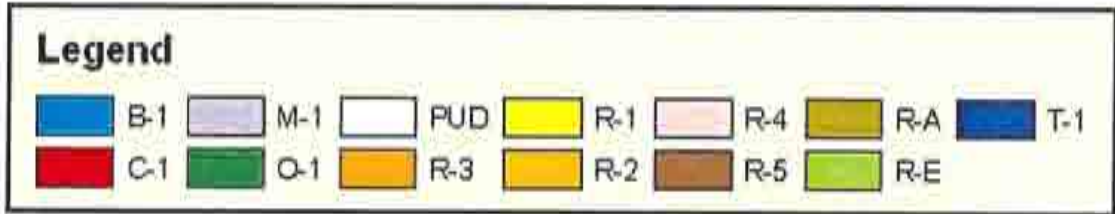
Legend

| | | | | | |
|-----------------|-------|-------------------|-----------------------|--------------------------|----------------------------------|
| CompPlan | R-3.5 | Retail Commercial | Office/Residential | Public Parks | N.E. Comprehensive Land Use Plan |
| CP_DESIG | R-5 | Office | District Center | Private Parks/Open Space | Major Creek Corridor Non Public |
| | R-1 | Industrial | Traditional Mixed Use | Golf Courses | |
| | R-2.5 | R-18 | Business Park | City Owned Open Space | Public/Quasi Public |



Feldman Zoning Map

Exhibit C



Criteria and Standards for Land Use Applications

Comprehensive Land Use Plan Amendments

- The owner/applicant has “the burden of proving that the requested amendment is in the public good and in compliance with the overall purpose and intent of the Comprehensive Land Use Plan...” (WMC 11-4-16(D.4)).
- Demonstrate that there is justification for the proposed change and that the Plan is in need of revision as proposed;
- Be in conformance with the overall purpose, intent, and policies of the Plan;
- Be compatible with the existing and surrounding land uses; and
- Not result in excessive detrimental impacts to the City’s existing or planned infrastructure systems, or the applicant must provide measures to mitigate such impacts to the satisfaction of the City (Page VI-5 of the CLUP).

Zoning or Rezoning to a Zoning District Other Than a Planned Unit Development (PUD)

11-5-3: STANDARDS FOR APPROVAL OF ZONINGS AND REZONINGS: (2534)

(A) The following criteria shall be considered in the approval of any application for zoning or rezoning to a zoning district other than a Planned Unit Development:

1. The proposed zoning or rezoning is in conformance with the City's Comprehensive Plan and all City policies, standards and sound planning principles and practice.
2. There is either existing capacity in the City's street, drainage and utility systems to accommodate the proposed zoning or rezoning, or arrangements have been made to provide such capacity in a manner and timeframe acceptable to City Council.

City Initiated Rezoning

(B) The City may initiate a rezoning of any property in the City without the consent of the property owner, including property annexed or being annexed to the City, when City Council determines, as part of the final rezoning ordinance, any of the following:

1. The current zoning is inconsistent with one or more of the goals or objectives of the City's Comprehensive Land Use Plan.
2. The current zoning is incompatible with one or more of the surrounding land uses, either existing or approved.
3. The surrounding development is or may be adversely impacted by the current zoning.
4. The City's water, sewer or other services are or would be significantly and negatively impacted by the current zoning and the property is not currently being served by the City.



WESTMINSTER

COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Second Reading of Councillor's Bill No. 17 re: 68th Avenue and Utica Street Project Supplemental Appropriation

Prepared By: David W. Loseman, Senior Projects Engineer

Recommended City Council Action

Pass Councillors Bill No. 17 on second reading appropriating \$1,100,000 to the 68th Avenue and Utica Street Project.

Summary Statement

- City Council action is requested to pass the attached Councillors Bill No. 17 on second reading. School District 50 is nearing completion of the new Westminster High School and School District 50 administrative offices at the northwest corner of 68th Avenue and Utica Street.
- The current Intergovernmental Agreement (IGA) between the City and School District 50 requires a payment from the District to the City of \$1,200,000 of which \$100,000 has already been received for design. In addition, George Kast will pay the City \$81,529 for the installation of a sanitary sewer main and water and sanitary sewer services for his proposed development along the south side of 68th Avenue. This payment will not be received until after the construction of his project and only when development occurs. The planning documents for this development project are currently under review by the City.
- This Councillor's Bill was passed on first reading on April 26, 2010.

Expenditure Required: \$1,100,000

Source of Funds: School District 50 Payment

Respectfully submitted,

J. Brent McFall
City Manager
Attachment

BY AUTHORITY

ORDINANCE NO. **3513**

COUNCILLOR'S BILL NO. **17**

SERIES OF 2010

INTRODUCED BY COUNCILLORS
Winter - Kaiser

A BILL

**FOR AN ORDINANCE AMENDING THE 2010 BUDGET OF THE GENERAL CAPITAL
IMPROVEMENT FUND AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM
THE 2010 ESTIMATED REVENUES IN THE FUNDS**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 2010 appropriation for the General Capital Improvement Fund initially appropriated by Ordinance No. 3432 is hereby increased by \$1,100,000. This increase is due to the appropriation of cost participation from Adams County School District 50 for construction costs necessary for the 68th Avenue and Utica Street roadway widening project.

Section 2. The \$1,100,000 increase shall be allocated to City Revenue and Expense accounts as described in the City Council Agenda, Item 10 J&K, dated April 26, 2010 (a copy of which may be obtained from the City Clerk) increasing City fund budgets as follows:

| | |
|----------------------------------|--------------------|
| General Capital Improvement Fund | <u>\$1,100,000</u> |
| Total | <u>\$1,100,000</u> |

Section 3 – Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading.

Section 5. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED
PUBLISHED this 26th day of April, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED
this 10th day of May, 2010.

ATTEST:

Mayor

City Clerk



Agenda Item 9 A

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Resolution No. 13 re Appointments to Fill Vacancies on the Planning Commission

Prepared By: Linda Yeager, City Clerk

Recommended City Council Action

Adopt Resolution No. 13 to fill vacancies on the Planning Commission.

Summary Statement

- City Council action is requested to appoint citizens to fill vacancies in regular and alternate membership on the Planning Commission that are the result of the April resignation of long-time Chairman Jerry English.
- The proposed resolution will name the 1st alternate a regular member; the 2nd alternate the 1st alternate membership; and an interested citizen recently interviewed by City to the 2nd alternate membership.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Does City Council wish to fill vacancies on the Planning Commission so a full complement of members can fulfill established duties?

Alternative

None identified

Background Information

In April, Jerry English announced his resignation from the Planning Commission because he is moving away from the City. Mr. English served on the Planning Commission a total of 31 years and was Chairman of the Commission for the majority of that time.

If adopted, the resolution before City Council makes these appointments to the Planning Commission to fill vacancies created by Mr. English's resignation. Christopher Beall, who is currently the 1st alternate member, will be named a regular member with a term of office to expire December 31, 2010. Timothy McClung, currently the 2nd alternate, will be named the 1st alternate with a term of office to expire December 31, 2011. Having recently interviewed interested applicants to Boards and Commissions, the City Council has selected Hillary Calavitta to be appointed the 2nd alternate member to the Planning Commission. Ms. Calavitta's term of office will expire December 31, 2011.

The Planning Commission supports City Council's strategic goals of Vibrant Neighborhood and Commercial Areas and Beautiful and Environmentally Sensitive City through thoughtful and thorough review of proposed development.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment – Resolution

RESOLUTION

RESOLUTION NO. **13**

INTRODUCED BY COUNCILLORS

SERIES OF 2010

CITY OF WESTMINSTER BOARD AND COMMISSION APPOINTMENTS

WHEREAS, vacancies exist on the City's Planning Commission because of a resignation received in recent weeks; and

WHEREAS, it is important to have each City Board or Commission working with its full complement of authorized members to carry out the business of the City of Westminster with citizen representation; and

WHEREAS, City Council interviewed citizens who had applied for appointment to Boards and Commissions of personal interest to them.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WESTMINSTER that the following individuals are hereby appointed to the Westminster Planning Commission for terms of office to expire as listed.

| NAMES OF APPOINTEES | EXPIRATION OF TERM |
|--|---------------------------|
| Christopher Beall (regular member) | December 31, 2010 |
| Timothy McClung (1 st alternate member) | December 31, 2011 |
| Hillary Calavitta (2 nd alternate member) | December 31, 2011 |

PASSED AND ADOPTED this 10th day of May, 2010.

ATTEST:

Mayor Pro Tem

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney



Agenda Item 10 A-E

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Public Hearing, Resolution No. 14 re Making Findings of Fact re the 144th Avenue and Tejon Street Property Annexation, and Councillor's Bills No. 18, 19, and 20 re the Annexation, Comprehensive Land Use Plan Amendment and Zoning for the 144th Avenue and Tejon Street Property

Prepared By: Walter Patrick, Planner I

Recommended City Council Action

1. Hold a public hearing
2. Adopt Resolution No. 14 making certain findings of fact as required under Section 31-12-110 C.R.S. regarding the proposed 144th Avenue and Tejon Street property annexation.
3. Pass Councillor's Bill No. 18 on first reading annexing the 144th Avenue and Tejon Street property into the City.
4. Pass Councillor's Bill No. 19 on first reading amending the Comprehensive Land Use Plan for the 144th Avenue and Tejon Street property changing the designation from unincorporated Adams County to City Owned Open Space. This recommendation is based on a finding that the proposed amendment will be in the public good and that:
 - a) There is justification for the proposed change and the Plan is in need of revision as proposed; and
 - b) The amendment is in conformance with the overall purpose and intent and the goals and policies of the Plan; and
 - c) The proposed amendment is compatible with existing and planned surrounding land uses; and
 - d) The proposed amendment would not result in excessive detrimental impacts to the City's existing or planned infrastructure systems.
5. Pass Councillor's Bill No. 20 on first reading approving the rezoning of the 144th Avenue and Tejon Street property from Adams County A-1 to City of Westminster Open District O-1. This recommendation is based on a finding that the criteria set forth in Section 11-5-3 of the Westminster Municipal Code have been met.

Summary Statement

- The 144th Avenue and Tejon Street annexation area contains 1.122 acres and consists of right-of-way area along 144th Avenue and a City-owned parking area used for the adjacent City Open Space lands.
- In a 2009 Intergovernmental Agreement (IGA) with Adams County, the City agreed to annex the right-of-way areas between Tejon Street and Zuni Street.
- The surrounding Adams County zoning designations are primarily designed for pasturage and large lot residential uses. Open Space uses on this property are compatible with the Adams County zoning designations.

Expenditure Required: \$ 0

Source of Funds: N/A

Planning Commission Recommendation

The Planning Commission reviewed this proposal on April, 13, 2010, and voted unanimously (7-0) to recommend the City Council approve the annexation, assign a Comprehensive Land Use Plan (CLUP) designation of City Owned Open Space, and rezone property from Adams County A-1 to City of Westminster O-1.

Policy Issues

1. Should the City annex the 144th Avenue and Tejon Street property into the City?
2. Should the City approve a Comprehensive Land Use Plan amendment for the 144th Avenue and Tejon Street property amending the designation to City Owned Open Space?
3. Should the City approve the rezoning of the 144th Avenue and Tejon Street property from Adams County A-1 to City of Westminster O-1?

Alternatives

1. Make a finding that there is no community of interest with the 144th Avenue and Tejon Street property. If this action is taken the City owned property will remain unincorporated and subject to Adams County regulations and the City would be in violation of an existing IGA with Adams County in which the City agreed to annex the 144th Avenue right-of-way area between Tejon Street and Zuni Street.
2. Recommend denial of the Comprehensive Land Use Plan amendment or assign a different designation.
3. Recommend denial of the rezoning of the properties from Adams County A-1 to City of Westminster O-1, or assign an alternative zoning category.

Background Information

Nature of Request

In 2009 the City executed an IGA with Adams County regarding annexation, funding, and contract administration responsibilities for the 144th Avenue, Huron Street to Zuni Street improvements project. As part of this IGA the City has agreed to annex the 144th Avenue right-of-way between Tejon Street and Zuni Street. In addition, the City has purchased unincorporated land adjacent to the right-of-way area for open space which is desirable to annex into the City.

Location

The annexation area is located generally southwest of 144th Avenue and Tejon Street. (Please see attached vicinity map).

Comprehensive Land Use Plan Amendment

The Westminster Municipal Code requires the owner of the property requesting an amendment to the Comprehensive Land Use Plan (CLUP) to prove the amendment is in the public good and in overall compliance with the purpose and intent of the CLUP. Further, the CLUP provides four criteria to be used when considering a CLUP amendment. Staff has reviewed these criteria and has provided the following comments on each.

1. The proposed amendment must, "Demonstrate that there is justification for the proposed change, and that the Plan is in need of revision as proposed." The amendment is directly allowing the City to further the City goals and policies of enhancing and expanding the City's Open Space system.

2. The proposed amendment must, “Be in conformance with the overall purpose, intent, goals, and policies of the Plan.” Applicable goals are stated in Section III of the Community Goals and Policies section of the Plan. They include:
 - Goal H4 – Enhance the City’s open space system to preserve and protect natural areas, vistas and view corridors, and to complete the open space and trail system.
 - Policy H4a – Use acquisition of open space as a tool to channel growth into appropriate locations and to shape the overall design of the community.

Based upon these goals and policies, staff has found this proposed amendment to be in conformance with the overall purpose, intent, goals, and policies of the Plan.

3. The proposal must, “Be compatible with existing and surrounding land uses.” The surrounding area is primarily zoned A-1 or A-3 in Adams County. This designation is a rural single-family dwelling district where the minimum lot area for a home site is intended to provide for a rural living experience. Limited farming uses are permitted including the keeping of a limited number of animals for individual homeowner’s use. This district is primarily designed for the utilization and enjoyment of the County’s rural environment. The proposed use for the annexed property as Open Space is compatible with the surrounding area.

4. The proposal must, “Not result in detrimental impacts to the City’s existing or planned infrastructure or provide measures to mitigate such impacts to the satisfaction of the City.” The 144th Avenue improvements have already been completed. No development is proposed on the Open Space areas; therefore, no detrimental impacts are anticipated.

Public Notification

Westminster Municipal Code 11-5-13 requires the following three public notification procedures:

- **Published Notice:** Notice of public hearings scheduled before Planning Commission shall be published and posted at least 10 days prior to such hearing and at least four days prior to City Council public hearings. Notice was published in the Westminster Window on April 8, 2010.

- **Property Posting:** Notice of public hearings shall be posted on the property with one sign in a location reasonably visible to vehicular and pedestrian traffic passing adjacent to the site. One sign was posted on the property on April 16, 2010.

- **Written Notice:** At least 10 days prior to the date of the public hearing, the applicant shall mail individual notices by first-class mail to property owners and homeowner’s associations registered with the City within 300 feet of the subject property. The required notices were mailed on March 24, 2010.

Applicant/Property Owner

City of Westminster

Surrounding Land Use and Comprehensive Land Use Plan Designation

| Development Name | Zoning | CLUP Designation | Use |
|------------------------------------|---------------|-------------------------|--------------------|
| North: Unincorporated Adams County | A-1 | Adams County | Estate Residential |
| West: Unincorporated Adams County | A-1 | Adams County | Estate Residential |
| East: City of Westminster | O-1 | Open Space | Open Space |
| South: Unincorporated Adams County | A-3 | Adams County | Pasturage |

Site Plan Information

No development is proposed.

Service Commitment Category

Not applicable.

Referral Agency Responses

A copy of the proposed plans was sent to the following agencies: Adams County.

Neighborhood Meeting(s) and Public Comments

Not applicable.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments

- Exhibit A - Vicinity Map
- Exhibit B - Criteria and Standards for Land Use Applications
- Resolution - Findings of Fact
- Annexation Ordinance
- Comprehensive Land Use Plan Ordinance
 - Exhibit A - Legal Description
 - Exhibit B - Zoning Map
- Zoning Ordinance
 - Exhibit A - Legal Description
 - Exhibit B - Zoning Map

Vicinity Map



Unincorporated Adams County

Tejon Street

144th Avenue

144th Avenue & Tejon
Annexation

City of Westminster

McKay Lake



Criteria and Standards for Land Use Applications

Comprehensive Land Use Plan Amendments

- The owner/applicant has “the burden of proving that the requested amendment is in the public good and in compliance with the overall purpose and intent of the Comprehensive Land Use Plan...” (WMC 11-4-16(D.4)).
- Demonstrate that there is justification for the proposed change and that the Plan is in need of revision as proposed;
- Be in conformance with the overall purpose, intent, and policies of the Plan;
- Be compatible with the existing and surrounding land uses; and
- Not result in excessive detrimental impacts to the City’s existing or planned infrastructure systems, or the applicant must provide measures to mitigate such impacts to the satisfaction of the City (Page VI-5 of the CLUP).

Zoning or Rezoning to a Zoning District Other Than a Planned Unit Development (PUD)

11-5-3: STANDARDS FOR APPROVAL OF ZONINGS AND REZONINGS: (2534)

(A) The following criteria shall be considered in the approval of any application for zoning or rezoning to a zoning district other than a Planned Unit Development:

1. The proposed zoning or rezoning is in conformance with the City's Comprehensive Plan and all City policies, standards and sound planning principles and practice.
2. There is either existing capacity in the City's street, drainage and utility systems to accommodate the proposed zoning or rezoning, or arrangements have been made to provide such capacity in a manner and timeframe acceptable to City Council.

City Initiated Rezoning

(B) The City may initiate a rezoning of any property in the City without the consent of the property owner, including property annexed or being annexed to the City, when City Council determines, as part of the final rezoning ordinance, any of the following:

1. The current zoning is inconsistent with one or more of the goals or objectives of the City's Comprehensive Land Use Plan.
2. The current zoning is incompatible with one or more of the surrounding land uses, either existing or approved.
3. The surrounding development is or may be adversely impacted by the current zoning.
4. The City's water, sewer or other services are or would be significantly and negatively impacted by the current zoning and the property is not currently being served by the City.

RESOLUTION

RESOLUTION NO. **14**

INTRODUCED BY COUNCILLORS

SERIES OF 2010

A RESOLUTION PURSUANT TO SECTION 31-12-110, C.R.S., SETTING FORTH THE FINDINGS OF FACT AND CONCLUSION OF CITY COUNCIL WITH REGARD TO THE PROPOSED ANNEXATION OF CONTIGUOUS UNINCORPORATED LAND IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, ALSO KNOWN AS THE 144TH AVENUE AND TEJON STREET PROPERTY

WHEREAS, pursuant to the laws of the State of Colorado, there has been filed with the City Clerk a petition (the "Petition") for the annexation of the property described in said Petition; and

WHEREAS, City Council has previously adopted Resolution No. 9 finding the Petition to be in substantial compliance with the provisions of section 31-12-107(1), C.R.S.; and

WHEREAS, notice to all required parties has been given pursuant to section 31-12-108, C.R.S.; and

WHEREAS, City Council has held a hearing concerning the proposed annexation as required by sections 31-12-108 and -109, C.R.S.; and

WHEREAS, having completed the required hearing, the City Council wishes to set forth its findings of fact and conclusion regarding the proposed annexation.

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

1. The City Council finds:
 - a. Not less than 1/6 of the perimeter of the area proposed to be annexed is contiguous with the City of Westminster;
 - b. A community of interest exists between the area proposed to be annexed and the City;
 - c. The area is urban or will be urbanized in the near future; and
 - d. The area is integrated with or is capable of being integrated with the City.
2. The City Council further finds:
 - a. With respect to the boundaries of the territory proposed to be annexed, no land held in identical ownership, whether consisting of one tract or parcel of real estate or two or more contiguous tracts or parcels of real estate, has been divided into separate parts or parcels without the written consent of the landowners thereof, except to the extent such tracts or parcels are separated by dedicated street, road, or other public way; and

b. With regard to the boundaries of the area proposed to be annexed, no land held in identical ownership, whether consisting of one tract or parcel of real estate or two or more contiguous tracts or parcels of real estate, comprising twenty (20) acres or more (which, together with the buildings and improvements situated thereon has a valuation for assessment in excess of \$200,000 for ad valorem tax purposes for the previous year), has been included in the area being proposed for annexation without the written consent of the owners thereof, except to the extent such tract of land is situated entirely within the outer boundaries of the City immediately prior to the annexation of said property.

3. The City Council further finds:

a. That no annexation proceedings concerning the property proposed to be annexed by the City has been commenced by another municipality;

b. That the annexation will not result in the detachment of this area from its current school district;

c. That the annexation will not result in the extension of the City's boundary more than three (3) miles in any direction within the previous 365 days of the effective date of this Resolution;

d. That the City of Westminster has in place a plan for the area proposed to be annexed; and

e. That in establishing the boundaries of the area to be annexed, the entire width of any street or alley is included within the area annexed.

4. The City Council further finds that an election is not required and no additional terms or conditions are to be imposed upon the area to be annexed.

5. The City Council concludes that the City may proceed to annex the area proposed to be annexed by ordinance pursuant to section 31-12-111, C.R.S.

PASSED AND ADOPTED this 10th day of May, 2010.

ATTEST:

Mayor Pro Tem

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney's Office

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **18**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

A BILL

**FOR AN ORDINANCE APPROVING AND ACCOMPLISHING THE ANNEXATION OF
CONTIGUOUS UNINCORPORATED TERRITORY IN THE NORTHWEST QUARTER OF
THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 68 WEST,
6TH P.M., COUNTY OF ADAMS, STATE OF COLORADO, KNOWN AS THE 144th AVENUE
AND TEJON STREET PROPERTY**

WHEREAS, pursuant to the laws of the State of Colorado, there was presented to and filed with the City Council of the City of Westminster a written application for annexation to and by the City of Westminster of the hereinafter-described contiguous, unincorporated territory situate, lying and being in the County of Adams, State of Colorado; and

WHEREAS, the Council of the City of Westminster has held the required annexation hearing in conformance with all statutory requirements; and

WHEREAS, the Council of the City of Westminster has satisfied itself concerning the conformance of the proposed annexation to the annexation policy of the City of Westminster.

NOW, THEREFORE, THE CITY OF WESTMINSTER ORDAINS:

Section 1. That the parcel of land, below described, meets the requirements of Sections 31-12-104(a) and 31-12-105, C.R.S. and annexation of the following described contiguous unincorporated territory, situate, lying and being in the County of Adams, State of Colorado, is hereby accomplished by and to the City of Westminster, State of Colorado:

The 144th Avenue and Tejon Street Property:

A parcel of land located in the northwest quarter of the northwest quarter of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian, County of Adams, State of Colorado being more particularly described as follows:

Commencing at the northwest corner of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian thence N89°57'07"E along the northerly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 1309.53 feet to the northeast corner of the northwest quarter of the northwest quarter of said Section 21; thence S00°19'35"E along the easterly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 30.00 feet to the Point of Beginning; thence S00°19'35"E along said easterly line a distance of 50.13 feet; thence S35°01'57"W a distance of 29.16 feet; thence S35°19'56"W a distance of 125.59 feet; thence S89°58'53"W a distance of 4.86 feet; thence N00°01'07"W a distance of 10.00 feet; thence S89°58'53"W a distance of 166.00 feet; thence N00°01'07"W a distance of 116.76 feet; thence S89°57'11"W a distance of 207.51 feet; thence N00°02'53"W a distance of 49.54 feet; thence N89°57'07"E along a line which is 30 feet southerly of and parallel to the northerly line of the northwest quarter of the northwest quarter of said Section 21, a distance of 467.54 feet to the Point of Beginning.

Said parcel contains 1.122 acres (48,880 sq. ft.), more or less.

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

ATTEST:

Mayor

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney's Office

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **19**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

**A BILL
FOR AN ORDINANCE AMENDING THE WESTMINSTER
COMPREHENSIVE LAND USE PLAN**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Council finds:

a. That the City has initiated an amendment to the Westminster Comprehensive Land Use Plan, pursuant to W.M.C. §11-4-16(D), for the property described in attached Exhibit A, incorporated herein by reference, requesting a change in the land use designations from Unincorporated Adams County to "City-Owned Open Space" for the 1.122 acre property located on 144th Avenue and Tejon Street.

b. That such amendment has been referred to the Planning Commission, which body held a public hearing thereon on April 13, 2010, after notice complying with W.M.C. §11-4-16(B) and has recommended approval of the requested amendment.

c. That notice of the public hearing before Council has been provided in compliance with W.M.C. §11-4-16(B).

d. That Council, having considered the recommendations of the Planning Commission, has completed a public hearing and has accepted and considered oral and written testimony on the requested amendments.

e. That the requested amendment will further the public good and will be in compliance with the overall purpose and intent of the Comprehensive Land Use Plan, particularly the goal that encourages the enhancement of the City's open space system to preserve and protect natural areas, vistas, and view corridors, and to complete the open space and trail system.

Section 2. The City Council approves the requested amendments and authorizes City Staff to make the necessary changes to the map and text of the Westminster Comprehensive Land Use Plan to change the designation of the property more particularly described on attached Exhibit A, to "City-Owned Open Space", as depicted on the map attached as Exhibit B.

Section 3. Severability: If any section, paragraph, clause, word or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part deemed unenforceable shall not affect any of the remaining provisions.

Section 4. This ordinance shall take effect upon its passage after second reading.

Section 5. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

City Clerk

City Attorney's Office

EXHIBIT A

**Legal Description
144th Avenue and Tejon Street**

A parcel of land located in the northwest quarter of the northwest quarter of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian, County of Adams, State of Colorado being more particularly described as follows:

Commencing at the northwest corner of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian thence N89°57'07"E along the northerly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 1309.53 feet to the northeast corner of the northwest quarter of the northwest quarter of said Section 21; thence S00°19'35"E along the easterly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 30.00 feet to the Point of Beginning; thence S00°19'35"E along said easterly line a distance of 50.13 feet; thence S35°01'57"W a distance of 29.16 feet; thence S35°19'56"W a distance of 125.59 feet; thence S89°58'53"W a distance of 4.86 feet; thence N00°01'07"W a distance of 10.00 feet; thence S89°58'53"W a distance of 166.00 feet; thence N00°01'07"W a distance of 116.76 feet; thence S89°57'11"W a distance of 207.51 feet; thence N00°02'53"W a distance of 49.54 feet; thence N89°57'07"E along a line which is 30 feet southerly of and parallel to the northerly line of the northwest quarter of the northwest quarter of said Section 21, a distance of 467.54 feet to the Point of Beginning.

Said parcel contains 1.122 acres (48,880 sq. ft.), more or less.



Change From: Outside City Limits

| | | | |
|-------|---------------|-----------------------|--------------------------|
| R-1 | R-18 | Office/Residential | Private Parks/Open Space |
| R-2.5 | Retail Comm. | District Center | Golf Courses |
| R-3.5 | Office | Traditional Mixed Use | Public/Quasi Public |
| R-5 | Industrial | City Owned Open Space | N.E. Comp. Dev. Plan |
| R-8 | Business Park | Public Parks | |

Change To: City Owned Open Space



BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **20**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

**A BILL
FOR AN ORDINANCE AMENDING THE ZONING OF
THE 144th AVENUE AND TEJON STREET PROPERTY, A 1.122 ACRE PARCEL
LOCATED AT 144TH AVENUE AND TEJON STREET, ADAMS COUNTY, COLORADO
FROM A-1 (ADAMS COUNTY) TO O-1**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Council finds:

a. That a rezoning of the property generally located along the southwest corner of 144TH Avenue and Tejon Street, as described in attached Exhibit A, incorporated herein by reference, from the Adams County A-1 zone to an O-1 zone is desirable because:

1. The current zoning is inconsistent with one or more of the goals or objectives of the City's Comprehensive Land Use Plan.

b. That the notice requirements of W.M.C. §11-5-13 have been met.

c. That such rezoning has been referred to the Planning Commission, which body held a public hearing thereon on April 13, 2010, and has recommended approval of the requested amendment.

d. That Council has completed a public hearing on the requested zoning pursuant to the provisions of Chapter 5 of Title XI of the Westminster Municipal Code and has considered the criteria in W.M.C. §11-5-3.

e. That based on the evidence produced at the public hearing, a rezoning to the proposed O-1 zoning complies with all requirements of Westminster Municipal Code, including, but not limited to, the provisions of W.M.C. §11-4-3, requiring compliance with the Comprehensive Land Use Plan, and the criteria of W.M.C. §11-5-3.

Section 2. The Zoning District Map of the City is hereby amended by reclassification of the property, described in Exhibit A, attached hereto and incorporated herein by reference, from the Adams County A-1 zoning district to the O-1 zoning district, as depicted on Exhibit B, attached hereto.

Section 3. This ordinance shall take effect upon its passage after second reading.

Section 4. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

City Clerk

City Attorney's Office

EXHIBIT A

**Legal Description
144th Avenue and Tejon Street**















A parcel of land located in the northwest quarter of the northwest quarter of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian, County of Adams, State of Colorado being more particularly described as follows:

Commencing at the northwest corner of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian thence N89°57'07"E along the northerly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 1309.53 feet to the northeast corner of the northwest quarter of the northwest quarter of said Section 21; thence S00°19'35"E along the easterly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 30.00 feet to the Point of Beginning; thence S00°19'35"E along said easterly line a distance of 50.13 feet; thence S35°01'57"W a distance of 29.16 feet; thence S35°19'56"W a distance of 125.59 feet; thence S89°58'53"W a distance of 4.86 feet; thence N00°01'07"W a distance of 10.00 feet; thence S89°58'53"W a distance of 166.00 feet; thence N00°01'07"W a distance of 116.76 feet; thence S89°57'11"W a distance of 207.51 feet; thence N00°02'53"W a distance of 49.54 feet; thence N89°57'07"E along a line which is 30 feet southerly of and parallel to the northerly line of the northwest quarter of the northwest quarter of said Section 21, a distance of 467.54 feet to the Point of Beginning.

Said parcel contains 1.122 acres (48,880 sq. ft.), more or less.



Description of Change: Adams County A-1 to O-1

| Legend | | | | | | | | | |
|---|-----|---|-----|---|-----|---|-----|---|---------------------|
|  | B-1 |  | O-1 |  | R-1 |  | R-5 |  | T-1 |
|  | C-1 |  | PUD |  | R-2 |  | R-A |  | Outside City Limits |
|  | M-1 |  | R-3 |  | R-4 |  | R-E | | |

Teeples Property New Zoning Designation = O-1





**WESTMINSTER
COLORADO**

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Public Hearing, Resolution No. 15 re Findings of Fact for the 144th Avenue and Zuni Street Property Annexation, and Councillor’s Bills No. 21, 22, and 23 re the Annexation, Comprehensive Land Use Plan Amendment and Zoning for the 144th Avenue and Zuni Street Property

Prepared By: Walter Patrick, Planner I

Recommended City Council Action

1. Hold a public hearing.
2. Adopt Resolution No. 15 making certain findings of fact as required under Section 31-12-110 C.R.S. regarding the proposed 144th Avenue and Zuni Street property annexation.
3. Pass Councillor’s Bill No. 21 on first reading annexing the 144th Avenue and Zuni Street property into the City.
4. Pass Councillor’s Bill No. 22 on first reading amending the Comprehensive Land Use Plan for the 144th Avenue and Zuni Street property changing the designation from unincorporated Adams County to City Owned Open Space. This recommendation is based on a finding that the proposed amendment will be in the public good and that:
 - a) There is justification for the proposed change and the Plan is in need of revision as proposed; and
 - b) The amendment is in conformance with the overall purpose and intent and the goals and policies of the Plan; and
 - c) The proposed amendment is compatible with existing and planned surrounding land uses; and
 - d) The proposed amendment would not result in excessive detrimental impacts to the City’s existing or planned infrastructure systems.
5. Pass Councillor’s Bill No. 23 on first reading approving the rezoning of the 144th Avenue and Zuni Street property from Adams County (A-3) to Open District (O-1). This recommendation is based on a finding that the criteria set forth in Section 11-5-3 Westminster Municipal Code have been met.

Summary Statement

- The 144th Avenue and Zuni Street annexation area contains about 5.902 acres and consists of right-of-way area along 144th Avenue as well as the former Barnett property located at the southeast corner of Zuni Street and 144th Avenue.
- In a 2009 Intergovernmental Agreement (IGA) with Adams County, the City agreed to annex the right-of-way areas between Tejon Street and Zuni Street.
- The surrounding Adams County zoning designations are primarily designed for pasturage and large lot residential uses. Open Space uses on this property are compatible with the Adams County zoning designations.

Expenditure Required: \$ 0

Source of Funds: N/A

Planning Commission Recommendation

The Planning Commission reviewed this proposal on April 13, 2010, and voted unanimously (7-0) to recommend the City Council approve the annexation of the 144th Avenue and Zuni Street property, amend the Comprehensive Land Use Plan (CLUP) designation to City Owned Open Space, and rezone the property from Adams County A-3 to City of Westminster O-1.

Policy Issues

1. Should the City annex the 144th Avenue and Zuni Street property into the City?
2. Should the City approve a Comprehensive Land Use Plan (CLUP) amendment for the 144th Avenue and Zuni Street property amending the designation to City Owned Open Space?
3. Should the City approve the rezoning of the 144th Avenue and Zuni Street property from Adams County A-3 to City of Westminster O-1?

Alternatives

1. Make a finding that there is no community of interest with the 144th Avenue and Zuni Street property. If this action is taken the City owned property will remain unincorporated and subject to Adams County regulations and the City would be in violation of an existing IGA with Adams County in which the City agreed to annex the 144th Avenue right-of-way area between Tejon Street and Zuni Street.
2. Recommend denial of the Comprehensive Land Use Plan amendment or assign a different designation.
3. Recommend denial of the rezoning of the properties from Adams County A-3 to City of Westminster O-1, or assign an alternative zoning category.

Background Information

Nature of Request

In 2009 the City executed an IGA with Adams County regarding annexation, funding, and contract administration responsibilities for the 144th Avenue, Huron Street to Zuni Street improvements project. As part of this IGA the City has agreed to annex the 144th Avenue right-of-way between Tejon Street and Zuni Street. In addition, the City has purchased unincorporated land adjacent to the right-of-way area for open space which is desirable to annex into the City.

Location

The site is located along 144th Avenue between Tejon Street and Zuni Street. (Please see attached vicinity map).

Comprehensive Land Use Plan Amendment

The Westminster Municipal Code requires the owner of the property requesting an amendment to the Comprehensive Land Use Plan (CLUP) to prove the amendment is in the public good and in overall compliance with the purpose and intent of the CLUP. Further, the CLUP provides four criteria to be used when considering a CLUP amendment. Staff has reviewed these criteria and has provided the following comments on each.

1. The proposed amendment must, “Demonstrate that there is justification for the proposed change, and that the Plan is in need of revision as proposed.” The amendment is directly allowing the City to further the City goals and policies of enhancing and expanding the City’s Open Space system.

2. The proposed amendment must, “Be in conformance with the overall purpose, intent, goals, and policies of the Plan.” Applicable goals are stated in Section III of the Community Goals and Policies section of the Plan. They include:
 - Goal H4 – Enhance the City’s open space system to preserve and protect natural areas, vistas and view corridors, and to complete the open space and trail system.
 - Policy H4a – Use acquisition of open space as a tool to channel growth into appropriate locations and to shape the overall design of the community.

Based upon these goals and policies, staff has found this proposed amendment to be in conformance with the overall purpose, intent, goals, and policies of the Plan.

3. The proposal must, “Be compatible with existing and surrounding land uses.” To the west, across Zuni Street, the property borders a small portion of Broomfield which is zoned Planned Unit Development (PUD) for residential uses. The surrounding area is primarily zoned A-1 in Adams County. This designation is a rural single-family dwelling district where the minimum lot area for a home site is intended to provide for a rural living experience. Limited farming uses are permitted including the keeping of a limited number of animals for individual homeowner’s use. This district is primarily designed for the utilization and enjoyment of the County’s rural environment. The proposed use for the annexed property as Open Space is compatible with the surrounding area.
4. The proposal must, “Not result in detrimental impacts to the City’s existing or planned infrastructure or provide measures to mitigate such impacts to the satisfaction of the City.” The 144th Avenue improvements have already been completed by the City. No development is proposed on the Open Space areas; therefore, no detrimental impacts are anticipated.

Public Notification

Westminster Municipal Code 11-5-13 requires the following three public notification procedures:

- Published Notice: Notice of public hearings scheduled before Planning Commission shall be published and posted at least 10 days prior to such hearing and at least four days prior to City Council public hearings. Notice was published in the Westminster Window on April 8, 2010.
- Property Posting: Notice of public hearings shall be posted on the property with one sign in a location reasonably visible to vehicular and pedestrian traffic passing adjacent to the site. One sign was posted on the property on April 16, 2010.
- Written Notice: At least 10 days prior to the date of the public hearing, the applicant shall mail individual notices by first-class mail to property owners and homeowner’s associations registered with the City within 300 feet of the subject property. The required notices were mailed on March 24, 2010.

Applicant/Property Owner
City of Westminster

Surrounding Land Use and Comprehensive Land Use Plan Designation

| Development Name | Zoning | CLUP Designation | Use |
|-------------------------------------|---------------|--------------------------|--------------------|
| North: Unincorporated Adams County | A-1 | Adams County | Estate Residential |
| West: City and County of Broomfield | PUD | Neighborhood Residential | Residential |
| East: City of Westminster | O-1 | Open Space | Open Space |
| South: Unincorporated Adams County | A-3 | Adams County | Estate Residential |

Site Plan Information

No development is proposed.

Service Commitment Category

Not applicable.

Referral Agency Responses

A copy of the proposed plans was sent to the following agencies: Adams County.

Neighborhood Meeting(s) and Public Comments

Not applicable.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments

- Exhibit A - Vicinity Map
- Exhibit B - Criteria and Standards for Land Use Applications
- Resolution - Findings of Fact
- Annexation Ordinance
- Comprehensive Land Use Plan Ordinance
 - Exhibit A - Legal Description
 - Exhibit B - Zoning Map
- Zoning Ordinance
 - Exhibit A - Legal Description
 - Exhibit B - Zoning Map

Vicinity Map



Criteria and Standards for Land Use Applications

Comprehensive Land Use Plan Amendments

- The owner/applicant has “the burden of proving that the requested amendment is in the public good and in compliance with the overall purpose and intent of the Comprehensive Land Use Plan...” (WMC 11-4-16(D.4)).
- Demonstrate that there is justification for the proposed change and that the Plan is in need of revision as proposed;
- Be in conformance with the overall purpose, intent, and policies of the Plan;
- Be compatible with the existing and surrounding land uses; and
- Not result in excessive detrimental impacts to the City’s existing or planned infrastructure systems, or the applicant must provide measures to mitigate such impacts to the satisfaction of the City (Page VI-5 of the CLUP).

Zoning or Rezoning to a Zoning District Other Than a Planned Unit Development (PUD)

11-5-3: STANDARDS FOR APPROVAL OF ZONINGS AND REZONINGS: (2534)

(A) The following criteria shall be considered in the approval of any application for zoning or rezoning to a zoning district other than a Planned Unit Development:

1. The proposed zoning or rezoning is in conformance with the City's Comprehensive Plan and all City policies, standards and sound planning principles and practice.
2. There is either existing capacity in the City's street, drainage and utility systems to accommodate the proposed zoning or rezoning, or arrangements have been made to provide such capacity in a manner and timeframe acceptable to City Council.

City Initiated Rezoning

(B) The City may initiate a rezoning of any property in the City without the consent of the property owner, including property annexed or being annexed to the City, when City Council determines, as part of the final rezoning ordinance, any of the following:

1. The current zoning is inconsistent with one or more of the goals or objectives of the City's Comprehensive Land Use Plan.
2. The current zoning is incompatible with one or more of the surrounding land uses, either existing or approved.
3. The surrounding development is or may be adversely impacted by the current zoning.
4. The City's water, sewer or other services are or would be significantly and negatively impacted by the current zoning and the property is not currently being served by the City.

RESOLUTION

RESOLUTION NO. **15**

INTRODUCED BY COUNCILLORS

SERIES OF 2010

A RESOLUTION PURSUANT TO SECTION 31-12-110, C.R.S., SETTING FORTH THE FINDINGS OF FACT AND CONCLUSION OF CITY COUNCIL WITH REGARD TO THE PROPOSED ANNEXATION OF CONTIGUOUS UNINCORPORATED LAND IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 16, AND THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDAN, COUNTY OF ADAMS, STATE OF COLORADO, ALSO KNOWN AS THE 144TH AVENUE AND ZUNI STREET PROPERTY

WHEREAS, pursuant to the laws of the State of Colorado, there has been filed with the City Clerk a petition (the "Petition") for the annexation of the property described in said Petition; and

WHEREAS, City Council has previously adopted Resolution No. 8 finding the Petition to be in substantial compliance with the provisions of section 31-12-107(1), C.R.S.; and

WHEREAS, notice to all required parties has been given pursuant to section 31-12-108, C.R.S.; and

WHEREAS, City Council has held a hearing concerning the proposed annexation as required by sections 31-12-108 and -109, C.R.S.; and

WHEREAS, having completed the required hearing, the City Council wishes to set forth its findings of fact and conclusion regarding the proposed annexation.

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

1. The City Council finds:
 - a. Not less than 1/6 of the perimeter of the area proposed to be annexed is contiguous with the City of Westminster;
 - b. A community of interest exists between the area proposed to be annexed and the City;
 - c. The area is urban or will be urbanized in the near future; and
 - d. The area is integrated with or is capable of being integrated with the City.
2. The City Council further finds:
 - a. With respect to the boundaries of the territory proposed to be annexed, no land held in identical ownership, whether consisting of one tract or parcel of real estate or two or more contiguous tracts or parcels of real estate, has been divided into separate parts or parcels without

the written consent of the landowners thereof, except to the extent such tracts or parcels are separated by dedicated street, road, or other public way; and

b. With regard to the boundaries of the area proposed to be annexed, no land held in identical ownership, whether consisting of one tract or parcel of real estate or two or more contiguous tracts or parcels of real estate, comprising twenty (20) acres or more (which, together with the buildings and improvements situated thereon has a valuation for assessment in excess of \$200,000 for ad valorem tax purposes for the previous year), has been included in the area being proposed for annexation without the written consent of the owners thereof, except to the extent such tract of land is situated entirely within the outer boundaries of the City immediately prior to the annexation of said property.

3. The City Council further finds:

a. That no annexation proceedings concerning the property proposed to be annexed by the City has been commenced by another municipality;

b. That the annexation will not result in the detachment of this area from its current school district;

c. That the annexation will not result in the extension of the City's boundary more than three (3) miles in any direction within the previous 365 days of the effective date of this Resolution;

d. That the City of Westminster has in place a plan for the area proposed to be annexed; and

e. That in establishing the boundaries of the area to be annexed, the entire width of any street or alley is included within the area annexed.

4. The City Council further finds that an election is not required and no additional terms or conditions are to be imposed upon the area to be annexed.

5. The City Council concludes that the City may proceed to annex the area proposed to be annexed by ordinance pursuant to section 31-12-111, C.R.S.

PASSED AND ADOPTED this 10th day of May, 2010.

ATTEST:

Mayor Pro Tem

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney's Office

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **21**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

A BILL

**FOR AN ORDINANCE APPROVING AND ACCOMPLISHING THE ANNEXATION OF
CONTIGUOUS UNINCORPORATED TERRITORY IN THE SOUTHWEST QUARTER OF
THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 1 SOUTH, RANGE 68 WEST,
6TH P.M., COUNTY OF ADAMS, STATE OF COLORADO, KNOWN AS THE
144th AVENUE AND ZUNI STREET PROPERTY**

WHEREAS, pursuant to the laws of the State of Colorado, there was presented to and filed with the City Council of the City of Westminster a written application for annexation to and by the City of Westminster of the hereinafter-described contiguous, unincorporated territory situate, lying and being in the County of Adams, State of Colorado; and

WHEREAS, the Council of the City of Westminster has held the required annexation hearing in conformance with all statutory requirements; and

WHEREAS, the Council of the City of Westminster has satisfied itself concerning the conformance of the proposed annexation to the annexation policy of the City of Westminster.

NOW, THEREFORE, THE CITY OF WESTMINSTER ORDAINS:

Section 1. That the parcel of land, below described, meets the requirements of Sections 31-12-104(a) and 31-12-105, C.R.S. and annexation of the following described contiguous unincorporated territory, situate, lying and being in the County of Adams, State of Colorado, is hereby accomplished by and to the City of Westminster, State of Colorado:

The 144th Avenue and Zuni Street Property:

A parcel of land located in the southwest quarter of the southwest quarter of Section 16, and the northwest quarter of the northwest quarter of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian, County of Adams, State of Colorado being more particularly described as follows:

Commencing at the southwest corner of Section 16, Township 1 South, Range 68 West of the Sixth Principal Meridian, said point being the Point of Beginning; thence along said westerly line of the southwest quarter of the southwest quarter of said Section 16 N00°22'19"W a distance of 60.00 feet to a point on the northerly right-of-way line of West 144th Avenue extended; thence along said northerly right-of-way line the following five (5) consecutive courses; 1.) N89°57'07"E a distance of 654.68 feet; 2.) thence S00°27'07"E a distance of 20.00 feet; 3.) thence N89°57'07"E a distance of 599.70 feet; 4.) thence N00°32'16"W a distance of 15.00 feet; 5.) thence N89°57'07"E a distance of 55.00 feet to a point on the easterly line of the southwest quarter of the southwest quarter of said Section 16; thence S00°32'16"E along said easterly line a distance of 55.00 feet to the southeast corner of the southwest quarter of the southwest quarter of said Section 16; thence S00°19'35"E along the easterly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 30.00 feet; thence N89°57'07"W along a line which is 30 feet southerly of and parallel to the northerly line of the northwest

quarter of the northwest quarter of said Section 21 a distance of 467.54 feet; thence S00°02'53"E a distance of 49.54 feet; thence S89°57'07"W a distance of 8.00 feet; thence S00°02'49"E a distance of 32.50 feet; thence S89°57'11"W a distance of 82.88 feet; thence N00°02'49"W a distance of 32.50 feet; thence S89°57'11"W a distance of 100.40 feet; thence 135.45 feet along the arc of a curve to the right, having a radius of 991.50 feet, a central angle of 07°49'38" and a chord which bears N86°08'00"W a distance of 135.34 feet to a point on the westerly line of Barnett Estates recorded July 28th, 1995 at File No. 17, Map No. 409, Reception No. C0091433; thence along the westerly and northerly line of said Barnett Estates the following two (2) consecutive courses 1.) S00°15'12"E a distance of 217.81 feet; 2.) thence S89°57'48"W a distance of 515.58 feet to a point on the easterly line of the northwest quarter of the northwest quarter of said Section 21; thence N00°15'12"W along the said easterly line a distance of 288.00 feet to the Point of beginning.

Said parcel contains 5.902 acres (257,074 sq. ft.), more or less.

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

ATTEST:

Mayor

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney's Office

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **22**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

**A BILL
FOR AN ORDINANCE AMENDING THE WESTMINSTER
COMPREHENSIVE LAND USE PLAN**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Council finds:

a. That the City has initiated an amendment to the Westminster Comprehensive Land Use Plan, pursuant to W.M.C. §11-4-16(D), for the property described in attached Exhibit A, incorporated herein by reference, requesting a change in the land use designations from Unincorporated Adams County to "City-Owned Open Space" for the 5.902 acre property located on 144TH Avenue and Zuni Street.

b. That such amendment has been referred to the Planning Commission, which body held a public hearing thereon on April 13, 2010, after notice complying with W.M.C. §11-4-16(B) and has recommended approval of the requested amendment.

c. That notice of the public hearing before Council has been provided in compliance with W.M.C. §11-4-16(B).

d. That Council, having considered the recommendations of the Planning Commission, has completed a public hearing and has accepted and considered oral and written testimony on the requested amendments.

e. That the requested amendment will further the public good and will be in compliance with the overall purpose and intent of the Comprehensive Land Use Plan, particularly the goal that encourages the enhancement of the City's open space system to preserve and protect natural areas, vistas, and view corridors, and to complete the open space and trail system.

Section 2. The City Council approves the requested amendments and authorizes City Staff to make the necessary changes to the map and text of the Westminster Comprehensive Land Use Plan to change the designation of the property more particularly described on attached Exhibit A, to "City-Owned Open Space", as depicted on the map attached as Exhibit B.

Section 3. Severability: If any section, paragraph, clause, word or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part deemed unenforceable shall not affect any of the remaining provisions.

Section 4. This ordinance shall take effect upon its passage after second reading.

Section 5. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

ATTEST:

Mayor

APPROVED AS TO LEGAL FORM:

City Clerk

City Attorney's Office

EXHIBIT A

**Legal Description
144th Avenue and Zuni Street**

A parcel of land located in the southwest quarter of the southwest quarter of Section 16, and the northwest quarter of the northwest quarter of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian, County of Adams, State of Colorado being more particularly described as follows:

Commencing at the southwest corner of Section 16, Township 1 South, Range 68 West of the Sixth Principal Meridian, said point being the Point of Beginning; thence along said westerly line of the southwest quarter of the southwest quarter of said Section 16 N00°22'19"W a distance of 60.00 feet to a point on the northerly right-of-way line of West 144th Avenue extended; thence along said northerly right-of-way line the following five (5) consecutive courses; 1.) N89°57'07"E a distance of 654.68 feet; 2.) thence S00°27'07"E a distance of 20.00 feet; 3.) thence N89°57'07"E a distance of 599.70 feet; 4.) thence N00°32'16"W a distance of 15.00 feet; 5.) thence N89°57'07"E a distance of 55.00 feet to a point on the easterly line of the southwest quarter of the southwest quarter of said Section 16; thence S00°32'16"E along said easterly line a distance of 55.00 feet to the southeast corner of the southwest quarter of the southwest quarter of said Section 16; thence S00°19'35"E along the easterly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 30.00 feet; thence N89°57'07"W along a line which is 30 feet southerly of and parallel to the northerly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 467.54 feet; thence S00°02'53"E a distance of 49.54 feet; thence S89°57'07"W a distance of 8.00 feet; thence S00°02'49"E a distance of 32.50 feet; thence S89°57'11"W a distance of 82.88 feet; thence N00°02'49"W a distance of 32.50 feet; thence S89°57'11"W a distance of 100.40 feet; thence 135.45 feet along the arc of a curve to the right, having a radius of 991.50 feet, a central angle of 07°49'38" and a chord which bears N86°08'00"W a distance of 135.34 feet to a point on the westerly line of Barnett Estates recorded July 28th, 1995 at File No. 17, Map No. 409, Reception No. C0091433; thence along the westerly and northerly line of said Barnett Estates the following two (2) consecutive courses 1.) S00°15'12"E a distance of 217.81 feet; 2.) thence S89°57'48"W a distance of 515.58 feet to a point on the easterly line of the northwest quarter of the northwest quarter of said Section 21; thence N00°15'12"W along the said easterly line a distance of 288.00 feet to the Point of beginning.

Said parcel contains 5.902 acres (257,074 sq. ft.), more or less.



Change From: Outside City Limits

| | | | | | | | |
|---|-------|---|---------------|---|-----------------------|---|--------------------------|
|  | R-1 |  | R-18 |  | Office/Residential |  | Private Parks/Open Space |
|  | R-2.5 |  | Retail Comm. |  | District Center |  | Golf Courses |
|  | R-3.5 |  | Office |  | Traditional Mixed Use |  | Public/Quasi Public |
|  | R-5 |  | Industrial |  | City Owned Open Space |  | N.E. Comp. Dev. Plan |
|  | R-8 |  | Business Park |  | Public Parks | | |

Change To: City Owned Open Space



BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **23**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

**A BILL
FOR AN ORDINANCE AMENDING THE ZONING OF
THE 144th AVENUE AND ZUNI STREET PROPERTY, A 5.902 ACRE PARCEL LOCATED
ALONG 144th AVENUE BETWEEN TEJON STREET AND ZUNI STREET, ADAMS COUNTY,
COLORADO FROM A-3 (ADAMS COUNTY) TO O-1**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Council finds:

a. That a rezoning of the property generally located along 144th Avenue between Tejon Street and Zuni Street, as described in attached Exhibit A, incorporated herein by reference, from the Adams County A-3 zone to an O-1 zone is desirable because:

1. The current zoning is inconsistent with one or more of the goals or objectives of the City's Comprehensive Land Use Plan.

b. That the notice requirements of W.M.C. §11-5-13 have been met.

c. That such rezoning has been referred to the Planning Commission, which body held a public hearing thereon on April 13, 2010, and has recommended approval of the requested amendment.

d. That Council has completed a public hearing on the requested zoning pursuant to the provisions of Chapter 5 of Title XI of the Westminster Municipal Code and has considered the criteria in W.M.C. §11-5-3.

e. That based on the evidence produced at the public hearing, a rezoning to the proposed O-1 zoning complies with all requirements of Westminster Municipal Code, including, but not limited to, the provisions of W.M.C. §11-4-3, requiring compliance with the Comprehensive Land Use Plan, and the criteria of W.M.C. §11-5-3.

Section 2. The Zoning District Map of the City is hereby amended by reclassification of the property, described in Exhibit A, attached hereto and incorporated herein by reference, from the Adams County A-3 zoning district to the O-1 zoning district, as depicted on Exhibit B, attached hereto.

Section 3. This ordinance shall take effect upon its passage after second reading.

Section 4. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

City Clerk

City Attorney's Office

**Legal Description
144th Avenue and Zuni Street**















A parcel of land located in the southwest quarter of the southwest quarter of Section 16, and the northwest quarter of the northwest quarter of Section 21, Township 1 South, Range 68 West of the Sixth Principal Meridian, County of Adams, State of Colorado being more particularly described as follows:

Commencing at the southwest corner of Section 16, Township 1 South, Range 68 West of the Sixth Principal Meridian, said point being the Point of Beginning; thence along said westerly line of the southwest quarter of the southwest quarter of said Section 16 N00°22'19"W a distance of 60.00 feet to a point on the northerly right-of-way line of West 144th Avenue extended; thence along said northerly right-of-way line the following five (5) consecutive courses; 1.) N89°57'07"E a distance of 654.68 feet; 2.) thence S00°27'07"E a distance of 20.00 feet; 3.) thence N89°57'07"E a distance of 599.70 feet; 4.) thence N00°32'16"W a distance of 15.00 feet; 5.) thence N89°57'07"E a distance of 55.00 feet to a point on the easterly line of the southwest quarter of the southwest quarter of said Section 16; thence S00°32'16"E along said easterly line a distance of 55.00 feet to the southeast corner of the southwest quarter of the southwest quarter of said Section 16; thence S00°19'35"E along the easterly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 30.00 feet; thence N89°57'07"W along a line which is 30 feet southerly of and parallel to the northerly line of the northwest quarter of the northwest quarter of said Section 21 a distance of 467.54 feet; thence S00°02'53"E a distance of 49.54 feet; thence S89°57'07"W a distance of 8.00 feet; thence S00°02'49"E a distance of 32.50 feet; thence S89°57'11"W a distance of 82.88 feet; thence N00°02'49"W a distance of 32.50 feet; thence S89°57'11"W a distance of 100.40 feet; thence 135.45 feet along the arc of a curve to the right, having a radius of 991.50 feet, a central angle of 07°49'38" and a chord which bears N86°08'00"W a distance of 135.34 feet to a point on the westerly line of Barnett Estates recorded July 28th, 1995 at File No. 17, Map No. 409, Reception No. C0091433; thence along the westerly and northerly line of said Barnett Estates the following two (2) consecutive courses 1.) S00°15'12"E a distance of 217.81 feet; 2.) thence S89°57'48"W a distance of 515.58 feet to a point on the easterly line of the northwest quarter of the northwest quarter of said Section 21; thence N00°15'12"W along the said easterly line a distance of 288.00 feet to the Point of beginning.

Said parcel contains 5.902 acres (257,074 sq. ft.), more or less.



Description of Change: Adams County A-3 to O-1

| Legend | | | | | | | | | |
|---|-----|---|-----|---|-----|---|-----|---|---------------------|
|  | B-1 |  | O-1 |  | R-1 |  | R-5 |  | T-1 |
|  | C-1 |  | PUD |  | R-2 |  | R-A |  | Outside City Limits |
|  | M-1 |  | R-3 |  | R-4 |  | R-E | | |

Teeples Property New Zoning Designation = O-1





Agenda Item 10 K

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Councillor's Bill No. 24 re 2010 Community Development Block Grant Fund Appropriation

Prepared By: Vicky Bunsen, Community Development Programs Coordinator

Recommended City Council Action

Pass Councillor's Bill No. 24 on first reading appropriating funds received from the United States Department of Housing and Urban Development, Community Development Block Grant program, in the amount of \$604,991.

Summary Statement

- City Council action is requested to pass the attached Councillor's Bill on first reading appropriating the City's 2010 Community Development Block Grant (CDBG) funds in the amount of \$604,991, awarded by the U.S. Department of Housing and Urban Development (HUD).
- The 2010 CDBG allocation was designated to fund the 2010 CDBG projects, pursuant to City Council approval on November 23, 2009.
- CDBG funding has been decreasing for several years, from \$696,000 in 2003 to \$553,850 in 2008. The 2010 allocation is \$45,621.00 more than the 2009 grant of \$559,370.

Expenditure Required: \$ 604,991

Source of Funds: 2010 Community Development Block Grant Funds

Policy Issue

Should the 2010 CDBG funds in the amount of \$604,991 be appropriated to the 2010 CDBG projects as previously approved by City Council on November 23, 2009?

Alternative

Do not appropriate the 2010 CDBG funds in the amount of \$604,991. This alternative is not recommended because this funding is needed for proposed 2010 projects.

Background Information

The 2010 CDBG budget and projects were developed from input provided by Westminster residents and City Staff. Public notices and citizen surveys were used to solicit community input on the development of the 2010 CDBG Action Plan. CDBG funds are used for community development projects that primarily benefit the City's low- to moderate-income populations.

When City Council approved the 2010 projects on November 23, 2009, it was expected that the City's grant would be about \$559,370 for 2010. The award is \$604,991, which provides another \$45,621 in funding for projects, which is proposed to be allocated as follows:

The projects approved for 2010 and the recommended amounts are as follows:

| Project | Estimated | Actual |
|---|------------------|------------------|
| Program Administration (20% - salaries & program costs) | \$111,874 | \$120,998 |
| Emergency Home Repairs | \$50,000 | \$50,000 |
| Bradburn Boulevard Realignment | \$397,496 | \$433,993 |
| TOTAL | \$559,370 | \$604,991 |

2010 CDBG Program Administration \$120,998

Federal regulations allow grantees to utilize up to 20% of the CDBG funding for administration and planning expenses. HUD requires the City to provide a number of services that require a significant amount of staff time. Those duties include submission of the five-year Consolidated Plan, preparation of the annual action and performance reports, hosting citizen participation activities and community meetings, monitoring minority business contract reports, conducting environmental reviews, compliance with the Davis-Bacon Wage Act, national objective and eligibility review, and contracting and procurement regulatory procedures. This program administration portion of the grant may also be used for consulting, planning and costs such as computers used by CDBG staff.

Emergency Home Repairs \$50,000

The City Council has directed staff to develop a program to assist low-income homeowners with emergency repair needs. Often these requests are not covered by the HOME program administered by Adams County. Also, home rehab projects funded by HOME require the entire home to be improved to meet building code requirements. Homeowners are often in need of an emergency repair and cannot wait for a major rehabilitation project to be conducted by the County.

Bradburn Boulevard Realignment

\$433,993

The Bradburn Boulevard realignment project will connect Bradburn Boulevard with Raleigh Street at 72nd Avenue, creating a safer intersection and better access to Westminster High School. The realignment of Bradburn Boulevard south of the railroad tracks and north of 72nd Avenue would eliminate the steep grade just north of 72nd Avenue and allow a signalized intersection to control the traffic using both Raleigh Street and Bradburn Boulevard. This will be a multi-phase project to be implemented over several years as funding becomes available.

This appropriation will amend CDBG Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|------------------|----------------|
| Block Grant-CDBG | 7600.40610.0025 | \$0 | <u>\$604,991</u> | \$604,991 |
| Total Change to Revenues | | | <u>\$604,991</u> | \$604,991 |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|------------------------|----------------|------------------|----------------|
| Salaries | 76030350.60200.0000 | \$0 | \$120,998 | \$120,998 |
| CDBG Block Grant | 80576030722.80400.8888 | 0 | <u>\$483,993</u> | \$483,993 |
| Total Change to Expenses | | | <u>\$604,991</u> | \$604,991 |

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **24**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

**A BILL
FOR AN ORDINANCE INCREASING THE 2010 BUDGET OF THE COMMUNITY
DEVELOPMENT BLOCK GRANT FUND AND AUTHORIZING A SUPPLEMENTAL
APPROPRIATION FROM THE 2010 ESTIMATED REVENUES IN THIS FUND**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 2010 appropriation for the CDBG Fund, initially appropriated by Ordinance No. 3432 is hereby increased by \$604,991. This appropriation is amount approved by the U.S. Department of Housing and Urban Development (HUD) for the City for 2010.

Section 2. The \$604,991 increase in the CDBG Fund shall be allocated to City revenue and expense accounts as described in the City Council Agenda Item 10K, dated May 10, 2010 (a copy of which may be obtained from the City Clerk) increasing City fund budgets as follows:

| | |
|-----------|------------------|
| CDBG Fund | <u>\$604,991</u> |
| Total | <u>\$604,991</u> |

Section 3 – Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading.

Section 5. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

ATTEST:

Mayor

City Clerk



WESTMINSTER
COLORADO

Agenda Item 10 L

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Councillor's Bill No. 25 re 2009 Final Budget Supplemental Appropriation

Prepared By: Gary Newcomb, Accountant

Recommended City Council Action

Pass Councillor's Bill No. 25 on first reading providing for supplemental appropriation of funds to the 2009 budget of the General, Utility Rate Stabilization Reserve, Utility Capital Project Reserve, Conservation Trust, and General Capital Improvement Funds.

Summary Statement

- At the end of each quarter Staff prepares an ordinance to appropriate unanticipated revenues received during the quarter. Preparing quarterly supplemental appropriation requests is done to simplify administrative procedures and reduce paper work.
- This is the final supplemental appropriation for 2009.
- General Fund amendments:
 - \$1,700 Grants
 - (\$22,460) Lease Proceeds
- Utility Rate Stabilization Reserve Fund amendments:
 - \$1,288,638 Carryover
- Utility Capital Project Reserve Fund amendments:
 - \$1,506,534 Carryover
- Conservation Trust Fund amendments:
 - \$900,716 Carryover
- General Capital Improvement Fund amendments:
 - (\$175,000) Carryover
 - \$75,000 Grants

Expenditure Required: \$3,575,128

Source of Funds: The funding sources for these budgetary adjustments include carryover, grants, and lease proceeds.

Policy Issue

Does City Council support amending the appropriations for the 2009 budget of the General, Utility Rate Stabilization Reserve, Utility Capital Project Reserve, Conservation Trust, and General Capital Improvement Funds?

Alternative

City Council could chose not to amend the 2009 budget appropriations for the General, Utility Rate Stabilization Reserve, Utility Capital Project Reserve, Conservation Trust, and General Capital Improvement Funds and to utilize these funds for other purposes. Staff does not recommend this alternative as the various departments have already incurred expenses and covered them with their current budget in anticipation of appropriation of these additional funds.

Background Information

This agenda memo and attached Councillor's Bill is a routine action addressing the need to adjust revenue and expenditure appropriations as a result of activities or events that were not anticipated during the normal budget process.

On April 13, 2009, City Council authorized an amount not to exceed \$550,000 to be added to the City's master lease with Key Bank for the Parks Services maintenance equipment package. As part of the agenda, a supplemental appropriation to the General Fund was approved for \$550,000. The final funding required for the maintenance equipment purchase was \$527,540, or \$22,460 below the authorized amount. In order to properly reflect the proceeds on the City's books for financial reporting, \$22,460 is requested to be un-appropriated from the General Fund. (General Fund)

In September 2009, the Police Department submitted an application to the Wal-Mart Foundation Community Grant Coordinator requesting funding for the Santa Cops program. Grant funding of \$1,000 was approved by Wal-Mart and the funds were received in November 2009. The department purchased Christmas gifts for the underprivileged children residing in Westminster, which were delivered to the recipients by Westminster Police Officers. The funds are being requested for appropriation into the department's supplies account. (General Fund)

The City was awarded a site grant from the 9 Health Fair for \$700 to be used to assist with expenses associated with the City of Westminster hosting a 2009 Fair site. The funds were used to reimburse the City for employee salaries and to purchase food for volunteers. The funds are being requested for appropriation into the City Park temporary salaries and supplies accounts. (General Fund)

During 2009 revenue from water sales and water and wastewater taps was below budget and expenditure savings were not enough to offset the shortfall. Public Works & Utilities is requesting the use of the Operating Reserve (OR), Rate Stabilization Reserve (RSR), and Capital Project Reserve (CPR) to fund shortfalls and balance the 2009 budget. In the water fund, Staff is requesting Council authorize transfers of \$1,828,837 from the OR to cover water sales shortfalls and \$1,256,178 to cover a water fund capital shortfall; \$1,257,083 from the RSR to the water operating fund to cover water sales shortfalls; and \$1,493,646 from the CPR to the water operating fund to cover tap fee shortfalls. In the wastewater fund, \$818,367 is requested to be transferred from the OR to cover wastewater fund capital shortfalls, \$31,555 from the RSR to the wastewater operating fund to cover wastewater sales shortfalls, and \$12,888 from the CPR to the wastewater operating fund to cover tap fee shortfalls. Elsewhere on tonight's agenda, Council is being asked to approve a resolution to close out the OR within the Utility Fund. This action reflects the funds' movement from the OR. (Utility Rate Stabilization Reserve, Utility Capital Project Reserve)

SUBJECT:

Councillor's Bill re 2009 Final Budget Supplemental Appropriation

Page 3

Prior to 2009 Conservation Trust awards were budgeted within the General Capital Improvement Fund (GCIF) with the GCIF expenditures being reimbursed by the Conservation Trust Fund. To simplify the accounting, awards are now appropriated directly into the Conservation Trust Fund. \$175,000 was previously budgeted in the GCIF fund for Conservation Trust Eligible expenses related to the City Park Aquatic Enhancement Project. This project is being moved to the Conservation Trust Fund by unappropriating it in the GCIF and appropriating it in the Conservation Trust Fund.

During 2008, the General Capital Improvement Fund made a total of \$1,350,716 in qualifying Conservation Trust expenditures. The Conservation Trust Fund reimbursed the General Capital Improvement Fund for the budgeted \$625,000 of this amount. The remaining \$725,716 is being requested for appropriation and transfer to reimburse the General Capital Improvement Fund. (Conservation Trust Fund)

On November 17, 2008, City Council approved an IGA with Regional Transportation District (RTD) for the preparation of a conceptual development and improvement plan around the planned transit rail station at Hooker Street and the Burlington Northern & Santa Fe (BNSF) Railroad tracks. This agreement provides for RTD to fund \$105,000 with the City providing a local match of \$64,930. \$75,000 of RTD's portion is federal grant funds passed through to the City and is being requested for appropriation into the South Westy TOD capital project. The remaining \$30,000 will be requested for appropriation once received from RTD. (General Capital Improvement Fund)

In 2009 the Police Department submitted an itemized request for International Crimes Against Children (ICAC) Grant reimbursement funding totaling \$4,839 for related expenses incurred during the third quarter 2008/2009 ICAC Grant period. The grant request included reimbursement for overtime, training, and ICAC computer forensic hard drive storage equipment. The grant reimbursement was received on February 18, 2010. With the funds being received in 2010 as reimbursement for 2009 expenditures the funds are not being requested for appropriation but are noted here as recognition of the receipt of grant funds.

These appropriations will amend General Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|------------|----------------|
| Other Grants | 1000.40650.0057 | \$7,000 | \$1,700 | \$8,700 |
| Note Proceeds | 1000.46000.0225 | 584,990 | (22,460) | 562,530 |
| Total Change to Revenues | | | (\$20,760) | |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|---------------------|----------------|------------|----------------|
| Supplies-Prof Services | 10020300.70200.0341 | \$17,500 | \$1,000 | \$18,500 |
| Budget Hold | 10050050.76800.0000 | 22,460 | (22,460) | 0 |
| Salaries Temp Fitness | 10050720.60600.0505 | 239,100 | 300 | 239,400 |
| Supplies-City Park | 10050720.70200.0860 | 26,050 | 400 | 26,450 |
| Total Change to Expenses | | | (\$20,760) | |

These appropriations will amend Utility Rate Stabilization Reserve Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|-------------|----------------|
| Carryover | 2050.40020.0000 | \$27,847,995 | \$1,288,638 | \$29,136,633 |
| Total Change to Revenues | | | \$1,288,638 | |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|---------------------|----------------|--------------------|----------------|
| Transfers Water | 20510900.79800.0200 | \$18,249,272 | \$1,257,083 | \$19,506,355 |
| Transfers Wastewater | 20510900.79800.0210 | 3,535,748 | <u>31,555</u> | 3,567,303 |
| Total Change to Expenses | | | <u>\$1,288,638</u> | |

These appropriations will amend Utility Capital Project Reserve Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|--------------------|----------------|
| Carryover | 2070.40020.0000 | \$0 | \$1,506,534 | \$1,506,534 |
| Total Change to Revenues | | | <u>\$1,506,534</u> | |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|---------------------|----------------|--------------------|----------------|
| Transfers Water | 20710900.79800.0200 | \$0 | \$1,493,646 | \$1,493,646 |
| Transfers Wastewater | 20710900.79800.0210 | 0 | <u>12,888</u> | 12,888 |
| Total Change to Expenses | | | <u>\$1,506,534</u> | |

These appropriations will amend Conservation Trust Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|------------------|----------------|
| Carryover | 5500.40020.0000 | \$0 | \$900,716 | \$900,716 |
| Total Change to Revenues | | | <u>\$900,716</u> | |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|------------------------|----------------|------------------|----------------|
| Transfers GCIF | 55010900.79800.0750 | \$0 | \$725,716 | \$725,716 |
| CP Aquatic Enhancement | 80855050753.80400.8888 | 0 | <u>175,000</u> | 175,000 |
| Total Change to Expenses | | | <u>\$900,716</u> | |

These appropriations will amend General Capital Improvement Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|--------------------|----------------|
| Carryover | 7500.40020.0000 | \$2,558,528 | (\$175,000) | \$2,383,528 |
| Federal Grants | 7500.40610.0000 | 972,971 | <u>75,000</u> | 1,047,971 |
| Total Change to Revenues | | | <u>(\$100,000)</u> | |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|------------------------|----------------|--------------------|----------------|
| CPRC Ozone Replacement | 80875050819.80400.0000 | \$175,000 | (\$175,000) | \$0 |
| South Westy TOD | 80875030823.80400.8888 | 0 | <u>75,000</u> | 75,000 |
| Total Change to Expenses | | | <u>(\$100,000)</u> | |

SUBJECT: Councillor's Bill re 2009 Final Budget Supplemental Appropriation Page 5

These adjustments will bring the City's accounting records up-to-date to reflect the various detailed transactions.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **25**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

**A BILL
FOR AN ORDINANCE AMENDING THE 2009 BUDGETS OF THE GENERAL, UTILITY
RATE STABILIZATION RESERVE, UTILITY CAPITAL PROJECT RESERVE,
CONSERVATION TRUST, AND GENERAL CAPITAL IMPROVEMENT FUNDS AND
AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM THE 2009 ESTIMATED
REVENUES IN THE FUNDS**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 2009 appropriation for the General, Utility Rate Stabilization Reserve, Utility Capital Project Reserve, Conservation Trust, and General Capital Improvement Funds, initially appropriated by Ordinance No. 3432 are hereby increase in aggregate by \$3,575,128. This appropriation is due to the receipt of funds from carryover, grants, and lease proceeds.

Section 2. The \$3,575,128 increase shall be allocated to City Revenue and Expense accounts as described in the City Council Agenda Item 10 L dated May 10, 2010 (a copy of which may be obtained from the City Clerk) increasing City fund budgets as follows:

| | |
|---|--------------------|
| General Fund | (\$20,760) |
| Utility Rate Stabilization Reserve Fund | 1,288,638 |
| Utility Capital Project Reserve Fund | 1,506,534 |
| Conservation Trust | 900,716 |
| General Capital Improvement Fund | <u>(100,000)</u> |
| Total | <u>\$3,575,128</u> |

Section 3 – Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading.

Section 5. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

ATTEST:

Mayor

City Clerk



Agenda Item 10 M

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Councillor's Bill No. 26 re 2010 1st Quarter Budget Supplemental Appropriation

Prepared By: Gary Newcomb, Accountant

Recommended City Council Action

Pass Councillor's Bill No. 26 on first reading providing for supplemental appropriation of funds to the 2010 budget of the General, Utility, and General Capital Improvement Funds.

Summary Statement

- At the end of each quarter Staff prepares an ordinance to appropriate unanticipated revenues received during the quarter. Preparing quarterly supplemental appropriation requests is done to simplify administrative procedures and reduce paper work.
- This is the 2010 1st quarter supplemental appropriation.
- General Fund amendments:
 - \$8,400 Foundation Grants
- Utility Fund amendments:
 - \$4,727 State Grants
- General Capital Improvement Fund amendments:
 - \$15,521 Federal Grants
 - 27,700 Reimbursements

Expenditure Required: \$56,348

Source of Funds: The funding sources for these budgetary adjustments include reimbursements and federal, state and foundation grants.

Policy Issue

Does City Council support amending the appropriations for the 2010 budget of the General, Utility and General Capital Improvement Funds?

Alternative

The alternative would be not to amend the 2010 budget appropriations for the General, Utility and General Capital Improvement Funds and to utilize these funds for other purposes. Staff does not recommend this alternative as the various departments have already incurred expenses and covered them with their current budget in anticipation of appropriation of these additional funds.

Background Information

This agenda memo and attached Councillor's Bill is a routine action addressing the need to adjust revenue and expenditure appropriations as a result of activities or events that were not anticipated during the normal budget process.

The Police Department was approved for and received funding from a Wal-Mart Foundation Local Community Grant for the total amount of \$1,500. The grant request was for Specialized Weapons and Tactical Team (SWAT) Gas Masks. The equipment will enhance the everyday and special emergency response capabilities and will allow the SWAT Team to be better prepared for Homeland Security situations. The funds are being appropriated to the department's Patrol Services SWAT equipment account.

City Park Recreation Center was awarded a Grant from the Legacy Foundation to purchase a public art piece for \$5,000. The art piece is a series of four banners, illustrating the same mountain outdoor scene during each or the four seasons. The banner paintings are done in a unique mosaic technique presented by artist, Ann D. Quinn. The banners are displayed above the staircase entrance to the lower level admissions desk at City Park Recreation Center and were installed prior to the soft opening of the aquatics renovation. The funds are being appropriated to the City Park Other Equipment account for the purchase of the art.

The Board of the Westminster Legacy Foundation awarded a Colorado Common Grant to Westminster Countryside Pool. The grant award in the amount of \$1,900 is for the purchase of an Automated External Defibrillator (AED). The purchase has been coordinated with the Westminster Fire Department. These funds are being appropriated to the Countryside supply account.

On September 8, 2008 City Council appropriated \$50,000 for a Source Water Protection Grant from the State of Colorado. \$4,727 of the appropriation expired at the end of 2009 and is being requested for re-appropriation for consultant services. The funds will be used for consultant services to develop a Source Water Protection Plan for Standley Lake Watershed.

The City was awarded a Federal Grant in the amount of \$15,521 from the Denver Regional Council of Governments for the purchase of Fiber Optic equipment on 92nd Avenue from the Mall Entrance to Pierce Street that will add 4 traffic signals to the City's computerized communication system. These funds are being appropriated into the Community Development Traffic Signal CIP account as reimbursement for the purchase of the equipment.

The City's Department of Community Development received a \$27,700 settlement after making a demand on the surety for John Laing Homes, Inc., developer of the County Club Highlands Subdivision. This demand was made due to default on the part of the developer to complete landscape improvements identified as an obligation in their Official Development Plan and Landscape and Private Improvements Agreement. These funds are being appropriated into the New Development Participation CIP to hire a contractor to complete these obligations.

These appropriations will amend General Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|----------------|----------------|
| Other Grant | 1000.40650.0057 | \$0 | \$8,400 | \$8,400 |
| Total Change to Revenues | | | <u>\$8,400</u> | |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|---------------------|----------------|----------------|----------------|
| Supplies-Patrol Admin | 10020500.70200.0000 | \$0 | \$1,500 | \$1,500 |
| Supplies-Countryside | 10050720.70200.0965 | 5,301 | 1,900 | 7,201 |
| Other Equip-City Park | 10050720.76000.0860 | 0 | 5,000 | 5,000 |
| Total Change to Expenses | | | <u>\$8,400</u> | |

These appropriations will amend Utility Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|----------------|----------------|
| State Grants | 2000.40620.0000 | \$0 | \$4,727 | \$4,727 |
| Total Change to Revenues | | | <u>\$4,727</u> | |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|---------------------|----------------|----------------|----------------|
| Prof Svcs-Water Quality | 20035480.65100.0943 | \$222,004 | \$4,727 | \$226,731 |
| Total Change to Expenses | | | <u>\$4,727</u> | |

These appropriations will amend General Capital Improvement Fund revenue and expense accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|-----------------|----------------|
| Federal Grants | 7500.40610.0000 | \$0 | \$15,521 | \$15,521 |
| Reimbursements | 7500.43080.0000 | 0 | 27,700 | 27,700 |
| Total Change to Revenues | | | <u>\$43,221</u> | |

EXPENSES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|-------------------------------|------------------------|----------------|-----------------|----------------|
| Traffic Signal Sys Improv | 80175030143.80400.8888 | \$9,579 | \$15,521 | \$25,100 |
| New Development Participation | 80175030143.80400.8888 | 392,005 | 27,700 | 419,705 |
| Total Change to Expenses | | | <u>\$43,221</u> | |

These adjustments will bring the City’s accounting records up-to-date to reflect the various detailed transactions.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **26**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

**A BILL
FOR AN ORDINANCE AMENDING THE 2010 BUDGETS OF THE GENERAL, UTILITY AND
GENERAL CAPITAL IMPROVEMENT FUNDS AND AUTHORIZING A SUPPLEMENTAL
APPROPRIATION FROM THE 2010 ESTIMATED REVENUES IN THE FUNDS**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 2010 appropriation for the General, Utility, and General Capital Improvement Funds, initially appropriated by Ordinance No. 3432 are hereby increased in aggregate by \$56,348. This appropriation is due to the receipt of funds from a reimbursement and federal, state and foundation grants.

Section 2. The \$56,348 increase shall be allocated to City Revenue and Expense accounts as described in the City Council Agenda Item 10 M dated May 10, 2010 (a copy of which may be obtained from the City Clerk) increasing City fund budgets as follows:

| | |
|----------------------------------|-----------------|
| General Fund | \$ 8,400 |
| Utility Fund | 4,727 |
| General Capital Improvement Fund | <u>43,221</u> |
| Total | <u>\$56,348</u> |

Section 3 – Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading.

Section 5. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

ATTEST:

Mayor

City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Councillor's Bill No. 27 re Lease for the Former Animal Shelter

Prepared By: Joe Lachermeier, Purchasing Officer

Recommended City Council Action

Pass Councillor's Bill No. 27 on first reading authorizing the City Manager to sign a lease agreement with 5 Star Pups, LLC, for the former City of Westminster Animal Shelter located at 8800 Sheridan Boulevard, Unit 100.

Summary Statement

- Lease agreements are used to define the responsibilities of each party, to protect the interests of the City, and to maintain the improvements on the property.
- The current lessee of the former City of Westminster Animal Shelter, The Dog & I, is asking to be released early from the 5 year lease they signed with the City in August of 2006. The lease is scheduled to expire August 31, 2011.
- The initial intent was to assign the existing lease to 5 Star Pups, but the City wanted to change the lease terms as described below, thus requiring a new lease.
- The total annual payments made to the City under the terms of the new lease will decrease from \$25,200, under the Dog & I lease, to \$13,200.00 under the 5 Star Pups lease. This decrease is a result of the fact that under the Dog & I lease, the utilities costs (gas and electric) were being paid by the City with part of the lease proceeds. Under the new lease, utilities will be put in the name of the tenant, 5 Star Pups, LLC, and thus they will be responsible for paying them. The City's Building Operations & Maintenance Department has determined the average monthly utilities to be \$1,050.00
- The proposed three-year lease agreement would run from June 1, 2010 to May 31, 2013, with an optional five-year renewal, requires 5 Star Pups, LLC, to purchase liability insurance and be responsible for all maintenance inside the building. The City would be responsible for all exterior and grounds maintenance. Annually, 5 Star Pups, LLC, would pay \$13,200 through the three-year lease term for the former Animal Shelter, parking as needed on the south side of the building, and fenced areas on the north and east sides of the building.
- Leasing of property by the City must be approved by ordinance under section 13.4 of the City's Charter.
- The City is not responsible for making any tenant improvements to the building.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Does the City Council wish to lease the former Animal Shelter to 5 Star Pups, LLC, to operate a Westminster dog daycare, dog grooming, and hotel?

Alternative

Do not lease the former Animal Shelter building to 5 Star Pups, LLC, and continue to hold The Dog & I liable for the monthly lease payments. Staff does not recommend this alternative as the Dog & I has requested their lease be terminated early and is not in a position to continue the lease.

Background Information

The City of Westminster vacated the former Animal Shelter, located at 8800 Sheridan Boulevard in 1996. At that time, the City entered into an agreement with Table Mountain Animal Shelter to provide shelter services and the Police Department utilized the building for overflow storage. When the new Public Safety Center was built, the Police Department moved out leaving the building vacant. Because of the unique building amenities, finding tenants was a challenge. Over the last 6 months the owners of The Dog & I have communicated they could no longer operate a dog daycare and hotel at the old Animal Shelter site. The City's Purchasing Officer began searching out businesses and found 5 Star Pups, LLC, a new Westminster business, interested in leasing the building.

The proposed three-year lease agreement, which extends the lease two years, with an optional five-year renewal, requires 5 Star Pups, LLC, to purchase liability insurance and be responsible for all maintenance inside the building. The City would be responsible for all exterior and grounds maintenance, 5 Star Pups, LLC would be responsible for the utilities (gas & electric). Annually, 5 Star Pups, would pay \$13,200 through the three-year lease term for the former Animal Shelter building, parking as needed on the south side of the building, and fenced areas on the north and east sides of the building.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **27**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

**A BILL
FOR AN ORDINANCE APPROVING A LEASE WITH 5 STAR PUPS FOR THE LEASE OF
THE FORMER CITY OF WESTMINSTER ANIMAL SHELTER**

WHEREAS, the City of Westminster ("City") is the owner of the building at 8800 Sheridan Boulevard, Unit 100, Westminster, Colorado (the "Property"); and

WHEREAS, the property was formerly used as an animal shelter; and

WHEREAS, the City desires to lease the Property to 5 Star Pups, LLC, a Colorado for Profit corporation, for use as a dog day care, dog grooming, and dog hotel; and

WHEREAS, the final form of the lease has been agreed to by the parties; and

WHEREAS, the City Charter requires such leases to be approved by ordinance.

NOW, THEREFORE, THE CITY OF WESTMINSTER ORDAINS:

Section 1. The Lease Agreement, attached hereto as Exhibit "A" between the City and 5 Star Pups, LLC for the lease of the main level of the former animal shelter located at 8800 Sheridan Boulevard, Unit 100, Westminster, Colorado, at a rate of \$1,100 per month for three years.

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 10th day of May, 2010.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 24th day of May, 2010.

ATTEST:

City Clerk

Mayor

APPROVED AS TO LEGAL FORM:

City Attorney's Office

Exhibit A

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made this _____ day of _____, 2010, between the CITY OF WESTMINSTER, a Colorado home rule municipality (the "Lessor"), and 5 Star Pups, L.L.C., a Colorado limited liability company, whose registered address is 8800 Sheridan Boulevard, Unit 100, Westminster, CO 80030 (Lessee").

In consideration of the payment of the rent and the keeping and performance of the mutual promises set forth below, the Lessor hereby agrees to lease to the Lessee the premises described as the main level of the former Animal Shelter located at 8800 Sheridan Boulevard, Unit 100, Westminster, Colorado associated parking spaces ("the Premises").

This Agreement is expressly contingent upon the approval of the City of Westminster's City Council of all the terms set forth herein. In the event this Agreement is not approved in its entirety by City Council, neither Party shall be bound to the terms of this Agreement.

B. TERM OF LEASE

1. Lessor leases to Lessee the described Premises, for a term of three (3) years commencing June 1, 2010, unless sooner terminated pursuant to Paragraph B.3. below.

2. At the end of said Term, the Lease may be renewed by Lessee for a further period of five (5) years and such renewal shall be upon all of the same terms and conditions applicable during the initial term, except that the lease rate shall be mutually agreed upon by the parties prior to the end of the 35th month of the Lease.

3. Lessee shall use and occupy the premises for a dog day care, grooming and dog hotel. The premises shall be used for no other purpose. Lessor represents that the premises may lawfully be used for such purpose under its zoning regulations. However, Lessor discloses and Lessee expressly acknowledges that the real property upon which the Premises are located is subject to a lease agreement between Lessor and the Colorado Department of Transportation (CDOT) that may require the Lessor to terminate the Lease prior to the expiration of the lease term. In such event, Lessor shall provide no less than thirty days written notice to Lessee of the need for Lessee to vacate the Premises and Lessee will not be obligated to pay the monthly rental installment or pro-rata portion thereof for that period.

C. RENTAL PAYMENTS

1. Lessee shall pay rent to Lessor at the annual rate of \$13,200.00 dollars for each of the three (3) years.

2. Payments shall be due on the first day of each month and payable in advance, at the City Hall of the Lessor at 4800 West 92nd Avenue, Westminster, Colorado 80031, in monthly installments of \$1,100.00, payable on the first day of each month and continuing thereafter in monthly installments for the entire term of the Lease. Payments not received by the tenth of the month shall be subject to a late fee, until such payment is received, equal to ten (10) percent of the amount unpaid per month. The late fee may be abated in whole or in part by the City Manager for good cause.

The first two monthly payments shall be reduced to \$ 600.00 each.

3. If Lessee vacates the Premises for any reason before the end of the Term and ceases to pay rent to Lessor as provided in this Lease, Lessor may, at its option and without notice, and using such force as may be necessary, enter said Premises, remove any equipment, fixtures, personalty and effects of Lessee therefrom, and re-let the same, or any part thereof, as it may see fit, for the account of Lessee, without thereby avoiding or terminating this Lease, and for the purpose of such re-letting, Lessor is authorized to make any repairs, changes, alterations or additions in or to said premises, as may, in the opinion of Lessor, be necessary or desirable for the purpose of such re-letting, and if a sufficient sum shall not be realized from such re-letting each month to equal the quarterly installments agreed to be paid by Lessee under the provisions of this Lease, then Lessee agrees to pay such deficiency each quarter.

However, Lessor shall have no obligation to re-let the Premises. Lessee shall remain obligated to continue Lease payments for the full three (3) year term. Lessor may, at its option, terminate the Lease upon terms negotiated and agreed to by both Parties. Notwithstanding any provision of this Lease to the contrary, in the event that Lessor is required pursuant to Paragraph B.3 above to turn over the property of which the Premises is a portion to the Colorado Department of Transportation, then Lessee's liability under this Lease shall end.

D. OBLIGATIONS OF LESSEE

In consideration of the lease of the Premises, the Lessee covenants and agrees as follows:

1. To use the Premises for the operation of a dog day care, grooming and hotel.
2. To pay the rent for said Premises as provided above.
3. To use the Premises for no purpose prohibited by the laws of the United States or the State of Colorado, or the ordinances of the City of Westminster.
4. To allow the Lessor at any reasonable hour of the day to enter into and go through the Premises. Except in cases of emergency, Lessor will provide notice of entry, such notice to be reasonable under the circumstances. Lessor shall not interfere with the operations of Lessee during such entry. Notwithstanding this paragraph, Lessor shall have no duty to inspect the premises or make repairs except as provided herein.
5. Not to permit the Premises, or the walls or floors thereof, to be endangered by overloading, or the Premises to be used for any purpose that would render the insurance thereon void or the insurance risk more hazardous. Lessee shall take all such action as may be necessary to prevent the Premises from ever being occupied in excess of City and State limits of occupancy.
6. Not to make any alterations to, or modifications in or upon the Premises, including the installation or removal of attached fixtures, without first obtaining the Lessor's written consent, which will not be unreasonably withheld and which shall include provisions for removal of the alterations or modifications if desired by Lessor. No such alterations or modifications shall be made, except pursuant to plans submitted by Lessee to the City Manager or his designee. All such alterations or modifications shall be done in conformance with all applicable laws, codes, regulations, and rules of the City and the State of Colorado. All such alterations or modifications shall be done at the Lessee's expense. All such expenses shall be the sole financial responsibility of the Lessee.
7. To exercise reasonable care in the supervision of its employees, officers, directors, and staff coaches at all times when they are in or upon the Premises.
8. To reimburse Lessor for any expense incurred by it in repairing any damage to the Premises caused by Lessee, its directors, officers, employees or agents, or any person in their care, or present with their permission, unless Lessee makes the repairs, to the reasonable satisfaction of Lessor.
9. To indemnify, defend, and hold harmless the Lessor from and against any claim for personal injury or property damage resulting from any negligent act or omission of Lessee or its employees or agents, to carry liability insurance covering bodily injury and property damage in the minimum amount of \$1,000,000 per occurrence, and to make Lessor an additional insured under its policy of liability insurance, and to provide the Lessor with a certificate of insurance as evidence of coverage prior to Lessee's occupancy of the Premises.
10. To sublet no part of the Premises, nor assign this Lease or any interest therein without Lessor's specific written consent.
11. Not to permit any disorderly conduct or nuisance whatever about the Premises, the building in which they are located, or on the building grounds, having a tendency to annoy, disturb or interfere with other occupants of the building.
12. At the expiration or termination of this Lease, to surrender and deliver up the Premises in as good order and condition as when the same were entered upon, loss by fire or other casualty, inevitable accident and ordinary wear excepted.
13. To furnish and equip the space it occupies on the Premises. Lessee may remove fixtures it has installed if removal can be done so that floors, walls, or structures are in substantially the same condition as at the beginning of Lease, fire or other casualty, inevitable accident and ordinary wear excepted.

14. If Lessee desires such signage, to pay for and place signage on the Premises building designating it as the “5 Star Pups” after receiving approval of sign design and quality by the City of Westminster.
15. To repair and maintain at Lessee’s expenses standard items such as paint and tile surfaces, window glass, lighting fixtures and plumbing fixtures, which are not the responsibility of Lessor as provided below.
16. Notwithstanding any provision in this Lease Agreement to the contrary, to perform all repairs of an emergency nature necessary to protect the Premises from undue and avoidable injury or damage.
17. To arrange and pay for all gas and electric, trash service, telephone installation and internet connections that Lessee deems necessary for its use and the service charges therefore.
18. Lessee accepts the Premises "as is" and acknowledges that Lessor shall have no obligation for maintenance or repair of the Premises except as described in Paragraph E.

E. OBLIGATIONS OF LESSOR

In consideration of the receipt of rent and the covenants of Lessee, the Lessor covenants and agrees as follows:

1. To provide free parking for the use of Lessee adjacent to the Premises site.
2. To provide or cause to be provided for the Premises, water and sanitary sewer services. Lessor will also provide adequate heating and ventilation systems for the Premises, as well as smoke alarms and fire sprinklers to the extent required by the International Building Code. The Lessor will pay all charges for insurance, taxes and water used on the premises, except as otherwise herein provided.
3. To provide grounds maintenance and exterior building maintenance.
4. To provide maintenance and repair for structural systems, heating and ventilation systems, water supply lines, waste water lines and electrical and gas systems.
5. Lessee may quietly hold and enjoy the premises without any interruption by the Lessor or any person claiming under the Lessor.

F. MISCELLANEOUS TERMS

1. Lessor shall have no responsibility or liability for any loss or damage to any personal property of the Lessee or any fixtures installed by the Lessee.
2. Lessee shall store no flammable, toxic, dangerous, hazardous or obnoxious materials anywhere in the Premises.
3.
 - (a) If the Premises becomes so damaged by fire, flood, act of God or any other casualty so as to render the Premises untenable, the Lessee may terminate this Lease without further obligation, unless the repairs for damage are started within sixty (60) days, in which case the Lease will continue under the existing terms and conditions.
 - (b) The rent payable under this Lease shall abate following any damage to the Premises, to the extent all or part of the Premises is rendered untenable, until such damage has been repaired by Lessor.
 - (c) Within thirty (30) days after the occurrence of the damage, Lessor shall give written notice to Lessee of Lessor's best estimate of the time that will be required to repair, the damage (without the payment of overtime or any premium). Lessor may also notify Lessee of the availability of other portions of the Facility or other temporary premises, if any. Notwithstanding the offer of alternate premises, if the estimated time to repair is more than ten (10) months, and Lessee rejects alternate premises, Lessee may terminate this Lease without further obligation. If Lessee does not so terminate, this Lease will continue under the existing terms and conditions, subject to paragraph (b) above.
 - (d) Notwithstanding the above paragraphs, if the Premises are damaged more than fifty percent (50%) of its full insurable value, as reasonably determined by Lessor, Lessor may terminate this Lease. Lessor shall give Lessee written notice of termination or Lessor's decision to continue the Lease within thirty (30) days of the occurrence of the damage. If Lessor chooses to continue the Lease, Lessee may terminate the Lease by giving notice to Lessor in writing within thirty (30) days of Lessor's notice to continue.

4. If the Premises are left vacant and Lessee ceases to pay rent to Lessor, the Lessor may, at its option, either retake possession of the Premises, terminating the Lease and Lessor's and Lessee's obligations thereunder, or it may re-rent the Premises, subject to the provisions of paragraph C.3 above.
5. If the Lessee becomes insolvent, or is declared bankrupt, the Lessor may terminate this Lease forthwith, and all rights of the Lessee hereunder shall thereupon terminate, subject to the provisions of paragraph C.3 above.
6. At the expiration of the term of this Lease, whether by passage of time or by act of the Lessor as provided in this Lease Agreement, the Lessee shall surrender and deliver up the Premises peaceably to the Lessor, and if the Lessee shall remain in possession after termination of this Lease, the Lessee shall be deemed guilty of a forcible detainer of the Premises under the statute, and shall be subject to eviction and removal in accordance with state law.
7. If default shall be made in any of the covenants or agreements contained in this Lease Agreement to be kept by Lessee, Lessor shall provide written notice to Lessee of the default. Lessee shall have thirty (30) days after the notice to cure the default. If Lessee fails to cure the default within said thirty days, Lessor may, but need not, declare the term ended and repossess the Premises in accordance with state law. If the nature of the default is such that it cannot be cured with reasonable diligence within thirty (30) days, then Lessee shall not be in default if it commences to cure such default within thirty (30) days and thereafter diligently prosecutes such cure.
8. No failure to act nor any assent, express or implied, to any breach of any one or more of the covenants or agreements contained in this Lease Agreement shall be deemed or taken to be a waiver of any succeeding or other breach.
9. Nothing herein contained, either in the method of computing rent or otherwise, shall create between the parties hereto, or be relied upon by others as creating any relationship of partnership, association, joint venture, or otherwise. The sole relationship of the parties hereto shall be that of Landlord and Tenant.
10. There are no oral agreements or representations between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, agreements or representations and understandings, if any, between the parties hereto with respect to the subject matter hereof.
11. If any provision of this Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect.
12. Except as otherwise provided in this Lease, any prevention, delay or stoppage due to strike, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage.
13. The following persons are hereby designated by the parties as the persons responsible for the implementation of this Lease. Should Notices need to be sent or problems arise concerning this Lease, the parties agree to contact:
For the Lessee: _____

For the Lessor: _____

14. Eminent Domain. If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this Lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, and may not file a claim for any taking of fixtures and improvements owned by Lessee, nor for moving expenses.

15. Security Deposit. Lessee shall deposit with Lessor on the signing of this Lease the sum of \$2,100.00 as security for the performance of Lessee's obligations under this Lease including without limitation the surrender of possession of the premises to Lessor as herein provided. If Lessor applies any part of the deposit to cure any default of Lessee, Lessee shall on demand deposit with Lessor the amount so applied so that Lessor shall have the full deposit on hand at all times during the term of this Lease.
16. Radon Gas Disclosure. As required by law, Lessor makes the following disclosure: "Radon Gas" is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Colorado. Additional information regarding radon and radon testing may be obtained from your county public health unit.
17. Lessee agrees to execute any and all documents subordinating this Lease as requested by Lessor.
18. This Lease shall bind the Lessor and the Lessee and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals this _____ day of _____, 2010.

LESSEE: 5 Star Pups, L.L.C.

LESSOR: CITY OF WESTMINSTER

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Approved as to legal form:

By: _____
City Attorney's Office



Agenda Item 10 O

WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Councillor's Bill No. 28 re Issuance of Water and Wastewater Utility Enterprise Revenue Bonds in the amount not to exceed \$33,000,000

Prepared By: Tammy Hitchens, Finance Director
Bob Smith, Treasury Manager

Recommended City Council Action

Adopt Councillor's Bill No. 28 as an emergency ordinance, approving the sale of Water and Wastewater Utility Enterprise Revenue Bonds Series 2010, in an amount not to exceed \$33 million, and direct the Mayor, City Manager, Finance Director and City Clerk to sign necessary documents on behalf of the City.

Summary Statement

- Upon closing, proceeds from the bonds will fund capital project account not to exceed \$28,618,000 to pay for the reclamation plant expansion and storage, water-line replacements, water pressure zone enhancements, the expansion of the Northwest Water Treatment Facility membrane, water rights, and other capital projects.
- Fund a Debt Service Reserve Fund not to exceed \$4,132,000 but Staff anticipates funding at half this amount if the debt rating is not affected by funding the reserve at this lower level.
- Pay Cost of Issuance expenses not to exceed \$250,000
- This ordinance is proposed as an emergency ordinance in order to complete the issuance and sale of the bonds while favorable market conditions exist.
- The revised 2010 Budget anticipated issuing \$28.3 million in new debt; however, the parameters of the attached Bond Ordinance consider any potential change to fully fund a debt reserve.
- The revised 2010 Budget includes \$1.25 million for debt payments, which covers the anticipated debt service, net of the federal interest subsidy.

Expenditure Required: Not to exceed \$250,000 (Cost of Issuance)

Source of Funds: All fees are included in the debt proceeds; no additional funds need to be budgeted.

Policy Issue

Should the City issue debt financing for various Utility Fund projects?

Alternatives

Do not issue bonds; pay for the improvements with cash. This option is not recommended.

1. The Utility Fund's 5-year Capital Improvement Plan combines both cash and debt financing for capital projects. Staff has spent considerable time developing long-term capital project plans, which are funded with a mix of cash and debt financing.
2. Currently debt financing is favorable due to the combination of low tax-exempt interest rates and the Federal government's Build America Bonds (BAB) program, which will rebate the City 35% of the interest cost for any taxable bonds issued.

Delay issuing the bond in hopes that the Federal Reserve Board (Fed) will reduce short-term rates that may lead to further interest expense savings. This option is not recommended. While it is possible the Fed will reduce short-term rates, the impact would be in the short-term (two years and under) market and the proposed debt will be amortized over a much longer time horizon, 20 years. The risk to the City is that both short and long-term rates could rise, due to inflation expectations.

Of greater concern in delaying these bonds are the potential impacts of the proposed Amendment 61, which is on November's statewide ballot. Among other provisions of this proposed Amendment, debt financing including utility bonds would require voter approval and a maximum amortization period of 10 years versus 20 years.

Background Information

Public Works and Utilities staff identified several water and wastewater capital projects that would commence between 2009 and 2010. Council approved Reimbursement Resolution 40, August 24, 2009, permitting payment of project expenses ahead of bond issuance to be reimbursed with bond proceeds. This action was deemed prudent given a very favorable market for the City to engage in large construction projects with bids being submitted well below previous cost estimates. It was advantageous for the water and wastewater utilities to commence work on some of its large capital projects. As of March 31, 2010, project expenses of approximately \$10.1 million had been incurred and will be reimbursed back into the Utility's Capital Project Reserve after the bonds close.

Bond proceeds are anticipated to fund the following major capital projects that Public Works and Utilities staff identified to be undertaken between 2009 and 2010:

Project Name

Reclaimed Plant Expansion
Reclaimed Treated Effluent Storage
Southern Zone 1 Transmission Line
Open Cut Water Line Replacements
Water Pressure Zone Enhancements
NWTF Membrane Expansion

In addition to the low bid construction environment, a combination of low tax-exempt interest rates along with the Federal Government's Build America Bonds (BAB) initiative lends itself to an advantageous period to issue debt. The pending debt issue will be marketed to investors potentially combining both tax-exempt and BAB taxable maturities depending on market conditions at the time of sale. The taxable securities are beneficial to both the City and investors. The City will benefit from a subsidy by the Federal government of 35% of the taxable interest rate paid and the investors will gain a tax benefit by purchasing the securities. Thus, with each debt service payment, the City, through its paying agent will send a request to the Federal government for the interest rebate subsidy payment.

The City's underwriter, Piper Jaffray, worked closely with Staff to evaluate various financing structure scenarios. It is important for the Utility Enterprise to maintain its excellent credit ratings, which are currently AAA by Fitch and AA by Standard & Poor's. Incorporating data from the Utility's Long Range Fiscal Model into the current and projected debt expenses, Staff and the Underwriter feel that coverage ratios will be adequate to handle the increased debt and to maintain our current rating agency ratings.

The 2010 Bond Ordinance includes a funded debt service reserve fund at 50% of the Maximum Annual Debt Service (MADS) subject to Rating Agency acceptance. If the rating on the bonds is adversely affected by the proposed Ordinance change, the debt reserve fund may be funded to a 100% MADS level. Until the 2001 bonds mature in 2014, the 2010 bonds will be subordinate due to the ordinance change; however, the underwriter does not feel that the subordinate position will result in an adverse market reaction given the overall financial strength of the Utility and by funding a debt reserve. The ordinance change removes the Springing Reserve language in the existing ordinance that requires the Utility to fund 100% of MADS if the debt coverage ratio dips below 150% of Pledged Revenues. Even though Staff does not foresee the need to fund the Springing Reserve, amending the ordinance was deemed prudent to provide the Utility with a little more financial flexibility.

The proceeds of the sale of this new issue will be appropriated in separate City Council actions on June 14, 2010, after the closing and the sales proceeds are received by the City.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments

BY AUTHORITY

ORDINANCE NO. **3513**

COUNCILLOR'S BILL NO. **28**

SERIES OF 2010

INTRODUCED BY COUNCILLORS

A BILL

FOR AN EMERGENCY ORDINANCE AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF CITY OF WESTMINSTER, COLORADO, WATER AND WASTEWATER UTILITY ENTERPRISE, WATER AND WASTEWATER REVENUE BONDS, SERIES 2010

THE CITY OF WESTMINSTER, COLORADO, WATER AND WASTEWATER UTILITY ENTERPRISE ORDAINS:

Section 1. Definitions and Construction.

A. Definitions. In this Ordinance the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

(1) Acquisition Fund: collectively, the Tax-Exempt Bonds Acquisition Fund and the Taxable Bonds Acquisition Fund.

(2) BAB Credit: the credit provided in Section 6431 of the Tax Code in lieu of any credit otherwise available to the bondholders of BABs under Section 54AA(a) of the Tax Code.

(3) BABs: the Taxable Bonds and any Parity Bonds with respect to which the Enterprise expects to receive a BAB Credit.

(4) Beneficial Owners: those Persons having beneficial ownership interests in Bonds registered in the name of the Securities Depository or a nominee therefor.

(5) Bond Insurance Policy: the municipal bond insurance policy issued by the Bond Insurer, guaranteeing the payment of principal of and interest on the Bonds.

(6) Bond Insurer: the provider of the Bond Insurance Policy, or any successor thereto, if set forth in the Sale Certificate.

(7) Bond Purchase Agreement: the Bond Purchase Agreement, concerning the purchase of the Bonds, between the Enterprise and the Purchaser.

(8) Bonds: collectively, the Tax-Exempt Bonds and the Taxable Bonds authorized by this Ordinance.

(9) Business Day: a day on which banks located in Denver, Colorado, and the cities in which are located the Principal Operations Office of each of the Paying Agent and the Registrar are not required or authorized to be closed and on which the New York Stock Exchange is not closed.

(10) Calculation Agent Agreement: the agreement between the Enterprise and the Paying Agent pursuant to which the Paying Agent agrees to file necessary documents with the Internal Revenue Service in order for the Enterprise to receive the BAB Credit.

(11) Capital Improvements: the acquisition of land, water rights, easements, facilities, and equipment (other than ordinary repairs and replacements), and those property improvements or any combination of property improvements which will constitute enlargements, extensions or betterments to the System and will be incorporated into the System.

(12) Charter: the home rule Charter of the City as amended, to the date of delivery of the Bonds.

(13) City: the City of Westminster, Colorado.

(14) Combined Maximum Annual Debt Service Requirements: the largest sum of principal of and interest due in any Fiscal Year on all issues of Securities for which the computation is being made for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any such Security last becomes due. For purposes of the above, "interest" on BABs, including the Taxable Bonds Bonds, shall be treated as the amount of interest to be paid by the Enterprise on such BABs without a deduction for the BAB Credit.

(15) Commercial Bank: a state or national bank or trust company in good standing located in or incorporated under the laws of any state of the United States of America which is subject to examination by federal or state authorities, which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System and which has capital and surplus of \$75,000,000.

(16) Commitment: the commitment for municipal bond insurance, if any, as may be required by the Bond Insurer.

(17) Continuing Disclosure Certificate: the undertaking executed by officers of the Enterprise simultaneous with the delivery of the Bonds which enables the Purchaser to comply with the Rule.

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

- (a) All preliminary expenses or other costs advanced by the Enterprise or advanced by the Federal Government, the State or by any other Person from any source, with the approval of the Council, or any combination thereof, or otherwise;
- (b) The costs of making surveys and tests, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;
- (c) The costs of contingencies;
- (d) The costs of premiums on any builders' risk insurance and performance bonds during the construction, installation and other acquisition of the Project, or a reasonably allocated share thereof;
- (e) The costs of appraising, printing, estimates, advice, inspection, other services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help and other agents and employees;
- (f) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project and the issuance of the Bonds;
- (g) All costs and expenses of issuing the Bonds including, without limitation, fees of the Paying Agent, bond counsel, counsel to the Purchaser, counsel to the Enterprise, financial advisor, rating agencies and printers to the extent not defrayed as an Operation and Maintenance Expense;
- (h) The costs of the filing or recording of instruments and the cost of any title insurance premiums;
- (i) The costs of funding any construction loans and other temporary loans pertaining to the Project and of the incidental expenses incurred in connection with such loans;
- (j) The costs of demolishing, removing, or relocating any buildings, structures, or other facilities on land acquired for the Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated;
- (k) The costs of machinery and equipment;
- (l) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;
- (m) The payment of the premium for the Bond Insurance Policy issued by the Bond Insurer;
- (n) The costs of labor, material and obligations incurred to contractors, builders and materialmen in connection with the acquisition and construction of the Project;

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

(p) All other expenses pertaining to the Project.

(19) Council: the City Council of the City, acting as the governing body of the Enterprise.

(20) C.R.S.: the Colorado Revised Statutes, as amended to the date of delivery of the Bonds.

(21) Debt Service Requirements: the principal of, interest on, and any premium due in connection with the Bonds, the Superior Securities, or the Subordinate Securities, as the context so requires, heretofore or hereafter issued, if any, or such part of such Securities as may be designated. For purposes of this definition, “interest” on BABs, including the Taxable Bonds, shall be treated as the amount of interest to be paid by the Enterprise on such BABs without a deduction for the BAB Credit.

(22) Enterprise: the City of Westminster, Colorado, Water and Wastewater Utility Enterprise.

(23) Enterprise Ordinance: Ordinance No. 2264, Series of 1994, of the City, authorizing the Enterprise to have and exercise certain powers in furtherance of its purposes.

(24) Event of Default: one of the events described in Section 10.A hereof.

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

(26) Fiscal Year: the twelve (12) months commencing on the first day of January of any calendar year and ending on the last day of December of such calendar year or such other twelve-month period as may from time to time be designated by the Council as the Fiscal Year of the Enterprise.

(27) Income: all income from (i) rates, fees, tolls, and charges and tap fees, or any combination thereof, but not special assessments, for the services furnished by, or the direct or indirect connection with, or the use of, or any commodity from the System, including, without limiting the generality of the foregoing, minimum charges, charges for the availability of service, disconnection fees, reconnection fees, and reasonable penalties for any delinquencies, (ii) all income or other gain, if any, from any investment of Pledged Revenues and of the proceeds of Securities (except income or other gain from any investment of moneys held in an escrow fund for the defeasance of Securities or any other similar fund) to the extent not required to be rebated to the federal government and (iii) the BAB Credit; but excluding any moneys received as grants, appropriations or gifts from the Federal Government, the State, or other sources, the use of which is limited by the grantor or donor to the construction of Capital

Improvements, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

(28) Independent Auditor: any certified public accountant, or any firm of such accountants, duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Enterprise or the City, who (a) is, in fact, independent and not under the domination of the City or the Enterprise, (b) does not have any substantial interest, direct or indirect, in any of the affairs of the Enterprise or the City, and (c) is not connected with the Enterprise or the City as a member, officer or employee, but who may be regularly retained to make annual or similar audits of any books or records of the Enterprise or the City.Insurance Agreement: any agreement entered into between the City and any Bond Insurer relating to the Bond Insurance Policy.Letter of Representations: the Blanket Issuer Letter of Representations from the Enterprise to the Securities Depository. Manager: the City Manager of the City, acting as the Manager of the Enterprise.Operation and Maintenance Expenses: such reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining and repairing the System as may be determined by the City, including, except as limited by contract or otherwise limited by law, without limiting the generality of the foregoing:

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

(b) Fidelity bond and insurance premiums appertaining to public officials or the System;

(c) The reasonable charges of any paying agent, registrar, transfer agent, or depository appertaining to any Outstanding Securities;

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

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

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

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

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

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

“Operation and Maintenance Expenses” does not include:

- (a) Any allowance for depreciation;
- (b) Any costs of reconstruction, improvement, extension, or betterment;
- (c) Any accumulation of reserves for capital replacements;
- (d) Any reserves for operation, maintenance, or repair of the System;
- (e) Any allowance for the redemption of any Securities or the payment of any interest thereon;
- (f) Any liabilities incurred in the acquisition of any Water Facilities or Wastewater Facilities;
- (g) Any other ground of legal liability not based on contract.

(33) Operation and Maintenance Fund: the expense accounts within the Water and Wastewater Utility Fund used by the City for the payment of Operation and Maintenance Expenses referred to in Section 5.C hereof.

(34) Ordinance: this Ordinance of the Enterprise authorizing the issuance of the Bonds.

(35) Outstanding: as of any particular date, all Bonds, the Parity Bonds or any other Securities which have been authorized, executed and delivered except the following:

(a) Any Bond, Parity Bonds, or other such Security cancelled by the Enterprise, by the Paying Agent or otherwise on behalf of the Enterprise on or before such date, except any Bond described in the last paragraph of Section 9 hereof;

(b) Any Bond, the Parity Bonds, or other such Security held by or on behalf of the Enterprise or the City;

(c) Any Bond, Parity Bond or other such Security for the payment or the redemption of which moneys or Federal Securities sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to pay all of the Debt Service Requirements of such Bond, Parity Bond or other such Security to the maturity date or specified Redemption Date thereof shall have theretofore been deposited in escrow or in trust with a Trust Bank for that purpose; and

(d) Any lost, destroyed, or wrongfully taken Bond, Parity Bond, or other such Security in lieu of or in substitution for which another Bond, Parity Bond or other Security shall have been executed and delivered.

(36) Owner: the holder of any bearer instrument or registered owner of any registered instrument.

(37) Parity Bonds: any Securities hereafter issued payable from and having an irrevocable lien upon the Pledged Revenues equally or on a parity with the Bonds.

(38) Participants: underwriters, securities brokers or dealers, banks, trust companies, closing corporations or other Persons for which or whom the Securities Depository holds the Bonds.

(39) Paying Agent: UMB Bank, n.a., Denver, Colorado, or its successors.

(40) Paying Agent Agreement: the Paying Agent and Registrar Agreement between the Enterprise and the Paying Agent.

(41) Permitted Investments: any obligations permitted by the ordinances of the City and, to the extent applicable, the laws of the State.

(42) Person: any individual, firm, partnership, corporation, company, association, joint stock association or body politic or any trustee, receiver, assignee or similar representative thereof.

(43) Pledged Revenues: all Income remaining after the deduction of Operation and Maintenance Expenses.

(44) Preliminary Official Statement: the Preliminary Official Statement prepared in connection with the sale and issuance of the Bonds.

(45) President: the Mayor of the City, acting as the President of the Enterprise.

(46) Principal and Interest Fund: the special accounts within the Water and Wastewater Utility Fund designated by the City as the "Tax-Exempt Bonds Debt Service Account," the "Taxable Bonds Debt Service Account," and other similar accounts hereafter established for Parity Bonds created and referred to in Section 5.D hereof.

(47) Principal Operations Office: the principal operations office of the Registrar and Paying Agent as designated in writing to the Enterprise from time to time.

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

(49) Purchaser: Piper Jaffray & Co.

(50) Rebate Fund: the special account or accounts within the Water and Wastewater Utility Fund designated as the "City of Westminster, Colorado Water and

Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds, Series 2010, Rebate Fund” and “City of Westminster, Colorado Water and Wastewater Utility Enterprise, Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds), Series 2010, Rebate Fund”, created and referred to in Section 5.F hereof.

(51) Recovery Act: the Colorado Recovery and Reinvestment Finance Act of 2009, Title 11, Article 59.7, et seq.

(52) Redemption Date: the date fixed for the redemption prior to maturity of any Securities in any notice of prior redemption given by or on behalf of the Enterprise.

(53) Registrar: UMB Bank, n.a., Denver, Colorado, or its successors.

(54) Regular Record Date: the fifteenth day of the calendar month next preceding an interest payment date for the Bonds.

(55) Reserve Fund: the special accounts within the Water and Wastewater Utility Fund designated by the City as the “Tax-Exempt Bonds Reserve Account,” and the “Taxable Bonds Reserve Account” created and referred to in Section 5.E hereof.

(56) Reserve Fund Requirement: The amount set forth in the Sale Certificate with respect to the issuance of the Bonds.

(57) Rule: Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12).

(58) SEC: the U.S. Securities and Exchange Commission.

(59) Security or Securities: any bond, warrant, note, loan agreement, multiple fiscal year financial obligation or evidence of borrowing payable from and secured by a lien on the Pledged Revenues.

(60) Securities Depository: The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York.

(61) Special Record Date: the date fixed by the Paying Agent for the determination of ownership of Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

(62) State: the State of Colorado.

(63) Subordinate Securities: Securities previously or hereafter issued having a lien on the Pledged Revenues subordinate or junior to the lien thereon of the Bonds. Currently, the Enterprise has outstanding its (i) Subordinate Water and Wastewater Revenue Bonds, Series 1997, (ii) Subordinate Water and Wastewater Revenue Bond, Series 1998, (iii) Subordinate Water and Wastewater Revenue Bond, Series 2000, and (iv) Subordinate Water and Wastewater Revenue Bond, Series 2005.

(64) Superior Securities Bond Ordinance: Ordinance No. 8E, Series of 2001 of the Enterprise.

(65) Superior Securities: the Enterprise's Water and Wastewater Revenue Refunding Bonds, Series 2001, dated November 1, 2001 in the original principal amount of \$20,990,000.

(66) Superior Securities Principal and Interest Fund: the special account within the Water and Wastewater Utility Fund designated by the City as the "Superior Securities Principal and Interest Fund."

(67) Superior Securities Reserve Fund: the special account within the Water and Wastewater Utility Fund designated by the City as the "Superior Securities Bond Reserve Fund," as required by the Superior Securities Bond Ordinance.

(68) Supplemental Act: the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S.

(69) Surety Bond: any surety bond, insurance policy, letter of credit or similar instrument or agreement guaranteeing certain payments into the Reserve Fund as provided therein and subject to the limitations set forth therein.

(70) System: the Water Facilities and the Wastewater Facilities of the City owned and operated by the City as a single utility system.

(71) Tax Code: the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and any regulations promulgated thereunder.

(72) Tax Compliance Certificate: one or more Federal Tax Exemption Certificate executed by the Enterprise in connection with the initial issuance and delivery of the Bonds.

(73) Taxable Bonds: the City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds), Series 2010.

(74) Taxable Bonds Acquisition Fund: the City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010, Acquisition Fund created in Section 5 hereof.

(75) Taxable Bonds Debt Service Account: the sub-account of the Principal and Interest Fund created in Section 5 hereof known as the City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010, Debt Service Account.

(76) Taxable Bonds Reserve Account: the sub-account of the Reserve Fund known as the City of Westminster, Colorado, Water and Wastewater Utility Enterprise,

Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010, Reserve Account.

(77) Tax-Exempt Bonds: the City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds, Series 2010.

(78) Tax-Exempt Bonds Acquisition Fund: the City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds Series 2010, Acquisition Fund created in Section 5 hereof.

(79) Tax-Exempt Bonds Debt Service Account: the sub-account of the Principal and Interest Fund created in Section 5 hereof known as the City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds Series 2010, Debt Service Account.

(80) Tax-Exempt Bonds Reserve Account: the sub-account of the Reserve Fund known as the City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds Series 2010, Reserve Account.

(81) Term Bonds: Bonds that are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

(82) Transfer Agent: UMB Bank, n.a., Denver, Colorado, or its successors.

(83) Treasurer: the Director of Finance of the City, or his or her successor in functions, if any, acting as treasurer for the Enterprise.

(84) Trust Bank: a Commercial Bank which is authorized to exercise and is exercising trust powers.

(85) Wastewater Facilities: any one or more of the various devices used in the collection, treatment, or disposition of sewage and industrial wastes of a liquid nature, including, without limitation, all inlets; collection, drainage, or disposal lines; intercepting sewers; wastewater disposal plants; outfall sewers; sewage lagoons; all pumping, power, and other equipment and appurtenances; all extensions, improvements, remodeling, additions and alterations thereof; any and all rights or interests for such wastewater facilities; and all other necessary, incidental, or appurtenant properties, facilities, equipment, and costs relating to the foregoing.

(86) Water and Wastewater Utility Fund: the self balancing group of accounts heretofore created by the City as an enterprise fund to record all financial activity of the Enterprise referred to in Section 5.B hereof.

(87) Water Facilities: water rights, raw water and any one or more works and improvements used in and as a part of the collection, treatment, or distribution of

water for the beneficial uses and purposes for which the water has been or may be appropriated, including, but not limited to, uses for domestic, municipal, irrigation, power, and industrial purposes and including construction, operation, and maintenance of a system of raw and clear water and distribution storage reservoirs, deep and shallow wells, pumping, ventilating, and gauging stations, inlets, tunnels, flumes, conduits, canals, collection, transmission, and distribution lines, infiltration galleries, hydrants, meters, filtration and treatment plants and works, power plants, all pumping, power, and other equipment and appurtenances, all extensions, improvements, remodeling, additions, and alterations thereof, and any and all rights or interests in such works and improvements, and all other necessary, incidental, or appurtenant properties, facilities, equipment and costs relating to the foregoing.

B. Construction. This Ordinance, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(1) Words in the singular include the plural, and words in the plural include the singular.

(2) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(3) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs of this Ordinance so numbered or otherwise so designated.

(4) The titles and headlines applied to articles, sections and subsections of this Ordinance are inserted only as a matter of convenience and ease in reference and in no way define or limit the scope or intent of any provisions of this Ordinance.

(5) Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Owners of Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Enterprise or its agents shall consider the effect on the Owners of the Bonds as if there were no Bond Insurance Policy.

(6) Notwithstanding anything herein to the contrary, if the Tax-Exempt Bonds are not issued any reference to the Tax-Exempt Bonds, including funds and accounts established under this Ordinance for the Tax-Exempt Bonds, shall be of no force and effect. Notwithstanding anything herein to the contrary, if the Taxable Bonds are not issued any reference to the Taxable Bonds, including funds and accounts established under this Ordinance for the Taxable Bonds, shall be of no force and effect. Notwithstanding anything herein to the contrary, if the Bonds are sold without a Bond Insurance Policy, any reference in this Ordinance to Bond Insurer, Commitment, Insurance Agreement, or Bond Insurance Policy shall be of no force or effect.

Section 2. Recitals.

A. The City has heretofore established the Enterprise and authorized the Enterprise to have and exercise certain powers in furtherance of its purposes.

B. Pursuant to art. X, § 20 and art. XX, § 6 of the State Constitution, Chapter XI, Section 11.1(a) of the Charter, and the Enterprise Ordinance, the Enterprise is authorized to issue the Bonds, without voter approval in advance.

C. Pursuant to the Recovery Act, the Enterprise is authorized to issue Build America Bonds.

D. The Enterprise has previously issued the Superior Securities secured by a lien upon the Pledged Revenues senior or superior to the lien thereon of the Bonds. The Enterprise has previously issued the Subordinate Securities secured by a lien upon the Pledged Revenues which is subordinate or junior to the lien of the Superior Securities and the Bonds.

E. The Enterprise is not delinquent in the payment of the Superior Securities or the Subordinate Securities.

F. Subject to certain conditions specified in the Superior Securities Bond Ordinance, the Enterprise may issue indebtedness payable out of and which has a lien on the Pledged Revenues which is subordinate to the lien on the Superior Securities.

G. Subject to certain conditions specified in the ordinances authorizing the issuance of the Subordinate Securities, the Enterprise may issue indebtedness payable out of and which has a lien on the Pledged Revenues which is superior to the lien on the Subordinate Securities.

H. The Pledged Revenues may be pledged lawfully and irrevocably for the payment of the Bonds.

I. The Council has determined that it is in the best interests of the City and the inhabitants thereof and the Enterprise, that water and wastewater revenue bonds in an aggregate principal amount not to exceed \$33,000,000 be issued for the purpose of completing the Project.

J. The Council has determined that after the issuance of the Bonds, no Securities may be issued under the terms of this Ordinance or the Superior Securities Bond Ordinance, or the ordinances authorizing the issuance of the Subordinate Securities that are superior or senior to the lien on the Bonds, including Securities issued to refund the Superior Securities.

K. There are on file with the Council: (i) the form of the Preliminary Official Statement for the Bonds; (ii) the form of the Paying Agent Agreement; (iii) the form of the Disclosure Certificate; (iv) the form of Bond Purchase Agreement; and (v) the form of Calculation Agent Agreement.

L. It is necessary to provide for the form of the Bonds and other provisions relating to the authorization, issuance, and sale of the Bonds.

Section 3. The Bonds.

A. **Authorization.** The Bonds, payable as to all Debt Service Requirements solely out of Pledged Revenues, are hereby authorized to be issued, the proceeds of the Bonds to be used solely to pay the Cost of the Project.

Section 11-57-204 of the Supplemental Act provides that a public entity, including the Enterprise, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Council hereby elects to apply all of the provisions of the Supplemental Act to the Bonds. The Bonds are issued under the authority of this Ordinance and the Supplemental Act and shall so recite as provided in Section 3.B(11) hereof. Pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 11-57-205 of the Supplemental Act provides that a public entity may delegate to any member of the issuing authority, chief executive officer, or chief financial officer of the public entity the authority to sign a contract for the purchase of the securities or to accept a binding bid for the securities, such delegation to be effective for one year after adoption of the act of issuance. The Council hereby delegates to and authorizes either the President, the Manager or the Treasurer the independent authority to execute and deliver the Bond Purchase Agreement, execute and deliver the Sale Certificate setting forth the terms on which the Bonds will be delivered, subject to the parameters and restrictions contained in this Ordinance. Either the President, the Manager or the Treasurer is hereby authorized to determine if obtaining municipal bond insurance is in the best interests of the City and Enterprise, and if so, to select a Bond Insurer to issue a Bond Insurance Policy, execute a Commitment relating to the same, execute an Insurance Agreement, if required, and execute any related documents or agreements, required by such Commitment.

B. Bond Details.

(1) **Generally.** The Bonds shall be issuable in fully registered form and shall initially be registered in the name of the Securities Depository or a nominee therefor. Purchases by Beneficial Owners shall be made in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. The Beneficial Owners shall not receive certificates evidencing their interests in the Bonds. No Bond shall be issued in any denomination larger than the aggregate principal amount maturing on the maturity date of such Bond, and no Bond shall be made payable on more than one maturity date. The Bonds shall be initially issued so that a single Bond shall evidence the obligation of the Enterprise to pay all principal due on each of the maturity dates set forth herein. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on each June 1 and December 1, commencing on the date provided in the Sale Certificate. If upon presentation at maturity the principal of any Bond is not paid as provided herein, interest shall continue thereon at the same interest rate until the principal is paid in full.

Each series of Bonds shall be issued in fully registered form (*i.e.*, registered as to payment of both principal and interest) initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, and shall be dated as of their date of delivery. The Bonds shall be numbered in such manner as the Registrar determines. The Bonds shall mature, bear interest from their dated date to maturity or prior redemption, and shall be sold, all as provided in the Sale Certificate; provided that:

(i) Redemption Provisions. The prior redemption provisions of the Bonds, provided that (a) the 2010A Bonds, if any, shall be subject to optional redemption, if at all, not later than December 1, 2021 at a redemption price not to exceed 101%; and (b) the 2010B Bonds, if any, shall be subject to optional redemption not later than December 1, 2021 at a redemption price not to exceed 101%.

(ii) Interest Rate. The maximum net effective interest rate, net of any BAB credit, shall not exceed 5.50%.

(iii) Purchase Price. The price at which the Bonds will be sold to the Purchaser, provided that the purchase price of the Tax-Exempt Bonds shall not be less than 98% of the aggregate principal amount of the Tax-Exempt Bonds, and the purchase price of the Taxable Bonds shall not be less than 99% of the aggregate principal amount of the Taxable Bonds.

(iv) Principal Amount. The aggregate principal amount of the Bonds, provided that such principal amount shall not exceed \$33,000,000.

(v) Maturity Schedule. The amount of principal of the Bonds maturing, or subject to mandatory sinking fund redemption in any particular year; provided that the maximum annual repayment cost shall not exceed \$3,200,000 and the total repayment cost shall not exceed \$59,000,000; provided that the parameters set forth in this Section shall be net of any anticipated BAB Credit.

(vi) Term of the Bonds. The Bonds shall mature no later than December 1, 2030.

(vii) Bond Insurance. Whether any series of the Bonds will be secured by a Bond Insurance Policy and the terms of any agreement with the provider of such Bond Insurance Policy.

Such determinations shall be evidenced by the Sale Certificate signed by the President, the Manager or the Treasurer dated and delivered as of the Closing Date, which shall not be more than one year from the date of adoption of this Ordinance.

The Debt Service Requirements of the Bonds shall be payable in lawful money of the United States of America to the Owners of the Bonds by the Paying Agent. The principal and the final installment of interest shall be payable to the Owner of each Bond upon presentation and surrender thereof at the Principal Operations Office of the Paying Agent at maturity, by check or draft mailed to such Owner at the address appearing on the registration

books of the Enterprise maintained by the Registrar or by wire transfer to such bank or other depository as the Owner shall designate in writing to the Paying Agent. Except as hereinbefore and hereinafter provided, the interest shall be payable to the Owner of each Bond determined as of the close of business on the Regular Record Date, irrespective of any transfer of ownership of the Bond subsequent to the Regular Record Date and prior to such interest payment date, by check or draft or wire transfer directed to such Owner as aforesaid. Any interest not paid when due and any interest accruing after maturity shall be payable to the Owner of each 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 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 or wire transfer directed to such Owner 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 fifteen (15) days prior to the Special Record Date, to the Owner of each 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 Enterprise. 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.

So long as the Owner of any Bond is the Securities Depository or a nominee therefor, the Securities Depository shall disburse any payments received, through its Participants or otherwise, to the Beneficial Owners.

Neither the Enterprise nor the Paying Agent shall have any responsibility or obligation for the payment to any Participant, any Beneficial Owner or any other Person (except an Owner of Bonds) of the Debt Service Requirements on the Bonds.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee for the Securities Depository, all payments of Debt Service Requirements on the Bonds shall be made in the manner provided in the Letter of Representations and all notices with respect to the Bonds shall be given in the manner provided in the Letter of Representations. In the event of a conflict between the provisions of this Ordinance and the Letter of Representations, the provisions of this Ordinance shall be controlling.

(2) Redemption. The Bonds are subject to redemption prior to maturity at the option of the Enterprise as described in the Sale Certificate.

(3) Mandatory Redemption. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts, and at the prices set forth in the Sale Certificate.

On or before the thirtieth day prior to each sinking fund redemption date, the Registrar will proceed to call the Term Bonds (or any Term Bond or Bonds issued to replace

such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice to such call without further instruction or notice from the Enterprise.

At its option, to be exercised on or before the sixtieth day next preceding any sinking fund redemption date, the Enterprise may (i) deliver to the Registrar for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (ii) receive a credit in respect of its sinking fund redemption obligation for any Terms Bonds subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the Enterprise on such sinking fund redemption date and the principal amount of Term Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The Enterprise will, on or before the sixtieth day next preceding each sinking fund redemption date, furnish the Registrar with the Enterprise's certificate indicating whether or not and to what extent the provision of (i) and (ii) above are to be availed with respect to such sinking fund payment. Failure of the Enterprise to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided herein.

(4) Partial Redemption. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the Owner thereof, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

(5) Notice of Redemption. Notice identifying the Bonds or portions thereof to be redeemed shall be given by the Registrar by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the date fixed for redemption, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration records maintained by the Registrar. Failure to give such notice by mailing to any Owner of any Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Actual receipt of mailed notice by the Owner of any Bond shall not be a condition precedent to the redemption of such Bond or any other Bond. The principal amount so redeemed will be payable upon presentation and surrender of the Bond at the Paying Agent, and accrued interest to the Redemption Date will be paid by check or draft mailed to the Owner (or by alternative means if so agreed to by the Owner and the Paying Agent). All Bonds so called for redemption will cease to bear interest after the specified redemption date if moneys to effect the redemption are on deposit with the Paying Agent on such redemption date.

Notwithstanding the provisions of this Section, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

(6) Execution and Authentication. The Bonds shall be executed by and on behalf of the Enterprise with the facsimile or manual signature of the President of the Enterprise, shall be attested with the facsimile or manual signature of the Secretary of the Enterprise, and shall be authenticated with the manual signature of an authorized signatory of the Registrar. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to the Purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes. No Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until the certificate of authentication on such Bond shall have been duly executed by an authorized signatory of the Registrar, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

(7) Registration, Transfer and Exchange. Upon their execution and authentication and prior to their delivery, the Bonds shall be registered for the purpose of payment of principal and interest by the Registrar. Initially, each Bond shall be registered in the name of the Securities Depository or a nominee therefor. Except as hereinafter provided, all of the Bonds shall continue to be registered in the name of the Securities Depository or a nominee therefor. There shall be no substantive change to the terms and conditions set forth in the form of Bond, except as otherwise authorized by this Ordinance or any amendment hereto.

Neither the Enterprise nor the Registrar shall have any responsibility or obligation with respect to the accuracy of the records of the Securities Depository or a nominee therefor or any Participant regarding any ownership interest in the Bonds or the delivery to any Participant, Beneficial Owner or any other Person (except an Owner of Bonds) of any notice with respect to the Bonds.

The Bonds shall be transferable only upon the registration books of the Enterprise by the Transfer Agent at the request of the Owner thereof or his, her or its duly authorized attorney in fact or legal representative. The Registrar or Transfer Agent shall accept a Bond for registration or transfer only if the Owner is to be an individual, a corporation, a partnership, or a trust. A Bond may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the Owner or his, her or its 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 Owner of any Bond or Bonds may also exchange such Bond or Bonds for another Bond or Bonds of authorized denominations. The Transfer Agent may require payment of a transfer fee for its services as well as a 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 Bonds. No transfer of any Bond shall be effective until entered on the registration books of the Enterprise. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new Owner a new Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum interest rate as the Bond or Bonds surrendered. Such Bond or Bonds shall be dated as of their date of authentication. New Bonds delivered upon any transfer or exchange shall be valid obligations of the Enterprise, evidencing the same obligations as the Bonds surrendered, shall be secured by this Ordinance, and shall be

entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered. The Enterprise may deem and treat the Person in whose name any Bond is last registered upon the books of the Enterprise as the absolute Owner thereof for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, and all such payments so made to such Person or upon his, her or its order shall be valid and effective to satisfy and discharge the liability of the Enterprise upon such Bond to the extent of the sum or sums so paid, and the Enterprise shall not be affected by any notice to the contrary.

Neither the Enterprise nor the Transfer Agent shall have any responsibility or obligation with respect to the accuracy of the records the Securities Depository or its Participants regarding any ownership interest in the Bonds or transfers thereof.

(8) Resignation or Removal of Agents. If the Paying Agent, Registrar or Transfer Agent shall resign as such, or if the Enterprise shall reasonably determine that the Paying Agent, Registrar or Transfer Agent has breached or become incapable of fulfilling its duties hereunder, the Enterprise may, upon notice mailed to each Owner of Bonds at the addresses last shown on the registration books of the Enterprise, accept the resignation of the Paying Agent, Registrar or Transfer Agent or remove the Paying Agent, Registrar or Transfer Agent and appoint a successor paying agent, registrar or transfer agent. It shall not be required that the same institution serve as paying agent, registrar and transfer agent hereunder, but the Enterprise shall have the right to have the same institution serve as paying agent, registrar and transfer agent hereunder. Any such resignation or removal shall become effective only on the appointment of a successor acceptance by the successor of its duties hereunder.

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

period, the Bonds shall no longer be restricted to being registered in the name of the Securities Depository or a nominee therefor, but may be registered in whatever name or names Owners transferring or exchanging Bonds shall designate.

(10) Replacement of Bonds. If any Bond shall have been lost, destroyed or wrongfully taken, the Enterprise shall provide for the replacement thereof upon the Owner's furnishing to the Enterprise: (a) proof of ownership, (b) proof of loss, destruction or theft, (c) a surety bond in the amount of all principal and interest remaining unpaid on the Bond, and (d) payment of the cost of preparing and issuing the new Bond.

(11) Recitals in Bonds. Each Bond shall recite in substance that the Bond is a special and limited obligation of the Enterprise payable solely out of and secured by an irrevocable pledge of a lien (but not necessarily an exclusive lien) upon the Pledged Revenues, which is at all times junior and subordinate to the lien thereon of the Superior Securities and at all times senior and superior to the lien thereon of the Subordinate Securities, that the Bond does not constitute a debt or an indebtedness of the Enterprise or the City within the meaning of any constitutional, Charter or statutory provision or limitation, that the Bond is not payable in whole or in part from the proceeds of general property taxes or any other funds of the City or the Enterprise except the Pledged Revenues, and that the full faith and credit of the City is not pledged for the payment of the principal of or interest on the Bond. Each Bond shall further recite that it is issued under the authority of the State Constitution, the Supplemental Act, the Charter, the Enterprise Ordinance, Title 37, Article 45.1, C.R.S., and in full conformity therewith and this Ordinance. Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

(12) Form of Bonds. Subject to the provisions of this ordinance, each Tax-Exempt Bond shall be in substantially the form attached hereto as Exhibit A and each Taxable Bond shall be in substantially the form attached hereto as Exhibit B, in each case with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this ordinance, be consistent with this ordinance or be necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

C. Bonds Equally Secured. The covenants and agreements herein set forth shall be for the equal benefit, protection and security of the Owners of any and all of the 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 Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

D. Special Obligations. All of the Debt Service Requirements of the Bonds shall be payable solely out of the Pledged Revenues. The Owners of the Bonds may not look to the general fund or any other revenue or fund of the City for the payment of the Debt Service Requirements thereof, except the special funds pledged therefor. The Bonds shall not constitute a debt or indebtedness of the Enterprise or the City within the meaning of any constitutional, Charter or statutory provision or limitation, and the Bonds shall not be considered or held to be general obligations of the City but shall constitute special and limited obligations of the

Enterprise. The Bonds are not payable in whole or in part from the proceeds of general property taxes or any other funds of the City or the Enterprise except the Pledged Revenues, and the full faith and credit of the City is not pledged for payment of the Bonds.

Section 4. Sale of Bonds.

A. Approval of Bond Purchase Agreement. The contract for the purchase of the Bonds is hereby awarded to the Purchaser at the price specified in the Bond Purchase Agreement and Sale Certificate and upon the terms set forth in this Ordinance. The President, the Manager or the Treasurer is hereby independently authorized to execute the Bond Purchase Agreement and the Sale Certificate on behalf of the Enterprise subject to the parameters set forth herein.

B. Approval of Preliminary Official Statement. The Council hereby approves the Preliminary Official Statement and ratifies the use and distribution thereof by the Purchaser in marketing the Bonds.

C. Delivery. After the Bonds have been duly executed, authenticated and registered as provided herein, the Treasurer of the Enterprise shall cause the Bonds to be delivered to the Purchaser (through the Securities Depository) upon receipt of the agreed purchase price.

Section 5. Disposition of Bond Proceeds and Income; Funds Adopted or Created by Ordinance; Security for Bonds. The proceeds of the Bonds and the Income shall be deposited by the Enterprise in the funds described in this Section 5, to be accounted for in the manner and priority set forth in this Section 5.

Neither the Purchaser nor any subsequent Owner of any Bonds shall be in any manner responsible for the application or disposal by the Enterprise or the City or by any of their officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys designated in this Section 5.

The Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any fund hereunder are hereby pledged to secure the payment of the Debt Service Requirements of the Bonds subject to the provisions hereof relating to the Rebate Fund. This pledge shall be valid and binding from and after the date of the first delivery of the Bonds, and the moneys, as received and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Enterprise or the City (except as herein otherwise expressly provided), and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Enterprise or the City (except as herein otherwise expressly provided), irrespective of whether such parties have notice thereof. The creation, perfection, enforcement and priority of the pledge of revenues to secure or pay the Bonds as provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Ordinance.

A. Acquisition Fund. The Enterprise shall deposit, upon receipt from the Purchaser, the proceeds of the Tax-Exempt Bonds and the Taxable Bonds as provided in this Section after making the deposit required by Section 5.E of this Ordinance.

That portion of the proceeds of the Bonds as specified in the Sale Certificate shall be accounted for in a special account hereby created to be known as the “City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds, Series 2010, Acquisition Fund” (the “Tax-Exempt Bonds Acquisition Fund”). Except as otherwise provided herein, the moneys in the Tax-Exempt Bonds Acquisition Fund shall be used solely for the purpose of paying the Costs of the Project and for the purposes set forth herein.

That portion of the proceeds of the Bonds as specified in the Sale Certificate shall be accounted for in a special account hereby created to be known as the “City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds), Series 2010 Acquisition Fund” (the “Taxable Bonds Acquisition Fund”). Except as otherwise provided herein, the moneys in the Taxable Bonds Acquisition Fund shall be used solely for the purpose of paying the Costs of the Project.

B. Water and Wastewater Utility Fund. Except as otherwise provided herein, the entire Income, upon receipt thereof from time to time, shall be deposited immediately in the Water and Wastewater Utility Fund. Operation and Maintenance Expenses shall be paid as provided in Section 5.C hereof. The Pledged Revenues on deposit in the Water and Wastewater Utility Fund shall be applied in the following order of priority:

(1) First, to the Superior Securities Principal and Interest Fund, the Superior Securities Bond Reserve Fund, and all amounts due and owing under the Superior Securities Bond Ordinance for the payment of the Superior Securities;

(2) Second, to the Principal and Interest Fund for the Bonds and any Parity Bonds in the manner set forth in Section 5.D hereof;

(3) Third, to the Reserve Fund for the Bonds or any Parity Bonds as provided in Section 5.E hereof;

(4) Fourth, to the Rebate Fund in accordance with Section 5.F hereof;

(5) Fifth, to the payment of any termination payment due and owing under any interest rate exchange agreement or swap entered into by the Enterprise;

(6) Sixth, to the payment of the Debt Service Requirements of Subordinate Securities in accordance with Section 5.G hereof; and

(7) Seventh, to be used in accordance with Section 5.H hereof.

C. Operation and Maintenance Fund. As a first charge on the Water and Wastewater Utility Fund there shall be paid from the Operation and Maintenance Fund the Operation and Maintenance Expenses of the System as they become due and payable.

D. Principal and Interest Fund. There is hereby created the “City of Westminster, Colorado, Water and Wastewater Utility Enterprise Tax-Exempt Water and Wastewater Revenue Bonds, Series 2010 Debt Service Account,” the “City of Westminster, Colorado, Water and Wastewater Utility Enterprise Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010 Debt Service Account,” into which shall be deposited from the Pledged Revenues, after making any deposits required for the Superior Securities pursuant to the Superior Securities Bond Ordinance, and concurrently with any amounts required by an ordinance authorizing the issuance of Parity Bonds, the following amounts:

(1) Interest Payments. Monthly, commencing on the first day of the first month following the date of delivery of the Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

(2) Principal Payments. Monthly, commencing on the first day of the first month following the date of delivery of the Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds coming due at maturity.

If prior to any interest payment date or maturity date there has been accumulated in the Principal and Interest Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subparagraph (1) or (2) (whichever is applicable) of this paragraph, may be appropriately reduced; but the required monthly amounts again shall be so credited to such account commencing on such interest payment date or maturity date.

The moneys deposited in the Principal and Interest Fund shall be used to pay the Debt Service Requirements of the Bonds, as the same shall become due, except as otherwise provided in this Ordinance. The Principal and Interest Fund shall be maintained as a sinking fund for the mandatory redemption of any Term Bonds. Any mandatory sinking fund redemption shall be treated as an installment of principal for purposes of this Section 5.D.

E. Reserve Fund. There is hereby created the “City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds Series 2010 Reserve Fund” (the “Tax-Exempt Bonds Reserve Fund”) and the “City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Taxable Water and

Wastewater Revenue Bonds (Direct Pay Build America Bonds), Series 2010 Reserve Fund” (the “Taxable Bonds Reserve Fund”). The Reserve Fund for each separate series of Bonds shall be funded, if at all, as provided in the Sale Certificate.

Each Reserve Fund shall be maintained after it has been established as a continuing reserve for the payment of the Debt Service Requirements of the specific series Bonds. In the event that the amount on deposit in the Reserve Fund falls below the Reserve Fund Requirement, there shall be deposited in the Reserve Fund such Pledged Revenues as may be needed to accumulate or reaccumulate the amount therein so that at all times the amount of the Reserve Fund equals the Reserve Fund Requirement. The moneys in the Reserve Fund shall be set aside, accumulated, and, if necessary, reaccumulated as provided herein, from time to time, and maintained as a continuing reserve to be used only to prevent deficiencies in the Principal and Interest Fund resulting from failure to deposit therein sums sufficient to pay such Debt Service Requirements of each separate series of Bonds as the same become due.

If at any time there shall not be deposited for any reason in the Principal and Interest Fund the full amount above stipulated, then there shall be deposited in the Principal and Interest Fund at such time from the Reserve Fund an amount equal to the difference between that paid from the Pledged Revenues and the full amount so stipulated each separate series of Bonds that a specific Reserve Fund secures. The money so used shall be replaced to the Reserve Fund from the first Pledged Revenues on a pro-rata basis thereafter received and not required to be otherwise applied by Section 5.D hereof.

Nothing in this Ordinance shall be construed as limiting the right of the Enterprise to substitute for any cash deposit which may be required to be maintained hereunder a Surety Bond to ensure that cash in the amount otherwise required to be maintained hereunder will be available to the Enterprise as needed, provided that any such substitution shall not cause the then current ratings of the Bonds to be adversely affected. Any such Surety Bond shall be deposited with the Paying Agent, which shall ascertain the necessity for a claim against or draw upon the Surety Bond and provide notice to the issuer thereof in accordance with its terms prior to each interest payment date. The Paying Agent and the Enterprise shall use all cash in the Reserve Fund before drawing on a Surety Bond. If there is more than one Surety Bond on deposit in the Reserve Fund, the Paying Agent shall draw on them on a pro rata basis, based upon the amount available to be drawn on each. Notwithstanding the foregoing, no Surety Bond shall be deposited by the City in the Reserve Fund for such substitution unless the City has received an opinion of bond counsel to the effect that such substitution and the intended use by the City of the cash or Permitted Investments to be released from the Reserve Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds or the qualification of the Taxable Bonds as Build America Bonds under Section 54AA of the Tax Code.

The Reserve Fund shall be replenished in the following priority: first, principal and interest on any Surety Bonds on deposit therein shall be paid on a pro-rata basis from first available Pledged Revenues; second, after all such amounts are paid in full, amounts necessary to fund each separate Reserve Fund in an amount equal to the Reserve Fund Requirement on a pro-rata basis, after taking into account the amounts available under any Surety Bond or Surety Bonds, shall be deposited from next available Pledged Revenues. Unless otherwise provided in

the Sale Certificate, the Reserve Fund Requirement shall be re-calculated upon (i) any principal payment, whether at stated maturity or upon redemption, or (ii) the defeasance of all or a portion of the Bonds.

F. Rebate Fund. There is hereby created “City of Westminster, Colorado Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds, Series 2010, Rebate Fund” and “City of Westminster, Colorado Water and Wastewater Utility Enterprise, Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds), Series 2010, Rebate Fund”, into which there shall be deposited, concurrently with each other and any payments required to be made pursuant to any ordinance authorizing the issuance of Parity Bonds and subject to the payments required by Section 5.D and 5.E hereof, Pledged Revenues in the amount of required arbitrage rebate, if any, due to the federal government under Sections 103 and 148(f)(2) of the Tax Code. The Treasurer of the Enterprise shall determine the required arbitrage rebate amount in the manner required by said Sections and related regulations and shall pay such amount from the Rebate Fund, provided, however, that required arbitrage rebate payments shall be made to the federal government from legally available funds regardless of whether there are any Pledged Revenues, remaining proceeds or other funds attributable to the Bonds that are available for the purpose.

All amounts in the Rebate Fund, including income earned from investment thereof, shall be held by the Treasurer free and clear of any lien created by this Ordinance, to the extent such amounts are required to be paid over to the federal government. The Treasurer shall pay over to the federal government from time to time such amounts as the Treasurer shall determine, provided that the Treasurer shall so pay over to the federal government not less frequently than once each five (5) years after the date of issuance of the Bonds, an amount equal to ninety percent (90%) of the required arbitrage rebate amount earned during such period (and not theretofore paid to the federal government) and not later than sixty (60) days after the redemption of the last Bond, one hundred percent (100%) of the required arbitrage rebate amount.

G. Payment of Subordinate Securities. Subject to the payments required by Sections 5.D and 5.E hereof, any remaining Pledged Revenues may be used for the payment of Debt Service Requirements on the Subordinate Securities, including reasonable reserves for such Subordinate Securities; but the lien of such Subordinate Securities on the Pledged Revenues and the pledge thereof for the payment of such Subordinate Securities shall be subordinate to the lien and pledge of the Bonds, any Parity Bonds as herein provided.

H. Use of Remaining Revenues. Subject to the payments required or permitted by Sections 5.D through 5.G hereof, any remaining Pledged Revenues may be used for any one or any combination of lawful purposes.

I. Termination of Deposits. No payment need be made into the Principal and Interest Fund or the Reserve Fund if the amount of cash and Permitted Investments in the Principal and Interest Fund and the Reserve Fund is at least equal to the entire amount of the Outstanding Bonds as to all Debt Service Requirements, to their respective maturity dates or to any Redemption Dates on which the Enterprise shall have exercised or shall have obligated itself to exercise its option to redeem, prior to their respective maturity dates, any Bonds, any Parity

Bonds then Outstanding and thereafter maturing (provided that, solely for the purpose of this Section 5.H, there shall be deemed to be a credit to the Principal and Interest Fund moneys, any cash or Permitted Investments accounted for in any other fund and restricted solely for the purpose of paying the Debt Service Requirements of the Bonds), in which case cash or Permitted Investments in the Principal and Interest Fund in an amount, except for any known interest or other gain to accrue from any investment or deposit of moneys pursuant to Section 6.B hereof from the time of any such investment or deposit to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Debt Service Requirements, shall be used together with any such gain from such investments and deposits solely to pay such Debt Service Requirements as the same become due.

J. Budget and Appropriation of Sums. The sums required to make the payments specified in this Section 5 are hereby appropriated for said purposes. Said amounts for each year shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed in each year respectively while the Bonds, either as to principal or interest, are Outstanding and unpaid.

K. Completion of Project. When the Project is completed in accordance with the relevant plans and specifications and all amounts due therefor, including all proper incidental expenses and all administrative costs of the Project, are paid, or for which full provision is made, the Treasurer, to the extent permitted by the Tax Compliance Certificate, shall cause all surplus moneys remaining in the Acquisition Fund, if any, except for any moneys designated in the certificate to be retained to pay any unpaid accrued costs or contingent obligations, to be transferred as follows:

(1) With respect to the Tax-Exempt Bonds, (i) to the Tax-Exempt Bonds Rebate Fund so as to enable the Enterprise to comply with the requirements of the Tax Compliance Certificate with respect to the Tax-Exempt Bonds, (b) to the Tax-Exempt Bonds Reserve Fund to such extent as shall not cause the amount in the Tax-Exempt Bonds Reserve Fund to exceed the Reserve Fund Requirement and (c) to the Tax-Exempt Bonds Principal and Interest Fund to the extent of any remaining balance of such moneys to be applied against the next principal payment or payments coming due on the Tax-Exempt Bonds. Nothing herein prevents the transfer from the Tax-Exempt Bonds Acquisition Fund to the Tax-Exempt Bonds Principal and Interest Fund, at any time prior to the termination of the Acquisition Fund, of any moneys which the Treasurer by certificate determines will not be necessary for the Project and will not be designated to be transferred to the Tax-Exempt Bonds Rebate Fund.

(2) With respect to the Taxable Bonds, (a) to the Taxable Bonds Rebate Fund so as to enable the Enterprise to comply with the requirements of the Tax Compliance Certificate with respect to the Taxable Bonds, (b) to the Taxable Bonds Reserve Fund to such extent as shall not cause the amount in the Taxable Bonds Reserve Fund to exceed the Reserve Fund Requirement and (c) to the Taxable Bonds Principal and Interest Fund to the extent of any remaining balance of such moneys to be applied against the next principal payment or payments coming due on the Taxable Bonds if the City receives an opinion of Bond Counsel that such transfer to the Taxable Bonds Principal and Interest Fund will not disqualify the Taxable Bonds as Build America Bonds under Section 54AA of the Tax Code. Nothing herein prevents the transfer from the Taxable Bonds Acquisition Fund to the Taxable Bonds Principal

and Interest Fund, at any time prior to the termination of the Taxable Bonds Acquisition Fund, of any moneys which the Treasurer by certificate determines will not be necessary for the Project if the City receives an opinion of Bond Counsel that such transfer to the Taxable Bonds Principal and Interest Fund will not disqualify the Taxable Bonds as Build America Bonds under Section 54AA of the Tax Code.

Section 6. General Administration of Funds.

A. Places and Times of Deposits. Except as otherwise provided herein, each of the special funds or accounts described in this Ordinance shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor. The moneys accounted for in such special book accounts may be in one or more bank accounts in one or more Commercial Banks. Each such bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall not be a Business Day, then such payment shall be made on or before the next preceding Business Day. Moneys shall be deposited with the Paying Agent for the Bonds pursuant to the terms of the Paying Agent Agreement at such times and in such amounts as is sufficient to pay the Debt Service Requirements then becoming due on the Outstanding Bonds.

B. Investment of Funds. Any moneys in the Acquisition Fund, Income Fund, Bond Fund, Reserve Fund, and Rebate Fund and not needed for immediate use shall be invested or reinvested by the Treasurer in Permitted Investments. All such investments shall (a) either be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or (b) mature not later than the estimated date or respective dates on which the proceeds are to be expended as estimated by the Treasurer at the time of such investment or reinvestment; provided that (1) Permitted Investments credited to the Reserve Fund shall not mature later than ten years from the date of such investment or reinvestment and (2) collateral securities of any Permitted Investments may have a maturity of more than five years from the date of purchase thereof. For the purpose of any such investment or reinvestment, Permitted Investments shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

C. No Liability for Losses Incurred in Performing Terms of Ordinance. Neither the Enterprise nor the City nor any officer thereof shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

D. Character of Funds. Except as provided in Section 5.E hereof, the moneys in any fund herein authorized shall consist of lawful money of the United States of America or Permitted Investments or both such money and Permitted Investments. Moneys deposited in a demand or time deposit account in a Commercial Bank or other depository, appropriately secured according to the ordinances of the City and, to the extent applicable, the laws of the State, shall be deemed lawful money of the United States of America.

E. Accelerated Payments Optional. Nothing contained herein prevents the accumulation in any fund herein designated of any monetary requirements at a faster rate than the rate or minimum rate, as the case may be, provided therefor, but no payment shall be so accelerated if such acceleration shall cause a default in the payment of any obligation of the Enterprise pertaining to the Income.

Section 7. Priorities; Liens; Issuance of Parity Bonds.

A. Liens on Pledged Revenues; Equality of Bonds, Parity Bonds. The Pledged Revenues shall be and hereby are irrevocably pledged and set aside to pay the Debt Service Requirements of the Bonds.

The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues which is at all times subordinate to the lien thereon of the Superior Securities and at all times senior and superior to the lien thereon of the Subordinate Securities pursuant to the terms of this Ordinance.

The Bonds and any Parity Bonds authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance thereof, it being the intention of the Enterprise that there shall be no priority among the Bonds and Parity Bonds, regardless of the fact that they may be actually issued and delivered at different times.

B. Issuance of Parity Bonds. Nothing herein, subject to the limitations stated in Section 7.F hereof, prevents the issuance by the Enterprise or the City of Parity Bonds; but before any such Parity Bonds are authorized or actually issued, the following conditions shall be satisfied:

(1) Absence of Default. At the time of the adoption of the supplemental ordinance or other instrument authorizing the issuance of the Parity Bonds as provided in Section 7.F hereof, the Enterprise shall not be in default in making any payments required by Section 5 hereof and there shall not have occurred and be continuing any Event of Default.

(2) Historic Revenues Tests. Except as hereinafter provided in the case of Parity Bonds issued for the purpose of refunding all or any part of the Bonds and other Parity Bonds then Outstanding, the Pledged Revenues for the last complete Fiscal Year prior to the issuance of the proposed Parity Bonds, as certified by the Treasurer, must have been equal to at least the sum of one hundred twenty percent (120%) of the Combined Maximum Annual Debt Service Requirements of the Superior Securities, the Bonds then Outstanding, any Parity Bonds then Outstanding, and the Parity Bonds proposed to be issued. If any adjustment in water or wastewater rates, fees, tolls or charges or tap fees, or any combination thereof, is approved by the City Council during such Fiscal Year, the Treasurer shall adjust the calculation of the Pledged Revenues to reflect the amount thereof that would have been received if such adjustment had been in effect throughout such Fiscal Year.

For purposes of this Section 7.B(2), when computing the Combined Maximum Annual Debt Service Requirements for any issue of Parity Bonds or Subordinate Securities bearing interest at a variable, adjustable, convertible or other similar rate which is not fixed for the entire term thereof, it shall be assumed that any such Parity Bonds or Subordinate Securities Outstanding at the time of the computation will bear interest during any period at the highest of (a) the actual rate on the date of calculation, or if the Parity Bonds or Subordinate Securities are not yet outstanding, the initial rate (if established and binding), (b) if the Parity Bonds or Subordinate Securities have been outstanding for at least twelve (12) months, the average rate over the twelve (12) months immediately preceding the date of calculation, and (c) (i) if interest on the Parity Bonds or Subordinate Securities is excludable from gross income under the applicable provisions of the Tax Code, the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (ii) if interest is not so excludable, the interest rate on direct Federal Securities with comparable maturities plus fifty (50) basis points. It shall further be assumed that any such Parity Bonds or Subordinate Securities which may be tendered prior to maturity for purchase at the option of the Owner thereof will mature on their stated maturity dates or mandatory Redemption Dates. The Enterprise or the City shall be permitted to treat any fixed rate payable on an interest rate exchange agreement or “swap” contract as the interest rate on any such issue of Parity Bonds or Subordinate Securities if the counterparty to such agreement or contract has unconditionally agreed to pay all interest due on such Parity Bonds or Subordinate Securities and the counterparty has been approved in writing by the Bond Insurer. In the case of Parity Bonds issued for the purpose of refunding all or any part of the Bonds or other Parity Bonds then Outstanding, compliance with this Section 7.B(2) shall not be required so long as the Debt Service Requirements payable on all Bonds and other Parity Bonds Outstanding after the issuance of such proposed Parity Bonds on each interest payment date does not exceed the Debt Service Requirements payable on all Bonds and other Parity Bonds Outstanding prior to the issuance of such proposed Parity Bonds on such interest payment dates.

C. Certification of Historic Revenues. Where certifications of historic revenues are required by this Ordinance, the specified and required written certifications of the Treasurer that revenues are sufficient to pay the required amounts shall be conclusively presumed to be accurate in determining the right of the Enterprise to authorize, issue, sell and deliver Parity Bonds.

D. Subordinate Securities Permitted. Nothing herein, except the limitations stated in Section 7.F hereof, prevents the Enterprise or the City from issuing Subordinate Securities for any lawful purpose.

E. Superior Securities Prohibited. Neither the Enterprise nor the City shall issue any bonds with a lien on the Pledged Revenue which is senior or superior to the lien on the Bonds, including Securities issued to refund the Superior Securities.

F. Supplemental Ordinances. Parity Bonds or Subordinate Securities shall be issued only after authorization thereof by ordinance, supplemental ordinance or other instrument in substantially the same form as this Ordinance, stating the purpose or purposes of the issuance of such additional Securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date,

series designation, principal amount, maturity or maturities, maximum rate or rates of interest, and prior redemption privileges with respect thereto, and providing for payments to and from the Water and Wastewater Utility Fund in accordance with this Ordinance. All additional Securities shall bear such date, shall be payable as to principal and interest on such dates and shall be subject to redemption prior to maturity on such terms and conditions, as may be provided, and shall bear interest at such rate or rates as may be fixed by ordinance, instrument or other document.

Section 8. Covenants. The Enterprise hereby particularly covenants and agrees with the Owners of the Bonds from time to time, and makes provisions which shall be a part of the contract with such Owners, which covenants and provisions shall be kept by the Enterprise or the City continuously until all of the Bonds have been fully paid and discharged:

A. Rate Maintenance. The City shall prescribe, revise, and collect water and wastewater rates, fees, tolls, and charges and tap fees or any combination thereof, which shall produce Income sufficient, together with any other moneys legally available therefor and deposited in the Water and Wastewater Utility Fund, to make the payments and accumulations required by this Ordinance and which shall produce Pledged Revenues in each Fiscal Year sufficient, together with all other moneys legally available therefor and deposited in the Water and Wastewater Utility Fund after payment of Operation and Maintenance Expenses, to pay an amount at least equal to one hundred ten percent (110%) of the actual Debt Service Requirements due in such Fiscal Year for the Superior Securities, the Outstanding Bonds and any Outstanding Parity Bonds, 100% of the Debt Service Requirements of the Subordinate Securities, plus any amounts required to meet then existing deficiencies pertaining to any fund relating to the Pledged Revenues or any Securities payable therefrom, including, without limitation, any reserve funds. For purposes of this Section 8.A, when computing the actual Debt Service Requirements for any issue of Parity Bonds or Subordinate Securities bearing interest at a variable, adjustable, convertible or other similar rate which is not fixed for the entire term thereof, it shall be assumed that any such Parity Bonds or Subordinate Securities Outstanding at the time of the computation will bear interest during any period at the actual rate applicable during said period. It shall further be assumed that any such Parity Bonds or Subordinate Securities which may be tendered prior to maturity for purchase at the option of the Owner thereof will mature on their stated maturity dates or mandatory Redemption Dates. The Enterprise shall be permitted to treat any fixed rate payable on an interest rate exchange agreement or “swap” contract as the interest rate on any such issue of Parity Bonds or Subordinate Securities if the counterparty to such agreement or contract has unconditionally agreed to pay all interest due on such Parity Bonds or Subordinate Securities and the counterparty has been approved in writing by the Bond Insurer.

In the event that such rates, fees, tolls, and charges and tap fees at any time should not be sufficient to make all of the payments and accumulations required by this Ordinance, the City shall increase its rates, fees, tolls, and charges and tap fees to such extent as to insure the payments and accumulations required by the provisions of this Ordinance.

B. Collection of Charges. The City shall cause all water and wastewater rates, fees, tolls, and charges and tap fees to be billed promptly and collected as soon as reasonable, shall prescribe and enforce rules and regulations or impose contractual obligations

for the payment thereof, to the end that the Pledged Revenues shall be adequate to meet the requirements of this Ordinance and any other ordinance or instrument supplemental thereto. The rates, fees, tolls, and charges and tap fees due shall be collected in any lawful manner.

C. Competent Management. The City shall employ experienced and competent management personnel for each component of the System. If the Enterprise shall fail to pay the Debt Service Requirements of the Bonds promptly as the same become due, or if the Enterprise or the City shall fail to keep any of the covenants herein contained, and if such default shall continue for a period of sixty (60) days, or if the Pledged Revenues in any Fiscal Year, together with other legally available moneys deposited in the Water and Wastewater Utility Fund, shall fail to equal at least the amount of the Debt Service Requirements of the Outstanding Bonds and other Outstanding Securities due in the same Fiscal Year, the City shall retain a firm of competent management Persons skilled in the operation of water and wastewater facilities to assist in the management of the System so long as such default continues or the said revenues, proceeds and income are less than the amount hereinabove designated.

D. Performance of Duties. The City, acting by and through its officers, or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Income and the System required by the Constitution and laws of the State and the ordinances, resolutions and contracts of the Enterprise or the City, including, without limitation, the proper segregation of the proceeds of the Bonds and the Income and their application from time to time to the respective funds provided therefor.

E. Costs of Bonds and of Performance. Except as otherwise specifically provided herein, all costs and expenses incurred in connection with the issuance of the Bonds, payment of the Debt Service Requirements thereof or the performance of or compliance with any covenant or agreement contained in this Ordinance shall be paid exclusively (but only from the appropriate special fund in the manner authorized herein) from the proceeds of the Bonds, from the Pledged Revenues, or from other legally available moneys, and in no event shall any of such costs or expenses be required to be paid out of or charged to the general fund of the City.

F. Contractual Obligations. The Enterprise shall perform all contractual obligations undertaken by it under the Bond Purchase Agreement, and the Enterprise or the City shall perform all contractual obligations undertaken by it under any other agreements relating to the Bonds, the Income, the Project, or the System.

G. Further Assurances. At any and all times the Enterprise or the City shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver, and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Pledged Revenues and other funds hereby pledged, or intended so to be, or which the Enterprise or the City may hereafter become bound to pledge, or as may be reasonable and required to carry out the purposes of this Ordinance. The Enterprise, acting by and through its officers, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other funds pledged hereunder and all the rights of every Owner of any of the Bonds against all claims and demands of all Persons whomsoever.

H. Conditions Precedent. Upon the date of issuance of the Bonds, all conditions, acts and things required by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Charter, the Supplemental Act, the Recovery Act, Title 37, Article 45.1, the Enterprise Ordinance, and this Ordinance to exist, to have happened, and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened and have been performed, and the Bonds, together with all other obligations of the Enterprise or the City, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States of America or the Constitution or laws of the State, the Charter or the Enterprise Ordinance.

I. Efficient Operation and Maintenance. The City shall at all times operate the System properly and in a sound and economical manner. The City shall maintain, preserve and keep the System properly or cause the same so to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the maintenance of the System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the City in connection with the repair, maintenance and operation of the System shall be fair and reasonable.

J. Records and Accounts. The City shall keep proper books of record and account showing complete and correct entries of all transactions relating to the funds referred to herein.

K. Rules, Regulations and Other Details. The City, acting by and through its officers, shall establish and enforce reasonable rules and regulations governing the construction, operation, care, repair, maintenance, management, control, use, commodities, and services of the System. The City shall observe and perform all of the terms and conditions contained in this Ordinance and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the System or the City.

L. Payment of Governmental Charges. The Enterprise shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the System or upon any part thereof or upon any portion of the Income, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the System, or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The Enterprise shall not create or suffer to be created any lien or charge upon the System, or any part thereof, or upon the Income, except the pledge and lien created by this Ordinance for the payment of the Debt Service Requirements due in connection with the Bonds and except as herein otherwise permitted. The Enterprise shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within ninety (90) days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System, or any part thereof, or the Income, but nothing herein requires the Enterprise to pay or to cause to be discharged or to make

provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

M. Protection of Security. The Enterprise and the City and their officers, agents and employees shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Debt Service Requirements of the Bonds according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any Owner of any Bonds might be prejudicially and materially impaired or diminished.

N. Accumulation of Interest Claims. In order to prevent any accumulation of claims for interest after maturity, the Enterprise shall not directly or indirectly extend or assent to the extension of the time for the payment of any claim for interest on any of the Bonds; and the Enterprise shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such claims for interest. If the time for the payment of any such installment of interest is extended in contravention of the foregoing provisions, such installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior payment in full of the principal of all of the Bonds.

O. Prompt Payment of Bonds. The Enterprise shall promptly pay the Debt Service Requirements of every Bond on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

P. Use of Funds. The funds described herein shall be used solely and only, and the moneys deposited in such funds are hereby pledged, for the purposes described herein, subject to Section 9 hereof.

Q. Additional Securities. Neither the Enterprise nor the City shall hereafter issue any Securities, other than the Bonds, without compliance with the requirements with respect to the issuance of Parity Bonds set forth herein to the extent applicable.

R. Other Liens. Other than the Superior Securities and the Subordinate Securities issued by the Enterprise in 1997, 1998, 2000, and 2005, there are no liens or encumbrances of any nature whatsoever on or against the System, or any part thereof, or on or against the Pledged Revenues.

S. Disposal of System Prohibited. Subject to Section 8.V hereof, except for the use of the System and the sale of commodities or services pertaining thereto in the normal course of business, neither all nor a substantial part of the System shall be sold, mortgaged, pledged, encumbered, alienated or otherwise disposed of, until all of the Bonds have been paid in full, as to all Debt Service Requirements thereof, or unless provision has been made therefor, or until the Bonds have otherwise been redeemed, including, without limitation, the termination of the pledge as herein authorized. Subject to Section 8.V hereof, the City shall not dispose of its title to the System or to any useful part thereof, including any property necessary to the operation and use of the System and the lands and interests in lands comprising the System.

T. Fidelity Bonds or Insurance. Each official or other person having custody of any Pledged Revenues or responsible for their handling shall be fully bonded or

insured at all times, which bond or insurance shall be conditioned upon the proper application of said moneys. Nothing herein shall be construed to prohibit the City from providing any insurance required hereunder by an actuarially sound self insurance plan or program.

U. Tax Covenant.

(1) The Enterprise and the City covenant for the benefit of the registered owners of the Tax-Exempt Bonds that it will not take any action or omit to take any action with respect to the Tax-Exempt Bonds, the proceeds of the Tax-Exempt Bonds, any other funds of the Enterprise or the facilities refinanced with the proceeds of the Tax-Exempt Bonds if such action or omission (i) would cause the interest on the Tax-Exempt Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, in effect on the date of delivery of the Tax-Exempt Bonds, (ii) would cause interest on the Tax-Exempt Bonds to lose its exclusion from gross income for federal income tax purposes under Section 55(b)(2) of the Tax Code, or (iii) would cause interest on the Tax-Exempt Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Tax-Exempt Bonds until the date on which all obligations of the Enterprise and the City in fulfilling the above covenant under the Tax Code and Colorado law have been met.

(2) The Enterprise and the City hereby makes an irrevocable election that Section 54AA of the Tax Code shall apply to the Taxable Bonds and that subsection (g) of Section 54AA will also apply to the Taxable Bonds so that the Enterprise and the City will receive the BAB Credit. None of the Owners of the Taxable Bonds shall be entitled to any credit under Section 54AA of the Tax Code. The Enterprise and the City covenant that it will not take any action or omit to take any action with respect to the Taxable Bonds, the proceeds thereof, any other funds of the Enterprise and the City or the Project if such action or omission would case the Enterprise and the City to not be entitled to the BAB Credit with respect to the Taxable Bonds. In furtherance of this covenant, the Enterprise and the City agree to comply with the procedures set forth in the Tax Compliance Certificate with respect to the Taxable Bonds. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Taxable Bonds until the date on which all obligations of the Enterprise in fulfilling the above covenant have been met. The Enterprise and the City shall timely file or cause to be filed any document required by the Internal Revenue Service to be filed in order to claim the BAB Credit.

V. Disposal of Property. No part of the System shall be sold, leased, mortgaged, pledged, encumbered or otherwise disposed of or otherwise alienated, until all of the Bonds have been paid in full, or unless provision has been made therefor, or until the Bonds have otherwise been redeemed; provided, however, that the City may sell, exchange, lease or dispose of at any time and from time to time any property or facilities constituting part of the System and not needed or useful in the construction, reconstruction or operation thereof as determined by ; City in its reasonable discretion but any proceeds of any such sale or exchange received and not used to replace such property so sold or exchanged and any proceeds of any such lease received shall be deposited in the Water and Wastewater Utility Fund as Income.

W. Loss from Condemnation. If any part of the System is taken by the exercise of a power of eminent domain, the amount of any award received by the City as a result of such taking shall be expended upon the improvement of the System or shall be applied to the redemption of the Outstanding Bonds and any other Outstanding Securities in accordance with the provisions hereof and of any other ordinance authorizing the issuance of any such Securities at maturity or upon prior redemption if the authorizing ordinances authorize the prior redemption of such Securities.

X. Inspection of Records and System. Any Owner of any of the Bonds, any duly authorized agent or agents of such Owner, and the Purchaser shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the Bonds, the System or the Income, to make copies of such records, accounts and data at their own expense, and to inspect the System and properties comprising the same.

Y. Audits Required. The City, annually following the close of each Fiscal Year, shall order an audit for the Fiscal Year of the books and accounts pertaining to the Enterprise to be made forthwith by an Independent Auditor and order an audit report for each fund pertaining to the Income.

Z. Insurance and Reconstruction. The City shall at all times maintain with responsible insurers all such insurance reasonably required and obtainable within limits and at costs deemed reasonable by the City as is customarily maintained with respect to water and wastewater facilities of like character against loss of or damage to the System and against public and other liability to the extent at least reasonably necessary to protect the interest of the City and of each Owner of Bonds, except as herein otherwise provided. If any useful part of the System shall be damaged or destroyed, the City shall, as expeditiously as possible, commence and diligently proceed with the repair or replacement of the damaged or destroyed property so as to restore the same to use. The proceeds of any insurance appertaining to the System shall be payable to the City and (except for proceeds of use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement, and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Water and Wastewater Utility Fund as Income. If the costs of such repair and replacement of the damaged or destroyed property exceed the proceeds of such property insurance available for payment of the same, moneys in the Water and Wastewater Utility Fund shall be used to the extent necessary for such purpose. Nothing herein shall be construed to prohibit the City from providing any insurance required hereunder by an actuarially sound self insurance plan or program.

AA. Notices and Certificates. The Enterprise shall provide to the Bond Insurer the following: notice of defeasance of the Bonds; any other notice given to the Owners of the Bonds; copies of any certificates given pursuant to this Ordinance relating to the security for the Bonds; and such additional information as the Bond Insurer may reasonably request. The City shall notify the Bond Insurer of any failure of the Enterprise to provide such notices and certificates. Notwithstanding any other provision of this Ordinance, the Enterprise or the City shall immediately notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal or interest as required and immediately upon the occurrence of any Event of Default.

BB. Continuing Disclosure. The City shall comply with the provisions of the Continuing Disclosure Certificate. Any failure by the City to perform in accordance with this Section shall not constitute an Event of Default under this ordinance, and the rights and remedies provided by this ordinance upon the occurrence of an Event of Default shall not apply to any such failure. Neither the Registrar nor the Paying Agent shall have any power or duty to enforce this Section. No Owner of a Bond shall be entitled to damages for the City's non-compliance with its obligations under this Section; however, the Owners of the Bonds may enforce specific performance of the obligations contained in this Section by any judicial proceeding available.

Section 9. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this ordinance and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the City shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 3.B(5) hereof notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of Section 3.B(5) hereof, (b) there shall have been deposited with the Paying Agent or a commercial bank exercising trust powers either moneys in an amount which shall be sufficient, or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or other commercial bank exercising trust powers at the same time, shall be sufficient to pay when due the Debt Service Requirements due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the City shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 3.B(5) hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or other a commercial bank exercising trust powers and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the Debt Service Requirements of said Bond. Neither such securities nor moneys deposited with the Paying Agent or other commercial bank exercising trust powers pursuant to this Section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Debt Service Requirements of said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other Trust Bank, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the Bond Requirements to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to

the benefits of this ordinance, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other Trust Bank.

In the case of the Taxable Bonds, the Enterprise is obligated to contribute additional securities or monies to the escrow or trust if necessary to provide sufficient amounts to satisfy the payment obligations on the Taxable Bonds.

The release of the obligations of the City under this Section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this Section with respect to all Bonds then Outstanding, this ordinance may be discharged in accordance with the provisions of this Section but the liability of the City in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other commercial bank exercising trust powers as provided in this Section.

Section 10. Default Provisions and Remedies of Bond Owners.

A. Events of Default. Each of the following events is hereby declared to be and to constitute an Event of Default by the Enterprise:

(1) Nonpayment of Principal or Premium. Payment of the principal of any of the Bonds is not made from sources other than the Bond Insurance Policy when the same becomes due and payable;

(2) Nonpayment of Interest. Payment of any interest on any of the Bonds is not made from sources other than the Bond Insurance Policy when the same becomes due and payable;

(3) Incapacity to Perform. The Enterprise or the City for any reason becomes incapable of fulfilling its obligations hereunder;

(4) Nonperformance of Duties. The Enterprise or the City shall have failed to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Income or to the System, including, without limitation, this Ordinance, and such failure shall continue for sixty (60) days after receipt of notice from the Owners of twenty five percent (25%) in aggregate principal amount of the Bonds then Outstanding; provided that if such failure cannot be cured within such sixty (60) days and if during that period corrective action has commenced to remedy such failure and subsequently is diligently pursued by the Enterprise or the City to the completion of such performance, an Event of Default shall not be deemed to have occurred;

(5) Failure to Reconstruct. The City discontinues or unreasonably delays or fails to carry out with reasonable dispatch the reconstruction or replacement of any revenue producing part of the System which is condemned, destroyed or damaged and is not

promptly repaired or replaced (whether such failure to repair the same is due to impracticality of such repair or replacement, or is due to a lack of moneys therefor, or for other reason);

(6) Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction, with the consent or acquiescence of the City, appointing a receiver or receivers for the System or for the Income and any other moneys subject to the lien to secure the payment of the Bonds, or if any order or decree, having been entered without the consent or acquiescence of the City, is not vacated or discharged or stayed on appeal within sixty (60) days after entry;

(7) Default of Any Provision. The Enterprise or the City makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed, other than those delineated in Section 8.BB hereof, and if such default continues for sixty (60) days after written notice, specifying such default and requiring the same to be remedied, is given to the Enterprise or the City by the Owners of twenty five percent (25%) in aggregate principal amount of the Bonds then Outstanding; provided that if such default cannot be cured within such sixty (60) days and if during that period corrective action has commenced to remedy such default and subsequently is diligently pursued to the completion of such performance, an Event of Default shall not be deemed to have occurred;

(8) Payment Default on Parity Bonds. The Enterprise fails to pay when due any Debt Service Requirements of any Parity Bonds; and

(9) Default Under the Insurance Agreement. An event of default shall have occurred and be continuing under the provisions of the Insurance Agreement.

B. Remedies for Defaults. The Owner or Owners of not less than twenty five percent (25%) in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the Enterprise or the City and their agents, officers and employees to protect and to enforce the rights of any Owner of Bonds under this Ordinance by mandatory injunction or by other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or an operating trustee or for the specific performance of any covenant or agreement contained herein or for any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Bond, or to require the Enterprise to act as if it were the trustee of an expressed trust, or any combination of such remedies, or as otherwise may be authorized by any statute or other provision of law. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the Bonds or any Parity Bonds then Outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of such Owners hereunder may collect, receive and apply all Income arising after the appointment of such receiver or operating trustee in the same manner as the City itself might do. The consent to any such appointment is hereby expressly granted by the City. Any reorganization or liquidation plan with respect to the Enterprise must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners of Bonds

insured by the Bond Insurer under the Bond Insurance Policy, absent a default by the Bond Insurer under the Bond Insurance Policy. Notwithstanding the foregoing or any other applicable provision of law, no Event of Default shall result in acceleration of any obligation of the Enterprise represented by the Bonds.

C. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Bond to proceed in any manner herein provided shall not relieve the Enterprise or the City or any of its officers, agents or employees of any liability for failure to perform to carry out any duty, obligation or other commitment. Each right or privilege of any such Owner or trustee therefor is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof. Each Owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Ordinance and as otherwise provided or permitted by law or in equity or by statute, except as provided in Sections 12.A and 12.B hereof, and subject to the applicable provisions concerning the Income and the proceeds of the Bonds. Nothing herein affects or impairs the right of any Owner of any Bond to enforce the payment of the Debt Service Requirements due in connection with this Bond or the obligation of the Enterprise to pay the Debt Service Requirements of each Bond to the Owner thereof at the time and the place expressed in such Bond.

D. Duties Upon Default. Upon the happening of any of the Events of Default as provided in Section 10.A hereof, the Enterprise or the City, in addition, will do and perform all proper acts on behalf of and for the Owners of the Outstanding Bonds to protect and to preserve the security created for the payment of their Bonds and to insure the payment of the Debt Service Requirements of the Bonds promptly as the same become due. If the Enterprise or the City fails or refuses to proceed as in this Section 10.D provided, the Owner or Owners of not less than twenty five percent (25%) in aggregate principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as hereinabove provided; and to that end any such Owners of Outstanding Bonds shall be subrogated to all rights of the Enterprise or the City under any agreement or contract involving the Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding. Nothing herein requires the Enterprise or the City to proceed as provided herein if it determines in good faith and without any abuse of its discretion that if it so proceeds it is more likely than not to incur a net loss rather than a net gain or such action is likely to affect materially and prejudicially the Owners of the Outstanding Bonds and any Outstanding Parity Bonds.

E. Evidence of Bond Owners. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the Owner of any Bonds may be in one instrument or more than one instrument of similar tenor and shall be signed or may be executed by each Owner in person or by his attorney appointed in writing. Proof of the execution of any such instrument or of any instrument appointing any such attorney, or the ownership by any Person of the Bonds, shall be sufficient for any purpose of this Ordinance (except as otherwise herein expressly provided) if made in the following manner:

(1) **Proof of Execution.** The fact and the date of the execution by any Owner of any Bonds or his, her or its attorney of such instrument may be proved by the

certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Secretary of the Enterprise or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, that the individual signing such request or other instrument acknowledged to him the execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any Bonds may be established without further proof if such instrument is signed by an individual purporting to be the president or vice president of such corporation with the corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

(2) Proof of Ownership. The amount of Bonds owned by any Person executing any instrument as an Owner of Bonds, and the numbers, date and other identification thereof, together with the date of his, her or its ownership of the Bonds, shall be determined from the registration books of the Enterprise. The amount of other Bonds, if applicable, owned by any Person executing any instrument as an owner of such Bonds, and the numbers, date and other identification thereof, together with the date of his, her or its ownership, if in bearer form, may be proved by a certificate which need not be acknowledged or verified, in form satisfactory to the Secretary of the Enterprise, executed by a member of a financial firm or by an officer of a bank or trust company, insurance company or financial corporation or other depository satisfactory to the Secretary of the Enterprise, or by any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, showing at the date therein mentioned that such Person exhibited to such member, officer, notary public or other officer so authorized to take acknowledgments of deeds or had on deposit with such depository the Bonds described in such certificate or, if in registered form shall be determined from the related registration books; but the Secretary of the Enterprise may nevertheless in his or her discretion require further or other proof in cases where he or she deems the same advisable.

F. Warranty Upon Issuance of Bonds. Any of the Bonds as herein provided, when duly executed and registered for the purposes provided for in this Ordinance, shall constitute a warranty by and on behalf of the Enterprise for the benefit of each and every future Owner of any of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

G. Rights of Bond Insurer. Anything in this Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Bonds under this Ordinance.

H. Immunities of Purchaser. The Purchaser and any associate thereof are under no obligation to any Owner of the Bonds for any action that they may not take or in respect of anything that they may or may not do by reason of any information contained in any reports or other documents received by them under the provisions of this Ordinance. The

immunities and exemption from liability of the Purchaser and any associate thereof hereunder extend to their officers, directors, successors, assigns, employees and agents.

Section 11. Amendment of Ordinance.

A. Amendment of Ordinance Not Requiring Consent of Bond Owners.

The Enterprise may, without the consent of, or (except as otherwise provided herein) notice to, the Owners of the Bonds, adopt such ordinances supplemental hereto (which amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

(1) To cure or correct any formal defect, ambiguity or inconsistent provision contained in this Ordinance;

(2) To appoint successors to the Paying Agent, Registrar or Transfer Agent as provided in Section 3.B(7) hereof;

(3) To designate a trustee for the Owners of the Bonds, to transfer custody and control of the Income to such trustee, and to provide for the rights and obligations of such trustee;

(4) To add to the covenants and agreements of the Enterprise or the City or the limitations and restrictions on the Enterprise or the City set forth herein;

(5) To pledge additional revenues, properties or collateral to the payment of the Bonds;

(6) To cause this Ordinance to comply with the Trust Indenture Act of 1939, as amended from time to time;

(7) To preserve or protect the excludability from gross income for federal income tax purposes of the interest allocable to the Tax-Exempt Bonds;

(8) To maintain the status of the Taxable Bonds as qualified Build America Bonds under Section 54AA of the Tax Code; or

(9) To effect any such other changes hereto which do not in the opinion of nationally recognized bond counsel materially adversely affect the interests of the Owners of the Bonds.

B. Amendment of Ordinance Requiring Consent of Bond Owners.

Exclusive of the amendatory ordinances covered by Section 11.A hereof, this Ordinance may be amended or modified by ordinances or other instruments duly adopted by the Enterprise, without receipt by it of any additional consideration, but with the written consent of the Owners of a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory ordinance, provided that no such amendatory ordinance shall permit:

(1) Changing Payment. A change in the maturity or in the terms of redemption of the principal of any Outstanding Bond or any installment of interest thereon; or

(2) Reducing Return. A reduction in the principal amount of any Bond or the rate of interest thereon without the consent of the Owner of the Bond; or

(3) Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Ordinance; or

(4) Modifying Amendment Terms. A reduction of the principal amount or percentages of Bonds, or any modification otherwise affecting the description of Bonds, otherwise changing the consent of the Owners of Bonds, which may be required herein for any amendment hereto; or

(5) Priorities Among Bonds or Parity Bonds. The establishment of priorities as among Bonds issued and Outstanding under the provisions of this Ordinance or as among Bonds and other Parity Bonds; or

(6) Partial Modification. Any modifications otherwise materially and prejudicially affecting the rights or privileges of the Owners of less than all of the Bonds then Outstanding.

Whenever the Enterprise proposes to supplement or amend this Ordinance under the provisions of this Section 11.B, it shall give notice of the proposed supplement or amendment by mailing such notice to the Purchaser or to any successor thereof known to the Secretary of the Enterprise, to all Owners of Bonds at the addresses appearing on the registration books of the Enterprise. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance or other instrument is on file in the office of the Secretary of the Enterprise for public inspection.

C. Time for and Consent to Amendment. Whenever at any time within one (1) year from the date of the completion of the notice required to be given by Section 11.B hereof there shall be filed in the office of the Secretary of the Enterprise an instrument or instruments executed by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory ordinance or other instrument described in such notice and shall specifically consent to and approve the adoption of such ordinance or other instrument, thereupon, but not otherwise, the Council may adopt such amendatory ordinance or instrument and such ordinance or instrument shall become effective. If the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, at the time of the adoption of such amendatory ordinance or instrument, or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein provided, no Owner of any Bond whether or not such Owner shall have consented to or shall have revoked any consent as herein provided shall have any right or interest to object to the adoption of such amendatory ordinance or other instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Enterprise from taking any action pursuant to the provisions thereof. Any consent given by the Owner of a Bond pursuant to the provisions thereof shall be irrevocable for a period of six (6) months from the date of the completion of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the completion of such notice, by the Owner who

gave such consent or by a successor in title, by filing notice of such revocation with the Secretary of the Enterprise, but such revocation shall not be effective if the Owners of at least a majority in aggregate principal amount of the Bonds Outstanding as herein provided, prior to the attempted revocation, shall have consented to and approved the amendatory instrument referred to in such revocation. Consent to any such amendatory ordinance or other instrument by the Bond Insurer pursuant to Section 11.H hereof shall be conclusive and binding upon all other Owners.

D. Unanimous Consent. Notwithstanding anything in the foregoing provisions contained, the terms and the provisions of this Ordinance, or of any ordinance or instrument amendatory thereof, and the rights and the obligations of the Enterprise and the City and of the Owners of the Bonds may be modified or amended in any respect (except as would adversely affect the rights of the Owners of any Parity Bonds) upon the adoption by the Enterprise and upon the filing with the Secretary of the Enterprise of an instrument to that effect and with the consent of the Owners of all the then Outstanding Bonds, such consent to be given in the manner provided in Section 11.C hereof; and no notice to Owners of Bonds shall be required as provided in Section 11.B hereof, nor shall the time of consent be limited except as may be provided in such consent.

E. Exclusion of Bonds. At the time of any consent or of other action taken hereunder the Registrar shall furnish to the Secretary of the Enterprise a certificate, upon which the Secretary of the Enterprise may rely, describing all Bonds to be excluded for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for hereunder, and, with respect to such excluded Bonds, the Enterprise shall not be entitled or required with respect to such Bonds to give or obtain any consent or to take any other action provided for hereunder.

F. Notation on Bonds. Any of the Bonds delivered after the effective date of any action taken as provided in Section 11.B hereof, or Bonds Outstanding at the effective date of such action, may bear a notation thereon by endorsement or otherwise in form approved by the Council as to such action; and if any such Bonds so executed and delivered after such date does not bear such notation, then upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of his, her or its Bond for such purpose at the principal office of the Enterprise, suitable notation shall be made on such Bond by the Secretary of the Enterprise as to any such action. If the Council so determines, new Bonds so modified as in the opinion of the Council to conform to such action shall be prepared, executed and delivered; and upon demand of the Owner of any Bond then Outstanding, shall be exchanged without cost to such Owner for Bonds then Outstanding upon surrender of such Outstanding Bonds.

G. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this Section 11, the amount and number of the Bonds owned by any Person executing such instrument, and the date of his registering the same may be proved as provided by Section 10.E hereof.

H. Consent of Bond Insurer. Any provision of this Ordinance expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

The consent of the Bond Insurer shall be required in lieu of the consent of Bond Owners, when required, for the following purposes: execution and delivery of any amendatory or supplemental ordinance, removal of the Paying Agent, Registrar or Transfer Agent and selection and appointment of any successor paying agent, registrar and transfer agent and initiation or approval of any other action which requires consent of Bond Owners, provided that the Bond Insurer is not in default under the Bond Insurance Policy.

Section 12. Miscellaneous.

A. Character of Agreement. None of the covenants, agreements, representations, or warranties contained herein or in the Bonds shall ever impose or shall be construed as imposing any liability, obligation, or charge against the City or against the credit of the City payable out of the general fund or any other fund of the City (except the special funds pledged therefor).

Pursuant to the Enterprise Ordinance the Enterprise is authorized to make covenants on behalf of the City and to bind the City to perform any obligation relating to the System other than any multiple-fiscal year direct or indirect debt or other financial obligation of the City without adequate present cash reserves pledged irrevocably and held for payments in future years. Notwithstanding anything in this Ordinance to the contrary, no such covenant of the Enterprise on behalf of the City that would constitute such a direct or indirect debt or other financial obligation of the City may be enforced against the City.

B. No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City or the Enterprise except for the Pledged Revenues. No property of the City or the Enterprise, subject to such exception with respect to the Pledged Revenues, pledged for the payment of the Bonds, shall be liable to be forfeited or taken in payment of the Bonds.

C. Statute of Limitations. No action or suit based upon any Bond or other obligation of the Enterprise or the City shall be commenced after it is barred by any statute of limitations pertaining thereto. Any trust or fiduciary relationship between the Enterprise and the Owner of any Bond or the obligee regarding any such obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the Bond is presented for payment or demand for payment of such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any fund or account reserved, pledged or otherwise held for the payment of any such obligation, action or suit, the collection of which has been barred, shall revert to the Water and Wastewater Utility Fund, unless the Council shall otherwise provide by ordinance. Nothing herein prevents the payment of any such Bond or other obligation after an action or suit for its collection has been barred if the Council deems it in the best interests of the Enterprise or the public so to do and orders such payment to be made.

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

(1) Execution, Registration and Delivery of Bonds. The execution and registration of the Bonds and the delivery of the Bonds to the Purchaser pursuant to the provisions of this Ordinance and the Bond Purchase Agreement;

(2) Information. The assembly and dissemination of financial and other information concerning the Enterprise, the City and the Bonds including, without limitation, the information required by the Continuing Disclosure Certificate;

(3) Official Statement. The preparation of the Official Statement for the use of buyers of the Bonds, including, without limitation, the Purchaser; and

(4) Documents and Closing Certificates. The execution of the Commitment, the Paying Agent Agreement, the Letter of Representations, the Bond Purchase Agreement, the Calculation Agent Agreement, the Continuing Disclosure Certificate and such certificates as may be reasonably required by the Purchaser, relating, inter alia, to:

- (a) The signing of the Bonds;
- (b) The tenure and identity of the officials of the Enterprise;
- (c) If in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bonds;
- (d) The tax treatment of interest on the Bonds under federal and State income tax laws;
- (e) The delivery of the Bonds and the receipt of the Bond purchase price;
- (f) The accuracy and completeness of information provided in the Official Statement.

The form, terms and provisions of the Paying Agent Agreement, the Continuing Disclosure Certificate, the Bond Purchase Agreement, the Calculation Agent Agreement and the Letter of Representations are hereby approved, and the Enterprise shall enter into and perform its obligations thereunder in substantially the forms of such documents presented to the Council at this meeting, with such changes as may be approved by the Treasurer or the Manager of the Enterprise, subject to the parameters and restrictions contained in this Ordinance; and the officers of the Enterprise and the City are hereby authorized and directed to execute and deliver such documents as required hereby.

E. Successors. Whenever herein the Enterprise or the City is named or is referred to, such provision shall be deemed to include any successors of the Enterprise or 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 Enterprise or 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 Enterprise or 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.

F. Rights and Immunities. Except as herein otherwise expressly provided, nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon or to give or grant to any Person, other than the Enterprise and the City, the Bond Insurer, the Paying Agent, Registrar and Transfer Agent, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the Enterprise or the City shall be for the sole and exclusive benefit of the Enterprise or the City, the Bond Insurer, the Paying Agent, Registrar and Transfer Agent, and any Owners of the Bonds.

No civil recourse shall be available for the payment of the Debt Service Requirements of the Bonds or for any claim based thereon or otherwise upon this 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 Enterprise past, present or future, either directly or indirectly through the Council, the Enterprise, or otherwise, whether by virtue of any constitution, statute or rule of law or by the enforcement of any penalty or otherwise, all such recourse, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specially waived and released, as provided by Section 11-57-209 of the Supplemental Act.

G. Bond Insurer as Third-Party Beneficiary. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

H. Facsimile Signatures. Pursuant to the Uniform Facsimile Signature of Public Officials Act, part 1 of article 55 of title 11, C.R.S., the President, the Secretary and the Treasurer shall forthwith, and in any event prior to the time the Bonds are delivered to the Purchaser, file with the Colorado Secretary of State their manual signatures certified by them under oath.

I. Ordinance Irrepealable. This Ordinance is, and shall constitute, a legislative measure of the Enterprise and after any of the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the Enterprise and the Owner or Owners of the Bonds; and this Ordinance, subject to the provisions of Sections 9 and 11 hereof, shall be and shall remain irrepealable until the Bonds, as to all Debt Service Requirements, shall be fully paid, cancelled or discharged.

J. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the Enterprise acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such

recourse shall not be available either directly or indirectly through the Board or the Enterprise, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

K. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

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

M. Limitation on Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the Enterprise in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

N. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this resolution, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Registrar and Paying Agent are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this resolution, and no interest shall accrue for the period after such nominal date.

O. Ratification. All action not inconsistent with the provisions of this Ordinance heretofore taken by the Enterprise or its officers, and otherwise by the Enterprise directed toward the issuance of the Bonds is hereby ratified, approved and confirmed.

P. 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.

Q. Severability. If any Section, subsection, paragraph, clause or other provision of this 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, subsections, paragraphs, clauses or provisions of this Ordinance.

R. Emergency. Due to the immediate need by the City for proceeds of the Bonds in order to carry out the Project, an emergency exists which requires the immediate passage of this Ordinance as an emergency measure, and this Ordinance is immediately

necessary for the preservation of the public peace, health or safety. This Ordinance shall therefore be exempt from referendum.

PASSED AND ADOPTED AS AN EMERGENCY MEASURE this 10th day of May, 2010.

CITY OF WESTMINSTER, COLORADO,
WATER AND WASTEWATER UTILITY
ENTERPRISE

By: _____
President

ATTEST:

APPROVED AS TO LEGAL FORM:

City Clerk

City Attorney

EXHIBIT A

[Form of Tax-Exempt Bond]

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

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTIES OF ADAMS AND JEFFERSON

CITY OF WESTMINSTER

**WATER AND WASTEWATER UTILITY ENTERPRISE
TAX-EXEMPT WATER AND WASTEWATER REVENUE BOND
SERIES 2010[A]***

No. R-_____ \$ _____

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Original Date</u> | <u>CUSIP</u> |
|--------------------------|--------------------------|--------------------------|--------------|
| ___% | December 1, 20__ | [DATE OF DELIVERY] | 960686 __ _ |

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM: _____ DOLLARS

The City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the “Enterprise”), for value received, hereby promises to pay in lawful money of the United States of America, 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), on the maturity date (specified above), with interest thereon at the per annum Interest Rate (specified above), payable semiannually on June 1 and December 1 of each year, commencing on _____ 1, 2010 from the Original Date (specified above) or the interest payment date to which interest has been paid next preceding the date hereof, whichever is later, to the maturity

* Each Bond shall be designated as a Water and Wastewater Revenue Bond, followed by the Series letter according to order of issuance.

date. 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.

This Bond is a special and limited obligation of the Enterprise payable solely out of and secured by an irrevocable pledge of and lien (but not necessarily an exclusive lien) upon certain net revenues (the “Pledged Revenues”) derived from the water and wastewater facilities of the City of Westminster, Colorado (the “City”), as defined and as more specifically provided in the ordinance duly adopted by the governing body of the Enterprise authorizing the issuance of this Bond (the “Ordinance”), which is at all times subordinate to the lien thereon of the Superior Securities and at all times senior and superior to the lien thereon of the Subordinate Securities pursuant to the terms of the Ordinance. This Bond does not constitute a debt or an indebtedness of the Enterprise or the City within the meaning of any applicable constitutional, charter or statutory provision or limitation. This Bond is not payable in whole or in part from the proceeds of general property taxes or any other funds of the City or the Enterprise except the Pledged Revenues, and the full faith and credit of the City is not pledged for the payment of principal of and interest on this Bond.

This Bond is one of a series of bonds issued pursuant to the Ordinance designated as the “City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds, Series 2010 (the “Tax-Exempt Bonds”) in the aggregate principal amount of \$_____. Concurrently with the issuance of the Tax-Exempt Bonds, the City is issuing its “City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010” in the aggregate principal amount of \$_____ (the “Taxable Bonds”). The Tax-Exempt Bonds, together with the Taxable Bonds, have been duly authorized for the purpose of providing moneys to defray a portion of the cost of extending, bettering or otherwise improving and equipping the System, (the “System”).

This Bond is authorized and issued under the authority of and in full conformity with the Constitution of the State of Colorado, Title 11, Article 57, Part 2, C.R.S., Title 37, Article 45.1, C.R.S., the City Charter, the Enterprise Ordinance, the Ordinance, and all other laws of the State of Colorado thereunto enabling. Pursuant to Section 11-57-210, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Bond after its delivery for value. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Ordinance.

[INSERT REDEMPTION PROVISIONS]

The principal of and interest on this Bond are payable to the Registered Owner by UMB Bank, n.a., Denver, Colorado, or its successors, as Paying Agent. The principal and final installment of interest are payable to the Registered Owner upon presentation and surrender of this Bond at maturity. As provided in the Ordinance, 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 of this Bond subsequent to the regular record date and prior to such interest payment date. 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 Bond subsequent to the special record date and prior to the date fixed by the Paying Agent for the payment of such interest. Notice of the special record date and of the date fixed for the payment of such interest is to be given to the registered owner of each 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 Enterprise. If the date for making or giving any payment, determination or notice described herein or in the Ordinance is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding Business Day.

This Bond is transferable only upon the registration books of the Enterprise by UMB Bank, n.a., Denver, Colorado, or its successors, as Transfer Agent, at the request of the Registered Owner or his, her or its duly authorized attorney in fact or legal representative, upon surrender hereof together with a duly executed written instrument of transfer containing 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 beneficiaries of the trust. The Registered Owner may also exchange this Bond for another Bond or Bonds of authorized denominations. The Transfer Agent may charge a fee for transfers and exchanges, and in addition, the Transfer Agent may 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 Bonds. No transfer of this Bond is to be effective until entered on the registration books of the Enterprise. In the case of every transfer or exchange, the Registrar is to authenticate and the Transfer Agent is to deliver to the new registered owner a new 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 Bond or Bonds surrendered. Such Bond or Bonds are to be dated as of their date of authentication. The Enterprise may deem and treat the person or entity in whose name this Bond is last registered upon the books of the Enterprise as the absolute owner hereof for the purpose of receiving payment of the principal of and interest on this Bond and for all other purposes, and all such payments so made to such person or entity or upon his, her or its order will be valid and effective to satisfy and discharge the liability of the Enterprise upon this Bond to the extent of the sum or sums so paid, and the Enterprise will not be affected by any notice to the contrary.

The Bonds are equitably and ratably secured by a lien on the Pledged Revenues, and such Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues which is at all times subordinate to the lien thereon of the Superior Securities and at all times senior and superior to the lien thereon of the Subordinate Securities pursuant to the terms of the Ordinance. Subordinate Securities, subject to expressed conditions, may be issued or, Parity Bonds, subject to additional expressed conditions, may be issued, all in accordance with the provisions of the Ordinance. The pledge of revenues and other obligations of the Enterprise under the Ordinance may be discharged at or prior to the maturity of the Bonds upon the making of provision for the payment of the Bonds on the terms and conditions set forth in the Ordinance.

Reference is hereby made to the Ordinance and to any and all modifications and amendments thereof for a complete 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 Bonds, provisions with respect to the custody and application of the proceeds of the Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of and interest on the Bonds, 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 and interest on the Bonds, and the manner of enforcement of said pledge, the payment of the Bonds, the provisions for modifying or amending the Ordinance, as well as the rights, duties, immunities and obligations of the Enterprise and the City, the rights and remedies of the registered owners of the Bonds, as well as the duties and obligations of the Securities Depository and the removal or resignation and subsequent replacement thereof.

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

IN WITNESS WHEREOF, the Enterprise has caused this Bond to be executed in its name and on its behalf with the facsimile or manual signature of the President of the Enterprise, to be attested with the facsimile or manual signature of the Secretary of the Enterprise.

CITY OF WESTMINSTER, COLORADO,
WATER AND WASTEWATER UTILITY
ENTERPRISE

By: (Facsimile or Manual Signature)
President

ATTEST:

(Facsimile or Manual Signature)
Secretary

(Form of Registrar's Certificate of Authentication)

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

Date of Authentication and Registration: _____.

UMB BANK, N.A.,
Denver, Colorado, as Registrar

By _____
Title: _____

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

For value received, _____ hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Signature must be guaranteed by
a member of the Medallion Signature Program)

Address of transferee:

Social Security Number or other Tax
Identification Number of Transferee:

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

EXCHANGE OR TRANSFER FEES MAY BE CHARGED

(End of Form of Assignment)

[End of Form of Tax-Exempt Bond]

EXHIBIT B

[Form of Taxable Bond]

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

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTIES OF ADAMS AND JEFFERSON

CITY OF WESTMINSTER

**WATER AND WASTEWATER UTILITY ENTERPRISE
TAXABLE WATER AND WASTEWATER REVENUE BOND
(DIRECT PAY BUILD AMERICA BOND)
SERIES 2010[B]***

No. R- _____ \$ _____

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Original Date</u> | <u>CUSIP</u> |
|--------------------------|--------------------------|--------------------------|--------------|
| ___% | December 1, 20__ | [DATE OF DELIVERY] | 960686 __ _ |

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM: _____ DOLLARS

The City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the “Enterprise”), for value received, hereby promises to pay in lawful money of the United States of America, 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), on the maturity date (specified above), with interest thereon at the per annum Interest Rate (specified above), payable semiannually on June 1 and December 1 of each year, commencing on _____ 1, 2010 from the Original Date (specified above) or the interest payment date to which interest has been paid next preceding the date hereof, whichever is later, to the maturity

* Each Bond shall be designated as a Water and Wastewater Revenue Bond, followed by the Series letter according to order of issuance.

date. 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.

This Bond is a special and limited obligation of the Enterprise payable solely out of and secured by an irrevocable pledge of and lien (but not necessarily an exclusive lien) upon certain net revenues (the “Pledged Revenues”) derived from the water and wastewater facilities of the City of Westminster, Colorado (the “City”), as defined and as more specifically provided in the ordinance duly adopted by the governing body of the Enterprise authorizing the issuance of this Bond (the “Ordinance”), which is at all times subordinate to the lien thereon of the Superior Securities and at all times senior and superior to the lien thereon of the Subordinate Securities pursuant to the terms of the Ordinance. This Bond does not constitute a debt or an indebtedness of the Enterprise or the City within the meaning of any applicable constitutional, charter or statutory provision or limitation. This Bond is not payable in whole or in part from the proceeds of general property taxes or any other funds of the City or the Enterprise except the Pledged Revenues, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Bond.

This Bond is one of a series of bonds issued pursuant to the Ordinance designated as the “City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010” (the “Taxable Bonds”) in the aggregate principal amount of \$_____. Concurrently with the issuance of the Taxable Bonds, the City is issuing its “City of Westminster, Colorado, Water and Wastewater Utility Enterprise, Tax-Exempt Water and Wastewater Revenue Bonds, Series 2010 (the “Tax-Exempt Bonds”) in the aggregate principal amount of \$_____. The Taxable Bonds, together with the Tax-Exempt Bonds, have been duly authorized for the purpose of providing moneys to defray a portion of the cost of extending, bettering or otherwise improving and equipping the System, (the “System”).

This Bond is authorized and issued under the authority of and in full conformity with the Constitution of the State of Colorado, Title 11, Article 57, Part 2, C.R.S., Title 11, Article 59.7, C.R.S., Title 37, Article 45.1, C.R.S., the City Charter, the Enterprise Ordinance, the Ordinance, and all other laws of the State of Colorado thereunto enabling. Pursuant to Section 11-57-210, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Bond after its delivery for value. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Ordinance.

[ADD REDEMPTION PROVISIONS.]

The principal of and interest on this Bond are payable to the Registered Owner by UMB Bank, n.a., Denver, Colorado, or its successors, as Paying Agent. The principal and final installment of interest are payable to the Registered Owner upon presentation and surrender of this Bond at maturity. As provided in the Ordinance, 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 of this Bond subsequent to the regular record date and prior to such interest payment date. 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 Bond subsequent to the special record date and prior to the date fixed by the Paying Agent for the payment of such interest. Notice of the special record date and of the date fixed for the payment of such interest is to be given to the registered owner of each 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 Enterprise. If the date for making or giving any payment, determination or notice described herein or in the Ordinance is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding Business Day.

This Bond is transferable only upon the registration books of the Enterprise by UMB Bank, n.a., Denver, Colorado, or its successors, as Transfer Agent, at the request of the Registered Owner or his, her or its duly authorized attorney in fact or legal representative, upon surrender hereof together with a duly executed written instrument of transfer containing 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 beneficiaries of the trust. The Registered Owner may also exchange this Bond for another Bond or Bonds of authorized denominations. The Transfer Agent may charge a fee for transfers and exchanges, and in addition, the Transfer Agent may 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 Bonds. No transfer of this Bond is to be effective until entered on the registration books of the Enterprise. In the case of every transfer or exchange, the Registrar is to authenticate and the Transfer Agent is to deliver to the new registered owner a new 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 Bond or Bonds surrendered. Such Bond or Bonds are to be dated as of their date of authentication. The Enterprise may deem and treat the person or entity in whose name this Bond is last registered upon the books of the Enterprise as the absolute owner hereof for the purpose of receiving payment of the principal of and interest on this Bond and for all other purposes, and all such payments so made to such person or entity or upon his, her or its order will be valid and effective to satisfy and discharge the liability of the Enterprise upon this Bond to the extent of the sum or sums so paid, and the Enterprise will not be affected by any notice to the contrary.

The Bonds are equitably and ratably secured by a lien on the Pledged Revenues, and such Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues which is at all times subordinate to the lien thereon of the Superior Securities and at all times senior and superior to the lien thereon of the Subordinate Securities pursuant to the terms of the Ordinance. Securities, in addition to the Bonds of this issue, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien thereon of the Bonds of this issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien thereon of the Bonds of this issue in accordance with the provisions of the Ordinance. The pledge of revenues and other obligations of the Enterprise under the Ordinance may be discharged at or prior to the maturity of the Bonds upon the making of provision for the payment of the Bonds on the terms and conditions set forth in the Ordinance.

Reference is hereby made to the Ordinance and to any and all modifications and amendments thereof for a complete 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 Bonds, provisions with respect to the custody and application of the proceeds of the Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of and interest on the Bonds, 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 and interest on the Bonds, and the manner of enforcement of said pledge, the payment of the Bonds, the provisions for modifying or amending the Ordinance, as well as the rights, duties, immunities and obligations of the Enterprise and the City, the rights and remedies of the registered owners of the Bonds, as well as the duties and obligations of the Securities Depository and the removal or resignation and subsequent replacement thereof.

The Enterprise has designated this bond as a Build America Bond pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (the "Tax Code"). Although this bond is issued by the Enterprise, which is a political subdivision of the State, interest on this bond is not excludable from gross income for federal income tax purposes under Section 103 of the Tax Code.

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

IN WITNESS WHEREOF, the Enterprise has caused this Bond to be executed in its name and on its behalf with the facsimile or manual signature of the President of the Enterprise, to be attested with the facsimile or manual signature of the Secretary of the Enterprise.

CITY OF WESTMINSTER, COLORADO,
WATER AND WASTEWATER UTILITY
ENTERPRISE

By: (Facsimile or Manual Signature)
President

ATTEST:

(Facsimile or Manual Signature)
Secretary

(Form of Registrar's Certificate of Authentication)

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

Date of Authentication and Registration: _____.

UMB BANK, N.A.,
Denver, Colorado, as Registrar

By _____
Title: _____

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

For value received, _____ hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Signature must be guaranteed by
a member of the Medallion Signature Program)

Address of transferee:

Social Security Number or other Tax
Identification Number of Transferee:

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

EXCHANGE OR TRANSFER FEES MAY BE CHARGED

(End of Form of Assignment)

[End of Form of Taxable Bond]

STATE OF COLORADO)
)
 COUNTIES OF ADAMS) SS.
 AND JEFFERSON)
 CITY OF WESTMINSTER)

I, the duly elected, qualified and acting City Clerk of the City of Westminster, Colorado (the “City”) and Secretary of the City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the “Enterprise”) do hereby certify that:

1. The foregoing pages are a true, correct, and complete copy of an ordinance (the “Ordinance”) passed and adopted by the City Council (the “Council”) of the City, acting as the governing body of the Enterprise, at a meeting of the Enterprise held concurrently with a regular meeting of the Council at the City Hall on May 10, 2010.

2. The passage of the Ordinance as an emergency was duly moved and seconded, and the Ordinance was adopted at the meeting of May 10, 2010 by an affirmative vote of a majority of the members of the Council as follows:

| Name | “Yes” | “No” | Absent | Abstain |
|----------------|-------|------|--------|---------|
| Nancy McNally | | | | |
| Chris Dittman | | | | |
| Bob Briggs | | | | |
| Mark L. Kaiser | | | | |
| Mary Lindsey | | | | |
| Scott Major | | | | |
| Faith Winter | | | | |

3. The members of the Council were present at such meeting and voted on the passage of the Ordinance as set forth above

4. The Ordinance has been signed by the Mayor, as President of the Enterprise, attested by me, as Secretary of the Enterprise, and duly recorded in the books of the Enterprise and the City; and the same remains of record in the book of records of the Enterprise and the City.

5. There are no bylaws, rules or regulations of the Council which might prohibit the adoption of the Ordinance as an emergency.

6. Notice of the meeting of May 10, 2010, in the form, attached hereto as Schedule A, was duly given to the Council members and was posted in a designated public place within the boundaries of the City no less than twenty-four hours prior to the meeting as required by law.

7. The Ordinance was published in full after adoption in Westminster Window, a newspaper of general circulation within the City on May [___], 2010. The affidavit of publication is attached hereto as Schedule B.

8. The Ordinance has not been repealed, rescinded, amended or otherwise modified and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of May, 2010.

City Clerk and
Secretary of the Enterprise

SCHEDULE A

(Attach Notice of Meeting)

SCHEDULE B

(Attach Affidavit of Publication)

**CITY OF WESTMINSTER, COLORADO
WATER AND WASTEWATER UTILITY ENTERPRISE
WATER AND WASTEWATER REVENUE BONDS
SERIES 2010**

PAYING AGENT AGREEMENT

THIS AGREEMENT, dated as of [May 26], 2010, is by and between the City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the “Enterprise”), and UMB Bank, n.a., in Denver, Colorado (the “Bank”).

WITNESSETH:

WHEREAS, by an ordinance of the City Council of the City of Westminster, Colorado, acting as the governing body of the Enterprise (the “Council”) duly adopted on May 10, 2010 (the “Bond Ordinance”), the Enterprise has authorized the issuance of its Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds), Series 2010, in the aggregate original principal amount of \$[_____] (the “Bonds”); and

WHEREAS, it is mutually desirable to the Enterprise and the Bank that the Bank, through its Corporate Trust Department, located in Denver, Colorado, act as Paying Agent (as defined in the Bond Ordinance) for the Bonds; and

WHEREAS, it is mutually desirable that this agreement (the “Agreement”) be entered into between the Enterprise and the Bank to provide for certain aspects of such Paying Agent services.

NOW, THEREFORE, the Enterprise and the Bank, in consideration of the mutual covenants herein contained, agree as follows:

1. The Bank hereby accepts all duties and responsibilities of the Paying Agent as provided in the Bond Ordinance and this Agreement. No implied duties or obligations shall be read into the Bond Ordinance or this Agreement against the Bank. The Bank shall cause the Bonds to be honored in accordance with their terms, provided that the Enterprise causes to be made available to the Bank all funds necessary in order to so honor the Bonds. Nothing in this Agreement shall require the Bank to pay or disburse any funds in excess of the amount then on deposit in the “Principal and Interest Payment Account” provided for in Section 2 of this Agreement. Nothing in this Agreement shall require the Enterprise to pay or disburse any funds

for payment of the Bonds or interest thereon except at the times and in the manner provided in the Bond Ordinance. In addition, the Bank hereby accepts the duties and responsibilities pertaining to the authentication, registration, transfer, exchange and replacement of Bonds, and the duties and responsibilities pertaining to calling the Bonds for prior redemption, all as provided in the Bond Ordinance.

2. Not less than (a) one business days prior to each payment date, if funds are delivered by wire transfer, or (b) three business days prior to each payment date if funds are delivered by another method of payment, funds for the payment of the Bonds and interest thereon are to be deposited by the Enterprise with the Bank in an account designated "Principal and Interest Payment Account." The funds so deposited shall be held and applied by the Bank through its Corporate Trust Department solely for the payment of principal of, premium, if any, and interest on the Bonds. From such funds, the Bank agrees to pay at the times and in the manner provided in the Bond Ordinance, the principal of, premium, if any, and interest on the Bonds. In the event a payment date is not a business day, the Bank shall make the principal and/or interest payment on the following business day with the same effect as if it had been made on the date scheduled for such payment.

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

4. Unless waived by the Bank, the Enterprise agrees to provide the Bank with not less than 60 days notice of any prior redemption of the Bonds.

5. The Bank agrees to annually notify the Enterprise, in writing, of the Enterprise's obligation to file its Annual Report (as such term is defined in the Continuing Disclosure Certificate dated May 26, 2010, relating to the issuance of the Bonds), at least 30 but not more than 60 days prior to time which the Annual Report is required to be filed pursuant to the terms of the Continuing Disclosure Certificate. The Bank shall have no further obligation or duty relating to the Enterprise's obligation under the Continuing Disclosure Certificate other than the provision of the notice as required by this Section.

6. At least 30 but not more than 60 days prior to May 26, 2015, May 26, 2020, May 26, 2025, and on the date on which the last Bond is discharged, the Bank shall send

written notice to the Enterprise stating that the Enterprise must: (i) compute the amount of rebatable arbitrage, if any, which is due to the federal government pursuant to Sections 103 and 148(f) of the Internal Revenue Code of 1986, as amended, and (ii) pay such amount no later than sixty days from May 26, 2015, May 26, 2020, May 26, 2025, and on the date on which the last Bond is discharged. The Bank shall have no further obligation or duty related to the Enterprise's requirements under Sections 103 and 148(f) of the Internal Revenue Code of 1986 other than providing the notice required by this Section.

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

8. The Agreement may be terminated as provided in Section 3(B)(8) of the Bond Ordinance.

9. In the event of any conflict between the provisions of this Agreement and the provisions of the Bond Ordinance, the provisions of the Bond Ordinance shall be controlling.

10. The rights of the Enterprise under this Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Colorado, without regard to choice of law analysis. Jurisdiction and venue for any disputes related to this Agreement shall be in United States Enterprise Court for the Enterprise of Colorado.

11. Bank is authorized to act on the order, directions or instructions of all such officials as the governing body of Enterprise by resolution or other proper action shall designate. Bank shall be protected in acting upon any paper or document believed by it to be genuine and to have been signed by the proper official(s), and shall not be held to have notice of any change of authority of any official until receipt of written notice thereof from Enterprise.

12. The Bank may consult with legal counsel, including but not limited to legal counsel for Enterprise, with respect to any matter in connection with this Agreement or the Bonds, if, while in the performance of its duties as Bank hereunder or under the Bonds, the Bank shall deem it necessary or desirable to do so. The Bank shall not be liable for any action taken or omitted by it in good faith in reliance upon the advice of such counsel.

13. To the extent permitted by law, the Enterprise will indemnify, hold

harmless, and defend Bank from and against any and all actions or suits, and from and against any and all losses, damages, costs, charges, counsel fees, payments, expenses and liabilities arising out of the agency relationship, where Bank has acted in good faith and with due diligence and without negligence. In any event Bank shall incur no liability whatsoever and shall be fully indemnified and protected by Enterprise in taking or failing to take any action at the specific direction of or pursuant to instructions of any official of Enterprise. The Bank shall not be under any obligation to prosecute or defend any action or suit in connection with its duties under this Agreement or in respect of the Bonds which, in its opinion, may involve it in expense or liability, unless Enterprise shall furnish Bank with satisfactory security and indemnity.

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

CITY OF WESTMINSTER, COLORADO, WATER AND
WASTEWATER UTILITY ENTERPRISE

By: _____
President

(SEAL)

Attest:

Secretary

UMB BANK, N.A., as Paying Agent

By _____
Title _____

EXHIBIT A

(Attach Paying Agent's Fee Schedule)

**CITY OF WESTMINSTER, COLORADO
WATER AND WASTEWATER UTILITY ENTERPRISE**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the “Enterprise”) in connection with the issuance of its Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010 in the aggregate principal amount of \$[_____] (the “Bonds”). The Bonds are being issued pursuant to an ordinance (the “Ordinance”) adopted by the City Council of the City (the “City”) acting as the governing body of the Enterprise on May 10, 2010.

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

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

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

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

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

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

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

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Enterprise shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Enterprise's Fiscal Year of each year, commencing nine (9) months following the end of the Enterprise's Fiscal Year ending December 31, 2009, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Enterprise shall provide the Annual Report to the Dissemination Agent (if other than the Enterprise). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Enterprise may be submitted separately from the balance of the Annual Report.

(b) If the Enterprise is unable to provide to the MSRB an Annual Report by the date required in subsection (a) of this Section, the Enterprise shall send or cause to be sent a notice in substantially the form attached as Exhibit "A" to the MSRB.

(c) The Dissemination Agent shall:

i. determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

ii. if the Dissemination Agent is other than the Enterprise, send written notice to the Enterprise at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

iii. if the Dissemination Agent is other than the Enterprise, file a report with the Enterprise certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

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

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

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

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City, the Enterprise, or related public entities,

which are available to the public on the MSRB's Internet Website or filed with the SEC. The Enterprise shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Enterprise shall provide or cause to be provided, in a timely manner, notice of any of the following events with respect to the Bonds, if such event is material, to the MSRB:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;
- (f) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (g) Modifications to rights of Bond holders;
- (h) Bond calls;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds;
or
- (k) Rating changes.

SECTION 6. Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

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

SECTION 8. Dissemination Agent. The Enterprise may, from time to time, appoint or engage a Dissemination Agent to assist the Enterprise in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

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

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

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

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

DATED: May __, 2010.

CITY OF WESTMINSTER, COLORADO
WATER AND WASTEWATER UTILITY
ENTERPRISE

By: _____
President

EXHIBIT "A"

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name: City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the "Enterprise").

Name of Issue: Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010, in the aggregate principal amount of \$[_____].

CUSIP: _____.

Date of Issuance: May __, 2010.

NOTICE IS HEREBY GIVEN that the Enterprise has not provided an Annual Report with respect to the 2010 Bonds as required by Section 8BB of the Bond Ordinance dated as of May 10, 2010, and the Continuing Disclosure Certificate executed on May __, 2010 by the Enterprise. The Enterprise anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

CITY OF WESTMINSTER, COLORADO
WATER AND WASTEWATER UTILITY
ENTERPRISE

By: _____

Title: _____

EXHIBIT "B"

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

\$ _____
**CITY OF WESTMINSTER, COLORADO
WATER AND WASTEWATER UTILITY ENTERPRISE
TAXABLE WATER AND WASTEWATER REVENUE BONDS
(Direct Pay Build America Bonds)
SERIES 2010**

May __, 2010

Governing Body
Water and Wastewater Utility Enterprise
City of Westminster
Westminster, Colorado

Ladies and Gentlemen:

1. Piper Jaffray & Co. (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Westminster Water and Wastewater Utility Enterprise (the “Enterprise”). This offer is made subject to the Enterprise’s execution of this Agreement and delivery of it to the Underwriter on the Date of this Agreement. Upon the Enterprise’s acceptance of this offer, this Agreement shall be binding upon the Underwriter and the Enterprise, subject to the further provisions hereof. Capitalized terms not otherwise defined herein shall have the meanings set forth for such terms in paragraph 10 below or in that certain ordinance of the Enterprise, passed and adopted on May 10, 2010, authorizing the issuance of the Bonds (the “Bond Ordinance”).

2. Subject to the further provisions hereof, the Underwriter agrees to purchase from the Enterprise, and the Enterprise agrees to sell and deliver to the Underwriter, all of the Enterprise’s Taxable Water and Wastewater Revenue Bonds, (Direct Pay Build America Bonds), Series 2010 (the “Bonds”) at the Purchase Price. The Bonds will mature, bear interest and be sold at the prices indicated in Exhibit A hereto.

3. The Enterprise shall deliver the duly issued and executed Bonds in accordance with the requirements of The Depository Trust Company in New York, New York, prior to, and the Underwriter shall deliver the Purchase Price to the Enterprise in federal funds by, 9:00 a.m., Denver Time, on the Closing Date, or at such other place and time as shall be mutually agreed upon by the Enterprise and the Underwriter. (Such deliveries are referred to as the “Closing.”) The documents to support the Closing will be held and may be examined at the offices of Sherman & Howard LLC in Denver, Colorado at the same time on the Closing Date.

4. The Enterprise has cooperated with, and has taken all actions reasonably requested by, the Underwriter to facilitate the preparation of the Preliminary Official Statement relating to the Bonds dated _____, 2010 and any supplements or amendments thereto

that the Underwriter reasonably determines are necessary (the “Preliminary Official Statement”), and the Enterprise shall cooperate with, and shall take all actions reasonably requested by, the Underwriter to facilitate the Underwriter’s offer and sale of the Bonds to third parties, including but not limited to (i) the final Official Statement relating to the Bonds to be dated prior to the date of the Closing and any supplements or amendments thereto that the Underwriter reasonably determines are necessary (the “Official Statement”) and (ii) all actions necessary under the securities or “blue sky” laws of the jurisdictions specified by the Underwriter to enable it to offer and sell the Bonds in or to residents of such jurisdictions. In addition, in order to facilitate compliance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (“Rule 15c2-12”), the Enterprise (A) has certified, and hereby affirms its certification, that the Preliminary Official Statement is “final” as of its date as required by Rule 15c2-12, (B) hereby authorizes and ratifies the distribution of the Preliminary Official Statement to any potential customers (as defined in Rule 15c2-12) until the Official Statement is available, (C) hereby agrees to make available to the Underwriter, within seven business days of the Date of this Agreement, as many copies of the Official Statement as the Underwriter deems sufficient for purposes of complying with Rule 15c2-12, (D) hereby authorizes and approves the distribution and use of the Official Statement in connection with the offering and sale of the Bonds and (E) hereby agrees to enter into a written agreement or contract, constituting an undertaking (the “Continuing Disclosure Undertaking”) to provide ongoing disclosure about the Enterprise, for the benefit of the owners of the Bonds on or before the date of delivery of the Bonds as required by Rule 15c2-12, which Undertaking shall be in the form attached as Appendix C to the Preliminary Official Statement, with such changes as may be agreed to in writing by the Underwriter.

5. The Underwriter’s obligation to purchase the Bonds shall be subject to the Underwriter’s receipt of each of the following in form and substance satisfactory to the Underwriter:

- (a) Certified copies of the Bond Ordinance;
- (b) An executed copy of the Paying Agent Agreement, the Continuing Disclosure Undertaking and the Calculation Agent Agreement;
- (c) The unqualified approving opinion or opinions of Sherman & Howard L.L.C., Bond Counsel, a letter from said firm as to their participation in the preparation of, and as to certain material set forth in, the Official Statement;
- (d) A letter from Kutak Rock LLP as to their participation in the preparation of, and as to the material set forth in, the Official Statement;
- (e) Certificates of the Enterprise as to (i) the facts necessary to support the opinions referred to in clauses (c) and (d) above, (ii) the accuracy of the Preliminary Official Statement and the Official Statement, (iii) litigation affecting the Enterprise and (iv) such other matters as are customary with respect to the issuance of obligations such as the Bonds or as the Underwriter may reasonably request;

(f) Evidence that the Bonds have been rated “___” by Standard & Poor’s Ratings Services, a Division of the McGraw Hill Companies and “___” by Fitch Investors; and

(g) Such additional agreements, documents, instruments, opinions and certificates as the Underwriter may reasonably request.

6. The Underwriter’s obligation to purchase the Bonds also shall be subject to the Underwriter’s right, in its absolute discretion, to elect to terminate this Agreement by written notice to the Enterprise if at any time after the Date of this Agreement and prior to the Closing:

(a) Any event shall have occurred, or information becomes known, which, in the Underwriter’s opinion, makes untrue, in any material respect, any statement or information contained in the Official Statement or the Preliminary Official Statement (except as modified by the Official Statement), or has the effect that the Official Statement or the Preliminary Official Statement (except as modified by the Official Statement) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(b) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(c) The United States shall have become engaged in hostilities, whether or not a war shall have been declared, or there shall have occurred an escalation of any hostilities involving the armed forces of any country, or any other national emergency or other national calamity relating to the effective operation of government or of the financial community shall have occurred, which, in the Underwriter’s opinion, materially adversely affects the market price of the Bonds;

(d) There shall have occurred a general suspension or material limitation of trading on The New York Stock Exchange or any other national securities exchange as the result of an event affecting the national economy, or minimum or maximum prices for trading shall have been established on any exchange and be in force, or maximum ranges for prices for securities shall be in force on any such exchange;

(e) The New York Stock Exchange, any other national securities exchange or any governmental authority shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force or being enforced, or increase materially those now in force or being enforced, with respect to the extension of credit by, or charges to the net capital requirement of, or financial responsibility requirements of, the Underwriter;

(f) A general banking moratorium shall have been established by federal, New York or Colorado authorities;

(g) Any rating of any obligations of the Enterprise shall have been downgraded or withdrawn by any rating service, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(h) Legislation is adopted by either house of the United States Congress, or favorably reported for passage to either house of the United States Congress by any committee of such house to which such legislation has been referred for consideration, legislation is actively considered for enactment by the United States Congress, legislation is recommended to the United States Congress for passage by the President of the United States, a decision by a court of the United States or the United States Tax Court is rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency is made, with respect to federal taxation upon revenues or other income of the Enterprise or upon interest payable on obligations of the general character of the Bonds or which would change directly or indirectly the federal income tax consequences of the Bonds being issued as ["Build America Bonds" under the American Recovery and Reinvestment Act of 2009 or the cash subsidy payments from the United States Treasury], which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds; or

(i) Any change shall have occurred which, in the reasonable judgment of the Underwriter, makes unreasonable or unreliable any of the financing assumptions upon which payment of debt service on the Bonds is predicated.

7. The Enterprise shall pay or cause to be paid, from the proceeds from the sale of the Bonds or other funds available to it, the expenses incident to the issuance and sale of the Bonds (the "Costs of Issuance"), including but not limited to the Underwriter's Discount and expenses of the Underwriter otherwise agreed to be paid by the Enterprise, the fees and disbursements of Sherman & Howard L.L.C., Kutak Rock LLP and any other attorneys, accountants or other experts or consultants retained in connection with the issuance and sale of the Bonds (including but not limited to the Enterprise's independent accountants), fees and charges of any paying agent or other agent retained in connection with the payment of, or the administration of the payment of, the Bonds, fees to register the Bonds with The Depository Trust Company of New York, CUSIP fees, clearing and delivery fees, the costs of printing and distributing the Preliminary Official Statement and the Official Statement, and any costs incurred in connection with the rating of the Bonds.

8. This Agreement may be executed in several counterparts, which together shall constitute one and the same instrument. Photostatic copies of executed counterparts hereof or copies of executed counterparts hereof transmitted by facsimile transmission shall be binding to the same effect as originally signed counterparts.

9. This Agreement shall be governed by the laws of the State of Colorado.

10. For purposes of this Agreement, the following terms have the meanings specified:

Date of this Agreement: May __, 2010

Aggregate Principal Amount: \$ _____

Underwriter's Discount: (\$ _____)

Purchase Price (Aggregate Principal Amount
Minus Underwriter's Discount): \$ _____

Closing Date: May __, 2010

[Remainder of page intentionally left blank]

Please indicate your acceptance of this offer by signing below.

Very truly yours,

PIPER JAFFRAY & CO.

By _____
Authorized Officer

Accepted and agreed to as
of the date first above written:

CITY OF WESTMINSTER WATER AND
WASTEWATER UTILITY ENTERPRISE

By _____
[President, Manager or Treasurer]

[Signature Page to Bond Purchase Agreement]

EXHIBIT A

ATTACH SCHEDULE

(Schedule indicating maturity dates, interest rates and prices for Bonds)

CALCULATION AGENT AGREEMENT

THIS CALCULATION AGENT AGREEMENT dated _____, 2010 (the “Agreement”), between the **CITY OF WESTMINSTER, COLORADO**, a municipal corporation duly organized and existing under the laws of the State of Colorado, acting by and through its Water and Wastewater Utility Enterprise (the “City”) , and **UMB BANK, N.A.**, a national banking association, as Calculation Agent (the “Calculation Agent”).

RECITALS:

Pursuant to an Ordinance duly adopted by the City on May 10, 2010 (the “Ordinance”) the City has issued its Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) in the aggregate principal amount of \$[_____] (the “Bonds”) and has irrevocably designated the Bonds as Build America Bonds under Section 54AA of the Internal Revenue Code (the “Code”).

The City has elected, pursuant to the Code, to receive a credit equal to thirty-five percent (35%) of the stated interest payable on the Bonds (the “Credit”) on each interest payment date from the United States Treasury pursuant to the Code.

The City desires that the Calculation Agent aid the City in requesting the Credit and that the City be the recipient of the Credit from the IRS.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Definitions. In addition to the words and terms defined elsewhere herein, capitalized words and terms used in this Agreement shall have the meanings given to such words and terms in the Ordinance (which definitions are hereby incorporated by reference).

Section 2. Duties of the Calculation Agent. The City requests that the Calculation Agent perform certain duties as described herein to assist the City in obtaining the Credit. To obtain the Credit, the Calculation Agent shall assist the City with completion of the IRS form 8038-CP (“Form 8038-CP”) or any other documentation as may hereafter be required by the IRS in order to obtain the Credit. The Calculation Agent shall complete Part III of Form 8038-CP and send to the City not more than one hundred thirty five (135) nor less than one hundred twenty (120) days preceding each interest payment date for review and execution by the City. On a date which is not more than ninety (90) nor less than forty-five (45) days preceding each interest payment date as set forth in the Ordinance, the Calculation Agent shall file the Form 8038-CP and/or any other required documentation with the Department of Treasury at the following address: Treasury Internal Revenue Service Center, 1973 N. Rulon White Blvd Ogden, UT 84404, or such other address as may be designated by the IRS or the Department of the Treasury from time to time, with a copy to the City. The Calculation Agent shall be entitled to rely on the information provided to it under the Ordinance and all related bond documents as to the calculation of the Credit and the information to be included on the IRS Form 8038-CP. The

IRS Form 8038-CP shall specify that the City is the entity to receive payment of the Credit. The Calculation Agent shall not be required to expend any of their own funds for any interest payment. The Calculation Agent shall bear no liability for any failure to receive timely payment of the Credit nor any penalties imposed or other ramifications of failure to receive the Credit in a timely manner, regardless of cause unless it is a result of the negligence or willful misconduct of the Calculation Agent.

The Calculation Agent shall have no duties or responsibilities other than those expressly set forth in this Agreement, and no implied duties or obligations shall be read into this Agreement against the Calculation Agent. The Calculation Agent shall have no duty to enforce any obligation of any person, other than as provided herein. The Calculation Agent shall be under no liability to anyone by reason of any failure on the part of any party hereto or any maker, endorser or other signatory of any document or any other person to perform such person's obligations under any such document.

Section 3. Liability of the Calculation Agent. The Calculation Agent shall not be liable for any action taken or omitted by it, or any action suffered by it to be taken or omitted, in good faith, and in the exercise of its own best judgment, and may rely conclusively and shall be protected in acting upon any order, notice, demand, certificate, opinion or advice of counsel (including counsel chosen by the Calculation Agent), statement, instrument, report or other paper or document (not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained) which is believed by the Calculation Agent to be genuine and to be signed or presented by the proper person(s). The Calculation Agent shall not be held liable for any error in judgment made in good faith by an officer or employee of the Calculation Agent unless it shall be proved that the Calculation Agent was negligent in ascertaining the pertinent facts or committed willful misconduct. The Calculation Agent shall not be bound by any notice of demand, or any waiver, modification, termination or rescission of this Agreement or any of the terms hereof, unless evidenced by a writing delivered to the Calculation Agent signed by the proper party or parties and, if the duties or rights of the Calculation Agent are affected, unless it shall give its prior written consent thereto.

The Calculation Agent may consult legal counsel in the event of any dispute or question as to the construction of any provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in accordance with the opinion or instructions of such counsel.

The Calculation Agent shall not be responsible, may conclusively rely upon and shall be protected, and held harmless to the extent permitted by law by the City, for the sufficiency or accuracy of the form of, or the execution, validity, value or genuineness of any document received or held by it hereunder, or of the signature or endorsement thereon, or for any description therein; nor shall the Calculation Agent be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any document, property or this Agreement.

Section 4. Fees, Charges and Expenses of the Calculation Agent. The Calculation Agent shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary

services rendered hereunder as shown on Exhibit A hereto and all advances, agent and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Calculation Agent in connection with such ordinary services and, in the event that it should become necessary that the Calculation Agent perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Calculation Agent it shall not be entitled to compensation or reimbursement therefor. The fees, charges and expenses of the Calculation Agent are payable by the City promptly upon receipt of an invoice therefor.

Section 5. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the City and the Calculation Agent shall be binding upon and inure to the benefit of their respective successors and assigns whether so expressed or not.

Section 6. Termination. This Agreement shall terminate when all calculations required to be made by the Calculation Agent under the provisions hereof shall have been made. The Calculation Agent may resign at any time on 30 days' prior written notice to the City. The City may remove the Calculation Agent upon 30 days' prior written notice to the Calculation Agent.

Section 7. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Resolution or this Agreement to be given to or filed with the following parties if the same is duly mailed by certified mail, addressed:

(a) To the CITY OF WESTMINSTER, COLORADO at:

4800 W. 92nd Avenue
Westminster, CO 80030-6399
Attention: Chief Financial Officer

(b) To the Calculation Agent at:

UMB Bank, N.A.
1670 Broadway
Denver, Colorado 80202
Attention: Corporate Trust Department

Section 8. Governing Law. This Agreement shall be governed by the applicable law of the State of Colorado.

Section 9. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers or elected officials as of the date first above written.

**CITY OF WESTMINSTER,
COLORADO**

By: _____
Title: Chief Financial Officer

**UMB BANK, N.A.,
as Calculation Agent**

By: _____
Title:

EXHIBIT A
CALCULATION AGENT FEES AND EXPENSES

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2010

NEW ISSUE
BOOK-ENTRY-ONLY

RATINGS: Fitch “___”
Standard and Poor’s “___”
(See “MISCELLANEOUS—Ratings”)

In the opinion of Sherman & Howard L.L.C., Bond Counsel, interest on the Bonds is included in gross income pursuant to the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”). The owners of the Bonds will not receive a tax credit as a result of holding the Bonds. In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, the interest on and income from the Bonds is exempt from all taxation and assessments in the State of Colorado. See “TAX MATTERS.”

\$29,575,000*
CITY OF WESTMINSTER, COLORADO
WATER AND WASTEWATER UTILITY ENTERPRISE
TAXABLE WATER AND WASTEWATER REVENUE BONDS
(Direct Pay Build America Bonds)
SERIES 2010

Dated: Date of Delivery

Due: December 1 as shown below

The Bonds are issued in fully registered form in denominations of \$5,000 or integral multiples thereof. Interest on the Bonds, at the rates set forth below, is payable semi-annually on June 1 and December 1 each year, commencing on December 1, 2010. Capitalized terms used on this cover page are defined in the Introduction to this Official Statement. DTC will act as securities depository for the Bonds and payments of principal of and interest on the Bonds will be made by the Paying Agent, initially UMB Bank, n.a., Denver, Colorado, directly to DTC, which will remit such payments to Participants for subsequent distribution to Beneficial Owners of the Bonds.

MATURITY SCHEDULE*
(CUSIP^{1, ©} 960680)

| Maturity Date (December 1) | Principal Amount | Interest Rate | Price or Yield | CUSIP |
|--|---------------------|------------------|-------------------|-------|
| 2015 | \$1,425,000 | | | |
| 2016 | 1,465,000 | | | |
| 2017 | 1,505,000 | | | |
| 2018 | 1,550,000 | | | |
| 2019 | 1,595,000 | | | |
| 2020 | 1,650,000 | | | |
| <p>\$ 9,200,000 ___% Term Bond due December 1, 2025- Price ___% CUSIP^{1, ©} _____</p> <p>\$11,185,000 ___% Term Bond due December 1, 2030 - Price ___% CUSIP^{1, ©} _____</p> | | | | |

The net proceeds from the sale of the Bonds will be used for the purpose of acquiring, developing, enhancing, and maintaining certain System improvements throughout the City, funding the Reserve Fund and paying the costs of issuance on the Bonds.

The Bonds are special and limited revenue obligations of the Enterprise payable solely out of and secured by an irrevocable pledge of and lien (but not necessarily an exclusive lien) upon the Pledged Revenues, which is at all times subordinate to the lien thereon of the Superior Securities and at all times senior and superior to the lien thereon of the Subordinate Securities. The Bonds do not constitute a debt or indebtedness of the City within the meaning of any constitutional, Charter or statutory provision or limitation. The Bonds are not payable in whole or in part from the proceeds of general property taxes or any other funds of the City or the Enterprise, except the Pledged Revenues, and the full faith and credit of the City is not pledged for payment of the principal of or interest on Bonds.

The Bonds are subject to redemption prior to maturity as described herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision and should consider carefully the information contained in the section entitled “RISK FACTORS.”

The Bonds are offered when, as, and if issued, and accepted by the Underwriter named below, subject to the approval of legality and certain other matters by Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel. Certain matters will be passed upon by Kutak Rock LLP, Denver, Colorado, as Special Counsel to the City for purposes of assisting the City with the preparation of this Official Statement. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about _____, 2010.

PIPER JAFFRAY & CO.

This Official Statement is dated _____, 2010.

* Preliminary; subject to change.

¹ The City takes no responsibility for the accuracy of CUSIP numbers, which are included for the convenience of owners of the 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.

**City of Westminster
City Council**

Nancy McNally, Mayor
Chris Dittman, Mayor Pro Tem
Bob Briggs
Mark L. Kaiser
Mary Lindsey
Scott Major
Faith Winter

City Officials

J. Brent McFall, City Manager
Stephen P. Smithers, Assistant City Manager
Tammy A. Hitchens, CPA, Finance Director
Robert C. Smith, Treasury Manager
Martin R. McCullough, Esq., City Attorney
Linda Yeager, City Clerk

Paying Agent

UMB Bank, n.a.
Denver, Colorado

Underwriter

Piper Jaffray & Co.
Denver, Colorado

Bond Counsel

Sherman & Howard L.L.C.
Denver, Colorado

Special Counsel

Kutak Rock LLP
Denver, Colorado

No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the City or the Underwriter. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the City or the Underwriter since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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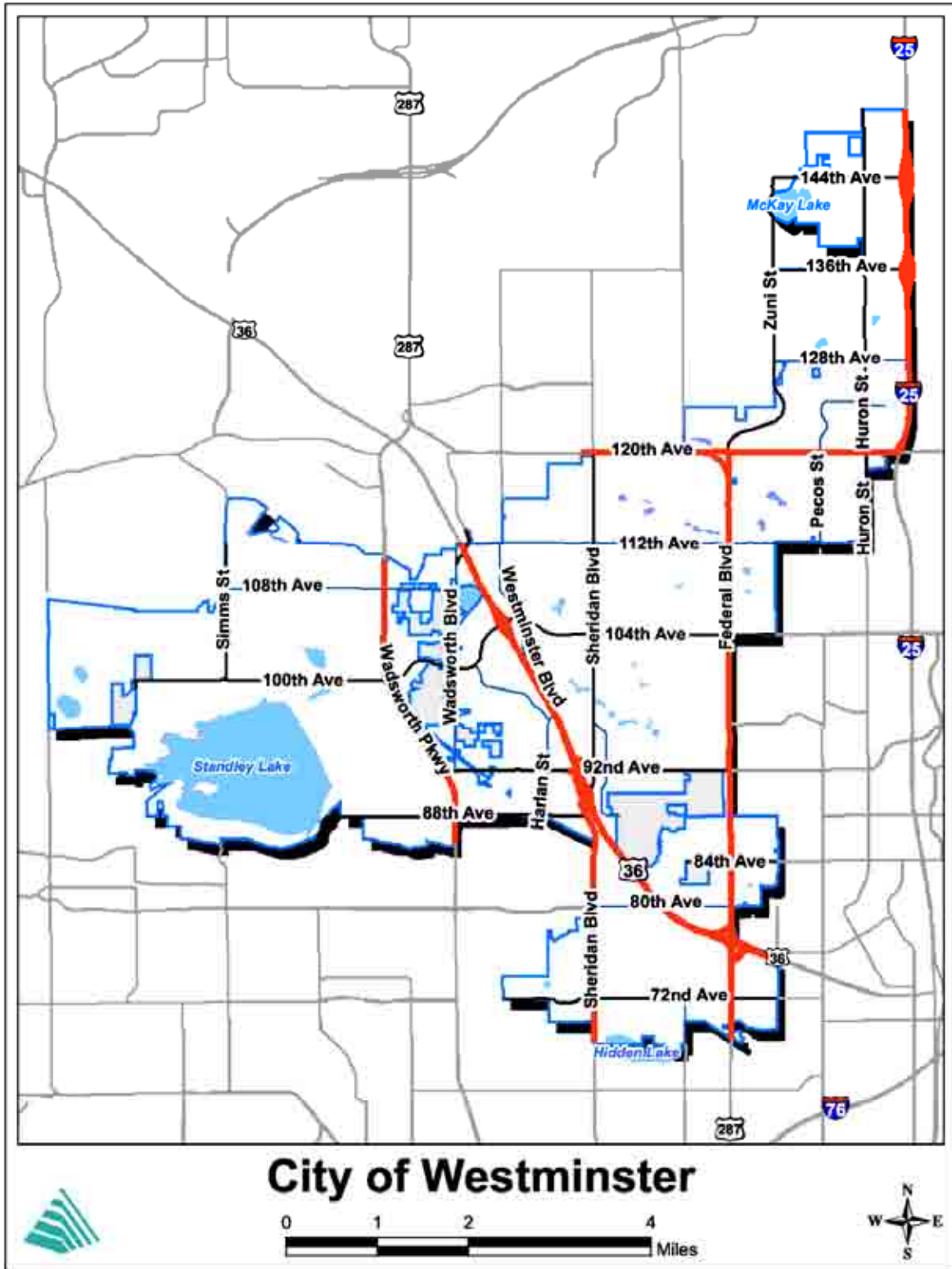
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Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Official Statement. Any representation to the contrary is unlawful.

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CITY MAP



INTRODUCTION

This Official Statement is furnished to prospective purchasers of \$29,575,000* Taxable Water and Wastewater Revenue Bonds, (Direct Pay Build America Bonds), Series 2010 (the “Bonds”), issued by the City of Westminster, Colorado (the “City”) Water and Wastewater Utility Enterprise (the “Enterprise”). The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Capitalized terms used but not otherwise defined herein will have the meanings set forth in APPENDIX A hereto.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

Issuer The City is a home rule suburban municipality encompassing approximately 33.5 square miles with a current estimated population of 109,353. The City is situated approximately two miles from the northwestern boundary of the City and County of Denver, Colorado. See “APPENDIX D—THE CITY” and the preceding “CITY MAP.”

The Enterprise..... The City created its Water and Wastewater Utility Enterprise in September 1994 and, by ordinance, has authorized the Enterprise to issue its own revenue bonds and to enter into contracts relating to the Water Facilities and Wastewater Facilities of the City owned and operated by the City as a single utility system (the “System”). The Enterprise was established to be an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution (“TABOR”). The financial activities of the Enterprise and net income pledged to the payment of the Bonds as described herein are accounted for as a proprietary fund of the City titled “Water and Wastewater Utility Fund.” See “THE SYSTEM—The Enterprise.”

Security The Bonds are special and limited revenue obligations of the Enterprise payable solely out of and secured by an irrevocable pledge of and lien (but not necessarily an exclusive lien) on the Pledged Revenues, which consist of all Income remaining after the deduction of Operation and Maintenance Expenses (the “Pledged Revenues”). Income and Operation and Maintenance Expenses are defined in APPENDIX A hereto. Income includes, but is not limited to, (i) income from rates, fees, tolls, and charges and tap fees for the services furnished by the System, (ii) income or other gain from the investment of Pledged Revenues, and (iii) the cash subsidy payments received from the United States Treasury with respect to interest on the Bonds (the “BAB Credits”). See “THE BONDS—Security for the Bonds” and “THE SYSTEM.”

* Preliminary; subject to change.

The Bonds are secured by an irrevocable pledge of and lien (but not necessarily an exclusive lien) upon the Pledged Revenues derived from the System, all as more particularly set forth herein and in the ordinance of the Enterprise providing for the issuance of the Bonds (the “Ordinance”). The lien of the Bonds is subordinate to the lien thereof of the Enterprises’ Water and Wastewater Revenue Refunding Bonds, Series 2001, dated November 1, 2001 (the “Superior Securities”) Outstanding in the principal amount of \$9,295,000; however, the last maturity date for the Superior Securities is in 2014 and, pursuant to the Ordinance, the City and the Enterprise are prohibited from issuing any additional bonds in the future with a lien on the Pledged Revenues which is senior or superior to the lien on the Bonds. Additionally, there are outstanding bonds and a note in the aggregate principal amount of \$30,456,765 which are secured by a pledge and/or lien which is subordinate to the lien thereof of the Bonds. See “THE SYSTEM—Outstanding Financial Obligations” for a list of the Enterprises’ outstanding revenue obligations.

The Bonds will also be secured by a Reserve Fund (the “Reserve Fund”) which is to be funded from Bond proceeds in the amount of \$_____, which is equal to 50% of the Maximum Annual Debt Service Requirements, as defined in APPENDIX A. See “THE BONDS—Security for the Bonds.” The Reserve Fund established for the Bonds is not a common reserve for other revenue obligations of the Enterprise.

The Bonds do not constitute a debt or indebtedness of the Enterprise or the City within the meaning of any applicable constitutional, Charter or statutory provision or limitation. The Bonds are not payable in whole or in part from the proceeds of general property taxes or any other funds of the City or the Enterprise except the Pledged Revenues, and the full faith and credit of the City is not pledged for payment of the principal of or interest on the Bonds.

The Ordinance provides conditions for the issuance of one or more series of additional bonds, notes, interim securities or other obligations (a) having a lien on the Pledged Revenue which is on a parity with, but not prior or superior to, the lien of the Bonds (the “Additional Bonds”) or (b) having a lien on the Pledged Revenue which is subordinate or junior to the lien of the Bonds (the “Subordinate Securities”). See APPENDIX A under the caption “Additional Bonds” for a description of the conditions for the issuance of Additional Bonds and Supplemental Securities. On the date of the issuance of the Bonds, there will be no Parity Bonds Outstanding. See “THE BONDS—Security for the Bonds” and “—Debt Service Coverage” and “THE SYSTEM—Outstanding Financial Obligations.”

Purpose The net proceeds from the sale of the Bonds will be used for the purpose of acquiring, developing, enhancing, and maintaining certain System improvements within the City, funding the Reserve Fund and paying the costs of issuance on the Bonds. See “THE BONDS—Application of Bond Proceeds.”

Payment Provisions..... The Bonds mature and bear interest at the rates (computed on the basis of a 360-day year of twelve 30-day months) as set forth on the cover page hereof. Interest on the Bonds is payable semiannually on June 1 and December 1 each year, commencing on December 1, 2010 (the “Interest Payment Date”). Payments to Beneficial Owners will be made as described in “APPENDIX G—Book-Entry-Only System.”

Book-Entry-Only Registration..... The Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the Bonds may initially be acquired in denominations of \$5,000 in principal amount or integral multiples of \$5,000 in excess thereof through brokers and dealers who are, or who act through, participants in the DTC system (the “Participants”). Such beneficial ownership interests will be recorded on the records of the Participants. Persons for whom Participants acquire interests in the Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal and interest on the Bonds, as well as notices and other communications made by or on behalf of the City pursuant to the Ordinance will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX G—Book-Entry-Only System” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters. Except as otherwise provided herein, the term “Owner” shall refer to the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar.

Exchange and Transfer While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners may be made as described under the caption “APPENDIX G—Book-Entry-Only System.” In the event that DTC ceases to act as securities depository for the Bonds, the Ordinance provides for the transfer of Bonds by the Registrar pursuant to specified terms and provisions.

Redemption..... The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS—Prior Redemption.”

Registration and Denominations..... The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Tax Status The Bonds are being issued as “Build America Bonds.” In the opinion of Sherman & Howard L.L.C., bond counsel (“Bond Counsel”), interest on

the Bonds is included in gross income under current federal income tax laws and the owners of the Bonds will not receive a tax credit as a result of holding the Bonds. In the opinion of Bond Counsel, interest on and income from the Bonds is exempt from all taxation and assessments in the State of Colorado. Bond Counsel's opinion regarding the status of the Bonds under Colorado law specifically assumes that the City will comply with the covenants described under the heading "TAX MATTERS" and the failure to comply with these covenants could result in the interest on and income from the Bonds becoming subject to taxation and assessments in the State of Colorado.

**Undertaking to
Provide Ongoing
Disclosure.....**

Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the "Rule"), the City has agreed for the benefit of the holders of the Bonds to provide certain financial information, other operating data and notices of material events after the Bonds are issued (the "Disclosure Certificate"). The form of the City's Disclosure Certificate is attached as an appendix to this Official Statement. The City has not failed to comply with any prior undertaking under the Rule. A failure by the City to comply with the Disclosure Certificate will not constitute an event of default under the Ordinance. Nevertheless, if such a failure occurs it must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. See "APPENDIX C."

**Authority for
Issuance.....**

The Bonds are issued in accordance with the Constitution of the State of Colorado; the City's Charter; the Supplemental Public Securities Act, Title 11, Article 57, Part 2; Ordinance No. 2264, Series 1994 of the City; Title 37, Article 45.1, C.R.S.; the Colorado Recovery and Reinvestment Finance Act of 2009, Title 11, Article 59.7, et seq; and all other laws of the State of Colorado thereunto enabling, and pursuant to the Ordinance adopted by the Westminster City Council (the "Council"), acting as the governing body of the Enterprise.

**Delivery
Information.....**

The Bonds are offered when, as, and if executed and delivered, and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery on or about _____, 2010, against payment therefor.

**Financial
Statements.....**

Appended hereto are the audited general purpose financial statements of the City as of and for the year ended December 31, 2008, being the most recent audited financial statements available.

ALL OF THE SUMMARIES OF THE STATUTES, ORDINANCES, RESOLUTIONS, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not

purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: City of Westminster Finance Department, 4800 West 92nd Avenue, Westminster, Colorado 80031, telephone: (303) 658-2161; or Piper Jaffray & Co., Suite 1250, 1200 17th Street, Denver, Colorado 80202-5856, telephone: (303) 820-5865.

THE BONDS

Designation of Bonds as “Build America Bonds”

The Bonds are being issued as “Build America Bonds” for purposes of the American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009 (the “Recovery Act”). Pursuant to the Recovery Act, the City expects to receive a cash subsidy payment from the United States Treasury (referred to herein as the BAB Credits) equal to 35% of the interest payable on the Bonds on or prior to each Interest Payment Date, assuming submittal by the City of the appropriate requests for payment in a timely manner. The City anticipates contracting with UMB Bank, n.a., upon the issuance of the Bonds, to file such requests on behalf of the City. The cash payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the United States Treasury under the Recovery Act. BAB Credits received by the City are to be deposited into the Water and Wastewater Utility Fund as part of the Pledged Revenues.

Prior Redemption

Optional Redemption. The Bonds maturing on or after December 1, 2019 are subject to redemption prior to maturity at the option of the Enterprise, in whole or in part, from any maturity and interest rate, in any order of maturity, on a pro rata basis within a maturity, in such manner as the Enterprise may determine (giving proportionate weight to Bonds in denominations larger than \$5,000), on December 1, 2020, or any date thereafter, at a price equal to the principal amount so redeemed, plus accrued interest to the redemption date, without redemption premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on December 1, 2025 and December 1, 2030 are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest to the Redemption Date. Bonds subject to mandatory sinking fund redemption will be selected on a pro-rata basis as described below.

As and for a sinking fund for the redemption of the Bonds maturing December 1, 2025, the Enterprise will deposit in the Bond Fund (as defined in the Ordinance) on or before December 1, 2021, and on or before each December 1 through and including December 1, 2024, a sum which together with other moneys available in the Bond Fund is sufficient to redeem (after credit as provided in the Ordinance) the following principal amounts of the Bonds maturing December 1, 2025:

| Sinking Fund Redemption (December 1) * | Principal Amount * |
|---|-------------------------------|
| 2021 | \$1,705,000 |
| 2022 | 1,770,000 |
| 2023 | 1,835,000 |
| 2024 | 1,910,000 |

* Preliminary; subject to change.

The remaining \$1,980,000* of the Bonds maturing on December 1, 2025, will be paid upon presentation and surrender at maturity unless redeemed pursuant to optional redemption prior to maturity.

As and for a sinking fund for the redemption of the Bonds maturing December 1, 2030, the Enterprise will deposit in the Bond Fund (as defined in the Ordinance) on or before December 1, 2026, and on or before each December 1 through and including December 1, 2029, a sum which together with other moneys available in the Bond Fund is sufficient to redeem (after credit as provided in the Ordinance) the following principal amounts of the Bonds maturing December 1, 2030:

| Sinking Fund Redemption (December 1)* | Principal Amount * |
|--|-------------------------------|
| 2026 | \$2,060,000 |
| 2027 | 2,145,000 |
| 2028 | 2,235,000 |
| 2029 | 2,325,000 |

The remaining \$2,420,000* of the Bonds maturing on December 1, 2030, will be paid upon presentation and surrender at maturity unless redeemed pursuant to optional redemption prior to maturity.

Extraordinary Optional Redemption. From the dated date of the Bonds up to, but not including, December 1, 2019, the Bonds are subject to extraordinary redemption prior to their respective maturities, at the option of the Enterprise, upon the occurrence of an Extraordinary Event (defined in APPENDIX A hereto) from any source of available funds, in whole or in part, on a pro-rata basis, at the “Make-Whole Redemption Price” (defined in APPENDIX A hereto).

Pro Rata Redemption of Bonds. If a portion of a maturity of the Bonds is being redeemed in part, the Bond to be redeemed will be selected on a pro rata basis to each Owner in whose name such Bonds or relating to the Bonds are registered on the Record Date immediately preceding a redemption date. “Pro rata” for a Owner is determined, in part, by multiplying the principal amount of the Bonds of a maturity to be redeemed in part on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of the Bonds of that maturity owned by that Owner, and the denominator of which is equal to the total amount of the Bonds of that maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral multiple of \$5,000, provided that the portion of any Bond to be redeemed shall be in \$5,000 denominations and all Bonds to remain Outstanding following any redemption shall be in \$5,000 denominations. Adjustments to the foregoing pro rata redemption may be made in the amount of \$5,000 for any owner so that the aggregate amount of the Bonds of a maturity being redeemed in part owned by all owners is equal to the aggregate amount of the Bonds of that maturity to be redeemed.

While DTC is the registered owner of the Bonds, partial redemptions (including any sinking fund payments) of the Bonds are to be determined in accordance with DTC’s pro rata pass-through distribution of principal procedures or such other DTC procedures in effect at the time of any such partial redemption.

Redemption Procedures. The portion of any Bond to be redeemed shall be in the principal amount of \$5,000, or any integral multiple thereof. In selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of that Bond by \$5,000.

Notice of any redemption of Bonds shall be given by the Paying Agent in the name of the City by sending a copy of such notice by first class, postage prepaid mail, not more than 60 days nor less than

30 days prior to the redemption date, to the Owner of each Bond being redeemed. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with the Ordinance funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available such redemption shall be canceled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Application of Bond Proceeds

The Project. Bond proceeds will be used to finance a portion of the acquisition and development of improvements to the System throughout the City. The City anticipates reimbursing itself approximately \$10,100,000 on or after the date of closing, which amount is equal to the moneys spent by the City on the Project in advance of the closing date on the Bonds. See “THE SYSTEM—System Capital Improvements and Long-Term Planning.”

Application of Bond Proceeds. The source and uses of the proceeds of the Bonds is as follows:

SOURCES:

Bond Proceeds

USES:

Deposit into Acquisition Fund.....
 Deposit into Reserve Fund.....
 Bond Issuance Costs and Underwriting Discount ¹

Total.....

¹ See “Miscellaneous—Underwriting.”

Security for the Bonds

Special Revenue Obligations. All of the Debt Service Requirements on the Bonds are payable solely out of the Pledged Revenues. The Owners of the Bonds may not look to any general fund or any other revenue or fund of the City for the payment of such Debt Service Requirements, except the special funds pledged therefor; the Bonds do not constitute an indebtedness or a debt of the Enterprise or the City within the meaning of any constitutional, Charter or statutory provision or limitation, and the Bonds are not considered or held to be general obligations of the City or the Enterprise but constitute special and limited obligations of the Enterprise. The Bonds are not payable in whole or in part from proceeds of general property taxes or any other funds of the City or the Enterprise except the Pledged Revenues, and the full faith and credit of the City is not pledged for the payment of the Bonds.

Definition of Pledged Revenues. The Ordinance defines the Pledged Revenues as all Income remaining after the deduction of Operation and Maintenance Expenses of the System. Income generally includes, but is not limited to, (i) income from rates, fees, tolls, and charges and tap fees for the services furnished by the System, (ii) income or other gain from the investment of Pledged Revenues, and (iii) the

BAB Credits and generally excludes grants, appropriations or gifts except to the extent any such moneys are received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom. Operation and Maintenance Expenses generally include reasonable and necessary current expenses, paid or accrued, of operating, maintaining and repairing the System as determined by the City. See APPENDIX A for the definitions of Income and Operation and Maintenance Expenses.

Rate Maintenance Covenant. The City covenants in the Ordinance to prescribe, revise, and collect water and wastewater rates, fees, tolls, and charges and tap fees or any combination thereof, to produce Income sufficient, together with any other moneys legally available therefor and deposited in the Water and Wastewater Utility Fund, to make the payments and accumulations required by the Ordinance and to produce Pledged Revenues each Fiscal Year sufficient to, among other things, repay the Bonds. The Ordinance rate covenant requires coverage of 1.1 times for the Superior Securities, the Bonds and Parity Bonds, and coverage of 1.0 times for the Subordinate Securities; however, the documents authorizing substantially all of the Subordinate Securities contain a rate covenant requirement of 1.1 times coverage for said bonds. Additionally, the Ordinance rate covenant requires coverage of any amounts required to meet then existing deficiencies pertaining to any fund relating to the Pledged Revenues or any Securities payable therefrom. See APPENDIX A under the caption “Covenants” for a complete restatement of the rate maintenance covenant.

Water and Wastewater Utility Fund and Establishment of Accounts. The financial activities of the Enterprise, and the reporting and recording of the Pledge Revenue, are accounted for in a proprietary fund of the City titled the “Water and Wastewater Utility Fund.” The Ordinance establishes and identifies various accounts and subaccounts within the Water and Wastewater Utility Fund through the following defined terms: the Acquisition Fund, the Operation and Maintenance Fund, the Principal and Interest Fund, the Reserve Fund and the Rebate Fund. Deposits or credits to the various accounts and subaccounts are made on a priority basis set forth below under the caption “flow of funds”.

Acquisition Fund. The accounts and subaccounts defined in the Ordinance as the Acquisition Fund are used for the recording and reporting of the Costs of the Project. See “—Application of Bond Proceeds” in the preceding subsection.

Operation and Maintenance Fund. The accounts and subaccounts defined in the Ordinance as the Operation and Maintenance Fund are used for the recording and reporting of Operation and Maintenance Expenses of the System.

Principal and Interest Fund. The accounts and subaccounts defined in the Ordinance as the Principal and Interest Fund are used for the recording and reporting of the Debt Service Requirements on the Bonds and any future Parity Bonds. Pursuant to the Ordinance, monthly deposits of Pledged Revenue are to be made to the Principal and Interest Fund (i) in equal monthly installments the amounts necessary, together with any moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding; and (ii) in equal monthly installments the amounts necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds coming due at maturity.

Reserve Fund. The accounts and subaccounts defined in the Ordinance as the Reserve Fund is a continuing reserve for the payment of the Debt Service Requirements on the Bonds which the City is to maintain. In the event that the amount on deposit in the Reserve Fund falls below the Reserve Fund Requirement, which is equal to 50% of the Maximum Annual Debt Service Requirements for the Bonds, the City is to deposit into the Reserve Fund such Pledged Revenues as may be needed to accumulate or reaccumulate the amount therein so that at all times the amount of the Reserve Fund equals the Reserve

Fund Requirement. The moneys in the Reserve Fund shall be set aside, accumulated, and, if necessary, reaccumulated, from time to time, and maintained as a continuing reserve to be used only to prevent deficiencies in the Principal and Interest Fund resulting from the City's failure to deposit therein sums sufficient to pay such Debt Service Requirements on the Bonds as the same become due.

The Superior Securities are not currently secured by a reserve account similar to the reserve fund; however, the final maturity date for the Superior Securities is in 2014 and, in the event that the coverage for such bonds falls below 1.5 times the annual debt service for the bonds, a reserve account in the approximate amount of \$2,137,000 is required to be established through 12 monthly installments. The Subordinate Securities are not secured by a reserve account similar to the reserve fund. The documents authorizing substantially all of the Subordinate Securities do contain a covenant requiring an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses.

Rebate Fund. The Rebate Fund is established for the purpose of accounting for required arbitrage rebate moneys, if any, due to the federal government under sections 103 and 148(f)(2) of the Tax Code. All amounts in the Rebate Fund are held free and clear of any lien created by the Ordinance and, to the extent such amounts are required to be paid over to the federal governments, are no longer Pledged Revenues.

Flow of Funds. The City is to deposit to the Water and Wastewater Utility Fund all Income immediately upon receipt. As a first charge on the Water and Wastewater Utility Fund, the City is to pay the Operation and Maintenance Expenses of the System as they become due and payable. Thereafter City is to apply the Pledged Revenues in the following order of priority:

FIRST, to the credit of the Superior Securities Principal and Interest Fund, the Superior Securities Bond Reserve Fund, and all amounts due and owing under the Superior Ordinance for the payment of the Superior Securities (for the definitions of such funds see APPENDIX A);

SECOND, to the credit of the Principal and Interest Fund for the Bonds and any Parity Bonds in the manner set forth above under "Principal and Interest Fund;"

THIRD, to the credit of the Reserve Fund, the amounts described above under "Reserve Fund;"

FOURTH, to the credit of the Rebate Fund, the amounts described above under "Rebate Fund;"

FIFTH, to the payment of any termination payment due and owing under any interest rate exchange agreement or swap entered into by the Enterprise;

SIXTH, to the credit of any other fund or account established for the payment of the Debt Service Requirements of Subordinate Securities including any reasonable reserves established therefor; and

SEVENTH, after the payments and accumulations set forth in FIRST through FIFTH above, any remaining Pledged Revenues may be used for any lawful purpose.

Additional Bonds. The Ordinance provides conditions for the issuance of one or more series of additional bonds, warrants, notes, leases or any other evidence of the advancement of money to the Enterprise or the City (a) having a lien on the Pledged Revenue which is on a parity with, but not prior or superior to, the lien of the Bonds or (b) having a lien on the Pledged Revenue which is subordinate or

junior to the lien of the Bonds. See APPENDIX A under the caption “Additional Bonds” for a description of the conditions for the issuance of Additional Bonds and Subordinate Securities. Superior Securities may not be issued pursuant to the terms of the Ordinance. On the date of the issuance of the Bonds, there will be Superior Securities Outstanding in the principal amount of \$9,295,000 and Subordinate Securities Outstanding in the principal amount of \$30,456,765. See “THE BONDS—Debt Service Coverage.”

Additional Covenants. The City makes certain covenants relating to, but not limited to, the efficient operation and maintenance of the System, restrictions on the disposal of property comprising the System, keeping accounts and records relating to the funds referred to in the Ordinance, and tax covenants, pursuant to the Ordinance. See APPENDIX A under the caption “Covenants” for a description of such covenants.

Ordinance Irrepealable. The Ordinance provides that after any of the Bonds are issued, such ordinance shall remain irrepealable, but amendable, until the Bonds and the interest accruing thereon shall have been fully paid, cancelled or discharged.

Debt Service Coverage

The following table sets forth coverage factors which would have been provided by the Pledged Revenues for the past five years for the (i) Maximum Annual Debt Service coverage for the Bonds and the Superior Securities (such factor representing the coverage provided for the Maximum Annual Debt Service Requirements on the Bonds and the Superior Securities (\$3,824,333)) and (ii) Maximum Annual Debt Service coverage for the Bonds, Superior Securities and Subordinate Securities (such factor representing the coverage provided for the Combined Maximum Annual Debt Service Requirements on the Bonds, Superior Securities and the Subordinate Securities (\$7,417,652)). The maximum annual coverage factor is used in the determination of the City’s ability to issue Parity Bonds. See “—Security for the Bonds.” The debt service requirements for the Bonds is set forth in “Debt Service Requirements” hereafter.

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TABLE I
Debt Service Coverage^{1,2}

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 ³ (Unaudited) |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|
| Charges for Services | \$29,205,341 | \$34,085,129 | \$36,994,887 | \$36,545,958 | \$40,954,349 | \$37,476,945 |
| Less Stormwater Revenues ⁴ | (912,930) | (917,399) | (1,043,496) | (1,150,925) | (2,105,004) | (2,121,396) |
| Tap Fees | 9,210,374 | 11,263,356 | 10,975,288 | 6,008,940 | 9,559,015 | 2,145,099 |
| Other Revenue | <u>1,495,223</u> | <u>2,265,691</u> | <u>4,952,734</u> | <u>6,312,717</u> | <u>4,453,897</u> | <u>1,461,578</u> |
| Total Revenue | <u>38,998,008</u> | <u>46,696,777</u> | <u>51,879,413</u> | <u>47,716,690</u> | <u>52,862,257</u> | <u>38,962,225</u> |
| Operation and Maintenance Expenses | (22,400,639) | (21,031,692) | (27,152,034) | (29,159,730) | (32,519,143) | (35,645,929) |
| Less Stormwater Expenses ⁴ | 296,627 | 165,744 | 349,846 | 612,083 | 794,624 | 723,784 |
| Pledged Revenues | <u>\$16,893,996</u> | <u>\$25,830,829</u> | <u>\$25,077,225</u> | <u>\$19,169,043</u> | <u>\$21,137,738</u> | <u>\$4,040,080</u> |
| Actual Superior Debt Service ⁵ | \$ 2,563,892 | \$ 2,581,429 | \$ 2,684,344 | \$ 2,696,898 | \$ 2,661,973 | \$ 2,137,050 |
| Actual Superior Debt Coverage ⁵ | 6.59 | 10.01 | 9.34 | 7.11 | 7.94 | 1.89 |
| Actual Aggregate Debt Service ⁶ | \$4,682,057 | \$5,350,266 | \$6,177,883 | \$6,096,073 | \$6,247,915 | \$5,734,448 |
| Actual Aggregate Debt Coverage ⁶ | 3.61 | 4.83 | 4.06 | 3.14 | 3.38 | 0.70 ³ |
| Maximum Annual Debt Service for Superior Securities and Bonds ⁷ | \$3,824,333 | \$3,824,333 | \$3,824,333 | \$3,824,333 | \$3,824,333 | \$3,824,333 |
| Maximum Annual Coverage Factor for Superior Securities and Bonds ⁷ | 4.42 | 6.75 | 6.56 | 5.01 | 5.53 | 1.06 ³ |
| Maximum Annual Debt Service for Superior Securities, Bonds and Subordinate Securities ⁸ | \$7,417,652 | \$7,417,652 | \$7,417,652 | \$7,417,652 | \$7,417,652 | \$7,417,652 |
| Maximum Annual Coverage Factor for Superior Securities, Bonds and Subordinate Securities ⁸ | 2.28 | 3.48 | 3.38 | 2.58 | 2.85 | 0.54 ³ |

¹ The maximum annual debt service on the Bonds has *not* been adjusted to take into account the BAB Credits. The BAB Credits are part of the Pledged Revenues and are expected to equal 35% of the interest payable on the Bonds. The Internal Revenue Code of 1986 imposes requirements on the Bonds that the City must continue to meet after the Bonds are issued in order to receive the BAB Credits.

² Figures have been rounded.

³ The City had an aggregate balance of \$10,582,665 (unaudited) in its Rate Stabilization Reserve as of December 31, 2009. See “THE SYSTEM—System Capital Improvements and Long-Term Planning” for a discussion of the reserve. The Rate Stabilization Reserve is within the Water and Wastewater Utility Fund and the balance is legally available for the payment of debt service on the Superior Securities, the Bonds and the Subordinate Securities. The coverage calculations presented in this table identify coverage based solely on annual Income, without consideration of other legally available moneys. The balance in the Rate Stabilization Reserve is taken into consideration for purposes of the Ordinance rate covenant (see “THE BONDS—Security for the Bonds”) and the inclusion of \$10,582,665 to the amount of Pledged Revenues would significantly increase the coverage levels indicated.

⁴ Stormwater operations began in 2001. Related revenues are excluded from coverage test calculation. See also “THE SYSTEM—System Financial Information” and TABLE VI.

⁵ Calculation based on the debt service for the Superior Securities only. The final maturity date for the Superior Securities is in 2014 and, in the event that the coverage for such bonds falls below 1.5 times the annual debt service for said bonds, the Enterprise is required to establish a reserve account in the approximate amount of \$2,137,000.

⁶ Calculation based on the debt service for the Superior Securities and all other bonds and notes outstanding in the calendar years indicated. Additionally, there was not included in the actual aggregate debt service \$5,825,000 in principal amount of the Enterprises’ Wastewater Revenue Bonds, Series 2002, which were paid and cancelled in December of 2008, in the advance of their scheduled maturity, with moneys in the Water and Wastewater Utility Fund.

⁷ Calculation based on the debt service for the Superior Securities plus the estimated debt service on the Bonds.

⁸ Calculation based on the estimated debt service on the Bonds, and the actual debt service for the Superior Securities and the Subordinate Securities. See “THE SYSTEM—Outstanding Financial Obligations.” See the following Table II for the debt service requirements for the Bonds, the Superior Securities and the Subordinate Securities. See “RISK FACTORS—Issuance of Additional Bonds.”

Source: City of Westminster Finance Department and the Underwriter

Debt Service Requirements

Set forth in the following table is the debt service requirements for the Bonds, the Superior Securities and the Subordinate Securities. See the cover page of this Official Statement for the actual interest rates for each maturity of the Bonds.

TABLE II
Bond Debt Service Requirements ¹

| Year | Superior Securities ² | The Bonds | | Total Superior Securities and the Bonds | Subordinate Securities ³ | Annual Total |
|-------|----------------------------------|---------------------|----------|---|-------------------------------------|--------------|
| | | Principal | Interest | | | |
| 2010 | \$ 2,136,100 | -- | | | \$ 3,584,346 | |
| 2011 | 2,137,700 | -- | | | 3,577,305 | |
| 2012 | 2,136,500 | -- | | | 3,575,850 | |
| 2013 | 2,137,875 | -- | | | 3,576,249 | |
| 2014 | 2,136,375 | -- | | | 3,572,385 | |
| 2015 | -- | \$ 1,425,000 | | | 3,570,206 | |
| 2016 | -- | 1,465,000 | | | 3,572,581 | |
| 2017 | -- | 1,505,000 | | | 3,421,450 | |
| 2018 | -- | 1,550,000 | | | 2,235,129 | |
| 2019 | -- | 1,595,000 | | | 2,230,932 | |
| 2020 | -- | 1,650,000 | | | 1,674,719 | |
| 2021 | -- | 1,705,000 | | | 1,121,521 | |
| 2022 | -- | 1,770,000 | | | 1,121,990 | |
| 2023 | -- | 1,835,000 | | | 1,122,343 | |
| 2024 | -- | 1,910,000 | | | 1,122,513 | |
| 2025 | -- | 1,980,000 | | | 561,138 | |
| 2026 | -- | 2,060,000 | | | -- | |
| 2027 | -- | 2,145,000 | | | -- | |
| 2028 | -- | 2,235,000 | | | -- | |
| 2029 | -- | 2,325,000 | | | -- | |
| 2030 | -- | <u>2,420,000</u> | | | -- | |
| Total | <u>\$10,684,550</u> | <u>\$29,575,000</u> | | | <u>\$39,640,657</u> | |

¹ Assumes no redemptions, other than mandatory sinking fund redemption payments. Figures have been rounded.

² Includes the Water and Wastewater Revenue Refunding Bonds, Series 2001. See "THE SYSTEM—Outstanding Financial Obligations" and TABLE I.

³ Includes the subordinate obligations with the Colorado Water Resources and Power Development Authority and the Rehfeld Note. See "THE SYSTEM—Outstanding Financial Obligations" and TABLE I.

Source: The Underwriter

RISK FACTORS

THE PURCHASE OF THE BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND COULD ALSO AFFECT THE MARKET PRICE OF THE BONDS TO AN EXTENT THAT CANNOT BE DETERMINED.

Limited Obligations

The Bonds do not constitute a lien upon any real or personal property of the City. Rather, the Bonds constitute an irrevocable pledge of a lien (but not necessarily an exclusive lien) upon the Pledged Revenues, which are at all times subordinate to the lien thereon of the Superior Securities and at all times senior and superior to the lien thereon of the Subordinate Securities. The payment of the principal of and interest on the Bonds is dependent on the City's receipt of Income from the System. Owners may not look to any general or other revenues of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the principal of and interest on the Bonds, and the Bonds do not constitute a general obligation of the City.

Federal Subsidy Payment on the Bonds

The City intends to elect to designate the Bonds as Build America Bonds for the purposes of the Recovery Act and to receive a cash subsidy payment (also referred to herein as the BAB Credits) from the United States Treasury equal to 35% of the interest payable on the Bonds. The interest subsidy payments from the U.S. Treasury will be made directly to the City and, in accordance with the Ordinance, the City is required to deposit the same directly into the Income Fund.

IRS Notice 2009-26 states: "In general, for fixed rate bonds, upon receipt of a timely Form 8038-CP requesting payment of the credit, such amount i.e., the BAB Credit will be paid on a contemporaneous basis by the applicable interest payment date." According to the U.S. Treasury Department, its priority of making the cash subsidy payment is the same as the United States Treasury refunding overpayments of tax. In the event that the City does not receive the BAB Credits in a timely fashion to pay 35% of the stated interest on each Interest Payment Date for the Bonds, then the City is obligated to pay such amounts from other Pledged Revenues. The Internal Revenue Code of 1986 imposes requirements on the Bonds that the City must continue to meet after the Bonds are issued in order to receive the BAB Credits. These requirements generally involve the way that Bond proceeds must be invested and ultimately used, and the periodic requests for payment. If the City does not meet these requirements, it is possible that the City may not receive the BAB Credits.

Furthermore, in certain circumstances, the cash subsidy payments to be made to the City may be reduced (offset) by amounts determined to be applicable under the Code and regulations promulgated thereunder. For example, offsets may occur by reason of any past-due legally enforceable debt of the City to any Federal agency. The amount of any such offsets is not predictable, and the City does not currently expect that any such offsets will apply to the credits the City expects to receive.

Issuance of Additional Bonds

The City has the right to issue additional bonds payable from the Pledged Revenue and secured by a lien on the Pledged Revenue on a parity with, but not superior to, the lien of the Bonds; however, specific conditions and requirements which are set forth in an additional bonds test in the Ordinance must be met by the City prior to the issuance of such Additional Bonds. Such test generally requires historic coverage of 1.2 times the Combined Maximum Annual Debt Service Requirements of the Superior Securities, the Bonds then Outstanding, any Parity Bonds then Outstanding, and the Parity Bonds proposed to be issued but does permit, among other things, the calculation of the Pledged Revenues to be adjusted to reflect recent rate increases which have not been in effect throughout the calculation period. The test for Additional Bonds under the Ordinance is set forth in APPENDIX A under the caption "— Additional Bonds."

An initiative has been placed on the November 2010 ballot which, if passed, would require voter approval for the issuance of additional bonds by the Enterprise and would limit the final maturity of such bonds to ten years. See “APPENDIX D—THE CITY—Constitutional TABOR Limiting Taxes and Spending—Proposed Amendments-November 2010 Election” for a description of the three ballot initiatives.

Enforceability of Owners’ Remedies Upon Default

In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, remedies available to registered owners and Beneficial Owners of the Bonds may have to be enforced from year to year. Moreover, there is no bond trustee or similar person or entity to monitor or enforce the provisions of the Ordinance on behalf of the registered owners and Beneficial Owners of the Bonds, and therefore such registered owners and Beneficial Owners of the Bonds should be prepared to enforce such provisions themselves if the need to do so ever arises. A description of what constitutes an Event of Default under the Ordinance and the remedies there for can be found in APPENDIX A under the captions “Default Provisions” and “Remedies of Owners.”

The remedies available to the owners of the Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law and judicial decisions, including specifically the federal Bankruptcy Code. The legal opinions to be delivered concurrently with delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization and insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; as to usual principles of equity which may limit the specific enforcement under State law of certain remedies; as to the exercise by the United States of America of the powers delegated to it by the federal Constitution; and as to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving an important public purpose. See “APPENDIX D-THE CITY-Proposed Amendments-November 2010 Election.”

Future Changes in Laws

Various federal, state and local laws apply to the operation of, and liability relating to, the operation of water and wastewater systems. Various Colorado and federal laws and regulations also apply to the obligations created by the issuance of the Bonds. There can be no assurance that there will not be changes in interpretation of, or additions to, the applicable laws and regulations which would have a material adverse effect, directly or indirectly, on the operation of the System or the Enterprise, or on the general affairs of the City.

Three ballot initiatives have been placed on the November, 2010 statewide general election ballot which among other things, if approved, would likely have a negative impact on the City’s finances, place certain requirements and limitations on the issuance of revenue bonds by the Enterprise, and require the Enterprise to pay property taxes. See “APPENDIX D—THE CITY—Constitutional TABOR Limiting Taxes and Spending—Proposed Amendments-November 2010 Election” for a description of the three ballot initiatives.

THE SYSTEM

The Enterprise

The Enterprise was established by Ordinance of the City in September of 1994. The City Council serves as the governing body of the Enterprise, and the officers of the City Council and of the City serve as officers of the governing body and of the Enterprise. Powers of the Enterprise include, but are not limited to, the power to issue revenue bonds in the manner in which City revenue bonds may be issued without voter approval in advance and to pledge any revenues of the System to the payment of such revenue bonds. The City is to continue to own the assets of the System, acquire and convey properties constituting part of the System, employ and discharge the officers, managers and employees of the System, keep books and records relating to the System, invest and manage funds, budget and appropriate revenues and expenditures relating to the System, fix, adjust and collect water and wastewater rates, fees, tolls and charges and tap fees, and prescribe rules and regulations relating to the System. See “APPENDIX C—THE CITY— Constitutional TABOR Limiting Taxes and Spending” for a discussion of the TABOR amendment.

The performance of the obligations of the Enterprise under the Ordinance is not subject to the limitations of TABOR so long as the Enterprise continues to qualify as an “enterprise” under TABOR. According to Bond Counsel, if the System is disqualified as an enterprise under TABOR, (i) the City may continue to impose and increase fees, rates, and charges of the System without voter approval but subject, however, to the refund requirements of TABOR; (ii) all Pledged Revenues used to pay debt service on the Bonds will be excluded from the refund requirements of TABOR; and (iii) if the City is required to reduce spending in order to comply with its fiscal year spending limit under TABOR, the City will first be required to reduce spending for purposes for which it does not have an obligation under law or by contract prior to reducing spending required to comply with the other covenants contained in the Ordinance.

Generally

The System’s long-term direction has been determined over the years by a focus on the key mission components of the System: water resources and treatment; wastewater facilities and treatment; and long-term planning for capital and operating needs, rate setting and financing methods, and overall financial management of the System. The System serves approximately 31,809 water and 30,372 wastewater customers (as of the end of 2009). The System is administered by the City’s Public Works and Utilities Department and is currently staffed with 108.5 full time equivalent employees.

System Management

The management of the System is established by the Public Works and Utilities Department, with guidance from the City Manager’s Office and review and approval by the City Council. The following individuals are the managers responsible for the System.

Director of Public Works and Utilities. The responsibilities of the City Public Works and Utilities Director include but are not limited to all aspects of operations and infrastructure needed to provide high quality street, utility and water resources services to the community.

Michael Smith is a forty year veteran of the utility business and has served as the director of Public Works and Utilities for the City since 2007. Previously he served as the Utilities General Manager for the City of Fort Collins, and the Water Division Superintendent for the Colorado Springs Utilities. He holds a Bachelors of Science degree (with honors) in Civil Engineering from the University of Colorado. He is also a registered professional engineer.

Utilities Planning and Engineering Manager. The management of the water resources, planning, and capital projects portions of the utilities system are the responsibility of the Utilities Planning and Engineering Manager. The manager reports to the Director of Public Works and Utilities. Duties include but are not limited to: water supply planning; water/wastewater rate calculations; watershed protection, water quality, water reuse and capital project planning and construction.

Michael Happe has been employed by the City Public Works and Utilities Department since 1986. He was appointed as the Water Resources and Treatment Manager in 2003. He holds a Bachelors of Science degree in Civil Engineering from West Virginia University, and a Masters of Environmental Science and Engineering from the Colorado School of Mines. He is a registered professional engineer.

Utilities Operations Manager. The management of the water treatment plants, wastewater treatment plant, water distribution system and wastewater collection system portions of the System are the responsibility of the Utilities Operations Manager. The manager reports to the Director of Public Works and Utilities. Duties include but are not limited to: operations and maintenance of the water treatment plants, wastewater treatment plant, water distribution and wastewater collection system, along with water meter reading and asset management.

Richard Clark has been employed by the City Public Works and Utilities Department since 1999. He holds a Bachelors of Science degree in Civil Engineering from the University of Illinois at Urbana. He is a registered professional engineer. Mr. Clark is the Operator-in-Responsible-Charge for the water distribution and wastewater collection system and has over 30-years experience in the water and sewer industry.

Water Facilities

Water Supply. The City owns and operates a water supply system for providing high quality water and reliable service to its residents and other water users in an environmentally and economically sound manner. The City's water supply system is centered on Standley Lake, which is shared with the cities of Thornton and Northglenn and the Farmers Reservoir and Irrigation Company ("FRICO"). Standley Lake receives snowmelt runoff from a number of different sources, including Clear Creek via the Church Ditch, Farmers' High Line Canal, and Croke Canal; Coal Creek via the Kinnear Ditch Pipeline; and the Fraser River watershed on the West Slope via Denver Water's Moffat Tunnel system. Additional yield of the City's water system is derived from the City's reclaimed water system and water rights exchanges. The City currently uses approximately 24,000 acre feet ("AF") of water per year. At build-out, the City estimates an approximate delivery of 33,750 AF of water per year to meet customer consumption.

According to City officials, existing supplies are estimated as adequate to provide for growth through the year 2025 at the current rate of growth of the City. As the City grows and demand on the System increases, water supply must also increase in order to be sustainable through drought situations. Projections of the water demand of the City at build-out are based on known current water usage and planned land use types and densities at build-out.

The City's long-term water supply objective is to provide a level of water supply reliability that will meet demands during a drought similar to the 1950's drought, which has a recurrence interval of 75 to 100 years, without mandatory restrictions on water use. To prepare for build-out, the City must develop adequate water supply to allow flexibility in the planned use of currently undeveloped land, to allow redevelopment at higher water-use densities, and to anticipate revitalization of certain areas of the City which currently use less water than expected. The City may also consider water savings from anticipated passive indoor and outdoor conservation.

To meet the water supply objective between now and build-out, the City has created a Comprehensive Water Supply Plan composed of projects which will increase the water supply yield by the time it is needed. Along with water supply system capital improvement projects, the City’s water supply is ensured by continuing diligence in protecting the City’s water rights in court. The City holds senior water rights in Colorado Water Division 1, and monitors water activity and proposed decrees to protect these rights. The City also continues to file for junior rights and exchanges which increase the firm yield of the City’s water supply.

A factor of safety is incorporated into the City’s water supply planning to address potential risks to the water supply including adverse water court rulings, uncertainty of actual operations versus modeled operations, potential structural failures of the water delivery systems, underestimation of the City’s water demand, climatic variations, and other unforeseen circumstances.

The following table sets forth historical water demand and wastewater production for the past five years:

| Year | Water Demand | | Wastewater Treatment | |
|------|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | Million Gallons Per Year | Acre Feet Per Year | Million Gallons Per Year | Acre Feet Per Year |
| 2005 | 6,533 | 21,021 | 3,696 | 11,343 |
| 2006 | 7,287 | 24,468 | 3,565 | 10,941 |
| 2007 | 6,778 | 22,166 | 3,871 | 11,879 |
| 2008 | 6,866 | 22,603 | 3,622 | 11,116 |
| 2009 | 5,825 | 19,031 | 3,577 | 10,978 |

Raw Water Storage. The City currently has three main storage vessels for raw water, namely Standley Lake, Jim Baker Reservoir, and the West Gravel Lakes. Standley Lake stores all raw water that is used for treatment and distribution throughout the City. Jim Baker and the West Gravel Lakes are used to pay returns and operate water exchanges. A future storage vessel for operating exchanges and paying returns is planned near the town of Wattenberg adjacent to the South Platte River. The City owns approximately 22,500 acre feet of storage in Standley Lake. The rest of the 43,000 acre foot lake is owned by the cities of Thornton and Northglenn, and FRICO, who, together with the City form the Standley Lake Operating Committee (“SLOC”).

Water Quality. Several measures are in place to protect Standley Lake from negative water quality impacts. These include the Woman Creek Reservoir, which captures all runoff from the Rocky Flats National Wildlife Refuge (formerly the Rocky Flats Environmental Technology Site or “RFETS”) and prevents it entering Standley Lake; the Kinnear Ditch Pipeline which passes Coal Creek water around the RFETS to Standley Lake; the Church Ditch Water Quality Project which captures storm water runoff and diverts it around Standley Lake; and wetlands which treat overland flow before it enters Standley Lake. On top of these measures recreation activities at Standley Lake are limited and regulated to protect the water from fecal coliform bacteria and invasive species.

The City has for many years acted to protect the water quality in Clear Creek and Standley Lake in water quality rulemakings before the Water Quality Control Commission, and also engaging in litigation in the Water Court. The City has also provided both financial and in-kind support for water quality monitoring and improvement programs in the Clear Creek basin.

The City has a responsibility on behalf of the public to deliver safe and clean water from Colorado’s high mountains to each drinking water tap. Recognizing this responsibility, the City of

Westminster has consistently worked to establish programs for the protection of the water quality in Standley Lake.

Federal and State drinking water regulations have become more stringent since the Safe Drinking Water Act was passed in 1974. Protection of source water quality is becoming increasingly important to assure compliance with standards, minimize increases in treatment costs, avoid aesthetic water quality problems, and reduce risks to human health.

It is vital that clean and dependable water supplies are critical to providing safe, clean drinking water, and treatment is not a substitute for good source water. The American Water Works Association (“AWWA”) strongly supports securing drinking water from the highest-quality sources available and protecting those sources to the maximum degree possible.

Water Treatment Plants. The city’s raw water supply is treated prior to distribution at one of the two treatment plants owned and operated by the City. These two plants currently supply a combined treated water capacity of 59 million gallons per day (“MGD”). In 2009, the maximum daily flow was 34 MGD and the average daily flow was 16 MGD.

The Semper Water Treatment Plant, a dual media filtration plant, was constructed in 1970 with subsequent expansions bringing the plant’s total capacity to 44 MGD. The Northwest Water Treatment Facility, a membrane filtration plant, was constructed in 2002 and is a 15 MGD facility, bringing the City’s treated water capacity to 59 MGD.

Treated Water Storage and Distribution Facilities. Nine treated water storage facilities are operated by the City with a total capacity of 23.6 million gallons. The water system is divided into ten pressure zones, and water pressure is maintained by nine pumping stations and gravity flow. The present service area is served by a transmission and distribution system consisting of approximately 506 miles of water mains ranging in size from 1” to 54” in diameter. 25% of the water distribution lines are constructed of cast/ductile iron, 31% constructed of A/C pipe, 42% is PVC, and 2% other. No significant problems with leakage have been detected; the system’s billed ratio is within AWWA norms. The weighted age of the distribution pipe is 23 years.

Sanitation Facilities

General. The City’s wastewater collection facilities capture sewer flows from the user and convey sewage to the treatment facilities. Collection infrastructure is comprised of gravity sewer, force main sewer, six lift stations, four sewer diversion stations, and three primary sewer siphons. The City’s wastewater collection system is segregated into two separate sewer subbasins, Big Dry Creek basin and Little Dry Creek basin. Sanitary flows from the Big Dry Creek subbasin are collected and discharged to the City’s Big Dry Creek Wastewater Treatment Facility while sanitary flows from the Little Dry Creek subbasin are collected and discharged through a metering station into the Metropolitan Wastewater Reclamation District’s (the “Metro District”) transmission system which flows to the Metro District’s Central Wastewater Treatment Plant. Approximately 27% of the City’s wastewater customers receive wastewater service from the Metro District under a contract with the City, and 73% are served by the City’s wastewater facilities.

Collection. Sewer infrastructure is separated into two categories, wastewater collection and wastewater treatment. The collection system includes gravity sewer piping, force main sewer piping, wastewater lift stations and control structures and sanitary sewer devices. There are currently six lift stations in operation within the City. There are four concrete diversion structures that can be utilized to

control flow to downstream pipe sections and three sewer siphons that convey sewer across Big Dry Creek at three different locations.

The collection system consists of approximately 384 miles of sewer lines constructed of PVC pipe, vitrified clay pipe, concrete, ductile iron, cast iron, and HDPE. The six lift stations are needed to serve approximately 5% of the service area with collection of wastewater in the remainder of the service area accomplished by gravity flow. The City also contracts annually for maintenance of the City's wastewater collection system. The maintenance program consists of jet cleaning and television inspection of 1/3 of the collection system annually. The City monitors four permitted industries to comply with federal pretreatment regulations; three of which discharge pretreated wastewater to the City collection system and one of which is zero-discharge. No other accounts of the City are considered to be potential pretreatment customers. The City maintains separate wastewater collection and storm sewer systems.

Treatment. The facility is a biological wastewater treatment plant with biological nutrient removal for phosphorous and nitrogen, and uses ultraviolet light for disinfection. The plant has a design capacity for 9.9 MGD. In 2009, the maximum daily flow was 10.4 MGD and the average daily flow was 6.77 MGD.

The wastewater treatment plant serves customers located in the Big Dry Creek Basin portion of the City's service area. Wastewater effluent is discharged into Big Dry Creek or into the Reclaimed Water System during the summer reuse period. Because the wastewater facilities discharge effluent into Big Dry Creek and the Reclaimed Water System, a discharge permit is required under provisions of the Federal Clean Water Act and the Colorado Water Quality Control Act. This permit regulates the amount of pollutants in the effluent. The Enterprise's discharge permit expired on August 31, 2007 and was administratively extended. A draft permit was issued in January, 2010, and a new permit was issued, effective April 1, 2010, and the City is in compliance with all material terms of such discharge permit.

Wastewater treatment is provided to customers in the Little Dry Creek area of the City's service area by the Metro District pursuant to a perpetual service contract executed January 1, 1964. The City pays a flat rate, as determined by the contract, to the Metro District, and bills each customer individually according to the City's current rate schedule. Enterprise officials state that sufficient capacity is available in the existing interceptor lines and treatment plant to serve the development projected in the area served by the Metro District. The dividing line for which plant will provide the wastewater service is approximately 92nd Avenue. The area served by the Metro District will experience minor growth in future years. This is the older area of the City and is near build out. Tap fees for this area are collected by the Enterprise and remitted to the Metro District.

Reclaimed Water Treatment Facility. In 2000, the City completed the construction of the Reclaimed Water Treatment Facility, located adjacent to the City's wastewater treatment facility. This facility further filters and disinfects the treated wastewater from the Big Dry Creek Wastewater Treatment Facility before delivering it for use as a landscape irrigation source to golf courses, parks, right of ways, commercial properties, and residential common areas within the City. Customers are charged 80% of the equivalent potable water rate, and fees for new reclaimed taps are similarly 20% less than the potable equivalent. The Reclaimed Water Treatment Facility runs seasonally, mid-March through mid-November.

The Reclaimed Water Treatment Facility currently has the capacity to treat 6 MGD, which will be increased to 10 MGD in the near future. At build-out, the system will supply 3,500 acre-feet of water a year, approximately 10% of the City's future water demand. As such a significant component of the City's water supply, the reclaimed system helps fully utilize reusable water rights, demonstrating the City's dedication to environmental and economic stewardship. The reclaimed water program and its water

quality comply with all the applicable standards established by the Colorado Department of Public Health and Environment.

Bio-Solids Disposal Facility. In 1985 the City acquired approximately 3,000 acres near Strasburg, Colorado that is utilized as the Natural Resource Farm for bio-solids reuse. The facility operates in conjunction with the Big Dry Creek Facility. Biosolids generated from the wastewater process are collected and transported to the site for soil conditioning. The City utilizes three service or field application vehicles, three tractor trucks, five trailers and two sludge injection units at the Bio-Solids Disposal Facility.

System Capital Improvements and Long-Term Planning

Long-Term Capital Planning. The goal of the System is to be a financially sustainable enterprise and to meet that goal water and wastewater rates and tap fees are set to equitably recover system costs, fund capital projects and fund the System's reserve accounts per City policy. The City retained URS Corporation ("URS") in the fall of 2005 to assess the current condition of both water and wastewater infrastructure and chart a strategy to construct improvements to ensure a sustainable infrastructure. The URS "2006 Water and Wastewater Master Plan" sets forth the findings of the System and costs to keep up with the use of the System with 20-year costs estimated at over \$357,000,000 for water and \$87,000,000 for wastewater infrastructure. In 2006 a financial model was developed (with the assistance of a consulting firm) for financial planning purposes. This model has assisted staff with planning for both short and long-term needs including the System's operating requirements, cash flows, infrastructure needs (the repair, replacement, improvement or expansion of the System's infrastructure) and the System's operating, rate stabilization and capital project reserves. The use of this model also assists staff with financing projections, rate setting and the establishment of tap fees.

In 2009, the City contracted with URS to provide an asset valuation of the existing City's utility infrastructure as of December 31, 2008 for the purpose of assessing the economic value of the City's municipal utility infrastructure in order to determine the level of tap fees and rates with respect to the re-investment cost required to maintain the System. The "Infrastructure Inventory and Asset Valuation" report dated January 29, 2009 prepared by URS sets forth water, wastewater and reuse system valuations to assist the City in the analysis and evaluation of current utility user charges, fees, rates and related financial purposes.

Reserve Policies. In 2006, Council adopted reserve policies as a means to ensure long-term financial sustainability of the System. The implementation of these policies has led to a defined and adequately funded Operating Reserve for working capital, Rate Stabilization Reserve to mitigate the potential to dramatically increase rates and fees to cover operating revenue declines due to weather related issues, and a Capital Project Reserve to front-end cash funded capital projects over a 5-year period. Below are the basic tenets to fund each of these reserves.

Operating Reserve: 45 days of water operating expenses and 30 days of wastewater operating expenses (based on budgeted funds). If the reserve drops below the minimum level, the Rate Stabilization Reserve will provide funding. The Council may determine at a May 2010 meeting by ordinance in supplemental appropriation to close the Operating Reserve as it serves the same purpose as the Rate Stabilization Reserve.

Rate Stabilization Reserve: 25% of water rate revenues and 5% of wastewater revenues (based on budgeted annual revenues). A surplus in the reserve's funding due to better than anticipated operating revenues are to be either allocated to the Capital Project Reserve or moderate rates. A deficit in the reserve's minimum funding level would result in rate increases until the minimum level is reached.

Capital Project Reserve: Minimum \$5.0 million, maximum of three times the annual average of the five year adopted annual Capital Improvement Program (“CIP”) expenditures. If the Capital Project Reserve balance falls below the minimum, rate increases and/or reducing the CIP shall be required. If the balance exceeds the maximum, funding of the Capital Project Reserve shall be reduced until the Capital Project Reserve falls below the maximum, which may include rate reductions.

Rates and Tap Fees. The City’s policy is to review and revise water and wastewater rates and tap fees to ensure that costs are recovered equitably. Rates are reviewed and recommendations for annual increases are made to City Council on a biennial basis. Upon adoption by City Council, rates take effect on January 1st of each year. City Council has unanimously approved rates for the past 20 years. Council adopted rate increases effective for the 2009/2010 Biennial Budget in the fall of 2008 of 3.0% and 4.5% for water and wastewater fees, respectively, in 2009 and 2010.

Rates are established to meet short term cash flow needs for debt service, operations and maintenance, as well as for compliance with regulatory requirements. They are also established to meet long term requirements for infrastructure renovation and replacement, debt service, and the funding of reserves per City policy.

The City’s policy regarding tap fees has been to recover growth related capital costs for water resources and infrastructure costs. Per City Code, tap fees automatically increase with inflation; this policy has been in place since 2000. Periodically the utility conducts a thorough cost study to determine the most accurate water resources and infrastructure cost components and adjusts the tap fee accordingly. See “—System Financial Information” for information regarding current rates and tap fees.

Capital Improvements. Repair and replacement projects are necessary for maintaining the integrity of the system’s infrastructure. Improvement and expansion projects are also needed to address growth as the City moves toward build-out. To address these needs a five-year CIP is developed in conjunction with the biennial budget process and updated every other year to ensure that the appropriate projects are undertaken. Master Plans have been compiled for all aspects of the System to ensure that the infrastructure is routinely maintained in excellent condition. These plans are regularly updated to assist with prioritizing infrastructure repairs, replacements and improvements.

Anticipated Debt Financing. Net proceeds of the Bonds are expected to finance several capital improvement projects to the System including the Reclaimed Water Treatment Facility Expansion, the Reclaimed Storage Tank Replacement, the Northwest Water Treatment Facility Expansion, the Southern Pressure Zone 1 Transmission Line, and Open Cut Line Replacements/Water Pressure Zone Enhancements. See “THE BONDS—Application of Bond Proceeds.”

Anticipated Pay-As-You-Go Financing 2009-2013. The Enterprise anticipates financing other capital improvements over the next five years with pay-as-you-go financing as part of the biennial budget preparation. In the fall of 2009, Council adopted the amended 2010 budget, including modifications to the five year CIP. No bond financings are anticipated to finance the projects in the following table.

Historically, it has been a policy of management to use tap fees primarily to fund capital improvement projects. This policy allowed the Enterprise to expand and improve the System mostly on a pay-as-you-go basis rather than using additional bonded debt issues. In the future, as tap fee revenue declines and growth slows, it is anticipated that user fees will be used to pay for both operations and capital improvements. The following table summarizes major pay-as-you-go projects included in the Enterprise’s amended Capital Improvements Program approved by the City Council on October 12, 2009 for fiscal years 2009-2013.

| Wastewater Projects | Estimated Cost |
|---|-----------------------|
| Sewer Line Trenchless Rehabilitation | \$ 9,679,000 |
| Sewer Line Open Cut Replacement | 9,712,000 |
| Lift Station Improvements | 1,852,000 |
| Other Capital Projects | <u>1,072,000</u> |
| Total Wastewater Pay-As-You-Go Projects | <u>\$ 22,315,000</u> |

| Water Projects | |
|--|----------------------|
| Water Supply Development | \$20,000,000 |
| Water Pressure Zone Improvements | 19,700,000 |
| Open Cut Water Line Replacements | 10,975,000 |
| Transmission Line Replacements | 5,700,000 |
| Upper Bypass Pipeline to Standley Lake | 5,334,000 |
| Reclaim System Improvements | 5,079,000 |
| Raw Water Improvements | 4,486,000 |
| South Westminster Non-Potable System | 4,280,000 |
| Water Tank Improvements | 3,702,000 |
| Northwest WTP Membrane Expansion | 3,000,000 |
| Other Capital Projects | <u>22,698,000</u> |
| Total Water Pay-As-You-Go Projects | <u>\$104,954,000</u> |

Source: City of Westminster Finance Department

Customer Information

The City classifies its water and wastewater customers as residential, commercial/industrial and out-of-city. A breakdown of the accounts being served as of December 31, 2009 as compared to the year ended December 31, 2008, is set forth below.

TABLE III
Estimated Water Accounts by Classification

| Classification | 2008 | | 2009 | |
|-----------------------|-------------------------------|--------------------------------------|-------------------------------|--------------------------------------|
| | Number of Accounts | Percent of Total Accounts | Number of Accounts | Percent of Total Accounts |
| Residential | 28,158 | 88.9% | 28,493 | 89.6% |
| Commercial/Industrial | 1,472 | 4.7 | 1,281 | 4.0 |
| Out-of-City | <u>2,029</u> | <u>6.4</u> | <u>2,035</u> | <u>6.4</u> |
| Total | <u>31,659</u> | <u>100.0%</u> | <u>31,809</u> | <u>100.0%</u> |

Source: City of Westminster Finance Department

TABLE IV
Estimated Wastewater Accounts by Classification

| Classification | 2008 | | 2009 | |
|-----------------------|--------------------|---------------------------|--------------------|---------------------------|
| | Number of Accounts | Percent of Total Accounts | Number of Accounts | Percent of Total Accounts |
| Residential | 26,391 | 87.1% | 27,453 | 90.4% |
| Commercial/Industrial | 1,892 | 6.2 | 902 | 3.0 |
| Out-of-City | <u>2,016</u> | <u>6.7</u> | <u>2,017</u> | <u>6.6</u> |
| Total | <u>30,299</u> | <u>100.0%</u> | <u>30,372</u> | <u>100.0%</u> |

Source: City of Westminster Finance Department

The ten largest customers of the System, in the aggregate, accounted for approximately 17.6% of total service charge revenues during 2009. Federal Heights, a city of approximately 12,000 located due east of the City, has a perpetual contract for potable water with the City. During 2009, Federal Heights accounted for approximately 7.2% of total service sales. The next nine largest customers, none of which individually accounted for more than one percent of total service sales, aggregately accounted for approximately 10.4% of total sales during 2009.

System Financial Information

See “—System Capital Improvements and Long Term Planning—Rates and Tap Fees” for a discussion of the City’s policy with respect to establishing tap fees and usage fees.

Water Rates. Except for fire hydrant use for municipal purposes and water used by the water department, all water delivered from the City water System is metered, including water used by the City or departments thereof. Residential users of three dwelling units or less served by one meter are charged a \$6.18 per month meter service charge plus a per unit amount based upon water usage as follows. Unit consumption is determined by dividing the number of gallons consumed by the number of units using one meter.

| | |
|-------------------------|--------------------------|
| First 4,000 gallons | \$2.21 per 1,000 gallons |
| 5,000 to 25,000 gallons | 3.64 per 1,000 gallons |
| 26,000 gallons and over | 5.39 per 1,000 gallons |

Multi-unit, homeowner associations (“HOA”), and residential irrigation customers are charged based on meter size, ranging from \$6.18 for a ¾” tap to \$307.83 for a 12” tap, plus \$4.52 per 1,000 gallons consumed. Commercial customers are charged based on the same meter size rates used for multi-unit, HOA and residential irrigation customers plus \$4.52 per 1,000 gallons consumed monthly up to the breakpoint noted in the schedule (ranging from 25,000 gallons for a 5/8” tap to 5,375,000 gallons for a 12” tap) and then \$5.50 per 1,000 gallons consumed during the breakpoint period.

Reclaimed Water Rates. Reclaimed water customers are charged \$3.61 per 1,000 gallons consumed.

Wastewater Rates. The rates are based upon the quantity and quality of sewage collected. The minimum monthly rate for residential, including multiple unit dwellings, and public users is \$4.03 per 1,000 gallons multiplied by the average monthly water consumption per user billed during the months of

January through March. The minimum monthly rate for multiple units and commercial users is \$4.50 per 1,000 gallons multiplied by the average monthly water consumption per user billed during the months of January through March.

The minimum monthly sewer charge for commercial users may be appealed to the Utility Billing Division for user charges resulting from the average monthly water billed during the period of January through March and may be adjusted if the water billed during the months of July through September 30 is less than the water billed during the months of January through March. Commercial users may install a separate meter to measure outside water use for which no sewer charge will be assessed. The City Council may adjust the period of time to be used to calculate the user charges when in its opinion climate conditions and water consumption patterns warrant such an adjustment.

A new occupant of a residential unit is charged a \$20.18 initial sewer charge until water usage has been established. Residential users who appeal the initial sewer charge rate may have the rate adjusted to the actual usage for the first four months of occupancy.

Tap Fee Revenue. Tap fees are collected no earlier than the date upon which a building permit is issued and no later than the date of the water meter installation. The obligation to pay the fees for both water and wastewater connections, until collected, constitutes a lien against the property. Tap fees represent the customer’s investment in existing capacity of the System and expansion. The following table sets forth the tap fees collected by the City since 2005.

**TABLE V
Tap Fee Revenue**

| Year | Water | Wastewater | Total |
|-------------------|--------------|-------------------|--------------|
| 2005 | \$9,067,336 | \$2,196,020 | \$11,263,356 |
| 2006 | 8,633,291 | 2,341,997 | 10,975,288 |
| 2007 | 4,528,412 | 1,480,528 | 6,008,940 |
| 2008 | 7,069,866 | 2,489,149 | 9,559,015 |
| 2009 ¹ | 1,734,664 | 410,435 | 2,145,099 |

¹ Unaudited figures through December 31, 2009.

Source: City of Westminster Finance Department

Water Tap Fees. A water tap fee may consist of the following individual fees: a water resources fee, being the share of the cost to provide adequate raw water supply to be utilized by the tap; a treated water investment fee, being the share of the utility system related to treating and distributing water to be utilized by the tap; the meter connection fee; and, when applicable, a fire connection fee. The base water tap fee for each component is set forth in the following table.

| Water Tap Fee Component | Fee |
|-----------------------------------|------------|
| Water Resources Fee | \$6,435 |
| Treated Water Investment Fee | \$7,880 |
| Meter Connection Fee ¹ | \$283-511 |
| Fire Connection Fee | \$161 |

¹ Based on the meter size.

On April 1st of each year, the water tap fee and its individual components will be automatically increased in accordance with the Consumer Price Index for the previous calendar year as established for the Denver metropolitan area.

Residential Water Tap Fees. The residential water tap fee is based on a 5/8-inch water meter and is assessed on a per dwelling unit basis as determined by the ratio of water usage of various dwelling unit types to single-family detached dwelling units (the “Service Commitment Factor” or “SC”). A single family detached residential unit represents one SC. Residential tap fees are calculated by applying the respective SC factor to both the water resources fee and the treated water investment fee on a per unit basis plus the applicable meter connection fee and any applicable fire connection charge. The base water tap fee assessed for a single family detached home is \$14,598, assuming no fire connection fee.

Non-Residential Tap Fees. The treated water investment fee component for non-residential customers is determined by multiplying the SC factor (determined by meter size) times the current treated water investment fee. The water resources fee component for non-residential customers is determined based on estimated annual consumption, business type and tap size.

Irrigation Water Tap Fees. Separate irrigation taps and meters are required for all residential development other than a development whose land area consists entirely of single family detached lots. A separate irrigation tap and meter is not required for non-residential development having less than 40,000 square feet of irrigated area. The irrigation tap fee consists of the meter connection fee plus a fee based on the area and type of landscaping.

Wastewater Tap Fees. A sewer tap fee is based on two of three components: the transport facilities fee; the treatment facilities fee; and the Metro District facilities fee. The residential transport facilities fee is calculated as the base transport facilities fee times the number of units times the SC factor. The non-residential transport facilities fee is calculated as the base transport facilities fee times the number of single family residential equivalents (“SFRE”). An SFRE is based on a 5/8” water tap and meter and is equal to one single family unit. The treatment facilities fee and Metro District facilities fees are calculated as the base treatment facilities fee and current base Metro treatment facilities fee, respectively, times the number of SFRE’s. The base sewer tap fee for each SFRE is set forth in the following table.

| Sewer Tap Fee Component | Fee |
|--------------------------------|------------|
| Transport Facilities Fee | \$1,400 |
| Treatment Facilities Fee | \$1,820 |
| Metro Facilities Fee | \$1,820 |

On April 1st of each year, the transport facilities fee is automatically increased in accordance with the Consumer Price Index for the previous calendar year as established for the Denver metropolitan area. In addition, at any time, the treatment facilities fee and Metro District facilities fee will be adjusted in accordance with any changes to the City treatment facilities costs or change to the base Metro District wastewater fee, respectively.

Billing and Collection. Service charges for the System are billed on a monthly basis. If a bill is not paid within 45 days of the date of the bill, water service is disconnected. Service is restored when all past due charges have been paid. In addition, the City has the authority to certify delinquent charges to the appropriate county treasurer, which charges constitute a perpetual lien on and against the delinquent property until paid.

Historical and Budgeted System Financial Information. The City utilizes the enterprise fund concept for System accounting, an accounting concept appropriate for governmental entities with revenue generating operations. The City has established a Water and Wastewater Utility Fund (the “Enterprise Fund”) to provide for the treatment and distribution of water and the collection, transmission and treatment of sewage within the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service. Set forth below is a five-year comparative statement of Water and Wastewater Utility Fund revenues and expenditures along with unaudited 2009 and unadjusted and unaudited figures for the period January 1 through March 31, 2010.

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TABLE VI
Water and Wastewater Utility Fund
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 (unaudited) ¹ | 2010 (unaudited) ² |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------------------|----------------------------------|
| Operating Revenues: | | | | | | | |
| Charges for Services ³ | \$ 29,205,341 | \$ 34,085,129 | \$ 36,994,887 | \$ 36,545,958 | \$ 40,954,349 | \$ 37,476,945 | \$ 6,419,072 |
| Miscellaneous | <u>684,823</u> | <u>488,922</u> | <u>644,993</u> | <u>463,519</u> | <u>401,613</u> | <u>308,748</u> | <u>49,234</u> |
| Total | <u>29,890,164</u> | <u>34,574,051</u> | <u>37,639,880</u> | <u>37,009,477</u> | <u>41,355,962</u> | <u>37,785,693</u> | <u>6,468,306</u> |
| Operating Expenses: | | | | | | | |
| Personnel Services | 9,065,245 | 10,038,185 | 12,622,088 | 13,517,427 | 14,175,426 | 14,807,638 | 3,632,729 |
| Contractual Services ⁴ | 9,103,380 | 9,203,393 | 9,860,281 | 10,196,062 | 11,254,070 | 13,430,073 | 2,374,258 |
| Commodities | 1,261,318 | 1,266,905 | 1,750,226 | 1,566,162 | 1,854,139 | 1,171,389 | 206,090 |
| Insurance and Other | <u>2,970,696</u> | <u>523,209</u> | <u>2,919,439</u> | <u>3,880,079</u> | <u>5,235,508</u> | <u>6,229,629</u> | <u>181,573</u> |
| Total | <u>22,400,639</u> | <u>21,031,692</u> | <u>27,152,034</u> | <u>29,159,730</u> | <u>32,519,143</u> | <u>35,638,730</u> | <u>6,394,650</u> |
| Operating Income Before Depreciation: | 7,489,525 | 13,542,359 | 10,487,846 | 7,849,747 | 8,836,819 | 2,146,963 | 73,656 |
| Depreciation | <u>(7,491,765)</u> | <u>(7,717,833)</u> | <u>(8,184,978)</u> | <u>(9,440,444)</u> | <u>(10,595,905)</u> | <u>(10,842,313)</u> | <u>--</u> |
| Operating Income | <u>(2,240)</u> | <u>5,824,526</u> | <u>2,302,868</u> | <u>(1,590,697)</u> | <u>(1,759,086)</u> | <u>(8,695,350)</u> | <u>73,656</u> |
| Non-operating Revenues (Expenses): | | | | | | | |
| Disposition of Assets | 544,205 | (42,151) | 4,071,213 | 1,644 | 895,150 | (255,998) | -- |
| Grants | 42,288 | 27,821 | -- | -- | 28,035 | 17,238 | -- |
| Capital Contributions | 10,529,308 | 14,658,950 | 15,647,755 | 7,765,612 | 12,506,489 | 3,401,666 | 950,086 |
| Interest Income | 810,400 | 1,776,769 | 4,307,741 | 5,849,198 | 4,052,284 | 1,152,830 | 378,316 |
| Interest Expense | (1,776,289) | (2,145,513) | (2,270,164) | (2,047,246) | (2,060,098) | (1,712,193) | -- |
| Other | <u>--</u> | <u>--</u> | <u>(233,266)</u> | <u>(233,266)</u> | <u>(394,259)</u> | <u>(221,698)</u> | <u>--</u> |
| Total | <u>10,149,912</u> | <u>14,275,876</u> | <u>21,523,279</u> | <u>11,335,942</u> | <u>15,027,601</u> | <u>2,381,846</u> | <u>1,328,402</u> |
| Income Before Transfers | 10,147,672 | 20,100,402 | 23,826,147 | 9,745,245 | 13,268,515 | (6,320,504) | 1,402,058 |
| Operating Transfers In | 515,000 | -- | -- | 100,000 | -- | -- | -- |
| Operating Transfers Out | <u>(2,203,172)</u> | <u>(5,037,115)</u> | <u>--</u> | <u>(188,528)</u> | <u>--</u> | <u>(132,981)</u> | <u>--</u> |
| Net Income | 8,459,500 | 15,063,287 | 23,826,147 | 9,656,717 | 13,268,515 | (6,454,485) | 1,402,058 |
| Restatement for Construction Expense | <u>--</u> | <u>(1,098,603)</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Increase in Retained Earnings/Net Assets During the Year/Change in Net Assets | 8,459,500 | 13,964,684 | 23,826,147 | 9,656,717 | 13,268,515 | (6,453,585) | 1,402,058 |
| Retained Earnings/Net Assets Beginning of Year | <u>339,333,000</u> | <u>347,792,500</u> | <u>361,757,184</u> | <u>385,583,331</u> | <u>395,240,048</u> | <u>388,886,017</u> ⁵ | <u>382,431,533</u> |
| Retained Earnings/Net Assets End of Year | <u>\$347,792,500</u> | <u>\$361,757,184</u> | <u>\$385,583,331</u> | <u>\$395,240,048</u> | <u>\$408,508,563</u> | <u>\$382,431,533</u> | <u>\$383,833,592</u> |

¹ Unaudited.

² Unadjusted and unaudited figures through March 31, 2010.

³ Stormwater fees are not included within Pledged Revenues securing the payment of the Bonds. See "TABLE I."

⁴ City implemented GASB No. 49 and as a result restated beginning net assets of the Utility Enterprise Fund to reflect contamination of an underground gas leak that was discovered in 1986. Estimated value of recovery costs on January 1, 2008 was \$550,000. This adjustment was made to the Contractual Services line item.

⁵ Prior period adjustment of \$19,622,546 due to transfer of assets to Woman Creek Reservoir Authority. This adjustment was made to the Retained Earnings/Net Assets Beginning of Year line item.

Source: City of Westminster Finance Department

Set forth hereafter is a comparative summary of the 2009 and 2010 Water and Wastewater Utility Fund budgets.

**TABLE VII
Water and Wastewater Utility Fund
Budget Summary**

| | Original Adopted 2009 Budget | Amended Adopted 2010 Budget ¹ |
|--|---|---|
| Operating and Non-Operating Revenues: | | |
| Contractor's Licenses | \$ 75,000 | \$ 75,000 |
| Interest Income | 1,600,000 | 1,450,000 |
| Water Miscellaneous | 300,000 | 300,000 |
| Water Sales | 26,956,370 | 29,360,461 |
| Biosolids Farm | 125,000 | 125,000 |
| Wastewater Miscellaneous | 10,000 | 10,000 |
| Wastewater Sales | 11,718,000 | 12,239,977 |
| Water Tap Fees | 5,739,000 | 2,600,000 |
| Wastewater Tap Fees | 1,281,000 | 593,061 |
| Stormwater Fees ² | 1,900,000 | 2,080,000 |
| Bond Proceeds | -- | 28,300,000 ³ |
| Transfer to Capital Project Reserve Water Fund | 9,470,076 | -- |
| Transfer to Capital Project Reserve Wastewater | <u>1,571,398</u> | <u>--</u> |
| Total | <u>\$60,745,844</u> | <u>\$77,133,499</u> |
| Operating and Non-Operating Expenditures: | | |
| Water Portion of General Fund Expenses | \$ 2,106,808 | \$ 2,143,365 |
| Water Department Expenses | 24,156,292 | 24,845,096 |
| Wastewater Portion of General Fund Expenses | 1,292,252 | 1,312,815 |
| Wastewater Department Expenses | 8,568,146 | 8,314,223 |
| Stormwater Department Expenses ² | 828,000 | 730,000 |
| Capital Improvements | <u>23,649,000</u> | <u>39,788,000</u> |
| Total | <u>\$60,600,498</u> | <u>\$77,133,499</u> |

¹ Council adopted the revised 2010 Budget on October 12, 2009.

² Stormwater fees are not included within Pledged Revenues securing the payment of the Bonds.

³ The City expects to amend the 2010 Budget prior to year end to reflect the final principal amount of the Bonds upon issuance.

Source: City of Westminster Finance Department

Outstanding Financial Obligations

The City provides for the operation of certain of its services, such as water and wastewater, as enterprises which are not subject to the provisions of Article X, Section 20, see “—Constitutional TABOR Limiting Taxes and Spending.” The following table sets forth the City’s outstanding revenue obligations of the Water and Wastewater Utility Fund upon issuance of the Bonds. See “APPENDIX E—City Financial Information and Debt Structure—Revenue Obligations” for additional revenue obligations of the City.

TABLE VIII
Outstanding Revenue Obligations of the Water and Wastewater Utility Fund ¹

| Issue | Outstanding Principal | Principal Totals |
|--|--------------------------|---------------------|
| Taxable Water and Wastewater Revenue Bonds, Series 2010 [*] | \$29,575,000 | |
| Subtotal Bonds* | | 29,575,000 |
| Superior Securities | | |
| Water and Wastewater Revenue Refunding Bonds, Series 2001 | 9,295,000 | |
| Subtotal Superior Securities | | 9,295,000 |
| Subordinate Securities | | |
| Subordinate Water and Wastewater Revenue Bonds, Series 1997 | 6,718,258 | |
| Subordinate Water and Wastewater Revenue Bonds, Series 1998 | 1,865,210 | |
| Subordinate Water and Wastewater Revenue Bonds, Series 2000 | 9,019,135 | |
| Subordinate Water and Wastewater Revenue Bonds, Series 2005 | 12,692,500 | |
| Rehfeld Note ² | <u>161,662</u> | |
| Subtotal Subordinate Securities | <u>30,456,765</u> | <u>30,456,765</u> |
| Total [*] | | <u>\$69,326,765</u> |

¹ Upon issuance of the Bonds.

² Represents a \$180,000 installment note, by and between the City and Keith and Betty Rehfeld, executed on March 31, 2008 for the purchase of water shares. The note is payable with Pledged Revenues subordinate to the Bonds. See TABLE I.

^{*} Preliminary; subject to change.

Source: City of Westminster Finance Department

LEGAL MATTERS

Sovereign Immunity

The Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the “Act”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the City, for injuries which lie in tort or could lie in tort.

The Act provides that sovereign immunity does not apply to injuries occurring as a result of certain specified actions or conditions. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$150,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$600,000; except in such instance, no person may recover in excess of \$150,000. Suits against both the City and a public employee do not increase such maximum amounts which may be recovered. For injuries occurring prior to July 1, 1986, sovereign immunity limits are deemed to be waived to the extent that the City’s insurance covers such injury. With regard to injuries occurring on and after such date, the City may, by resolution, increase any maximum amount that may be recovered from the City for the type of injury described in the resolution. The City has not adopted such a resolution to date. The City may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the City is required to levy an ad valorem property tax to discharge a settlement or

judgment, such tax may not exceed a total of ten mills per annum for all outstanding settlements or judgments.

The City may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, suits filed pursuant to 42 U.S.C. §1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City may be enjoined from engaging in anti competitive practices which violate the antitrust laws.

Pending and Threatened Litigation Involving the City

The City Attorney is expected to render an opinion or deliver a certificate upon delivery of the Bonds stating that, to the best of his actual knowledge, there is no action, suit or proceeding now pending or threatened against the City that will materially and adversely affect the financial condition or operations of the City, or the City's power to issue and deliver the Bonds, or to execute and perform the obligations of the City in the Ordinance.

Legal Representation

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel. In addition Kutak Rock LLP has been retained to advise the City concerning, and has assisted the City in the preparation of, this Official Statement. Certain legal matters will be passed upon for the City by Martin R. McCullough, Esq., as City Attorney.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

In the opinion of Bond Counsel, interest on the Bonds is included in gross income pursuant to the Tax Code. The City has designated the Bonds as "Build America Bonds" pursuant to Section 54AA(d)(1) of the Tax Code. Pursuant to Section 54AA(g)(2) of the Tax Code, the City has elected to receive a credit under Section 6431 of the Tax Code in connection with the Bonds, in lieu of any credit otherwise available to the Owners under Section 54AA(a) of the Code. The owners of the Bonds will not receive a tax credit as a result of holding the Bonds. In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, the interest on and income from the Bonds is exempt from all taxation and assessments in the State of Colorado.

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for such bonds to continue to qualify as "Build America Bonds." Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. Under Colorado law in effect as of the date of issuance of the Bonds, if the Bonds cease to qualify as "Build America Bonds," the interest on and income from the

Bonds may become subject to taxation and assessments in the State of Colorado. The City will covenant and represent that it will take all steps to maintain the status of the Bonds as “Build America Bonds” under the Tax Code to the extent necessary to maintain exemption of the interest on and income from Bonds from all taxation and assessments in the State of Colorado. Bond Counsel’s opinion as to the exemption of the interest on and income from Bonds from all taxation and assessments in the State of Colorado is rendered in reliance on these covenants, and assumes continuous compliance therewith. Bond Counsel’s opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Bonds. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds. In addition, future court actions or regulatory decisions could affect the market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Service routinely examines municipal bond issues for compliance with the applicable tax laws and regulations. Like other municipal bonds, Build America Bonds, such as the Bonds, and the application of the proceeds thereof to expenditures, are subject to numerous requirements set forth in the Tax Code and regulations promulgated thereunder, and are subject to scrutiny by the Service. The Service’s scrutiny of Build America Bonds is likely to include an inquiry into the requirement that proceeds of Build America Bonds, net of any proceeds used for issuance costs and funding of a reserve fund, must be used for “capital expenditures”, as that term is used in Section 54AA of the Tax Code. Further, the Service may determine to examine a greater percentage of Build America Bonds than the percentage of other municipal bonds it examines under its current practices. If, as a result of such an examination of the Bonds, the Service makes an initial determination that the City did not comply with the applicable rules, the Service could suspend paying BAB Credits to the City even before it makes a final determination that the applicable tax rules were violated. In addition, the Service could seek to recover BAB Credits previously paid to the City.

Any tax advice concerning the Bonds, interest on the Bonds or any other federal income tax issues associated with the Bonds, express or implicit in the provisions of this Official Statement, is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This document supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

MISCELLANEOUS

Ratings

Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies, Inc. ("S&P") and Fitch Investors ("Fitch") have assigned the ratings shown on the cover page hereof which are reflective of the capacity of the City to fulfill its payment obligations under the Ordinance.

Any explanations of the significance of such ratings should be obtained from S&P at 55 Water Street, New York, New York 10041 and from Fitch at One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the applicable rating agency if in the judgment of such rating agency circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Registration of Bonds

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, pursuant to an exemption from registration provided in said act. **THE CITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.**

Interest of Certain Persons Named in this Official Statement

The legal fees to be paid to Sherman & Howard L.L.C. and to Kutak Rock LLP are contingent upon the sale and delivery of the Bonds.

Underwriting

The Bonds are being sold by the City at an underwriting discount of \$_____ to the Underwriter pursuant to a purchase contract. See "THE BONDS—Application of Bond Proceeds." Expenses associated with the issuance of the Bonds are being paid by the City from proceeds of the issue. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds to the public at the prices or yields set forth on the cover page of this Official Statement. Such prices or yields, as the case may be, may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds to the public.

Independent Auditors

The general purpose financial statements of the City as of and for the year ended December 31, 2008, included in this Official Statement, have been audited by independent auditors, Swanhorst & Company LLC, Greenwood Village, Colorado, as stated in their report appearing therein.

Additional Information

Copies of statutes, ordinances, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Official Statement are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from the sources noted in Introduction.

Official Statement Certification

The preparation of this Official Statement and its distribution have been authorized by the Council. This Official Statement is hereby duly approved by the Council as of the date on the cover page hereof. This Official Statement is not to be construed as an agreement or contract between the City and the purchasers or holders of any Bond.

CITY OF WESTMINSTER, COLORADO

By /s/ _____
Mayor

APPENDIX A

SELECTED DEFINITIONS AND SUMMARY OF ORDINANCE PROVISIONS

APPENDIX B

**AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS OF THE CITY
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the “Enterprise”) in connection with the issuance of its Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010 in the aggregate principal amount of \$[_____] (the “Bonds”). The Bonds are being issued pursuant to an ordinance (the “Ordinance”) adopted by the City Council of the City (the “City”) acting as the governing body of the Enterprise on May 10, 2010.

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

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

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

“*Dissemination Agent*” shall mean, initially, the Enterprise, or any successor Dissemination Agent designated in writing by the Enterprise and which has filed with the Enterprise a written acceptance of such designation.

“*Material Events*” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board. The MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

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

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Enterprise shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Enterprise’s Fiscal Year of each year, commencing nine (9) months following the end of the Enterprise’s Fiscal Year ending December 31, 2009, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Enterprise shall provide the Annual Report to the Dissemination Agent (if other than the Enterprise). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other

information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Enterprise may be submitted separately from the balance of the Annual Report.

(b) If the Enterprise is unable to provide to the MSRB an Annual Report by the date required in subsection (a) of this Section, the Enterprise shall send or cause to be sent a notice in substantially the form attached as Exhibit "A" to the MSRB.

(c) The Dissemination Agent shall:

i. determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

ii. if the Dissemination Agent is other than the Enterprise, send written notice to the Enterprise at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

iii. if the Dissemination Agent is other than the Enterprise, file a report with the Enterprise certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

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

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

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

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City, the Enterprise, or related public entities, which are available to the public on the MSRB's Internet Website or filed with the SEC. The Enterprise shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Enterprise shall provide or cause to be provided, in a timely manner, notice of any of the following events with respect to the Bonds, if such event is material, to the MSRB:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (e) Substitution of credit or liquidity providers or their failure to perform;
- (f) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (g) Modifications to rights of Bond holders;
- (h) Bond calls;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds; or
- (k) Rating changes.

SECTION 6. Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

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

SECTION 8. Dissemination Agent. The Enterprise may, from time to time, appoint or engage a Dissemination Agent to assist the Enterprise in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

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

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

SECTION 11. Default. In the event of a failure of the Enterprise to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Enterprise to comply with its obligations under this Disclosure Certificate. A default under this

Disclosure Certificate shall not be deemed an Event of Default under the Bond Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Enterprise to comply with this Disclosure Certificate shall be an action to compel performance.

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

DATED: May __, 2010.

CITY OF WESTMINSTER, COLORADO
WATER AND WASTEWATER UTILITY
ENTERPRISE

By: _____
President

EXHIBIT "A"

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name: City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the "Enterprise").

Name of Issue: Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds) Series 2010, in the aggregate principal amount of \$[_____].

CUSIP: _____.

Date of Issuance: May __, 2010.

NOTICE IS HEREBY GIVEN that the Enterprise has not provided an Annual Report with respect to the 2010 Bonds as required by Section 8BB of the Bond Ordinance dated as of May 10, 2010, and the Continuing Disclosure Certificate executed on May __, 2010 by the Enterprise. The Enterprise anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

CITY OF WESTMINSTER, COLORADO
WATER AND WASTEWATER UTILITY
ENTERPRISE

By: _____
Title: _____

EXHIBIT "B"

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

APPENDIX D

THE CITY

The City of Westminster is located in western Adams and northeastern Jefferson Counties, two miles from the northwestern boundary of the City and County of Denver. The City encompasses approximately 33.5 square miles and, according to the Colorado Department of Regulatory Agencies, the City's current estimated population is 109,353. Incorporated as a municipal corporation in 1911, the City became a home rule municipality in 1958 upon adoption of its Charter.

City Powers

Pursuant to the Charter, the City has the power of local self government and home rule, as well as all municipal powers established by the constitution and laws of the State of Colorado. Among those powers, rights and liabilities specifically granted by the Charter are the following: perpetual succession; to own, possess and hold real and personal property; to succeed to all rights and liabilities, to acquire all benefits and to assume payment of all bonds, obligations and indebtedness of the City; to sue and defend, plead and be impleaded in all courts and places and in all matters and proceedings; to purchase, receive, hold and enjoy, or sell and dispose of real and personal property; to acquire, hold and manage property outside City limits by gift, lease or purchase for park or recreation purposes and to adopt rules, regulations and schedules of charges for the use of such property; and to have and use a common seal. Pursuant to Chapter XIV of the Charter, the City has the power to fix from time to time such just and reasonable rates and other charges as may be deemed advisable for supplying the inhabitants of the City and others with such public utility services as the City may provide. In addition, the powers granted to municipalities by the constitution and laws of the State of Colorado include the powers relating to the assessment of property and the levy and collection of general taxes.

Governing Body

The City operates under a council manager form of government whereby, except as otherwise provided by the Charter or statute, the Council exercises all powers conferred upon or possessed by the City and has the power and authority to adopt such laws, ordinances and resolutions as it deems proper in the exercise thereof, and the City Manager serves as the chief administrative officer of the City government. The Council consists of seven members, six Councillors and the mayor, all of whom are elected from the City at large. The mayor is the presiding officer of the Council and has an equal voice and vote in all proceedings of the Council, but has no veto power. The mayor pro tem is appointed from the Council membership to serve in the event of absence or disability of the mayor. One Councillor's or the Mayor serves in the additional capacity of representative to the Denver Regional Council of Governments.

The Council effects its decisions through the passage of ordinances, resolutions, motions and orders. Actions by resolution, motion or order are limited to matters required or permitted to be so done by the Charter or by state or federal law, or pertaining to the internal affairs or concern of the City government. All other acts of the Council, and all acts carrying a penalty for violation, must be by ordinance.

| Name/Office | Principal Occupation | Years of Service | Term Expires |
|------------------------------|-----------------------------|-------------------------|---------------------|
| Nancy McNally, Mayor | Office Manager | 8 | 2013 |
| Chris Dittman, Mayor Pro Tem | Education—Retired | 7 | 2011 |
| Scott Major | Test Engineer | 4 | 2013 |
| Mark Kaiser | Fleet, Tire Sales | 4 | 2013 |
| Mary Lindsey | Business Owner | 4 | 2013 |
| Bob Briggs | Business Owner | 2 | 2011 |
| Faith Winter | Non-profit Administrator | 2 | 2011 |

Administration

The City Council is responsible for providing policy direction for the City and the adoption of ordinances and resolutions regulating City affairs. However, the day to day operations of the City are conducted by City staff members. The following is a list of the administrative and management personnel most directly involved in the management of the City, the issuance of the Bonds, their duties within the City government and their background experience.

City Manager. The City Manager is the chief administrative officer of the City. He is responsible to the Council for all City affairs placed in his charge by the Charter or by law, including responsibility for the efficient operation of all administrative departments of the City government with the exception of those under the direction of the City Attorney and the municipal court. He is further required to perform such other duties as requested by the Council.

J. Brent McFall began as the City Manager on May 21, 2001. Prior to assuming his duties in Westminster, Mr. McFall was the Chief Administrative Officer of the City of Kent, Washington (a Seattle suburb with approximately 75,000 residents) since 1994. Mr. McFall also served as the City Manager in Federal Way, Washington and Emporia, Kansas, and as Chief Administrator in Merriam, Kansas. He received his bachelor's degree in personnel administration in 1974 and his master's degree in public administration in 1976, both from the University of Kansas. Mr. McFall was twice recognized by the Washington City Management Association with its Award for Excellence for progressive and innovative management, and in 2005 received the University of Kansas Edwin O. Stene Award for Managerial Excellence. His professional affiliations include active membership in the International City and County Management Association, and the Colorado City & County Management Association. Mr. McFall is a member of the Board of Directors of the Metro North Chamber of Commerce, is on the Board of Directors of the Westminster Legacy Foundation, a member of the Advisory Board of the Rocky Mountain Land Use Institute, and past President of the Metro City and County Managers Association.

Assistant City Manager. The Assistant City Manager is the second highest administrative officer of the City generally responsible for daily City operations. In the absence of the City Manager, he performs all duties of the City Manager. Specific responsibilities include production of the City's annual budget, developing and monitoring the capital improvement program, tracking and projecting City revenues, and managing special projects.

Stephen P. Smithers returned to the City as the Assistant City Manager in June 2000. He also has served the City in several roles from 1983 to 1989 as Management Intern, Management Assistant and as the Assistant to the City Manager. Prior to his current position with the City, he was Manager of Special Programs for the Colorado Municipal League. In addition, Mr. Smithers has served on the Public Utilities Commission E 911 Task Force, as a board member of the Colorado Association of Commerce and Industry's Business Council for Healthcare Competition, president of the Colorado Municipal

Management Assistants' Association, served on the Advisory Committee for the Colorado Telecommunications Infrastructure Fund, and during 2005, served as Chairman of the US 36 Transportation Management Organization. His professional affiliations include the International City and County Managers' Association, Colorado City and County Management Association and the National League of Cities. Mr. Smithers holds a Bachelor of Arts degree from Boston University and a master's degree in public administration from the University of Colorado.

Finance Director. The City Finance Director is the chief financial officer of the City and acts as the City Treasurer pursuant to the City Charter and Code. The responsibilities of the Finance Director include, but are not limited to, accounting and financial reporting, debt management, sales tax administration, revenue collection, investments, purchasing, and pension administration.

Tammy A. Hitchens, CPA, CPFO, was appointed Finance Director in April 2005. Prior to her appointment as Finance Director, she served as the Accounting Manager for the City for seven years. She also served the City as the Accounting Manager or Investment Officer from 1989 to 1995. Prior to returning to the City in 1998, she served as the Assistant Director of Budget and Finance for two and one-half years at Jefferson County School District in Colorado. She holds a Master of Science Degree in Finance from the University of Colorado and a Bachelor of Science degree in Business Administration—Accounting from the University of Northern Colorado. She is a Certified Public Accountant in the State of Colorado and a Certified Public Finance Officer. Ms. Hitchens is an active member of the Government Finance Officers Association of the United States and Canada (“GFOA”) and the Colorado Government Finance Officers Association (“CGFOA”).

Treasury Manager. The Treasury Manager reports to the Finance Director and the responsibilities of the Treasury Manager include, but are not limited to, revenue collection, all aspects of debt management, cash and portfolio management, utility billing and financial analysis.

Robert C. Smith was appointed as the Treasury Manager in 2002. Prior to his appointment to the City of Westminster, Mr. Smith was a private financial consultant engaged on a wide range of corporate planning and treasury matters for two years, and a Treasury Manager for the Coors Brewing Company for 10 years. He holds a Bachelor of Arts degree in Economics from Earlham College and a Master's in Business Administration in Finance from the John M. Olin School of Business at Washington University. Mr. Smith is an active member of the GFOA and the CGFOA.

City Attorney. The Office of the City Attorney acts as the legal advisor to the Council and is responsible solely to the Council pursuant to the City Charter. The City Attorney is appointed by the Council for an indefinite period and serves at the pleasure of the Council.

Martin R. McCullough was appointed City Attorney on February 10, 1986, after holding the position of acting City Attorney since September 1985. Mr. McCullough received his Juris Doctor degree in 1982 from the University of Houston in Houston, Texas. He is admitted to practice law in Texas and Colorado and is a member of the Colorado and Denver Bar Associations, is a member and past president of the Metro City Attorney's Association and the Attorney's Section of the Colorado Municipal League.

General Capital Improvement Program

The projects budgeted in the General CIP are expected to be financed primarily with moneys from the General Fund, park development fees, Lottery funds, interest income, sales and use tax revenues available after payment of debt service on sales and use tax bonds, grants and revenue bonds or other obligations. The following table sets forth the pay-as-you-go portion of the City's General CIP per the

amended 2009/2010 budgets approved by Council on October 12, 2009. See “**THE SYSTEM—System Capital Improvements and Long-Term Planning**” for a discussion of System capital improvements.

**Five-Year General Capital Improvement Program
(In Thousands of Dollars)**

| | 2009 Adopted | 2010 Adopted | 2011 Recommended | 2012 Recommended | 2013 Recommended |
|---------------------|-------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Streets and Traffic | \$1,801 | \$1,233 | \$1,817 | \$2,184 | \$2,696 |
| General | 2,120 | 3,244 | 2,986 | 2,979 | 3,284 |
| Public Safety | 669 | 758 | 695 | 665 | 604 |
| Park Improvements | <u>4,238</u> | <u>3,856</u> | <u>4,186</u> | <u>4,340</u> | <u>4,411</u> |
| Total | <u>\$8,828</u> | <u>\$9,091</u> | <u>\$9,684</u> | <u>\$10,168</u> | <u>\$10,995</u> |

Source: City of Westminster Finance Department

Services Provided by the City

Westminster is a full service city, providing a broad range of municipal services to the community including police and fire protection; emergency medical and ambulance; water and wastewater utilities; parks, recreation and libraries; street maintenance and construction; cultural and general administrative services; and planning and community development.

Required Elections

Article X, Section 20 of the Colorado Constitution requires that, with certain exceptions, the City must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect City debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Enterprises, as defined in Article X, Section 20, refundings at a lower interest rate, and obligations subject to annual appropriation are excluded from the application of said Section and the voter approval requirements established therein. For a discussion of Article X, Section 20 see “—Constitutional TABOR Limiting Taxes and Spending.”

Constitutional TABOR Limiting Taxes and Spending

General. A citizen initiated amendment which added Article X Section 20 to the State constitution was passed on November 3, 1992 (“TABOR”). TABOR applies to the State and any local governments (but excluding government owned enterprises as defined in the TABOR and certain other entities, including urban renewal authorities which satisfy certain legal conditions hereafter described), and among other things, provides significant restrictions regarding taxes, spending, revenue increases, and borrowing. The applicable limitations established pursuant to TABOR can be exceeded with prior voter approval.

With certain exceptions concerning general obligation bonds, pensions, final court judgments, and emergency taxes, TABOR requires local governments to obtain voter approval prior to the imposition of any new tax, tax rate increase, mill levy above that for the prior year, assessed valuation ratio increase, or extension of an expiring tax, or a tax policy change directly causing a net revenue gain to the local government.

Unless otherwise approved by the voters, TABOR also limits the annual percentage increases in both property tax revenue and local government “fiscal year spending,” with certain adjustments, to

inflation (defined as the Denver Boulder consumer price index) in the prior calendar year plus “local growth.” Local growth is defined as the net percentage change in actual value of all real property in the local government from construction of improvements and additions to taxable real property less destruction of improvements and deletions to taxable real property. Fiscal year spending includes all the local government’s expenditures and reserve increases and excludes reserve transfers or expenditures, refunds made in the current or next fiscal year, gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, damage awards, and property sales. Any revenue collected in excess of the limit on spending and property tax revenue is required to be refunded during the next fiscal year.

Enterprises. Enterprises are excluded from the provisions of the Amendment. As defined in the Amendment, enterprise means a government owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined.

De-Brucing. At the election held on November 5, 2002, the City received voter approval to exempt all City revenues not previously exempted pursuant to voter approval, which moneys would otherwise be subject to the TABOR’s fiscal year spending limitation (which revenues are comprised primarily of non-tax revenues such as user-charged fees and state and local grant moneys).

Proposed Amendments - November 2010 Election. The State Constitution provides that people of the State reserve to themselves the power to propose laws and amendments to the State Constitution (referred to as initiatives), and to enact or reject such initiatives by a vote of the people by a Statewide ballot. Three initiated measures (the “Ballot Initiatives”) have been placed on the November 2010 statewide general election ballot which would amend TABOR (as well as Article XI of the Colorado Constitution) through the addition of the following:

Proposition 101 would amend State tax statutes to substantially reduce several sources of State and local revenue, including the State income tax, vehicle fees and taxes and telecommunication charges. If Proposition 101 is approved, it is anticipated that specific ownership taxes otherwise payable to the City would decline. Proposition 101 is not expected to have any material effect on the collection of Pledged Revenue.

Amendment 60 would amend the Colorado Constitution to further restrict the ability of local governments to impose and collect property taxes, require voter approval of property tax increases and extensions of expiring taxes but limit the effectiveness of such approvals to 10 years, and prohibit voters from approving the collection and spending of property tax revenues in excess of TABOR limits for periods greater than four years. Additionally, enterprises would be required to pay property taxes and would be prohibited from levying any mandatory fee on property located within their jurisdictions. If Amendment 60 is approved, it could raise City expenditures, in the form of taxes owed on City property (including without limitation the property of City enterprises), while cutting the property tax revenue stream currently available to the City. However, Amendment 60 is not anticipated to directly impact the City, through its enterprise, to pay debt service on the Bonds because the Bonds are payable from Net Revenue and not property tax revenue. See “THE SYSTEM—The Enterprise.”

Amendment 61 would amend the Colorado Constitution to (a) prohibit the State and all its enterprises, authorities, and other State entities from borrowing, entering into lease purchase agreements or contracting loans in any other form for any purpose or any period of time and (b) require a broad range of government financing, including traditional governmental bonds but also some financing transactions that historically have not been treated as debt under State law, such as lease purchase agreements, etc., and whether or not issued by enterprises, to be approved by the voters of the local government unit and to

mature within 10 years, without extension. Amendment 61 would also lower the debt limit of local governments to 10% of the assessed value of real property in their jurisdiction. The Enterprise would not be subject to this limit.

The effective date of the Ballot Initiatives would be the later of the date of proclamation by the Governor or January 1, 2011. It is not possible to predict whether any or all of the Ballot Initiatives will be approved by a majority of the voting electors at the November 2010 election.

Budget Process

The City of Westminster's budget is a fiscal blueprint for service delivery. Per the City Charter, the City Council must adopt a balanced budget for the next fiscal year. The City's budget is constructed on a calendar year as required by the City Charter. The voters approved a charter amendment in November 2000 that allows City Council to adopt a two-year budget; the City Council began officially implementing a two year budget with the adoption of the 2003/2004 Biennial Budget.

On or before September 15th of each year the City Manager must prepare and submit a recommended budget to the City Council. The recommended budget must provide detailed estimates of proposed expenditures for each City department, office and agency, and for the court for the ensuing fiscal year. In addition, the budget must set forth the corresponding actual expenditures for the last full fiscal year, the current fiscal year through September 1st and estimates of expenditures for the balance of the current fiscal year. The budget also must set forth all actual and anticipated revenues from sources other than taxes for the equivalent periods, and the estimated balance or deficit for the end of the current fiscal year. If required by the City Council, by resolution or ordinance, the City Manager shall submit to the City Council, simultaneously with his recommended budget, a schedule showing all recommended capital outlay expenditures during the following five fiscal years. Debt service requirements for the budget year must be stated separately. The Charter further requires the budget to set forth the amount to be raised from current and delinquent taxes and the amount to be raised from bond issues during the upcoming fiscal year which, together with any unappropriated revenue surplus and any revenues from other sources, will be necessary to meet the proposed expenditures. The budget must also contain such additional information as the Council may request.

A public hearing on the proposed budget must be held before its final adoption. Notice of the hearing must be published at least one week prior to its scheduled date, stating that the proposed budget is available for public inspection. The budget is to be adopted no later than the fourth Monday of October. On or before the last day of the current fiscal year, the Council shall appropriate by ordinance, based upon the budget as adopted, the moneys needed for municipal purposes during the next fiscal year. The City Council can adopt a budget for two fiscal years instead of one fiscal year, according to such procedures as City Council shall prescribe by ordinance. The City Council adopted the City's 2009/2010 biennial budget in a timely manner pursuant to the above described procedure.

Subject to the restriction discussed below, the adopted budget must provide for a levy on real and personal property which will result in the collection of revenues in the amount necessary to be raised from ad valorem property taxes for municipal purposes. Following adoption of the budget, the Council certifies to the county assessors the amount to be levied on taxable property within the City for collection by the county treasurers.

At the end of each month during the fiscal year, the City Manager submits to the Council data comparing the estimated and actual revenues and appropriated expenditures to date. If accrued revenues are less than anticipated, the Council may reduce appropriations, except amounts required for debt and interest charges, as is necessary to keep expenditures within revenues.

With the exception of expenditures to be financed by the issuance of bonds or by special assessment, no expenditure may be made from City funds unless a specific appropriation has been made for such purpose. The City Council must approve all purchases and contracts in excess of \$50,000, with the City Manager having the authority to approve purchases and contracts in lesser amounts if funds have previously been budgeted to cover such expenses. In the case of an emergency or other unforeseeable event, money designated for contingencies may be transferred without additional appropriation by ordinance but does require the adoption of a resolution; the City Manager may order the transfer of funds within a departmental budget; or the Council may transfer any unencumbered appropriation balance, or any portion thereof, from one account or department (by motion) to another, and from one fund or agency (by ordinance) to another, at any time during the year. If the City receives revenues which were unanticipated at the time of adoption of the budget, the City Council may authorize, by ordinance, the expenditure thereof by adopting supplemental appropriations. The balance of any budget appropriation which has not been spent at the end of the year reverts to the fund from which the appropriation was made.

APPENDIX E

CITY FINANCIAL INFORMATION AND DEBT STRUCTURE

Accounting Policies and Financial Statements

The accounts of the City are organized on the basis of funds which are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. Each fund is considered a separate accounting entity. The operations of each fund include its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. For a description of the various funds and account groups, see the City's financial statements appended hereto.

The City Charter requires that an independent audit shall be made of all City accounts at least annually, and more frequently if deemed necessary by the Council. The audited financial statements must be filed with the state auditor by July 31st of each year. Failure to comply with this requirement to file an audit report may result in the withholding of the City's property tax revenues by the county treasurers pending compliance.

The general purpose financial statements from the City's 2008 Comprehensive Annual Financial Report are appended hereto. Such financial statements are the most current audited financial information available for the City.

Major Sources of General Fund Revenues

The governmental fund utilized for the administration and operation of the City is the General Fund. The following are the major sources of revenue to such fund.

Sales and Use Taxes. Sales and Use Tax revenues have represented the largest single source of revenue, in the form of transfers from the Sales and Use Tax Fund, in the City's General Fund over the past five years, comprising \$56,979,880 (62%) of total 2009 General Fund revenues and transfers in (unaudited) and comprising \$57,364,101 (60%) of total budgeted 2010 General Fund revenues and transfers in. Sales and Use Tax revenues are transferred to the General Fund from the City's Sales and Use Tax Fund after sufficient credits are made for the payment of the City's sales and use tax revenue bond obligations.

Other Revenue Sources. The City also receives General Fund revenues from several additional sources including ad valorem property taxes, admissions taxes, franchise fees, licenses and permits, recreation fees, park development fees, fines and forfeits, interest income and fleet maintenance billings. Several intergovernmental revenue sources are also included in the General Fund; among these are State highway users' taxes, specific ownership taxes, motor vehicle registration fees, cigarette taxes, road and bridge revenues, library rebates, victim's assistance funding and revenues received from Hyland Hills Park and Recreation District pursuant to an agreement with said district.

Historical General Fund Operations

Set forth in the following table is a comparative statement of revenues and expenditures of the City's General Fund, including the December 31 fund balance for each year. The following information should be read together with the general purpose financial statements and accompanying notes of the City appended hereto. Preceding years' audited financial statements of the City may be obtained from the sources designated in "MISCELLANEOUS—Additional Information."

Historical General Fund Revenues, Expenditures and Changes in Fund Balance

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 (Unaudited) ¹ | 2010 (Unaudited) ² |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|----------------------------------|
| Revenues | | | | | | | |
| Property taxes | \$ 3,887,254 | \$ 3,942,328 | \$ 4,133,067 | \$ 4,191,093 | \$ 4,342,974 | \$ 4,407,801 | \$ 1,478,448 |
| Business fees and other taxes | 3,950,630 | 4,298,336 | 4,300,682 | 4,556,637 | 5,137,132 | 5,473,763 | 930,604 |
| Licenses and permits | 2,321,833 | 2,101,468 | 2,616,662 | 2,654,027 | 2,133,832 | 1,127,900 | 285,427 |
| Intergovernmental | 4,907,730 | 4,780,392 | 5,202,571 | 5,473,465 | 5,418,351 | 5,188,762 | 647,722 |
| Recreation fees | 5,072,051 | 5,311,991 | 5,867,809 | 5,735,111 | 6,379,855 | 5,766,441 | 1,538,467 |
| Fines and forfeits | 1,978,450 | 2,212,981 | 2,475,564 | 2,134,378 | 1,960,602 | 2,062,964 | 491,367 |
| Interest | 328,519 | 472,941 | 958,095 | 1,307,116 | 1,196,165 | 618,091 | 154,709 |
| Fleet maintenance billings and other | <u>4,480,890</u> | <u>5,240,097</u> | <u>5,636,838</u> | <u>7,079,387</u> | <u>8,912,592</u> | <u>8,429,736</u> | <u>1,496,234</u> |
| Total revenues | <u>26,927,357</u> | <u>28,360,534</u> | <u>31,191,288</u> | <u>33,131,214</u> | <u>35,481,503</u> | <u>33,075,458</u> | <u>7,022,977</u> |
| Expenditures | | | | | | | |
| General government | 29,780,602 | 30,298,995 | 28,937,319 | 31,496,267 | 33,310,456 | 33,152,174 | 7,221,804 |
| Public safety | 24,053,416 | 27,316,618 | 28,162,155 | 28,781,223 | 30,409,137 | 30,217,929 | 7,372,688 |
| Public works | 6,635,754 | 6,644,285 | 7,071,716 | 7,238,076 | 6,753,727 | 6,754,884 | 1,082,662 |
| Community development | 4,377,784 | 4,357,104 | 3,913,803 | 3,955,330 | 3,953,471 | 3,381,262 | 964,197 |
| Culture and recreation | 11,560,470 | 12,508,632 | 12,868,421 | 13,456,076 | 14,009,673 | 14,036,487 | 2,767,432 |
| Bond issuance costs | -- | -- | -- | 595,809 | -- | -- | -- |
| Total expenditures | <u>76,408,026</u> | <u>81,125,634</u> | <u>80,953,414</u> | <u>85,522,781</u> | <u>88,436,464</u> | <u>87,542,736</u> | <u>19,408,783</u> |
| Excess of revenues over (under) expenditures | (49,480,669) | (52,765,100) | (49,762,066) | (52,391,567) | (52,954,961) | (54,467,278) | (12,385,806) |
| Other financing sources (uses) | | | | | | | |
| Operating transfers in | 54,393,710 | 57,386,506 | 55,756,916 | 56,148,782 | 58,428,272 | 67,353,365 | 16,380,182 |
| Operating transfers out | (3,226,925) | (8,256,684) | (6,360,977) | (6,888,784) | (4,196,482) | (10,947,774) | (1,510,377) |
| Proceeds from Lease | 488,414 | 2,984,418 | 125,733 | 638,790 | 32,792 | 562,530 | -- |
| Sale of Capital Asset | -- | -- | -- | -- | 972,230 | -- | -- |
| Total | <u>51,655,199</u> | <u>52,114,240</u> | <u>49,521,672</u> | <u>49,898,788</u> | <u>55,236,812</u> | <u>56,968,121</u> | <u>14,869,806</u> |
| Excess of revenues and other sources over (under) expenditures and other (uses) | 2,174,530 | (650,860) | (240,394) | (2,492,779) | 2,281,851 | 2,500,843 | 2,484,000 |
| Beginning Fund Balance | <u>16,271,955</u> | <u>18,446,485</u> | <u>17,795,625</u> | <u>17,555,231</u> | <u>15,062,452</u> | <u>17,344,303</u> | <u>19,845,147</u> |
| Ending Fund Balance | <u>\$18,446,485</u> | <u>\$17,795,625</u> | <u>\$17,555,231</u> | <u>\$15,062,452</u> | <u>\$17,344,303</u> | <u>\$19,845,146</u> | <u>\$22,329,146</u> |

¹ Unaudited figures.

² Unadjusted and unaudited figures through March 31, 2010.

Source: City of Westminster Finance Department

General Fund Balances 2004-2009

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 (Unaudited) |
|---|--------------|--------------|--------------|--------------|--------------|---------------------|
| Actual Expenditures | \$76,408,026 | \$81,125,634 | \$80,953,414 | \$85,522,781 | \$88,436,464 | \$87,542,736 |
| Total Fund Balance | \$18,446,485 | 17,795,625 | 17,555,231 | 15,062,452 | 17,344,303 | 19,845,146 |
| Percent of Fund Balance to Expenditures | 24.1% | 21.9% | 21.7% | 17.6% | 19.6% | 17.0% |

Source: Westminster Finance Department

General Fund Budget Summary and Comparison. The City implemented a two-year budget format in calendar year 2002. The following table compares the 2009 and 2010 budgets as adopted.

General Fund Budget Summary and Comparison

| | 2009 Budget (as adopted) | 2010 Budget (as amended) ² |
|------------------------------------|-----------------------------|--|
| <i>Revenues</i> | | |
| Property tax | \$ 4,374,017 | \$ 4,100,000 |
| Business tax/Franchise Fees | 4,314,406 | 4,480,500 |
| Admissions tax | 550,899 | 578,400 |
| Licenses | 190,000 | 217,500 |
| Building Permits | 1,407,600 | 1,153,678 |
| Intergovernmental/Grants | 5,056,337 | 5,239,602 |
| Recreation charges | 5,910,792 | 6,219,206 |
| Fines & forfeitures | 2,211,050 | 2,262,105 |
| Total reimbursement | 55,000 | 55,000 |
| Interest income | 515,000 | 425,000 |
| Contributions | 5,000 | 5,000 |
| General miscellaneous ¹ | <u>7,937,553</u> | <u>7,170,246</u> |
| Total Revenue | <u>32,527,654</u> | <u>31,906,237</u> |
| <i>Transfer payments</i> | | |
| From Sales/Use Tax | 59,709,449 | 57,364,101 |
| From Utility Fund | 2,596,391 | 3,500,000 |
| From GCIP | -- | 1,000,000 |
| Carryover | <u>1,000,000</u> | <u>2,653,511</u> |
| Total Funds Available | <u>\$95,833,494</u> | <u>\$96,423,849</u> |
| <i>Expenditures</i> | | |
| City Council | 213,244 | 222,312 |
| City Attorney | 1,174,235 | 1,156,960 |
| City Manager | 1,625,634 | 1,611,334 |
| Central Charges | 21,548,466 | 22,690,242 |
| General Services | 5,892,442 | 5,937,816 |
| Finance | 1,984,987 | 2,027,516 |
| Police | 21,263,639 | 20,806,919 |
| Fire | 11,910,586 | 11,847,237 |
| Community Development | 4,353,877 | 4,273,620 |
| Public Works & Utilities | 7,650,782 | 7,798,534 |
| Parks, Recreation, & Libraries | <u>15,676,211</u> | <u>15,512,968</u> |
| Total Operating | <u>93,294,103</u> | <u>93,885,458</u> |
| Transfer Payments | 1,539,391 | 1,538,391 |
| Contingency | <u>1,000,000</u> | <u>1,000,000</u> |
| Total Expenditures | <u>\$95,833,494</u> | <u>\$96,423,849</u> |

¹ "General Miscellaneous" revenues are primarily attributable to the infrastructure fee for street lighting and payments made by the City of Thornton for the financing of certain infrastructure costs.

² City Council adopted the amended Budget on October 12, 2009.

Source: City of Westminster Finance Department

Retirement and Pension Matters

See Notes G, H and I to the City's financial statements appended hereto for a discussion of the City's pension plans.

Insurance Coverage

The Council acts to protect the City against loss and liability by maintaining certain insurance coverages. The City is insured as a member of CIRSA, a property and liability insurance pool established for Colorado municipalities on January 1, 1982. CIRSA provides liability coverage, including errors and omissions; property coverage; and specific catastrophe coverage, which is renewable annually on January 1st. See Notes 4.A and 4.B to the City's financial statements appended hereto for a discussion of CIRSA. The City Manager believes the City's present insurance coverage to be adequate. However, there can be no assurance that the City will continue to maintain this level of coverage.

Deposit and Investment of City Funds

The Council adopted the updated Investment Policy, dated May 2008 (the "Investment Policy"), that sets forth policies with regard to investing the financial assets of all City funds except for its Employee Pension Plan Funds, the Deferred Compensation Fund, and the Volunteer Firefighter Pension Fund that are organized and administered separately. Under the Charter and the Investment Policy, the authority to manage the City's investment portfolio is vested with the Finance Director. Pursuant to the Investment Policy the City is to invest its financial assets in accordance with applicable State statutes in eligible depositories and for the collateralization of such deposited funds. See also 2.A to the City's financial statements appended hereto. The investment of the proceeds of this issue also is subject to the provisions of the Federal Tax Code. See "TAX MATTERS."

Revenue Bonds

The Council has the power to issue revenue bonds, subject to certain election requirements, payable from the revenues derived from the operation of facilities to be acquired, constructed or improved with the proceeds of the bonds, or payable in whole or part from available proceeds of sales and use taxes. The City provides for the operation of certain of its services, such as water and wastewater, as enterprises which are not subject to the provisions of Article X, Section 20, see "—Constitutional TABOR Limiting Taxes and Spending." The following table sets forth the City's outstanding revenue obligations as of December 31, 2009, excluding obligations of the System which are set forth in "THE SYSTEM—Outstanding Financial Obligations."

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Outstanding Revenue Obligations ¹

| Issue | Outstanding Principal | Principal Totals |
|--|--------------------------|---------------------|
| <i>Sales and Use Tax Obligations</i> | | |
| Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2001 | \$ 2,910,000 | |
| Sales and Use Tax Revenue Bonds (136 th Ave, & I 25 Project), Series 2002 | 11,935,000 | |
| Sales and Use Tax Revenue Refunding Bonds, Series 2007A | 9,195,000 | |
| Sales and Use Tax Revenue Refunding Bonds, Series 2007C | 9,555,000 | |
| Special Purpose Sales and Use Tax Revenue Refunding Bonds, Series 2007B | 11,360,000 | |
| Special Purpose Sales and Use Tax Revenue Bonds, Series 2007D | 20,000,000 | |
| Subtotal | | 64,955,000 |
| <i>Golf Course Fund Obligations</i> | | |
| Golf Course Enterprise Revenue Bonds, Series 1998 | 4,780,000 | |
| Subtotal | | <u>4,780,000</u> |
| Total | | <u>\$69,735,000</u> |

¹ Unaudited figures as of December 31, 2009. Does not include outstanding obligations of the System. See “THE SYSTEM—Outstanding Financial Obligations.
Source: City of Westminster Finance Department

Leases and Long-Term Contracts

The Council has the authority to enter into installment or lease option contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval. The term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment. The following table sets forth the City’s outstanding leases and long term contracts.

Outstanding Leases and Long-Term Contracts ¹

| Issue | Outstanding Principal |
|---|-----------------------|
| Certificates of Participation, Series 1998 (Ice Centre) | \$ 9,510,000 |
| Certificates of Participation, Series 2001 (Public Safety Building) | 13,875,000 |
| Certificates of Participation, Series 2005 (144th Avenue & I-25 Project) | 15,210,000 |
| Certificates of Participation, Series 2006 (Broomfield-Westminster POST/Metzger Farm) | 3,330,000 |
| Refunding Certificates of Participation, Series 2007 | 31,760,000 |
| Equipment Leases | <u>4,216,812</u> |
| Total | <u>\$77,901,812</u> |

¹ Unaudited figures as of December 31, 2009.
Source: City of Westminster Finance Department

General Obligation Debt

“Debt” or “indebtedness” as used in this section means, generally, obligations backed by the City’s full faith and credit and secured by the unlimited power of the City to levy ad valorem property taxes for the payment of bonds and the interest thereon. Any general obligation indebtedness of the City is subject to certain election requirements. The City does not have any outstanding general obligation debt.

Other Financial Obligations

Subject to certain election requirements, the Council also has the power to issue special assessment bonds payable from assessments levied against specially benefited properties within special assessment districts. At this time, there are no special assessment bonds outstanding.

Moral Obligations

The City has entered into moral obligations, which represent non binding declarations of the present intent of the Council to replenish funds securing bond payments, with respect to the Tax Increment Revenue Refunding Bonds (Mandalay Urban Renewal Project) issued by the Authority in 2009, currently outstanding in the principal amount of \$35,830,000; a Tax Increment Revenue Refunding Loan (South Sheridan Urban Renewal Project) between Vectra Bank and the Authority executed on June 16, 2009 currently outstanding in the principal amount of \$7,955,000; a loan between the Authority and Compass executed on May 8, 2009, currently outstanding in the principal amount of \$61,205,000; and the Golf Course Enterprise Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$4,780,000 as referenced above. Payments, if any, required pursuant to such obligations are subject to annual appropriation by the Council.

APPENDIX F

ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the larger metropolitan area within which the City is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the City is located and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the City or its officers, employees, or advisors.*

Population and Median Age

The following table sets forth the population of the City of Westminster, Adams County, Jefferson County and the Denver metropolitan statistical area (the “DMA”) which includes the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson.

| Year | Population | | | | |
|------|---------------------|----------------|---------------------------|-------------------------------|-----------|
| | City of Westminster | Percent Change | Adams County ¹ | Jefferson County ¹ | DMA |
| 1960 | 13,850 | -- | 120,296 | 127,520 | 934,199 |
| 1970 | 19,634 | 41.8% | 185,789 | 235,300 | 1,238,273 |
| 1980 | 50,211 | 155.7 | 245,944 | 371,753 | 1,618,461 |
| 1990 | 74,625 | 48.6 | 265,038 | 438,430 | 1,848,319 |
| 2000 | 100,940 | 35.3 | 363,857 | 527,056 | 2,400,570 |
| 2001 | 102,905 | 0.0 | 361,262 | 529,404 | 2,195,883 |
| 2002 | 104,011 | 3.0 | 375,380 | 530,821 | 2,236,522 |
| 2003 | 104,522 | 0.5 | 385,262 | 529,479 | 2,553,636 |
| 2004 | 105,177 | 0.6 | 394,257 | 532,723 | 2,592,441 |
| 2005 | 105,944 | 0.7 | 405,561 | 532,608 | 2,627,322 |
| 2006 | 107,363 | 1.3 | 415,010 | 534,355 | 2,673,834 |
| 2007 | 107,629 | 0.2 | 424,379 | 538,232 | 2,734,483 |
| 2008 | 109,321 | 1.6 | 434,762 | 543,053 | 2,788,765 |

¹ The City of Westminster is located in both Adams and Jefferson Counties and therefore information for both counties is included herein as pertinent to the City.

Source: The 1960-2000 population figures were obtained from the U.S. Department of Commerce, Bureau of the Census; the 2001-2008 figures were obtained from the Division of Local Government, Demographic Division

According to the United States Census Bureau, Adams County’s median age in 1990 was 30.5 years as compared with 31.4 years in 2000. Westminster’s median age was 30.1 in 1990 compared with 32.6 for 2000. The State’s median age for the same period increased from 31.4 in 1990 to 34.3 years in 2000, with the median age of the United States being 33.0 and 35.3 years in 1990 and 2000, respectively.

Income

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income (“EBI”) levels, and per capita personal income for the City, Adams County, Jefferson County, the Denver-Aurora-Boulder Consolidated Area, the State and the United States.

Median Household Effective Buying Income

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------|----------|----------|----------|----------|----------|
| Adams County | \$43,561 | \$43,561 | \$44,281 | \$44,348 | \$42,900 |
| Jefferson County | 51,688 | 52,289 | 53,236 | 52,890 | 51,188 |
| CBSA ¹ | 47,567 | 48,539 | 49,100 | 49,067 | 47,391 |
| Colorado | 43,544 | 44,489 | 45,594 | 45,477 | 44,711 |
| United States | 38,201 | 39,324 | 40,529 | 41,255 | 41,792 |

Note: A household consists of all the people occupying a house, an apartment, room or group of rooms regarded as a housing unit according to the 2000 Census definitions. Members of the household need not be related.

¹ The CBSA includes the counties of Adams, Arapahoe, Broomfield, Boulder, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park.

Source: *Trade Dimensions International, Inc.*-Demographics USA 2004-2008

Percent of Households by Effective Buying Income Groups—2008

| | Less Than \$15,000 | \$15,000- \$24,999 | \$25,000- \$49,999 | \$50,000- \$74,999 | \$75,000- \$99,999 | \$100,000- \$149,999 | \$150,000 or more |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|----------------------|
| Adams County | 9.5% | 11.5% | 39.5% | 22.6% | 11.0% | 4.4% | 1.5% |
| Jefferson County | 6.9 | 8.8 | 32.9 | 23.8 | 15.2 | 8.5 | 3.9 |
| CBSA | 9.2 | 10.3 | 33.8 | 21.7 | 13.4 | 7.6 | 4.0 |
| Colorado | 10.7 | 11.6 | 34.5 | 20.7 | 12.3 | 6.7 | 3.5 |
| United States | 13.6 | 13.1 | 33.3 | 19.8 | 11.0 | 6.0 | 3.2 |

Source: *Trade Dimensions International, Inc.*-Demographics USA 2008

Per Capita Personal Income

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------|----------|----------|----------|----------|----------|
| Adams County | \$27,596 | \$28,228 | \$28,863 | \$29,691 | \$30,351 |
| Jefferson County | 38,308 | 40,919 | 42,744 | 44,440 | 46,154 |
| Colorado | 34,041 | 35,594 | 37,611 | 39,612 | 41,192 |
| United States | 31,530 | 33,157 | 34,690 | 36,794 | 38,615 |

Source: State of Colorado Division of Local Government, Demographic Section

School Enrollment

The following table presents a five year history of school enrollment for Adams County School District No. 12, Adams County School District No. 50 and Jefferson County School District R-1, the school districts serving the City.

| School Enrollment | | | |
|--------------------------|--|--|---|
| Year | Adams County School District No. 12 | Adams County School District No. 50 | Jefferson County School District R-1 |
| 2005/2006 | 37,598 | 10,775 | 86,339 |
| 2006/2007 | 37,341 | 10,683 | 86,154 |
| 2007/2008 | 38,821 | 9,969 | 86,182 |
| 2008/2009 | 40,818 | 9,724 | 85,887 |
| 2009/2010 | 41,949 | 9,862 | 86,250 |

Source: Colorado Department of Education

Building Activity

The following tables set forth building permit activity for the City of Westminster.

| Building Permit Activity in the City of Westminster | | | | | |
|--|---------------------------|----------------------------|--------------------------------|-------------------|----------------------------------|
| Year | Residential | | | Commercial | Valuation for All Permits |
| | Multi-Family Units | Single-Family Units | Total Residential Units | | |
| 2005 | 93 | 171 | 264 | 30 | 146,801,981 |
| 2006 | 67 | 157 | 224 | 55 | 186,620,417 |
| 2007 | 33 | 130 | 163 | 53 | 197,136,815 |
| 2008 | 56 | 48 | 104 | 30 | 150,609,021 |
| 2009 | 30 | 16 | 46 | 18 | 97,815,266 |
| 2010 ¹ | 0 | 7 | 7 | 3 | 14,789,389 |

¹ Through March 31, 2010.

Source: City of Westminster Building Department

Foreclosure Activity

The number of foreclosures filed in Adams County and in Jefferson County are set forth in the following table.

History of Foreclosures

| Year | Adams County | Percent Change | Jefferson County | Percent Change |
|-------------------|--------------|----------------|------------------|----------------|
| 2005 | 3,281 | -- | 2,120 | -- |
| 2006 | 4,330 | 32.0% | 2,971 | 40.1% |
| 2007 | 6,246 | 43.2 | 3,588 | 20.8 |
| 2008 | 5,558 | (11.0) | 3,669 | 2.3 |
| 2009 | 5,647 | 1.6 | 4,027 | 9.8 |
| 2010 ¹ | 837 | -- | 600 | -- |

¹ Foreclosures filed through February 28, 2010.

Source: Adams County and Jefferson County Public Trustees

Employment

The following tables set forth employment statistics by industry and the most recent historical labor force estimates for Adams County, Jefferson County, the Denver-Aurora metropolitan statistical area (the “Denver-Aurora MSA”), which includes the counties of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park and the State.

Total Business Establishments and Employment—Adams County

| Industry ¹ | Second Quarter 2008 | | Second Quarter 2009 | | Quarterly Change | |
|--|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|
| | Units | Average Employment | Units | Average Employment | Units | Average Employment |
| Agriculture, forestry, fishing and hunting | 48 | 1,335 | 50 | 1,262 | 2 | (73) |
| Mining | 37 | 223 | 37 | 236 | 0 | 13 |
| Utilities | 17 | 697 | 17 | 660 | 0 | (37) |
| Construction | 1,383 | 17,078 | 1,321 | 15,125 | (62) | (1,953) |
| Manufacturing | 486 | 12,574 | 480 | 10,815 | (6) | (1,759) |
| Wholesale trade | 1,009 | 14,907 | 988 | 13,509 | (21) | (1,398) |
| Retail trade | 1,007 | 16,988 | 957 | 16,582 | (50) | (406) |
| Transportation and warehousing | 460 | 13,702 | 466 | 13,018 | 6 | (684) |
| Information | 110 | 2,212 | 99 | 2,214 | (11) | 2 |
| Finance and insurance | 487 | 2,910 | 467 | 2,846 | (20) | (64) |
| Real estate and rental and leasing | 481 | 2,907 | 456 | 2,708 | (25) | (199) |
| Professional and technical services | 900 | 4,646 | 907 | 4,766 | 7 | 120 |
| Management of companies and enterprises | 69 | 1,262 | 71 | 1,548 | 2 | 286 |
| Administrative and waste services | 557 | 10,459 | 554 | 9,493 | (3) | (966) |
| Educational services | 104 | 1,711 | 101 | 1,866 | (3) | 155 |
| Health care and social assistance | 567 | 13,463 | 575 | 14,199 | 8 | 736 |
| Arts, entertainment, and recreation | 78 | 1,049 | 77 | 944 | (1) | (105) |
| Accommodation and food services | 656 | 12,967 | 672 | 12,597 | 16 | (370) |
| Other services, except public administration | 730 | 4,936 | 708 | 4,653 | (22) | (283) |
| Non-classifiable | 12 | 12 | 6 | 3 | (6) | (9) |
| Government | 115 | 20,615 | 123 | 22,716 | 8 | 2101 |
| Total all industries | <u>9,313</u> | <u>156,653</u> | <u>9,132</u> | <u>151,762</u> | <u>(181)</u> | <u>(4,891)</u> |

¹ Information provided herein reflects only those employers who are subject to state unemployment insurance law.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (“QCEW”) Colorado

Total Business Establishments and Employment—Jefferson County

| Industry ¹ | Second Quarter 2008 | | Second Quarter 2009 | | Annual Change | |
|--|---------------------|--------------------|---------------------|--------------------|---------------|--------------------|
| | Units | Average Employment | Units | Average Employment | Units | Average Employment |
| Agriculture, forestry, fishing and hunting | 39 | 365 | 40 | 356 | 1 | (9) |
| Mining | 91 | 609 | 97 | 429 | 6 | (180) |
| Utilities | 37 | 877 | 39 | 887 | 2 | 10 |
| Construction | 2,333 | 14,530 | 2,229 | 11,641 | (104) | (2,889) |
| Manufacturing | 562 | 19,072 | 554 | 17,862 | (8) | (1,210) |
| Wholesale trade | 1,451 | 6,718 | 1,460 | 6,575 | 9 | 19 |
| Retail trade | 1,927 | 29,999 | 1,844 | 27,627 | (83) | (2,372) |
| Transportation and warehousing | 262 | 2,296 | 253 | 2,158 | (9) | (138) |
| Information | 313 | 4,220 | 296 | 4,109 | (17) | (111) |
| Finance and insurance | 1,310 | 7,713 | 1,217 | 8,040 | (93) | 327 |
| Real estate and rental and leasing | 972 | 4,108 | 913 | 3,588 | (59) | (520) |
| Professional and technical services | 3,562 | 18,419 | 3,551 | 18,774 | (9) | 355 |
| Management of companies and enterprises | 178 | 2,716 | 172 | 2,688 | (28) | (28) |
| Administrative and waste services | 1,163 | 13,017 | 1,114 | 11,807 | (49) | (1,210) |
| Educational services | 260 | 2,676 | 260 | 2,733 | 0 | 57 |
| Health care and social assistance | 1,412 | 20,732 | 1,415 | 21,258 | 3 | 526 |
| Arts, entertainment, and recreation | 233 | 3,146 | 229 | 3,012 | 4 | (134) |
| Accommodation and food services | 1,109 | 21,112 | 1,068 | 19,890 | (41) | (1,222) |
| Other services, except public administration | 1,400 | 6,487 | 1,380 | 6,244 | (20) | (243) |
| Non-classifiable | 13 | 8 | 14 | 15 | 1 | 7 |
| Government | 178 | 34,800 | 183 | 35,516 | 5 | 716 |
| Total | 18,805 | 213,620 | 18,328 | 205,209 | (477) | (8,411) |

¹ Information provided herein reflects only those employers who are subject to state unemployment insurance law.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages ("QCEW") Colorado

Labor Force Estimates

| Year | Adams County | | Jefferson County | | Denver Aurora MSA | | Colorado | |
|-------------------|--------------|--------------------|------------------|--------------------|-------------------|--------------------|-------------|--------------------|
| | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed |
| 2005 | 202,472 | 5.8% | 308,500 | 5.0% | 1,306,362 | 5.2% | 2,547,895 | 5.1% |
| 2006 | 216,237 | 5.0 | 313,901 | 4.2 | 1,354,492 | 4.4 | 2,651,718 | 4.3 |
| 2007 | 223,583 | 4.3 | 313,418 | 3.7 | 1,379,211 | 3.9 | 2,705,557 | 3.8 |
| 2008 | 226,367 | 5.5 | 312,059 | 4.7 | 1,399,960 | 5.0 | 2,730,447 | 4.9 |
| 2009 | 225,425 | 9.0 | 304,673 | 7.5 | 1,381,284 | 7.9 | 2,701,026 | 7.7 |
| 2010 ¹ | 220,749 | 9.7 | 297,243 | 7.9 | 1,347,934 | 8.4 | 2,637,771 | 8.3 |

¹ Labor force estimate through January 31, 2010.

Source: State of Colorado, Division of Employment and Training, Labor Market Information, Colorado Labor Force Review

The following table sets forth selected major employers within the City of Westminster. No independent investigation has been made of and there can be no representation as to the stability or financial condition of the entities listed below, or the likelihood that they will maintain their status as major employers in the City. Three school districts are represented within Westminster: Adams County School District No. 12, Adams County School District No. 50 and Jefferson County School District R-1. The breakdown of employees within facilities within Westminster is not readily available.

City of Westminster-Selected Major Employers

| Employer | Product or Service | Estimated Number of Employees ¹ |
|----------------------------------|---|---|
| Avaya | Business Communication Systems, Research & Development | 1,318 |
| City of Westminster | City Government | 984 |
| Ball Corporation | Packaging Operations, Research & Development, Aerospace | 800 |
| Centura Health/St. Anthony North | Full Service Hospital | 750 |
| Kaiser Permanente | Health Care Provider | 547 |
| McKesson Information Solutions | Health Care Services | 430 |
| Tri State Generation | Electric Utility Wholesaler | 400 |
| Alliance Data Systems | Network Credit Authorization Services and Equipment | 400 |
| LPS Asset Management Solutions | Lender Processing Services | 400 |
| Trimble Navigation | Navigation Equipment | 250 |

¹ As of June, 2009.

Source: City of Westminster

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, New York 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 Bonds. The 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 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the 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 Standard & Poor’s highest rating: AAA. 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each 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 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 Bonds, except in the event that use of the book entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the 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 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 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 Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the

event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

APPENDIX H

FORM OF BOND COUNSEL OPINION

[CLOSING DATE]

City of Westminster
4800 West 92nd Avenue
Westminster, Colorado 80030

\$ _____
City of Westminster, Colorado
Water and Wastewater Utility Enterprise
Taxable Water and Wastewater Revenue Bonds
(Direct Pay Build America Bonds)
Series 2010

Ladies and Gentlemen:

We have acted as bond counsel to the City of Westminster, Colorado, Water and Wastewater Utility Enterprise (the "Enterprise"), in connection with the issuance of its Taxable Water and Wastewater Revenue Bonds (Direct Pay Build America Bonds), Series 2010, in the aggregate principal amount of \$[_____] (the "2010 Bonds") pursuant to an authorizing ordinance of the City Council of the City of Westminster, Colorado, acting as the governing body of the Enterprise, adopted on May __, 2010 (the "Bond Ordinance"). In such capacity, we have examined the Enterprise's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Bond Ordinance.

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

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

1. The 2010 Bonds are valid and binding, special, limited obligations of the Enterprise payable solely from the Pledged Revenues and from funds and accounts pledged therefor under the Bond Ordinance.
2. The Bond Ordinance constitutes a valid and binding obligation of the Enterprise.
3. The Bond Ordinance creates a valid lien on the Pledged Revenues pledged therein for the security of the 2010 Bonds on a parity with the lien thereon of other Additional Bonds (if any) to be issued which is at all times junior and subordinate to the lien thereon of the Superior Securities and which is at all times senior and superior to the lien thereon of the Subordinate Securities. The Bond Ordinance also creates a valid lien on the Bond Fund and the Reserve Fund. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Pledged Revenues or on the funds and accounts created by the Bond Ordinance.

4. Interest on the 2010 Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended to the date hereof.

5. The interest on and income from the Bonds is exempt from all taxation and assessments in the State of Colorado. The opinion expressed in this paragraph assumes continuous compliance with the covenants and representations contained in the Enterprise's certified proceedings and in certain other documents and certain other certifications furnished to us.

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

The obligations of the Enterprise pursuant to the 2010 Bonds and the Bond Ordinance are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado, and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

The provisions of this opinion letter concerning federal tax issues are not intended or written to be used and cannot be used by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This writing supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the 2010 Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the 2010 Bonds, except those specifically addressed herein.

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

Respectfully submitted,



**WESTMINSTER
COLORADO**

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Resolution No. 16 re Water Conservation Planning Grant Application

Prepared By: Stu Feinglas, Water Resources Analyst
Josh Nims, Water Resources Engineering Coordinator

Recommended City Council Action

Adopt Resolution No. 16 authorizing the Department of Public Works and Utilities to apply for a Colorado Water Conservation Board Planning Grant to develop a Water Conservation Plan.

Summary Statement

- The City intends to apply for grant funding of \$40,530 through the Colorado Water Conservation Board's (CWCB's) Water Efficiency Grant Program for the development of a Water Conservation Plan.
- The City will be required to provide a twenty-five percent match of in-kind services as a part of the Planning Grant. The in-kind services are valued at \$10,133 and are included in the Utility Fund's operating budget as a part of Staff's existing responsibilities.
- This process will lead to a formal Water Conservation Plan to be approved by City Council and the State. This will allow the City to qualify for future funding from the Colorado Water Conservation Board and the Colorado Water Resources and Power Development Authority for water and infrastructure projects. Staff is presenting an agenda memo for approval of a contract for the Water Conservation Plan development and the Water Conservation Verification Study concurrently with this resolution request.
- The grant application requires a statement of support from the City Council to demonstrate that the City has the organizational commitment to plan and implement effective long-term water savings measures and programs. A resolution of support is attached.
- Staff intends to develop the Water Conservation Plan regardless of the success of the grant application to the State.

Expenditure required: \$10,133 of matching in-kind services

Source of Funds: Utility Fund – Utilities Planning and Engineering Operating Budget

Policy Issue

Should the City apply for a grant from the Colorado Water Conservation Board to help fund the development of a Water Conservation Plan?

Alternative

Council could choose to decline pursuing additional funding for the development of a Water Conservation Plan and proceed solely with funding through the Utilities Planning and Engineering Division Water Supply Development budget. However, Staff recommends attempting to secure additional funding for this project through this grant opportunity to fully utilize City funds already allocated for this purpose.

Background Information

The City's Comprehensive Water Supply Plan considers conservation as a critical water source for the City to meet its future water needs. By developing a new Water Conservation Plan, the City will develop strategies for water conservation programs and implementation to assure attainment of the water conservation goals required to meet the City's buildout water needs. The Water Conservation Plan will also provide a tool for tracking conservation savings and evaluating conservation programs.

The City obtained its first State-approved water conservation plan in 1996 in accordance with the State's Water Conservation Act of 1991. The Water Conservation Act of 2004 modified the requirements for a Water Conservation Plan and reaffirmed that all covered entities must have an updated approved water conservation plan on file with the State. The legislation established that an approved Water Conservation Plan is required in order to receive grants or loans from the Colorado Water Conservation Board (CWCB) and the Colorado Water Resources and Power Development Authority. The 2004 Act also established the CWCB's Water Efficiency Grant Program that provides financial assistance in the form of planning grants for the development of water conservation plans.

The City intends to pursue a \$40,530 Planning Grant from the Colorado Water Conservation Board to develop a Water Conservation Plan. The grant will be used to retain a consultant to assist the City in developing a Water Conservation Plan. The City will be required to provide a twenty five percent match of in-kind services as a part of the Planning Grant. The in-kind services amount to \$10,133 and are already a part of budgeted Staff responsibilities, therefore no additional expenditures are required.

The grant application requires a statement of support from the City Council to demonstrate that the City has the organizational commitment to plan and implement effective long-term water savings measures and programs. A resolution of support is attached. Due to the importance of completing this Plan, Staff intends to develop the Water Conservation Plan regardless of the success of the grant being sought. Sufficient funds for this project are available in the Water Supply Development capital account.

This Water Conservation Planning grant application supports City Council's goal of "Financially Sustainable City Government Providing Exceptional Services" by contributing to the objective of securing and developing a long-term water supply.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment: Resolution

RESOLUTION

RESOLUTION NO. **16**

INTRODUCED BY COUNCILLORS

SERIES OF 2010

**A RESOLUTION SUPPORTING A GRANT REQUEST
FOR DEVELOPMENT OF A WATER CONSERVATION PLAN**

WHEREAS, the Colorado Water Conservation Board's Water Efficiency Grant Program provides financial assistance to water providers for the development of Water Conservation Plans; and

WHEREAS, the City of Westminster has budgeted for the development of a Water Conservation Plan; and

WHEREAS, grant money received from Colorado Water Conservation Board would greatly reduce the amount of money needed from the Utility Fund to develop a Water Conservation Plan; and

WHEREAS, the Westminster City Council supports water conservation and considers it a vital component of the City's Comprehensive Water Supply Plan to meet the water demands of the City at build-out and is committed to plan and implement effective long-term water savings measures and programs.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WESTMINSTER that City Staff shall submit a grant application to the Colorado Water Conservation Board requesting funding in the amount of \$40,530 for the development of a Water Conservation Plan.

PASSED AND ADOPTED this 10th day of May, 2010.

ATTEST:

City Clerk

Mayor Pro Tem

APPROVED AS TO LEGAL FORM:

City Attorney



WESTMINSTER
COLORADO

Agenda Memorandum

City Council Meeting
May 10, 2010



SUBJECT: Resolution No. 17 re Elimination of the Operating Reserve in the City's Utility Fund Fiscal Policy

Prepared By: Philip Jones, Senior Management Analyst

Recommended City Council Action

Adopt Resolution No. 17 eliminating the Operating Reserve in the City's Utility Fund Fiscal Policy.

Summary Statement

- On October 9, 2006, City Council adopted new reserve policies for the Utility Fund, including an Operating Reserve, Rate Stabilization Reserve, and Capital Projects Reserve.
- The intent of the Operating Reserve is to function as a minimum amount of cash (45 days expenses for water and 30 days expenses for wastewater), held in reserve, to cover short-term cycles of revenues and expense and help preserve cash flow for Utility Fund operations.
- After 4 years of experience, Staff has found that the utility is large enough, financially, to avoid minor cash flow issues, and that the other two funded reserves contain adequate funds to cover any short-term operating shortfalls seen within a given year that would be otherwise covered by the Operating Reserve.
- Staff is recommending eliminating the Operating Reserve, using the funds currently in the reserve to balance the 2009 budget as outlined in the 5th Quarter Supplemental Appropriation Agenda Memo also on this agenda, and utilizing the Rate Stabilization Reserve and Capital Projects Reserve for future Utility Fund reserve needs.

Expenditure Required: \$ 0

Source of Funds: N/A

Policy Issue

Should City Council authorize the elimination of the Utility Fund Operating Reserve, utilizing existing fund balance to balance the 2009 budget?

Alternative

City Council could choose to keep the Utility Fund Operating Reserve as an added reserve, maintaining a backup source of funds for unanticipated future needs. This is not recommended as the Utility Fund Operating Reserve does not serve its intended purpose, and the Utility Fund has two other reserves that are funded at adequate levels for utility reserve funds.

Background Information

On October 9, 2006, City Council adopted new reserve policies as recommended by Staff for the Utility. An Operating Reserve (OR) with funding equal to 45 days of operating expense in the Water Fund and 30 days of operating expense in the Wastewater Fund, a Rate Stabilization Reserve (RSR) with a target of 25% of the budgeted water rate revenues for the year, and a Capital Projects Reserve (CPR) Fund containing a minimum of \$5,000,000 and the maximum equivalent of 3 years of the adopted CIP were all created by Council Authorization. After almost 4 years of using these policies, staff is requesting Council's approval of modifications that will clarify the process and policies, and ensure the alignment of policies and practice.

2009 was the first year that the revenue from water sales and water and wastewater taps was below budget and expenditure savings were not enough to offset the shortfall. In the separate 5th Quarter Supplemental Appropriation Memo and Ordinance, Public Works & Utilities is requesting the use of the OR, RSR, and CPR to fund shortfalls and balance the 2009 budget. As outlined in the 5th Quarter Supplemental Appropriation ordinance, Staff is requesting Council to authorize a transfer of \$1,828,837 from the OR to cover water sales shortfalls, and \$1,256,178 from the OR to cover a water fund capital shortfall. Council is also asked to authorize the transfer of \$1,257,083 from the RSR to the operating fund to cover water sales shortfalls, and \$1,493,646 from the CPR to the Operating Fund to cover water tap fee shortfalls. In the wastewater fund, \$818,367 is requested to be transferred from the OR to cover wastewater fund capital shortfalls, \$31,555 from the RSR to the wastewater operating fund cover wastewater sales shortfalls, and \$12,888 from the CPR to the operating fund to cover wastewater tap fee shortfalls.

While the transfer from the RSR and CPR falls clearly within existing adopted policies, Council is being asked to use the entire Operating Reserve, and then eliminate this reserve fund with this final action for the 2009 fiscal year. Originally, the OR was intended to function as a minimum amount of cash, held in reserve, to cover short-term cycles of revenues and expenses and help preserve cash flow for the Utility Funds operations (i.e., keep minimum cash balances to cover the day-to-day cash needs to keep the utility functions operating). After a few years of experience, Staff realized that the structure of having both the operating and capital improvement budgets within one fund makes the Utility Fund large enough that short-term cash flows are not an issue. Therefore, the OR is essentially redundant and unnecessary. If the OR is maintained as a third reserve fund, it creates an artificial expense or funding need that may impact rates. While the goal of the OR is to cover 45 days of operations in the Water fund and 30 days of operation in the Wastewater fund, current RSR funding, after the proposed transfers in this memo, will cover 111 days of operations and addresses the needs originally defined for the OR. As such, Staff is recommending the elimination of the OR and the use of the OR's current balance to address the revenue shortfall for 2009.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments - Resolution
- Amended Utility Fund Reserve Policies

RESOLUTION

RESOLUTION NO. **17**

INTRODUCED BY COUNCILLORS

SERIES OF 2010

**A RESOLUTION AUTHORIZING THE ELIMINATION OF THE CITY'S
FISCAL POLICY FOR UTILITY FUND OPERATING RESERVE**

WHEREAS, City Council previously adopted Resolution No. 57 approving a fiscal policy creating and establishing a Utility Fund Operating Reserve, Utility Fund Rate Stabilization Reserve and Utility Fund Capital Project Reserve, including target funding of reserve funds on October 9, 2006; and

WHEREAS, the fiscal policy regarding the Utility Fund Operating Reserve established target funding levels for maintaining operational short-term cash flow; and

WHEREAS, the Utility Fund Operating Reserve has not functioned as intended; and

WHEREAS, the Utility Fund Rate Stabilization Reserve and Utility Fund Capital Project Reserve contain sufficient funds to cover any operational shortfalls within the Utility Fund; and

WHEREAS, maintaining the Utility Fund Operating Reserve impacts utility rate structures.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WESTMINSTER that City Council hereby adopts an amended fiscal policy eliminating the Utility Fund Operating Reserve, to allow for better accounting, as attached and incorporated herein by this reference.

PASSED AND ADOPTED this 10th day of May, 2010.

ATTEST:

Mayor Pro Tem

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

RATE STABILIZATION RESERVE POLICY

The target amount of the Rate Stabilization Reserve (the "Target RSR") in any given year shall be equal to 25% of the budgeted water rate revenues and 5% of the budgeted wastewater revenues for that year.

On or before July 1 of each year, actual water and wastewater revenues received shall be compared against budgeted rate revenues for the previous budget year. Any rate revenues that were received above the amount of budgeted rate revenues shall be added to the Rate Stabilization Reserve, and any shortfalls in rate revenues compared to the amount of budgeted rate revenues shall be deducted from the RSR. If, in any year, the actual RSR balance as adjusted by the addition of rate revenues to, or deduction of rate revenues from, the RSR, pursuant to the foregoing sentence, exceeds the Target by 40%, an amount equal to such excess rate revenue shall be transferred to the Capital Project Reserve, and if the actual RSR balance, as adjusted, is below the Target RSR by 20% or more, revenue rate and/or expenditure adjustments shall be implemented over a reasonable time period to be determined by Council to increase the RSR to the Target RSR for the following and subsequent years.

CAPITAL PROJECT RESERVE POLICY

The Capital Project Reserve minimum shall be \$5,000,000. The Capital Project Reserve maximum shall be three years of adopted CIP expenditures, as determined by the annual average of the adopted five year CIP, times three.

If the Capital Project Reserve balance falls below the minimum, rate increases and/or reducing the CIP shall be required. If the balance exceeds the maximum, funding of the Capital Project Reserve shall be reduced until the Capital Project Reserve falls below the maximum, which may include rate reductions.

Funding for the Capital Project Reserve may include contributions/deductions from rates, tap fees, working capital carryover, interest, miscellaneous revenue, capital project refunds, and Rate Stabilization Reserve transfers.

Attachment to Resolution 17
Adopted May 10, 2010

**WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY
WESTMINSTER CITY HALL, 4800 W. 92ND AVENUE
MONDAY, May 10, 2010
7:00 P.M.**

- 1. Roll Call**
- 2. Minutes of Previous Meeting** (March 22, 2010)
- 3. New Business**
 - A. Public Hearing re Final 2009 Housekeeping Supplemental Appropriation
 - B. Resolution No. 120 re Supplemental Appropriation to the 2009 WEDA Budget
- 4. Adjournment**

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY
MONDAY, MARCH 22, 2010 AT 7:26 P.M.

ROLL CALL

Present at roll call were Chairperson McNally, Vice Chairperson Dittman and Board Members Kaiser, Lindsey, and Winter. Board Members Briggs and Major were absent. Also present were J. Brent McFall, Executive Director, Martin McCullough, Attorney for the Authority, and Linda Yeager, Secretary.

CONSIDERATION OF MINUTES

Vice Chairperson Dittman moved, seconded by Lindsey, to approve the minutes of the meeting of January 25, 2010 with no additions or corrections. The motion carried unanimously.

NORTHGATE SHOPPING CENTER REDEVELOPMENT ASSISTANCE AGREEMENT

It was moved by Vice Chairperson Dittman, seconded by Lindsey, to authorize the Executive Director to sign an amended redevelopment assistance package, in substantially the same form as circulated in the agenda, with Parkwood East, LLC to improve the Northgate Shopping Center located at the southeast corner of 72nd Avenue and Federal Boulevard. The motion carried with all members voting affirmatively.

ADJOURNMENT

There being no other business to be considered, the meeting adjourned at 7:28 p.m.

ATTEST:

Secretary

Chairperson

WEDA Agenda Item 3 A&B

Agenda Memorandum

Westminster Economic Development Authority Meeting
May 10, 2010



SUBJECT: Public Hearing and Resolution No. 120 re Final 2009 Housekeeping Supplemental Appropriation

Prepared By: Karen Creager, Special Districts Accountant

Recommended Board Action

1. Hold a Public Hearing on the final budget amendment for the Westminster Economic Development Authority (WEDA).
2. Adopt Resolution No. 120 authorizing a supplemental appropriation to the 2009 WEDA budget.

Summary Statement

When necessary, Staff prepares a resolution to appropriate unanticipated revenues and/or adjust the budget side of transactions on a quarterly basis. Preparing a supplemental appropriation on a quarterly basis for WEDA simplifies administrative procedures and reduces paper work. Additionally Staff prepares a final supplemental appropriation to amend items that are part of the year end audit preparation.

- This is the final 2009 housekeeping supplemental appropriation for various WEDA Urban Renewal Areas (URAs).
- Amendments:
 - \$371,176 increase to transfers in
 - \$16,297 re-appropriation of bond interest earnings
- A public hearing was held at the start of this meeting pursuant to Section 29-1-108 of the Colorado Revised Statutes.

Expenditure Required: \$387,473

Source of Funds: Interest earnings and transfers-in

Policy Issue

Should WEDA appropriate funds as set forth in the attached Resolution?

Alternative

The Board could decide not to appropriate funds at this time. This is not recommended because the appropriation of the interest earnings is necessary in order for the funds to be spent on the appropriate project. Additionally, on January 25, 2010, the Board previously approved transferring funds in 2009 and 2010 from the City of Westminster General Capital Improvement Fund to provide the funds necessary to begin the redevelopment of the Westminster Mall area. The action requested here completes the transfer.

Background Information

Interest Earnings – Bond/Investment Interest

South Sheridan URA

- WEDA issued debt to fund the street improvements and architectural masonry wall in the area of 72nd and Sheridan. An arbitrage rebate fund was established with interest earnings on the bond proceeds. At the time the rebate fund was established, interest earnings were unappropriated to reduce the amount available for debt service or projects. Due to the refinancing of the bonds in 2009, the rebate fund is no longer needed. Therefore, interest earnings of \$16,297 are being requested to be re-appropriated to the 72nd Avenue Improvements project to assist with the completion of the project.

Transfers In

Westminster Center URA

- Prior to this WEDA meeting on tonight’s agenda, Westminster City Council was presented with an agenda item request to approve transferring \$371,176 from the City’s General Capital Improvement Fund (GCIF) to WEDA to complete the transfer of funding for activities related to the redevelopment of the Westminster Mall area. Contingent on City Council approving that agenda item, the transfer of \$371,176 to WEDA from the GCIF must be appropriated to the Westminster Center Urban Reinvestment Plan Area (WURP) City Participation capital project.

The adjustments will amend Revenue and Expenditure accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|------------------|----------------|
| Transfers in GCIF | 6800.45000.0750 | \$825,000 | 371,176 | 1,196,176 |
| Interest Earnings | 6800.42520.0190 | 7,392 | <u>16,297</u> | 23,689 |
| Total Change to Revenues | | | <u>\$387,473</u> | |

EXPENDITURES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|------------------------|----------------|------------------|----------------|
| WURP City Participation | 80968005952.80400.8888 | 825,000 | 371,176 | 1,196,176 |
| Street Improvements | 80768030794.80400.8888 | 102,768 | <u>16,297</u> | 119,065 |
| Total Change to Expenses | | | <u>\$387,473</u> | |

SUBJECT: WEDA Resolution re Final 2009 Supplemental Appropriation

Page 3

The above amendments will bring WEDA's accounting records up-to-date to reflect the various detailed transactions.

Respectfully submitted,

J. Brent McFall
Executive Director

Attachment

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 120

INTRODUCED BY COMMISSIONERS

SERIES OF 2010

**2009 WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY BUDGET
SUPPLEMENTAL APPROPRIATION**

WHEREAS, the Westminster Economic Development Authority (WEDA) established the 2009 budget on October 13, 2008; and

WHEREAS, proper notice for this amendment was published on May 6, 2010, pursuant to the requirements of Section 29-1-106 Colorado Revised Statutes; and

WHEREAS, a public hearing for this amendment was held on May 10, 2010, pursuant to the requirements of Section 29-1-108 Colorado Revised Statutes; and

WHEREAS, as necessary Staff prepares a resolution to make adjustments to the budget; and

WHEREAS, there are adjustments totaling \$387,473 to be made to the 2009 budget; and

WHEREAS, the revenue adjustments consist of increases of: \$16,297 interest earnings and \$371,176 transfers in; and

WHEREAS, the expense adjustments consist of: \$387,473 for capital projects.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Westminster Economic Development Authority: The \$387,473 increase shall be allocated to WEDA Revenue and Expenditure accounts as described in the WEDA Agenda Item 3 A&B May 10, 2010 (a copy of which may be obtained from the City Clerk).

PASSED AND ADOPTED 10th day of May, 2010.

ATTEST:

Vice Chairperson

Secretary

**136th AVENUE GENERAL IMPROVEMENT DISTRICT
WESTMINSTER CITY HALL, 4800 W. 92ND AVENUE
MONDAY, May 10, 2010
7:00 P.M.**

- 1. Roll Call**
- 2. Minutes of Previous Meeting** (October 12, 2009)
- 3. New Business**
 - A. Public Hearing re Final Budget Amendment
 - B. Resolution No. 13 re Supplement Appropriation to the 2009 136th Avenue GID Budget
- 4. Adjournment**

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE 136TH AVENUE GENERAL IMPROVEMENT DISTRICT
MONDAY, OCTOBER 12, 2009 AT 7:38 P.M.

ROLL CALL

Present at roll call were Chairperson McNally, Vice Chairperson Dittman, Board Members Briggs, Kaiser, Lindsey, Major, and Winter. Also present were J. Brent McFall, Executive Director, Martin McCullough, Attorney, and Linda Yeager, Secretary.

CONSIDERATION OF MINUTES

Board Member Briggs moved, seconded by Lindsey to approve the minutes of the meeting of October 13, 2008 with no additions or corrections. The motion passed with all members voting favorably.

PUBLIC HEARING ON PROPOSED 2010 BUDGET

At 7:39 p.m. a hearing was opened to receive public comment on the proposed 2010 Budgets of the City of Westminister's General Improvement Districts (GID), which included the 136th Avenue GID, the 144th Avenue GID, the Amherst GID, the Mandalay Town Center GID, the Promenade Parking Garage GID, and Sheridan Crossing GID. Staff was present to answer questions. No one wished to comment. The Chairperson closed the public hearing at 7:40 p.m.

RESOLUTION NO. 12 ADOPTING 136TH AVENUE GID 2010 BUDGET AND MILL LEVY

It was moved by Vice Chairperson Dittman and seconded by Lindsey to adopt Resolution No. 12 setting the mill levy for the taxable year 2009 for collections in 2010 at 16 mills for the City of Westminister 136th Avenue General Improvement District, formally adopting the 2010 budget as presented, and appropriating the funds as budgeted. At roll call, the motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 7:44 p.m.

Chairperson

ATTEST:

Secretary

136th Avenue GID Agenda Item 3 A&B

Agenda Memorandum

136th Avenue General Improvement District Meeting
May 10, 2010



SUBJECT: Public Hearing and Resolution No. 13 re 2009 Housekeeping Supplemental Appropriation for the 136th Avenue General Improvement District

Prepared By: Karen Creager, Special Districts Accountant

Recommended Board Action:

1. Hold a Public Hearing on the final budget amendment for the 136th Avenue General Improvement District (District).
2. Adopt Resolution No. 13 authorizing a supplemental appropriation to the 2009 budget of the 136th Avenue General Improvement District.

Summary Statement

- When necessary, Staff prepares a resolution to appropriate unanticipated revenues received during the year and/or adjust the budget side of transactions on a quarterly basis. Preparing supplemental appropriations on a quarterly basis for the City's special districts simplifies administrative procedures and reduces paper work.
- This is the only housekeeping supplemental appropriation that was necessary for the District for 2009.
- Amendments:
 - \$12,735 carryover
- A public hearing was held at the start of this meeting pursuant to Section 29-1-108 of the Colorado Revised Statutes.

Expenditure Required: \$12,735

Source of Funds: 2008 Carryover

Policy Issue

Should the Board of Directors appropriate funds as set forth in the attached Resolution?

Alternative

The Board could decide not to appropriate carryover to increase the contractual services budget at this time but instead wait to appropriate carryover as a supplemental to the 2010 budget or as part of the 2011 budget process. This is not recommended because the District was created to assist the City of Westminster (City) in the repayment of City's 2002 Sales Tax Revenue Bonds (2002 Bonds). Additionally, the collection of a mill levy was approved by the District voters in order to secure the construction of the 136th Avenue Interchange.

Background Information

The District was organized by City Council on August 14, 2000. The principal purpose of the District was to finance the construction of the interchange at 136th Avenue and I-25. Pursuant to the creation ordinance, the Westminster City Council is the Board of Directors of the District.

On November 7, 2000 the property owners in the District: (1) authorized the District to issue \$11,000,000 of debt, (2) authorized maximum debt service repayment of 15 mills, which will end in 2021 or when the aggregate collections equal \$11,000,000, whichever is greater (3) approved a mill levy, not to exceed 1 mill as is necessary to generate up to \$10,000 annually for general operating expense, and (4) authorized the District to collect, keep and spend all revenues it receives as a voter approved revenue change under Article X, Section 20 of the Colorado Constitution (TABOR). However, an emergency reserve is still required and is established annually.

On December 4, 2002 the City issued sales tax revenue bonds to finance improvements within the District including the construction of the 136th Avenue Interchange at Interstate 25. In consideration for the City financing and constructing the improvements, the District entered into an intergovernmental agreement (IGA) with the City On December 11, 2006 obligating the District to reimburse the City for a portion of the costs of the improvements.

When the Westminster Economic Development Authority (WEDA) created the North Huron Urban Renewal Area (URA) in January, 2004, the District was included in the boundaries of the URA. The URA captures all of the property tax increment associated with the District. Therefore, WEDA and the District entered into an IGA on December 11, 2006 to provide for WEDA's release of the incremental property tax attributable to the District back to the District. This allows the District to fulfill its commitment to the City to reimburse a portion of the cost of the improvements.

As part of the annual year end audit work, Staff reviews the fund balance in the District. At December 31, 2009, there were funds available from 2008 excess revenues to pay the City for the District's obligation outlined in the IGA. Therefore, Staff is requesting approval to increase the amount paid to the City in 2009. It is feasible that the increase could be appropriated in a supplemental appropriation for 2010 or included as part of the 2011 budget process. However, keeping the fund balance in the District to remain at the minimum required for emergency reserves at the end of 2009 provides for the maximum amount of funding to be paid to the City's Debt Service Fund. This reduces the amount required by the City for the 2009 debt service on the 2002 Bonds.

The adjustments will amend Revenue and Expenditure accounts as follows:

REVENUES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|-----------------|----------------|-----------------|----------------|
| Carryover | 6300.40020.0000 | \$44,276 | <u>\$12,735</u> | \$57,011 |
| Total Change to Revenues | | | <u>\$12,735</u> | |

EXPENDITURES

| Description | Account Number | Current Budget | Amendment | Revised Budget |
|--------------------------|---------------------|----------------|-----------------|----------------|
| Contractual Services | 63010050.67800.0000 | \$263,007 | <u>\$12,735</u> | \$275,742 |
| Total Change to Expenses | | | <u>\$12,735</u> | |

The above adjustments will bring the District's accounting records up-to-date to reflect the various detailed transactions.

Respectfully submitted,

J. Brent McFall
Executive Director

Attachment

136th AVENUE GENERAL IMPROVEMENT DISTRICT

RESOLUTION NO. **13**

INTRODUCED BY BOARD MEMBERS

SERIES OF 2010

**A RESOLUTION
AMENDING THE 2009 BUDGET FOR
THE 136TH AVENUE GENERAL IMPROVEMENT DISTRICT**

WHEREAS, the City of Westminster 136th Avenue General Improvement District (District) established the 2009 budget on October 13, 2008 and

WHEREAS, proper notice for this budget amendment was published on May 6, 2010 pursuant to the requirements of Section 29-1-106 Colorado Revised Statutes; and

WHEREAS, a public hearing for this budget amendment was held on May 10, 2010 pursuant to the requirements of Section 29-1-108 Colorado Revised Statutes; and

WHEREAS, as necessary Staff prepares a resolution to make necessary adjustments to the budget; and

WHEREAS, there are adjustments to be made to the 2009 budget; and

WHEREAS, the revenue adjustments consist of carryover in the amount of \$12,735; and

WHEREAS, the expense adjustments consist of contractual services in the amount of \$12,735; and

NOW, THEREFORE, BE IT RESOLVED by the Board of the City of Westminster 136th Avenue General Improvement District: The \$12,735 increase shall be allocated to District Revenue and Expenditure accounts as described in the Agenda Item 3 A&B, May 10, 2010 (a copy of which may be obtained from the City Clerk) .

PASSED AND ADOPTED 10th Day of May, 2010.

ATTEST:

Vice-Chairperson

Secretary