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PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY \_\_, 2022

NEW ISSUE  
BOOK-ENTRY-ONLY

RATING: S&P: "[ ]"  
See "RATING"

*In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.*

\$ \_\_\_\_\_ \*

## City of Greeley, Colorado

acting by and through its  
Sanitary Water Enterprise

### First-Lien Sewer Improvement Revenue Bonds, Series 2022

**Dated: Date of Delivery**

**Due: August 1, as shown below**

The First-Lien Sewer Improvement Revenue Bonds, Series 2022 (the "Series 2022 Bonds") will be issued in fully registered book-entry-only form in denominations of \$5,000 or integral multiples thereof. The Series 2022 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), securities depository for the Series 2022 Bonds. Individual purchases are to be made in book-entry-only form in authorized denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their ownership interest in the Series 2022 Bonds. Interest is payable August 1, 2022 and semiannually thereafter each February 1 and August 1 to and including the maturity dates shown below, unless the Series 2022 Bonds are redeemed earlier.

Year	Amount	Rate	Yield	CUSIP <sup>1, ©</sup>	Year	Amount	Rate	Yield	CUSIP <sup>1, ©</sup>
2022	\$	%		392532	2033	\$	%		392532
2023				392532	2034				392532
2024				392532	2035				392532
2025				392532	2036				392532
2026				392532	2037				392532
2027				392532	2038				392532
2028				392532	2039				392532
2029				392532	2040				392532
2030				392532	2041				392532
2031				392532	2042				392532
2032				392532					

The Series 2022 Bonds are issued for the purpose of financing the acquisition and construction of additions and improvements to the sanitary sewer system (the "System") operated by the Sanitary Water Enterprise of the City (the "Enterprise"). The Series 2022 Bonds are special, limited obligations of the City, acting by and through the Enterprise, and are payable solely from certain net pledged revenues, consisting of the net revenues of the System remaining after the payment of operation and maintenance expenses. See "SECURITY FOR THE SERIES 2022 BONDS—Security and Flow of Funds." THE SERIES 2022 BONDS ARE NOT A DEBT, INDEBTEDNESS OR MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF THE CITY AND ARE NOT PAYABLE IN WHOLE OR IN PART FROM THE PROCEEDS OF GENERAL PROPERTY TAXES OR ANY OTHER FORM OF TAXATION.

**The Series 2022 Bonds are subject to redemption as described under the caption "THE SERIES 2022 BONDS—Redemption."**

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

The Series 2022 Bonds are offered when, as and if issued, subject to approval of validity by Kutak Rock LLP, Denver, Colorado, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Douglas Marek, Esq., City Attorney. Hilltop Securities Inc. has acted as financial advisor to the City in connection with the Series 2022 Bonds. Delivery of the Series 2022 Bonds through DTC in New York, New York, is expected on or about February \_\_, 2022.

**SELLING:**

**February \_\_, 2022**

**MANNER OF SALE:**

**Parity**

**FINANCIAL ADVISOR:**

**Hilltop Securities, Inc.**

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

<sup>\*</sup> Preliminary; subject to change.

<sup>1</sup> The City assumes no responsibility for the accuracy of the CUSIP number, which is included solely for the convenience of owners of the Series 2022 Bonds.

<sup>2</sup> Priced to yield to the earliest date of optional redemption at par of August 1, 20\_\_.

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No dealer, broker, salesman or other person has been authorized to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2022 Bonds, in any jurisdiction in which such an offer or solicitation is not authorized or in which it is unlawful to make such an offer or solicitation. The information and expressions of opinion set forth herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the affairs of the City or in any other matter since the date hereof.

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**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE HAS APPROVED OR DISAPPROVED THE SERIES 2022 BONDS OR THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.**

## SUMMARY OF THE OFFICIAL STATEMENT

<b>The City .....</b>	The City of Greeley, Colorado (the “City”) is located in central Weld County approximately 52 miles north of the Denver, Colorado metropolitan area. It currently has an estimated population of 111,146 persons and covers approximately [47.3] square miles. The City was incorporated in 1886. It is a home rule city and operates under a Charter which provides for a council-manager form of government. See “THE CITY.”
<b>The Series 2022 Bonds .....</b>	The City of Greeley, Colorado, First-Lien Sewer Improvement Revenue Bonds, Series 2022, in the aggregate principal amount of \$_____* (the “Series 2022 Bonds”) are issued by the City, acting by and through its Sanitary Water Enterprise (the “Enterprise”), and will be delivered in Book-Entry form only through the facilities of The Depository Trust Company, New York, New York.
<b>Security .....</b>	The Series 2022 Bonds are special and limited obligations of the City, acting by and through the Enterprise, payable solely out of and secured by an irrevocable pledge of and first lien (but not necessarily an exclusive first lien) upon the net income and revenue to be derived by the City from the operation of its municipal sanitary sewer system (the “System”) after payment of all necessary and proper costs of efficient operation and maintenance of the System. See “THE SERIES 2022 BONDS—Security.” The Series 2022 Bonds are not general obligations of the City and are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation.
<b>Redemption.....</b>	The Series 2022 Bonds will be subject to redemption prior to maturity as described under the caption “THE SERIES 2022 BONDS—Redemption.”
<b>The Sanitary Water Enterprise .....</b>	The Enterprise was organized to facilitate the operation of the System on a fully self-supporting basis and operates as a City-owned business. The City Council and the Greeley Water and Sewer Board (the “Board”) manage the Enterprise. See “THE ENTERPRISE.”
<b>The System.....</b>	The System was constructed for the purpose of providing sanitary sewer facilities and services to persons and property both inside and outside the City. It includes a collection system, lift stations and treatment facilities. Owners of all improved properties in the City (and certain properties outside the City) are served by the System and pay service charges to the Enterprise. See “THE SYSTEM.”
<b>The Project .....</b>	The Series 2022 Bonds are being issued for the purpose of acquiring and constructing additions and improvements to the System (the “Series 2022 Capital Project”).

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\* Preliminary; subject to change.

**Constitutional Limitations  
on Taxes, Revenues,**

**Borrowing and Spending.....**

In 1992, the Colorado Constitution was amended to impose substantial limitations, including voter approval requirements, upon the taxes, revenues, borrowing and spending of the State and local governments. The Series 2022 Bonds are permitted to be issued without voter approval under the provisions of such amendment which exclude “enterprises” and their bonds from such limitations. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

**Tax Treatment of Interest**

**on the Series 2022 Bonds .....**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTER” herein.

**Professionals .....**

The following professionals are participating in the initial offering of the Series 2022 Bonds:

**Bond Counsel:**

Kutak Rock LLP  
1801 California Street  
Suite 3000  
Denver, CO 80202  
Telephone: (303) 297-2400

**Financial Advisor:**

Hilltop Securities Inc.  
8055 E. Tufts Avenue  
Suite 500  
Denver, CO 80237  
Telephone: (303) 771-0217

**Underwriter:**

Telephone: (\_\_\_\_) \_\_\_\_-\_\_\_\_

**Additional Information;  
Continuing Disclosure**

**Undertaking.....** Additional information concerning the City, the Enterprise and the Series 2022 Bonds may be obtained from the Finance Director of the City at 1000 10<sup>th</sup> Street, Greeley, Colorado 80631, Telephone: (970) 350-9732, or from the Underwriter, at the address and telephone number shown above. Pursuant to Securities and Exchange Commission Rule 15c2-12, the City will enter into an undertaking to provide certain information concerning the Series 2022 Bonds on a continuing basis. See “THE SERIES 2022 BONDS—Continuing Disclosure Undertaking.”

**THE FOREGOING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE DETAILED INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT. EACH PROSPECTIVE INVESTOR SHOULD READ THE OFFICIAL STATEMENT IN ITS ENTIRETY TO MAKE AN INFORMED INVESTMENT DECISION.**

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## OFFICIAL STATEMENT

Relating to:

\$ \_\_\_\_\_ \*

**City of Greeley, Colorado  
acting by and through its  
Sanitary Water Enterprise**

**First-Lien Sewer Improvement Revenue Bonds, Series 2022**

### INTRODUCTION

#### Generally

This Official Statement, including its cover page and appendices, is provided in connection with the issuance by the City of Greeley, Colorado (the “City”) acting by and through its Sanitary Water Enterprise (the “Enterprise”) of \$ \_\_\_\_\_ \* aggregate principal amount of First-Lien Sewer Improvement Revenue Bonds, Series 2022 (the “Series 2022 Bonds”). The Series 2022 Bonds will be issued under a Sewer System General Revenue Bond Ordinance (the “General Ordinance”) adopted by the City Council (the “Council”), a Series 2022 First-Lien Sewer Improvement Revenue Bond Ordinance (the “Series Ordinance”) adopted by the Council, acting as such and as the governing body of the Enterprise, supplemented, as to certain final terms of the Series 2022 Bonds, by a Final Terms Certificate executed by the City’s Director of Finance (the “Final Terms Certificate” and, collectively with the General Ordinance and the Series Ordinance, the “Bond Ordinances”). The term “City” as used in this Official Statement refers to the City and, where appropriate, to the City acting by and through the Enterprise. The City is a political subdivision of the State of Colorado (the “State”) organized and existing as a home-rule municipality under the laws of the State and a home rule charter (the “Charter”).

The Series 2022 Bonds will be payable solely from and secured by (i) an irrevocable pledge of and first lien upon the Net Pledged Revenues (as defined herein), and (ii) all funds, accounts and other property pledged by the City under the Series Ordinance. For a definition of the term “Net Pledged Revenues,” see “SECURITY FOR THE SERIES 2022 BONDS—Security and Flow of Funds.” The Series 2022 Bonds will be secured on a parity-lien basis with the City’s outstanding First-Lien Sewer Improvement Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) and its First-Lien Sewer Improvement Revenue bonds, Series 2018 (the “Series 2018 Bonds”).

THE SERIES 2022 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY AND ARE NOT PAYABLE IN WHOLE OR IN PART FROM THE PROCEEDS OF GENERAL PROPERTY TAXES OR ANY OTHER FORM OF TAXATION.

#### Plan and Purpose of Financing

The Series 2022 Bonds are being issued for the purpose of financing a portion (the “Series 2022 Capital Project”) of a larger program of capital additions to the sanitary sewer system (the “System”) operated by the Enterprise, being undertaken with a combination of bond proceeds and other funds, for the purpose of increasing the System’s capacity to serve customers, replacing older components of the System and improving the reliability of the System. See “USE OF PROCEEDS—Sources and Uses of Funds.”

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\* Preliminary; subject to change.

The references to and summaries of provisions of the Constitution and laws of the State and the descriptions of documents included herein do not purport to be complete and are qualified in their entirety by reference to the complete provisions thereof, copies of which are available from the City, or through the Underwriter during the period of the initial offering of the Series 2022 Bonds.

Capitalized terms used and not defined herein shall have the respective meanings specified in APPENDIX B hereto.

## **FORWARD-LOOKING STATEMENTS**

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO FUTURE RESULTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS “ESTIMATE,” “FORECAST,” “INTEND,” “EXPECT,” “PROJECTED” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. ANY PROJECTION IS SUBJECT TO SUCH UNCERTAINTIES. INEVITABLY, SOME ASSUMPTIONS USED TO DEVELOP THE PROJECTIONS WILL NOT BE REALIZED AND UNANTICIPATED EVENTS AND CIRCUMSTANCES WILL OCCUR. THEREFORE, IT CAN BE EXPECTED THAT THERE WILL BE DIFFERENCES BETWEEN PROJECTIONS AND ACTUAL RESULTS, AND THOSE DIFFERENCES MAY BE MATERIAL.

## **THE SERIES 2022 BONDS**

### **Description of the Series 2022 Bonds**

The Series 2022 Bonds are special and limited obligations of the City, acting by and through the Enterprise, and are issued for the purpose of financing a portion of the Series 2022 Capital Project. The Series 2022 Bonds are in the denominations, bear interest, mature, and are subject to the other terms and conditions stated on the cover page hereof.

### **Authority for Issuance**

The Series 2022 Bonds are issued under authority of the Charter and Chapter 14.04 of the Greeley Municipal Code (the “Enterprise Ordinance”). Under the Enterprise Ordinance, the City has designated its sewer and sanitary sewer activities as an “enterprise” for purposes of Article X, Section 20 of the Colorado Constitution. See “THE ENTERPRISE.” As bonds of an enterprise, the Series 2022 Bonds are authorized to be issued without approval by the electors of the City. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

### **Registration and Payment**

The Series 2022 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), as securities depository for the Series 2022 Bonds. For so long as the Series 2022 Bonds are in book-entry form, the principal of and interest on the Series 2022 Bonds will be payable at the office of Zions Bancorporation, National Association, or its successors, as paying agent and registrar (the “Paying Agent”). Interest on the Series 2022 Bonds is payable by wire transfer to Cede & Co. upon written instruction or by check or draft mailed by the Paying Agent to the registered owners of the Series 2022 Bonds whose names and addresses appear in the registration books of the City on the Regular Record Date, i.e., the fifteenth day, whether or not a business day, of the calendar month preceding the interest

payment date. Under certain circumstances a Special Record Date may be fixed by the Paying Agent to determine ownership of the Series 2022 Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

### **Book-Entry-Only System**

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2022 Bond will be issued for each maturity of the Series 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. For information regarding DTC see "APPENDIX F—INFORMATION RELATED TO BOOK-ENTRY-ONLY SYSTEM."

### **Redemption**

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

***Optional Redemption.*** Series 2022 Bonds maturing on August 1, 20\_\_ and thereafter are subject to optional redemption, at the option of the City, prior to maturity, on August 1, 20\_\_ or any date thereafter, in whole or in part, and if in part in such order of maturity as the City shall determine and by lot within maturities, at a redemption price of par plus accrued interest to the redemption date, without redemption premium.

***Notice of Redemption.*** Notice of redemption of any Series 2022 Bonds is to be given by the Paying Agent by sending a copy of such notice by electronic means or first-class mail, postage prepaid, at least 30 days prior to the redemption date, to the Underwriter and to the registered owner of each Series 2022 Bond all or a portion of which is called for prior redemption, at his or her address as it last appears on the registration records kept by the Paying Agent. For so long as the Series 2022 Bonds are in book-entry form, any such redemption notice may be given, in lieu of such mailing, by sending a copy thereof by electronic means to DTC or its designee. Failure, as to any Series 2022 Bond, to send such notice as provided above, or any defect therein, does not affect the validity of the proceedings for the redemption of any other Series 2022 Bonds. Any failure of DTC to advise any Participant, or of any Participant or in direct participant to notify the Beneficial Owner, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2022 Bonds called for redemption or any other action premised on that notice.

In the event of a call for redemption, the City's notification to DTC initiates DTC's standard call procedure. In the event of a partial call, DTC's practice is to determine by lot the amount of the interest of each Participant in the Series 2022 Bonds to be redeemed, and each such Participant then selects by lot the ownership interest in such Series 2022 Bonds to be redeemed. When DTC and Participants allocate the call, the Beneficial Owners of the book-entry interests called are to be notified by the broker or other organization responsible for maintaining the records of those interests and subsequently credited by that organization with the proceeds once the Series 2022 Bonds are redeemed.

### **Continuing Disclosure Undertaking**

In order to facilitate compliance by the Underwriter with Securities and Exchange Commission Rule 15c2-12 (the "Rule") the City will enter into an undertaking in substantially the form set forth in APPENDIX E hereto (the "Continuing Disclosure Undertaking") to provide certain information, including audited financial results, on an annual basis, and to provide notice of certain specified events contemplated by the Rule, to the information repositories designated in the Continuing Disclosure Undertaking.



The specific information required to be provided by the City under the Continuing Disclosure Undertaking includes: (a) notice of the occurrence of any of the events enumerated in the Rule; (b) annual audited financial statements; and (c) annual operating results with respect to the data provided in Tables VI, VII, VIII, IX and X herein. [confirm]

The City has entered into numerous continuing disclosure undertakings in connection with other bond issues. In connection with the preparation of a previous Official Statement, it came to the attention of the City that certain material event notices and financial and operating information were not provided as specified in such past undertakings. The City has filed supplemental information together with the notices required by the Rule and has modified its compliance procedures to ensure compliance with the requirements of its continuing disclosure undertakings. Failure to perform the Continuing Disclosure Undertaking does not constitute an Event of Default under the Ordinances, but any such failure may materially and adversely affect secondary market trading in the Series 2022 Bonds. [Kutak to review 5-year compliance]

## SECURITY FOR THE SERIES 2022 BONDS

### Security and Flow of Funds

***The General Ordinance and the Series Ordinance.*** The Series 2022 Bonds are to be issued pursuant to a Sewer System General Revenue Bond Ordinance (the “General Ordinance”) and a Series 2022 First-Lien Sewer Improvement Revenue Bond Ordinance (the “Series Ordinance”), adopted by the City Council, acting as such and as the governing body of the Enterprise, supplemented, as to certain final terms of the Series 2022 Bonds, by a final terms certificate executed by the Director of Finance (the “Final Terms Certificate” and, together with the General Ordinance and the Series Ordinance, the “Bond Ordinances”). The Bond Ordinances provide for the security and sources of payment of the Series 2022 Bonds and direct the application of the proceeds of the Series 2022 Bonds as follows: (a) a portion of the Series 2022 Bond proceeds is to be deposited in the Series 2022 Capital Project Account (the “Series 2022 Capital Project Account”) for the purpose of financing the Series 2022 Capital Project described under the caption “USE OF PROCEEDS—Sources and Uses of Funds”; and (b) a portion of the Series 2022 Bond proceeds is to be applied to the payment of the costs of issuance of the Series 2022 Bonds. The Bond Ordinances provide that they are irrevocable until the Series 2022 Bonds and the interest thereon are fully paid. There follow brief summaries of certain material provisions of the Bond Ordinances.

***Pledged Revenues and Flow of Funds.*** The General Ordinance defines the System to include the System presently owned and operated by the City, acting by and through the Enterprise, together with all Equipment and Improvements to the System (but excluding Special Facilities) and any other property or facilities specifically added to the System by ordinance of the City Council. The Income of the System is defined in the General Ordinance to include all rates, fees, or charges for services furnished by, or the direct or indirect use of the System, together with any interest income of the System attributable to the investment of moneys in the accounts created in the General Ordinance and not specifically excluded from the lien of the General Ordinance, and subject to certain exclusions enumerated in the full text of the definition of “Income” in APPENDIX B hereto. See “THE SYSTEM—Sources of Revenue.”

The General Ordinance establishes a special account (the “Income Account”) into which is to be deposited all Income. The Income Account may be maintained as a subfund, account or subaccount of the Sewer Enterprise Fund.

The Income on deposit in the Income Account is to be deposited and applied in the following order of priority:

FIRST, to the payment of necessary and proper costs of operating and maintaining the System ("Operation and Maintenance Expenses") as they become due (the Income less such Operation and Maintenance Expenses being referred to as the "Net Pledged Revenues");

SECOND, to the Debt Service Account in monthly installments sufficient to pay any interest accrued and due on the next interest payment date and a ratable portion of the next installment of principal, if any, on the Series 2022 Bonds and similar installments with respect to any outstanding parity securities;

THIRD, to the payment of the Debt Service Requirements of obligations having a lien on the Net Pledged Revenues subordinate to the lien of the Series 2022 Bonds and other outstanding First Lien Revenue Obligations; and

FOURTH, to any other lawful purpose determined by the City Council, acting as the governing body of the Enterprise.

Moneys in any or all of the foregoing accounts may, to the extent provided by the Final Terms Certificate, be made subject to transfer to an Excess Investment Earnings Account. In order to give effect to the requirements of both the Greeley Municipal Code and the General Ordinance, the City may, to the extent necessary, advance, subject to reimbursement, moneys required for the payment of Operation and Maintenance Expenses from funds earmarked for Improvements or Capital Projects, and may also, to the extent necessary, advance, subject to reimbursement, Net Pledged Revenues required for the payment of Debt Service Requirements of Obligations from funds earmarked for Operation and Maintenance Expenses. Nothing in the General Ordinance prevents the City from creating subfunds or subaccounts for the purpose of recording payments and accumulations in a manner consistent with the accounting principles which may be employed by the City from time to time.

**Rate Maintenance.** In the General Ordinance, the City covenants, among other things, to prescribe, revise and collect fair and reasonable rates, fees and charges for use of the System which shall produce Income sufficient, together with any other moneys legally available therefor and credited to the Income Account, to make the payments and accumulations required by the Ordinances; and which shall produce Net Pledged Revenues in each ensuing Fiscal Year at least equal to the sum of 125% of the Combined Annual Debt Service Requirements of all Outstanding First-Lien Revenue Obligations and 105% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, plus any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom. For purposes of compliance with the Ordinances, including the Rate Maintenance Covenant, there may be counted as Income any funds contributed to the System by the City.

**First-Lien Bonds.** Pursuant to the General Ordinance, the Series 2022 Bonds and any Additional First-Lien Revenue Obligations constitute a first and prior (but not necessarily exclusive) lien on the Net Pledged Revenues. The Series 2022 Bonds are secured on a parity-lien basis with the Series 2015 bonds and the Series 2018 Bonds.

**Additional Obligations.** Additional Obligations may be issued, subject to certain provisions of the Bond Ordinances.

The General Ordinance prohibits the issuance of Obligations having a claim to the Income prior or superior to that of the Series 2022 Bonds. Subordinate securities may be issued at any time.

The Series 2022 Bonds are being issued on a parity with the Series 2015 Bonds and the Series 2018 Bonds (both as defined in APPENDIX B hereto) (collectively, the “Parity Obligations”). Additional First-Lien Revenue Obligations may be issued provided that, at the time of their issuance: (a) the City is not in default under the provisions of the Bond Ordinances; and (b) the Net Pledged Revenues for the last complete Fiscal Year or any 12 consecutive whole months out of the last 18 prior to the issuance of the proposed Additional First-Lien Revenue Obligations, as certified by the City Manager or a Consulting Engineer or Independent Accountant, must have been equal to at least 125% of the Maximum Annual Debt Service Requirements of the Series 2022 Bonds and Additional First-Lien Revenue Obligations then Outstanding and the Additional First-Lien Revenue Obligations proposed to be issued. If any adjustment in System rates or fees is to be effective during or prior to any Fiscal Year in which the Maximum Annual Debt Service Requirements occur, the Net Pledged Revenues may be adjusted to reflect the Net Pledged Revenues which would have been produced had the modified rates been in effect throughout such Fiscal Year.

For a more detailed description of the Bond Ordinances, see APPENDIX B hereto.

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## Debt Service Requirements

The following table shows the debt service requirements of the Series 2022 Bonds and the debt service requirements of the City's Parity Obligations.

**TABLE I**  
**Debt Service Requirements <sup>1</sup>**

<b>Fiscal Year Ending December 31 *</b>	<b>Principal *</b>	<b>Interest</b>	<b>Total</b>	<b>Parity Obligations <sup>2</sup></b>	<b>Combined Debt Service</b>
2022	\$	\$	\$	\$	\$
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042	\$	\$	\$	\$	\$

\* Preliminary; subject to change.

<sup>1</sup> Figures have been rounded.

<sup>2</sup> Includes scheduled debt service on the Series 2015 Bonds and the Series 2018 Bonds.

Source: The Financial Advisor

## Debt Service Coverage

For the years 2016-2020 (the City's fiscal year being the calendar year), the following table shows Net Pledged Revenues (see "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE AND THE SERIES ORDINANCE—Definitions") and coverage ratios (i) with respect to historic actual debt service in each such year on Parity Obligations and (ii) with respect to projected maximum annual debt service on the Series 2022 Bonds and Parity Obligations ("Projected Maximum Annual Debt Service"). Outstanding Parity Obligations include the Series 2015 Bonds and Series 2018 Bonds. See "SECURITY FOR THE SERIES 2022 BONDS—Security and Flow of Funds—Additional Obligations."

**TABLE II**  
**Net Revenues and Debt Service Coverage**

	2016	2017	2018	2019	2020
Net Pledged Revenues					
Operating Revenues	\$9,272,219	\$9,468,679	\$10,011,565	\$10,394,878	\$11,084,681
Plant Investment Fees	2,246,610	1,235,048	3,095,450	2,243,300	979,155
Other Non-Operating Revenues <sup>1</sup>	1,742,251	7,967,494	5,294,230	7,049,417	7,086,883
(Less) Operations and Maintenance <sup>2</sup>	(8,719,700)	(5,739,521)	(6,327,024)	(7,936,302)	(6,525,415)
Total	\$	\$	\$	\$	\$
Historic Actual Debt Service	\$	\$	\$	\$	\$
Debt Service Coverage	X	X	X	X	X
Maximum Annual Debt Service	\$	\$	\$	\$	\$
Debt Service Coverage	X	X	X	X	X

<sup>1</sup> Includes investment income, rents, oil and gas royalties and other non-operating revenue.

<sup>2</sup> Does not include depreciation.

Source: City audited financial statements, the City and the Financial Advisor

## USE OF PROCEEDS

### Sources and Uses of Funds

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

Sources:	
Principal Amount of Series 2022 Bonds .....	\$
Premium.....	
Total Sources.....	\$
Uses:	
Project Account .....	\$
Costs of Issuance <sup>1</sup> .....	
Underwriting Discount .....	
Total Uses.....	\$

<sup>1</sup> Includes legal, printing, financial advisor and ratings.

## **The Series 2022 Capital Project**

The net proceeds of the Series 2022 Bonds are to be used to pay expenses of issuance of the Series 2022 Bonds and to finance the Series 2022 Capital Project.

The Series 2022 Capital Project represents a portion of a comprehensive program of additions and improvements to the System being carried out with a combination of Series 2022 Bond proceeds and other funds for the purpose of increasing the System's reliability, replacing older components of the System and adding capacity to serve customers. The Series 2022 Capital Project includes expenditures for **the expansion and replacement of various System components.**

## **THE ENTERPRISE**

### **The Board**

The Charter establishes the Board and provides that the Board has the power and duty to (i) annually establish minimum sewer rates (which may not be lowered by the City Council) sufficient to pay for all operation and maintenance of the System, all debt service requirements, and any additions to a reserve account to offset depreciation, and (ii) acquire, develop, convey, lease and protect the City's sewer assets, supplies and facilities.

The Charter provides that all funds received from sewer rates are to be used only for the operation, maintenance, replacement of and additions to the System. The Board recommends a separate annual System budget to the City Manager, and also submits long-term capital plans for the System to the City Council. The Charter expressly authorizes the conduct of the System as an "enterprise" within the meaning of Article X, Section 20 of the Colorado Constitution; see "CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING." (The Charter contains similar provisions, and the Board has similar powers and duties with respect to the City's water system, which is a separate enterprise.)

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The Board has ten members, seven of whom are appointed by the City Council for five-year terms. The other three members are the Mayor, the City Manager, and the Director of Finance, who are nonvoting members. The Board annually elects an appointed member as its chairman. The present appointed Board members, their respective terms of office, length of service on the Board, and principal occupations are as follows:

<b>Board Member</b>	<b>Present Term Expires (June)</b>	<b>Years on the Board</b>	<b>Principal Occupation</b>
Harold Evans, Chairman	2023	24	Builder/Developer
Mick Todd, Vice Chairman	2023	23	President—Real Estate Management Company
Fred Otis	2024	16	Attorney
Joe Murphy	2025	11	Real Estate Agent
Tony Miller	2023	8	Banking
Manuel Sisneros	2024	7	Retired Business Owner
Cheri Witt-Brown	2026	1	Business Owner

The Board is advised by City Attorney Douglas Marek, Environmental and Water Resources Assistant City Attorneys Jerree Swanson, Dan Biwer and Aaron Goldman, and is also represented in certain matters by independent legal counsel appointed by the Board.

## **The Water and Sewer Department**

***Director of the Water and Sewer Department.*** Sean Chambers is the Director of the City’s Water and Sewer Department. The Director of the Water and Sewer Department oversees the operation and maintenance of the City’s separate water and sanitary sewer systems. Mr. Chambers coordinates and guides the Water and Sewer Department’s legislative positions, Mr. Chambers earned his Bachelors of Science in Agricultural and Natural Resource Economics from Colorado State University and has more than 20 years of professional experience developing and managing municipal water systems in the State. Mr. Chambers is a 2013 alumnus of the Colorado Foundation for Water Education’s Water Leaders, and he is an experienced leader in the municipal water utility sector. Mr. Chambers has been employed by the City since 2018. He was previously President of the Pikes Peak Regional Water Authority, managed a couple of special district water providers and worked as a water resource planning and economic consultant.

***Deputy Director of Water Resources.*** Adam Jokerst serves as Deputy Director for Water Resources at Greeley, where he oversees a team responsible for long range water supply planning, raw water operations, water acquisition, and water conservation for the Water and Sewer Department. Mr. Jokerst holds bachelor’s degree in Biological and Agricultural Engineering from the University of Arkansas and a master’s degree in Civil Engineering from Colorado State University. He is a registered professional engineer in Colorado and has worked on water resources projects throughout the Western U.S. for nearly 15 years in both the private and public sectors. Mr. Jokerst as worked for the Water and Sewer Department since 2018.

***Deputy Director of Water and Wastewater Operations.*** Nina Cudahy is the Deputy Director of Operations and Maintenance with Greeley Water and Sewer. She joined Greeley Water and Sewer in 2019 after working for nearly 17 years the City of Omaha Environmental Quality Control Division where she managed the solid waste program, household hazardous waste program, air quality program, stormwater

program, and the industrial pretreatment program. Nina was a key player in the development of the Papillion Creek Watershed Partnership and managed the watershed monitoring program. She earned a BS in Geology from Tufts University and a Master's in Business Administration from the University of Oregon.

**Chief Engineer.** Adam Prior is the Chief Engineer and is responsible for managing a team of engineers that completes capital and rehabilitation project across the different water and wastewater systems owned and operated by the City. Adam has managed this team as the chief engineer for 6 years and has performed or managed engineering and projects for the City's six raw water reservoirs, three treatment plants, 643 miles of water mains, 365 miles of collection lines, 10 sewer lift stations, and two water pump stations. Mr. Prior has a bachelor's degree in physics and civil engineering, and a masters in civil engineering with a focus on water & wastewater. Adam has 20 years of diverse engineering experience that includes private industrial engineering and operations management, consulting engineering, public sector construction management, and facility construction.

**Utility Finance and Business Manager.** Erik Dial is the Utility Finance and Business Manager for the Water and Sewer Department. He is responsible for water and sewer rate setting, budget development, and financial management of the water and sewer enterprise funds. Mr. Dial oversees the development review function for the Water and Sewer Department and leads the department's efforts to align Greeley's water policy and development requirements. Mr. Dial earned a Bachelor of Forestry degree from Northern Arizona University and a Master of Public Administration and Policy degree from the University of Arizona and has 21 years of municipal utility and finance experience. Mr. Dial has worked for the Water and Sewer Department since 2010.

**Employees.** The Water and Sewer Department is currently staffed with 139 full time equivalent employees, with approximately 38 of those employees allocated to the System. All sewer plant operators, as well as collection system personnel, have the appropriate levels of certification as required by the State Plant Operators Certification Board.

## THE SYSTEM

### General

The wastewater collection and treatment facilities, which are operated as an enterprise, provide sanitary sewer facilities and services to persons and property within the City and to certain persons and property outside the City. These facilities are operated on a fee-for-service basis under a uniform system of rates designed to charge System customers for their relative share of the cost of sanitary sewer services and facilities.

**Wastewater Collection System.** The City provides wastewater service to a population of approximately 109,661. Flows collected within the wastewater collection system are conveyed to the City's wastewater treatment plant known as the Wastewater Treatment and Reclamation Facility ("WTRF"). The wastewater collection system comprises 370.29 miles of pipes and force mains ranging in size from 4-inch to 54-inch in diameter and contains 8,077 manholes. There are also 10 lift stations associated with flow conveyance with capacities ranging from 80 gallons per minute ("gpm") to 1,700 gpm. There is a wide range of pipe materials within the collection system consisting of vitrified clay, reinforced concrete, ductile iron, cast iron, polyvinyl chloride, and high-density polyethylene.

The City is an older city, with some of the collection system dating back to 1889. The average age of the System is 38 years, with 60% of the System being more than 50 years old, and 7% of the System being more than 100 years old.



The City follows a continuing program providing extensive rehabilitation of the wastewater collection system on an on-going basis. Since 1988, 57 miles of the collection system have been rehabilitated using cured-in-place pipe (“CIPP”). During the past three years the amount of line rehabilitated using CIPP has increased by 2.8 miles. In addition, 23,000 linear feet of lines have been replaced since 1980, with an average replacement value of 1,000 linear feet over the last three years. The status of development of the Wastewater Collection System during the past five years is reflected in the following table:

**TABLE III**  
**Wastewater Collection System Development**

<b>Year</b>	<b>Total Sewer Connections</b>	<b>Total Miles of Sewage Collection Lines</b>
2016	25,715	360.76
2017	25,974	364.80
2018	26,264	367.09
2019	26,411	368.19
2020	[26,5292]	370.29

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Source: The City

***Wastewater Treatment and Reclamation Facility (Treatment Plant).*** The WTRF is the wastewater treatment plant for the System. It is an advanced secondary treatment facility containing a conventional activated sludge treatment system. The annual average flow treated is approximately 7.7 million gallons per day (“MGD”) with the plant having a design flow capacity of 14.7 MGD. Primary and secondary clarifiers are used upstream and downstream of the activated sludge system as widespots allowing solids to settle before being returned to the System for further treatment or sent off for solids processing. Disinfection is provided utilizing an ultraviolet system prior to discharge to the Cache La Poudre River. Solids are anaerobically digested and land applied following dewatering.

A master plan that addressed the future needs of the liquid processes of the WTRF was initiated in 2018 and completed in 2019. The master plan outlined a capital improvement plan intended to ensure the WTRF can meet new treatment regulations expected to become effective over the next 20 years. The current capital improvement plan for the WTRF reflects the recommendations from the master plan.

### **Capital Improvement Program**

The wastewater collection and treatment facilities have a five-year Capital Improvement Plan (the “Capital Improvement Plan”) which is updated and revised annually. The Capital Improvement Plan includes a list of projects designed to meet the needs of current customers and provide for future development. The 2021-2025 Capital Improvement Plan includes \$106,783,442 for various facility improvements. Approximately \$25 million of such amount is expected to be funded from proceeds of the Series 2022 Bonds. The remaining portion would be funded from System revenues and an additional debt issuance of approximately \$33.5 million expected in 2024.

**TABLE IV**  
**Five-Year Projected System Capital Improvements**

	<b>2021</b>	<b>2022 Proposed</b>	<b>2023 Planned</b>	<b>2024 Planned</b>	<b>2025 Planned</b>	<b>Total Cost 2021-2025</b>
System Expansion	\$ 1,947,455	\$ 5,146,894	\$1,324,130	\$ 6,809,390	\$ 202,000	\$15,429,868
System Replacement	13,301,454	24,028,048	3,984,754	15,844,468	4,194,850	91,353,574
Total:	\$15,248,909	\$29,174,942	\$5,308,884	\$22,653,858	\$4,396,850	\$106,783,442

Source: Capital Improvement Plan

**WTRF Regulation 85 Nutrient Removal Capital Improvements.** Among other matters addressed in the master plan, the master plan incorporated a condition assessment of the existing process and ancillary equipment of the WPCF and determined the capital improvements that will be necessary to meet Colorado Department of Health and Environment (“CDPHE”) Regulation 85 nutrient removal requirements.

The City budgeted approximately \$40 million to invest in the capital improvements needed to meet the CDPHE Regulation 85 requirements. The budget includes upgrades to the WTRF’s four aeration basins to provide for enhanced biological nutrient reduction. Additionally, the planned Regulation 85-related work would include significant new pumping and mixing equipment, instrumentation and controls, and generator replacement. Design of these improvements was completed in early 2021 and construction is expected to continue until late 2023.

**WTRF Primary Treatment Phase II.** The City expects to move into the next phase of improvements to the WTRF (“Phase II”) immediately after the capital investments to meet Regulation 85. The three existing clarifiers were built in the 1960’s and 1980’s and the components within the clarifiers are reaching the end of their useful life. This phase of the work is planned to replace the bar screens, grit chambers, headworks gates, clarifier mechanisms, piping, valves, and the existing influent pumps and motors and size them for future growth. Additional electrical improvements would also be made to the primary treatment process equipment. The project design is expected to start in fall 2021, with construction commencing in 2023.

**WTRF Centrate Upgrades.** In coordination with the Phase II project, a centrate lift station and centrate side stream phosphorus removal process would be constructed. This project is expected to earn CDPHE Regulation 31 incentive credits that will allow the City to delay future upgrades to the WTRF related to nutrient regulations. The timing of this project is the same as the Phase II project with design starting in fall 2021 and construction starting in 2023.

**Poudre Trunk Line and North Greeley Sewer Phase IIA.** The City has planned two extensions to the System’s trunk sewer system that would expand the City’s ability to serve areas that expected to develop in the near future. The Poudre Trunk Line will provide service to the region of the City generally from 83<sup>rd</sup> Avenue west, north of 10<sup>th</sup> Street, and south of the Poudre River. The line would be constructed by development in the area and City’s portion of the project cost would be for oversizing the pipe to serve neighboring areas. The timing for constructing the Poudre Trunk Line is dependent on growth in the region, but the first segment currently is estimated to begin construction in 2022. The North Greeley Sewer Phase IIA project would upsize a section of the existing trunk sewer system in the City. The current capacity in the System limits the sewer flow volume from north of the Poudre River and no significant growth can occur there until this trunk line is constructed. A portion of the project was constructed in 2019 and the remainder is planned to start construction in 2024.

## Environmental Concerns

The operation of the System is subject to substantial environmental regulation under both state and federal law. Although System management believes it is in compliance with all material regulations affecting the System, there can be no assurance that future compliance with such requirements would not frustrate otherwise feasible projects or result in increased capital or operating expenses for the System.

## COVID-19

The larger City government has implemented various measures described under the caption “THE CITY—COVID-19” in response to the pandemic conditions experienced in 2020 and 2021. As of the date of this Official Statement, the System has experienced no significant COVID-19 related financial or operational hardships. There have been no significant account delinquencies or instances of non-payment attributable to COVID-19. No loans or grants have been necessary for the continued operation of the System. The City continues to closely monitor the impact of COVID-19 (including, but not limited to, the underlying financial impact on its revenues) on the operation of its municipal services, including those of the System. It is unknown how extensive the spread of COVID-19 will be in the City or the State, or how long the current restrictions will remain in place, and these things may change rapidly. Due to the essential nature of the System’s utility services, the Enterprise does not currently anticipate a significant, material impact on its annual revenues. However, it is not possible to predict whether current economic conditions will continue or worsen, the duration of such changing conditions, or how future short term and long-term economic conditions related to the pandemic will affect the System’s finances in general.

## Customers of the System

The following table sets forth the ten largest customers of the System for 2020.

**TABLE V**  
**2020 Ten Largest Customers of the System**

<b>Customer</b>	<b>Total User Charge Revenue Collected</b>	<b>Percent of Total Service Charges Collected <sup>1</sup></b>
University	\$512,675	4.70%
County Government	187,081	1.72
Food Manufacturer	186,194	1.71
Dairy Processing	177,777	1.63
Health Care	121,394	1.11
Mobile Home Park	105,945	0.97
Mobile Home Park	88,534	0.81
Industrial Laundry	86,467	0.79
Mobile Home Park	82,262	0.75
Pet Food Manufacturer	73,310	0.67

<sup>1</sup> Based on total sewer service billings of \$10,902,765 in 2020.  
Source: The City

## Sources of Revenue

**The Sewer Fund.** The Enterprise maintains the Sewer Fund, which accounts for the revenues and expenses of the System. Moneys derived from one-time Plant Investment Fees and monthly fees are credited to the Sewer Fund. In general, monthly fees are allocated to operating and system improvement projects while connection fees are allocated to growth-related projects. All of these fees are Income and part of the pledged revenues securing the Series 2022 Bonds and Parity Bonds..

**System Billing Practices and Collection Procedure.** Customers of the System are billed for monthly service charges and usage fees for water, sanitary sewer and storm drainage services in the same bill. For delinquent accounts, the City may disconnect sewer service until the bill, plus a reconnection fee, has been paid. A final notice and a shutoff notice are given before services are terminated. The Water and Sewer Department reports that an insignificant number of sewer service charges have been written off as bad debt in recent years. The Greeley Municipal Code provides that bills for sewer service constitute a charge and lien upon the premises from which the sewage is taken.

**Plant Investment Fees.** The primary sources of revenue of the System include Plant Investment Fees, which are one-time fees imposed for the privilege of tapping or connecting to the System, and Sewer Charges, which are the monthly fees and usage amounts charged to the customers of the System (see “Sewer Service Charges” below).

The Plant Investment Fees charged by the City to System customers are as follows:

**TABLE VI**  
**Wastewater Plant Investment Fees**

	2017	2018	2019	2020	2021 <sup>1</sup>
Single Family Detached (per unit)	\$ 5,300	\$ 5,700	N/A	N/A	N/A
Single Family Attached (per unit)	5,300	5,700	N/A	N/A	N/A
Multi-family (per unit)	2,650	2,850	N/A	N/A	N/A
Commercial (per tap size):					
3/4”	5,300	5,700	5,700	6,000	6,800
1”	8,800	9,550	9,500	10,000	11,400
1½ ”	17,600	19,100	19,000	19,900	22,800
2”	28,150	30,500	30,300	31,900	36,400
3”	61,600	66,850	66,400	69,800	79,700
4”	105,600	114,600	113,700	119,700	136,700
6”	220,000	238,700	237,000	249,300	284,800
8” and Larger	Special Calculations				

<sup>1</sup> Effective March 1, 2021.

Source: The City

Wastewater Plant Investment Fee revenues have been as follows:

**TABLE VII**  
**Wastewater Plant Investment Fee Revenues**

<b>Year</b>	<b>Connection Fee Revenue</b>
2016	\$2,246,610
2017	1,235,048
2018	3,095,450
2019	2,243,300
2020	979,155
2021 <sup>1</sup>	2,202,104

<sup>1</sup> Unaudited figures as of September 30, 2021.  
Source: The City

***Sewer Service Charges.*** Service Charges for single-family and multifamily users of the System are assessed based upon the user's average monthly water consumption computed from meter readings taken during the winter period. Service charges for commercial users are assessed based upon the user's total water consumption each month while charges for industrial users are based upon the user's monthly metered sewer flow. The current Sewer volume charge for a single family user is \$2.87 per 1,000 gallons of water consumed by the user. In its most recent study of average monthly sewer bills at the single-family residential rate across 28 Front Range municipalities, the average residential System sewer customer's bill was in the lowest third of the comparison sewer providers (assuming 3,900 gallons per month).

The rates charged by the City to Sewer customers, based upon the type of user, are as follows:

**TABLE VIII**  
**Sewer Fund Monthly Service and Volume Charges <sup>1</sup>**

	2017	2018	2019	2020	2021 <sup>2</sup>
<b>Inside City Limits</b>					
Monthly Charge	\$11.55	\$11.55	\$11.55	\$11.55	\$12.05
<i>Residential</i>					
Single family	1.89	1.95	2.07	2.47	2.87
Multi-family	2.22	2.29	2.46	2.6	2.89
<i>Commercial</i>					
Class I	2.21	2.28	2.43	2.6	2.91
Class II	3.03	3.12	3.29	3.53	3.94
Class III	3.87	3.99	4.14	4.46	4.99
Class IV	4.69	4.83	4.93	5.39	6.05
Class V	5.41	5.57	5.67	6.28	7.13
<b>Industrial</b>					
Monthly Charge	\$11.55	\$11.55	\$11.55	\$11.55	\$12.05
SIC 2013	14.13	14.13	14.27	19.26	19.46
SIC 2026	13.27	14.16	16.92	28.85	28.85
SIC 2034	2.7	3	3.35	4.75	5.57
SIC 2047	N/A	N/A	N/A	N/A	12.47
SIC 2873	N/A	N/A	N/A	N/A	24.03
SIC 3111	Special Calculations			N/A	N/A
SIC 4212	N/A	N/A	N/A	N/A	3.53
SIC 5169	N/A	N/A	N/A	N/A	3.75
SIC 7218	3.55	4	4.48	7.23	7.23
SIC 7542	N/A	N/A	N/A	N/A	5.56
<b>Outside City Limits</b>					
Monthly Charge	N/A	\$14.44	\$14.44	\$14.44	\$15.05
<i>Residential</i>					
Single family	N/A	2.23	2.61	3.82	4.25
Multi-family	N/A	2.94	3.1	3.87	4.21
<i>Commercial</i>					
Class I	N/A	2.93	3.07	3.87	4.3
Class II	N/A	3.86	4.16	4.49	4.96
Class III	N/A	4.77	5.22	5.62	6.3
Class IV	N/A	6.04	5.98	6.52	7.3
Class V	N/A	6.96	6.75	7.36	8.28

<sup>1</sup> Total monthly bill includes monthly charge plus a volume charge per 1,000 gallons of water discharged into the System.

<sup>2</sup> Effective January 1, 2021.

Source: The City

## FINANCIAL INFORMATION CONCERNING THE SYSTEM

### Operating History

The following table sets forth the operating history of the Sewer Fund for the years indicated.

**TABLE IX**  
**Sewer Fund Comparative Statement of Revenues, Expenses and Changes in Net Assets**  
**Years Ended December 31**

	2016	2017	2018	2019	2020
<b>OPERATING REVENUES</b>					
Charges for services	\$ 9,231,713	\$ 9,393,440	\$ 9,871,970	\$ 10,266,826	\$ 10,921,426
Intergovernmental	1,028	--		--	132,273
Licenses and fees	33,853	65,962	129,657	36,866	16,311
Miscellaneous	<u>5,625</u>	<u>9,277</u>	<u>9,938</u>	<u>91,186</u>	<u>14,671</u>
Total Operating Revenues	<u>9,272,219</u>	<u>9,468,679</u>	<u>10,011,565</u>	<u>10,394,878</u>	<u>11,084,681</u>
<b>OPERATING EXPENSES</b>					
Personnel services	3,042,384	3,103,820	3,334,046	3,395,296	3,675,753
Supplies	502,149	569,830	641,385	695,727	580,755
Purchased services	1,141,654	954,662	1,204,676	1,304,702	895,343
Insurance and bonds	152,707	172,090	189,234	206,808	207,300
Utilities	560,634	603,646	633,470	1,063,453	616,048
Repairs and Maintenance	229,560	303,638	299,229	401,891	487,219
Rentals	32,439	24,443	23,296	25,454	21,854
Depreciation	3,017,081	3,056,136	3,456,690	4,057,720	4,075,917
Other expenses	<u>41,092</u>	<u>7,392</u>	<u>1,688</u>	<u>29,523</u>	<u>41,143</u>
Total Operating Expenses	<u>8,719,700</u>	<u>8,795,657</u>	<u>9,783,714</u>	<u>11,994,022</u>	<u>10,601,332</u>
Operating Income (loss)	552,519	673,022	227,851	(1,599,144)	483,349
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Plant investment fees	2,246,610	1,235,048	3,095,450	2,243,300	979,155
Interest and Investment Earnings	142,787	129,790	277,424	765,857	532,153
Rents	5,850	2,464	4,350	2,400	10,000
Oil and gas royalties	336,111	471,507	305,059	411,383	148,446
Damages recovered	--	34,137	2,284	980	--
Miscellaneous	(54,283)	(101,813)	(232,150)	(120,509)	(143,718)
Interest expense	(167,399)	(144,473)	(191,869)	(596,958)	(547,531)
Gain (loss) Disposal Capital Assets	<u>(48,090)</u>	<u>(19,854)</u>	<u>(198,998)</u>	<u>(77,321)</u>	<u>(73,750)</u>
Total Non-Operating Revenues (Expenses)	<u>2,461,586</u>	<u>1,606,806</u>	<u>3,061,550</u>	<u>2,629,132</u>	<u>904,755</u>
Income before Capital Contributions and Transfers	3,014,105	2,279,828	193,951	(1,213,312)	408,949
Capital contributions – development fees	1,617,300	564,080	3,095,450	2,243,300	979,155
Capital contributions - other			1,140,110	547,400	691,920
Transfers Out	<u>(601,546)</u>	<u>(680,919)</u>	<u>(799,590)</u>	<u>(767,518)</u>	<u>(1,071,451)</u>
Change in net position	4,029,859	2,162,989	3,629,921	809,870	1,008,573
NET ASSETS—January 1	<u>90,940,321</u>	<u>94,970,180</u>	<u>97,133,169</u>	<u>100,763,090</u>	<u>101,572,963</u>
NET ASSETS—December 31	<u>\$94,970,180</u>	<u>\$97,133,169</u>	<u>\$100,763,090</u>	<u>\$101,572,960</u>	<u>\$102,581,536</u>

Source: The City's audited financial statements for fiscal years ended 2016 through 2020.

**TABLE X**  
**Sewer Fund Schedule of Revenues, Expenditures and Changes in Funds Available**  
**Actual, Non-GAAP Budgetary Basis Years Ended December 31**

	2016	2017	2018	2019	2020
<b>OPERATING REVENUES</b>					
Charges for services	\$ 9,231,713	\$ 9,393,440	\$ 9,871,970	\$ 10,266,826	\$ 10,921,426
Intergovernmental	1,028	--	--	--	132,273
Licenses and fees	33,853	65,962	129,657	36,866	16,311
Expense reimbursement	--	--	--	91,186	14,671
Miscellaneous	5,625	9,277	9,938	--	--
Total Operating Revenues	<u>9,272,219</u>	<u>9,468,679</u>	<u>10,011,565</u>	<u>10,394,878</u>	<u>11,084,681</u>
<b>OPERATING EXPENSES</b>					
Personnel services	3,042,384	3,103,820	3,334,046	3,395,296	3,675,753
Supplies	502,149	569,830	641,385	695,727	580,755
Purchased services	1,141,654	954,662	1,204,676	1,304,702	895,343
Insurance and bonds	152,707	172,090	189,234	206,808	207,300
Utilities	560,634	603,646	633,470	1,876,901	616,048
Repairs and Maintenance	229,560	303,638	299,229	401,891	487,219
Rentals	32,439	24,443	23,296	25,454	21,854
Depreciation <sup>2</sup>	3,017,081	--	--	--	--
Other expenses	41,092	7,392	1,688	29,523	41,143
Total Operating Expenses	<u>8,719,700</u>	<u>5,739,521</u>	<u>6,327,024</u>	<u>7,936,302</u>	<u>6,525,415</u>
Operating Income (loss)	<u>552,519</u>	<u>3,729,158</u>	<u>3,684,541</u>	<u>2,458,576</u>	<u>4,559,266</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Plant investment fees	2,246,610	1,235,048	3,095,450	2,243,300	979,155
Interest and Investment Earnings	142,787	129,790	277,424	765,857	532,153
Rents	5,850	2,464	4,350	2,400	10,000
Oil and gas royalties	336,111	471,507	305,059	411,383	148,446
Damages recovered	--	34,137	2,284	980	--
Miscellaneous	(54,283)	(101,813)	(232,150)	(120,509)	(143,718)
Interest Expense	(167,399)	(144,473)	(191,869)	(596,958)	(547,531)
Principal Retirement	(330,000)	(365,000)	(370,000)	(835,000)	(735,000)
Capital Outlay	(2,635,945)	(10,444,348)	(4,890,330)	(6,600,249)	(6,277,483)
Loss on sale of capital assets	(48,090)	(19,854)	(198,998)	(77,321)	(73,750)
Total Non-Operating Revenues (Expenses)	<u>(504,359)</u>	<u>(9,202,542)</u>	<u>(2,198,780)</u>	<u>(4,806,117)</u>	<u>(6,107,728)</u>
Income (loss) before transfers and capital contributions	<u>48,160</u>	<u>(5,473,384)</u>	<u>1,485,761</u>	<u>(2,347,541)</u>	<u>(1,548,462)</u>
Capital contributions	1,617,300	564,080	1,140,110	547,400	691,920
<b>TRANSFERS OUT</b>					
General fund	(519,393)	(435,766)	(629,437)	(671,165)	(885,198)
Public Art fund	--	(163,000)	(28,000)	(14,200)	(44,100)
Water fund	(82,153)	(82,153)	(82,153)	(82,153)	(82,153)
Liability Fund	--	--	(60,000)	--	(60,000)
Total transfers out	<u>(601,546)</u>	<u>(680,919)</u>	<u>(799,590)</u>	<u>(767,518)</u>	<u>(1,071,451)</u>
Net income (loss) on a budgetary basis	1,063,914	(5,590,223)	1,826,281	(2,567,659)	(1,927,993)
<b>Reconciliation to a GAAP Basis:</b>					
Principal retirement	330,000	365,000	370,000	835,000	735,000
Depreciation	--	(3,056,136)	(3,456,690)	(4,057,720)	(4,075,917)
Capital outlay	<u>2,635,945</u>	<u>10,444,348</u>	<u>4,890,330</u>	<u>6,600,249</u>	<u>6,277,483</u>
Change in net position	4,029,859	2,162,989	3,629,921	809,870	1,008,573
Net position - January 1	90,940,321	94,970,180	97,133,169	100,763,090	101,572,963
Net position - December 31	<u>\$94,970,180</u>	<u>\$97,133,169</u>	<u>\$100,763,090</u>	<u>\$101,572,960</u>	<u>\$102,581,536</u>

<sup>1</sup> Unaudited as of \_\_\_\_\_, 2021.

<sup>2</sup> Due to a change in accounting practices, subsequent to 2016, depreciation is no longer included in expenses.

Source: The City's audited financial statements for fiscal years ended 2016 through 2020, and the City.



## **Management's Discussion and Analysis of Trends in Operations of the Sewer Fund**

Operating revenues of the System increased 19% from 2016 to 2020 while Sewer System operating expenses (other than depreciation) increased 14%. The number of System employees decreased by two from 2016 to 2021, but the funding for those positions was simply shifted to the Water System. No additional positions are being added in 2022. Securing and retaining quality employees has proven to be challenging in the competitive job market for water and sewer professionals.

Development in the City has varied with the economic conditions. The number of new housing units has varied from a low of 42 in 2011 to a high of 948 in 2019. The mix of new housing units has been approximately 40% single family and 60% multi-family from 2012 to 2020, which reflects a common shift towards multi-family in the bigger metropolitan areas in Colorado. The City has approved multiple metropolitan districts to fund public improvements in developing areas which are expected to contribute to the pace of development in upcoming years.

The City has historically budgeted the accumulation of working capital reserves within the Sewer Fund. Reserves are accumulated from a variety of sources including: Plant Investment Fee revenues; and that portion of the City's rates and charges which are imposed to offset depreciation. The City reported working capital reserves within the Sewer Fund of \$22,117,781 as of December 31, 2020 and \$24,354,590 as of December 31, 2019.

### **THE CITY**

#### **General**

The City was incorporated as a municipal corporation in 1886 and adopted its home rule charter in 1958. The City is located in central Weld County approximately 52 miles north of the Denver metropolitan area. The City encompasses approximately [47.3] square miles, has a 2021 year-end projected population of 111,146 according to the City's 2021 Mid-Year Growth and Development Projection Report, and is the county seat of Weld County. See "APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION."

#### **Governing Body**

Under its Charter, the City has a Council-Manager form of government. Pursuant to the Charter, and the Colorado Constitution, the City has all powers of local self-government. The governing body of the City is the six-member City Council (the "Council") and the Mayor. The Council has all legislative powers and all other powers of the City not otherwise conferred by the Charter. Four Council members are elected by ward and two are elected at large. The Council members serve four-year overlapping terms of office and are limited to a maximum of two consecutive terms. The Mayor serves a two-year term and is limited to a maximum of four consecutive two-year terms.

The Council meets on the first and third Tuesdays of the month, with the Mayor participating as a voting member and as the presiding officer. A Mayor Pro Tem is appointed from the Council membership to serve in the event of absence or disability of the Mayor. As compensation for their services, the Council members receive salaries of \$1,050 per month, and the Mayor receives \$1,500 per month. The present Council and their principal occupations and terms of office are as follows:

<b>City Council Member</b>	<b>Present Term Expires (November) <sup>1</sup></b>	<b>Principal Occupation</b>
John Gates, Mayor	2021	Weld County School District 6 Security Director
Dale Hall, Ward IV, Mayor Pro Tem	2023	Owner Property Management Company
Tommy Butler, Ward I	2023	[REDACTED]
Deb Deboutez, Ward II	2025	Retired
Johnny Olson, Ward III	2025	Engineer
Brett Payton, At Large	2025	Attorney
Ed Clark, At Large	2023	University Schools Security Director

The Council effects its decisions through the passage of ordinances, resolutions and motions. All legislative acts of a permanent nature must be in the form of ordinances. Certain acts of the Council also are required by the Charter to be in the form of ordinances, including, among others, those acts making appropriations, authorizing the borrowing of money, levying taxes or establishing a rule or regulation for the violation of which a penalty is imposed. All other actions, except as provided in the Charter, may be in the form of resolutions or motions.

Except as otherwise provided in the Charter, all ordinances must pass two readings by the affirmative vote of the majority of the Council members in office at that time. Adoption of emergency ordinances requires approval by the affirmative vote of two-thirds of the entire Council. An emergency ordinance may be in effect for no more than 90 days after its passage. The Council also may submit any proposed ordinance to a vote of the people. Unless otherwise prescribed in the ordinance, all ordinances shall take effect five days after final publication.

The Charter reserves to the City's electors the right to propose ordinances to the Council by means of an initiative procedure and to subject certain ordinances to reconsideration by the Council and a referendum vote; appropriations and tax levy authorizations are excluded from both the initiative and the referendum.

### **Administration and Management**

The council-manager form of government vests responsibility for day-to-day City operations in the City Manager and the City's staff. The City Manager is appointed by the Council and serves for an indefinite term at the pleasure of the Council. The staff functions through the City's various departments which are under the direction of the City Manager.

The administrative and management personnel of the City most directly involved in the issuance of the Series 2022 Bonds are the Acting City Manager, the Finance Director and the City Attorney. These individuals' duties in City government and their relevant experience are summarized below.

**City Manager.** The City Manager is the chief administrative officer of the City. He is responsible to the Council for proper administration of all City affairs placed in his charge by the Charter or by law, including the direction and supervision of all administrative departments of the City (with the exception of those under the direction of the City Attorney and the municipal court). The City Manager is also required to annually prepare and administer the City budget and to perform such other duties as requested by the Council.

The City is currently engaged in a national search for its next City Manager after the retirement of former City Manager, Roy Otto. The Council has appointed Raymond C. Lee III to Acting City Manager. Mr. Lee joined the City in January of 2021 as Deputy City Manager prior to his appointment as Acting City Manager. Mr. Lee has expansive experience in municipal government, having previously worked in leadership roles in the Public Works department for the City of Amarillo and the Street Services department for the City of Dallas. Mr. Lee has also previously worked in other departments for the City of Dallas, including library services, city secretary's office, human resources and risk management. Mr. Lee received his Bachelor's and Master's degrees in Public Administration from Henderson State University and the University of Kansas, respectively.

***Finance Director.*** This position acts under the direction of the City Manager in the administration and management of the financial affairs of the City. The responsibilities include, among others, oversight of the day-to-day financial activity, the preparation of annual financial statements and the annual budget.

Mr. Karner is Finance Director for the City, where he oversees the fiscal management and financial operations for the City. Mr. Karner holds a Bachelor of Arts degree in Economics and Political Science from Lake Forest College and a Master of Public Policy from the University of Chicago's Harris School of Public Policy. Mr. Karner has broad experience across government and the private sector. As a consultant, Mr. Karner led the strategy and execution planning for the National Western campus's operations post construction. Mr. Karner served as Director of Strategic Initiatives at Denver International Airport ("DIA") where he led the execution of a newly created public-private innovation partnership between DIA and a global private airport operator. Mr. Karner also worked for the City and County of Denver's Department of Finance focusing on public financing and economic development projects that supported smart, sustainable economic growth across Denver. Before his relocation to Colorado, Mr. Karner served as senior advisor to the Chief Financial Officers' Council in Washington D.C where he worked with the Executive Office of the President, Office of Budget and Management to help manage execution of the President's Management Agenda and support the development of sound financial management policy for the U.S. government.

***City Attorney.*** The City Attorney is the chief legal officer of the City. The City Attorney is responsible for all the legal affairs of the City, except some limited legal matters for the Water and Sewer Department for which that department retains special legal counsel.

Douglas Marek was appointed City Attorney in December of 2012. He served as City Attorney for Ames, Iowa from 2006 until his appointment as City Attorney of the City. Mr. Marek earned his Bachelor of Arts degree from Colorado College in Colorado Springs, Colorado. He then went on to earn his Juris Doctorate from Drake University Law School in Des Moines, Iowa. Prior professional positions include Deputy Iowa Attorney General and First Assistant Story County Iowa Attorney.

## **City Employees**

For 2022, the City has budgeted a total of 1,011.75 full-time regular equivalents who are eligible for benefits. City employees are granted vacation and sick leave, or paid time off in varying amounts. The Charter expressly grants collective bargaining rights to the City's police officers and firefighters; none of the City's other employees have collective bargaining rights. The City believes its relationship with its employees is satisfactory.

## **COVID-19**

The spread of the coronavirus disease 2019 ("COVID-19") is currently altering the behavior of individuals and businesses in a manner that is having significant negative effects on global, national, and

local economies and could result in some municipal operations and revenues being vulnerable to the potential economic effects of the pandemic. The City, along with federal, state and local governments, has taken significant steps to address the impacts of COVID-19. Such steps include various announced orders, recommendations and other measures intended to slow the spread of COVID-19, including the closing of businesses (or, in connection with social distancing, requiring the implementation of restrictive measures with respect to the provision of goods and services) as well as “shelter in place” orders. With respect to its operations in general, the City is following national, State and local guidance and recommendations for protecting public health including, but not limited to separating employees and working from home when possible.

## **Pension Plans and Other Post-Employment Benefits**

The City provides five pension plans for eligible employees, including the City of Greeley Money Purchase Plan (a defined contribution plan), the Greeley Police Department Personal Defined Contribution Pension Plan, the Fire New-Hire Plan (a cost-sharing multiple-employer statewide defined benefit plan administered by the Colorado Fire and Police Pension Association (FPPA)), the Police Old-Hire Pension Plan (an affiliated local plan of the Public Employee Retirement System, an agent multiple-employer defined benefit pension plan administered by the FPPA), and the Fire Old-Hire Pension Plan (an affiliated local plan of the Public Employee Retirement System, an agent multiple-employer defined benefit pension plan administered by the FPPA). A description of the City’s pension plan obligations is included in Note 15 to the City’s 2020 audited financial statements in APPENDIX C hereto.

## **City Insurance Coverage**

The City’s insurance program includes a combination of self-insurance and commercial insurance coverage. The City presently has a \$451,983,914 blanket insurance policy with Liberty Mutual Insurance Company covering all of its structures and their contents, with a \$50,000 deductible per occurrence. The City is partially self-insuring general liability and automobile liability and public officials’ liability insurance programs. In addition, the City has a \$5,000,000 excess policy underwritten by Genesis Insurance with a \$500,000 SIR (self-insured retention). The City also carries certain stop loss policies for its employee self-insured health plan and excess workers compensation coverage.

The City budgeted \$16,852,170 for health premiums, \$667,840 for dental premiums, and \$165,500 for a total deposit to its Health Fund of \$17,685,510 for 2022. The Health Fund accounts for allowable medical claims of City employees and their covered dependents. Self-insurance is in effect for claims up to \$225,000 per employee per year. Claims greater than \$225,000 per employee per year, and those in excess of \$14,836,316 (for 2022) aggregate stop loss coverage, are insured by private insurance companies. The fund balance in the Health Fund as of December 31, 2020 was \$5,994,586.

The City budgeted \$2,431,956 for deposit to its Liability Fund for 2022, which fund accounts for the costs associated with providing a self-insurance fund for liability claims against the City. The Liability Fund had a balance of \$1,648,661 as of December 31, 2020.

The City has budgeted \$1,064,804 for deposit in its Workers Compensation Fund in 2022, which fund accounts for the financing of costs associated with self-insuring the City’s workers compensation expenses. The Workers Compensation Fund had a fund balance of \$5,698,416 as of December 31, 2020.

For additional information concerning the City’s risk management and self-insurance programs, see Note 10 to the City’s financial statements in APPENDIX C hereto.

## **Current Financial Obligations**

The City's financial obligations are summarized in detail in Notes 8 and 9 to the audited financial statements attached as APPENDIX C to this Official Statement. With the exception of lease-purchase obligations subject to annual appropriation, enterprise revenue bonds and refunding obligations issued at a lower interest rate, the issuance of multi-year financial obligations by the City generally requires voter approval as described under the caption "CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING."

## **City Services**

The City is a full-service city, providing water and sewer service, storm drainage, police protection, fire protection, a municipal court system, street and road maintenance, cultural facilities and parks and recreation facilities throughout the City. Other facilities and services such as public transit, public schools, hospital, telephone, and power utilities are available to City residents through third-party providers.

### **CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING**

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, constituting Section 20 of Article X of the Colorado Constitution ("TABOR") limiting the ability of the State and local governments such as the City to increase revenues, debt and spending and restricting property, income and other taxes. Generally, TABOR limits the percentage increases in spending and tax revenues to the prior year's amounts, adjusted for inflation, local growth and voter approved changes, requires the maintenance of certain reserves, and prohibits the imposition of new real estate transfer taxes. In addition, TABOR requires that the State and local governments obtain voter approval for certain tax or tax rate increases or to keep or spend revenues received in excess of TABOR limits, and to create any "multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years," except for refinancing debt at a lower interest rate or adding new employees to existing pension plans.

In 1999, the City's electorate voted to exempt the City from the TABOR revenue and spending limits. However, the City remains subject to TABOR's restrictions on new and increased taxes, mill levy increases and creation of financial obligations.

Many of the provisions of TABOR are ambiguous and TABOR is expected to require continued judicial interpretation. The application of TABOR, particularly during periods of reduced or negative growth, may adversely affect the financial condition and operations of the City and other State local governments to an extent which cannot be predicted.

TABOR excepts from its restrictions the borrowings and fiscal operations of "enterprises," which term is defined to include government owned businesses authorized to issue their own revenue bonds and receiving under 10% of their revenues in grants from all State and local governments combined. In a 1995 decision, the Colorado Supreme Court held that a governmental entity with taxing power was not itself an "enterprise." The Enterprise has no taxing power and receives no material portion of its revenues from governmental sources, and the Series 2022 Bonds are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation. The City therefore treats the Enterprise as an "enterprise" within the meaning of TABOR. See "THE ENTERPRISE."

## **RATING**

S&P Global Ratings (“S&P”) has assigned a rating of “[ ]” to the Series 2022 Bonds. Such rating reflects only the view of the rating agency, and does not constitute a recommendation to buy, sell or hold securities. An explanation of the significance of such rating may be obtained from the rating agency.

The rating is subject to revision or withdrawal at any time by the rating agency and there is no assurance that the rating will continue for any period of time or that it will not be revised or withdrawn. The Underwriter has undertaken no responsibility either to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Series 2022 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Series 2022 Bonds.

## **LITIGATION**

There is no litigation now pending or, to the knowledge of the City officials responsible for the issuance of the Series 2022 Bonds, threatened which questions the validity of the Series 2022 Bonds or of any proceedings of the City taken with respect to issuance or sale thereof. [confirm]

## **TAX MATTERS**

### **General**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinions described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be met subsequent to the issuance of the Series 2022 Bonds. Failure to comply with such requirements could cause interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022 Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2022 Bonds.

The accrual or receipt of interest on the Series 2022 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2022 Bonds. The extent of these other tax consequences will depend on such owners’ particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2022 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2022 Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel has expressed no opinion regarding other

tax consequences arising with respect to the Series 2022 Bonds under the laws of Colorado or any other state or jurisdiction.

### **Original Issue Premium**

The Series 2022 Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

### **Backup Withholding**

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2022 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on any Owner of the Series 2022 Bonds who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2022 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

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

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

**PROSPECTIVE PURCHASERS OF THE SERIES 2022 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2022**

**BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2022 BONDS.**

**FINANCIAL ADVISOR**

Hilltop Securities Inc. (the “Financial Advisor”) is employed as financial advisor to the City to render certain professional services including advising the City concerning the structuring and competitive sale of the Series 2022 Bonds and assisting in the preparation of this Official Statement. In its role as financial advisor to the City, the Financial Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement and the appendices hereto and is not permitted to underwrite the Series 2022 Bonds.

**UNDERWRITING**

[ ] (the “Underwriter”) has agreed to purchase the Series 2022 Bonds from the City at competitive sale, for an aggregate purchase price of \$ (consisting of the aggregate principal amount of the Series 2022 Bonds of \$ plus premium in the amount of \$ less an underwriting discount of \$ ). The Underwriter is committed to take and pay for all of the Series 2022 Bonds if any are taken.

**LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the Series 2022 Bonds are subject to approval by Kutak Rock LLP, Bond Counsel, whose opinion is expected to be delivered in substantially the form set forth in APPENDIX A hereto. In addition to acting as Bond Counsel, Kutak Rock LLP has also been retained to advise the City concerning, and has assisted in, the preparation of this Official Statement. Certain legal matters will be passed upon for the City by Douglas Marek, Esq., City Attorney.

**FINANCIAL STATEMENTS**

The basic financial statements of the City for the fiscal year ended December 31, 2020, which are included here as APPENDIX C, have been audited by independent auditors, BDO USA, LLP, Certified Public Accountants, Greeley, Colorado, as stated in their report appearing therein. BDO USA, LLP has not been engaged to perform, and has not performed, since the date of their report included therein, any procedures on the financial statements addressed in that report. BDO USA, LLP has also not performed any procedures relating to this Official Statement.

**MISCELLANEOUS**

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

The execution and delivery of this Official Statement have been duly authorized by the City Council.

CITY OF GREELEY, COLORADO

By /s/ \_\_\_\_\_  
Mayor



## APPENDIX A

### FORM OF OPINION OF BOND COUNSEL

February \_\_, 2022

City of Greeley  
1000 10<sup>th</sup> Street  
Greeley, CO 80631

[Underwriter]

\$ \_\_\_\_\_<sup>\*</sup>  
**City of Greeley, Colorado**  
**acting by and through its**  
**Sanitary Water Enterprise**  
**First-Lien Sewer Improvement Revenue Bonds**  
**Series 2022**

We have been engaged by the City of Greeley, Colorado (the “City”) to act as bond counsel in connection with the issuance of the above bonds (the “Series 2022 Bonds”). The Series 2022 Bonds are being issued by the City, acting by and through its Sanitary Water Enterprise (the “Enterprise”), pursuant to Ordinance No. 10, 2015 and Ordinance No. \_\_\_\_ (collectively, the “Bond Ordinance”), as supplemented by a Final Terms Certificate dated February \_\_, 2022 (the “Final Terms Certificate”). The Bond Ordinance, as supplemented by the Final Terms Certificate, is referred to herein as the “Ordinance.” Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Ordinance.

In our capacity as bond counsel, we have examined the Constitution and the laws of the State of Colorado (the “State”), the home rule charter (the “Charter”) of the City, and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraph 2 below; the transcript of the proceedings relating to the issuance of the Series 2022 Bonds; the Ordinance, and such other certificates, documents, opinions and papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certifications in the transcript of proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon and in reliance on the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The Series 2022 Bonds have been duly authorized, executed and delivered by the City under the laws of the State of Colorado now in force and are valid and binding special and limited obligations of the City, acting by and through the Enterprise, payable on the terms, and subject to the conditions, stated in the Ordinance, and enforceable according to their terms except to the extent such enforcement is limited by the bankruptcy laws of the United States of America, by the reasonable exercise of the sovereign police power of the State of Colorado, and by the exercise of the powers delegated to the United States of America by the federal constitution.

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<sup>\*</sup> Preliminary; subject to change.

2. Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax.

3. Under Colorado statutes existing on the date hereof, to the extent interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes, interest on the Series 2022 Bonds is excludable from gross income for State of Colorado income tax purposes and from the calculation of Colorado alternative minimum tax.

The opinions expressed in numbered paragraphs (2) and (3) assume the accuracy of the City's representations and compliance by the City of the covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2022 Bonds. The City has covenanted in the Bond Ordinance and the tax compliance certificate issued in connection with the issuance of the Series 2022 Bonds to comply with all such requirements. The failure to comply with certain of such requirements may cause interest on the Series 2022 Bonds to be included in gross income for federal and state income tax purposes retroactive to the date of issuance of the Series 2022 Bonds. We express no opinion regarding other federal or state tax consequences arising with respect to the Series 2022 Bonds.

We express no opinion herein with respect to the accuracy, completeness or sufficiency of any documents prepared or used or statements made in connection with the offering or sale of the Series 2022 Bonds.

This opinion is delivered based and in reliance upon our examination of the laws, documents and other items specifically described in the second paragraph hereof on the date hereof and we have no obligation to supplement or update this opinion based on or with respect to changes in such laws, documents or other items or with respect to any other event that occurs after the date hereof. The opinions expressed in this letter are given as of the date hereof, and we assume no obligation to update, revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

## **APPENDIX B**

### **SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE AND THE SERIES ORDINANCE**

[Kutak to insert]

**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS OF THE CITY  
AS OF DECEMBER 31, 2020**

## APPENDIX D

### ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in the City of Greeley (the “City”) and surrounding Weld County (the “County”). It is intended only to provide prospective investors with general information regarding the City’s community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

#### Population

The following table sets forth population statistics for the City, the County and the State of Colorado (the “State”).

Population						
Year	City of Greeley	Percent Change	Weld County	Percent Change	Colorado	Percent Change
1980	53,006	--	123,438	--	2,889,964	--
1990	60,536	14.21%	131,821	6.79%	3,294,394	13.99%
2000	76,930	27.08	180,936	37.26	4,301,261	30.56
2010	92,889	20.74	252,825	39.73	5,029,196	16.92
2020	108,795	17.12	328,981	30.12	5,773,714	14.80

Sources: U.S. Department of Commerce, Bureau of the Census, Population and Housing Unit Counts, 2020 Census; and Colorado Department of Local Affairs, State Demography Office

#### Housing Stock

The following table sets forth a comparison of housing units within the City and the County.

Housing Units			
	2000	2010	2020
City of Greeley	28,972	36,323	40,556
Weld County	66,194	96,281	119,962

Source: U.S. Department of Commerce, Bureau of the Census, Population and Housing Unit Counts, 2020 Census; and Colorado Department of Local Affairs, State Demography Office

## Income

The following tables set forth historical median household effective buying income (“EBI”), the percentage of households by classification of EBI and per capita personal income for the County, the State and the United States.

### Median Household Effective Buying Income <sup>1</sup>

	2016	2017	2018	2019	2020
Weld County	\$52,579	\$56,125	\$62,329	\$57,819	\$60,064
State of Colorado	52,345	54,718	57,732	59,227	62,340
United States	46,738	48,043	50,620	52,468	54,686

<sup>1</sup> Calculated as of January 1.

Source: The Nielsen Company, *Site Reports*, 2016-2017; Environics Analytics, *Spotlight Claritas Reports*, 2018-2020

### Percent of Households by Effective Buying Income Groups—2020 <sup>1</sup>

	Less Than \$25,000	\$25,000 \$49,999	\$50,000 \$99,999	\$100,000- \$149,999	\$150,000 or more
Weld County	16.17%	24.49%	40.61%	12.52%	6.20%
State of Colorado	15.57	24.20	36.17	14.08	9.98
United States	20.24	25.61	34.10	11.57	8.47

<sup>1</sup> May not total 100% due to rounding. Calculated as of January 1, 2020.

Source: Environics Analytics, *Spotlight Claritas Reports*, 2020

### Per Capita Personal Income

	2015	2016	2017	2018	2019
Weld County	\$43,925	\$43,745	\$44,479	\$48,035	\$50,198
State of Colorado	52,254	52,475	55,604	58,896	61,157
United States	49,019	50,015	52,118	54,606	56,490

Source: United States Department of Commerce, Bureau of Economic Analysis

## Building Permit Activity

Set forth hereafter is a five-year history of building permit activity in the City and the County.

### Building Permit Activity in the City <sup>1</sup>

Year	Single Family		Multi Family		Commercial/Industrial	
	Permits	Value	Permits	Value	Permits	Value
2016	244	\$45,308,198	139	\$43,402,782	23	\$ 46,620,945
2017	111	27,142,816	72	42,009,358	26	136,394,237
2018	338	79,816,404	73	33,169,389	25	50,891,824
2019	170	42,927,644	47	90,911,971	52	49,477,556
2020	66	16,953,102	47	22,901,751	17	10,467,742
2021 <sup>2</sup>	21	6,777,213	57	23,066,451	3	1,215,478

<sup>1</sup> Includes all permits for additions, remodels, and miscellaneous as well as new construction.

<sup>2</sup> Permits filed through August 30, 2021. *[Update closer to posting]*

Source: City of Greeley, Building Inspection Division

### History of Building Activity in Unincorporated Weld County

Year	Total Permits	Total Valuation
2016	1,074	\$ 83,664,888
2017	1,135	118,065,225
2018	1,257	126,123,744
2019	1,226	225,096,382
2020	2,265	232,718,981
2021 <sup>1</sup>	1,694	222,916,093

<sup>1</sup> Permits issued through September 31, 2021. *[Update closer to posting]*

Source: Weld County Building Department

## Foreclosure Activity

Foreclosure actions are commenced when a default on a deed of trust has occurred, usually when buyers fail to make timely payments in accordance with a promissory note. Set forth below is a history of the number of foreclosure actions filed by the County Public Trustee's Office over the past five years.

### History of Foreclosures

Year	Number of Foreclosures Filed	Percent Change
2016	411	--
2017	362	(11.92)%
2018	375	3.59
2019	334	(10.93)
2020 <sup>1</sup>	116	(65.27)
2021 <sup>1, 2</sup>	45	--

<sup>1</sup> The decrease in the number of foreclosures filed in 2020 was the result of the State imposed restrictions in place regarding foreclosures. See "THE CITY—COVID-19."

<sup>2</sup> Foreclosures filed through November 3, 2021. *[Update closer to posting]*

Sources: Weld County Public Trustee's Office

## Retail Sales

The retail trade sector employs a large portion of the County's work force and is important to the area's economy. The following table sets forth retail sales figures for the City, the County and the State as reported by the State.

### Retail Sales (in thousands)

Year	Greeley	Percent Change	Weld County	City as a Percent of County	State of Colorado
2016	\$4,112,431	--	\$ 9,875,734	--	\$4,112,431
2017	4,099,125	(0.32)%	11,113,079	12.53%	4,099,125
2018	4,100,665	0.04	12,167,650	9.49	4,100,665
2019	5,067,548	23.58	13,251,205	8.91	5,067,548
2020	4,757,700	(6.11)	13,198,755	(0.40)	4,757,700
2021 <sup>1</sup>	3,151,372	--	9,027,249	--	167,119,299

<sup>1</sup> Retail sales through August 31, 2021. *[Update closer to posting]*

Source: State of Colorado, Department of Revenue, Sales Tax Statistics, 2016-2021



## Employment

The following tables set forth employment statistics by industry for the County and the most recent historical labor force estimates for the County and the State.

### Total Business Establishments and Employment—Weld County

Industry <sup>1</sup>	1 <sup>st</sup> Quarter 2020		1 <sup>st</sup> Quarter 2021		Quarterly Change	
	Units	Average Employment	Units	Average Employment	Units	Average Employment
Agriculture, Forestry, Fishing and Hunting	231	4,070	228	3,969	(3)	(101)
Mining	275	7,995	266	4,649	(9)	(3,346)
Utilities	31	431	33	461	2	30
Construction	1,117	12,132	1,174	10,242	57	(1,890)
Manufacturing	354	14,318	363	13,461	9	(857)
Wholesale Trade	524	4,440	519	4,225	(5)	(215)
Retail Trade	669	10,637	661	10,691	(8)	54
Transportation and Warehousing	410	3,897	427	3,416	17	(481)
Information	102	627	109	501	7	(126)
Finance and Insurance	363	2,841	389	2,836	26	(5)
Real Estate, Rental and Leasing	379	1,460	407	1,299	28	(161)
Professional and Technical Services	945	3,426	1,018	3,418	73	(8)
Management of Companies and Enterprises	103	1,979	109	1,858	6	(121)
Administrative and Waste Services	492	5,676	510	5,427	18	(249)
Educational Services	86	814	94	781	8	(33)
Health Care and Social Assistance	694	9,808	781	9,907	87	99
Arts, Entertainment and Recreation	96	729	103	747	7	18
Accommodation and Food Services	488	8,656	483	7,637	(5)	(1,019)
Other Services	606	2,793	595	2,630	(11)	(163)
Non-classifiable <sup>2</sup>	--	--	--	--	--	--
Government	153	16,604	154	15,785	1	(819)
Total	<u>8,120</u>	<u>113,335</u>	<u>8,425</u>	<u>103,946</u>	<u>305</u>	<u>(9,389)</u>

<sup>1</sup> Information provided herein reflects only those employers who are subject to State unemployment insurance law.

<sup>2</sup> Information suppressed due to confidentiality as set forth in State Law.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

### Labor Force Estimates

Year	Weld County		Colorado	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2016	149,828	3.4%	2,891,677	3.3%
2017	157,550	2.7	2,986,522	2.8
2018	165,053	2.9	3,080,661	3.2
2019	170,001	2.5	3,148,766	2.8
2020 <sup>1</sup>	166,666	7.0	3,122,237	7.3
2021 <sup>1, 2</sup>	168,148	6.5	3,181,227	6.2

<sup>1</sup> As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially since reported in April 2020. See “THE CITY—COVID-19.”

<sup>2</sup> Labor force averages estimated through August 31, 2018. *[Update closer to posting]*

Source: State of Colorado, Division of Employment and Training

The following table sets forth selected major employers in the County. No independent investigation has been made of and no representation is made herein as to the stability or financial condition of the listed entities, or the likelihood that they will maintain their status as major employers in the area.

### Selected Major Employers in Weld County <sup>1</sup>

<b>Firm</b>	<b>Product or Service</b>	<b>Estimated Number of Employees</b>
JBS Swift Beef Company	Meat Processing and Transportation	6,000
Banner Health (NCMC)	Regional Hospital	3,710
Vestas	Wind Turbine & Blade Manufacturer	2,890
Weld County School District RE-6	Education	2,860
Weld County	County Government	1,783
University of Northern Colorado	Higher Education	1,530
State Farm Insurance Companies	Insurance Operations	1,200
UC Health	Healthcare	1,030
Greeley (City of)	Municipal Government	905
Halliburton Energy Services Inc.	Oil and Gas Exploration	700

<sup>1</sup> Most recent information available.

Source: Weld County 2020 audited financial statements

### Education

Educational facilities are provided for students in the City primarily by Greeley School District 6 which operates 11 traditional elementary schools (K-5), five K-8 schools, four middle schools, one alternative middle school, three traditional high schools, two alternative high schools, one high school of innovation and five charter schools. For fiscal year 2020-2021, student enrollment for Greeley School District No. 6 was 21,883, and the Greeley School District employed approximately [1,609]. Weld County School District No. Re-2 (Eaton), No. Re-4 (Windsor), and No. Re-5J (Johnstown) are also partially located within the City's boundaries. In addition, several private schools have educational facilities in the City. Higher education facilities in the City include the University of Northern Colorado and Aims Community College. The following table sets forth enrollment information for Greeley School District No. 6, the primary school district serving the City.

<b>History of School Enrollment Greeley School District No. 6</b>		
<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2017/2018	22,325	1.71%
2018/2019	22,503	0.80
2019/2020	22,467	(0.16)
2020/2021	21,883	(2.60)
2021/2022		

Source: Colorado Department of Education

### Transportation

Major roadways serving Weld County and the Greeley area include U.S. (Bypass) Highways 85 and 34. Roads 257, 60, 52 and 14 provide access to outlying areas of Greeley. Burlington Northern Railroad and Union Pacific Railroad provide freight rail service through Weld County. General aviation

airports include the Greeley/Weld County Airport, the Erie Airport and the Fort Collins/Loveland Airport. Denver International Airport is located in unincorporated Adams County, approximately 58 miles from Greeley. Greeley-Evans transit provides fixed-route service in Greeley, Evans and Garden City, as well as origin-to-destination paratransit and after-hours service.

### **Agriculture**

Weld County is largely an agricultural county. This focus is reflected in the agricultural nature of many of the County's manufacturing and retail trade businesses. According to the Weld County Department of Planning Services, Weld County is Colorado's leading producer of beef cattle, grain, sugar beets and dairy, and is the top Colorado county for value of agricultural products sold.

### **Oil and Gas**

According to the 2021 Economic Forecast, Larimer and Weld counties comprise the diverse economies of the northern region. Larimer County's economy continues to perform above most regions in the state, supported by population growth, while Weld County's economic activity is driven largely by the oil and gas and agricultural industries. Colorado's energy industry faced significant headwinds in 2020 resulting from low oil prices and reduced global demand for oil and gas, which threatened both the private sector through industry income and the public sector through property, severance, and sales taxes. The price of oil and gas has been on the rise in recent months, as positive economic news has increased economic growth expectations in the medium term. After declining for most of 2020 and into 2021, oil and gas production in the region increased by 10% in March 2021 compared to the previous month, but remained significantly below pre-recession levels. The region's labor market has historically been one of the tightest in the State, but will likely remain subdued until oil and gas production recovers more fully.

Oil production in the northern region, particularly in Weld County, has dominated statewide production for over a decade. Oil and gas production has largely been in decline since the end of 2019, as a result of the collapse in demand for oil and gas and significant declines in prices. Year-to-date through March, oil production remains 28.9% below 2020 levels, and natural gas production remains 12.2% below 2020 levels. However, monthly production of both oil and gas in the northern region jumped by about 10% in March 2021, the most recent data available. After remaining around \$40 per barrel for much of the latter half of 2020, oil prices began rising in December and have been hovering around \$70 per barrel during June and July 2021. Prices are expected to remain around \$66 per barrel for the remainder of 2021, based on estimates from the U.S. Energy Information Administration. Increased demand for oil and gas in the near- and midterm, alongside rising prices, is expected to spur additional production.

Only a small portion of the oil and gas exploration and production activity in Weld County occurs within the City limits of the City. Because the City is the largest city in Weld County, rail and highway infrastructure in the City is used in the marketing and distribution of a significant part of the resources produced in the County and the economy of the City is impacted by oil and gas exploration and production activity in the County. However, because of its relatively diverse local economy, the City has historically experienced mostly secondary effects from fluctuations in oil and gas prices, with its economy and employment typically reflecting general economic conditions more than those occurring in any single industry.

No assurance is given that the present oil and gas prices and production levels of oil and gas properties in the region will continue.

## Utilities

Xcel Energy provides electricity to customers in the City and parts of Weld County; United Power, Inc. provides electricity to southern Weld County, and western and northern Weld County customers are provided electricity by Poudre Rural Electric Association, Inc. Natural gas is provided to Weld County customers and City customers by both Atmos Energy and Xcel Energy. Qwest Communications International Inc. is the major provider of local telephone service to County and City customers. **[Please confirm]**

## APPENDIX E

### PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Undertaking (the “Continuing Disclosure Undertaking” or the “Undertaking”) is executed and delivered by the City of Greeley, Colorado, acting by and through its Stormwater Enterprise (the “City”), in connection with the issuance by the City of \$\_\_\_\_\_ \* aggregate principal amount of First-Lien Stormwater System Improvement Revenue Bonds, Series 2022 (the “Series 2022 Bonds”). The Series 2022 Bonds are being issued under City Ordinances No. 10, 2015 and No. \_\_\_\_\_ (collectively, the “Ordinance”) adopted by the City Council (the “Council”), supplemented, as to certain details of the Series 2022 Bonds, by a Final Terms Certificate executed by the City’s Director of Finance (the “Final Terms Certificate” and, collectively with the Ordinances, the “Bond Ordinance”). The City covenants and agrees as follows:

**Section 1. Purpose of this Undertaking.** This Undertaking is being executed and delivered by the City for the benefit of the owners, both registered and beneficial, of the Series 2022 Bonds, in consideration of the purchase of the Series 2022 Bonds by the original purchasers thereof.

**Section 2. Definitions.** Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Bond Ordinance. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“*Audited Financial Statements*” means the audited consolidated financial statements of the City, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means, initially the City, or any successor agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Material Event*” means the occurrence of any of the events with respect to the Series 2022 Bonds set forth in Exhibit II.

“*Material Events Disclosure*” means dissemination of a notice of a Material Event as set forth in Section 6.

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\* Preliminary; subject to change.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2022 Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org) (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Colorado.

**Section 3. Final Official Statement.** The final Official Statement (the “Final Official Statement”) relating to the Series 2022 Bonds is dated February \_\_, 2022.

**Section 4. Annual Financial Information Disclosure.** Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the City’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 270 days of the completion date of the City’s fiscal year.

The City is required to deliver such information in Prescribed Form and by such time so that the MSRB receives the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

**Section 5. Material Events Disclosure.** Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2022 Bonds or defeasance of any Series 2022 Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2022 Bonds pursuant to the Bond Ordinance.

**Section 6. Duty to Update EMMA/MSRB.** The City shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB’s e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

**Section 7. Consequences of Failure of the City to Provide Information.** The City shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB

in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the owner of any Series 2022 Bond may seek specific performance by court order to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Bond Ordinance or any other agreement, and the sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

**Section 8. Amendments; Waiver.** Notwithstanding any other provision of this Undertaking, the City may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) This Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the owners of the Series 2022 Bonds, as determined either by parties unaffiliated with the City (such as the Paying Agent) or by an approving vote of the owners of the Series 2022 Bonds holding a majority of the aggregate principal amount of the Series 2022 Bonds (excluding Series 2022 Bonds held by or on behalf of the City or its affiliates) at the time of the amendment, pursuant to the terms of the Bond Ordinance; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

**Section 9. Termination of Undertaking.** The Undertaking of the City shall be terminated hereunder when the City shall no longer have any legal liability under the terms of the Bond Ordinance pursuant to the terms of the Bond Ordinance for any obligation on or relating to the repayment of the Series 2022 Bonds. The City shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

**Section 10. Dissemination Agent.** The Dissemination Agent shall transmit all information delivered to it by the City hereunder to the MSRB as provided in this Undertaking. The City may, from time to time, appoint or engage a substitute Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

**Section 11. Additional Information.** Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Undertaking, the City shall not have any obligation under this Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

**Section 12. Beneficiaries.** This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the owners of the Series 2022 Bonds, and shall create no rights in any other person or entity.

**Section 13. Recordkeeping.** The City shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

**Section 14. Assignment.** The City shall not transfer its obligations under the Bond Ordinance unless the transferee agrees to assume all obligations of the City under this Undertaking or to execute a continuing disclosure agreement under the Rule.

**Section 15. Governing Law.** This Undertaking shall be governed by the laws of the State.

Date: February \_\_, 2022

CITY OF GREELEY, COLORADO

By \_\_\_\_\_  
Finance Director



## **EXHIBIT I**

### **ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS**

“*Annual Financial Information*” means statistical and tabular material of the type contained in the Final Official Statement pertaining to the Series 2022 Bonds provided in Tables [IV, V, VI and VII].

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission, and such information need not be provided in the exact format as shown in the Final Official Statement. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 270 days after the last day of the City’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Undertaking, including for this purpose a change made to the fiscal year end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

## **EXHIBIT II**

### **EVENTS WITH RESPECT TO THE SERIES 2022 BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Nonpayment-related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City<sup>\*</sup>
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material
15. Incurrence of a Financial Obligation<sup>1</sup> of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the City, any of which reflect financial difficulties

<sup>\*</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

<sup>1</sup> “Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into, in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

## APPENDIX F

### INFORMATION RELATED TO BOOK-ENTRY-ONLY SYSTEM

*The information in this Appendix concerning The Depository Trust Company (“DTC”) and DTC’s book entry-only system has been obtained from DTC, and the City and the Underwriter take no responsibility for the accuracy thereof.*

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 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 bond certificate will be issued for the Series 2022 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2022 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 2.2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others both as 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 rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2022 Certificate (“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, but Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022 Bonds, except in the event that use of the book entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2022 Certificate documents. For example, Beneficial Owners of the Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 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 shall be sent to DTC. If less than all of the Series 2022 Bonds within the issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022 Bonds unless authorized by a Direct Participant on accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2022 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 are 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 the 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 shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2022 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.