

PARITY BONDS CERTIFICATE
GENESEE WATER AND SANITATION DISTRICT
ACTING BY AND THROUGH THE
GENESEE WATER AND SANITATION DISTRICT ENTERPRISE

IT IS HEREBY CERTIFIED by the undersigned representative of Simmons & Wheeler, Independent Auditor, that:

- (1) I am a certified public accountant licensed by the State of Colorado.
- (2) The Enterprise has previously executed and delivered a Loan Agreement with the Colorado Water Resources and Power Development Authority (the “CWRPDA”) dated as of December 11, 2015 (the “CWRPDA Loan Agreement”) and issued a governmental agency bond to evidence a loan made by the CWRPDA to the District in the principal amount of \$2,500,000 (the “Prior Parity Obligation”).
- (3) The Enterprise has previously executed and delivered a loan contract with the Colorado Water Conservation Board (the “CWCB Loan”) in the principal amount of \$4,242,000 at 2.5% interest with annual payments of \$168,985.30 to be payable over a 40 year term commencing upon the completion of the project.
- (4) Subsequent to the execution and delivery of the CWCB Loan, it was determined that the project could not be constructed within the original budget, so the CWCB Loan was increased to \$5,555,000 bearing interest at a rate of 2.5% with annual payments of \$221,290 per year for 40 years commencing upon the completion of the project (the CWCB Loan is referred to herein as the “Proposed Parity Obligation”).
- (5) All capitalized terms used herein not otherwise defined have the meanings provided in the CWRPDA Loan Agreement and the CWCB Loan.
- (6) Under the terms of the CWRPDA Loan Agreement, the Enterprise may issue additional obligations payable out of, or secured by a lien or charge on the Pledged Property that is on a parity with the lien or charge of the Prior Parity Obligation on the Pledged Property if the Net Revenue for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued was at least equal to the sum of (a) 110% of the maximum annual debt service of (i) the Prior Parity Obligation and (ii) all other outstanding obligations of the Enterprise payable out of, or secured by a lien or charge on, the Pledged Property, which is on a parity with the lien or charge of the Prior Parity Obligation on the Pledged Property, and (iii) such

proposed obligations to be issued, and (b) the maximum annual debt service due in any one year on all obligations payable out of, or secured by a lien or charge on the Pledged Property that is subordinate to the lien or charge of the Prior Parity Obligation on the Pledged Property.

(7) Under the terms of the CWCB Loan, for the 12 consecutive months out of 18 months immediately preceding the date of issuance of the Proposed Parity Obligations, the Enterprise revenues are sufficient to pay its annual operating and maintenance expenses, annual debt service on all outstanding indebtedness having a lien on the Pledged Revenue, including the CWCB Loan, and the annual debt service on the proposed indebtedness. The analysis of the revenue shall be based on the Enterprise's current rate structure or rate structure most recently adopted and no more than 10% of the total revenue may originate from tap and/or connection fees.

(8) The Net Revenue, as defined in the resolution authorizing the Proposed Parity Obligation and the Loan Contract as amended, for any 12 consecutive months of the 18 months preceding the month in which the Proposed Parity Obligation is to be issued was \$536,733 (Net Revenue from September 1, 2021 through August 31, 2022) as shown in Exhibit A.

(9) The Combined Maximum Annual Principal and Interest Requirements of the Prior Parity Obligations and the Proposed Parity Obligation proposed to be issued on the date hereof and the Combined Maximum Annual Principal and Interest Requirements on all indebtedness and other obligations payable from the Pledged Revenues is \$346,290.28 occurring from 2023 through 2034 as shown in Exhibit B.

(10) 110% of the amount described in Item (9) above is \$380,919.31, which does not exceed the amount in Item (8) above.

WITNESS my hand this October 19, 2022.

SIMMONS & WHEELER, P.C.

Simmons & Wheeler P.C.

Independent Accountant

EXHIBIT A

PLEDGED REVENUE

**GENESEE WATER AND SANITATION DISTRICT, COLORADO,
ACTING BY AND THROUGH ITS WATER AND SANITATION DISTRICT ENTERPRISE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Months Ended**

	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec-21	Nov-21	Oct-21	Sep-21	Aug-21	Jul-21	Jun-21	May-21	Apr-21	Mar-21
Water service charge	\$ 255,780	\$ 181	\$ 188,485	\$ 270	\$ 145,896	\$ (9)	\$ 153,432	\$ 394	\$ 134,701	\$ 110	\$ 201,004	\$ 338	\$ 226,557	\$ 728	\$ 174,509	\$ 337	\$ 133,230	287
Sewer service charges	183,084.43	204	182,761	283	182,574	337	181,241	483	155,606	74	154,291	475	154,422	723	154,608	405	154,293	323
Capital replacement fee - Water	69,230	56	69,117	87	69,058	102	69,063	141	52,994	31	52,840	120	52,895	208	52,917	104	52,934	105
Capital replacement fee - Sewer	34,113	27	34,057	43	34,028	54	34,028	57	21,484	13	21,422	49	21,444	85	21,453	42	21,460	43
Penalty Charges	(8)	1,212	(39)	1,156	(26)	1,013	(20)	1,490	(5)	1,112	(36)	1,202	(34)	1,066	773	(25)	(8)	1,335
Misc Revenue	1,803	30	352		1,520	4,763		30		77	60		1,509	30,484			300	(300)
Total Operating Revenues	544,003	1,709	474,733	1,839	433,050	6,259	437,744	2,594	364,779	1,418	429,580	2,184	456,794	33,294	404,260	864	362,209	1,792
Nonoperating Revenues																		
Property Taxes	12,747	212,923	76,604	141,296	57,581	314,579	14,090		2,430		4,835	2,298	8,581	179,747	85,830	138,414	191,608	148,296
Specific Ownership	4,730	4,022	4,730	4,328	5,031	4,724	14,291		8,964	5,249	5,685	5,678	10,256		4,480	4,804	5,367	5,094
Net investment income	269	42		204					(782)	12	3	6	8	11	5	4	4	4
Gain Sale of Assets	—					44			(378,931)			100	(100)					
Grant income	—	—							153,564									
Total Nonoperating Revenues	17,746	216,988	81,333	145,828	62,612	319,346	28,381	—	(214,757)	5,261	10,524	8,081	18,745	179,757	90,315	143,221	196,978	153,394
Total Revenue																		
	561,749	218,697	556,067	147,667	495,662	325,605	466,126	2,594	150,022	6,678	440,104	10,266	475,539	213,051	494,576	144,085	559,187	155,186
Operating Expenses																		
Operating Expenses - Water	82,144	107,373	42,460	120,884	127,891	91,150	72,044	106,153	133,892	78,273	104,845	108,243	76,532	110,069	65,832	95,824	73,150	79,806
Opreating Expenses - Sewer	62,404	70,863	34,647	102,808	108,194	75,718	61,399	103,556	128,349	68,562	104,058	67,006	69,711	75,365	72,869	76,090	70,252	79,042
Total Operating Expenses	144,547	178,237	77,107	223,692	236,085	166,868	133,443	209,709	262,241	146,835	208,904	175,249	146,243	185,435	138,700	171,914	143,402	158,848
Depreciation																		
							—		1,289,690									
Nonoperating Expenses																		
Treasurer fees	195	3,194	1,149	2,119	864	4,719	211		25		73	34	129	2,696	1,287	2,076	2,874	2,224
Interest expense - LTD	—	78,706	9,495					78,706	12,521					79,306	12,521			
Interest expense - Wells Fargo	2,058	2,072	2,087	2,102	2,116	2,131	2,146	2,160	2,174	2,189	2,203	2,218	2,231	2,246	2,261	2,274	2,288	2,302
Total Nonoperating Expenses	2,253	83,973	12,732	4,221	2,980	6,849	2,358	80,866	14,720	2,189	2,275	2,252	2,360	84,248	16,070	4,350	5,162	4,527
Total Expenditures																		
	146,800	262,210	89,839	227,913	239,065	173,718	135,801	290,575	1,566,651	149,023	211,179	177,501	148,603	269,683	154,770	176,264	148,564	163,375
Change In Net Position	414,949	(43,513)	466,228	(80,246)	256,597	151,888	330,325	(287,981)	(1,416,628)	(142,345)	228,925	(167,235)	326,936	(56,632)	339,806	(32,179)	410,622	(8,189)
RECAP for DS Coverage																		
Operating revenues	544,003	1,709	474,733	1,839	433,050	6,259	437,744	2,594	364,779	1,418	429,580	2,184	456,794	33,294	404,260	864	362,209	1,792
Non-operating revenues	17,746	216,988	81,333	145,828	62,612	319,346	28,381	-	(214,757)	5,261	10,524	8,081	18,745	179,757	90,315	143,221	196,978	153,394
Less Non Pledged Revenues	(17,477)	(216,946)	(81,333)	(145,624)	(62,612)	(319,346)	(28,381)	-	213,974	(5,249)	(10,520)	(8,076)	(18,737)	(179,747)	(90,310)	(143,217)	(196,974)	(153,389)
Gross revenues	544,272	1,751	474,733	2,043	433,050	6,259	437,744	2,594	363,997	1,430	429,583	2,190	456,802	33,304	404,266	868	362,213	1,796
Less Operations & Maintenance	(144,547)	(178,237)	(77,107)	(223,692)	(236,085)	(166,868)	(133,443)	(209,709)	(262,241)	(146,835)	(208,904)	(175,249)	(146,243)	(185,435)	(138,700)	(171,914)	(143,402)	(158,848)
Net Revenue	399,725	(176,485)	397,626	(221,649)	196,966	(160,609)	304,301	(207,115)	101,756	(145,405)	220,680	(173,058)	310,559	(152,131)	265,565	(171,046)	218,810	(157,052)
Annual Net Revenue																		
Last 12 of 18 Months	536,733	447,567	471,922	339,861	390,463	412,308	415,865											
Maximum Debt Service - Exhibit B	346,290	346,290	346,290	346,290	346,290	346,290	346,290											
COVERAGE FACTOR	1.55	1.29	1.36	0.98	1.13	1.19	1.20											

EXHIBIT B

COMBINED MAXIMUM ANNUAL DEBT SERVICE REQUIREMENTS

DEBT SERVICE COVERAGE FACTOR

Exhibit B

**GENESEE WATER AND SANITATION DISTRICT, COLORADO,
ACTING BY AND THROUGH ITS WATER AND SANITATION DISTRICT ENTERPRISE
Combined Maximum Annual Principal and Interest Requirements
Series 2015 and 2021 Amended
For the Years ended December 31, 2021 through December 31, 2062**

	Series 2015 Principal (1)	Coupon	Series 2015 Annual Total	Series 2021 Amended Principal	Coupon	Interest	Series 2022 Annual Total	Annual Total
5/1/2021	62,500	0.00%						
11/1/2021	62,500	0.00%	125,000					125,000.00
5/1/2022	62,500	0.00%						
11/1/2022	62,500	0.00%	125,000					125,000.00
5/1/2023	62,500	0.00%						
6/1/2023				82,415.28	2.50%	138,875.00	221,290.28	
11/1/2023	62,500	0.00%	125,000					346,290.28
5/1/2024	62,500	0.00%						
6/1/2024				84,475.66	2.50%	136,814.62	221,290.28	
11/1/2024	62,500	0.00%	125,000					346,290.28
5/1/2025	62,500	0.00%						
6/1/2025				86,587.55	2.50%	134,702.73	221,290.28	
11/1/2025	62,500	0.00%	125,000					346,290.28
5/1/2026	62,500	0.00%						
6/1/2026				88,752.24	2.50%	132,538.04	221,290.28	
11/1/2026	62,500	0.00%	125,000					346,290.28
5/1/2027	62,500	0.00%						
6/1/2027				90,971.05	2.50%	130,319.23	221,290.28	
11/1/2027	62,500	0.00%	125,000					346,290.28
5/1/2028	62,500	0.00%						
6/1/2028				93,245.32	2.50%	128,044.96	221,290.28	
11/1/2028	62,500	0.00%	125,000					346,290.28
5/1/2029	62,500	0.00%						
6/1/2029				95,576.46	2.50%	125,713.82	221,290.28	
11/1/2029	62,500	0.00%	125,000					346,290.28
5/1/2030	62,500	0.00%						
6/1/2030				97,965.87	2.50%	123,324.41	221,290.28	
11/1/2030	62,500	0.00%	125,000					346,290.28
5/1/2031	62,500	0.00%						
6/1/2031				100,415.02	2.50%	120,875.26	221,290.28	
11/1/2031	62,500	0.00%	125,000					346,290.28
5/1/2032	62,500	0.00%						
6/1/2032				102,925.39	2.50%	118,364.89	221,290.28	
11/1/2032	62,500	0.00%	125,000					346,290.28
5/1/2033	62,500	0.00%						
6/1/2033				105,498.53	2.50%	115,791.75	221,290.28	
11/1/2033	62,500	0.00%	125,000					346,290.28
5/1/2034	62,500	0.00%						
6/1/2034				108,135.99	2.50%	113,154.29	221,290.28	
11/1/2034	62,500	0.00%	125,000					346,290.28
5/1/2035	62,500	0.00%						
6/1/2035				110,839.39	2.50%	110,450.89	221,290.28	
11/1/2035	62,500	0.00%	125,000					346,290.28
6/1/2036				113,610.37	2.50%	107,679.91	221,290.28	221,290.28
6/1/2037				116,450.63	2.50%	104,839.65	221,290.28	221,290.28
6/1/2038				119,361.90	2.50%	101,928.38	221,290.28	221,290.28
6/1/2039				122,345.95	2.50%	98,944.33	221,290.28	221,290.28
6/1/2040				125,404.59	2.50%	95,885.69	221,290.28	221,290.28
6/1/2041				128,539.71	2.50%	92,750.57	221,290.28	221,290.28
6/1/2042				131,753.20	2.50%	89,537.08	221,290.28	221,290.28
6/1/2043				135,047.03	2.50%	86,243.25	221,290.28	221,290.28
6/1/2044				138,423.21	2.50%	82,867.07	221,290.28	221,290.28
6/1/2045				141,883.79	2.50%	79,406.49	221,290.28	221,290.28
6/1/2046				145,430.88	2.50%	75,859.40	221,290.28	221,290.28
6/1/2047				149,066.66	2.50%	72,223.62	221,290.28	221,290.28
6/1/2048				152,793.32	2.50%	68,496.96	221,290.28	221,290.28
6/1/2049				156,613.15	2.50%	64,677.13	221,290.28	221,290.28
6/1/2050				160,528.48	2.50%	60,761.80	221,290.28	221,290.28

DEBT SERVICE COVERAGE FACTOR

Exhibit B

GENESEE WATER AND SANITATION DISTRICT, COLORADO,
ACTING BY AND THROUGH ITS WATER AND SANITATION DISTRICT ENTERPRISE
Combined Maximum Annual Pricipal and Interest Requirements
Series 2015 and 2021 Amended
For the Years ended December 31, 2021 through December 31, 2062

	Series 2015		Series 2015	Series 2021			Series 2022	
	Principal (1)	Coupon	Annual Total	Amended	Coupon	Interest	Annual Total	Annual Total
				Principal				
6/1/2051				164,541.70	2.50%	56,748.58	221,290.28	221,290.28
6/1/2052				168,655.24	2.50%	52,635.04	221,290.28	221,290.28
6/1/2053				172,871.62	2.50%	48,418.66	221,290.28	221,290.28
6/1/2054				177,193.41	2.50%	44,096.87	221,290.28	221,290.28
6/1/2055				181,623.24	2.50%	39,667.04	221,290.28	221,290.28
6/1/2056				186,163.83	2.50%	35,126.45	221,290.28	221,290.28
6/1/2057				190,817.92	2.50%	30,472.36	221,290.28	221,290.28
6/1/2058				195,588.37	2.50%	25,701.91	221,290.28	221,290.28
6/1/2059				200,478.08	2.50%	20,812.20	221,290.28	221,290.28
6/1/2060				205,490.03	2.50%	15,800.25	221,290.28	221,290.28
6/1/2061				210,627.28	2.50%	10,663.00	221,290.28	221,290.28
6/1/2062				215,892.66	2.50%	5,397.32	221,289.98	221,289.98
	<u>1,875,000.00</u>		<u>1,875,000.00</u>	<u>5,555,000.00</u>		<u>3,296,610.89</u>	<u>8,851,610.89</u>	<u>10,726,610.89</u>