



City Council Finance Committee

Meeting Agenda

Monday, July 20, 2015

City Hall – City Manager’s Office

749 Main Street

7:30 a.m.

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of the Minutes from the May 18, 2015 and June 29 Meetings (page 2)
- V. Public Comments on Items Not on the Agenda
- VI. Update – Xcel and Comcast Audits (page 9)
- VII. Update – Customer Assistance Program (page 87)
- VIII. Financial Statements for the Month Ended June 30, 2015 (page 88)
- IX. Sales Tax Report for the Month Ended May 31, 2015 (page 108)
- X. Revenue Projection Dashboard (page 114)
- XI. Cash & Investment Report as of June 30, 2015 (page 117)
- XII. Discussion Items for Next Meeting (Tentatively Scheduled for August 17, 2015)
- XIII. Adjourn

E-Mail Distribution List:

| | |
|------------------|-----------------|
| Robert Muckle | Malcolm Fleming |
| Jay Keany | Heather Balsler |
| Ashley Stolzmann | Kevin Watson |
| Hank Dalton | Penney Bolte |
| Susan Loo | Graham Clark |
| Jeff Lipton | Meredyth Muth |
| Christopher Leh | Rita Glova |
| | Dawn Burgess |

City of Louisville, Colorado

Finance Department 749 Main Street Louisville CO 80027
(303) 335-4505 (phone) (303) 335-4506 (fax) www.ci.louisville.co.us



City Council Finance Committee

Meeting Minutes

Monday, May 18, 2015
City Hall, City Manager's Office
749 Main Street

CALL TO ORDER

The meeting was called to order at 7:33 a.m.

ROLL CALL

The following were present:

City Council: Council Member Keany, and Council Member Stolzmann

Staff/Others Present: Malcolm Fleming, City Manager, Kevin Watson, Finance Director, Graham Clark, Senior Accountant, and Penney Bolte, Tax Manager

Absent: Mayor Muckle

APPROVAL OF THE AGENDA

The Committee approved the agenda as presented.

APPROVAL OF THE MINUTES FROM THE APRIL 20, 2015 MEETING

The Committee approved the minutes from the April 20, 2015 meeting as presented.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

None.

REQUEST FOR PROPOSALS FOR AUDITING SERVICES

Finance Director, Kevin Watson, requested direction from the Finance Committee regarding issuing the RFP for audit services. Director Watson stated that the City's current auditor, Eide Bailly, was awarded the five-year bid in 2008. In 2013, the Finance Committee approved a two-year contract extension. This negotiated contract will end this year.

Staff discussed with the Committee the upcoming Federal audit of the FEMA funds, implementation of the city-wide ERP, and continued Single Audit programs upcoming in the next two years. The Finance Committee directed staff to negotiate an additional two-year contract extension with Eide Bailly to provide continuity throughout the these audits.

The communication and RFP can be located in the packet of the May 18, 2015 Finance Committee Meeting.

STATEMENT OF PROCEDURES – CUSTOMER ASSISTANCE PROGRAM

Senior Accountant, Graham Clark presented to the Finance Committee a proposed policy and procedure for forgiving unpaid water services for certain Louisville residents experiencing financial hardship.

Based on research conducted of other cities with similar programs, Accountant Clark stated that the proposed policy would allow the City to grant a waiver of up to \$500 per customer, per lifetime, in past due water service fees.

Finance Committee Members discussed a variety of issues such as notification of the program to residents, the possible provision for the funds to be repaid when possible, and whether or not such a program should be funded out of the Enterprise Funds versus the General Fund. The consensus reached was that the General Fund should be used for any assistance program or grant provided.

Member Stolzmann stated that she would prefer contributing City funds to a non-profit fund or organization, perhaps one that residents could contribute to as well, to address this need. Staff stated that certain residents have been directed to Sister Carmen's for assistance, and that perhaps the City could formalize an agreement with Sister Carmen to extend assistance to Louisville residents needing help with their water service fees.

Member Keany stated that such a program should include a provision for fraud recovery and that the City should not create an administratively burdensome process to accommodate a handful of situations.

The Finance Committee directed staff to bring back information regarding additional program criteria, fraud recovery, the interest level of Sister Carmen's to

administer such a program, and the costs that would need to be expended to formalize such an agreement.

A draft of the proposed policy, procedure and corresponding narrative can be located in the packet of the May 18, 2015 Finance Committee Meeting.

FINANCIAL STATEMENTS FOR THE PERIOD ENDING APRIL 30, 2015

Graham Clark, Senior Accountant, presented to the Committee the financial statements for the months ending April 30, 2015.

The reports and the corresponding narrative can be located in the packet of the May 18, 2015 Finance Committee Meeting.

SALES TAX REPORTS FOR THE MONTH ENDED MARCH 31, 2015

Tax Manager Bolte presented the monthly sales tax reports for the period ended March 31, 2015.

The Finance Committee requested to receive an update on the status of the Xcel and Comcast audits at the July 20, 2015 regular meeting.

The reports and the corresponding narrative can be located in the packet of the May 18, 2015 Finance Committee Meeting.

DISCUSSION – VACATION RENTALS BY OWNER

The Finance Committee and staff discussed the issue of Louisville residents participating in vacation rentals by owner trend.

The Finance Committee members stated that there are zoning, licensing, tax and public safety issues that should be discussed, and that policies may need to be implemented along with ordinance provisions.

City Manager Fleming stated that this is a hot topic circulating amongst City Managers.

The Finance Committee members requested staff to research what other front-range sister cities were doing regarding this issue and to report back to the Committee at the next regular meeting to be held July 20, 2015.

CASH & INVESTMENTS AT APRIL 30, 2015

The Finance Director reviewed the status of the City's assets with the Committee and stated that the reports now will include a monthly transaction ledger.

The City Manager and Finance Director will be meeting with the City's Investment Advisory to discuss the topic of socially responsible investing. Committee Members stated that any changes in the Investment Policy will be presented to the full Council.

The reports and the corresponding narrative can be located in the packet of the May 18, 2015 Finance Committee Meeting.

LIST OF BILLS

The list of the bills scheduled for Council approval on May 19, 2015 can be located in the packet of the May 18, 2015 Finance Committee Meeting.

DISCUSSION ITEMS FOR THE NEXT MEETING & MEETING SCHEDULE

A special Finance Committee Meeting is scheduled for **Monday, June 29, 2015 at 7:30 a.m.** Discussion items scheduled are:

- Eide Bailly Presentation of 2014 CAFR
- Fiscal Impact Models – Review of assumptions

The next regular Finance Committee Meeting is scheduled for **Monday, July 20, 2015 at 7:30 a.m.** Discussion items currently scheduled for a future meeting are:

- Financial Statements for the Period Ended June 30, 2015.
- Sales Tax Reports for the Period Ended May 31, 2015.
- Cash & Investment Report as of June 30, 2015.
- List of Bills

ADJOURN

The meeting was adjourned at 8:57 a.m.



City Council Finance Committee

Meeting Minutes

Monday, June 29, 2015
City Hall, Council Chambers
749 Main Street

CALL TO ORDER

The meeting was called to order at 7:39 a.m.

ROLL CALL

The following were present:

City Council: Councilmember Keany, Councilmember Stolzmann,
Mayor Muckle

Staff/Others
Present: Malcolm Fleming, City Manager, Kevin Watson,
Finance Director, Graham Clark, Senior Accountant,
Troy Russ. Planning Director, Scott Robinson,
Planner II, and John Leary, Citizen

Absent:

APPROVAL OF THE AGENDA

The Committee approved the agenda as presented.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

None.

PRESENTATION OF 2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND COMMUNICATION IN COMPLIANCE WITH AU-C 260

David DeZutter, Audit Partner with Eide Bailly LLP, discussed the audit, the CAFR, and the AU-C 260 letter with the Committee. These documents can be located in the packet of the June 29, 2015 Finance Committee Meeting.

PROPOSAL FROM EIDE BAILLY FOR AUDIT SERVICES

A proposal from Eide Bailly LLP for audit services for the years 2015 and 2016 was presented to the Committee. The Committee discussed the proposal and recommended that City Council approve engagement letters with the following fee structure.

| 2015: | | 2016: | |
|---------------------------|----------|---------------------------|----------|
| Financial Statement Audit | \$29,000 | Financial Statement Audit | \$30,500 |
| A-133 Audit (per program) | \$9,000 | A-133 Audit (per program) | \$9,000 |
| Administration Fees | \$1,600 | Administration Fees | \$1,600 |

REVIEW AND DISCUSSION OF FISCAL IMPACT MODEL

The Committee discussed the numerous assumptions and capital facilities amounts contained in the current Fiscal Impact Model as presented by Carson Bise on June 9.

The Committee recommended that staff review and update the assumptions and facilities lists and bring back to the Finance Committee at a future meeting. The Committee also requested the presentation of some fiscal scenarios, preferably from the Small Area Plans, and some sensitivity analysis on the assumptions.

John Leary presented information from the International Council of Shopping Centers regarding office worker retail spending and information on the Boulder-area office market.

All document presented by staff and Mr. Leary can be located in the packet of the June 29, 2015 Finance Committee Meeting.

DISCUSSION ITEMS FOR THE NEXT MEETING & MEETING SCHEDULE

The next regular Finance Committee Meeting is scheduled for **Monday, July 20, 2015 at 7:30 a.m.** Discussion items currently scheduled for a future meeting are:

- Financial Statements for the Period Ended June 30, 2015.
- Sales Tax Reports for the Period Ended May 31, 2015.
- Cash & Investment Report as of June 30, 2015.

- List of Bills

ADJOURN

The meeting was adjourned at 9:16 a.m.

SUBJECT: STATUS OF COMCAST AND XCEL AUDITS

DATE: JULY 20, 2015

PRESENTED BY: MALCOLM FLEMING, CITY MANAGER

SUMMARY:

Comcast

The City's audit of sales tax, use tax and franchise fees commenced in January 2014. Beginning February 2014 through July 2014, the City and its auditor, Allixa Consulting, attempted to have Comcast either produce or execute a Non-Disclosure Agreement ("NDA"). These attempts failed and in October 2014, the City issued a subpoena for the production of documents requested in the initial audit request. Comcast responded by providing a City tax staff access to a secure portal to view various data. Without an executed NDA agreement, staff was advised by the City Attorney not to access the data or provide it to the City's auditor, Allixa Consulting.

In February 2015, City staff and the City Attorney discussed the issue with Ken Fellman of CCUA. Mr. Fellman agreed to contact Mr. Neil Pomerantz, counsel for Comcast, regarding the City's audit requests and lack of response to the initial audit request and subsequent subpoena on the part of Comcast. This partnership has proved beneficial and as of July 14, 2015 the City, Comcast, Allixa Consulting and one of two of Allixa Consulting's contractors have signed the negotiated NDA. City staff anticipates that Allixa will begin receiving data necessary for the audit within the next few weeks.

Xcel Energy

The City and its auditor Allixa Consulting also asked for information needed to audit the Electric and Gas Franchise Fees and Sales and Use Taxes for Xcel/PSCo on January 3, 2014. The attached copy of a letter from the City's agent, Allixa Consulting, documents that request. Since that time, Xcel has responded with various tactics, none of which satisfies Xcel's obligations to provide the information the City has requested.

In an attempt to secure access to the documents needed to complete this audit, the City issued a subpoena in October 2014, for the production of the requested documents. Xcel's response was not cooperation, but rather, further legal maneuvering including a motion to quash the City's subpoena (see Xcel's motion attached). Xcel asserted, among other things, that PSCo should not be required to produce the requested information because the City's designated contract auditor, Allixa, would be paid by the City on a contingent-fee basis. This, according to Xcel/PSCo is, "not an accepted practice to provide [documents required in an audit] to third party contingent-fee firms."

SUBJECT: STATUS OF COMCAST AND XCEL AUDITS

DATE: JULY 20, 2015

PAGE 2 OF 2

The Finance Director addressed this issue in his response to Xcel's motion (also attached), noting that nothing in the Louisville Municipal Code or in the State Statutes prohibits the City from engaging an auditor to perform audits on a contingent fee basis.

Xcel then suggested what is referred to as "a managed audit". This proposed approach is outlined in the January 16, 2015 letter from Rob Osborn (attached). The City in good faith considered the proposed approach. Instead, however, of Xcel committing to provide the auditor with the actual documents and information requested by the City or to provide the auditor with reasonable access to that information, as would normally be done in an audit, Xcel proposed to provide various "summary calculations" and a "summary of revenue types", prepared by Xcel. This approach would have enabled Xcel to "cherry pick" and choose only the information Xcel wished to provide, instead of allowing the auditor access to information needed to ensure compliance with applicable requirements. Further, instead of providing a file, as requested, containing customer billing records itemized by service location within the City of Louisville, Xcel proposed to provide a list of addresses located in five different zip codes, including the zip code that is shared by the City of Louisville and the Town of Superior. Xcel's proposed approach would have undermined, not facilitated, the auditor's attempts to verify the proper franchise fee and tax were collected from customers located within the City of Louisville.

In June 2015, Xcel requested scheduling another meeting to see if "we can refocus on the goal." The City Manager informed Xcel that if Xcel was willing to commit, no later than July 14, 2015, to timely providing all of the information the City asked for to complete an audit, then we would be willing to meet with Xcel representatives. City management further stated that the City is not interested in discussing further a "managed audit" under which the City's auditor does not have access to the requested documents needed for a credible audit, nor is the City interested in discussing further Xcel's interest in influencing or interfering with the City's selection of a contractor to assist with auditing.

The City Manager informed Xcel that if it is still unwilling by July 14, 2015 to comply with the City's request for access to the listed documents, then the City would ask the City Prosecutor to issue a summons for Xcel's unlawful refusal to comply with the City's Subpoena dated October 29, 2014. Xcel has yet to comply with the City's request for access to the documents and, consequently, on July 15, the City Manager asked the City Prosecutor to issue a summons for Xcel's unlawful refusal to comply with the City's Subpoena dated October 29, 2014. As of the date of this communication, the City Prosecutor is arranging for service of the summons.



January 3, 2014

VIA ELECTRONIC EMAIL

Robert J. Osborn, Esq.
Director, Community Relations
Xcel Energy
1800 Larimer Street, 14th Floor
Denver, CO 80202

Subject: Request for Information from Xcel Regarding the Analysis of Electric and Gas Franchise Fees and Sales and Use Taxes Paid to the City of Louisville, Colorado

Dear Mr. Osborn:

Allixa Consulting, Inc. (“Allixa”)¹ has been engaged by the City of Louisville, Colorado (the “City”) to perform an analysis of electric and gas franchise fees and sales and use taxes paid by Xcel Energy, d/b/a Public Service Company of Colorado, (“Xcel”) to the City for time period from January 1, 2011 through December 31, 2013.

The City, who notified you of this project by letter dated November 21, 2013, has authorized us to contact you directly and have all information submitted directly to our offices. Please provide the documents requested within 21 business days of the receipt of this letter. Allixa reserves the right to request additional data based on our review of the documentation received.

Thank you very much for your assistance during this process. If you have any questions about the items in the request, please do not hesitate to call me at (407) 484-0543.

Sincerely,

ALLIXA CONSULTING, INC.

Garth T. Ashpaugh
President

Cc: Penney Bolte, Tax Manager, City of Louisville, Colorado
Carolyn Sculco, C. A. Sculco, Inc.
Jason Perry, Azavar Audit Solutions, Inc.
Dick Treich, Front Range Consulting, Inc.

¹ Allixa has teamed with Azavar Audit Solutions, Inc., Front Range Consulting, Inc. and C. A. Sculco, Inc. for this project. Each company will be a sub-contractor to Allixa and have a role in this engagement. Specific portions of Xcel’s response to the requested information may be directed to one of these companies. Reference to Allixa in the request includes all of the named companies.

**CITY OF LOUISVILLE, COLORADO
INITIAL DATA REQUEST TO XCEL
JANUARY 1, 2011 THROUGH DECEMBER 31, 2013**

Allixa Consulting, Inc. (“Allixa”) has been engaged by the City of Louisville, Colorado (the “City”) to perform an analysis of electric and gas franchise fees and sales and use taxes paid by Xcel Energy, d/b/a Public Service Company of Colorado, (“Xcel”) to the City for time period from January 1, 2011 through December 31, 2013 (the “review period”).

Unless otherwise directly, please send your response to this initial data request directly to Garth Ashpaugh via email at gashpaugh@cfl.rr.com. Unless otherwise directly, please provide the data requested as Excel, Word or text files. Please do not send information in pdf file format. If you have any questions regarding the items requested, please contact Garth Ashpaugh at (407) 484-0543. In addition to providing copies of documentation, please provide a written response to each question.

REVIEW OF ELECTRIC AND GAS FRANCHISE FEES

1. Please provide copies of the franchise fee payments and supporting schedules for the review period.
2. Please provide copies of any true-up payments or correcting information regarding the franchise fee payments for the review period.
3. For the review period, please provide a list of the City’s franchise areas served by Xcel by entity name, entity number, franchise name, billing area and ZIP+4 code as identified on Xcel’s billing system.
4. For all quarters during the review period, please provide supporting schedules that list every category of revenue by month that were reported to the City.
5. Please provide copies of billing reports (internal and third party) for every month of the review period.
6. §4.2 D of the Franchise Agreement states - “Upon written request by the City, but not more than once per year, the Company shall supply the City with reports, in such formats and providing such details as reasonably requested by the City, of all suppliers of utility service that utilize Company Facilities to sell or distribute utility service to Residents and the names and addresses of each such supplier.” Please provide the report “of all suppliers of utility service that utilize Company Facilities” in the City during the review period.
7. Please identify any revenues not included in gross revenues reported to the City. Provide a schedule that identifies the excluded revenues for every month of the review period. Please explain why Xcel omitted the revenues from the gross revenues reported to the City.
8. Please provide the account numbers for the following revenues. State whether sales were paid on the following types revenues. If sales taxes were not paid, provide an explanation.
 - a. Late fees

**CITY OF LOUISVILLE, COLORADO
INITIAL DATA REQUEST TO XCEL
REVIEW OF FRANCHISE FEES & SALES/USE TAXES
JANUARY 1, 2011 THROUGH DECEMBER 31, 2013**

- b. Non sufficient funds/returned check fees
 - c. Convenience fees
 - d. Collection fees
 - e. Maintenance agreement charges (sometimes referred to as insurance)
 - f. Miscellaneous revenues
9. Please state whether revenues were reported to the City utilizing the same methodology for the entire review period.
10. With regards to bad debt for the review period, please provide the following:
- a. Provide a schedule for the review period that details the actual monthly bad debt write-offs and recoveries reported to the City.
 - b. Show how actual bad debt write-offs and recoveries reconcile to billing data (internal and third party).
 - c. Show how Xcel reduced the bad debt reported to the City for the non-reported portion of bad debt.
11. Please list the amount of judgments received as the result of prosecuting theft of service relative to subscribers within the City. Show how judgment amounts were included in franchise fee payments remitted to the City during the review period.

REVIEW OF ELECTRIC AND GAS SALES AND USE TAXES

Sec. 3.20.040. Sales tax defined.

Sales tax is the tax collected or required to be collected from a purchaser and remitted by a retailer on taxable retail sales under this chapter.

(Ord. No. 1375-2002, § 1, 3-19-2002)

Sec. 3.20.050. Use tax defined.

Use tax is the tax paid or required to be paid by a consumer for purchasing and using, storing, distributing or otherwise consuming tangible personal property within the city as taxed under this chapter.

(Ord. No. 1375-2002, § 1, 3-19-2002)

12. For the review period, please make available for review the following:
- a. Detailed general ledger;
 - b. Trial Balance;
 - c. Chart of Accounts;
 - d. Tax Matrix of SKU's;

**CITY OF LOUISVILLE, COLORADO
INITIAL DATA REQUEST TO XCEL
REVIEW OF FRANCHISE FEES & SALES/USE TAXES
JANUARY 1, 2011 THROUGH DECEMBER 31, 2013**

- e. Fixed Asset Depreciation schedule or fixed asset listing; and,
 - f. All invoices for fixed asset purchases made in 2011, 2012 and 2013
13. Please provide a copy of all City of Louisville sales and use tax returns filed by Xcel for the review period and worksheets used to prepare them.
 14. Please provide a copy of all State of Colorado sales and use tax returns filed by Xcel for the review period.
 15. Please provide a copy of lease, rental and maintenance agreements (for tangible personal property) used in the City of Louisville by Xcel for the review period.
 16. Please provide a detailed explanation of how the amount subject to sales tax is determined, including identifying all source documents.
 17. Please provide a detailed explanation of how the amount subject to use tax is determined, including identifying all source documents.
 18. Please describe any sources of revenue derived within the City limits that are not subject to sales tax. For each source of revenue, please:
 - a. Provide the monthly amounts of these excluded revenues for the review period; and,
 - b. Identify the source documents used to provide these amounts.
 19. Please list all asset purchases purchased including the purchase price within the City limits on which use tax is applicable for the review period.
 20. Please provide a list of all construction projects including the gross construction costs undertaken within the City for the review period.
 21. Please provide a narrative description of the process used by the company to identify construction projects applicable for use tax. Please provide monthly documentation of how these construction projects are assigned use taxes for the review period
 22. Please provide a list of asset purchases that Xcel does not believe are subject to use taxes. Please provide monthly documentation of these excluded asset purchases for the review period.

REVIEW OF STREET ADDRESSES

23. Xcel shall tender the following in electronic (spreadsheet) format broken down by location, by month:
 - a. An electronic file containing customer billing records itemized and detailed by every location for which service was available within the City. The location data shall include street number, street direction, street name, street suffix, unit number, city, state, zip code, agent/taxing/franchise fee code, and latitude and longitude if available. The data shall include detail of taxable service by month

**CITY OF LOUISVILLE, COLORADO
INITIAL DATA REQUEST TO XCEL
REVIEW OF FRANCHISE FEES & SALES/USE TAXES
JANUARY 1, 2011 THROUGH DECEMBER 31, 2013**

for each and every service location, the municipal utility tax and/or gas use tax where applicable calculation used, and the tax remitted for that month as part of the tax payment.

- b. Please include a legend explaining Xcel data formats and fields and precisely how Xcel determined taxable charges.
24. Please identify by street address all new locations (annexations, subdivisions, multiple dwelling units, etc.) added to the City of Louisville by Xcel during the review period.

BEFORE THE FINANCE DIRECTOR OF THE CITY OF LOUISVILLE, STATE OF COLORADO

MOTION TO QUASH SUBPOENA FOR PRODUCTION OF DOCUMENTS

IN THE MATTER OF:

**PUBLIC SERVICE COMPANY OF COLORADO,
d/b/a Xcel Energy**

Taxpayer License No. 01555

Public Service Company of Colorado, a Colorado corporation (“PSCo”), through its attorneys, Gordon & Rees LLP, submits this Motion to Quash as follows.

INTRODUCTION

PSCo provides electric and natural gas utility service to the City of Louisville (the “City”) and its residents pursuant to its exclusive service territory certificate issued by the Colorado Public Utilities Commission. PSCo entered into a non-exclusive Franchise Agreement with the City that governs certain terms and conditions regarding PSCo’s use of City rights of ways (“Franchise Agreement”). The Franchise Agreement has an effective term of January 1, 2008 to December 31, 2027. The Franchise Agreement addresses, *inter alia*, the City’s ability to examine PSCo’s records. On October 29, 2014, the City’s Finance Director issued a Subpoena for Production of Documents (the “Subpoena”) to PSCo. The Subpoena is procedurally improper as it was not issued as part of any case before this Court. Furthermore, the Subpoena directs PSCo to produce documents—including confidential and proprietary information—to a third party audit contractor. The audit contractor is not a party to the Franchise Agreement, has not agreed to be bound by its terms, and is not otherwise entitled to the information sought. While the City may designate agents to receive information from PSCo subject to the terms of

the Franchise Agreement and applicable laws and regulations, it is not an accepted practice to provide information to third party contingent-fee firms, such as the City's audit contractor. Thus, the Subpoena should be quashed as it violates PSCo's rights under the Franchise Agreement.

LEGAL ANALYSIS

Municipal Court Rule 217 states that, “[a] subpoena may be issued either by the court or by the clerk of the court or by counsel whose appearance has been entered in the particular case in which the subpoena is sought.” C.M.C.R. 217(a). The same rule provides that a court “may quash or modify [a] subpoena if compliance would be unreasonable or oppressive.” C.M.C.R. 217(b); *see also Feigin v. Colorado Nat’l Bank, N.A.*, 897 P.2d 814, 820 (Colo. 1995) (a court may quash subpoenas that are unreasonable in their demands). Accordingly, courts regularly protect against the release of confidential or other sensitive information requested by a subpoena. *See State Bd. of Accountancy v. Arthur Andersen LLP*, 116 P.3d 1245, 1250 (Colo. App. 2005).

Based on the foregoing, the Subpoena should be quashed. As an initial matter, the Subpoena was not issued in the course of an ongoing court case as there is no currently pending lawsuit between PSCo and the City. (*See Subpoena for Production of Documents*, attached as Exhibit A.) Thus, the Subpoena is procedurally defective as it does not identify the court from which it is issued, a case number, or other information required under the Colorado Rules of Civil Procedure. Colo. R. Civ. 45(a)(1)(A); *see also* C.M.C.R. 217(a).

More importantly, the Subpoena is substantively unreasonable and oppressive. The Subpoena commands PSCo to produce information “related to the calculation, billing, payment and accounting for Electric and Gas Sales and Use Tax applicable in the City of Louisville

during the Review Period January 1, 2011 – December 31, 2013.” (Exhibit A at p. 2.) With regard to examination of PSCo’s records, the Franchise Agreement states:

§19.5 Examination of Records.

* * *

B. With respect to any information requested by the City which the Company identifies as “Confidential” or “Proprietary”:

(1) The City will maintain the confidentiality of the information by keeping it under seal and segregated from information and documents that are available to the public;

* * *

(3) The information shall only be made available to City employees, and to consultants who represent in writing that they agree to be bound by the provisions of this subsection B;

* * *

C. . . In no circumstance shall the City provide to any third party confidential information provided by the Company pursuant to this franchise without first conferring with the Company.

(Franchise Agreement at PSCo 0033-34, attached as Exhibit B.) The Franchise Agreement further states that, “Nothing contained in this franchise shall be construed to provide rights to third parties or to impose duties in favor of third parties.” (*Id.* at PSCo 0032.)

Despite this, the Subpoena directs PSCo to produce confidential and proprietary information to the City’s third party audit contractor, Allixa Consulting, Inc. (“Allixa”). (Exhibit A at p. 1.) As a third party, Allixa has no rights under the Franchise Agreement. Nor has it provided the requisite representations to PSCo that it will be bound by the City’s obligations regarding confidential and proprietary information. Thus, the Subpoena does not comport with the Franchise Agreement, and Allixa is not entitled to the requested information. It would be

unreasonable and oppressive to require PSCo to produce such information, especially given its confidential and proprietary nature.

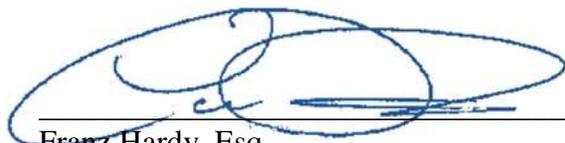
Even if Allixa were to agree to be bound by the terms of the Franchise Agreement, PSCo still should not be required to produce the requested information. As a third party audit contractor, Allixa is paid by the City on a contingent-fee basis. This presents a potential, if not likely, conflict of interest. Thus, while PSCo may provide information to certain agents of the City under the Franchise Agreement, it is not an accepted practice to provide it to third party contingent-fee firms.

CONCLUSION

For the foregoing reasons, PSCo respectfully requests that the Subpoena for Production of Documents issued by the City's Finance Director be quashed.

DATED this 1st day of December 2014.

GORDON & REES LLP

A handwritten signature in blue ink, appearing to be "Franz Hardy", written over a horizontal line.

Franz Hardy, Esq.
Lance J. Ream, Esq.
*Attorneys for Public Service Company of
Colorado, a Colorado Corporation*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this the 1st day of December 2014, a true and correct image of the foregoing was sent via postal mail and email to the following, as instructed by the Clerk of the Louisville Municipal Court:

Kevin Watson, Finance Director
City of Louisville
749 Main Street
Louisville, Colorado 80027
kevinw@louisvilleco.gov



Nancy Kramer for GORDON & REES LLP

EXHIBIT A

BEFORE THE FINANCE DIRECTOR OF THE CITY OF LOUISVILLE, STATE OF
COLORADO

SUBPOENA FOR PRODUCTION OF DOCUMENTS

IN THE MATTER OF:

Public Service Company of Colorado,
d/b/a Xcel Energy

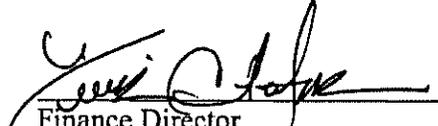
Taxpayer License No. 01555

To: Robert J. Osborn, Esq., Director, Community Relations

Pursuant to Section 3.20.400(D) of the Louisville Municipal Code, you are hereby ordered to produce and transmit electronic copies to the City of Louisville (City of Louisville, Attn. Kevin Watson, Finance Director, 749 Main Street, Louisville, CO, 80027, kevinw@louisvilleco.gov) and the City's duly authorized representative and designated audit contractor, Allixa Consulting, Inc. (Allixa Consulting, Inc., Attn. Garth Ashpaugh, 1003 Kewanee Trail, Maitland, FL 32751, gashpaugh@cfl.r.com) and, if requested by the City, to make available for review by the City and/or the City's designated representative during normal business hours at the PSCO/Xcel Energy Denver Office, (Public Service Company of Colorado, 1800 Larimer Street, 14th Floor, Denver, CO, 80202) the books, accounts, and/or records now in your custody or control listed on Exhibit A, attached hereto and incorporated herein by reference, on or before **December 1, 2014 at 4:00 p.m.**, relative to a Sales and Use Tax audit for Public Service Company of Colorado, d/b/a Xcel Energy.

Your failure to produce the required documents as set forth herein may result in an Order for compliance issued by the Louisville Municipal Court pursuant to Section 3.20.400(D)(2) of the Louisville Municipal Code.

Dated this 29th day of October, 2014.



Finance Director
City of Louisville

EXHIBIT A

EXHIBIT A

ELECTRONIC COPIES OF ANY AND ALL RECORDS, DOCUMENTS, PAPERS, MEDIA AND/OR INFORMATION RELATED TO THE CALCULATION, BILLING, PAYMENT AND ACCOUNTING FOR ELECTRIC AND GAS SALES AND USE TAX APPLICABLE IN THE CITY OF LOUISVILLE DURING THE REVIEW PERIOD JANUARY 1, 2011 – DECEMBER 31, 2013, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

1. Detailed general ledger;
2. Trial Balance;
3. Chart of Accounts;
4. Tax Matrix of SKU's;
5. Fixed Asset Depreciation schedule or fixed asset listing; and,
6. All invoices for fixed asset purchases made in 2011, 2012 and 2013
7. All City of Louisville sales and use tax returns filed by Xcel for the review period and worksheets used to prepare them.
8. All State of Colorado sales and use tax returns filed by Xcel for the review period.
9. Lease, rental and maintenance agreements (for tangible personal property) used in the City of Louisville by Xcel for the review period.
10. A detailed explanation of how the amount subject to sales tax is determined, including identifying all source documents.
11. A detailed explanation of how the amount subject to use tax is determined, including identifying all source documents.
12. Description of any sources of revenue derived within the City limits that are not subject to sales tax. For each source of revenue:
 - a. Provide the monthly amounts of these excluded revenues for the review period; and,
 - b. Identify the source documents used to provide these amounts.
13. A list of all assets, including the purchase price, purchased within the City limits on which use tax is applicable for the review period.
14. A list of all construction projects of any nature, including the gross construction costs, undertaken within the City during the review period.
15. A narrative description of the process used by the company to identify construction projects applicable for use tax and monthly documentation of how each of the construction projects listed under item 14 above were assigned use taxes for the review period

EXHIBIT A

16. A list by month for each month of the review period documenting all asset purchases that Xcel believes are not subject to use taxes and the explanation why Xcel believes each asset purchase is not subject to use tax.

REVIEW OF STREET ADDRESSES

17. The following information in electronic (Excel spreadsheet) format broken down by location and by month for the review period:
 - a. An electronic file containing customer billing records itemized and detailed by every location for which service was available within the City. The location data shall include street number, street direction, street name, street suffix, unit number, city, state, zip code, agent/taxing/franchise fee code, and latitude and longitude if available. The data shall include detail of taxable service by month for each and every service location, the municipal utility tax and/or gas use tax and applicable calculation used to calculate that tax, and the tax remitted for that month as part of the tax payment.
 - b. A legend explaining Xcel data formats and fields and precisely how Xcel determined taxable charges.
18. Identify by street address all new locations (annexations, subdivisions, multiple dwelling units, etc.) added to the City of Louisville by Xcel during the review period and the exact date each new location was added.

EXHIBIT A

AFFIDAVIT OF SERVICE

I declare under oath that I am 18 years or older and that I served this Subpoena to Produce Documents on Kurt Plender (Name) on 11/04/2014 (Date) at the following location: 1560 Broadway, Denver, CO 80202 (CSC)
Public Service Company of Colorado c/o Corporation Service Company.

Check one:

- By handing it to a person identified as the named Witness or by leaving with the Witness who refused service;
- By leaving it with one of the following:
 - the person's place of abode or workplace;
 - with any person who is 18 years of older and who is a member of the person's family;
 - with the person's secretary, administrative assistant, bookkeeper, or managing agent;
 - by delivering a copy to an agent authorized by appointment or by law to receive service of process.
- I attempted to serve the Witness on _____ occasions but have not been able to locate the witness;

James Lopez 424
Signature of Process Server

JAMES LOPEZ 424
Name (Print or type)

Notary or Court Clerk Date

EXHIBIT B

ORDINANCE NO. 1527 SERIES 2007

AN ORDINANCE GRANTING A NON-EXCLUSIVE FRANCHISE BY THE CITY OF LOUISVILLE TO PUBLIC SERVICE COMPANY OF COLORADO AND ITS LAWFUL SUCCESSORS AND ASSIGNS FOR THE RIGHT TO MAKE REASONABLE USE OF CITY STREETS TO PROVIDE UTILITY SERVICE TO THE CITY AND TO ITS RESIDENTS AND TO ACQUIRE, PURCHASE, CONSTRUCT, INSTALL, LOCATE, MAINTAIN, OPERATE, AND EXTEND INTO, WITHIN AND THROUGH THE CITY ALL COMPANY FACILITIES REASONABLY NECESSARY FOR THE GENERATION, PRODUCTION, MANUFACTURE, SALE, STORAGE, PURCHASE, EXCHANGE, TRANSMISSION, TRANSPORTATION AND DISTRIBUTION OF UTILITY SERVICE WITHIN AND THROUGH THE CITY, AND APPROVING A STREET LIGHTING AND TRAFFIC SIGNAL LIGHTING SERVICE AGREEMENT AND A RIGHT OF FIRST PURCHASE LETTER AGREEMENT BETWEEN THE CITY AND PSCO.

WHEREAS, Public Service Company of Colorado, doing business as Xcel Energy (“Company”), currently holds an electric and gaseous fuel franchise from the City of Louisville (“City”), granted by Ordinance No. 544, Series 1977, as amended by Ordinance No. 994, Series 1989, Ordinance No. 1258, Series 1997, Ordinance No. 1296, Series 1999, Ordinance No. 1378, Series 2002, Ordinance No. 1449, Series 2004, Ordinance No. 1548, Series 2004, Ordinance No. 1472, Series 2005, and Ordinance No. 1522, Series (“current franchise”); and

WHEREAS, the current franchise extends through December 31, 2007; and

WHEREAS, the Company and the City have been involved in negotiations related to the granting of a new franchise to the Company, and these negotiations have resulted in a proposed Franchise Agreement that is being presented to City Council for its consideration and approval (the “Franchise Agreement”), a copy of which Franchise Agreement accompanies this ordinance and is on file with the City Clerk; and

WHEREAS, the Franchise Agreement includes, among other provisions, the following major terms and conditions: (1) a term of twenty years; (2) a requirement that the Company pay to the City a franchise fee of three percent of the Gross Revenues that the Company receives from the sale of gas and electricity to Residents of the City as well as from the transportation of gas to Residents and from the use of Company facilities within the Streets; and (3) other provisions regarding the provision of Utility Service, the construction, operation and relocation of Company Facilities, and other performance obligations; and

WHEREAS, the negotiation of the Franchise Agreement has also resulted in a proposed Street Lighting and Traffic Signal Lighting Service Agreement by and between the Company and the City (the “Street Lighting Agreement”), and a proposed letter agreement between the Company and the City providing that the City shall have the right of first purchase on any and all real property owned by the Company and located within the City (the “Right of First Purchase Agreement”); and

EXHIBIT B

WHEREAS, Section 14-1 of the City Charter provides that the granting, renewal or amendment of any franchise shall be by ordinance of the City Council; and

WHEREAS, the City Council finds that the City's grant of a franchise to the Company in accordance with the terms and conditions of the Franchise Agreement is in the best interests of the City and its citizens, and will serve to meet utility service related needs of the community; and

WHEREAS, the City Council further finds that the City's approval of the associated Street Lighting Agreement and the Right of First Purchase Agreement are in the best interests of the City and its citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. The City Council hereby approves the proposed Franchise Agreement by and between the City of Louisville, Colorado and Public Service Company of Colorado in the form of such Franchise Agreement accompanying this ordinance as Attachment 1, and hereby authorizes the grant of franchise therein contained subject to and upon the terms and conditions of said Franchise Agreement.

Section 2. The Mayor and City Clerk are authorized to execute the Franchise Agreement on behalf of the City, such execution to be on or after the effective date of this ordinance and subject to the requirement that Public Service Company of Colorado shall have first executed and delivered the same, the Street Lighting Agreement, the Right of First Purchase Agreement, and the letter regarding Section 1.8 of the Franchise Agreement.

Section 3. The City Council hereby approves the proposed Street Lighting Agreement by and between the City of Louisville, Colorado and Public Service Company of Colorado in the form of such Street Lighting Agreement accompanying this ordinance as Attachment 2, and further hereby approves the Right of First Purchase Agreement in the form of such Right of First Purchase Agreement accompanying this ordinance as Attachment 3.

Section 4. The Mayor and City Clerk are authorized to execute the Street Lighting Agreement and the Right of First Purchase Agreement on behalf of the City, such execution to be on or after the effective date of this ordinance.

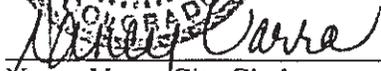
Section 5. If any portion of this ordinance is held to be invalid for any reason, such decisions shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

Section 6. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

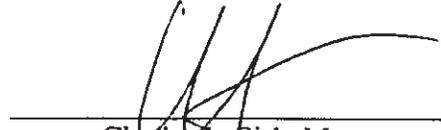
EXHIBIT B

INTRODUCED, READ, PASSED ON FIRST READING, AND ORDERED
PUBLISHED this 5th day of November, 2007.



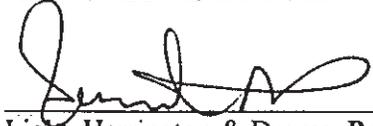


Nancy Varra, City Clerk



Charles L. Sisk, Mayor

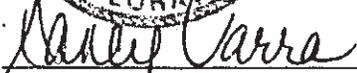
APPROVED AS TO FORM:



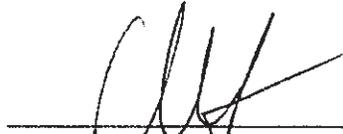
Light, Harrington & Dawes, P.C.
City Attorney

PASSED AND ADOPTED ON SECOND AND FINAL READING, this 4th day of
December, 2007.





Nancy Varra, City Clerk



Charles L. Sisk, Mayor

EXHIBIT B

FRANCHISE AGREEMENT BETWEEN THE CITY OF LOUISVILLE, COLORADO AND PUBLIC SERVICE COMPANY OF COLORADO

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| ARTICLE 11 | PURCHASE OR CONDEMNATION; MUNICIPAL UTILITY |
| ARTICLE 12 | ENVIRONMENT AND CONSERVATION |
| ARTICLE 13 | TRANSFER OF FRANCHISE |
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ARTICLE I DEFINITIONS

For the purpose of this franchise, the following words and phrases shall have the meaning given in this Article. When not inconsistent with context, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural. The word “shall” is mandatory and “may” is permissive. Words not defined in this Article shall be given their common and ordinary meaning.

- §1.1 “City” refers to the City of Louisville, a home rule municipal corporation of the State of Colorado.
- §1.2 “City Council” or “Council” refers to the legislative body of the City.
- §1.3 “Company” refers to Public Service Company of Colorado d/b/a Xcel Energy and its successors and assigns consistent with Article 13, and including affiliates or subsidiaries that undertake to perform any of the obligations under this franchise.
- §1.4 “Company Facilities” refer to all facilities of the Company reasonably necessary to provide gas and electric service into, within and through the City, including but not limited to plants, works, systems, substations, transmission and distribution structures, lines, equipment, pipes, mains, conduit, transformers, underground lines, gas compressors, meters, meter reading devices, communication and data transfer equipment, control equipment, gas regulator stations, street lights, wire, cables and poles.
- §1.5 “Electric Gross Revenues” refers to those amounts of money which the Company receives from the sale or delivery of electricity in the City, after adjusting for refunds, net write-offs of uncollectible accounts, corrections, or regulatory adjustments. Regulatory adjustments include, but are not limited to, credits, surcharges, refunds, and pro-forma adjustments pursuant to federal or state regulation. “Electric Gross Revenues” shall exclude any revenue for the sale or delivery of electricity to the City.
- §1.6 “Gross Revenues” refers to those amounts of money which the Company receives from the sale of gas and electricity to Residents under rates authorized by the Public Utilities Commission, as well as from the transportation of gas to Residents and from the use of Company facilities within the Streets (unless otherwise preempted by applicable federal or state law), as adjusted for refunds, net write-offs of uncollectible accounts, corrections, or regulatory adjustments. Regulatory adjustments include, but are not limited to, credits, surcharges, refunds, and pro-forma adjustments pursuant to federal or state regulation. “Gross Revenues” shall exclude any revenues from the sale of gas or electricity to the City or the transportation of gas to the City.
- §1.7 “Private Project” refers to any project which is not covered by the definition of Public Project.

EXHIBIT B

- §1.8 “Public Project” refers to (1) any public work or improvement within the City that is wholly owned or wholly funded by the City; or (2) any public work or improvement within the City where fifty percent (50%) or more of the funding is provided by any combination of the City, the federal government, the State of Colorado or any other governmental entity, including but not limited to the Regional Transportation District, the Urban Drainage and Flood Control District, or any Colorado municipality or county, but excluding all other entities established under Title 32 of the Colorado Revised Statutes.
- §1.9 “Public Utilities Commission” or “PUC” refers to the Public Utilities Commission of the State of Colorado or other state agency succeeding to the regulatory powers of the Public Utilities Commission.
- §1.10 “Public Utility Easement” refers to any easement over, under, or above public property, lawfully acquired by or dedicated to the use of the Company, its predecessors in interest, or other public utility companies for the placement of public utility facilities, including but not limited to Company Facilities. Public Utility Easement shall not include any easement for the use of the Company that is located within the Streets.
- §1.11 “Renewable Resource” shall have the meaning set forth in the rules of the PUC establishing a Renewable Energy Standard, as the same may be amended from time to time. At the time of the execution of this franchise, the Renewable Energy Standard is located at 4 CCR 723-3-3650 to 3656.
- §1.12 “Residents” refer to all persons, businesses, industries, governmental agencies, including the City, and any other entity whatsoever, presently located or to be hereinafter located, in whole or in part, within the territorial boundaries of the City.
- §1.13 “Streets” or “City Streets” refers to the surface, the air space above the surface and the area below the surface of any City dedicated streets, alleys, bridges, roads, lanes, public easements, and other public rights-of-way within the City, excluding any public easements the terms of which do not permit the use thereof by the Company. Streets shall also include other public places within the City that are suitable locations for the placement of Company Facilities as specifically approved in writing by the City. Streets shall not include Public Utility Easements.
- §1.14 “Supporting Documentation” refers to all information reasonably required in order to allow the Company to design and construct any work performed under the provisions of this franchise. Supporting Documentation may include, but is not limited to, construction plans, a description of known environmental issues, the identification of critical right of way or easement issues, the final recorded plat for the property, the date the site will be ready for the Company to begin construction, the date electric service and meter set are needed, the date gas service and meter set are needed, and the name and contact information for the City’s project manager.
- §1.15 “Tariffs” refer to those tariffs of the Company on file and in effect with the PUC.

EXHIBIT B

§1.16 “Utility Service” refers to the sale of gas or electricity to Residents by the Company under rates approved by the PUC, as well as the delivery of gas to Residents by the Company.

ARTICLE 2 GRANT OF FRANCHISE

§2.1 Grant Of Franchise.

A. Grant. The City hereby grants to the Company, subject to all conditions, limitations, terms, and provisions contained in this franchise, the non-exclusive right to make reasonable use of City Streets:

(1) to provide Utility Service to the City and to its Residents under Tariffs on file with the PUC; and

(2) to acquire, purchase, construct, install, locate, maintain, operate, and extend into, within and through the City all Company Facilities reasonably necessary for the generation, production, manufacture, sale, storage, purchase, exchange, transmission, transportation and distribution of Utility Service within and through the City.

B. Street Lighting And Traffic Signal Lighting Service. The rights granted by this franchise encompass the nonexclusive right to provide street lighting service and traffic signal lighting service as directed by the City, and the provisions of this franchise shall apply with full and equal force to street lighting service and traffic signal lighting service provided by the Company. Wherever reference is made in this franchise to the sale or provision of Utility Service, these references shall be deemed to include the provision of street lighting service and traffic signal lighting service. Street lighting service and traffic signal lighting service within the City shall be governed by this franchise, any separate agreements between the Company and the City executed on or after the effective date of this franchise, and Tariffs on file with the PUC.

§2.2 Conditions And Limitations.

A. Scope Of Franchise. The grant of this franchise shall extend to all areas of the City as it is now or hereafter constituted; however, nothing contained in this franchise shall be construed to authorize the Company to engage in activities other than the provision of Utility Service.

B. Subject To City Usage. The right to make reasonable use of City Streets under the franchise is subject to and subordinate to any City usage of said Streets.

C. Prior Grants Not Revoked. This grant is not intended to revoke any prior license, grant, or right to use the Streets and such licenses, grants or rights of use are hereby affirmed. Such rights shall, however, be governed by the terms of this franchise.

EXHIBIT B

D. Franchise Not Exclusive. The rights granted by this franchise are not, and shall not be deemed to be, granted exclusively to the Company, and the City reserves the right to make or grant a franchise to any other person, firm, or corporation.

§2.3 Effective Date and Term.

A. Term. This franchise shall take effect on January 1, 2008, and shall supersede any prior franchise grants to the Company by the City. This franchise shall expire on December 31, 2027, unless extended by mutual consent.

ARTICLE 3 CITY POLICE POWERS

§3.1 Police Powers. The Company expressly acknowledges the City's right to adopt, from time to time, in addition to the provisions contained herein, such laws, including ordinances and regulations, as it may deem necessary in the exercise of its governmental powers.

§3.2 Regulation Of Streets Or Other City Property. The Company expressly acknowledges the City's right to enforce regulations concerning the Company's access to or use of the Streets, including requirements for permits.

§3.3 Compliance With Laws. The Company shall promptly and fully comply with all laws, regulations, permits, and orders enacted by the City that are applicable to the Company's provision of Utility Service within the City.

ARTICLE 4 FRANCHISE FEE

§4.1 Franchise Fee.

A. Fee. In consideration for the franchise, which provides for the Company's use of City Streets, which are valuable public properties acquired and maintained by the City at great expense to its Residents, and in recognition that the grant to the Company of the use of City Streets is a valuable right, the Company shall pay the City a sum equal to three percent (3%) of all Gross Revenues. Except as otherwise provided by law, the Company shall collect this fee from a surcharge upon Residents who are customers of the Company.

B. Obligation In Lieu Of Fee. In the event that the franchise fee specified herein is declared void for any reason by a court or regulatory authority of competent jurisdiction, unless prohibited by law, the Company shall be obligated to pay the City, at the same times and in the same manner as provided in the franchise, an aggregate amount equal to the amount which the Company would have paid as a franchise fee as consideration for use of the City Streets. Except as otherwise provided by law, the Company shall collect the amounts agreed upon through a surcharge upon Utility Service provided to City Residents.

EXHIBIT B

C. Changes In Utility Service Industries. The City and the Company recognize that utility service industries are the subject of restructuring initiatives by legislative and regulatory authorities, and are also experiencing other changes as a result of mergers, acquisitions, and reorganizations. Some of such initiatives and changes have or may have an adverse impact upon the franchise fee revenues provided for herein. In recognition of the length of the term of this franchise, the Company agrees that in the event of any such initiatives or changes, upon receiving a written request from the City, and to the extent permitted by law, the Company will cooperate with and assist the City in modifying this franchise to assure that the City receives an amount in franchise fees or some other form of compensation that is the same amount of franchise fees paid to the City as of the date that such initiatives and changes adversely impact franchise fee revenues; provided, however, that except as provided by law, the Company shall be entitled to collect such amounts from City Residents in conjunction with the provision of Utility Service.

D. Utility Service Provided to the City. No franchise fee or amount paid in lieu thereof shall be charged to the City for Utility Service provided to the City for its own consumption, including street lighting service and traffic signal lighting service.

§4.2 Remittance Of Franchise Fee.

A. Remittance Schedule. Franchise fee revenues shall be remitted by the Company to the City as directed by the City in monthly installments not more than thirty (30) days following the close of each month.

B. Correction Of Franchise Fee Payments. In the event that either the City or the Company discovers that there has been an error in the calculation of the franchise fee payment to the City, it shall provide written notice to the other party of the error. If the party receiving written notice of error does not agree with the written notice of error, that party may challenge the written notice of error pursuant to Section 4.2.C of this franchise; otherwise, the error shall be corrected in the next monthly payment. However, if the error results in an overpayment of the franchise fee to the City, and said overpayment is in excess of Five Thousand Dollars (\$5,000.00), credit for the overpayment shall be spread over the same period the error was undiscovered. All franchise fee underpayments shall be corrected in the next monthly payment, together with interest computed at the rate set by the PUC for customer security deposits held by the Company, from the date when due until the date paid. In no event shall either party be required to fund or refund any overpayment or underpayment made as a result of a Company error which occurred more than three (3) years prior to the discovery of the Company error.

C. Fee Disputes. Either party may challenge any written notification of error as provided for in Section 4.2.B of this franchise by filing a written notice to the other party within thirty (30) days of receipt of the written notification of error. The written notice shall contain a summary of the facts and reasons for the party's notice. The parties shall make good faith efforts to resolve any such notice of error before initiating any formal legal proceedings for the resolution of such error.

EXHIBIT B

D. Reports. Upon written request by the City, but not more than once per year, the Company shall supply the City with reports, in such formats and providing such details as reasonably requested by the City, of all suppliers of utility service that utilize Company Facilities to sell or distribute utility service to Residents and the names and addresses of each such supplier.

E. Audit Rights; Protection of Confidential Information. The City finance director, or his or her agent, shall have access to the metering records of the Company during normal business hours upon reasonable notice for the purpose of auditing to ascertain that the franchise fee has been correctly computed and paid. The City may use the metered information obtained from franchise fee audits for the purpose of enforcing its sales and use tax laws. Except for such use and for such disclosures as may be required by law, all information obtained by the finance director during a franchise fee audit shall be kept confidential and shall be utilized for the sole purpose of verifying that the franchise fee has been correctly computed and paid.

§4.3 Franchise Fee Payment Not In Lieu Of Permit Or Other Fees. Payment of the franchise fee does not exempt the Company from any other lawful tax or fee imposed generally upon similar classes of businesses operating within the City, including any fee for a street closure permit, an excavation permit, a street cut permit, or other lawful permits hereafter required by the City, except that the franchise fee provided for herein shall be in lieu of any occupancy tax, occupation tax or other fee for the use of City Streets.

ARTICLE 5 ADMINISTRATION OF FRANCHISE

§5.1 City Designee. The City Manager of the City is hereby designated to the Company as an official having full power and authority to administer the franchise. The City may also designate one or more City representatives to act as the primary liaison with the Company as to particular matters addressed by this franchise and shall provide the Company with the name and telephone numbers of said City representatives. The City may change these designations by providing written notice to the Company. The City Manager and the City's other designees shall have the right, at all reasonable times, to inspect any Company Facilities in City Streets.

§5.2 Company Designee. The Company shall designate a representative to act as the primary liaison with the City and shall provide the City with the name, address, and telephone number for the Company's representative under this franchise. The Company may change its designation by providing written notice to the City. The City shall use this liaison to communicate with the Company regarding Utility Service and related service needs for City facilities.

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§5.3 Coordination Of Work.

A. The Company agrees to meet with the City's designees upon written request for the purpose of reviewing, implementing, or modifying mutually beneficial procedures for the efficient processing of Company bills, invoices and other requests for payment.

B. The Company agrees to coordinate its activities in City Streets with the City. The City and the Company will meet annually upon the written request of the City designees to exchange their respective short-term and long-term forecasts and/or work plans for construction and other similar work which may affect City Streets. The City and Company shall hold such meetings as either deems necessary to exchange additional information with a view towards coordinating their respective activities in those areas where such coordination may prove beneficial and so that the City will be assured that all provisions of this franchise, building and zoning codes, and air and water pollution regulations are complied with, and that aesthetic and other relevant planning principles have been given due consideration.

ARTICLE 6 SUPPLY, CONSTRUCTION, AND DESIGN

§6.1 Purpose. The Company acknowledges the critical nature of the municipal services performed or provided by the City to the Residents which require the Company to provide prompt and reliable Utility Service and the performance of related services for City facilities. The City and the Company wish to provide for certain terms and conditions under which the Company will provide Utility Service and perform related services for the City in order to facilitate and enhance the operation of City facilities. They also wish to provide for other processes and procedures related to the provision of Utility Service to the City.

§6.2 Supply. The Company shall take all reasonable and necessary steps to provide a sufficient supply of gas and electricity to Residents at the lowest reasonable cost consistent with reliable supplies.

§6.3 Service To City Facilities.

A. Transport Gas. To the extent the City is or elects to become a gas transport customer of the Company, the Company shall transport natural gas purchased by the City for use in City facilities pursuant to separate contracts with the City.

B. Charges To The City. No charges to the City by the Company for Utility Service (other than gas transportation which shall be subject to negotiated contracts) shall exceed the lowest charge for similar service or supplies provided by the Company to any other similarly situated customer of the Company. The parties acknowledge the jurisdiction of the PUC over the Company's regulated intrastate electric and gas rates.

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§6.4 Restoration Of Service.

A. Notification. The Company shall provide to the City daytime and nighttime telephone numbers of a designated Company representative from whom the City designees may obtain status information from the Company on a twenty-four (24) hour basis concerning interruptions of Utility Service in any part of the City.

B. Restoration. In the event the Company's gas system or electric system, or any part thereof, is partially or wholly destroyed or incapacitated, the Company shall use due diligence to restore such systems to satisfactory service within the shortest practicable time, or provide a reasonable alternative to such system if the Company elects not to restore such system.

§6.5 Obligations Regarding Company Facilities.

A. Company Facilities. All Company Facilities within City Streets shall be maintained in good repair, condition and appearance.

B. Company Work Within the City. All work within City Streets performed or caused to be performed by the Company shall be done:

- (1) in a high-quality manner;
- (2) in a timely and expeditious manner;
- (3) in a manner which minimizes inconvenience to the public;
- (4) in a cost-effective manner, which may include the use of qualified contractors; and
- (5) in accordance with all applicable laws, ordinances, and regulations.

C. No Interference With City Facilities. Company Facilities shall not interfere with any City facilities, including water facilities, sanitary or storm sewer facilities, communications facilities, or any other City uses of the Streets. Company Facilities shall be installed and maintained in City Streets so as to minimize interference with other property, trees, and other improvements and natural features in and adjoining the Streets, including both then-existing and then-planned improvements of which the Company has been advised in writing.

D. Permit And Inspection. The installation, renovation, repair, and replacement of any Company Facilities in the City Streets by or on behalf of the Company shall be subject to permit, inspection and approval by the City. Such inspection and approval may include, but not be limited to, the following matters: location of Company Facilities, cutting and trimming of trees and shrubs, and disturbance of pavement, sidewalks, and surfaces of City Streets. The Company agrees to cooperate with the City in conducting inspections and

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shall promptly perform any remedial action lawfully required by the City pursuant to any such inspection.

E. Compliance. The Company and all of its contractors shall comply with the requirements of all municipal laws, ordinances, regulations, permits, and standards, including but not limited to requirements of all building and zoning codes, and requirements regarding curb and pavement cuts, excavating, digging, and other construction activities. The Company shall assure that its contractors working in City Streets hold the necessary licenses and permits required by law.

F. As-Built Drawings. Upon written request of the City designee, the Company shall provide within fourteen (14) days, on a project by project basis, as-built drawings of any Company Facility installed within the City Streets or contiguous to the City Streets. Such as-built drawings refers to the facility drawings maintained in the Company's geographical information system or any equivalent system. The Company shall not be required to create drawings that do not exist at the time of the City's request, but the foregoing shall not be construed to affect any obligation to prepare drawings pursuant to any separate agreement.

G. Increase in Voltage. Unless otherwise prohibited by law, the Company shall reimburse the City for the cost of upgrading the electrical system or facility of any City building or facility that uses Utility Service where such upgrading is occasioned by the Company's decision to increase the voltage of delivered electrical energy.

§6.6 Excavation And Construction. The Company shall be responsible for obtaining, paying for, and complying with all applicable permits including, but not limited to, excavation, street closure and street cut permits, in the manner required by the laws, ordinances, and regulations of the City. Although the Company shall be responsible for obtaining and complying with the terms of such permits when performing relocations requested by the City under Section 6.8 of this franchise and undergrounding requested by the City under Article 10 of this franchise, the City will not require the Company to pay the fees charged for such permits.

§6.7 Restoration and Damage.

A. Restoration. When the Company performs any work in or affecting the City Streets or any landscaping or improvements therein, it shall, at its own expense, promptly remove any obstructions therefrom, repair any damage, and restore such City Streets and landscaping and improvements therein to a condition that meets applicable City standards. If weather or other conditions do not permit the complete restoration or repair required by this Section, the Company may with the approval of the City, temporarily restore the affected City Streets, provided that such temporary restoration is at the Company's sole expense and provided further that the Company promptly undertakes and completes the required permanent restoration or repair when the weather or other conditions no longer prevent such permanent restoration or repair. If the Company fails to promptly restore or repair the City Streets and landscaping and improvements therein as required by this Section, the City may, upon giving fourteen (14) days' written notice to the Company,

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restore such City Streets, remove the obstruction therefrom or repair the damage; provided however, City actions do not interfere with Company Facilities. The Company shall be responsible for the actual cost incurred by the City to restore or repair such City Streets and landscaping and improvements therein or to remove any obstructions therefrom. The City shall not perform work on Company Facilities. Upon request of the City, the Company shall restore the City Streets to a better condition than existed before the work was undertaken, provided that the City shall be responsible for any additional costs of such restoration.

B. Damage. In addition, the Company shall promptly repair any damage to the City Streets and remedy any situation within the City Streets that is caused by Company activities or Company Facilities that results in a dangerous condition or otherwise poses an immediate hazard to the health or safety of the public. Upon the City becoming aware of any such situation, the City shall provide notice to the Company as soon as practicable under the circumstances, and the Company shall promptly upon receipt of such notice take action to abate said dangerous condition or hazard. If the Company fails to repair such damage or eliminate the dangerous condition within a reasonable time after notice, the City may take reasonable action to abate said dangerous condition or hazard, and the Company shall reimburse the City for said reasonable action; provided, however, that the Company shall not be liable for costs incurred by the City for providing emergency police or fire services generally made available to the public and the City shall not perform work on Company Facilities.

§6.8 Relocation Of Company Facilities.

A. Relocation Obligation. The Company shall at its sole cost and expense temporarily or permanently remove, relocate, change or alter the position or depth of any Company Facility in City Streets whenever the City Manager shall determine that such removal, relocation, change or alteration is necessary for the completion of any Public Project. For all relocations, the Company and the City agree to cooperate on the location and relocation of the Company Facilities in the City Streets in order to achieve relocation in the most efficient and cost-effective manner possible. Notwithstanding the foregoing, once the Company has relocated any Company Facility at the City's direction, if the City requests that the same Company Facility be relocated within two years, the subsequent relocation shall not be at the Company's expense unless said subsequent relocation is necessary to remedy public health and safety concerns not reasonably foreseeable by the City at the time of the prior relocation.

B. Private Projects. The Company shall not be responsible for the expenses of any relocation required by any Private Projects or for the expenses of any relocation required by the City's direct or indirect financial assistance of any Private Projects, and the Company has the right to require the payment of estimated relocation expenses from the affected private party before undertaking such relocation.

C. Relocation Performance. The relocations set forth in Section 6.8.A of this franchise shall be completed within a reasonable time, not to exceed ninety (90) days from

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the later of the date when the City designee requests in writing that the relocation commence or the date when the City provides the Company all Supporting Documentation. For all relocations, the Company shall promptly advise the City of any need for additional information necessary for such design. The Company shall be entitled to an extension of time to complete a relocation where the Company's performance was delayed due to a cause that could not be reasonably anticipated by the Company or is beyond its reasonable control, after exercise of best efforts to perform, including without limitation fire, strike, war, riots, acts of governmental authority, acts of God, forces of nature, judicial action, unavailability or shortages of labor, materials or equipment and failures or delays in delivery of materials. Upon request of the Company, the City may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.

D. City Revision of Supporting Documentation. Any revision by the City of the Supporting Documentation that causes the Company to substantially redesign or substantially change its plans regarding facility relocation shall be deemed good cause for a reasonable extension of time to complete the relocation under the franchise. The Company shall promptly advise the City of any claimed extension under this provision, including the estimated length of the claimed extension and the revised date by which the relocation is estimated to be completed.

E. Completion. Each such relocation shall be deemed complete only when the Company actually relocates the Company Facilities, restores the relocation site in accordance with Section 6.7 of this franchise or as otherwise agreed with the City, and removes from the site or properly abandons on site all unused facilities, equipment, material and other impediments.

F. Scope of Obligation. The relocation obligation set forth in this Section shall only apply to Company Facilities located in City Streets. The obligation shall not apply to Company Facilities located on property owned by the Company in fee, or to Company Facilities located in privately-owned easements or Public Utility Easements, unless such Public Utility Easements are on or in City-owned property.

G. Underground Relocation. Underground facilities shall be relocated underground. Above ground facilities shall be placed above ground unless the Company is paid for the incremental amount by which the underground cost would exceed the above ground cost of relocation, or the City requests that such additional incremental cost be paid out of available funds under Article 10 of this franchise.

H. Coordination. When requested in writing by the City designee or the Company, representatives of the City and the Company shall meet to share information regarding anticipated projects which will require relocation of Company Facilities in City Streets. Such meetings shall be for the purpose of minimizing conflicts where possible and to facilitate coordination with any timetable established by the City for any Public Project.

I. Proposed Alternatives Or Modifications. Upon receipt of written notice of a required relocation, the Company may propose an alternative to or modification of the

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Public Project requiring the relocation in an effort to mitigate or avoid the impact of the required relocation of Company Facilities. The City shall in good faith review the proposed alternative or modification. The City's acceptance or rejection of the proposed alternative or modification shall be at the sole discretion of the City Manager. In the event the City accepts the proposed alternative or modification, the Company agrees to promptly compensate the City for all additional costs, expenses or delay that resulted from the implementation of the proposed alternative. Unless otherwise agreed by the City, the presentation of a proposed alternative or modification shall not be deemed good cause for any extension of time to complete the relocation.

§6.9 Adjustments To Company Facilities. The Company shall perform adjustments to Company Facilities, including manholes, guy wires and other appurtenances in the Streets, to accommodate City Street maintenance, repair and paving operations at no cost to the City. In providing such adjustments to Company Facilities, the Company agrees to perform as follows:

A. Performance. The Company shall complete each requested adjustment within a reasonable time, not to exceed thirty (30) days from the date when the City Manager makes a written request and provides to the Company all information reasonably necessary to perform the adjustment. The Company shall be entitled to an extension of time to complete an adjustment where the Company's performance was delayed due to a cause that could not be reasonably anticipated by the Company or is beyond its reasonable control, after exercise of best efforts to perform, including but not limited to fire, strike, war, riots, acts of governmental authority, acts of God, judicial action, unavailability or shortages of materials or equipment and failures or delays in delivery of materials. Upon request of the Company, the City Manager may also grant the Company reasonable extensions of time for good cause shown and the City Manager shall not unreasonably withhold any such extension.

B. Completion/Restoration. Each such adjustment shall be deemed complete only when the Company actually adjusts the Company Facility to accommodate the City operations in accordance with City instructions and, if required, readjusts, following City paving operations.

§6.10 New Or Modified Service Requested By City. The conditions under which the Company shall install new or modified utility service to the City as a customer shall be governed by this franchise and the Company's PUC Tariffs.

§6.11 Service To New Areas. If the territorial boundaries of the City are expanded during the term of this franchise, the Company shall, to the extent permitted by law, extend service to Residents in the expanded area at the earliest practicable time. Service to the expanded area shall be in accordance with the terms of the Company's PUC Tariffs and this franchise, including the payment of franchise fees.

§6.12 City Not Required To Advance Funds. Upon receipt of the City's authorization for billing and construction, the Company shall extend Company Facilities to provide Utility Service

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to the City as a customer, without requiring the City to advance funds prior to construction. The City shall pay for the extension of Company Facilities once completed in accordance with the Company's extension policy on file with the PUC.

- §6.13 Technological Improvements. The Company shall use its best efforts to incorporate, as soon as practicable, technological advances, upgrades and improvements in its equipment, facilities and service within the City when such advances are technically and economically feasible and are safe and beneficial to the City and its Residents. The City shall not oppose the efforts of the Company to incorporate such advances, upgrades and improvements.

ARTICLE 7 RELIABILITY

- §7.1 Reliability. The Company shall operate and maintain Company Facilities efficiently and economically and in accordance with the high standards and best systems, methods, and skills then reasonably available and consistent with the provision of adequate, safe, and reliable Utility Service.
- §7.2 Franchise Performance Obligations. The Company recognizes that, as part of its obligations and commitments under this franchise, the Company shall carry out each of its performance obligations in a timely, expeditious, efficient, economical, and workmanlike manner.

ARTICLE 8 COMPANY PERFORMANCE OBLIGATIONS

- §8.1 New or Modified Service To City Facilities. In providing new or modified Utility Service to City facilities, the Company agrees to perform as follows:
- A. Performance. The Company shall complete each project requested by the City within a reasonable time. The Parties agree that a reasonable time shall not exceed one hundred eighty (180) days from the date upon which the City designee makes a written request and provides the required Supporting Documentation as described in this section. The Company shall be entitled to an extension of time to complete a project where the Company's performance was delayed due to a cause that could not be reasonably anticipated by the Company or is beyond its reasonable control, after exercise of best efforts to perform, including but not limited to, fire, strike, war, riots, acts of governmental authority, acts of God, forces of nature, judicial action, unavailability or shortages of materials or equipment and failures or delays in delivery of materials. Upon request of the Company, the City designee may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.
- B. City Revision of Supporting Documentation. Any revision by the City of Supporting Documentation provided to the Company that causes the Company to substantially redesign and/or change its plans regarding new or modified service to City facilities shall be deemed good cause for a reasonable extension of time to complete the

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installation or modification under the franchise. The Company shall promptly advise the City of any claimed extension under this provision, including the estimated length of the claimed extension and the revised date by which the installation or modification is estimated to be completed.

C. Completion/Restoration. Each such project shall be complete only when the Company actually provides the service installation or modification required, restores the project site in accordance with the terms of the franchise or as otherwise agreed with the City and removes from the site or properly abandons on site any unused facilities, equipment, material and other impediments.

§8.2 Third Party Damage Recovery.

A. Damage To Company Interests. If, by violation of any traffic or other ordinance of the City, or in any other unlawful manner, any individual or entity damages any Company Facilities that the Company is responsible to repair or replace, the City will notify the Company of any such incident and will provide to the Company within a reasonable time all pertinent information within its possession regarding the incident and the damage, including the identity of the responsible individual or entity, except that this provision shall not be construed to require any disclosure prohibited by state open records or criminal justice records statutes, or other law.

B. Damage To City Interests. If, by violation of any traffic or other ordinance of the City, or in any other unlawful manner, any individual or entity damages any Company Facilities for which the City is obligated to reimburse the Company for the cost of the repair or replacement of the damaged facility, the Company will notify the City of any such incident and will provide to the City within a reasonable time all pertinent information within its possession regarding the incident and the damage, including the identity of the responsible individual or entity, except that this provision shall not be construed to require any disclosure prohibited by law applicable to the Company.

C. Meeting. The Company and the City agree to meet periodically, upon written request of either party, for the purpose of developing, implementing, reviewing, improving and/or modifying mutually beneficial procedures and methods for the efficient gathering and transmittal of information useful in recovery efforts against third parties for damaging Company Facilities.

ARTICLE 9 USE OF COMPANY FACILITIES

§9.1 City Use Of Company Facilities. The City shall be permitted to make use of Company Facilities in the City at no cost to the City for the placement of City equipment or facilities necessary to serve any police, fire, emergency, public safety or traffic control purpose, or any purpose related to operation of the City's water or sewer utilities. The City will notify the Company in writing in advance of its intent to use Company facilities and the nature of such use. The City shall be responsible for costs associated with modifications to

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Company Facilities to accommodate the City's use of such Company Facilities and for any electricity used. No such use of Company Facilities shall be required if it would constitute a safety hazard or would interfere with the Company's use of Company Facilities. Any such City use must comply with the National Electric Safety Code and all other applicable laws, rules and regulations.

- §9.2 Third Party Use Of Company Facilities. If requested in writing by the City, the Company may allow other companies who hold franchises, or otherwise have obtained consent from the City to use the Streets, to utilize Company Facilities for the placement of their facilities upon approval by the Company and agreement upon reasonable terms and conditions including payment of fees established by the Company. No such use shall be permitted if it would constitute a safety hazard or would interfere with the Company's use of Company Facilities. The Company shall not be required to permit the use of Company Facilities for the provision of utility service by the City or by third parties.
- §9.3 City Use Of Company Transmission Rights-Of-Way. The Company shall offer to grant to the City use of transmission rights-of-way which it now, or in the future, owns in fee within the City for parks and open space; provided, however, that the Company shall not be required to make such an offer in any circumstance where such offer would constitute a safety hazard or would interfere with the Company's use of the transmission right-of-way. This Section is not intended and shall not be construed to revoke or affect any prior license, grant or right to use Company transmission rights-of-way.
- §9.4 Emergencies. Upon written request, the Company shall assist the City in developing an emergency management plan. In the case of any emergency or disaster, the Company shall, upon verbal request of the City, make available Company Facilities for emergency use during the emergency or the disaster period. Such use of Company Facilities shall be of a limited duration and will only be allowed if the use does not interfere with the Company's own use of Company Facilities.

ARTICLE 10 UNDERGROUNDING OF OVERHEAD FACILITIES

- §10.1 Underground Electrical Lines In New Areas. The Company shall, upon payment to the Company of the charges provided in its Tariffs or their equivalent, place all newly constructed electrical distribution lines in newly developed areas underground in accordance with applicable laws, regulations and orders.
- §10.2 Underground Conversion At Expense Of Company.
- A. Underground Fund. The Company shall budget and allocate an annual amount, equivalent to one percent (1%) of the preceding year's Electric Gross Revenues (the "Fund"), for the purpose of undergrounding existing overhead distribution facilities in the City, as may be requested by the City, provided that the undergrounding shall extend for a minimum distance of one (1) block or 750 feet, whichever is less, or as may be mutually

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agreed by the parties. Except as provided in §6.8.G, no relocation expenses which the Company would be required to expend pursuant to Article 6 of this franchise shall be charged to this allocation.

B. Unexpended Portion And Advances. Any unexpended portion of the Fund shall be carried over to succeeding years and, in addition, upon request by the City designee, the Company agrees to expend amounts anticipated to be available under the preceding paragraph for up to three (3) years in advance. Any amounts so expended shall be credited against amounts to be expended in succeeding years. Any funds accumulated under any prior franchise shall be carried over to this Fund balance. The City shall have no vested interest in any monies in the Fund not expended as of the date of expiration or termination of this franchise.

C. Systemwide Undergrounding. If, during the term of this franchise, the Company should receive authority from the PUC to undertake a systemwide program or programs of undergrounding its electric distribution facilities, the Company will budget and allocate to the program of undergrounding in the City such amount as may be determined and approved by the PUC, but in no case shall such amount be less than the one percent (1%) of annual Electric Gross Revenues provided above.

D. City Requirement To Underground. In addition to the provisions of this Article, the City may require any above ground Company Facilities to be moved underground at the City's expense.

§10.3 Undergrounding Performance. Upon receipt of a written request from the City, the Company shall, to the extent of monies available in the Fund and as otherwise provided herein, underground Company Facilities in accordance with the procedures set forth in this Section.

A. Performance. The Company shall complete each undergrounding project requested by the City within a reasonable time, not to exceed one hundred eighty (180) days from the later of the date upon which the City designee makes a written request and the date the City provides to the Company all Supporting Documentation. The Company shall be entitled to an extension of time to complete each undergrounding project where the Company's performance was delayed due to a cause that could not be reasonably anticipated by the Company or is beyond its reasonable control, after exercise of best efforts to perform, including but not limited to, fire, strike, war, riots, acts of governmental authority, acts of God, forces of nature, judicial action, unavailability or shortages of materials or equipment and failures or delays in delivery of materials. Upon request of the Company, the City may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.

B. City Revision of Supporting Documentation. Any revision by the City of Supporting Documentation provided to the Company that causes the Company to substantially redesign and/or change its plans regarding an undergrounding project shall be deemed good cause for a reasonable extension of time to complete the undergrounding

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project under the franchise. The Company shall promptly advise the City of any claimed extension under this provision, including the estimated length of the claimed extension and the revised date by which the undergrounding project is estimated to be completed.

C. Completion/Restoration. Each such undergrounding project shall be deemed complete only when the Company actually undergrounds the designated Company Facilities, restores the undergrounding site in accordance with Section 6.7 of this franchise or as otherwise agreed with the City designee and removes from the site or properly abandons on site any unused facilities, equipment, material and other impediments.

D. Estimates. Promptly upon receipt of an undergrounding request from the City and the Supporting Documentation necessary for the Company to design the undergrounding project, the Company shall prepare a detailed, good faith cost estimate of the anticipated actual cost of the requested project for the City to review and, if acceptable, issue a project authorization. The Company will not proceed with any requested project until the City has provided a written acceptance of the Company estimate.

E. Report Of Actual Costs. Upon completion of each undergrounding project, the Company shall submit to the City a detailed report of the Company's actual cost to complete the project and the Company shall reconcile this total actual cost with the accepted cost estimate.

F. Audit Of Underground Projects. The City may require that the Company undertake an independent audit of any undergrounding project for five hundred thousand dollars (\$500,000.00) or greater. The cost of any such independent audit shall reduce the amount of the Fund. The Company shall cooperate fully with any audit and the independent auditor shall prepare and provide to the City and the Company a final audit report showing the actual costs associated with completion of the project. If a project audit is required by the City, only those actual project costs confirmed and verified by the independent auditor as incurred by the Company to complete the particular City undergrounding project shall reduce the Fund.

§10.4 Audit Of Underground Fund. Upon written request of the City, but no more frequently than once every three (3) years, the Company shall audit the Fund for the City. Such audits shall be limited to the previous three (3) calendar years. The Company shall provide the audit report to the City and shall reconcile the Fund consistent with the findings contained in the audit report. The Company's cost of the internal audit shall not be charged against the Fund.

§10.5 Cooperation With Other Utilities. When undertaking an undergrounding project the City and the Company shall coordinate with other utilities or companies that have their facilities above ground to attempt to have all facilities undergrounded as part of the same project. When other utilities or companies are placing their facilities underground, the City shall provide the Company written notice of the specific undergrounding project. The Company shall cooperate with these utilities and companies and undertake to underground Company facilities as part of the same project where financially, technically and operationally

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feasible. The Company shall not be required to pay for the cost of undergrounding the facilities of other companies or the City.

§10.6 Planning And Coordination Of Undergrounding Projects. The City and the Company shall mutually plan in advance the scheduling of undergrounding projects to be undertaken according to this Article as a part of the review and planning for other City and Company construction projects. In addition, the City and the Company agree to meet, as required, to review the progress of then-current undergrounding projects and to review planned future undergrounding projects. The purpose of such meetings shall be to further cooperation between the City and the Company to achieve the orderly undergrounding of Company Facilities. At such meetings, the parties shall review:

A. Undergrounding, including conversions, Public Projects and replacements which have been accomplished or are underway, together with the Company's plans for additional undergrounding; and

B. Public Projects anticipated by the City.

ARTICLE II PURCHASE OR CONDEMNATION; MUNICIPAL UTILITY

§11.1 Municipal Right To Purchase Or Condemn.

A. Right And Privilege Of City. The right and privilege of the City to construct, purchase or condemn any Company Facilities located within the territorial boundaries of the City, and the Company's rights in connection therewith, as set forth in applicable provisions of the constitution and statutes of the State of Colorado and the City Charter relating to the acquisition of public utilities, are expressly recognized. The City shall have the right, consistent with such provisions, to purchase or condemn Company Facilities, land, rights-of-way and easements now owned or to be owned by the Company located within the territorial boundaries of the City. In the event of any such purchase or condemnation, no value shall be ascribed or given to the rights granted under this franchise in the valuation of the property thus taken.

B. Notice Of Intent To Purchase or Condemn. The City shall provide the Company no less than one (1) year's prior written notice of its intent to purchase or condemn Company Facilities. Nothing in this section shall be deemed or construed to constitute a consent by the Company to the City's purchase or condemnation of Company Facilities.

§11.2 Municipally-Produced Utility Service.

A. City Reservation. The City expressly reserves the right to engage in the production of utility service to the extent permitted by law. The Company agrees to negotiate in good faith long term contracts to purchase City-generated power made available for sale, including contracts for rebates, bill credits and/or net metering in relation to solar, wind or

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other renewable energy resources generated by the City at its facilities, consistent with and subject to applicable statutory and PUC requirements.

B. Franchise Not To Limit City's Rights. Nothing in this franchise prohibits the City from becoming an aggregator of utility service or from selling utility service to customers should it be permissible under law.

ARTICLE 12 ENVIRONMENT AND CONSERVATION

§12.1 Environmental Leadership. The Company is committed to sustainable development and energy conservation for the term of this franchise by continuing to provide leadership, support and assistance, in collaboration with the City, to identify, develop, implement and maintain new and creative programs. The Company shall strive to conduct its operations in a way that avoids adverse environmental impacts where feasible, subject to the ongoing regulatory oversight of the PUC. In doing so, the Company shall consider environmental issues in its planning and decision-making, and shall invest in environmentally sound technologies when such technologies are deemed prudent and feasible. The Company shall continue with its voluntary carbon reduction program to reduce greenhouse gas emissions and shall continue to explore ways to reduce water consumption at its facilities and to use recycled water, where feasible. The Company shall continue to work with the U.S. Fish and Wildlife Service to develop and implement avian protection plans to reduce electrocution and collision risks by eagles, raptors and other migratory birds with transmission and distribution lines.

§12.2 Energy Conservation and Efficiency.

A. Energy Efficiency Programs. The City and the Company recognize and agree that Energy Conservation and Efficiency programs offer opportunities for the efficient use of energy and reduction of customers' energy consumption and costs. The Company recognizes and shares the City's desire to advance the implementation of cost-effective Energy Conservation and Efficiency programs, which direct opportunities to the Company's customers to manage more efficiently their use of energy and, thereby, create the opportunity to reduce their energy consumption, costs, and impact on the environment. The Company shall seek authority from the PUC to develop and offer energy efficiency programs to its customers. Subject to PUC approval, the Company commits to offer Demand Side Management (DSM) programs and succeeding programs, which provide customers the opportunity to reduce their energy usage. In doing so, the Company recognizes the importance of (i) implementing cost-effective programs, the benefits of which could otherwise be lost if not pursued in a timely fashion and (ii) developing cost-effective energy management programs for the various classes of the Company's customers. The Company shall advise the City and the Company's customers of the availability of assistance that the Company makes available for investments in energy conservation through its Account Managers, Area Manager, newspaper advertisements, bill inserts and energy efficiency workshops and by maintaining information regarding these programs on the Company's website.

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B. Renewable Resource Programs. The Company agrees to consider Renewable Resource programs as an integral part of the Company's provision of Utility Service to its customers. The Company agrees to comply with the mandates of Colorado House Bill 1281, which doubles the renewable energy standard established by voters with the 2004 passage of Amendment 37. Unless otherwise provided by law or PUC order, the Company will obtain electricity from renewable sources equivalent to at least 20% of retail sales by 2020. The Company will promote a role for Renewable Resources in its future resource acquisitions, consistent with acceptable rate impacts, legislative requirements, and applicable provisions of law.

The Company will continue to promote existing or new programs in its service territory to comply with applicable provisions of law relating to renewable resources. The City shall actively support the Company's compliance with the renewable resource standards required by law. The Company agrees that, in complying with this provision, it shall take the following steps to encourage participation by the City and the Company's customers in available renewable resource programs:

- (1) Notify the City regarding eligible renewable resource programs;
- (2) Provide the City with support regarding how the City may participate in eligible renewable resource programs; and
- (3) Advise customers regarding participation in eligible renewable resource programs.

§12.3 Continuing Commitment. The Company agrees to maintain its commitment to sustainable development and energy conservation for the term of this franchise by continuing to provide leadership, support and assistance to identify, develop, implement and maintain new and creative programs similar to the programs identified in this franchise.

§12.4 PUC Approval. Nothing in this Article shall be deemed to require the Company to invest in technologies or to incur costs that it has a good faith belief, reached after a reasonable evaluation or inquiry to the PUC that the PUC will not allow the Company to recover through the ratemaking process.

ARTICLE 13 TRANSFER OF FRANCHISE

§13.1 Consent Of City Required. The Company shall not transfer or assign any rights under this franchise to an unaffiliated third party, except by merger with such third party, or, except when the transfer is made in response to legislation or regulatory requirements, unless the City approves such transfer or assignment in writing. Approval of the transfer or assignment shall not be unreasonably withheld.

§13.2 Transfer Fee. In order that the City may share in the value this franchise adds to the Company's operations, any transfer or assignment of rights granted under this franchise

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requiring City approval, as set forth herein, shall be subject to the condition that the Company shall promptly pay to the City a transfer fee in an amount equal to the proportion of the City's then-population provided Utility Service by the Company to the then-population of the City and County of Denver provided Utility Service by the Company multiplied by one million dollars (\$1,000,000.00). Except as otherwise required by law, such transfer fee shall not be recovered from a surcharge placed only on the rates of Residents.

ARTICLE 14 CONTINUATION OF UTILITY SERVICE

§14.1 Continuation of Utility Service. In the event this franchise is not renewed at the expiration of its term or is terminated for any reason, and the City has not provided for alternative utility service, the Company shall continue to provide Utility Service within the City until the City arranges for utility service from another provider. The Company further agrees that it will not withhold any temporary Utility Services necessary to protect the public. The City agrees that in the circumstances of this Article, the Company shall be entitled to monetary compensation only as provided in the Company's Tariffs on file with the Public Utilities Commission and the Company shall be entitled to collect from Residents and shall be obligated to pay the City, at the same times and in the same manner as provided in the franchise, an aggregate amount equal to the amount which the Company would have paid as a franchise fee as consideration for use of the City's Streets. Only upon receipt of written notice from the City stating that the City has adequate alternative Utility Service for Residents and upon order of the PUC shall the Company be allowed to discontinue the provision of Utility Service to the City and its Residents.

ARTICLE 15 INDEMNIFICATION AND IMMUNITY

§15.1 City Held Harmless. The Company shall indemnify, defend and hold the City harmless from and against claims, demands, liens and all liability or damage of whatsoever kind on account of or arising from the grant of this franchise, the exercise by the Company of the related rights, or from the operations of the Company within the City, and shall pay the costs of defense plus reasonable attorneys' fees. The City shall (a) give prompt written notice to the Company of any claim, demand or lien with respect to which the City seeks indemnification hereunder and (b) unless in the City's judgment a conflict of interest may exist between the City and the Company with respect to such claim, demand or lien, shall permit the Company to assume the defense of such claim, demand, or lien with counsel satisfactory to the City. If such defense is assumed by the Company, the Company shall not be subject to any liability for any settlement made without its consent. If such defense is not assumed by the Company or if the City determines that a conflict of interest exists, the parties reserve all rights to seek all remedies available in this franchise against each other. Notwithstanding any provision hereof to the contrary, the Company shall not be obligated to indemnify, defend or hold the City harmless to the extent any claim, demand

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or lien arises out of or in connection with any negligent or intentional act or failure to act of the City or any of its officers or employees.

§15.2 Immunity. Nothing in this Section or any other provision of this franchise shall be construed as a waiver of the notice requirements, defenses, immunities and limitations the City may have under the Colorado Governmental Immunity Act (§24-10-101, C.R.S., *et. seq.*) or of any other defenses, immunities, or limitations of liability available to the City by law.

ARTICLE 16 BREACH

§16.1 Non-Contestability. The City and the Company agree to take all reasonable and necessary actions to assure that the terms of this franchise are performed and neither will take any action to set aside or invalidate this franchise before any court or regulatory authority of competent jurisdiction. However, the Company reserves the right to seek a change in its Tariffs concerning rates, charges, terms, and conditions of providing Utility Service to the City and its Residents.

§16.2 Breach.

A. Notice/Cure/Remedies. Except as otherwise provided in this franchise, if a party (the “breaching party”) to this franchise fails or refuses to perform any of the terms or conditions of this franchise (a “breach”), the other party (the “non-breaching party”) may provide written notice to the breaching party of such breach. Upon receipt of such notice, the breaching party shall be given a reasonable time, not to exceed thirty (30) days, in which to remedy the breach. If the breaching party does not remedy the breach within the time allowed in the notice, the non-breaching party may exercise the following remedies for such breach:

- (1) specific performance of the applicable term or condition; and
- (2) recovery of actual damages from the date of such breach incurred by the non-breaching party in connection with the breach, but excluding any consequential damages.

B. Termination Of Franchise By City. In addition to the foregoing remedies, if the Company fails or refuses to perform any material term or condition of this franchise (a “material breach”), the City may provide written notice to the Company of such material breach. Upon receipt of such notice, the Company shall be given a reasonable time, not to exceed ninety (90) days, in which to remedy the material breach. If the Company does not remedy the material breach within the time allowed in the notice, the City may, at its sole option, terminate this franchise. This remedy shall be in addition to the City’s right to exercise any of the remedies provided for elsewhere in this franchise. Upon such termination, the Company shall continue to provide Utility Service to the City and its Residents until the City makes alternative arrangements for such service and until

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otherwise ordered by the PUC and the Company shall be entitled to collect from Residents and shall be obligated to pay the City, at the same times and in the same manner as provided in the franchise, an aggregate amount equal to the amount which the Company would have paid as a franchise fee as consideration for use of the City Streets. In no event does the Company have the right to terminate this franchise.

C. No Limitation. Except as provided herein, nothing in this franchise shall limit or restrict any legal rights or remedies that either party may possess arising from any alleged breach of this franchise.

ARTICLE 17 AMENDMENTS

- §17.1 Proposed Amendments. At any time during the term of this franchise, the City or the Company may propose amendments to this franchise by giving thirty (30) days written notice to the other of the proposed amendment(s). Nothing contained herein shall be deemed to require either party to consent to any amendment proposed by the other party.
- §17.2 Effective Amendments. No alterations, amendments or modifications to this franchise shall be valid unless executed by an instrument in writing by the parties, adopted with the same formality used in adopting this franchise. Neither this franchise, nor any term hereof, may be changed, modified or abandoned, in whole or in part, except by an instrument in writing, and no subsequent oral agreement shall have any validity whatsoever.
- §17.3 Elections. This franchise and any amendments or modifications hereto may be subject to approval by a vote of the registered electors of the City to the extent and in the manner required by the City Charter, as in effect and amended from time to time.

ARTICLE 18 EQUAL OPPORTUNITY

- §18.1 Economic Development. The Company is committed to the principle of stimulating, cultivating and strengthening the participation and representation of persons of color, women and members of other under-represented groups within the Company and in the local business community. The Company believes that increased participation and representation of under-represented groups will lead to mutual and sustainable benefits for the local economy. The Company is also committed to the principle that the success and economic well-being of the Company is closely tied to the economic strength and vitality of the diverse communities and people it serves. The Company believes that contributing to the development of a viable and sustainable economic base among all Company customers is in the best interests of the Company and its shareholders.
- §18.2 Employment.

A. The Company is committed to undertaking programs that identify, consider and develop persons of color, women and members of other under-represented groups for

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positions at all skill and management levels within the Company.

B. The Company recognizes that the City and the business community in the City, including women and minority owned businesses, provide a valuable resource in assisting the Company to develop programs to promote persons of color, women and members of under represented communities into management positions, and agrees to keep the City regularly advised of the Company's progress by providing the City a copy of the Company's annual affirmative action report upon the City's written request.

C. In order to enhance the diversity of the employees of the Company, the Company is committed to recruiting diverse employees by strategies such as partnering with colleges, universities and technical schools with diverse student populations, utilizing diversity specific media to advertise employment opportunities, internships, and engaging recruiting firms with diversity specific expertise.

D. The Company is committed to developing a world-class workforce through the advancement of its employees, including persons of color, women and members of under represented groups. In order to enhance opportunities for advancement, the Company will offer training and development opportunities for its employees. Such programs may include mentoring programs, training programs, classroom training, and leadership programs.

E. The Company is committed to a workplace free of discrimination based on race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability or any other protected status in accordance with all federal, state or local laws. The Company shall not, solely because of race, creed, color, religion, sex, age, national origin or ancestry or handicap, refuse to hire, discharge, promote, demote or discriminate in matters of compensation, against any person otherwise qualified, and further agrees to insert the foregoing provision or its equivalent in all agreements the Company enters into in connection with this franchise.

F. The Company shall identify and consider women, persons of color and other under represented groups to recommend for its Board of Directors, consistent with the responsibility of boards to represent the interests of the Shareholders, customers and employees of the Company.

§18.3 Contracting.

A. It is the Company's policy to make available to minority and women owned business enterprises and other small and/or disadvantaged business enterprises the maximum practical opportunity to compete with other service providers, contractors, vendors and suppliers in the marketplace. The Company is committed to increasing the proportion of Company contracts awarded to minority and women owned business enterprises and other small and/or disadvantaged business enterprises for services, construction, equipment and supplies to the maximum extent consistent with the efficient and economical operation of the Company.

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B. The Company agrees to maintain and continuously develop contracting and community outreach programs calculated to enhance opportunity and increase the participation of minority and women owned business enterprises and other small and/or disadvantaged business enterprises to encourage economic vitality. The Company agrees to keep the City regularly advised of the Company's programs.

C. The Company shall maintain and support partnerships with local chambers of commerce and business organizations, including those representing predominately minority owned, women owned and disadvantaged businesses, to preserve and strengthen open communication channels and enhance opportunities for minority owned, women owned and disadvantaged businesses to contract with the Company.

ARTICLE 19 MISCELLANEOUS

- §19.1 No Waiver. Neither the City nor the Company shall be excused from complying with any of the terms and conditions of this franchise by any failure of the other, or any of its officers, employees, or agents, upon any one or more occasions, to insist upon or to seek compliance with any such terms and conditions.
- §19.2 Successors And Assigns. The rights, privileges, and obligations, in whole or in part, granted and contained in this franchise shall inure to the benefit of and be binding upon the Company, its successors and assigns, to the extent that such successors or assigns have succeeded to or been assigned the rights of the Company pursuant to Article 13 of this franchise.
- §19.3 Third Parties. Nothing contained in this franchise shall be construed to provide rights to third parties or to impose duties in favor of third parties.
- §19.4 Notice. Both parties shall designate from time to time in writing representatives for the Company and the City who will be the persons to whom notices shall be sent regarding any action to be taken under this franchise. Notice shall be in writing and forwarded by certified mail or hand delivery to the persons and addresses as hereinafter stated, unless the persons and addresses are changed at the written request of either party, delivered in person or by certified mail. Until any such change shall hereafter be made, notices shall be sent as follows:

To the City:

City Manager
City of Louisville
749 Main Street
Louisville, CO 80027

Director of Public Works

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749 Main Street
Louisville, CO 80027

With a copy to:

City Attorney
City of Louisville
749 Main Street
Louisville, CO 80027

To the Company:

Regional Vice President
Public Service Company of Colorado
P.O. Box 840
Denver, CO 80201

With a copy to:

Legal Department
Public Service Company of Colorado
P.O. Box 840
Denver, CO 80201

§19.5 Examination Of Records.

A. The parties agree that a duly authorized representative of the City shall have the right to examine any books, documents, papers, and records of the Company reasonably related to the Company's compliance with the terms and conditions of this franchise. Information shall be provided within thirty (30) days of any written request. Any books, documents, papers, and records of the Company in any form that are requested by the City, that contain confidential information shall be conspicuously identified as "confidential" or "proprietary" by the Company. In no case shall any privileged communication be subject to examination by the City pursuant to the terms of this section. "Privileged communication" means any communication that would not be discoverable due to the attorney client privilege or any other privilege that is generally recognized in Colorado, including but not limited to the work product privilege. The work product privilege shall include information developed by the Company in preparation for PUC proceedings.

B. With respect to any information requested by the City which the Company identifies as "Confidential" or "Proprietary":

(1) The City will maintain the confidentiality of the information by keeping it under seal and segregated from information and documents that are available to the public;

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(2) The information shall be used solely for the purpose of determining the Company's compliance with the terms and conditions of this franchise;

(3) The information shall only be made available to City employees, and to consultants who represent in writing that they agree to be bound by the provisions of this subsection B;

(4) The information shall be held by the City for such time as is reasonably necessary for the City to address the franchise issue(s) that generated the request, and shall be returned to the Company when the City has concluded its use of the information. The parties agree that in most cases, the information should be returned within one hundred twenty (120) days. However, in the event that the information is needed in connection with any action that requires more time, including, but not necessarily limited to litigation, administrative proceedings and/or other disputes, the City may maintain the information until such issues are fully and finally concluded.

C. If an Open Records Act request is made by any third party for confidential or proprietary information that the Company has provided to the City pursuant to this franchise, the City will promptly notify the Company of the request and shall allow the Company to defend such request at its sole expense, including filing a legal action in any court of competent jurisdiction to prevent disclosure of such information. In any such legal action the Company shall join the person requesting the information and the City. In no circumstance shall the City provide to any third party confidential information provided by the Company pursuant to this franchise without first conferring with the Company. The Company shall defend, indemnify and hold the City harmless from any claim, judgment, costs or attorney fees incurred in participating in such proceeding.

D. Unless otherwise agreed between the Parties, the following information shall not be provided by the Company: confidential employment matters, specific information regarding any of the Company's customers, information related to the compromise and settlement of disputed claims including but not limited to PUC dockets, information provided to the Company which is declared by the provider to be confidential, and which would be considered confidential to the provider under applicable law.

E. The Company shall provide the City, upon request not more than every two (2) years, a list of utility related property owned or leased by the Company within the City. All such records must be kept for a minimum of four (4) years.

F. PUC Filings. Upon written request, the Company shall provide the City copies of all applications, advice letters and periodic reports, together with any accompanying non-confidential testimony and exhibits, filed by the Company with the Colorado Public Utilities Commission.

G. Information. Upon written request, the Company shall provide the City Manager or the City Manager's designee with:

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(1) a copy of the Company's or its parent company's consolidated annual financial report, or alternatively, a URL link to a location where the same information is available on the Company's web site;

(2) maps or schematics indicating the location of specific Company Facilities, including gas or electric lines, located within the City, to the extent those maps or schematics are in existence at the time of the request; and

(3) a copy of any report required to be prepared for a federal or state agency detailing the Company's efforts to comply with federal and state air and water pollution laws.

§19.6 Payment Of Taxes And Fees.

A. The Company shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special, or ordinary or extra-ordinary, of every name, nature, and kind whatsoever, including all governmental charges of whatsoever name, nature, or kind, which may be levied, assessed, charged, or imposed, or which may become a lien or charge against this agreement ("Impositions"), provided that Company shall have the right to contest any such Impositions and shall not be in breach of this section so long as it is actively contesting such Impositions.

B. The City shall not be liable for the payment of taxes, late charges, interest or penalties of any nature other than pursuant to applicable Tariffs on file and in effect from time to time with the PUC.

§19.7 Conflict Of Interest. The parties agree that no official, officer or employee of the City shall have any personal or beneficial interest whatsoever in the Utility Services or Company Facilities described herein (other than as a customer of the Company or as otherwise permitted by applicable ethics laws) and the Company further agrees not to hire or contract for services with any official, officer or employee of the City to the extent prohibited by law, including ordinances and regulations of the City.

§19.8 Certificate of Convenience and Necessity. The City agrees to support any application the Company may file with the PUC to obtain a certificate of public convenience and necessity to exercise the rights and obligations granted under this franchise, to the extent such application is consistent with this franchise.

§19.9 Authority. Each party represents and warrants that except as set forth below, it has taken all actions that are necessary or that are required by its ordinances, regulations, procedures, bylaws, or applicable law, to legally authorize the undersigned signatories to execute this franchise on behalf of the parties and to bind the parties to its terms. The parties represent that the person(s) executing this franchise on behalf of each of the parties have full authorization to execute this franchise. The City acknowledges that notwithstanding the foregoing, the Company requires a certificate of public convenience and necessity from the PUC in order to operate under the terms of this franchise. The Company acknowledges

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that any ordinance approving this franchise is subject to referendum as provided in the City Charter.

§19.10 Severability. Should any one or more provisions of this franchise be determined to be unconstitutional, illegal, unenforceable or otherwise void, all other provisions nevertheless shall remain effective; provided, however, the parties shall forthwith enter into good faith negotiations and proceed with due diligence to draft one or more substitute provisions that will achieve the original intent of the parties hereunder.

§19.11 Force Majeure. Neither the City nor the Company shall be in breach of this franchise if a failure to perform any of the duties under this franchise is due to uncontrollable forces, which shall include, but not be limited to: accidents, breakdown of equipment, shortage of materials, shortage of labor, acts of God, floods, storms, fires, sabotage, terrorist attack, strikes, riots, war, labor disputes, forces of nature, the authority and orders of government, and other causes or contingencies of whatever nature beyond the reasonable control of the party affected, which could not reasonably have been anticipated and avoided.

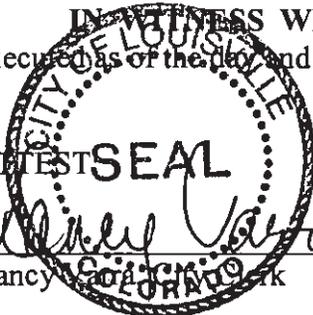
§19.12 Earlier Franchises Superseded. This franchise shall constitute the only franchise between the City and the Company for the furnishing of Utility Service, street lighting service, and traffic signal lighting service, and it supersedes and cancels all former franchises between the parties hereto.

§19.13 Titles Not Controlling. Titles of the paragraphs herein are for reference only, and shall not be used to construe the language of this franchise.

§19.14 Applicable Law. Colorado law shall apply to the construction and enforcement of this franchise. The parties agree that venue for any litigation arising out of this franchise shall be in the District Court for Boulder County, State of Colorado.

§19.15 Payment of Expenses Incurred. The Company shall reimburse the City for actual out-of-pocket expenses incurred in publishing notices and ordinances, and conducting any elections related to this franchise.

IN WITNESS WHEREOF, the parties have caused this Franchise Agreement to be executed as of the day and year first above written.

ATTEST

Nancy [Signature]
City Clerk

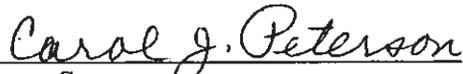
CITY OF LOUISVILLE
By: [Signature]
Charles L. Sisk, Mayor

APPROVED AS TO FORM:
[Signature]
Light, Harrington & Dawes, P.C.
City Attorney

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**PUBLIC SERVICE COMPANY OF
COLORADO**

By: 
Riley Hill
Regional Vice President

Attest: 
Asst. Secretary

Reviewed
Legal


BEFORE THE FINANCE DIRECTOR OF THE CITY OF LOUISVILLE, STATE OF COLORADO

ORDER RE: MOTION TO QUASH SUBPOENA FOR PRODUCTION OF DOCUMENTS AND ORDER FOR COMPLIANCE

IN THE MATTER OF:

PUBLIC SERVICE COMPANY OF COLORADO
D/B/A Xcel Energy

Taxpayer License No. 01555

This matter comes before the Finance Director of the City of Louisville, State of Colorado (the "City") in response to Public Service Company of Colorado's ("PSCo") Motion to Quash Subpoena for Production of Documents dated December 1, 2014 ("Motion to Quash").

INTRODUCTION

1. PSCo filed its Motion to Quash in response to a Subpoena for Production of Documents issued by the City's Finance Director on October 29, 2014 (the "Subpoena"). The Subpoena was issued after several attempts dating back to January 3, 2014 by the City and its designated audit contractor, Allixa Consulting, Inc. ("Allixa") to obtain sales and use tax records from PSCo on a voluntary basis.

2. Pursuant to the Finance Director's authority in Section 3.20.400.D of the Louisville Municipal Code ("LMC"), the Subpoena ordered PSCo to produce "electronic copies of any and all records, documents, papers, media and/or information related to the calculation, billing, payment and accounting for electric and gas sales and use tax applicable in the City of Louisville during the review period January 1, 2011-December 31, 2013. . . ." The Subpoena included a list of specific documents that were required to be produced and directed PSCo to produce the documents to the City and its duly authorized representative and designated audit contractor, Allixa on or before December 1, 2014.

3. The Subpoena further stated: "Your failure to produce the required documents as set forth herein may result in an Order for compliance issued by the Louisville Municipal Court pursuant to Section 3.20.400.D.2 of the Louisville Municipal Code."

4. In its Motion to Quash, PSCo challenges the Subpoena on the following grounds: (1) the Franchise Agreement between the City and PSCo addresses the City's ability to examine PSCo's records; (2) the Subpoena is procedurally improper because it was not issued as part of a case before the Municipal Court; and (3) the Subpoena is substantively unreasonable and oppressive, and Allixa is not entitled to the requested information.

5. As a preliminary matter, the LMC does not set forth a procedure for filing and responding to a motion to quash a subpoena issued by the Finance Director. The City has not yet instituted proceedings in the Louisville Municipal Court with respect to this matter. As such, I find it appropriate that the Finance Director respond and rule on PSCo's Motion to Quash.

APPLICABLE LAW

6. LMC § 3.20.070.A and B provide:

Sec. 3.20.070. Duty to keep records.

A. It is the duty of every taxpayer to keep and preserve for a period of three years such books, accounts and records as may be necessary to determine the amount of the tax the taxpayer is liable to pay or collect under this chapter. Such books, accounts and records shall include, by way of example and not limitation, original sales and purchase invoices, receipts and related documents.

B. All such books, accounts, records, invoices, receipts and other documents required to be kept hereunder shall be open for examination by the finance director upon demand. If a taxpayer keeps or maintains his books, accounts, records, invoices, receipts, or other documents, or any portion thereof, outside the city, then upon demand of the finance director the taxpayer shall make the same available at a suitable place within the city, to be designated by the finance director, for examination, inspection and audit by the finance director.

7. LMC § 3.20.400 provides in relevant part:

Sec. 3.20.400. Authority of the finance director.

The administration of this chapter is vested in the finance director. The finance director may utilize the director's designees, including but not limited to auditors, accountants, attorneys and hearing officers, in the administration of all or any of the provisions of this chapter and in specific or all cases. The finance director shall have all powers necessary and convenient to the administration of this chapter, including but not limited to the following:

...
D. Subpoenas. The finance director may issue a subpoena to command a person to attend and give testimony or to produce books, accounts and records.

...
2. It shall be unlawful to fail to attend, give testimony or to produce books, accounts and records as commanded in a duly issued and served subpoena. In addition to the imposition of penalties for violation of this section, the municipal court of the city is empowered to issue an order requiring compliance with the

subpoena, and such order shall be enforceable by contempt proceedings.

8. LMC § 3.20.415.A provides:

Sec. 3.20.415. Tax information confidential.

A. All specific information gained under the provision of this chapter which is used to determine the tax due from a taxpayer, whether furnished by the taxpayer or obtained through audit, shall be treated by the city and its officers, employees and legal representatives as confidential.

9. LMC § 3.20.425 provides in relevant part:

Sec. 3.20.425. Assessment of taxes.

A. For the purpose of ascertaining the correct total tax liability from any person engaged in business in the city, the finance director may conduct an audit by examining all books, accounts and records of such person.

...

C. If the finance director determines that any taxpayer has neglected or refused to provide adequate books, accounts and records requested for audit, or that any taxpayer has failed, neglected or refused to collect the tax, to make a return, or to pay in full the tax required by this chapter, the finance director shall estimate the total tax liability. Such estimate shall be based upon such information as may be available, with or without employing the investigative powers vested in the finance director by this chapter, and a notice of determination, assessment and demand for payment shall be issued. In addition to the estimated tax, there shall be added penalties and interest as provided in this chapter.

10. The City and PSCo entered into a Franchise Agreement dated January 1, 2008, which addresses PSCo's rights and duties to provide utility service in the City and to use City rights-of-way for its utilities. The Franchise Agreement includes provisions requiring PSCo to produce records related to PSCo's payment of the franchise fee and compliance with the terms and conditions of the franchise. See Sections 4.2.E and 19.5.

11. The Franchise Agreement requires PSCo to pay applicable taxes and to comply with all ordinances of the City. See Sections 4.3 and 6.5.E.

CONCLUSIONS

A. The Finance Director has authority independent of the Franchise Agreement to require PSCo to produce records related to a sales and use tax audit.

12. In its Motion to Quash, PSCo suggests that the City's only right to inspect PSCo's records arises under the Franchise Agreement. The Franchise Agreement addresses the City's

right to inspect records related to PSCo's payment of the franchise fee and its compliance with the terms of the Franchise Agreement. It does not address the City's authority to review records related to the remittance of sales and use tax, except to acknowledge that metering records obtained in franchise fee audits may be used for the purpose of enforcing sales and use tax laws, which reference only serves to confirm compliance with the sales and use tax law is a separate issue. See Section 4.2.E.

13. PSCo's assertion ignores the Finance Director's authority in LMC § 3.20.400.D to issue subpoenas for the production of books, accounts and records and his authority in LMC § 3.20.070 to examine books, accounts and records necessary to determine a taxpayer's tax liability. Nothing in the Franchise Agreement usurps the Finance Director's authority under these provisions of the LMC. In fact, the Franchise Agreement specifically states that PSCo shall comply with the ordinances of the City.

14. Therefore, I find PSCo's argument that the Subpoena be quashed on the grounds that the City's only authority to inspect PSCo's records arises from the Franchise Agreement to be without merit.

B. The Subpoena was procedurally proper.

15. PSCo asserts the Subpoena is procedurally improper because it was not issued as part of a case before the Municipal Court. PSCo states: "[T]he Subpoena was not issued in the course of an ongoing court case as there is no currently pending lawsuit between PSCo and the City. Thus, the Subpoena is procedurally defective as it does not identify the court from which it is issued, a case number, or other information required under the Colorado Rules of Civil Procedure." (Internal citations omitted).

16. The City's authority to issue subpoenas does not arise solely from the Colorado Municipal Court and Civil Rules of Procedure.

17. As a home rule municipality, the City has broad authority to act in matters of local concern. Article XX of the Colorado Constitution grants plenary power to home rule cities to levy and collect taxes within the City limits. See also, Security Life & Accident Co. v. Temple, 492 P.2d 63 (Colo. 1972) (holding that the power to levy and collect taxes is purely local and municipal concern).

18. Pursuant to its home rule authority, the City has adopted the City of Louisville, Colorado Sales and Use Tax Code in Chapter 3.20 of the LMC. The Sales and Use Tax Code sets forth provisions concerning the assessment and collection of taxes, the audit of records, and the process for requesting refunds.

19. The City also adopted LMC § 3.20.400.D, which authorizes the Finance Director to issue subpoenas for the production of books, accounts and records related to sales and use tax audits. The Finance Director's authority to issue subpoenas is akin to the Executive Director of the Department of Revenue's authority to issue subpoenas. See C.R.S. § 39-21-112.

20. As such, I disagree with PSCo's argument that the Subpoena be quashed on the grounds that the Subpoena was procedurally improper. Rather, I find that the Finance Director has authority, independent of Municipal Court procedures, to issue the subpoena to PSCo.

C. The Subpoena is reasonable and it is proper to require PSCo to make its records available to the City's auditor, Allixa.

21. Xcel asserts that the Subpoena is substantively unreasonable and oppressive because it directs PSCo to produce confidential and proprietary information to Allixa. Xcel states:

As a third party, Allixa has no rights under the Franchise Agreement. Nor has it provided the requisite representations to PSCo that it will be bound by the City's obligations regarding confidentiality and proprietary information. Thus, the Subpoena does not comport with the Franchise Agreement, and Allixa is not entitled to the requested information.

22. Xcel's assertions again ignore the fact that the Finance Director and his designees have authority independent of the Franchise Agreement to inspect the sales and use tax records of taxpayers in the City.

23. LMC § 3.20.400 authorizes the Finance Director to utilize designees, including auditors and accountants, in the administration of the Louisville Sales and Use Tax Code and in specific cases. Allixa is the City's designated audit contractor. As such, I find that Allixa may inspect the PSCo's sales and use tax records.

24. In its Motion to Quash, PSCo asserts that the Subpoena directs it to produce confidential and proprietary information. However, PSCo makes no attempt to identify which of the records the City requests are in fact confidential and proprietary.

25. PSCo expresses concern that Allixa may receive confidential and proprietary information from PSCo. However, Allixa has offered on more than one occasion to execute a non-disclosure agreement ("NDA") with PSCo (see emails attached hereto as **Exhibit A**). In an email dated May 2, 2014, PSCo indicated it has a standard NDA that must be executed and Allixa has requested a copy, but to date, PSCo has refused to provide Allixa with the NDA.

26. Because Allixa has offered to execute a NDA with PSCo, I find PSCo's argument that the Subpoena should be quashed on the basis that Allixa has not "provided the requisite representations to PSCo that it will be bound by the City's obligations regarding confidentiality and proprietary information" to be meritless.

27. Furthermore, even without an NDA, I find that PSCo's confidential information would be protected. Specifically, LMC § 3.20.415 requires the City and its employees and legal representatives to treat information received from taxpayers as confidential. In addition, Allixa has executed a confidentiality agreement with the City (attached hereto as **Exhibit B**) requiring it to keep the tax records it receives as confidential and stating that the disclosure of such records

to third parties constitutes a violation of LMC § 3.20.415.

28. Finally, PSCo asserts that it should not be required to produce the requested information because Allixa is paid on a contingent-fee basis, which presents a potential or actual conflict of interest. PSCo cites no authority for its assertion.

29. As such, I find this argument to be baseless because nothing in the LMC or state statute prohibits the City from engaging an auditor to perform audits on a contingent fee basis.

FINAL ORDER AND ORDER TO COMPLY

Based upon the foregoing, I hereby deny PSCo's Motion to Quash and hereby require PSCo to comply with the Subpoena by producing the records set forth in the City's Subpoena dated October 29, 2014 to the City and Allixa. I hereby reset the return date of such Subpoena to **January 16, 2015 at 5:00 p.m.**

If PSCo fails to comply with this Order, the City will commence proceedings in the Louisville Municipal Court for penalties and/or an order from the Louisville Municipal Court requiring compliance with the Subpoena in accordance with LMC § 3.20.400.D.2.

Dated this 17th day of December, 2014.

FINANCE DIRECTOR OF THE
CITY OF LOUISVILLE, COLORADO

By: 

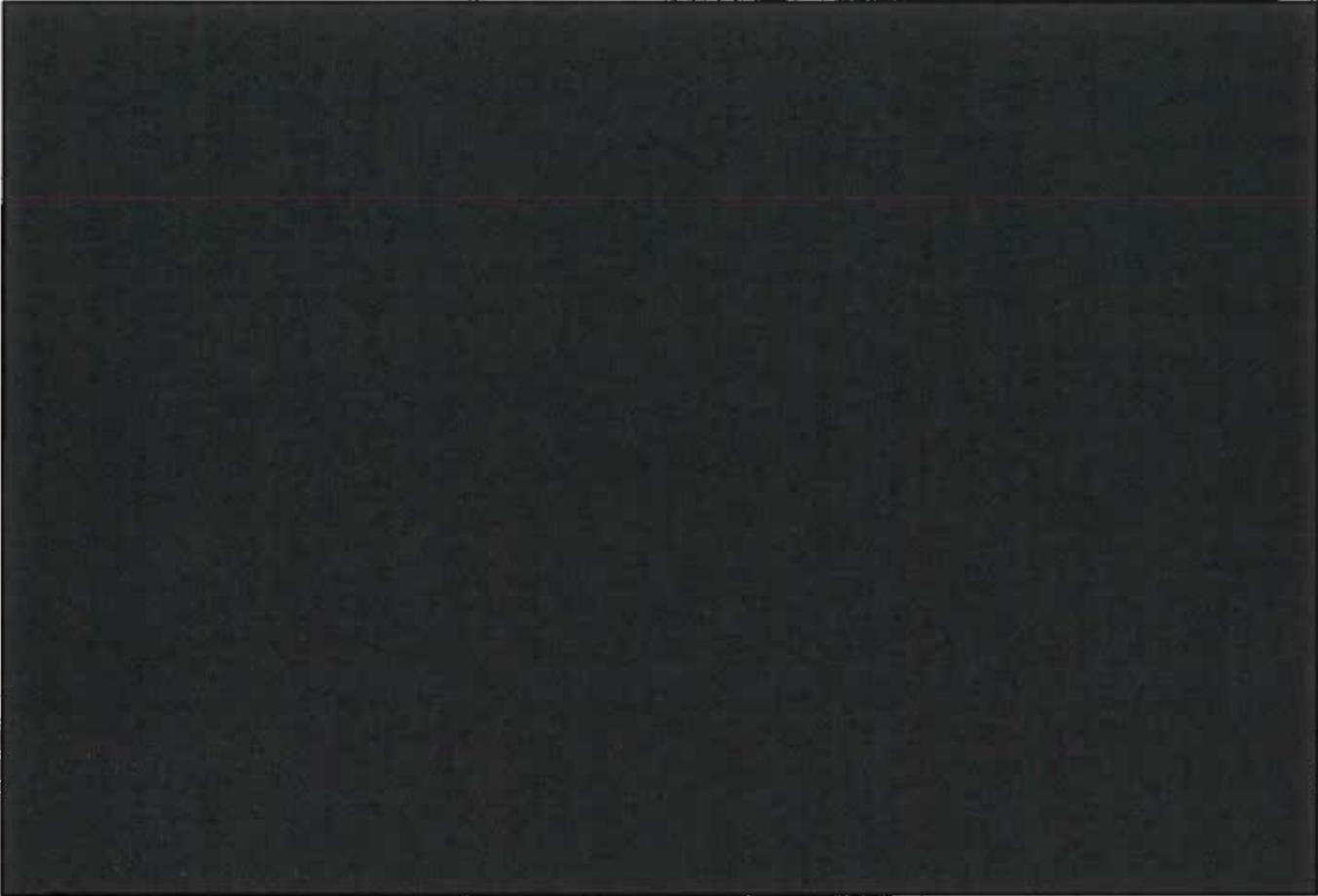
Kevin Watson

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of December 2014 a true and correct copy of the foregoing ORDER RE: MOTION TO QUASH SUBPOENA FOR PRODUCTION OF DOCUMENTS AND ORDER FOR COMPLIANCE was sent by e-mail and placed in the U.S. mail, first class, postage prepaid, addressed to the following:



Franz Hardy, Esq.
Lance J. Ream, Esq.
Gordon & Rees, LLP
555 Seventeenth St.
Suite 3400
Denver, CO 80202
Email: nkramer@gordonrees.com



From: Penney Bolte
Sent: Wednesday, May 14, 2014 8:47 AM
To: Kevin Watson
Subject: FW: Non-disclosure agreement and any other paperwork



Penney Bolte
Tax Manager
Phone: (303) 335-4514
Fax: (303) 335-4529
penneyb@louisvilleco.gov

From: Garth Ashpaugh [<mailto:gashpaugh@cfl.rr.com>]
Sent: Wednesday, May 14, 2014 8:34 AM
To: Penney Bolte
Subject: RE: Non-disclosure agreement and any other paperwork

Nothing to date.



Garth Ashpaugh
Allixa Consulting, Inc.
1003 Kewanee Trail
Maitland, FL 32751
407.484.0543

From: Penney Bolte [<mailto:penneyb@louisvilleco.gov>]
Sent: Wednesday, May 14, 2014 9:35 AM
To: 'Garth Ashpaugh'
Subject: RE: Non-disclosure agreement and any other paperwork

Garth,

Did you receive a response from Lori?



Penney Bolte

Tax Manager

Phone: (303) 335-4514

Fax: (303) 335-4529

penneyb@louisvilleco.gov

From: Garth Ashpaugh [<mailto:gashpaugh@cfl.rr.com>]
Sent: Monday, May 05, 2014 11:39 AM
To: 'Thingvold, Loretta L'
Cc: Penney Bolte; Kevin Watson; 'Chapman, Leanna M'; Carolyn Sculco; 'Jason Perry'; 'Scott Shamberg'
Subject: RE: Non-disclosure agreement and any other paperwork

Ms. Thingvold -

Thanks. Please have your Legal Department provide us Xcel's standard NDA for our review and comment. Getting this addressed will prevent any delays.

Garth

Garth Ashpaugh

Allixa Consulting, Inc.

1003 Kewanee Trail

Maitland, FL 32751

407.484.0543

From: Thingvold, Loretta L [<mailto:loretta.l.thingvold@xcelenergy.com>]

Sent: Friday, May 02, 2014 5:51 PM

To: 'Garth Ashpaugh'

Cc: Penney Bolte; kevinw@louisvilleco.gov; Chapman, Leanna M

Subject: RE: Non-disclosure agreement and any other paperwork

Good afternoon,

Thank you for following up on the Non-Disclosure Agreement (NDA), and for your understanding of the company's other business activities. The company uses a standard NDA, and it can be provided by our Legal department after they finalize the review of the contract and the confidentiality agreements. I do not anticipate any significant time delays to execute this document.

Have a wonderful weekend,

Lori

Lori Thingvold

Xcel Energy | Responsible By Nature

Consultant, Tax Reporting

1800 Larimer St., 12th Floor Denver, CO 80202

P: 303.294.2313 F: 303.294.2986

E: loretta.l.thingvold@xcelenergy.com

XCELENERGY.COM

Please consider the environment before printing this email

This e-mail, and any attachments, may contain confidential or private material for the sole use of the intended recipient(s). If you are not the intended recipient, please contact the sender by reply mail and delete all copies of this message and any attachments

From: Garth Ashpaugh [<mailto:gashpaugh@cfl.rr.com>]
Sent: Thursday, April 24, 2014 1:33 PM
To: Thingvold, Loretta L
Cc: Penney Bolte; kevinw@louisvilleco.gov; 'Jason Perry'; Dick Treich; csculco@cfl.rr.com
Subject: Non-disclosure agreement and any other paperwork

Ms. Thingvold –

While we understand that Xcel has “placed us in the queue”, can we go ahead and get the NDA and any other necessary paperwork taken care of? Our experience is that (1) Xcel will not release the data until the NDA is executed and (2) it is likely that time (hopefully days not weeks) will be required to work out the NDA. Please let us know.

Thanks,

Garth

Garth Ashpaugh

Allixa Consulting, Inc.

1003 Kewannee Trail

Maitland, FL 32751

407.484.0543

**CONFIDENTIALITY AGREEMENT DATED NOVEMBER 6, 2013 BETWEEN
THE CITY OF LOUISVILLE AND ALLIXA CONSULTING INC.
AGREEMENT TO MAINTAIN CONFIDENTIALITY OF TAX RECORDS**

THIS CONFIDENTIALITY AGREEMENT ("CA") is made and entered into effective as of the 6th day of November 2013, by and between the City of Louisville, a Colorado home rule municipal corporation (the "City") and Allixa Consulting Inc., a Florida corporation (the "Contractor" or "Allixa"), with reference to that certain Agreement dated November 4, 2013, by and between the City and Allixa for professional consulting services as set forth in the Contractor's Scope of Services (Exhibit A) (the "Agreement"). The City recognizes that reference to Contractor or Allixa in this CA and the Agreement includes the firms of Azavar Audit Solutions, Inc., Front Range Consulting Inc. and C. A. Sculco, Inc. who are subcontractors to Allixa on this project and who shall not be considered "third parties" herein.

WHEREAS, the City and Contractor desire to enter into this CA to set forth their formal understanding regarding the confidentiality of tax records utilized in the performance of services for the City under the Agreement;

NOW, THEREFORE, in consideration the mutual covenants, agreement and provisions contained herein, the parties hereto covenant and agree as follows:

19.0 TAX RECORDS

19.1 Confidential Nature of Tax Records. The Contractor hereby acknowledges that the tax records obtained from the City are confidential and that the disclosure of such records by the Contractor to third parties constitutes a violation of Section 3.20.415 of the Louisville Municipal Code and is grounds for the immediate termination of the Contractor's contractual relationship with the City.

19.2 Access to Tax Records. Except as otherwise expressly provided for in this CA, the Contractor shall not duplicate or distribute any of the City's tax records. The Contractor shall not use the City's tax records to obtain any economic or other benefit for itself, or any third party, except as specifically authorized by the City and agreed to in the Agreement. The Contractor further agrees that only those of its employees, subcontractors and employees of subcontractors who must have access to the City's tax records in order to fulfill the Contractor's obligations under the Agreement with the City for the purpose of conducting the audits provided for herein shall be afforded access to such records. Each such person shall be informed by the Contractor of the existence of the Contractor's agreement to maintain the confidentiality of the City's tax records and shall agree to be bound by and to comply with the provisions of this CA regarding the terms and conditions of the receipt of such records. Each such person shall further receive a copy of this Agreement and shall execute the Acknowledgement attached hereto and incorporated herein by reference (the "Acknowledgement"). One copy of each such Acknowledgement shall be provided to the City for its records.



Furthermore, all tax records supplied to the Contractor pursuant to this Agreement will be returned to the City upon termination of this Agreement or earlier demand of the City Finance Director. Contractor shall maintain all City tax records received in a secure place, physically and, as applicable, electronically, and shall maintain adequate records of its receipt, handling and disposition of any such records received.

- 19.3 Disclosure Requests. In the event the Contractor is made a party or threatened to be made a party, or is involved in any action, suit, or proceedings, whether civil, criminal, investigative, or appellate, and in connection therewith is requested or required to disclose (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process), or wish to disclose any portion of the tax records supplied to the Contractor by the City under this CA, the Contractor agrees to (i) provide the City with prompt notice of the existence, terms, and circumstances surrounding such a request, (ii) consult with the City on the advisability of it taking legally available steps to resist or narrow such request, and (iii) if disclosure of such information is required by others or is sought by the Contractor, exercise best efforts to obtain a protective order or other reliable assurance that confidential treatment will be afforded to the City's tax records. The Contractor further agrees that, if in the absence of a protective order or the receipt of a waiver of the Contractor's compliance with the provisions of this CA, the Contractor is nonetheless compelled, notwithstanding this CA, to disclose any portion of the City's tax records to anyone or else stand liable for contempt or suffer censure or penalty by the tribunal having jurisdiction, then the Contractor may disclose such information to such tribunal without liability hereunder.
- 19.4 Remedies. The Contractor hereby acknowledges that strict compliance with all of the terms and conditions set forth in this CA is necessary to preserve the confidentiality of the City's tax records and that a breach by the Contractor, or any of its agents or employees, of any of the terms and conditions set forth in this Agreement may result in damage to the City. In the event of any such breach, the City shall be entitled, in addition to damages and any other rights and remedies which it may have at law or in equity, to have an injunction issued by a court of competent jurisdiction enjoining the Contractor and any other person involved in such breach from the continuation thereof.
- 19.5 Indemnification. The terms of Section 8.0 of the Agreement shall apply with respect to any and all claims, suits, actions, damages, liability, costs, expenses and losses, caused by, resulting from, arising out of, or occurring by reason of any breach of this CA by the Contractor, its agents, employees or any person under its control.

The Agreement is hereby ratified and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Confidentiality Agreement effective as of the day and year first written above.

CITY OF LOUISVILLE, COLORADO,
a Colorado home rule municipal corporation

CONTRACTOR: Allixa Consulting, Inc.



By: [Signature]
Attest: Monique Carra

By: [Signature]
Attest: [Signature]

ACKNOWLEDGEMENT

I, the undersigned, hereby acknowledge that I have read Section 19.2, Access to Tax Records, of the Confidentiality Agreement dated as of November 6th, 2013, by and between the City of Louisville and Allixa Consulting, Inc. (the "Confidentiality Agreement"). I agree to be bound by and comply with the provisions of the Confidentiality Agreement and to maintain the confidentiality of the City's tax records.

By: [Signature]
Title: President
Date: 11/11/2013

State of ILLINOIS)
County of COOK) ss:

The foregoing instrument was acknowledged before me by Jason Perry
(name of party signing)
as President of Axiom Audit Solutions, Inc.
(title of party signing) (name of firm)
an Illinois Corporation on behalf of the firm this day of Nov 11, 2013.
(state of license, type of firm)

Witness my hand and official seal.
My Commission expires 3/13/2016

(SEAL)

Araceli V Mendez
Notary Public



ACKNOWLEDGEMENT

I, the undersigned, hereby acknowledge that I have read Section 19.2, Access to Tax Records, of the Confidentiality Agreement dated as of November 6th, 2013, by and between the City of Louisville and Allixa Consulting, Inc. (the "Confidentiality Agreement"). I agree to be bound by and comply with the provisions of the Confidentiality Agreement and to maintain the confidentiality of the City's tax records

By: [Signature]
Title: CEO
Date: 11-8-13

State of COLORADO)
County of DOUGLAS) ss.

The foregoing instrument was acknowledged before me by RICHARD D TREICH
(name of party signing)
as CEO of FRONT RANGE CONSULTING, INC.
(title of party signing) (name of firm)
a COLORADO CORPORATION on behalf of the firm this day of 11th, NOVEMBER, 2013.
(state of license, type of firm)

Witness my hand and official seal.

My Commission expires 01.06.2014.

(SEAL)

[Signature]
Notary Public

MICHAEL KORNMEYER
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 01/06/2014

ACKNOWLEDGEMENT

I, the undersigned, hereby acknowledge that I have read Section 19.2, Access to Tax Records, of the Confidentiality Agreement dated as of November 6th, 2013, by and between the City of Louisville and Allixa Consulting, Inc. (the "Confidentiality Agreement"). I agree to be bound by and comply with the provisions of the Confidentiality Agreement and to maintain the confidentiality of the City's tax records

By: *Carolyn Sculco*

Title: PRESIDENT

Date: NOVEMBER 19, 2013

State of FLORIDA)

County of ORANGE)

The foregoing instrument was acknowledged before me by CAROLYN SCULCO
(name of party signing)

as PRESIDENT of C.A. SCULCO, INC.
(title of party signing) (name of firm)

a FLDL 5420-101-64-669-0 on behalf of the firm this day of Nov 19, 2013.
(state of license, type of firm)

Witness my hand and official seal.

My Commission expires _____

(SEAL)



Hung T. Nguyen
Notary Public



Date: January 16, 2015

To: City of Louisville

From: Xcel Energy Tax Services & Retail and Customer Accounting

Subject: Assurance and Responses to Initial Data Requests

Per the discussions between Xcel Energy (“Company”), the City of Louisville (“City”) and Allixa Consulting Inc. (“Allixa”) in February 2014 and December 2014, the attached document (“Response To: Initial Data Request to Xcel”) delineates the information that the Company will provide for the City’s sales and use tax audit (audit period January 1, 2011 to December 31, 2013). .

The Company is committed to working with the City to validate that the Company has met its obligations under the City’s sales and use tax laws as well as assisting it with the information set forth in the applicable franchise agreement terms regarding the franchise fee.

The information outlined in the following pages can be provided to Allixa subsequent to the City amending its contract with Allixa to (1) name Allixa a contractually bound agent for the City and (2) modify the compensation structure with Allixa to one not contingent on the results of the audit. In addition, the Company is committed to protecting customer data and adhering to all Public Utility Commission requirement and thus requires Allixa to sign a mutually agreed to non-disclosure agreement.

In addition, the Company and the City, previously discussed using a sampling technique for efficiency purposes. The sampling methodology and extrapolation of results can be discussed in further detail subsequent to the aforementioned contract amendment. As noted in the attached “Response To: Initial Data Request to Xcel”, the sample month of May 2013 will be provided initially.

Kind Regards,

Robert Osborn
Director, community relations
Attachments – As stated

CITY OF LOUISVILLE, COLORADO
RESPONSE TO: INITIAL DATA REQUEST TO XCEL

REVIEW OF ELECTRIC AND GAS FRANCHISE FEES

1. Please provide copies of the franchise fee payments and supporting schedules for the review period.

A summary calculation for each month in the audit period will be provided. This calculation will show sales, exemptions, write-off/recoveries, the franchise fee rate, and the calculated franchise fee.

2. Please provide copies of any true-up payments or correcting information regarding the franchise fee payments for the review period.

There were no true-up payments or correcting information related to the franchise fee amounts calculated and paid during the audit period.

3. For the review period, please provide a list of the City's franchise areas served by Xcel by entity name, entity number, franchise name, billing area and ZIP+4 code as identified on Xcel's billing system.

Public Service Company of Colorado has one franchise fee agreement with the City of Louisville.

4. For all quarters during the review period, please provide supporting schedules that list every category of revenue by month that were reported to the City.

As noted in our response to item 1, the calculation by month summarized by quarter will be provided. To the extent allowed by Colorado Public Utilities Commission rules, we will provide revenues split by electric and gas. Additional detail can be provided for the sample month May 2013, with additional monthly detail available as necessary.

5. Please provide copies of billing reports (internal and third party) for every month of the review period.

To the extent allowed by Colorado Public Utilities Commission rules, a billing report will be run for the sample month May 2013. The IT request has been submitted and the report will be provided as soon as it is available. Additional monthly detail is available as necessary.

6. §4.2 D of the Franchise Agreement states - "Upon written request by the City, but not more than once per year, the Company shall supply the City with reports, in such formats and providing such details as reasonably requested by the City, of all suppliers of utility service that utilize Company Facilities to sell or distribute utility service to Residents and the names and addresses of each such supplier." Please provide the report "of all suppliers of utility service that utilize Company Facilities" in the City during the review period.

A list of all applicable vendors (such as gas supply) that are not confidential will be provided.

CITY OF LOUISVILLE, COLORADO
RESPONSE TO: INITIAL DATA REQUEST TO XCEL

7. Please identify any revenues not included in gross revenues reported to the City. Provide a schedule that identifies the excluded revenues for every month of the review period. Please explain why Xcel omitted the revenues from the gross revenues reported to the City.

In combination with item 8 below, a summary of revenue types not included in gross revenues for franchise fee purposes will be provided. Narrative explanations will be added as necessary.

8. Please provide the account numbers for the following revenues. State whether sales were paid on the following types revenues. If sales taxes were not paid, provide an explanation.
- a. Late fees
 - b. Non sufficient funds/returned check fees
 - c. Convenience fees
 - d. Collection fees
 - e. Maintenance agreement charges (sometimes referred to as insurance)
 - f. Miscellaneous revenues

See item 7 above.

9. Please state whether revenues were reported to the City utilizing the same methodology for the entire review period.

The overall methodology used to report revenues for the franchise fee calculation was not modified during the audit period.

10. With regards to bad debt for the review period, please provide the following:
- a. Provide a schedule for the review period that details the actual monthly bad debt write-offs and recoveries reported to the City.

A report of write-offs and recoveries for the sample month May 2013 will be provided, with additional monthly detail available as necessary.

- b. Show how actual bad debt write-offs and recoveries reconcile to billing data (internal and third party).

The report referenced in item 10a can be used in conjunction with the summary referenced in item 1 to reconcile the write-offs and recoveries to the franchise fee payment for May 2013. Additional monthly detail is available as necessary.

- c. Show how Xcel reduced the bad debt reported to the City for the non-reported portion of bad debt.

A narrative of the bad debt allocation process will be provided.

CITY OF LOUISVILLE, COLORADO
RESPONSE TO: INITIAL DATA REQUEST TO XCEL

11. Please list the amount of judgments received as the result of prosecuting theft of service relative to subscribers within the City. Show how judgment amounts were included in franchise fee payments remitted to the City during the review period.

The Company is not aware of judgments or prosecutions related to the City of Louisville.

REVIEW OF ELECTRIC AND GAS SALES AND USE TAXES

Sec. 3.20.040. Sales tax defined.

Sales tax is the tax collected or required to be collected from a purchaser and remitted by a retailer on taxable retail sales under this chapter.

(Ord. No. 1375-2002, § 1, 3-19-2002)

Sec. 3.20.050. Use tax defined.

Use tax is the tax paid or required to be paid by a consumer for purchasing and using, storing, distributing or otherwise consuming tangible personal property within the city as taxed under this chapter.

(Ord. No. 1375-2002, § 1, 3-19-2002)

12. For the review period, please make available for review the following:

- a. Detailed general ledger;

Upon review of the chart of account and trial balance, additional information can be made available as necessary to determine the accurate reporting and payment of sales and use tax.

- b. Trial Balance;

A trial balance for the sample month of May 2013 will be provided. Additional monthly detail is available as necessary.

- c. Chart of Accounts;

The chart of accounts will be included in the response to item 12b.

- d. Tax Matrix of SKU's;

Billing charge codes can be viewed in sales detail extract report for the sample month May 2013 which will be provided.

- e. Fixed Asset Depreciation schedule or fixed asset listing; and,

Due to the unique accounting required by the Federal Energy Regulatory Commission, a listing of assets located in and around Louisville is not available. However, fixed asset related purchases can be viewed in the purchases extract report for the sample month May 2013 which will be provided. Additional monthly detail is available as necessary.

A copy of the compliance agreement between Public Service Company of Colorado and the City will be provided. In addition, an explanation of the basis for

CITY OF LOUISVILLE, COLORADO
RESPONSE TO: INITIAL DATA REQUEST TO XCEL

allocating purchases per the compliance agreement will be provided.

- f. All invoices for fixed asset purchases made in 2011, 2012 and 2013
As noted in item 12e, fixed asset related purchases can be viewed in the purchases extract report for the sample month May 2013 which will be provided. Additional monthly detail is available as necessary.
13. Please provide a copy of all City of Louisville sales and use tax returns filed by Xcel for the review period and worksheets used to prepare them.
The supporting workpapers for the sample month May 2013 will be provided. Additional monthly detail is available as necessary.
14. Please provide a copy of all State of Colorado sales and use tax returns filed by Xcel for the review period.
Not applicable as the State of Colorado returns are not available to other jurisdictions and contain no information germane to this audit.
15. Please provide a copy of lease, rental and maintenance agreements (for tangible personal property) used in the City of Louisville by Xcel for the review period.
Purchases can be viewed in the purchases extract report for the sample month May 2013 which will be provided. Additional monthly detail is available as necessary. Copies of lease, rental and maintenance agreements will be made available as necessary.
16. Please provide a detailed explanation of how the amount subject to sales tax is determined, including identifying all source documents.
Details can be viewed in the sales detail extract report for the sample month May 2013 which will be provided. In addition, a walkthrough of the supporting workpapers referenced in item 13 can be performed at our Denver offices.
17. Please provide a detailed explanation of how the amount subject to use tax is determined, including identifying all source documents.
Details can be viewed in the purchase extract report for the sample month May 2013 which will be provided. In addition, a walkthrough of the supporting workpapers referenced in item 13 can be performed at our Denver offices.
18. Please describe any sources of revenue derived with the City limits that are not subject to sales tax. For each source of revenue, please:
- a. Provide the monthly amounts of these excluded revenues for the review period; and,
 - b. Identify the source documents used to provide these amounts.
- Taxable and non-taxable sales are provided in the sales detail extract report for the sample month May 2013 which will be provided. In addition, a walkthrough of the supporting workpapers referenced in item 13 can be performed at our Denver offices.*

CITY OF LOUISVILLE, COLORADO
RESPONSE TO: INITIAL DATA REQUEST TO XCEL

19. Please list all asset purchases purchased including the purchase price within the City limits on which use tax is applicable for the review period.

Details can be viewed in the purchase extract report for the sample month May 2013 which will be provided. In addition, a walkthrough of the supporting workpapers referenced in item 13 can be performed at our Denver offices.

20. Please provide a list of all construction projects including the gross construction costs undertaken within the City for the review period.

Due to the unique accounting required as a public utility, a listing of assets located in and around Louisville is not available. However, fixed asset related purchases can be viewed in the purchases extract report for the sample month May 2013 which will be provided. Additional monthly detail is available as necessary.

If the City provides a list of permits related to Public Service Company of Colorado, the Company will work to identify related purchases. In addition, The Company will work with internal personnel to attempt to identify major construction projects in and around Louisville.

21. Please provide a narrative description of the process used by the company to identify construction projects applicable for use tax. Please provide monthly documentation of how these construction projects are assigned use taxes for the review period.

In most cases, the Company directly purchases material used on construction projects and accrues applicable use tax at the time of purchase. These material purchases can be viewed in the taxable and non-taxable purchases provided in the purchase extract report for the sample month May 2013, which will be provided.

22. Please provide a list of asset purchases that Xcel does not believe are subject to use taxes. Please provide monthly documentation of these excluded asset purchases for the review period.

Details can be viewed in the purchase extract report for the sample month May 2013 which will be provided. In addition, a walkthrough of the supporting workpapers referenced in item 13 can be performed at our Denver offices.

CITY OF LOUISVILLE, COLORADO
RESPONSE TO: INITIAL DATA REQUEST TO XCEL

REVIEW OF STREET ADDRESSES

23. Xcel shall tender the following in electronic (spreadsheet) format broken down by location, by month:

The Company will provide a listing of addresses as of May 31, 2013 and December 31, 2013 for the following zip codes: 80020, 80021, 80026, 80027, and 80303. These zip codes were based on a comparison of zip code and City of Louisville boundaries. For all addresses incorrectly coded (in or out of Louisville), the Company will provide billing histories for the entire audit period. The exact zip codes and dates to be confirmed by the City.

- a. An electronic file containing customer billing records itemized and detailed by every location for which service was available within the City. The location data shall include street number, street direction, street name, street suffix, unit number, city, state, zip code, agent/taxing/franchise fee code, and latitude and longitude if available. The data shall include detail of taxable service by month for each and every service location, the municipal utility tax and/or gas use tax where applicable calculation used, and the tax remitted for that month as part of the tax payment.

Taxable and non-taxable sales are provided in the sales detail extract report for the sample month May 2013 which will be provided. Additional monthly detail is available as necessary.

- b. Please include a legend explaining Xcel data formats and fields and precisely how Xcel determined taxable charges.

The fields in the data file are basic and mostly self-explanatory, but further explanation can be provided as necessary. Taxable and non-taxable sales are provided in the sales detail extract report for the sample month May 2013 which will be provided. Additional monthly detail is available as necessary.

24. Please identify by street address all new locations (annexations, subdivisions, multiple dwelling units, etc.) added to the City of Louisville by Xcel during the review period.

The Company is unable to identify this specific information since there is no specific indicator on the billing record; however, reviewing billing address from two points of time should identify the changes in the address list. May 2013 and December 2013 addresses are currently available.

REVIEW OF EXEMPT CUSTOMERS

Though not specifically requested, the Company will provide a list of exemption customers for the sample month May 2013. Additional monthly detail is available as necessary. Exemptions certificates can be provided as necessary. For exemption exceptions, the Company will provide billing histories for the entire audit period.

SUBJECT: CUSTOMER ASSISTANCE PROGRAM

DATE: JULY 20, 2015

PRESENTED BY: GRAHAM CLARK, FINANCE

SUMMARY:

In the spring of 2015 councilmember Chris Leh inquired about the possibility of creating a program to assist Louisville residents with their water bills. Each year Sister Carmen of Lafayette assists many Louisville citizens with various utility bills. In an effort to reduce redundancy Sister Carmen was contacted.

Susann Crawford, Sister Carmen's CEO welcomed the ability to administer the customer assistance program for the City of Louisville. An initial amount of \$5,000.00 was discussed for the 2016 budget to be set aside specifically for Louisville residents and specifically for water bills. This amount would cover 2016 resident requests based on historical data. Sister Carmen would use their current screening process and would not allow a resident to use the program more than two times in a lifetime. The average unpaid/delinquent Louisville water bill averages roughly \$300.00, or a lifetime average amount of \$600.00. The customer assistance program would begin January 1, 2016. This amount would be in addition to the non-profit grant amount Sister Carmen receives each year.

**SUBJECT: FINANCIAL STATEMENTS FOR PERIOD ENDING JUNE 30,
2015**

DATE: JULY 20, 2015

PRESENTED BY: GRAHAM CLARK, FINANCE

SUMMARY:

The accompanying statements are for the six months (50.00%) ending June 30th, 2015. The 2015 budget numbers reflect the original 2015 budget passed November 3, 2014 and the budget amendment that was passed on May 5, 2015.

General Fund:

Through June 30th, General Fund revenues exceed expenditures by \$1,135,058. Total revenue is 46.1% of the annual budget and expenditures are 37.6%. Central charges have paid insurance premiums for the year which is why that percentage is at 77%. The Legislative and City Attorney lines are still trending higher than the YTD percentage of 50%.

Open Space & Parks Fund:

Through June 30th, Open Space and Parks expenditures exceed revenues by \$931,160. Total revenue is 30.7% of the annual budget and expenditures are 35.3%. Of the \$3.1M budgeted for capital in the Open Space and Parks fund this year, \$2.7M is for the new City Shops. To date \$1M of the \$2.7M budgeted has been spent.

Capital Projects Fund:

Through June 30th, Capital Projects expenditures exceed revenues by \$5,508. Total revenue is 19.9% of the annual budget and expenditures are 11.9%. The major projects in Public Works capital this year include: City shops, South Street underpass, DDI, and Bridge reconstruction.

Water Utility Fund:

Through June 30th, expenditures exceed revenues by \$898,067. Total revenue is 26.8% of the annual budget and expenses are 25.3%. The miscellaneous and grant revenue line includes \$250K for FEMA/State reimbursement that will not be realized until later this year. The abnormally wet summer has decreased revenue and the user fee revenue line is \$294K less than last year. Water bills with the new 2015 rates were sent in June. Tap fees are \$865K less compared to last year.

SUBJECT: FINANCIAL STATEMENTS FOR PERIOD ENDING JUNE 30, 2015

DATE: JULY 20, 2015

PAGE 2 OF 2

Wastewater Utility Fund:

Through June 30th, revenues exceed expenditures by \$25,609,361. This is due to proceeds from the bond. Total revenue is 155.5% of the annual budget. Without the bond proceeds revenue for the year would be at 30% of budget. User fee revenue is \$291K more than in 2014. Expenses are at 10.6%. We received payment for the first month of the new rate increases and new rate structure based on average winter consumption.

Golf Course Fund:

Through June 30th, expenditures exceed revenues by \$223,393. Revenue is at 11.5% of the annual budget, primarily due to FEMA money received. However, the course is open and actual revenue of \$24K was posted in June.

City of Louisville, Colorado
General Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|-------------------|-------------------|------------------------|-------------------|------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Property Taxes | 2,254,404 | 2,311,424 | 1,734,599 | 2,370,000 | 1,731,483 | 73.1% |
| Sales Tax | 5,958,797 | 6,396,965 | 2,515,042 | 6,704,600 | 2,602,921 | 38.8% |
| Use Tax-Consumer/Auto /Bldg | 1,808,620 | 1,888,509 | 740,708 | 1,888,840 | 737,029 | 39.0% |
| Other Taxes | 1,699,990 | 1,834,507 | 634,286 | 1,803,000 | 636,498 | 35.3% |
| Licenses & Permits | 1,153,558 | 1,025,249 | 662,036 | 1,331,980 | 638,936 | 48.0% |
| Intergovernmental Revenue | 1,065,336 | 1,299,037 | 570,359 | 1,096,750 | 618,389 | 56.4% |
| Charges for Services | 1,816,836 | 1,822,559 | 944,476 | 1,810,400 | 943,749 | 52.1% |
| Fines & Forfeitures | 223,608 | 250,634 | 118,545 | 227,470 | 97,544 | 42.9% |
| Miscellaneous Revenue | 372,363 | 355,026 | 170,719 | 248,470 | 174,088 | 70.1% |
| Interfund Transfers | 250,000 | 1,000,000 | - | 250,000 | - | 0.0% |
| Total Revenue & Other Sources | 16,603,512 | 18,183,910 | 8,090,770 | 17,731,510 | 8,180,637 | 46.1% |
| % of Prior Year | 107.9% | 109.5% | 48.7% | 97.5% | 101.1% | |
| Expenditures | | | | | | |
| Central Charges | 360,864 | 311,941 | 223,107 | 352,580 | 271,596 | 77.0% |
| Legislative | 370,015 | 339,551 | 191,659 | 399,430 | 221,366 | 55.4% |
| City Manager | 608,702 | 733,120 | 324,520 | 859,240 | 368,845 | 42.9% |
| City Attorney | 145,741 | 196,866 | 76,209 | 150,000 | 95,253 | 63.5% |
| City Clerk | 171,130 | 171,429 | 77,885 | 262,270 | 79,160 | 30.2% |
| Human Resources | 307,002 | 335,680 | 164,448 | 373,700 | 168,007 | 45.0% |
| Information Technology | 279,575 | 286,975 | 135,048 | 394,040 | 144,975 | 36.8% |
| Finance | 358,580 | 408,368 | 176,637 | 507,580 | 194,840 | 38.4% |
| Police | 4,419,405 | 4,646,951 | 1,997,804 | 4,960,550 | 2,006,370 | 40.4% |
| Public Works | 2,073,151 | 2,474,098 | 1,198,330 | 2,201,600 | 943,774 | 42.9% |
| Planning | 907,443 | 864,278 | 337,896 | 1,214,240 | 445,132 | 36.7% |
| Library/Museum | 1,499,787 | 1,616,094 | 727,351 | 1,793,510 | 757,399 | 42.2% |
| Recreation & Senior Services | 2,355,218 | 2,563,027 | 1,098,793 | 2,673,670 | 1,210,990 | 45.3% |
| Parks & Open Space | 450,875 | 147,191 | 70,851 | 196,820 | 71,259 | 36.2% |
| Interfund Transfers | 63,150 | 5,919,881 | 35,715 | 2,386,720 | 66,615 | 2.8% |
| Total Expenditures & Other Uses | 14,370,639 | 21,015,450 | 6,836,254 | 18,725,950 | 7,045,579 | 37.6% |
| % of Prior Year | 82.3% | 146.2% | 47.6% | 89.1% | 103.1% | |
| Revenue Over/(Under) Expend's | 2,232,875 | (2,831,541) | 1,254,516 | (994,440) | 1,135,058 | |
| Beginning Fund Balance | 4,257,453 | 6,490,328 | 6,490,328 | 3,658,788 | 3,658,788 | |
| Ending Fund Balance | 6,490,328 | 3,658,788 | 7,744,844 | 2,664,348 | 4,793,846 | |
| % of Change from Prior Year | 52.4% | -43.6% | 19.3% | -27.2% | -38.1% | |

City of Louisville, Colorado
Urban Renewal Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|------------------|------------------------|-------------------|------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Property Tax | 64,010 | 191,316 | 150,693 | 363,740 | 296,849 | 81.6% |
| Bond Proceeds/Developer Contr. | - | 843,440 | - | 490,000 | - | 0.0% |
| Interest Earnings | 139 | 512 | 295 | 700 | 686 | 98.0% |
| Total Revenue & Other Sources | 64,150 | 1,035,268 | 150,989 | 854,440 | 297,535 | 34.8% |
| % of Prior Year | 111.7% | 1613.8% | 235.4% | 82.5% | 197.1% | |
| Expenditures | | | | | | |
| Professional Services | 33 | 122 | 16 | 50 | 68 | 135.6% |
| Support Services - City of Louisville | 63,527 | 35,900 | - | 42,000 | - | 0.0% |
| Capital/TIF repayment | - | - | - | 99,250 | - | 0.0% |
| Bond Issuance Costs | - | 55,500 | - | 1,500 | - | 0.0% |
| Payments from Construction Fund DE | - | 217,728 | - | 967,000 | 80,574 | 8.3% |
| Regional Detention Facility | - | - | - | 325,000 | - | 0.0% |
| Total Expenditures & Other Uses | 63,560 | 309,250 | 16 | 1,434,800 | 80,642 | 5.6% |
| % of Prior Year | 101.1% | 486.5% | 0.0% | 464.0% | 519933.8% | |
| Revenue Over/(Under) Expend's | 590 | 726,018 | 150,973 | (580,360) | 216,893 | |
| Beginning Fund Balance | 0 | 590 | 590 | 726,608 | 726,608 | |
| Ending Fund Balance | 590 | 726,608 | 151,563 | 146,248 | 943,501 | |
| % of Change from Prior Year | 226815.4% | 123058.1% | 123058.1% | -79.9% | 522.5% | |

City of Louisville, Colorado
PEG Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|----------------|-----------------|------------------------|-------------------|---------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Technical Grant | | | | | | |
| PEG Funds | 24,055 | 25,437 | 6,338 | 25,000 | 6,307 | 25.2% |
| Interest Earnings | 211 | 204 | 182 | 250 | 93 | 37.0% |
| Total Revenue & Other Sources | 24,266 | 25,642 | 6,520 | 25,250 | 6,399 | 25.3% |
| % of Prior Year | 91.4% | 105.7% | 26.9% | 98.5% | 98.1% | |
| Expenditures | | | | | | |
| Technical Grant Expenses | - | | | | | |
| PEG Funds - CCTV | - | | | | | |
| PEG Funds - Capital Outlay City | 34 | 49,804 | 2,917 | 15,000 | 1,063 | 7.1% |
| Investment Fees | 34 | 31 | 13 | 40 | 11 | 27.6% |
| Total Expenditures & Other Uses | 68 | 49,836 | 2,930 | 15,040 | 1,074 | 7.1% |
| % of Prior Year | 1.1% | 73115.6% | 4298.6% | 30.2% | 36.7% | |
| Revenue Over/(Under) Expend's | 24,197 | (24,194) | 3,590 | 10,210 | 5,325 | |
| Beginning Fund Balance | 43,595 | 67,792 | 67,792 | 43,599 | 43,599 | |
| Ending Fund Balance | 67,792 | 43,599 | 71,382 | 53,809 | 48,924 | |
| % of Change from Prior Year | 192.7% | -35.7% | 5.3% | 23.4% | -31.5% | |

City of Louisville, Colorado
Open Space and Parks Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|------------------|------------------------|-------------------|------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Sales Tax | 1,129,209 | 1,227,792 | 473,139 | 1,287,660 | 497,542 | 38.6% |
| Use Tax-Consumer/Auto /Bldg | 415,181 | 418,803 | 195,924 | 424,170 | 166,839 | 39.3% |
| Miscellaneous | (6,748) | 11,949 | - | - | 1,500 | |
| Grant Revenues | 26,865 | 283,660 | - | 258,000 | 1,158 | 0.4% |
| Interest Earnings | 30,708 | 26,204 | 17,792 | 25,000 | 10,034 | 40.1% |
| Land Dedication Fee | 1,200 | 95,666 | 95,666 | - | 30,026 | |
| Sale of Assets | 123,905 | 3,475 | 550 | 202,770 | 202,765 | 100.0% |
| Transfer from General Fund | 515,140 | 408,480 | - | 570,120 | - | 0.0% |
| Transfer from Impact Fee | - | - | - | 192,000 | - | 0.0% |
| Total Revenue & Other Sources | 2,235,460 | 2,476,030 | 783,071 | 2,959,720 | 909,864 | 30.7% |
| % of Prior Year | 137.1% | 110.8% | 35.0% | 119.5% | 116.2% | |
| Expenditures | | | | | | |
| Legal | | | - | - | 1,590 | |
| Administration | 1,096,602 | 1,728,545 | 724,500 | 2,040,710 | 767,713 | 37.6% |
| Capital | 1,697,687 | 2,834,406 | 1,657,562 | 3,178,630 | 1,071,721 | 33.7% |
| Total Expenditures & Other Uses | 2,794,289 | 4,562,951 | 2,382,063 | 5,219,340 | 1,841,024 | 35.3% |
| % of Prior Year | 174.5% | 163.3% | 85.2% | 114.4% | 77.3% | |
| Revenue Over/(Under) Expend's | (558,829) | (2,086,922) | (1,598,991) | (2,259,620) | (931,160) | |
| Beginning Fund Balance | 7,898,898 | 7,340,069 | 7,340,069 | 5,253,147 | 5,253,147 | |
| Ending Fund Balance | 7,340,069 | 5,253,147 | 5,741,078 | 2,993,527 | 4,321,987 | |
| % of Change from Prior Year | -7.1% | -28.4% | -28.4% | -43.0% | -24.7% | |

City of Louisville, Colorado
Conservation Trust - Lottery
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|----------------|----------------|------------------------|-------------------|----------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| State Lottery | 201,131 | 183,996 | 95,746 | 191,070 | 98,368 | 51.5% |
| Interest Earnings | 1,587 | 2,059 | 1,511 | 2,500 | 1,350 | 54.0% |
| Miscellaneous Revenue | 4,629 | - | - | - | - | - |
| Total Revenue & Other Sources | 207,348 | 186,055 | 97,258 | 193,570 | 99,718 | 51.5% |
| % of Prior Year | 110.3% | 89.7% | 46.9% | 104.0% | 102.5% | |
| Expenditures | | | | | | |
| Professional Services | 286 | 351 | 107 | 300 | 167 | 55.8% |
| Capital | 56,940 | 63,397 | - | 502,790 | 8,527 | 1.7% |
| Total Expenditures & Other Uses | 57,227 | 63,748 | 107 | 503,090 | 8,694 | 1.7% |
| % of Prior Year | 17.6% | 111.4% | 0.2% | 789.2% | 8128.7% | |
| Revenue Over/(Under) Expend's | 150,121 | 122,307 | 97,151 | (309,520) | 91,023 | |
| Beginning Fund Balance | 351,640 | 501,761 | 501,761 | 624,068 | 624,068 | |
| Ending Fund Balance | 501,761 | 624,068 | 598,912 | 314,548 | 715,091 | |
| % of Change from Prior Year | 39.1% | 24.4% | 24.4% | -49.6% | 19.4% | |

City of Louisville, Colorado
Cemetery Perpetual Care
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|----------------|----------------|------------------------|-------------------|----------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| <i>Burial Permits</i> | | | | | | |
| <i>Burial Permits - Restricted</i> | 28,036 | 32,300 | 12,965 | 26,260 | 20,460 | 77.9% |
| <i>Interest Earnings</i> | 461 | 1,563 | 1,187 | 2,500 | 949 | 38.0% |
| Total Revenue & Other Sources | 28,496 | 33,863 | 14,152 | 28,760 | 21,409 | 74.4% |
| % of Prior Year | 99.4% | 118.8% | 49.7% | 84.9% | 151.3% | |
| Expenditures | | | | | | |
| <i>Professional Services</i> | 274 | 265 | 86 | 250 | 119 | 47.5% |
| <i>Capital</i> | - | - | - | - | - | |
| <i>Interfund Transfers</i> | 1,023 | 1,563 | - | 2,500 | - | 0.0% |
| Total Expenditures & Other Uses | 1,297 | 1,827 | 86 | 2,750 | 119 | 4.3% |
| % of Prior Year | 57.8% | 140.9% | 6.7% | 150.5% | 137.6% | |
| <i>Revenue Over/(Under) Expend's</i> | 27,199 | 32,035 | 14,066 | 26,010 | 21,290 | |
| <i>Beginning Fund Balance</i> | 397,021 | 424,220 | 424,220 | 456,256 | 456,256 | |
| Ending Fund Balance | 424,220 | 456,256 | 438,286 | 482,266 | 477,546 | |
| % of Change from Prior Year | 6.9% | 7.6% | 7.6% | 5.7% | 9.0% | |

**City of Louisville, Colorado
Cemetery
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed**

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|----------------|----------------|------------------------|-------------------|----------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Burial Permits | 27,473 | 32,300 | 12,965 | 26,260 | 20,460 | 77.9% |
| Burial Fees | 26,673 | 31,227 | 12,827 | 26,260 | 17,035 | 64.9% |
| Miscellaneous Revenue | 171 | 347 | 263 | 400 | 244 | 60.9% |
| Transfer from General Fund | 63,150 | 71,430 | 35,715 | 133,230 | 66,615 | 50.0% |
| Transfer from Cemetery Perp. Care | 1,023 | 1,563 | - | 2,500 | - | 0.0% |
| Total Revenue & Other Sources | 118,491 | 136,866 | 61,770 | 188,650 | 104,354 | 55.3% |
| % of Prior Year | 100.3% | 115.5% | 52.1% | 137.8% | 168.9% | |
| Expenditures | | | | | | |
| Administration | 103,434 | 121,398 | 47,906 | 171,650 | 69,349 | 40.4% |
| Capital | 2,484 | 108 | 108 | 47,000 | 2,935 | 6.2% |
| Total Expenditures & Other Uses | 105,918 | 121,506 | 48,013 | 218,650 | 72,284 | 33.1% |
| % of Prior Year | 110.4% | 114.7% | 45.3% | 179.9% | 150.5% | |
| Revenue Over/(Under) Expend's | 12,573 | 15,360 | 13,757 | (30,000) | 32,070 | |
| Beginning Fund Balance | 72,290 | 84,863 | 84,863 | 100,223 | 100,223 | |
| Ending Fund Balance | 84,863 | 100,223 | 98,620 | 70,223 | 132,293 | |
| % of Change from Prior Year | 17.4% | 18.1% | 18.1% | -29.9% | 34.1% | |

City of Louisville, Colorado
Historical Preservation Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|------------------|------------------------|-------------------|------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Sales Tax | 376,410 | 408,725 | 157,169 | 428,660 | 165,850 | 38.7% |
| Use Tax-Consumer/Auto /Bldg | 138,657 | 140,456 | 66,160 | 146,030 | 56,632 | 38.8% |
| Grant Revenue | 23,286 | 8,900 | - | - | - | |
| Misc. including sale of assets | (2,339) | (809) | - | 200,000 | - | 0.0% |
| Interest Earnings | 7,625 | 7,627 | 5,232 | 6,000 | 2,055 | 34.3% |
| Interfund transfers | | | - | - | - | |
| Total Revenue & Other Sources | 543,639 | 564,900 | 228,560 | 780,690 | 224,537 | 28.8% |
| % of Prior Year | 27.6% | 103.9% | 42.0% | 138.2% | 98.2% | |
| Expenditures | | | | | | |
| Administration | 94,839 | 56,959 | 33,162 | 226,690 | 33,145 | 14.6% |
| Contributions | 23,755 | 271,943 | 21,725 | 307,800 | 62,419 | 20.3% |
| Acquisitions | 99,208 | 114,004 | 48,951 | 304,200 | 20,496 | 6.7% |
| Transfer to General Fund | 250,000 | 1,000,000 | - | 250,000 | - | 0.0% |
| Total Expenditures & Other Uses | 467,802 | 1,442,905 | 103,838 | 1,088,690 | 116,060 | 10.7% |
| % of Prior Year | 44.1% | 308.4% | 22.2% | 75.5% | 111.8% | |
| Revenue Over/(Under) Expend's | 75,837 | (878,006) | 124,722 | (308,000) | 108,478 | |
| Beginning Fund Balance | 1,707,439 | 1,783,276 | 1,783,276 | 905,270 | 905,270 | |
| Ending Fund Balance | 1,783,276 | 905,270 | 1,907,999 | 597,270 | 1,013,748 | |
| % of Change from Prior Year | 4.4% | -49.2% | -49.2% | -34.0% | -46.9% | |

City of Louisville, Colorado
Capital Projects
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|-------------------|------------------------|-------------------|------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| <i>Sales Tax</i> | 2,976,598 | 3,197,060 | 1,260,362 | 3,350,880 | 1,305,724 | 39.0% |
| <i>Use Tax -Consumer/Bldg</i> | 1,446,377 | 1,292,501 | 747,840 | 1,259,390 | 609,683 | 48.4% |
| <i>Grant Revenue</i> | (3,963) | 274,915 | 38,000 | 3,945,240 | 38,239 | 1.0% |
| <i>Miscellaneous Revenue</i> | 43,581 | 92,100 | 47,973 | 65,000 | 72,873 | 112.1% |
| <i>Intergovernmental Revenue</i> | - | - | - | - | - | |
| <i>Interfund Transfers</i> | 574,350 | 6,641,193 | - | 1,585,000 | - | 0.0% |
| Total Revenue & Other Sources | 5,036,943 | 11,497,769 | 2,094,175 | 10,205,510 | 2,026,518 | 19.9% |
| % of Prior Year | 61.3% | 228.3% | 41.6% | 88.8% | 96.8% | |
| Expenditures | | | | | | |
| <i>General Government</i> | 796,977 | 1,053,514 | 386,034 | 2,065,570 | 528,460 | 25.6% |
| <i>Debt</i> | 450,225 | - | - | - | - | |
| <i>Public Works Capital</i> | 3,815,527 | 4,420,832 | 384,059 | 13,541,000 | 1,440,395 | 10.6% |
| <i>Parks and Rec Capital</i> | 458,097 | 565,344 | 61,935 | 222,210 | 63,170 | 28.4% |
| <i>Interfund Transfers</i> | 434,038 | 3,620,370 | - | 1,196,000 | - | 0.0% |
| Total Expenditures & Other Uses | 5,954,863 | 9,660,060 | 832,029 | 17,024,780 | 2,032,026 | 11.9% |
| % of Prior Year | 132.1% | 162.2% | 14.0% | 176.2% | 244.2% | |
| <i>Revenue Over/(Under) Expend's</i> | (917,920) | 1,837,709 | 1,262,146 | (6,819,270) | (5,508) | |
| <i>Beginning Fund Balance</i> | 6,821,951 | 5,904,031 | 5,904,031 | 7,741,740 | 7,741,740 | |
| Ending Fund Balance | 5,904,031 | 7,741,740 | 7,166,176 | 922,470 | 7,736,232 | |
| % of Change from Prior Year | -13.3% | 31.1% | 31.1% | -88.1% | 8.0% | |

City of Louisville, Colorado
Impact Fee Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|----------------|------------------------|-------------------|----------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| <i>Impact Fee - Transportation</i> | 48,037 | 50,601 | 29,222 | 35,130 | 3,720 | 10.6% |
| <i>Impact Fee - Muni Govt</i> | 111,877 | 99,627 | 72,256 | 93,670 | 11,959 | 12.8% |
| <i>Impact Fee - Library</i> | 65,990 | 31,004 | 21,692 | 56,030 | 16,001 | 28.6% |
| <i>Impact Fee - Parks and Trails</i> | 370,104 | 173,542 | 121,601 | 314,120 | 89,810 | 28.6% |
| <i>Impact Fee - Recreation</i> | 244,425 | 114,648 | 80,336 | 207,470 | 59,336 | 28.6% |
| <i>Interest Earnings</i> | 3,952 | 4,356 | 3,652 | 5,000 | 1,463 | 29.3% |
| <i>Transfer to General fund</i> | - | - | - | 98,370 | - | 0.0% |
| Total Revenue & Other Sources | 844,385 | 473,779 | 328,759 | 809,790 | 182,289 | 22.5% |
| % of Prior Year | 93.2% | 56.1% | 38.9% | 170.9% | 55.4% | |
| Expenditures | | | | | | |
| <i>Professional Services</i> | 1,149 | 791 | 296 | 900 | 198 | 21.9% |
| <i>Interfund Transfers</i> | 1,089,490 | 984,900 | - | 492,000 | - | 0.0% |
| Total Expenditures & Other Uses | 1,090,639 | 985,691 | 296 | 492,900 | 198 | 0.0% |
| % of Prior Year | 207.6% | 90.4% | 0.0% | 50.0% | 66.8% | |
| <i>Revenue Over/(Under) Expend's</i> | (246,254) | (511,912) | 328,464 | 316,890 | 182,092 | |
| <i>Beginning Fund Balance</i> | 1,090,799 | 844,545 | 844,545 | 332,633 | 332,633 | |
| Ending Fund Balance | 844,545 | 332,633 | 1,173,009 | 649,523 | 514,725 | |
| % of Change from Prior Year | -22.3% | -60.6% | -60.6% | 95.3% | -56.1% | |

City of Louisville, Colorado
Water Utility Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|-------------------|-------------------|------------------------|-------------------|------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| <i>User Fees and Related Charges</i> | 4,500,656 | 4,641,032 | 1,583,795 | 4,553,870 | 1,289,357 | 28.3% |
| <i>Water Tap Fees</i> | 4,009,975 | 2,260,605 | 1,816,989 | 3,821,470 | 951,724 | 24.9% |
| <i>Interest Earnings</i> | 41,931 | 42,258 | 30,027 | 35,000 | 22,896 | 65.4% |
| <i>Miscellaneous & Grant Revenue</i> | 259,463 | 35,817 | 29,763 | 315,000 | 72,624 | 23.1% |
| <i>Bond Proceeds</i> | 8,355,000 | - | - | - | - | - |
| Total Revenue & Other Sources | 17,167,025 | 6,979,712 | 3,460,574 | 8,725,340 | 2,336,601 | 26.8% |
| % of Prior Year | 193.5% | 40.7% | 20.2% | 125.0% | 67.5% | |
| Expenditures | | | | | | |
| <i>General Govt</i> | 569,050 | 606,966 | 321,338 | 604,290 | 270,291 | 44.7% |
| <i>Finance</i> | 90,944 | 84,098 | 35,751 | 90,330 | 34,315 | 38.0% |
| <i>Plant Operations</i> | 1,359,255 | 1,370,303 | 624,747 | 1,654,220 | 502,137 | 30.4% |
| <i>Raw Water</i> | 821,014 | 889,795 | 503,599 | 1,082,380 | 522,392 | 48.3% |
| <i>Distribution and Collection</i> | 362,318 | 357,476 | 172,769 | 404,210 | 177,697 | 44.0% |
| <i>General Govt - Debt</i> | 9,335,299 | 934,896 | 210,468 | 942,880 | 157,466 | 16.7% |
| <i>Public Works - Capital Replacement</i> | 438,261 | 1,053,803 | 722,866 | 1,783,570 | 87,471 | 4.9% |
| <i>Public Works - Capital New/Rate study</i> | 909,531 | 1,086,328 | 263,500 | 6,200,090 | 1,482,899 | 23.9% |
| <i>Interfund Transfers</i> | - | - | - | - | - | - |
| Total Expenditures & Other Uses | 13,885,672 | 6,383,665 | 2,855,037 | 12,761,970 | 3,234,668 | 25.3% |
| % of Prior Year | 251.7% | 46.0% | 20.6% | 199.9% | 113.3% | |
| <i>Revenue Over/(Under) Expend's</i> | 3,281,353 | 596,047 | 605,537 | (4,036,630) | (898,067) | |
| <i>Beginning Reserves</i> | 6,392,302 | 9,673,655 | 9,673,655 | 10,269,701 | 10,269,701 | |
| Ending Reserves | 9,673,655 | 10,269,701 | 10,279,192 | 6,233,071 | 9,371,634 | |
| % of Change from Prior Year | 51.3% | 6.2% | 6.2% | -39.3% | -8.8% | |

City of Louisville, Colorado
Wastewater Utility Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|------------------|------------------------|-------------------|-------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| <i>User Fees and Related Charges</i> | 1,917,273 | 2,291,025 | 999,787 | 2,910,910 | 1,291,525 | 44.4% |
| <i>Sewer Tap Fees</i> | 572,791 | 489,959 | 421,959 | 680,800 | 112,100 | 16.5% |
| <i>Interest Earnings</i> | 43,999 | 47,851 | 26,385 | 35,000 | 18,254 | 52.2% |
| <i>Miscellaneous & Grant Revenue</i> | 45,249 | 5,999 | 7,481 | 1,264,000 | 97,531 | 7.7% |
| <i>Interfund Transfers</i> | 90,000 | - | - | 225,000 | - | 0.0% |
| <i>Bond Proceeds</i> | - | - | - | 12,750,000 | 26,262,319 | 206.0% |
| Total Revenue & Other Sources | 2,669,313 | 2,834,834 | 1,455,611 | 17,865,710 | 27,781,729 | 155.5% |
| % of Prior Year | 101.6% | 106.2% | 54.5% | 630.2% | 1908.6% | |
| Expenditures | | | | | | |
| <i>General Govt</i> | 374,080 | 335,429 | 153,999 | 407,090 | 194,001 | 47.7% |
| <i>Finance</i> | 71,977 | 69,163 | 29,707 | 72,680 | 35,412 | 48.7% |
| <i>Collection</i> | 140,257 | 127,861 | 57,856 | 182,040 | 73,164 | 40.2% |
| <i>Plant Operations</i> | 775,874 | 810,108 | 343,729 | 970,380 | 334,374 | 34.5% |
| <i>Pretreatment</i> | 101,661 | 78,465 | 43,812 | 86,590 | 36,481 | 42.1% |
| <i>Public Works - Capital Replacement</i> | 289,801 | 250,872 | 5,805 | 386,960 | 105,768 | 27.3% |
| <i>Public Works - Capital New</i> | 940,793 | 1,527,832 | 407,473 | 16,561,850 | 1,205,172 | 7.3% |
| <i>Debt</i> | - | - | - | 1,826,100 | 187,996 | 10.3% |
| Total Expenditures & Other Uses | 2,694,442 | 3,199,731 | 1,042,381 | 20,493,690 | 2,172,368 | 10.6% |
| % of Prior Year | 114.2% | 118.8% | 38.7% | 640.5% | 208.4% | |
| <i>Revenue Over/(Under) Expend's</i> | (25,129) | (364,897) | 413,230 | (2,627,980) | 25,609,361 | |
| <i>Beginning Reserves</i> | 9,028,303 | 9,003,174 | 9,003,174 | 8,638,277 | 8,638,277 | |
| Ending Reserves | 9,003,174 | 8,638,277 | 9,416,404 | 6,010,297 | 34,247,638 | |
| % of Change from Prior Year | -0.3% | -4.1% | -4.1% | -30.4% | 263.7% | |

City of Louisville, Colorado
Stormwater Utility Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|------------------|------------------------|-------------------|------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Grant Revenue | 1771.91 | 74,051 | - | 1,000,000 | - | 0.0% |
| User Fees and Related Charges | 529,982 | 632,850 | 281,213 | 827,520 | 353,289 | 42.7% |
| Miscellaneous Revenues | 5,183 | 7,950 | 5,684 | 7,500 | 4,465 | 59.5% |
| Sale of Fixed assets | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | 5,500,000 | 5,379,029 | 97.8% |
| Total Revenue & Other Sources | 536,937 | 714,852 | 286,898 | 7,335,020 | 5,736,784 | 78.2% |
| % of Prior Year | 59.6% | 133.1% | 53.4% | 1026.1% | 1999.6% | |
| Expenditures | | | | | | |
| Stormwater Administration | 141,933 | 209,094 | 164,357 | 151,730 | 60,142 | 39.6% |
| Stormwater Capital | 357,504 | 147,867 | 3,394 | 8,043,500 | 543,205 | 6.8% |
| Stormwater Debt | - | - | - | 575,100 | 38,505 | 6.7% |
| Total Expenditures & Other Uses | 499,437 | 356,961 | 167,751 | 8,770,330 | 641,852 | 7.3% |
| % of Prior Year | 87.0% | 71.5% | 33.6% | 2456.9% | 382.6% | |
| Revenue Over/(Under) Expend's | 37,499 | 357,891 | 119,147 | (1,435,310) | 5,094,932 | |
| Beginning Reserves | 1,845,570 | 1,883,069 | 1,883,069 | 2,240,961 | 2,240,961 | |
| Ending Reserves | 1,883,069 | 2,240,961 | 2,002,217 | 805,651 | 7,335,892 | |
| % of Change from Prior Year | 2.1% | 19.0% | 19.0% | -64.0% | 266.4% | |

City of Louisville, Colorado
Golf Course
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|----------------|------------------|------------------------|-------------------|-----------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| <i>Total Charges for Services</i> | | | - | 1,105,500 | 25,362 | 2.3% |
| <i>Rental Income</i> | 90,000 | 60,000 | 60,000 | 6,900 | 66 | 1.0% |
| <i>Miscellaneous/Grant Revenue</i> | 136,770 | 1,980,210 | 345 | 537,000 | 335,904 | 62.6% |
| <i>Interfund Transfers</i> | 434,038 | 3,828,821 | - | 1,496,000 | - | 0.0% |
| Total Revenue & Other Sources | 660,808 | 5,869,031 | 60,345 | 3,145,400 | 361,332 | 11.5% |
| % of Prior Year | 215.3% | 888.2% | 9.1% | 53.6% | 598.8% | |
| Expenditures | | | | | | |
| <i>Golf Course Operations</i> | 133 | 248,673 | 182,339 | 2,190,290 | 291,037 | 13.3% |
| <i>Golf Course Debt Service</i> | 6,376 | 5,139 | - | 10,200 | - | 0.0% |
| <i>Interfund Transfers</i> | 90,000 | - | - | - | - | |
| <i>Golf Course Capital/Reconstruction</i> | 470,221 | 5,599,307 | 328,761 | 673,570 | 293,689 | 43.6% |
| Total Expenditures & Other Uses | 566,729 | 5,853,119 | 511,100 | 2,874,060 | 584,726 | 20.3% |
| % of Prior Year | 179.1% | 1032.8% | 90.2% | 49.1% | 114.4% | |
| <i>Revenue Over/(Under) Expend's</i> | 94,079 | 15,912 | (450,755) | 271,340 | (223,393) | |
| <i>Beginning Reserves</i> | 54,072 | 148,151 | 148,151 | 164,063 | 164,063 | |
| Ending Reserves | 148,151 | 164,063 | (302,605) | 435,403 | (59,331) | |
| % of Change from Prior Year | 174.0% | 10.7% | 10.7% | 165.4% | -80.4% | |

City of Louisville, Colorado
Solid Waste & Recycling Utility Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|------------------|------------------------|-------------------|----------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| <i>User Fees and Related Charges</i> | 1,165,585 | 1,313,376 | 512,527 | 1,539,900 | 621,958 | 40.4% |
| <i>Prepaid Extra Bag Tags</i> | 3,284 | 4,163 | 1,736 | 3,000 | 2,204 | 73.5% |
| <i>Recycling Revenue</i> | 11,091 | 13,909 | 8,746 | 15,000 | 2,890 | 19.3% |
| <i>Interest Earnings</i> | 1,170 | 907 | 464 | 1,200 | 542 | 45.1% |
| Total Revenue & Other Sources | 1,181,130 | 1,332,355 | 523,473 | 1,559,100 | 627,594 | 40.3% |
| % of Prior Year | 101.3% | 112.8% | 44.3% | 117.0% | 119.9% | |
| Expenditures | | | | | | |
| <i>Administration</i> | 20,793 | 17,230 | 7,474 | 41,310 | 18,857 | 45.6% |
| <i>Bag Purchases</i> | 2,900 | 3,427 | 584 | 3,000 | 1,675 | 55.8% |
| <i>Professional Services</i> | 1,137,962 | 1,243,968 | 482,013 | 1,462,020 | 469,511 | 32.1% |
| <i>Hazardous waste</i> | 54,162 | 43,800 | 2,196 | 42,220 | 9,572 | 22.7% |
| Total Expenditures & Other Uses | 1,215,817 | 1,308,424 | 492,267 | 1,548,550 | 499,615 | 32.3% |
| % of Prior Year | 104.9% | 107.6% | 40.5% | 118.4% | 101.5% | |
| <i>Revenue Over/(Under) Expend's</i> | (34,688) | 23,930 | 31,205 | 10,550 | 127,979 | |
| <i>Beginning Reserves</i> | 88,379 | 53,691 | 53,691 | 77,622 | 77,622 | |
| Ending Reserves | 53,691 | 77,622 | 84,897 | 88,172 | 205,601 | |
| % of Change from Prior Year | -39.2% | 44.6% | 44.6% | 13.6% | 142.2% | |

City of Louisville, Colorado
Technology
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|----------------|----------------|------------------------|-------------------|----------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Total Charges for Services | 47,750 | 47,750 | 23,875 | 47,750 | 23,875 | 50.0% |
| Interest Earnings | 721 | 697 | 629 | 1,000 | 351 | 35.1% |
| Total Revenue & Other Sources | 48,471 | 48,447 | 24,504 | 48,750 | 24,226 | 49.7% |
| % of Prior Year | 98.1% | 99.9% | 50.6% | 100.6% | 98.9% | |
| Expenditures | | | | | | |
| General Government | 37,974 | 173,981 | 152,791 | 60,750 | 5,124 | 8.4% |
| Interfund Transfers | - | - | - | - | - | - |
| Total Expenditures & Other Uses | 37,974 | 173,981 | 152,791 | 60,750 | 5,124 | 8.4% |
| % of Prior Year | 22.4% | 458.2% | 402.4% | 34.9% | 3.4% | |
| Revenue Over/(Under) Expend's | 10,497 | (125,534) | (128,287) | (12,000) | 19,103 | |
| Beginning Reserves | 276,884 | 287,381 | 287,381 | 161,846 | 161,846 | |
| Ending Reserves | 287,381 | 161,846 | 159,093 | 149,846 | 180,949 | |
| % of Change from Prior Year | 3.8% | -43.7% | -43.7% | -7.4% | 13.7% | |

City of Louisville, Colorado
 Fleet Replacement Fund
 Revenue, Expenditures, & Changes to Fund Balance
 June 30, 2015
 50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|----------------|----------------|------------------------|-------------------|----------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Total Charges for Services | 240,030 | 216,460 | 108,230 | 216,460 | 108,230 | 50.0% |
| Total Miscellaneous | 26,062 | 18,872 | 5,940 | 5,000 | 3,710 | 74.2% |
| Total Revenue & Other Sources | 266,092 | 235,332 | 114,170 | 221,460 | 111,940 | 50.5% |
| <i>% of Prior Year</i> | 114.7% | 88.4% | 42.9% | 94.1% | 98.0% | |
| Expenditures | | | | | | |
| General Government | 391,092 | 455,551 | 24,833 | 391,500 | 29,056 | 7.4% |
| Total Expenditures & Other Uses | 391,092 | 455,551 | 24,833 | 391,500 | 29,056 | 7.4% |
| <i>% of Prior Year</i> | 152.9% | 116.5% | 6.3% | 85.9% | 117.0% | |
| Revenue Over/(Under) Expend's | (125,000) | (220,219) | 89,338 | (170,040) | 82,884 | |
| Beginning Reserves | 1,112,746 | 987,745 | 987,745 | 767,526 | 767,526 | |
| Ending Reserves | 987,745 | 767,526 | 1,077,083 | 597,486 | 850,410 | |
| <i>% of Change from Prior Year</i> | -11.2% | -22.3% | -22.3% | -22.2% | -21.0% | |

City of Louisville, Colorado
Library Debt Fund
Revenue, Expenditures, & Changes to Fund Balance
June 30, 2015
50.0% of the year completed

| | 2013 Actual | 2014 Actual | 2014 Actual at 6/30 | 2015 | | |
|--|------------------|----------------|------------------------|-------------------|------------------|----------------|
| | | | | Current Budget | YTD Actual | % of Budget |
| Revenue | | | | | | |
| Property Tax | 664,014 | 685,085 | 510,613 | 697,650 | 513,305 | 73.6% |
| Interest Earnings | - | 3,701 | 2,612 | 5,000 | 1,878 | 37.6% |
| Total Revenue & Other Sources | 668,263 | 688,785 | 513,225 | 702,650 | 515,183 | 73.3% |
| % of Prior Year | 100.4% | 103.1% | 76.8% | 102.0% | 100.4% | |
| Expenditures | | | | | | |
| General Government Debt | 1,053,983 | 720,498 | 72,886 | 726,980 | 62,431 | 8.6% |
| Professional Services | 846 | 591 | 167 | 800 | 216 | 27.0% |
| Total Expenditures & Other Uses | 1,054,828 | 721,089 | 73,053 | 727,780 | 62,647 | 8.6% |
| % of Prior Year | 201.0% | 68.4% | 6.9% | 100.9% | 85.8% | |
| Revenue Over/(Under) Expend's | (386,566) | (32,303) | 440,172 | (25,130) | 452,536 | |
| Beginning Fund Balance | 1,083,533 | 696,968 | 696,968 | 664,664 | 664,664 | |
| Ending Fund Balance | 696,968 | 664,664 | 1,137,140 | 639,534 | 1,117,201 | |
| % of Change from Prior Year | -35.7% | -4.6% | -4.6% | -3.8% | -1.8% | |

SUBJECT: SALES TAX REPORTS FOR THE MONTH ENDED MAY 31, 2015

DATE: JULY 20, 2015

PRESENTED BY: PENNEY BOLTE, FINANCE DEPARTMENT

SUMMARY:

Attached are the monthly revenue reports for sales tax, lodging tax, auto use tax, consumer use tax, and building use tax for the month ending May 31, 2015. Also included are monthly reports on sales tax revenue by area and by industry.

The total revenue for the taxes contained in these reports through the period ending May 2015 is down 0.2% YTD over 2014.

Sales tax revenue for the month of May 2015 ended with revenue up 1.6% from May 2014.

Sales tax revenue for the top 50 vendors increased 3% for the month of May 2015. Gains YTD include General Merchandise (2.1%), Grocery (22.5%), Hotels (11.1%), and Restaurants (5%). The declining sectors include Telecom/Utilities (-10.7%), and Home Improvement (-4.7%).

Lodging tax revenue for the month of May 2015 increased 15.4% from May 2014.

Auto use tax revenue for May 2015 increased 8.6% from May 2014.

Building use tax revenue for May 2015 decreased 41.9% from May 2014.

Consumer use tax revenue for May 2015 increased 68.4% from May 2014.

CITY OF LOUISVILLE

**Revenue History
2011 through 2015**

| YEAR | MONTH | SALES TAX | USE TAX | BLDG USE TAX | AUTO USE TAX | LODGING TAX | AUDIT REVENUE | TOTAL |
|------|-------------------------------------|-------------------|------------------|------------------|------------------|----------------|----------------|-------------------|
| 2015 | | | | | | | | |
| | JANUARY | 930,279 | 85,960 | 65,576 | 106,340 | 24,681 | 10,554 | 1,223,389 |
| | FEBRUARY | 751,446 | 89,441 | 35,569 | 113,225 | 23,429 | 64,859 | 1,077,969 |
| | MARCH | 966,850 | 124,548 | 136,921 | 111,521 | 30,900 | 52,296 | 1,423,036 |
| | APRIL | 926,082 | 94,037 | 93,561 | 89,588 | 34,080 | 72,649 | 1,309,996 |
| | MAY | 931,057 | 89,679 | 157,466 | 93,186 | 47,601 | 36,203 | 1,355,193 |
| | JUNE | - | - | - | - | - | - | - |
| | JULY | - | - | - | - | - | - | - |
| | AUGUST | - | - | - | - | - | - | - |
| | SEPTEMBER | - | - | - | - | - | - | - |
| | OCTOBER | - | - | - | - | - | - | - |
| | NOVEMBER | - | - | - | - | - | - | - |
| | DECEMBER | - | - | - | - | - | - | - |
| | YTD TOTALS | 4,505,715 | 483,665 | 489,093 | 513,859 | 160,691 | 236,561 | 6,389,583 |
| | YTD Variance % to Prior Year | 4.4% | 32.4% | -30.2% | -2.4% | 11.7% | -31.8% | -0.2% |
| 2014 | | | | | | | | |
| | JANUARY | 798,792 | 56,727 | 40,650 | 141,060 | 22,487 | 137,276 | 1,196,991 |
| | FEBRUARY | 708,164 | 72,199 | 196,461 | 83,341 | 22,789 | 18,193 | 1,101,147 |
| | MARCH | 891,756 | 88,634 | 99,076 | 98,457 | 27,659 | 145,636 | 1,351,217 |
| | APRIL | 990,489 | 88,362 | 93,637 | 117,881 | 29,651 | 42,908 | 1,362,927 |
| | MAY | 928,421 | 59,387 | 270,829 | 85,769 | 41,240 | 2,776 | 1,388,422 |
| | JUNE | 1,013,900 | 111,632 | 102,883 | 88,813 | 47,149 | 29,230 | 1,393,608 |
| | JULY | 866,647 | 114,724 | 70,466 | 79,622 | 54,076 | 15,679 | 1,201,213 |
| | AUGUST | 983,356 | 87,629 | 46,088 | 105,531 | 51,658 | 156,497 | 1,430,760 |
| | SEPTEMBER | 974,352 | 99,986 | 58,752 | 116,646 | 41,146 | 7,841 | 1,298,723 |
| | OCTOBER | 876,022 | 79,004 | 57,992 | 109,404 | 40,328 | 51,399 | 1,214,149 |
| | NOVEMBER | 867,460 | 66,255 | 157,394 | 85,387 | 27,146 | 212,991 | 1,416,633 |
| | DECEMBER | 1,294,297 | 147,830 | 24,949 | 123,793 | 21,905 | 3,019 | 1,615,792 |
| | YTD TOTALS | 11,193,655 | 1,072,369 | 1,219,177 | 1,235,702 | 427,234 | 823,445 | 15,971,583 |
| | YTD Variance % to Prior Year | 7.5% | 13.3% | 1.6% | 8.9% | 12.4% | -5.7% | 6.8% |
| 2013 | | | | | | | | |
| | JANUARY | 777,242 | (29,020) | 184,731 | 86,731 | 20,848 | 75,241 | 1,115,772 |
| | FEBRUARY | 669,879 | 70,363 | 69,470 | 80,297 | 19,921 | 12,621 | 922,552 |
| | MARCH | 820,313 | 74,217 | 263,140 | 106,476 | 22,836 | 29,624 | 1,316,606 |
| | APRIL | 870,965 | 61,435 | 78,235 | 95,575 | 26,040 | 13,499 | 1,145,748 |
| | MAY | 918,954 | 69,690 | 54,267 | 83,905 | 35,636 | 121,805 | 1,284,257 |
| | JUNE | 895,906 | 116,514 | 120,854 | 68,997 | 40,725 | 64,668 | 1,307,664 |
| | JULY | 856,770 | 44,927 | 91,461 | 89,328 | 46,440 | 57,571 | 1,186,497 |
| | AUGUST | 821,538 | 38,974 | 87,374 | 124,484 | 41,990 | 7,939 | 1,122,299 |
| | SEPTEMBER | 1,017,791 | 114,209 | 19,729 | 90,523 | 37,157 | 11,137 | 1,290,547 |
| | OCTOBER | 827,461 | 53,102 | 130,501 | 117,513 | 42,825 | 207,939 | 1,379,340 |
| | NOVEMBER | 812,544 | 70,204 | 79,635 | 82,127 | 26,122 | 143,923 | 1,214,555 |
| | DECEMBER | 1,125,418 | 261,530 | 20,236 | 108,929 | 19,492 | 126,849 | 1,662,455 |
| | YTD TOTALS | 10,414,782 | 946,144 | 1,199,631 | 1,134,885 | 380,033 | 872,817 | 14,948,292 |
| | YTD Variance % to Prior Year | 6.8% | -7.9% | 40.5% | 16.4% | 3.9% | 131.5% | 12.0% |
| 2012 | | | | | | | | |
| | JANUARY | 681,326 | 32,851 | 27,928 | 70,085 | 21,299 | - | 833,489 |
| | FEBRUARY | 656,603 | 52,354 | 40,696 | 81,880 | 21,356 | 2,109 | 854,997 |
| | MARCH | 816,468 | 79,749 | 109,195 | 79,824 | 24,428 | 2,410 | 1,112,074 |
| | APRIL | 757,617 | 47,489 | 150,645 | 59,779 | 24,803 | 12,949 | 1,053,282 |
| | MAY | 855,685 | 90,373 | 55,162 | 65,752 | 37,456 | 49,231 | 1,153,658 |
| | JUNE | 890,833 | 108,900 | 89,259 | 80,272 | 45,122 | 9,662 | 1,224,048 |
| | JULY | 794,745 | 27,905 | 88,794 | 80,362 | 40,743 | 12,508 | 1,045,056 |
| | AUGUST | 776,002 | 24,579 | 62,942 | 88,605 | 46,121 | 160,774 | 1,159,024 |
| | SEPTEMBER | 836,117 | 71,431 | 35,963 | 83,421 | 34,550 | 9,971 | 1,071,452 |
| | OCTOBER | 737,769 | 30,677 | 87,218 | 116,085 | 31,783 | 2,806 | 1,006,338 |
| | NOVEMBER | 855,913 | 51,205 | 15,558 | 76,425 | 20,814 | 7,825 | 1,027,740 |
| | DECEMBER | 1,091,578 | 409,811 | 90,571 | 92,223 | 17,408 | 106,845 | 1,808,436 |
| | YTD TOTALS | 9,750,654 | 1,027,323 | 853,932 | 974,711 | 365,884 | 377,090 | 13,349,594 |
| | YTD Variance % to Prior Year | 7.0% | 86.8% | 16.2% | 8.4% | 9.0% | 160.1% | 13.4% |
| 2011 | | | | | | | | |
| | JANUARY | 634,012 | 11,262 | 24,333 | 64,708 | 18,884 | 18,367 | 771,564 |
| | FEBRUARY | 589,984 | 5,900 | 45,823 | 56,736 | 18,361 | 2,558 | 719,363 |
| | MARCH | 776,647 | 45,119 | 15,941 | 77,130 | 20,385 | 1,870 | 937,091 |
| | APRIL | 725,384 | 15,521 | 45,812 | 72,171 | 22,368 | 2,414 | 883,671 |
| | MAY | 734,017 | 15,403 | 38,312 | 73,741 | 35,261 | 13,549 | 910,283 |
| | JUNE | 871,414 | 32,373 | 50,480 | 87,068 | 35,938 | 12,396 | 1,089,669 |
| | JULY | 735,710 | 13,273 | 83,345 | 69,746 | 38,443 | 34,921 | 975,438 |
| | AUGUST | 738,939 | 22,640 | 91,563 | 87,377 | 40,498 | 1,979 | 982,996 |
| | SEPTEMBER | 785,785 | 43,390 | 92,181 | 74,646 | 32,129 | 19,005 | 1,047,136 |
| | OCTOBER | 718,122 | 35,381 | 96,533 | 89,734 | 31,123 | 2,663 | 973,556 |
| | NOVEMBER | 746,388 | 27,461 | 65,564 | 76,039 | 23,399 | 20,683 | 959,533 |
| | DECEMBER | 1,052,498 | 282,224 | 85,218 | 69,956 | 18,766 | 14,568 | 1,523,231 |
| | YTD TOTALS | 9,108,901 | 549,946 | 735,105 | 899,051 | 335,555 | 144,973 | 11,773,530 |
| | YTD Variance % to Prior Year | 4.4% | N/A | 175.9% | 11.2% | 10.1% | -15.3% | 14.1% |

**City of Louisville, Colorado
Total Sales Tax Revenue
2011 -2015**

| Month Of Sale | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Budget | 2015 Actual | Mnthly % Of 2014 | Y-T-D % Of 2014 | Mnthly % Of Bdgt | Y-T-D % Of Bdgt |
|--------------------|------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------------|-----------------------|------------------------|-----------------------|
| Jan | 636,994 | 681,326 | 778,705 | 800,685 | 899,966 | 938,911 | 117.3% | 117.3% | 104.3% | 104.3% |
| Feb | 592,370 | 658,227 | 677,256 | 708,418 | 810,009 | 808,454 | 114.1% | 115.8% | 99.8% | 102.2% |
| Mar | 778,075 | 818,491 | 821,853 | 985,745 | 1,008,731 | 979,639 | 99.4% | 109.3% | 97.1% | 100.3% |
| Apr | 727,061 | 758,944 | 882,437 | 993,747 | 961,050 | 968,100 | 97.4% | 105.9% | 100.7% | 100.4% |
| May | 738,711 | 875,629 | 943,909 | 929,994 | 1,015,359 | 944,922 | 101.6% | 105.0% | 93.1% | 98.8% |
| Jun | 881,992 | 900,308 | 950,701 | 1,015,778 | 1,103,727 | - | 0.0% | 85.4% | 0.0% | 80.0% |
| Jul | 738,194 | 806,223 | 864,327 | 871,158 | 992,239 | - | 0.0% | 73.6% | 0.0% | 68.3% |
| Aug | 740,614 | 787,880 | 828,581 | 1,096,941 | 978,229 | - | 0.0% | 62.7% | 0.0% | 59.7% |
| Sep | 797,496 | 843,703 | 1,023,383 | 980,918 | 1,051,654 | - | 0.0% | 55.3% | 0.0% | 52.6% |
| Oct | 720,320 | 736,736 | 828,537 | 907,968 | 956,534 | - | 0.0% | 49.9% | 0.0% | 47.5% |
| Nov | 751,407 | 863,243 | 817,829 | 869,528 | 957,503 | - | 0.0% | 45.7% | 0.0% | 43.2% |
| Dec | 1,065,957 | 1,093,262 | 1,129,807 | 1,294,795 | 1,285,359 | - | 0.0% | 40.5% | 0.0% | 38.6% |
| Totals | 9,169,191 | 9,823,972 | 10,547,325 | 11,455,676 | 12,020,360 | 4,640,026 | | | | |
| % Of Change | 3.7% | 7.1% | 7.4% | 8.6% | 4.9% | | | | | |

**City of Louisville, Colorado
Lodging Tax Revenue
2011 -2015**

| Month Of Sale | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Budget | 2015 Actual | Mnthly % Of 2014 | Y-T-D % Of 2014 | Mnthly % Of Bdgt | Y-T-D % Of Bdgt |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|-----------------------|------------------------|-----------------------|
| Jan | 18,884 | 21,299 | 20,848 | 22,487 | 26,079 | 24,681 | 109.8% | 109.8% | 94.6% | 94.6% |
| Feb | 18,361 | 21,356 | 19,921 | 22,789 | 25,714 | 23,429 | 102.8% | 106.3% | 91.1% | 92.9% |
| Mar | 20,385 | 24,428 | 22,836 | 27,659 | 28,584 | 33,963 | 122.8% | 112.5% | 118.8% | 102.1% |
| Apr | 22,368 | 24,803 | 26,040 | 29,651 | 30,175 | 34,080 | 114.9% | 113.2% | 112.9% | 105.1% |
| May | 35,261 | 37,456 | 35,636 | 41,240 | 44,485 | 47,601 | 115.4% | 113.9% | 107.0% | 105.6% |
| Jun | 35,938 | 45,122 | 40,725 | 47,149 | 47,462 | - | 0.0% | 85.7% | 0.0% | 80.9% |
| Jul | 38,443 | 40,743 | 46,440 | 54,917 | 51,601 | - | 0.0% | 66.6% | 0.0% | 64.4% |
| Aug | 40,498 | 46,121 | 41,990 | 51,658 | 51,242 | - | 0.0% | 55.0% | 0.0% | 53.6% |
| Sep | 32,129 | 34,550 | 37,157 | 41,146 | 41,128 | - | 0.0% | 48.3% | 0.0% | 47.3% |
| Oct | 31,123 | 31,783 | 42,825 | 40,328 | 42,072 | - | 0.0% | 43.2% | 0.0% | 42.1% |
| Nov | 23,399 | 20,814 | 26,122 | 27,146 | 28,937 | - | 0.0% | 40.3% | 0.0% | 39.2% |
| Dec | 18,766 | 17,408 | 19,492 | 21,905 | 23,442 | - | 0.0% | 38.3% | 0.0% | 37.1% |
| Totals | 335,555 | 365,884 | 380,033 | 428,075 | 440,920 | 163,754 | | | | |
| % Of Change | 10.1% | 9.0% | 3.9% | 12.6% | 3.0% | | | | | |

**City of Louisville, Colorado
Auto Use Tax Revenue
2011 -2015**

| Month Of Sale | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Budget | 2015 Actual | Mnthly % Of 2014 | Y-T-D % Of 2014 | Mnthly % Of Bdgt | Y-T-D % Of Bdgt |
|--------------------|----------------|----------------|------------------|------------------|------------------|----------------|------------------------|-----------------------|------------------------|-----------------------|
| Jan | 64,708 | 70,085 | 86,731 | 141,060 | 106,915 | 106,340 | 75.4% | 75.4% | 99.5% | 99.5% |
| Feb | 56,736 | 81,880 | 80,297 | 83,341 | 99,828 | 113,225 | 135.9% | 97.8% | 113.4% | 106.2% |
| Mar | 77,130 | 79,824 | 106,476 | 98,457 | 109,914 | 111,521 | 113.3% | 102.5% | 101.5% | 104.6% |
| Apr | 72,171 | 59,779 | 95,575 | 117,881 | 100,387 | 89,588 | 76.0% | 95.4% | 89.2% | 100.9% |
| May | 73,741 | 65,752 | 83,905 | 85,769 | 97,134 | 93,186 | 108.6% | 97.6% | 95.9% | 99.9% |
| Jun | 87,068 | 80,272 | 68,997 | 88,813 | 104,067 | - | 0.0% | 83.5% | 0.0% | 83.1% |
| Jul | 69,746 | 80,362 | 89,328 | 79,622 | 103,282 | - | 0.0% | 73.9% | 0.0% | 71.2% |
| Aug | 87,377 | 88,605 | 124,484 | 105,531 | 117,640 | - | 0.0% | 64.2% | 0.0% | 61.2% |
| Sep | 74,646 | 83,421 | 90,523 | 116,646 | 121,750 | - | 0.0% | 56.0% | 0.0% | 53.5% |
| Oct | 89,734 | 116,085 | 117,513 | 109,404 | 123,921 | - | 0.0% | 50.1% | 0.0% | 47.4% |
| Nov | 76,039 | 76,425 | 82,127 | 85,387 | 96,365 | - | 0.0% | 46.2% | 0.0% | 43.5% |
| Dec | 69,956 | 92,223 | 108,929 | 123,793 | 103,927 | - | 0.0% | 41.6% | 0.0% | 40.0% |
| Totals | 899,051 | 974,711 | 1,134,885 | 1,235,702 | 1,285,130 | 513,859 | | | | |
| % Of Change | 11.2% | 8.4% | 16.4% | 8.9% | 4.0% | | | | | |

Actual G/L amounts may vary

**City of Louisville, Colorado
Building Use Tax Revenue
2011 -2015**

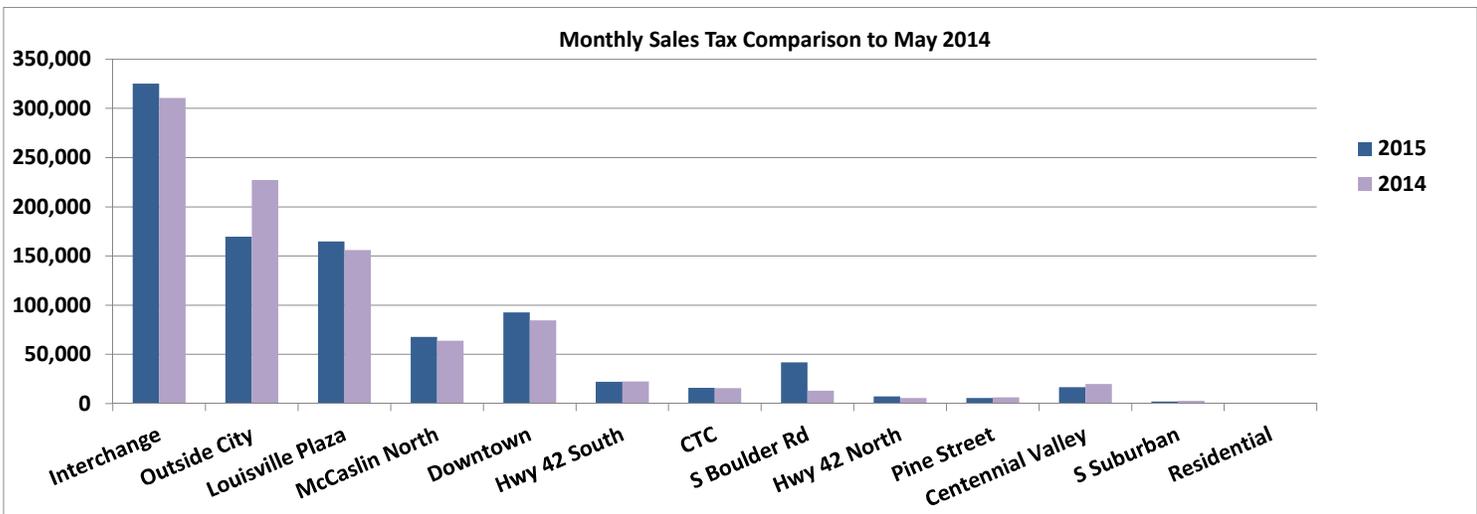
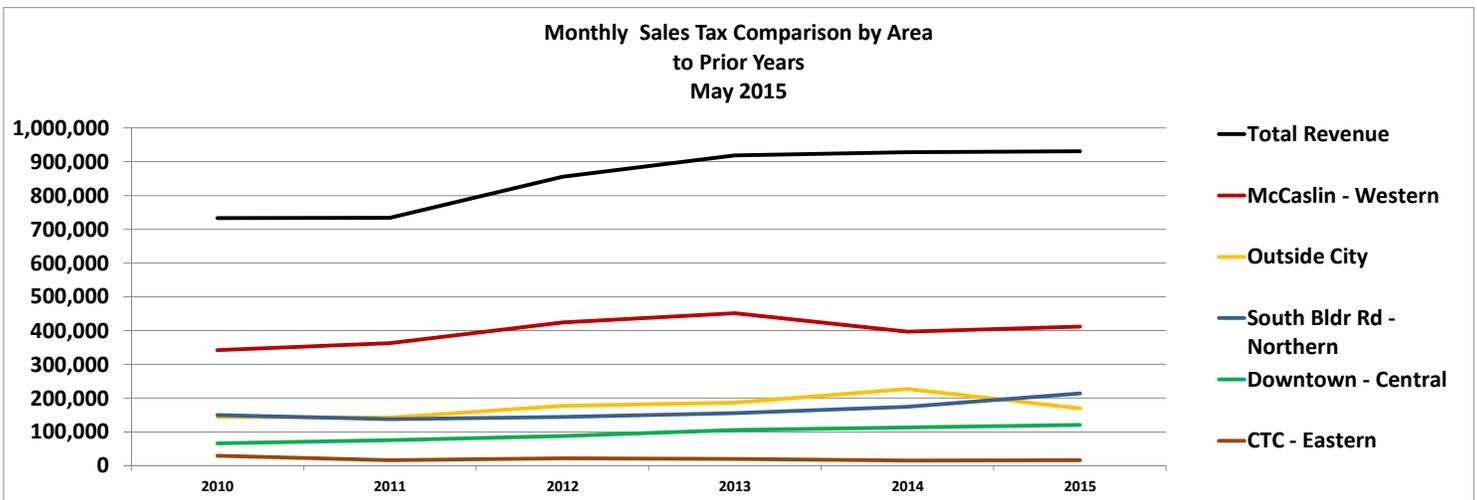
| Month Of Sale | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Budget | 2015 Actual | Mnthly % Of 2014 | Y-T-D % Of 2014 | Mnthly % Of Bdgt | Y-T-D % Of Bdgt |
|--------------------|----------------|----------------|------------------|------------------|------------------|----------------|------------------------|-----------------------|------------------------|-----------------------|
| Jan | 24,333 | 27,928 | 184,731 | 40,650 | 73,966 | 65,576 | 161.3% | 161.3% | 88.7% | 88.7% |
| Feb | 45,823 | 40,696 | 69,470 | 196,461 | 79,895 | 35,569 | 18.1% | 42.7% | 44.5% | 65.7% |
| Mar | 15,941 | 109,195 | 263,140 | 99,076 | 104,807 | 136,921 | 138.2% | 70.8% | 130.6% | 92.0% |
| Apr | 45,812 | 150,645 | 78,235 | 93,637 | 84,321 | 93,561 | 99.9% | 77.2% | 111.0% | 96.7% |
| May | 38,312 | 55,162 | 54,267 | 270,829 | 130,781 | 157,466 | 58.1% | 69.8% | 120.4% | 103.2% |
| Jun | 50,480 | 89,259 | 120,854 | 102,883 | 94,972 | - | 0.0% | 60.9% | 0.0% | 86.0% |
| Jul | 83,345 | 88,794 | 91,461 | 70,466 | 76,626 | - | 0.0% | 56.0% | 0.0% | 75.8% |
| Aug | 91,563 | 62,942 | 87,374 | 46,088 | 89,499 | - | 0.0% | 53.2% | 0.0% | 66.6% |
| Sep | 92,181 | 35,963 | 19,729 | 58,752 | 65,566 | - | 0.0% | 50.0% | 0.0% | 61.1% |
| Oct | 96,533 | 87,218 | 130,501 | 57,992 | 88,401 | - | 0.0% | 47.2% | 0.0% | 55.0% |
| Nov | 65,564 | 15,558 | 79,635 | 157,394 | 78,730 | - | 0.0% | 41.0% | 0.0% | 50.5% |
| Dec | 85,218 | 90,571 | 20,236 | 24,949 | 64,125 | - | 0.0% | 40.1% | 0.0% | 47.4% |
| Totals | 735,105 | 853,932 | 1,199,631 | 1,219,177 | 1,031,690 | 489,093 | | | | |
| % Of Change | 175.9% | 16.2% | 40.5% | 1.6% | -15.4% | | | | | |

**City of Louisville, Colorado
Consumer Use Tax Revenue
2011 -2015**

| Month Of Sale | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Budget | 2015 Actual | Mnthly % Of 2014 | Y-T-D % Of 2014 | Mnthly % Of Bdgt | Y-T-D % Of Bdgt |
|--------------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------------|-----------------------|------------------------|-----------------------|
| Jan | 11,262 | 32,851 | 37,090 | 140,825 | 84,490 | 86,310 | 61.3% | 61.3% | 102.2% | 102.2% |
| Feb | 5,900 | 52,354 | 74,247 | 73,497 | 78,390 | 92,813 | 126.3% | 83.6% | 118.4% | 110.0% |
| Mar | 45,119 | 79,749 | 85,187 | 111,992 | 122,550 | 146,179 | 130.5% | 99.7% | 119.3% | 114.0% |
| Apr | 15,521 | 51,813 | 61,435 | 122,627 | 95,665 | 94,037 | 76.7% | 93.4% | 98.3% | 110.0% |
| May | 15,403 | 118,389 | 123,930 | 60,387 | 121,052 | 101,700 | 168.4% | 102.3% | 84.0% | 103.8% |
| Jun | 32,373 | 108,900 | 117,226 | 127,410 | 146,852 | - | 0.0% | 81.8% | 0.0% | 80.3% |
| Jul | 19,392 | 27,905 | 82,469 | 122,959 | 96,171 | - | 0.0% | 68.6% | 0.0% | 69.9% |
| Aug | 22,640 | 162,310 | 39,698 | 129,430 | 134,739 | - | 0.0% | 58.6% | 0.0% | 59.2% |
| Sep | 43,390 | 71,431 | 118,185 | 99,986 | 126,715 | - | 0.0% | 52.7% | 0.0% | 51.8% |
| Oct | 35,381 | 34,241 | 233,281 | 88,790 | 149,054 | - | 0.0% | 48.3% | 0.0% | 45.1% |
| Nov | 27,461 | 51,205 | 190,782 | 240,584 | 194,086 | - | 0.0% | 39.5% | 0.0% | 38.6% |
| Dec | 282,224 | 410,995 | 366,082 | 149,849 | 460,126 | - | 0.0% | 35.5% | 0.0% | 28.8% |
| Totals | 556,065 | 1,202,143 | 1,529,611 | 1,468,338 | 1,809,890 | 521,039 | | | | |
| % Of Change | | 116.2% | 27.2% | -4.0% | 23.3% | | | | | |

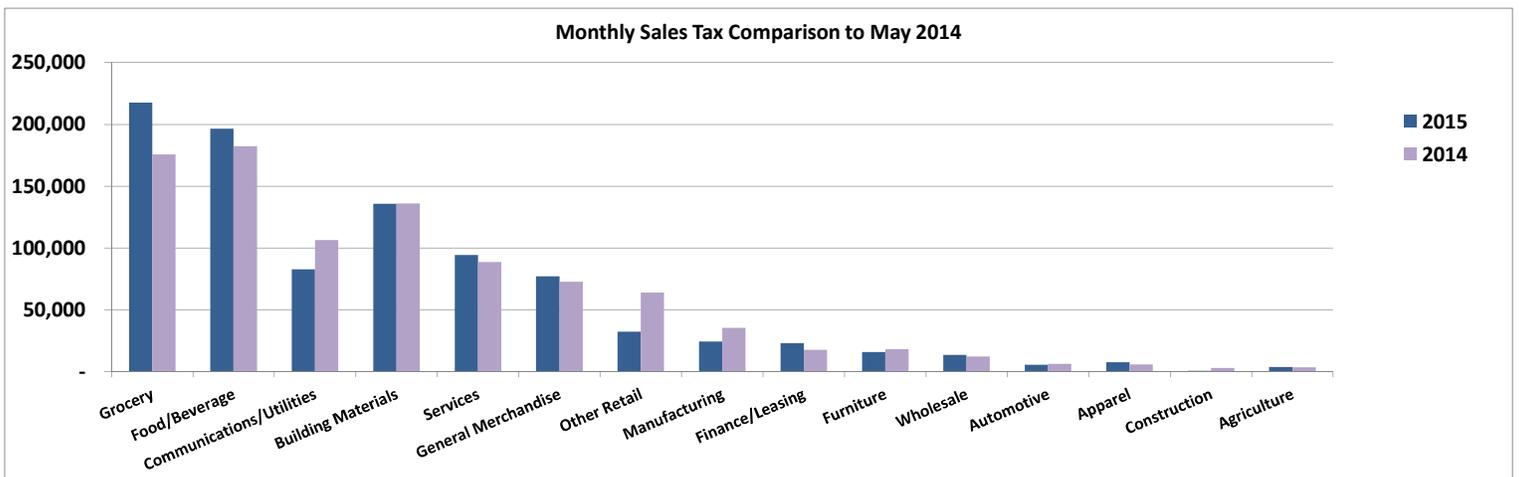
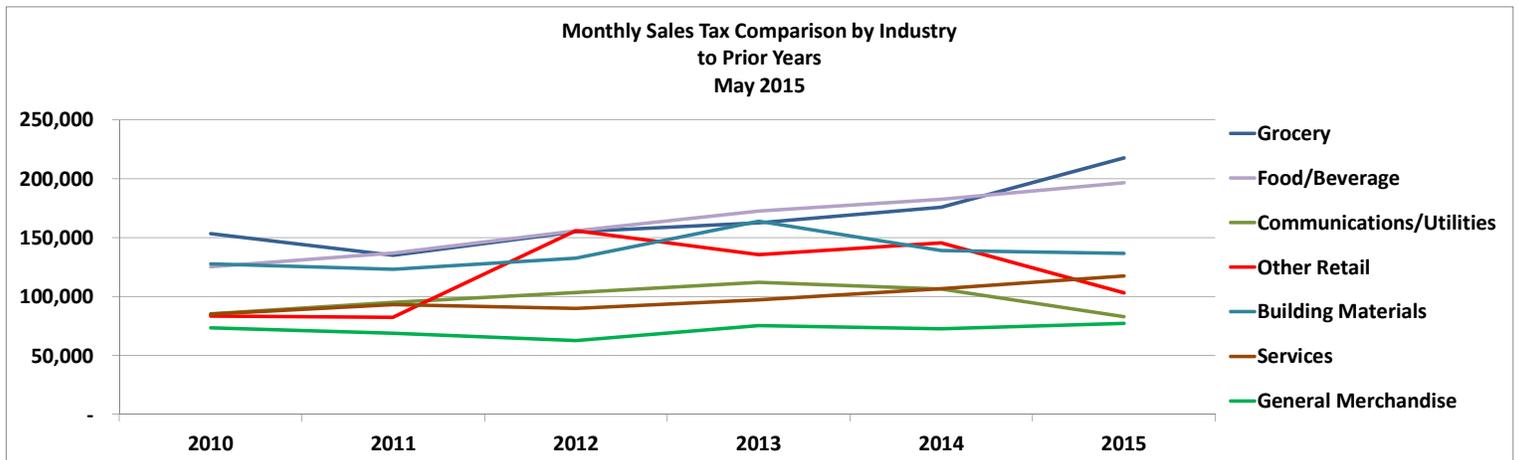
Monthly Sales Tax Revenue Comparisons by Area May 2015)

| AREA NAME | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Actual | % Of Total | % Change |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|-------------|
| Interchange | 285,718 | 279,712 | 302,723 | 331,484 | 310,617 | 325,220 | 34.9% | 4.7% |
| Outside City | 144,467 | 141,979 | 176,806 | 186,229 | 227,224 | 169,530 | 18.2% | -25.4% |
| Louisville Plaza | 121,755 | 118,983 | 124,197 | 140,159 | 156,126 | 164,590 | 17.7% | 5.4% |
| McCaslin North | 52,308 | 57,919 | 59,637 | 62,434 | 63,945 | 67,578 | 7.3% | 5.7% |
| Downtown | 42,174 | 51,960 | 63,198 | 75,021 | 84,634 | 92,509 | 9.9% | 9.3% |
| Hwy 42 South | 19,024 | 16,443 | 18,326 | 21,048 | 22,452 | 22,065 | 2.4% | -1.7% |
| CTC | 29,676 | 15,912 | 21,603 | 19,794 | 15,640 | 16,116 | 1.7% | 3.0% |
| S Boulder Rd | 20,304 | 9,317 | 10,370 | 10,348 | 13,057 | 41,894 | 4.5% | 220.9% |
| Hwy 42 North | 8,068 | 9,363 | 10,005 | 5,026 | 5,666 | 7,069 | 0.8% | 24.8% |
| Pine Street | 5,021 | 6,736 | 6,348 | 9,148 | 6,369 | 5,475 | 0.6% | -14.0% |
| Centennial Valley | 119 | 21,325 | 57,394 | 52,532 | 19,980 | 16,563 | 1.8% | -17.1% |
| S Suburban | 4,468 | 3,957 | 4,768 | 5,233 | 2,606 | 2,114 | 0.2% | -18.9% |
| Residential | 269 | 412 | 310 | 498 | 106 | 335 | 0.0% | 216.4% |
| Total Revenue | 733,372 | 734,017 | 855,685 | 918,954 | 928,421 | 931,057 | | |
| % Of Change | -1.2% | 0.1% | 16.6% | 7.4% | 8.5% | 0.3% | | |



Monthly Sales Tax Revenue Comparisons by Industry (May 2015)

| AREA NAME | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Actual | % Of Total | % Change |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|-------------|
| Grocery | 153,404 | 134,944 | 155,087 | 162,438 | 175,821 | 217,687 | 23.4% | 23.8% |
| Food/Beverage | 125,181 | 136,859 | 155,886 | 172,580 | 182,484 | 196,477 | 21.1% | 7.7% |
| Communications/Utilities | 85,256 | 94,932 | 103,525 | 112,130 | 106,415 | 82,764 | 8.9% | -22.2% |
| Building Materials | 127,364 | 121,391 | 132,331 | 162,358 | 136,078 | 135,728 | 14.6% | -0.3% |
| Services | 60,957 | 76,666 | 76,053 | 81,337 | 88,831 | 94,381 | 10.1% | 6.2% |
| General Merchandise | 73,295 | 68,890 | 62,678 | 75,272 | 72,722 | 77,140 | 8.3% | 6.1% |
| Other Retail | 23,579 | 18,579 | 48,048 | 22,963 | 63,907 | 32,436 | 3.5% | -49.2% |
| Manufacturing | 30,153 | 29,822 | 72,059 | 67,122 | 35,371 | 24,389 | 2.6% | -31.0% |
| Finance/Leasing | 24,165 | 16,338 | 13,955 | 15,879 | 17,719 | 23,068 | 2.5% | 30.2% |
| Furniture | 14,044 | 14,939 | 14,129 | 17,013 | 18,274 | 15,871 | 1.7% | -13.1% |
| Wholesale | 7,154 | 9,468 | 11,182 | 10,568 | 12,319 | 13,434 | 1.4% | 9.1% |
| Automotive | 3,857 | 4,308 | 4,110 | 8,089 | 6,267 | 5,525 | 0.6% | -11.8% |
| Apparel | 3,890 | 4,434 | 5,104 | 6,231 | 5,787 | 7,731 | 0.8% | 33.6% |
| Construction | 231 | 1,631 | 317 | 1,430 | 2,908 | 754 | 0.1% | -74.1% |
| Agriculture | 843 | 818 | 1,221 | 3,544 | 3,518 | 3,671 | 0.4% | 4.4% |
| Totals | 733,372 | 734,017 | 855,685 | 918,954 | 928,421 | 931,057 | | |
| % Of Change | -1.2% | 0.1% | 16.6% | 7.4% | 8.5% | 1.3% | | |



**SUBJECT: REVENUE PROJECTION DASHBOARD – PROJECTIONS
DATED JULY 14, 2015**

DATE: JULY 20, 2015

PRESENTED BY: KEVIN WATSON, FINANCE

SUMMARY:

Attached are copies of two revenue projection “dashboards” with 2015 revenue projections dated July 14, 2015.

The first dashboard contains most City-wide revenue sources totaling at least \$100,000 per year. For each revenue source, a 2015 annual projection is compared to the 2015 annual budget and to the 2014 annual actual amount. Variances are expressed in both dollar amounts and percentages. Positive variances exceeding \$100,000 and/or 5% are highlighted in green. Negative variances exceeding \$100,000 and/or 5% are highlighted in red.

The second dashboard is similar to the first, but contains only General Fund revenue sources totaling at least \$100,000 per year. This dashboard also includes the latest projection of total General Fund revenue, highlighted in yellow.

Projections are based on a simple trend analysis using amounts actually received during the first six months of the year. For some revenue sources, projections are based on forecasts made by the departments that assess or collect the revenue. In all other cases, projections are based on the Finance Department’s trend analysis.

The projections for building-related revenue are based on forecasts from the Planning & Building Department. Building-related revenue includes Building Use Tax, Construction Permits, Impact Fees, and Utility Tap Fees. The projections for Recreation Center revenue are based on forecasts made by the Parks & Recreation Department. The projections for Solid Waste & Recycling Fees are based on forecasts made by the Public Works Department.

Total General Fund Revenue for 2015 is projected at \$17,928,450. This is a \$255,460 (1.4%) negative variance from 2014 actual, but a \$196,940 (1.1%) positive variance from the current 2015 budget. The current General Fund revenue projection does not include the \$1.2 million estimated to come from the sales of real property.

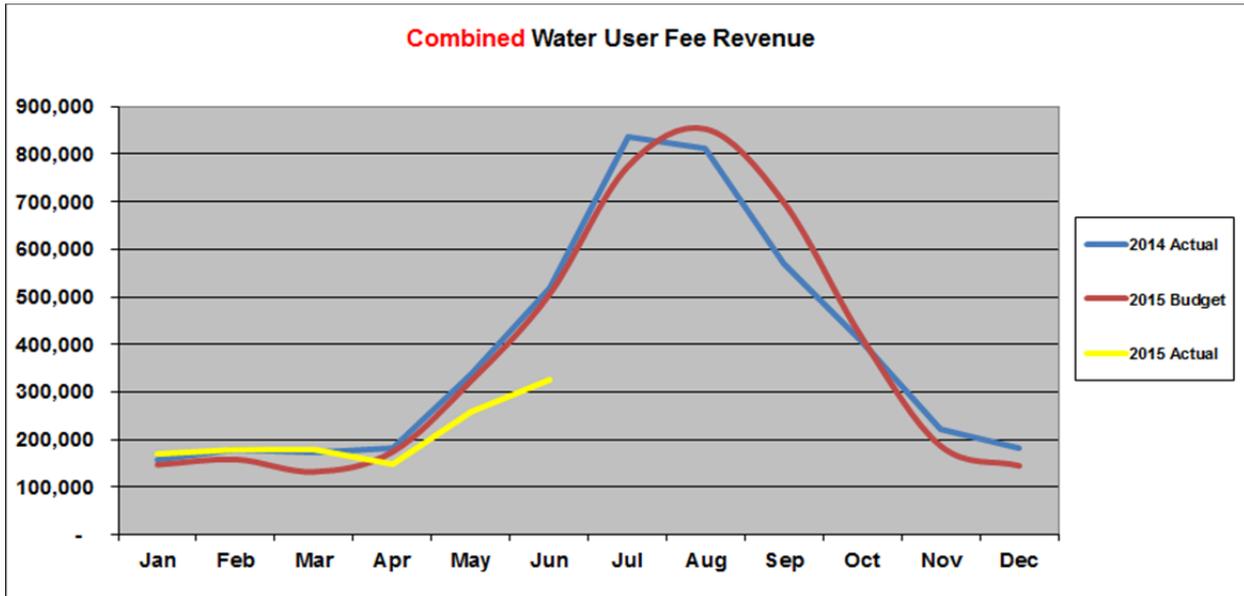
The following charts provide two examples of how the trend analysis is performed. In the first chart, the current monthly Water User Fee revenue is plotted against prior year actual and current budget. The current year budget is a weighted-average monthly

SUBJECT: REVENUE PROJECTION DASHBOARD

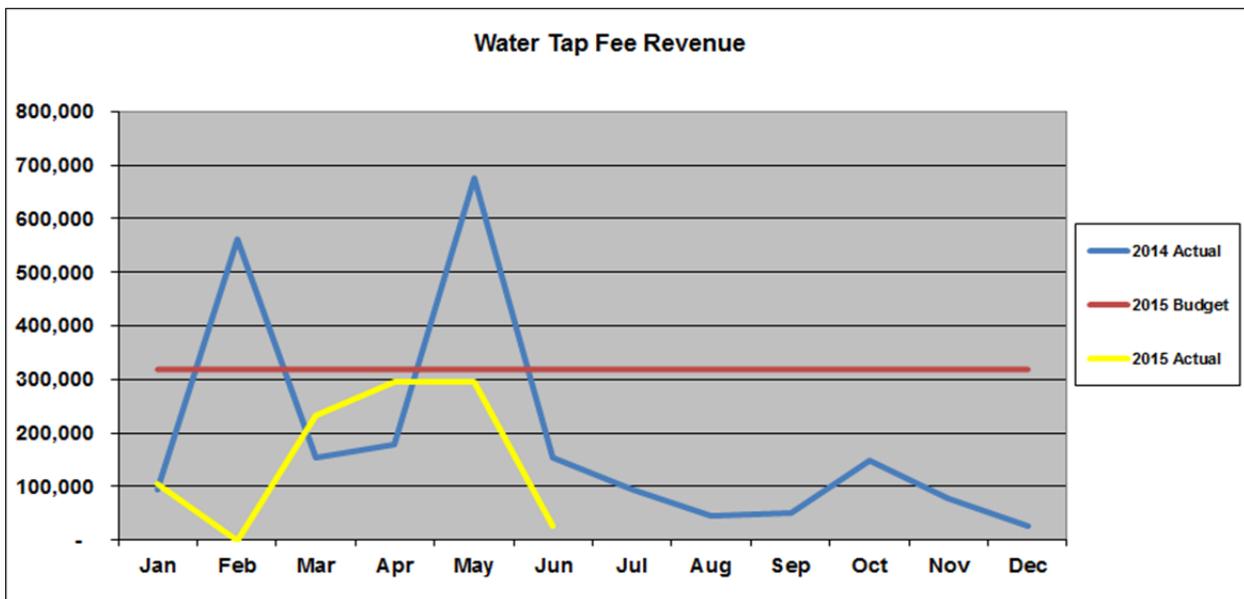
DATE: JULY 20, 2015

PAGE 2 OF 2

budget calculated using nine years of actual monthly data. The “trend” is then calculated against both the prior year actual and the current year budget similar to the charts presented in the Sales Tax Report. A projection is then developed using these monthly trends and from an analysis of annual trends.



In the next chart, the current monthly Water Tap Fee revenue is plotted against the prior year actual amount and the current budget. Since Water Tap Fee revenue is highly variable and mostly random throughout the year, the current year monthly budget is not a weighted-average budget, but a simple straight-line budget



City of Louisville, Colorado
2015 Revenue Trend Dashboard - **All Funds**
Projections As Of July 14, 2015

| Revenue Category | 2015 Budget | 2015 Projection | Variance | | 2014 Actual | 2015 Projection | Variance | |
|------------------------------|-------------|-----------------|-----------|---------|-------------|-----------------|-----------|---------|
| | | | Amount | Percent | | | Amount | Percent |
| Property Tax | 3,067,650 | 3,037,500 | (30,150) | -1.0% | 2,996,509 | 3,037,500 | 40,991 | 1.4% |
| Sales Tax | 12,020,360 | 12,020,360 | - | 0.0% | 11,461,675 | 12,020,360 | 558,685 | 4.9% |
| Consumer Use Tax | 1,809,890 | 1,809,890 | - | 0.0% | 1,459,890 | 1,809,890 | 350,000 | 24.0% |
| Auto Use Tax | 1,285,130 | 1,204,810 | (80,320) | -6.2% | 1,235,704 | 1,204,810 | (30,894) | -2.5% |
| Building Use Tax | 1,031,690 | 1,883,840 | 852,150 | 82.6% | 1,217,640 | 1,883,840 | 666,200 | 54.7% |
| Franchise Tax | 1,133,300 | 1,091,080 | (42,220) | -3.7% | 1,123,486 | 1,091,080 | (32,406) | -2.9% |
| Specific Ownership Tax | 165,010 | 163,230 | (1,780) | -1.1% | 160,034 | 163,230 | 3,196 | 2.0% |
| Lodging Tax | 440,920 | 460,180 | 19,260 | 4.4% | 428,075 | 460,180 | 32,105 | 7.5% |
| Construction Permits | 993,300 | 1,208,430 | 215,130 | 21.7% | 714,821 | 1,208,430 | 493,609 | 69.1% |
| Highway Users Tax | 592,230 | 620,680 | 28,450 | 4.8% | 608,508 | 620,680 | 12,172 | 2.0% |
| Rec Ctr Membership Fees | 787,630 | 772,160 | (15,470) | -2.0% | 764,517 | 772,160 | 7,643 | 1.0% |
| Rec Ctr Daily User Fees | 79,060 | 82,170 | 3,110 | 3.9% | 84,456 | 82,170 | (2,286) | -2.7% |
| Rec Ctr Swim Lessons | 125,000 | 115,000 | (10,000) | -8.0% | 119,503 | 115,000 | (4,503) | -3.8% |
| Rec Ctr Youth Activity Fees | 164,270 | 165,000 | 730 | 0.4% | 160,158 | 165,000 | 4,842 | 3.0% |
| Rec Ctr Youth Sports Fees | 97,000 | 102,000 | 5,000 | 5.2% | 108,113 | 102,000 | (6,113) | -5.7% |
| Court Fines | 165,280 | 169,210 | 3,930 | 2.4% | 188,008 | 169,210 | (18,798) | -10.0% |
| Rec Ctr Rentals | 97,500 | 94,970 | (2,530) | -2.6% | 102,750 | 94,970 | (7,780) | -7.6% |
| State Lottery Proceeds | 189,610 | 184,000 | (5,610) | -3.0% | 183,996 | 184,000 | 4 | 0.0% |
| Impact Fees | 706,420 | 1,763,110 | 1,056,690 | 149.6% | 468,423 | 1,763,110 | 1,294,687 | 276.4% |
| Water User Fees | 4,508,870 | 4,191,200 | (317,670) | -7.0% | 4,577,854 | 4,191,200 | (386,654) | -8.4% |
| Water Tap Fees | 3,821,470 | 3,927,190 | 105,720 | 2.8% | 2,260,605 | 3,927,190 | 1,666,585 | 73.7% |
| Wastewater User Fees | 2,896,910 | 2,679,590 | (217,320) | -7.5% | 2,277,106 | 2,679,590 | 402,484 | 17.7% |
| Wastewater Tap Fees | 680,000 | 485,100 | (194,900) | -28.7% | 489,959 | 485,100 | (4,859) | -1.0% |
| Storm Water User Fees | 824,620 | 701,040 | (123,580) | -15.0% | 629,962 | 701,040 | 71,078 | 11.3% |
| Solid Waste & Recycling Fees | 1,450,000 | 1,431,830 | (18,170) | -1.3% | 1,227,599 | 1,431,830 | 204,231 | 16.6% |

Green = Positive Variance exceeding \$100,000 and/or 5%
White = Neutral Variance within \$100,000 and/or 5%
Red = Negative Variance exceeding \$100,000 and/or 5%

City of Louisville, Colorado
2015 Revenue Trend Dashboard - **General Fund**
Projections As Of July 14, 2015

| Revenue Category | 2015 Budget | 2015 Projection | Variance | | 2014 Actual | 2015 Projection | Variance | |
|--|-------------------|-------------------|----------------|-------------|-------------------|-------------------|------------------|--------------|
| | | | Amount | Percent | | | Amount | Percent |
| Property Tax | 2,370,000 | 2,346,700 | (23,300) | -1.0% | 2,311,424 | 2,346,700 | 35,276 | 1.5% |
| Sales Tax | 6,870,340 | 6,870,340 | - | 0.0% | 6,551,054 | 6,870,340 | 319,286 | 4.9% |
| Consumer Use Tax | 1,042,150 | 1,042,150 | - | 0.0% | 842,154 | 1,042,150 | 199,996 | 23.7% |
| Auto Use Tax | 1,101,540 | 1,032,690 | (68,850) | -6.3% | 1,059,174 | 1,032,690 | (26,484) | -2.5% |
| Franchise Tax | 1,133,300 | 1,091,080 | (42,220) | -3.7% | 1,123,486 | 1,091,080 | (32,406) | -2.9% |
| Specific Ownership Tax | 165,010 | 163,230 | (1,780) | -1.1% | 160,034 | 163,230 | 3,196 | 2.0% |
| Lodging Tax | 440,920 | 460,180 | 19,260 | 4.4% | 428,075 | 460,180 | 32,105 | 7.5% |
| Construction Permits | 993,300 | 1,208,430 | 215,130 | 21.7% | 714,821 | 1,208,430 | 493,609 | 69.1% |
| Highway Users Tax | 592,230 | 620,680 | 28,450 | 4.8% | 608,508 | 620,680 | 12,172 | 2.0% |
| Rec Ctr Membership Fees | 787,630 | 772,160 | (15,470) | -2.0% | 764,517 | 772,160 | 7,643 | 1.0% |
| Rec Ctr Daily User Fees | 79,060 | 82,170 | 3,110 | 3.9% | 84,456 | 82,170 | (2,286) | -2.7% |
| Rec Ctr Swim Lessons | 125,000 | 115,000 | (10,000) | -8.0% | 119,503 | 115,000 | (4,503) | -3.8% |
| Rec Ctr Youth Activity Fees | 164,270 | 165,000 | 730 | 0.4% | 160,158 | 165,000 | 4,842 | 3.0% |
| Rec Ctr Youth Sports Fees | 97,000 | 102,000 | 5,000 | 5.2% | 108,113 | 102,000 | (6,113) | -5.7% |
| Court Fines | 165,280 | 169,210 | 3,930 | 2.4% | 188,008 | 169,210 | (18,798) | -10.0% |
| Rec Ctr Rentals | 97,500 | 94,970 | (2,530) | -2.6% | 102,750 | 94,970 | (7,780) | -7.6% |
| All General Fund Revenue <i>(not a total of above)</i> | 17,731,510 | 17,928,450 | 196,940 | 1.1% | 18,183,910 | 17,928,450 | (255,460) | -1.4% |

Green = Positive Variance exceeding \$100,000 and/or 5%
White = Neutral Variance within \$100,000 and/or 5%
Red = Negative Variance exceeding \$100,000 and/or 5%

SUBJECT: CASH & INVESTMENTS AT JUNE 30, 2015

DATE: JULY 20, 2015

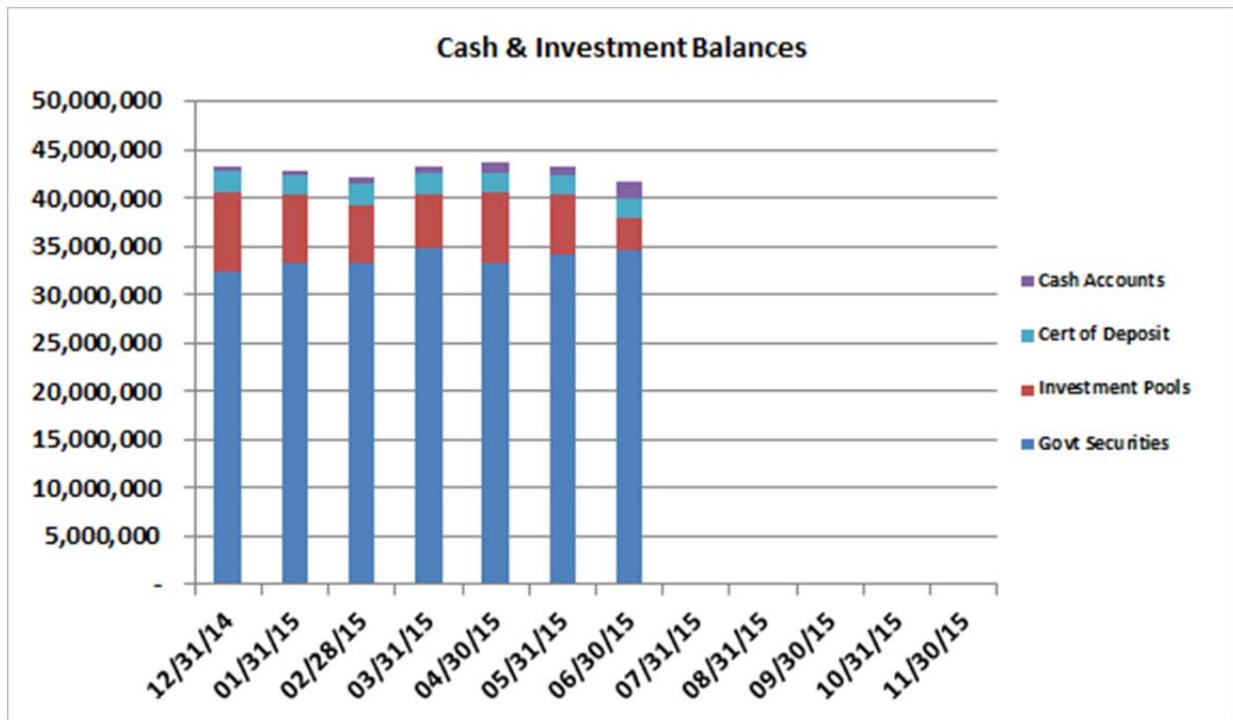
PRESENTED BY: KEVIN WATSON, FINANCE DEPARTMENT

SUMMARY:

Attached is the June 30, 2015 monthly report from Chandler Asset Management, the City's Investment Advisor. Please note that this is a consolidated report and contains all cash and investments, not just the assets that are being managed by Chandler.

As of June 30, total cash and investments amounted to \$41.8 million, a decrease of approximately \$1.5 million since May 31. The average rate of return on *all* cash and investments was approximately 0.49% during June 2015.

The following chart summarizes the distribution of all cash and investments for December 2014 through June 2015.



Monthly Account Statement

City of Louisville Consolidated

June 1, 2015 through June 30, 2015

Chandler Team

For questions about your account,
please call (800) 317-4747 or

Email operations@chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

| | |
|--------------------------|----------|
| Average Duration | 0.97 |
| Average Coupon | 0.54 % |
| Average Purchase YTM | 0.52 % |
| Average Market YTM | 0.41 % |
| Average S&P/Moody Rating | AA+/Aaa |
| Average Final Maturity | 0.99 yrs |
| Average Life | 0.94 yrs |

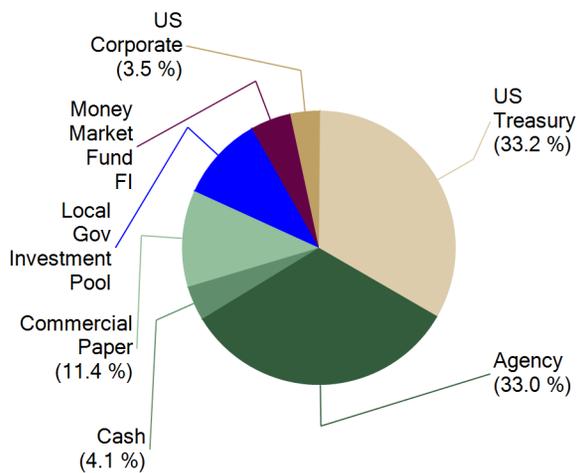
ACCOUNT SUMMARY

| | Beg. Values as of 5/31/15 | End Values as of 6/30/15 |
|---------------------------|------------------------------|-----------------------------|
| Market Value | 44,353,576 | 42,839,723 |
| Accrued Interest | 61,390 | 53,036 |
| Total Market Value | 44,414,967 | 42,892,759 |
| Income Earned | 16,248 | 17,346 |
| Cont/WD | | |
| Par | 44,309,136 | 42,809,463 |
| Book Value | 44,301,146 | 42,794,875 |
| Cost Value | 44,347,949 | 42,837,472 |

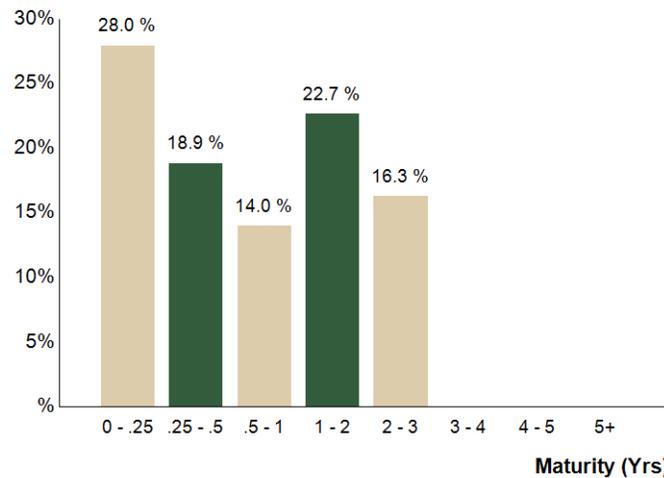
TOP ISSUERS

| Issuer | % Portfolio |
|---------------------------------|---------------|
| Government of United States | 33.2 % |
| Federal Home Loan Mortgage Corp | 11.9 % |
| Federal National Mortgage Assoc | 10.5 % |
| City of Louisville | 8.9 % |
| Federal Home Loan Bank | 8.2 % |
| Local Govt Investment Pool | 6.7 % |
| Exxon Mobil Corp | 3.5 % |
| Toyota Motor Credit Corp | 3.5 % |
| | 86.4 % |

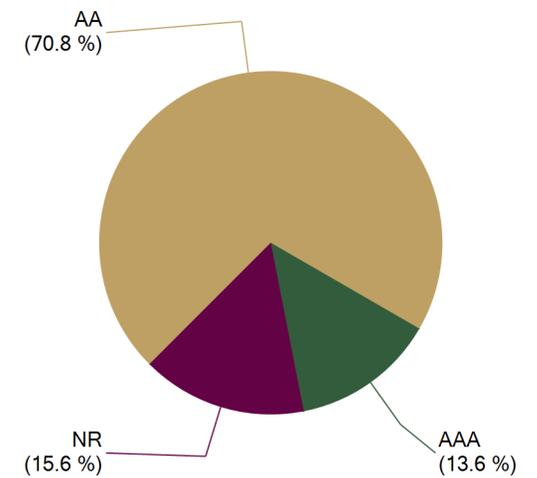
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





Holdings Report

As of 6/30/15

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|-------------------------|---|----------------------|-----------------------------|--|----------------------|--|------------------------------------|--------------------------------|----------------------------|
| AGENCY | | | | | | | | | |
| 3134G3ZA1 | FHLMC Note 0.5% Due 8/28/2015 | 1,500,000.00 | 10/25/2012 0.48 % | 1,500,930.00 1,500,052.02 | 100.05 0.22 % | 1,500,676.50 2,562.50 | 3.50 % 624.48 | Aaa / AA+ AAA | 0.16 0.16 |
| 3134G3W55 | FHLMC Note 0.45% Due 11/24/2015 | 1,100,000.00 | 12/26/2012 0.45 % | 1,100,000.00 1,100,000.00 | 100.11 0.17 % | 1,101,219.90 508.75 | 2.57 % 1,219.90 | Aaa / AA+ AAA | 0.40 0.40 |
| 313371NW2 | FHLB Note 1.375% Due 12/11/2015 | 1,000,000.00 | 01/31/2013 0.44 % | 1,026,440.00 1,004,128.08 | 100.52 0.22 % | 1,005,173.00 763.89 | 2.35 % 1,044.92 | Aaa / AA+ AAA | 0.45 0.45 |
| 3135G0SB0 | FNMA Note 0.375% Due 12/21/2015 | 1,500,000.00 | 09/03/2013 0.53 % | 1,494,555.00 1,498,877.25 | 100.07 0.22 % | 1,501,068.00 156.25 | 3.50 % 2,190.75 | Aaa / AA+ AAA | 0.48 0.47 |
| 3133ECFV1 | FFCB Note 0.43% Due 1/29/2016 | 1,000,000.00 | 02/21/2013 0.44 % | 999,620.00 999,924.85 | 100.13 0.21 % | 1,001,297.00 1,815.56 | 2.34 % 1,372.15 | Aaa / AA+ AAA | 0.58 0.58 |
| 313382B77 | FHLB Note 0.42% Due 2/12/2016 | 1,500,000.00 | 02/28/2013 0.41 % | 1,500,285.00 1,500,059.69 | 100.09 0.27 % | 1,501,359.00 2,432.50 | 3.51 % 1,299.31 | Aaa / AA+ AAA | 0.62 0.61 |
| 313373SZ6 | FHLB Note 2.125% Due 6/10/2016 | 1,000,000.00 | 06/28/2013 0.80 % | 1,038,420.00 1,012,295.83 | 101.62 0.40 % | 1,016,234.00 1,239.58 | 2.37 % 3,938.17 | Aaa / AA+ AAA | 0.95 0.94 |
| 3137EADU0 | FHLMC Note 0.5% Due 1/27/2017 | 1,000,000.00 | 01/15/2015 0.59 % | 998,250.00 998,641.51 | 99.88 0.57 % | 998,826.00 2,291.67 | 2.33 % 184.49 | Aaa / AA+ AAA | 1.58 1.56 |
| 3137EADT3 | FHLMC Note 0.875% Due 2/22/2017 | 1,500,000.00 | 08/27/2014 0.83 % | 1,501,665.00 1,501,102.67 | 100.46 0.60 % | 1,506,826.50 4,703.13 | 3.52 % 5,723.83 | Aaa / AA+ AAA | 1.65 1.63 |
| 3135G0TG8 | FNMA Note 0.875% Due 2/8/2018 | 1,500,000.00 | 06/12/2015 1.06 % | 1,492,810.50 1,492,929.21 | 99.75 0.97 % | 1,496,307.00 5,213.54 | 3.50 % 3,377.79 | Aaa / AA+ AAA | 2.61 2.56 |
| 3135G0WJ8 | FNMA Note 0.875% Due 5/21/2018 | 1,500,000.00 | 05/26/2015 1.06 % | 1,492,065.00 1,492,319.79 | 99.40 1.09 % | 1,491,022.50 1,458.33 | 3.48 % (1,297.29) | Aaa / AA+ AAA | 2.89 2.84 |
| Total Agency | | 14,100,000.00 | 0.66 % | 14,145,040.50 14,100,330.90 | 0.47 % | 14,120,009.40 23,145.70 | 32.97 % 19,678.50 | Aaa / AA+ Aaa | 1.18 1.16 |
| CASH | | | | | | | | | |
| 90CASH\$02 | LSVL Cash Accounts | 1,751,297.33 | Various 0.05 % | 1,751,297.33 1,751,297.33 | 1.00 0.05 % | 1,751,297.33 0.00 | 4.08 % 0.00 | NR / NR NR | 0.00 0.00 |
| Total Cash | | 1,751,297.33 | 0.05 % | 1,751,297.33 1,751,297.33 | 0.05 % | 1,751,297.33 0.00 | 4.08 % 0.00 | NR / NR NR | 0.00 0.00 |
| COMMERCIAL PAPER | | | | | | | | | |
| 06538CW23 | Bank of Tokyo Mitsubishi NY Discount CP 0.28% Due 9/2/2015 | 1,000,000.00 | 05/04/2015 0.28 % | 999,066.67 999,066.67 | 99.91 0.28 % | 999,066.67 443.33 | 2.33 % 0.00 | P-1 / A-1 F-1 | 0.18 0.18 |
| 36959JWQ2 | General Electric Capital Corp Discount CP 0.18% Due 9/24/2015 | 1,400,000.00 | 05/26/2015 0.18 % | 1,399,160.00 1,399,160.00 | 99.94 0.18 % | 1,399,160.00 245.00 | 3.26 % 0.00 | P-1 / A-1+ NR | 0.24 0.24 |
| 89233HZJ6 | Toyota Motor Credit Discount CP 0.35% Due 12/18/2015 | 1,500,000.00 | 03/24/2015 0.36 % | 1,496,091.67 1,496,091.67 | 99.74 0.36 % | 1,496,091.67 1,429.17 | 3.49 % 0.00 | P-1 / A-1+ F-1 | 0.47 0.47 |



Holdings Report

As of 6/30/15

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|--|--|---------------------|-----------------------------|------------------------------|----------------------|--|------------------------------------|-------------------------------|----------------------------|
| COMMERCIAL PAPER | | | | | | | | | |
| 21687AAF0 | Rabobank NY Discount CP 0.39% Due 1/15/2016 | 1,000,000.00 | 05/04/2015 0.40 % | 997,237.50 997,237.50 | 99.72 0.40 % | 997,237.50 617.50 | 2.33 % 0.00 | P-1 / A-1 F-1 | 0.55 0.54 |
| Total Commercial Paper | | 4,900,000.00 | 0.30 % | 4,891,555.84 | 0.30 % | 4,891,555.84 2,735.00 | 11.41 % 0.00 | Aaa / AAA AA | 0.36 0.36 |
| LOCAL GOV INVESTMENT POOL | | | | | | | | | |
| 90LGIP\$00 | LGIP Local Govt Investment Pool | 2,875,515.53 | Various 0.16 % | 2,875,515.53 2,875,515.53 | 1.00 0.16 % | 2,875,515.53 0.00 | 6.70 % 0.00 | NR / NR NR | 0.00 0.00 |
| 99CSAFE\$0 | CSAFE Investment Pool | 1,425,901.46 | Various 0.17 % | 1,425,901.46 1,425,901.46 | 1.00 0.17 % | 1,425,901.46 0.00 | 3.32 % 0.00 | NR / AAA NR | 0.00 0.00 |
| Total Local Gov Investment Pool | | 4,301,416.99 | 0.16 % | 4,301,416.99 | 0.16 % | 4,301,416.99 0.00 | 10.03 % 0.00 | NR / AAA NR | 0.00 0.00 |
| MONEY MARKET FUND FI | | | | | | | | | |
| 90COMB\$00 | LSVL Compensating Balance Account | 2,057,048.75 | Various 0.00 % | 2,057,048.75 2,057,048.75 | 1.00 0.00 % | 2,057,048.75 0.00 | 4.80 % 0.00 | NR / NR NR | 0.00 0.00 |
| Total Money Market Fund FI | | 2,057,048.75 | N/A | 2,057,048.75 | 0.00 % | 2,057,048.75 0.00 | 4.80 % 0.00 | NR / NR NR | 0.00 0.00 |
| US CORPORATE | | | | | | | | | |
| 30231GAL6 | Exxon Mobil Corp Note 1.305% Due 3/6/2018 | 1,500,000.00 | 03/03/2015 1.31 % | 1,500,000.00 1,500,000.00 | 99.92 1.34 % | 1,498,782.00 6,253.13 | 3.51 % (1,218.00) | Aaa / AAA NR | 2.68 2.62 |
| Total US Corporate | | 1,500,000.00 | 1.31 % | 1,500,000.00 | 1.34 % | 1,498,782.00 6,253.13 | 3.51 % (1,218.00) | Aaa / AAA NR | 2.68 2.62 |
| US TREASURY | | | | | | | | | |
| 912828VY3 | US Treasury Note 0.25% Due 9/30/2015 | 1,000,000.00 | 10/01/2013 0.32 % | 998,554.69 999,819.58 | 100.03 0.13 % | 1,000,312.00 628.42 | 2.33 % 492.42 | Aaa / AA+ AAA | 0.25 0.25 |
| 912828WB2 | US Treasury Note 0.25% Due 10/31/2015 | 1,000,000.00 | 12/23/2013 0.33 % | 998,515.63 999,732.51 | 100.05 0.11 % | 1,000,469.00 423.61 | 2.33 % 736.49 | Aaa / AA+ AAA | 0.34 0.33 |
| 912828UC2 | US Treasury Note 0.25% Due 12/15/2015 | 1,000,000.00 | 08/02/2013 0.41 % | 996,289.06 999,283.55 | 100.06 0.11 % | 1,000,625.00 109.29 | 2.33 % 1,341.45 | Aaa / AA+ AAA | 0.46 0.46 |
| 912828UW8 | US Treasury Note 0.25% Due 4/15/2016 | 1,500,000.00 | 06/12/2015 0.29 % | 1,499,477.68 1,499,505.08 | 99.97 0.29 % | 1,499,532.00 788.93 | 3.50 % 26.92 | Aaa / AA+ AAA | 0.79 0.79 |
| 912828F47 | US Treasury Note 0.5% Due 9/30/2016 | 1,200,000.00 | 12/22/2014 0.61 % | 1,197,660.26 1,198,347.36 | 100.13 0.39 % | 1,201,593.60 1,508.20 | 2.80 % 3,246.24 | Aaa / AA+ AAA | 1.25 1.25 |
| 912828WA4 | US Treasury Note 0.625% Due 10/15/2016 | 1,500,000.00 | 02/27/2014 0.54 % | 1,503,164.06 1,501,554.04 | 100.27 0.42 % | 1,503,984.00 1,972.34 | 3.51 % 2,429.96 | Aaa / AA+ AAA | 1.30 1.28 |
| 912828SC5 | US Treasury Note 0.875% Due 1/31/2017 | 1,500,000.00 | 02/27/2014 0.66 % | 1,509,257.81 1,505,022.95 | 100.55 0.52 % | 1,508,320.50 5,474.79 | 3.53 % 3,297.55 | Aaa / AA+ AAA | 1.59 1.57 |



Holdings Report

As of 6/30/15

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|--|--|----------------------|-----------------------------|--|----------------------|--|-------------------------------------|--------------------------------|----------------------------|
| US TREASURY | | | | | | | | | |
| 912828B74 | US Treasury Note 0.625% Due 2/15/2017 | 999,000.00 | 11/17/2014 0.65 % | 998,378.97 998,549.37 | 100.13 0.54 % | 1,000,326.67 2,345.72 | 2.34 % 1,777.30 | Aaa / AA+ AAA | 1.63 1.61 |
| 912828SY7 | US Treasury Note 0.625% Due 5/31/2017 | 1,000,700.00 | 11/25/2014 0.77 % | 997,107.09 997,957.32 | 99.98 0.63 % | 1,000,543.89 529.74 | 2.33 % 2,586.57 | Aaa / AA+ AAA | 1.92 1.90 |
| 912828WP1 | US Treasury Note 0.875% Due 6/15/2017 | 1,000,000.00 | 07/01/2014 0.88 % | 999,886.16 999,924.56 | 100.45 0.64 % | 1,004,531.00 382.51 | 2.34 % 4,606.44 | Aaa / AA+ AAA | 1.96 1.94 |
| 912828TW0 | US Treasury Note 0.75% Due 10/31/2017 | 1,000,000.00 | 04/23/2015 0.77 % | 999,612.73 999,641.32 | 99.91 0.79 % | 999,141.00 1,263.59 | 2.33 % (500.32) | Aaa / AA+ AAA | 2.34 2.31 |
| 912828UJ7 | US Treasury Note 0.875% Due 1/31/2018 | 1,500,000.00 | 03/17/2015 1.04 % | 1,493,208.15 1,493,887.34 | 100.02 0.87 % | 1,500,234.00 5,474.79 | 3.51 % 6,346.66 | Aaa / AA+ AAA | 2.59 2.54 |
| Total US Treasury | | 14,199,700.00 | 0.61 % | 14,191,112.29 14,193,224.98 | 0.46 % | 14,219,612.66 20,901.93 | 33.20 % 26,387.68 | Aaa / AA+ Aaa | 1.40 1.38 |
| TOTAL PORTFOLIO | | 42,809,463.07 | 0.52 % | 42,837,471.70 42,794,874.79 | 0.41 % | 42,839,722.97 53,035.76 | 100.00 % 44,848.18 | Aaa / AA+ Aaa | 0.99 0.97 |
| TOTAL MARKET VALUE PLUS ACCRUED | | | | | | 42,892,758.73 | | | |



Transaction Ledger

5/31/15 Thru 6/30/15

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|------------|---------------------|---|--------|----------------|---------------------|-------------------|---------------------|-------------|
| ACQUISITIONS | | | | | | | | | | |
| Purchase | 06/01/2015 | 99CSAFE\$0 | 154.47 | CSAFE Investment Pool | 1.000 | 0.15 % | 154.47 | 0.00 | 154.47 | 0.00 |
| Purchase | 06/05/2015 | 99CSAFE\$0 | 1,000,000.00 | CSAFE Investment Pool | 1.000 | 0.15 % | 1,000,000.00 | 0.00 | 1,000,000.00 | 0.00 |
| Purchase | 06/10/2015 | 99CSAFE\$0 | 10,625.00 | CSAFE Investment Pool | 1.000 | 0.15 % | 10,625.00 | 0.00 | 10,625.00 | 0.00 |
| Purchase | 06/11/2015 | 99CSAFE\$0 | 6,875.00 | CSAFE Investment Pool | 1.000 | 0.15 % | 6,875.00 | 0.00 | 6,875.00 | 0.00 |
| Purchase | 06/12/2015 | 99CSAFE\$0 | 1,503,750.00 | CSAFE Investment Pool | 1.000 | 0.15 % | 1,503,750.00 | 0.00 | 1,503,750.00 | 0.00 |
| Purchase | 06/15/2015 | 3135G0TG8 | 1,500,000.00 | FNMA Note 0.875% Due 2/8/2018 | 99.521 | 1.06 % | 1,492,810.50 | 4,630.21 | 1,497,440.71 | 0.00 |
| Purchase | 06/15/2015 | 912828UW8 | 1,500,000.00 | US Treasury Note 0.25% Due 4/15/2016 | 99.965 | 0.29 % | 1,499,477.68 | 625.00 | 1,500,102.68 | 0.00 |
| Purchase | 06/15/2015 | 99CSAFE\$0 | 5,625.00 | CSAFE Investment Pool | 1.000 | 0.15 % | 5,625.00 | 0.00 | 5,625.00 | 0.00 |
| Purchase | 06/21/2015 | 99CSAFE\$0 | 2,812.50 | CSAFE Investment Pool | 1.000 | 0.15 % | 2,812.50 | 0.00 | 2,812.50 | 0.00 |
| | Subtotal | | 5,529,841.97 | | | | 5,522,130.15 | 5,255.21 | 5,527,385.36 | 0.00 |
| Security Contribution | 06/30/2015 | 90CASH\$02 | 889,653.33 | LSVL Cash Accounts | 1.000 | | 889,653.33 | 0.00 | 889,653.33 | 0.00 |
| | Subtotal | | 889,653.33 | | | | 889,653.33 | 0.00 | 889,653.33 | 0.00 |
| TOTAL ACQUISITIONS | | | 6,419,495.30 | | | | 6,411,783.48 | 5,255.21 | 6,417,038.69 | 0.00 |

| | | | | | | | | | | |
|---------------------|-----------------|------------|---------------------|--|---------|--------|---------------------|-----------------|---------------------|-------------|
| DISPOSITIONS | | | | | | | | | | |
| Sale | 06/15/2015 | 99CSAFE\$0 | 2,997,543.39 | CSAFE Investment Pool | 1.000 | 0.15 % | 2,997,543.39 | 0.00 | 2,997,543.39 | 0.00 |
| | Subtotal | | 2,997,543.39 | | | | 2,997,543.39 | 0.00 | 2,997,543.39 | 0.00 |
| Maturity | 06/05/2015 | 69349KT59 | 1,000,000.00 | PNC Bank Discount CP 0.28% Due 6/5/2015 | 99.791 | | 997,907.78 | 2,092.22 | 1,000,000.00 | 0.00 |
| Maturity | 06/12/2015 | 313379ER6 | 1,500,000.00 | FHLB Note 0.5% Due 6/12/2015 | 100.000 | | 1,500,000.00 | 0.00 | 1,500,000.00 | 0.00 |
| | Subtotal | | 2,500,000.00 | | | | 2,497,907.78 | 2,092.22 | 2,500,000.00 | 0.00 |
| Security Withdrawal | 06/22/2015 | 99CSAFE\$0 | 1,403.44 | CSAFE Investment Pool | 1.000 | | 1,403.44 | 0.00 | 1,403.44 | 0.00 |
| Security Withdrawal | 06/30/2015 | 90COMB\$00 | 31,616.65 | LSVL Compensating Balance Account | 1.000 | | 31,616.65 | 0.00 | 31,616.65 | 0.00 |



Transaction Ledger

5/31/15 Thru 6/30/15

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------------|-----------------|------------|---------------------|--|-------|----------------|---------------------|-------------------|---------------------|-------------|
| DISPOSITIONS | | | | | | | | | | |
| Security Withdrawal | 06/30/2015 | 90LGIP\$00 | 2,388,604.66 | LGIP Local Govt Investment Pool | 1.000 | | 2,388,604.66 | 0.00 | 2,388,604.66 | 0.00 |
| | Subtotal | | 2,421,624.75 | | | | 2,421,624.75 | 0.00 | 2,421,624.75 | 0.00 |
| TOTAL DISPOSITIONS | | | 7,919,168.14 | | | | 7,917,075.92 | 2,092.22 | 7,919,168.14 | 0.00 |
| OTHER TRANSACTIONS | | | | | | | | | | |
| Interest | 06/10/2015 | 313373SZ6 | 1,000,000.00 | FHLB Note 2.125% Due 6/10/2016 | 0.000 | | 10,625.00 | 0.00 | 10,625.00 | 0.00 |
| Interest | 06/11/2015 | 313371NW2 | 1,000,000.00 | FHLB Note 1.375% Due 12/11/2015 | 0.000 | | 6,875.00 | 0.00 | 6,875.00 | 0.00 |
| Interest | 06/12/2015 | 313379ER6 | 1,500,000.00 | FHLB Note 0.5% Due 6/12/2015 | 0.000 | | 3,750.00 | 0.00 | 3,750.00 | 0.00 |
| Interest | 06/15/2015 | 912828UC2 | 1,000,000.00 | US Treasury Note 0.25% Due 12/15/2015 | 0.000 | | 1,250.00 | 0.00 | 1,250.00 | 0.00 |
| Interest | 06/15/2015 | 912828WP1 | 1,000,000.00 | US Treasury Note 0.875% Due 6/15/2017 | 0.000 | | 4,375.00 | 0.00 | 4,375.00 | 0.00 |
| Interest | 06/21/2015 | 3135G0SB0 | 1,500,000.00 | FNMA Note 0.375% Due 12/21/2015 | 0.000 | | 2,812.50 | 0.00 | 2,812.50 | 0.00 |
| | Subtotal | | 7,000,000.00 | | | | 29,687.50 | 0.00 | 29,687.50 | 0.00 |
| Dividend | 06/01/2015 | 99CSAFE\$0 | 1,985,006.32 | CSAFE Investment Pool | 0.000 | | 154.47 | 0.00 | 154.47 | 0.00 |
| | Subtotal | | 1,985,006.32 | | | | 154.47 | 0.00 | 154.47 | 0.00 |
| TOTAL OTHER TRANSACTIONS | | | 8,985,006.32 | | | | 29,841.97 | 0.00 | 29,841.97 | 0.00 |