

**1. Call to Order**

**2. Confirmation of Disclosures of Conflicts of Interest**

**NORTH WELD COUNTY WATER DISTRICT**

**Notice of Meeting**

**Monday, February 14, 2022, at 1:00 PM**

**32825 Co Rd 39, Lucerne, CO 80646**

**THE BOARD MEETING WILL BE OPEN TO THE PUBLIC BY TELECONFERENCE**

**Information to join by Phone is below:**

**Call-In Number: 1(720)707-2699, Meeting ID: 873 5785 0771, Passcode: 475314**

**AGENDA**

- 1. Call to Order**
- 2. Confirmation of Disclosures of Conflicts of Interest**
- 3. Action: Approve February 14, 2022, NWCWD Board Meeting Agenda**
- 4. Action: Approve Consent Agenda Items (These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda) (Enclosures)**
  - a. Minutes from January 10,2022 Regular Meetings**
  - b. Acceptance of Unaudited January 2022 Financial Statements**
  - c. Approve Invoices through February 14, 2022**
  - d. Approve City of Thornton Access License Agreement (Nunc Pro Tunc)**
  - e. Waiver Valuations**
    - i. Hungeberg BOH**
    - ii. Five M Farm Co**
    - iii. Tomoi Farms**
  - f. Approve Providence Amendments No. 45 TO 5 & No. 46 TO 9**
  - g. Approve Nickel Road Lease Offer for unleased minerals**
- 5. Discussion: Commercial and Residential Drought Triggers and Rates (enclosure)**
- 6. Discussion: Commercial Flow Control Policy (enclosure)**
- 7. Action: Consider Statement of Opposition in Case No. 21CW3234 –ACCWA/United Application (enclosure)**
- 8. Discussion: Tap Sale Moratorium Update**
  - a. Larimer County 1041 Regulations**
  - b. Eagle View Farms, LLC Litigation**
  - c. Customer Contacts (enclosure)**
  - d. CORA Request**
- 9. Action: Consider Adoption of Resolution No. 20220214 Resolution Concerning Tap Sale Policy and Moratorium (enclosure)**

**10. Executive Session: The Board reserves the right to enter into Executive Session for the following purposes: Receiving legal advice and discussing matters subject to negotiation and strategy pursuant to § 24-6-402(4)(b) & (e), C.R.S. regarding litigation with Eagle View Farms, LLC and other potential litigation**

**11. District Manager's Report (enclosures):**

- a. Purchase of New Ditch Witch**
- b. Financial Advisor Engagement**
- c. Northern Water Presentation**

**12. Public Comment (3 Minute Time Limit; Items Not Otherwise on the Agenda)**

**13. Other Business**

**ADJOURN \_\_\_\_\_ P.M.**

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE NORTH WELD COUNTY WATER DISTRICT

Held: Monday, the 10<sup>th</sup> day of January, 2022, at 1:00 P.M.

*The meeting was conducted via teleconference.*

**ATTENDANCE**

The meeting was held in accordance with the laws of the State of Colorado. The following directors were in attendance:

Gene Stille, President  
Ron Buxman, Treasurer  
Scott Cockroft, Secretary  
Brad Cook, Assistant Secretary  
Tad Stout, Assistant Secretary

Also present were: Eric Reckentine, General Manager of the District; Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Darin Pytlik, Daniel Rice, Providence Infrastructure Consultants, District Engineers; George Oamek, Headwaters Corp; Paul Weiss, Williams and Weiss Consulting; Kerry Allen, member of the public.

**ADMINISTRATIVE MATTERS**

Call to Order

The meeting was called to order at 1:05 P.M.

Declaration of Quorum and Confirmation of Director Qualifications

Mr. Stille noted that a quorum for the Board was present and that the directors had confirmed their qualification to serve.

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

Mr. White advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. White reported that disclosures for those directors that provided WHITE BEAR ANKELE TANAKA & WALDRON with notice of potential or existing conflicts of interest, if any, were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. White inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest about any matters scheduled for discussion at the meeting. All directors reviewed the agenda for the meeting and confirmed that they have no additional conflicts of interest in connection with any of the matters listed on the agenda.

Approval of Agenda

Mr. Reckentine presented the Board with the agenda for the meeting. Upon motion of Mr. Cockroft, seconded by Mr.

Buxman, the Board unanimously approved the agenda, as amended to remove Agenda Item 5.

## **CONSENT AGENDA MATTERS**

Mr. Reckentine presented the Board with the consent agenda items.

Upon motion of Mr. Stout, seconded by Mr. Buxman, the Board unanimously took the following actions:

- a. Approval of Minutes from November 8, 2021 and December 13, 2021 Regular Meetings
- b. Acceptance of Unaudited December 2021 Financial Statements
- c. Approval of Invoices through January 10, 2022
- d. Approval of Providence Infrastructure Consultants Task Order Amendments

Discussion: Update on Fee Schedule

Mr. Reckentine presented the current NWCWD Fee Schedule to the Board and discussed the Allocation Surcharge Fee with the Board. It was suggested that the Allocation Surcharge Fee should be as high as \$18.51 based on current C-BT market value. The Board discussed the proposed increase and whether it wanted to do an immediate increase or phased increase to give customers time to catch up. The Board requested to see an incremental increase for 2022 in the Allocation Surcharge Fee in order to give customers time to catch up.

No action was taken.

Discussion re NWCWD Commercial and Residential Drought Triggers

Mr. Weiss presented an updated Technical Memorandum regarding drought mitigation with updates regarding commercial drought triggers and recommendations. Mr. Reckentine discussed with the Board the District's water supply and issues. The Board discussed overuse by commercial users and ways to encourage commercial users to see other water sources or to provide additional water resources to the District. The Board discussed requiring additional water dedications from under allocated users and reviewed the allocations and use of its commercial users. It was suggested that customers could make use of groundwater sources to supplement supply, or to bring leased water to the District under drought conditions. The Board also discussed the District making efforts to lease water each year and to use leased water first in order to preserve its water supply. Finally, the Board discussed installing flow control devices on commercial users, and establishing a policy to limit commercial users to their three-year historic flows.

No action was taken.

**Consider Approval of Agreement for Purchase and Sale of Real Estates, SPABS, LLC**

Mr. Reckentine reviewed with the Board a proposed Agreement for Purchase and Sale of Real Estate with SPABS, LLC in order to acquire the real property interest required to construct a new Tank 7. Following discussion, upon motion of Mr. Stout, seconded by Mr. Buxman, the Agreement was unanimously approved.

**EXECUTIVE SESSION**

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session for the purpose of receiving legal advice regarding Moratorium and related legal issues pursuant to §§ 24-6-402(4)(b), C.R.S.

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District’s attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

Also pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation or take formal action during execution session.

The Board directed staff and legal counsel to work on a proposed policy for consideration at the February 14, 2022 regular meeting to lift the moratorium and allow for limited tap sales.

**DISTRICT MANAGER’S REPORT**

Mr. Reckentine reported the following to the Board:

- The Old Eaton Pipeline project has been completed.
- Pump Station 1 will be tested in February.
- The Soldier Canyon Water Treatment Authority will be meeting in January to talk about hiring a new plant manager.

**PUBLIC COMMENT**

A local homebuilder discussed concerns about the moratorium and delays it is causing to construction.

Kerry Allen read a letter to the Board regarding the impact of the moratorium on her family and their ability to construct a new home.

**OTHER BUSINESS**

None.

**ADJOURNMENT**

There being no further business to be conducted, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting

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Secretary for the District

Attorney Statement  
Regarding Privileged Attorney-Client Communication

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that in my capacity as the attorney representing the North Weld County Water District (the “District”), I attended the Executive Session on January 10, 2022, for the sole purposes of conferencing with the District’s Board of Directors for the purpose of giving legal advice on specific legal questions as authorized by §§ 24-6-402(4)(b), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by § 24-6-402(4)(b), C.R.S., and based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S.

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Zachary P. White, Esq.  
WHITE BEAR ANKELE TANAKA & WALDRON  
General Counsel to the District

NORTH WELD COUNTY WATER DISTRICT

Balance Sheet  
January 31, 2022

ASSETS

Current Assets

1014 - BANK OF COLORADO	\$	1,718,692.18
1015 - COLO TRUST - GENERAL		18,285,595.53
1017 - COLO TRUST- RRR		265,563.25
1019 - COLO TRUST - 2019 BOND		2,615,528.01
1030 - CASH DRAWER		200.00
1035 - CONTRA CASH RESERVE		(1,705,883.00)
1050 - CASH RESERVE (CWRPDA)		1,705,883.00
1100 - AR WATER (DRIP)		1,119,003.15
1105 - AR CONSTRUCTION METERS		129,851.43
1116 - ACCOUNTS RECEIVABLE		614,410.81
1230 - PREPAID INSURANCE		100,855.33
1300 - INVENTORY		1,518,726.97

Total Current Assets 26,368,426.66

Property and Equipment

1220 - LAND BUILDING SITE		541,875.18
1222 - CSU DRYING BEDS		28,612.00
1225 - LAND & EASEMENTS		2,450,483.51
1405 - WATER RIGHTS OWNED		86,180,451.44
1407 - WATER STORAGE		5,726,726.97
1415 - MACHINERY & EQUIPMENT		2,204,383.04
1416 - DEPREC - MACH & EQUIP		(1,645,643.61)
1420 - OFFICE EQUIPMENT		52,720.33
1421 - DEPREC - OFFICE EQUIP		(52,720.11)
1425 - PIPELINES		70,160,785.21
1426 - DEPREC - PIPELINES		(23,726,280.62)
1430 - STORAGE TANKS		2,367,776.75
1431 - DEPREC - STORAGE TANKS		(1,470,427.76)
1432 - MASTER METERS		684,914.94
1433 - DEPREC MASTER METERS		(27,157.18)
1435 - PUMP STATIONS		5,636,955.14
1436 - DEPREC - PUMP STATIONS		(2,411,788.84)
1437 - FILL STATION		15,555.00
1438 - DEPREC - FILL STATION		(3,111.00)
1440 - PAVING		25,500.20
1441 - DEPREC - PAVING		(25,499.80)
1445 - OFFICE BUILDING		1,644,152.98
1446 - DEPREC - BUILDING		(485,334.42)
1454 - CONSTRUCT IN PROGRESS		2,836,180.16

Total Property and Equipment 150,709,109.51

Other Assets

1457 - FILTER PLANT EQUITY		22,849,610.70
1464 - BOND INSURANCE		5,098.00
1466 - Bond Cst of Issue '19		206,078.00

Total Other Assets 23,060,786.70

Total Assets \$ 200,138,322.87

LIABILITIES AND CAPITAL

Current Liabilities

2215 - ACCOUNTS PAYABLES	\$	347,154.89
2216 - CONST MTR DEPOSITS		103,500.00
2230 - ACCRUED WAGES		140,062.55

Unaudited - For Management Purposes Only



NORTH WELD COUNTY WATER DISTRICT  
Balance Sheet  
January 31, 2022

2231 - ACCRUED COMP ABSENCES	130,587.76	
2232 - ACCRUED INTEREST	129,262.50	
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Total Current Liabilities		850,567.70
Long-Term Liabilities		
2220 - CURT PRT/ LONGTERM DEBT	5,000.00	
2221 - 2012 BONDS PAYABLE	3,090,000.00	
2222 - 2019 Bond Payable	16,160,000.00	
2223 - Bond Premium '19	851,447.00	
2224 - 2020 BOND PAYABLE	3,450,000.00	
2228 - NET PREM/DISCT '12 BOND	73,293.00	
2229 - PREMIUM ON 2009A LOAN	66,472.00	
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Total Long-Term Liabilities		23,696,212.00
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Total Liabilities		24,546,779.70
Capital		
2800 - RETAINED EARNINGS	174,619,363.78	
Net Income	972,179.39	
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Total Capital		175,591,543.17
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Total Liabilities & Capital	\$	200,138,322.87
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NORTH WELD COUNTY WATER DISTRICT  
INCOME STATEMENT  
DETAIL  
FOR THE ONE MONTH ENDING JANUARY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
<b>REVENUES</b>					
3110 - METERED SALES	\$ 851,344.84	\$ 851,344.84	\$ 11,484,447.00	10,633,102.16	7.41
3111 - WATER ALLOC SURCHARGE	135,356.00	135,356.00	2,625,016.00	2,489,660.00	5.16
3112 - PLANT INVEST SURCHARGE	59,691.80	59,691.80	2,132,826.00	2,073,134.20	2.80
3113 - ADJUSTMENTS	(3,990.58)	(3,990.58)	(20,000.00)	(16,009.42)	19.95
3140 - CONST METER USAGE	25,549.03	25,549.03	205,000.00	179,450.97	12.46
3141 - CONSTR METER RENTAL	1,305.00	1,305.00	5,500.00	4,195.00	23.73
3142 - CONSTRUCT METER REPAIR	1,292.24	1,292.24	550.00	(742.24)	234.95
<b>OPERATING</b>	<b>1,070,548.33</b>	<b>1,070,548.33</b>	<b>16,433,339.00</b>	<b>15,362,790.67</b>	<b>6.51</b>
3210 INTEREST-COTRUST-GENERAL	534.46	534.46	130,384.00	129,849.54	0.41
3220 - PORT PARTONAGE AGFINITY	0.00	0.00	812.00	812.00	0.00
<b>NON OPERATING</b>	<b>534.46</b>	<b>534.46</b>	<b>131,196.00</b>	<b>130,661.54</b>	<b>0.41</b>
3310 - TAP (PI) FEES	47,500.00	47,500.00	1,000,000.00	952,500.00	4.75
3311 - DISTANCE FEES	7,500.00	7,500.00	173,189.00	165,689.00	4.33
3312 - WATER (ALLOCATION) FEE	0.00	0.00	300,000.00	300,000.00	0.00
3314 - INSTALLATION FEES	41,100.00	41,100.00	324,730.00	283,630.00	12.66
3315 - METER RELOCATION FEE	0.00	0.00	1,624.00	1,624.00	0.00
3316 - LINE EXTENSION FEE	0.00	0.00	150,000.00	150,000.00	0.00
3320 - NON-POTABLE TAP FEE	20,000.00	20,000.00	48,709.00	28,709.00	41.06
3321 - NON-POTABLE INSTALL	7,100.00	7,100.00	21,649.00	14,549.00	32.80
3330 - COMMITMENT LETTER FEE	0.00	0.00	796.00	796.00	0.00
3331 - REVIEW FEE	500.00	500.00	2,706.00	2,206.00	18.48
3332 - REVIEW DEPOSIT	5,000.00	5,000.00	0.00	(5,000.00)	0.00
3340 - INSPECTION FEE	0.00	0.00	134,389.00	134,389.00	0.00
<b>NEW SERVICE</b>	<b>128,700.00</b>	<b>128,700.00</b>	<b>2,157,792.00</b>	<b>2,029,092.00</b>	<b>5.96</b>
3410 - WATER RENTAL	0.00	0.00	17,850.00	17,850.00	0.00
<b>AG WATER</b>	<b>0.00</b>	<b>0.00</b>	<b>17,850.00</b>	<b>17,850.00</b>	<b>0.00</b>
3510 - CAR TIME	0.00	0.00	9,742.00	9,742.00	0.00
3520 - TRANSFER FEES	2,000.00	2,000.00	5,412.00	3,412.00	36.95
3530 - RISE TOWER RENT	300.00	300.00	7,902.00	7,602.00	3.80
3540 - SAFETY GRANT (CSD)	0.00	0.00	11,907.00	11,907.00	0.00
<b>MISCELLANEOUS</b>	<b>2,300.00</b>	<b>2,300.00</b>	<b>34,963.00</b>	<b>32,663.00</b>	<b>6.58</b>
3600 - FARM INCOME	0.00	0.00	(9,201.00)	(9,201.00)	0.00
3610 - MINERAL/OIL/GAS RIGHTS	0.00	0.00	(63,672.00)	(63,672.00)	0.00
3640 - EQUIPMENT/VEHICLE SALE	0.00	0.00	(541.00)	(541.00)	0.00
<b>FARM INCOME</b>	<b>0.00</b>	<b>0.00</b>	<b>73,414.00</b>	<b>73,414.00</b>	<b>0.00</b>
3700 - BOND PROCEEDS	0.00	0.00	38,000,000.00	38,000,000.00	0.00
<b>DEBT PROCEEDS</b>	<b>0.00</b>	<b>0.00</b>	<b>(38,000,000.00)</b>	<b>(38,000,000.00)</b>	<b>0.00</b>

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT  
INCOME STATEMENT  
DETAIL  
FOR THE ONE MONTH ENDING JANUARY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
<b>TOTAL REVENUES</b>	<b>1,202,082.79</b>	<b>1,202,082.79</b>	<b>56,848,554.00</b>	<b>55,646,471.21</b>	<b>2.11</b>
<b>OPERATING EXPENSE</b>					
4110 - POTABLE WATER	0.00	0.00	2,536,484.52	2,536,484.52	0.00
4130 - CARRYOVER	0.00	0.00	89,450.03	89,450.03	0.00
4140 - WINTER WATER	0.00	0.00	5,520.40	5,520.40	0.00
4150 - ASSESSMENTS	240,590.00	240,590.00	1,443,962.24	1,203,372.24	16.66
4160 - RULE 11 FEES	0.00	0.00	63,765.00	63,765.00	0.00
4170 - WATER QUALITY - TESTING	200.00	200.00	6,072.44	5,872.44	3.29
<b>WATER</b>	<b>(240,790.00)</b>	<b>(240,790.00)</b>	<b>(4,145,254.63)</b>	<b>(3,904,464.63)</b>	<b>5.81</b>
4210 - SALARIES, FIELD	90,514.52	90,514.52	1,056,784.98	966,270.46	8.57
4220 - SALARIES, ENGINEERING	7,885.78	7,885.78	225,284.46	217,398.68	3.50
4240 - INSURANCE HEALTH	20,857.71	20,857.71	188,752.00	167,894.29	11.05
4250 - RETIREMENT	6,067.83	6,067.83	82,256.14	76,188.31	7.38
4260 - AWARDS	0.00	0.00	1,324.58	1,324.58	0.00
4270 - UNIFORMS	165.74	165.74	6,500.00	6,334.26	2.55
4280 - MISCELLANEOUS	0.00	0.00	1,103.81	1,103.81	0.00
4290 - CAR TIME	0.00	0.00	9,934.32	9,934.32	0.00
<b>PERSONNEL OPERATIONS</b>	<b>(125,491.58)</b>	<b>(125,491.58)</b>	<b>(1,571,940.29)</b>	<b>(1,446,448.71)</b>	<b>7.98</b>
4410 - FIELD	171.60	171.60	0.00	(171.60)	0.00
4411 - UNCC LOCATES	0.00	0.00	15,197.35	15,197.35	0.00
4412 - FARM PROPERTIES	0.00	0.00	2,706.08	2,706.08	0.00
4413 - SITE MAINTENANCE ANNUAL	0.00	0.00	5,586.20	5,586.20	0.00
4415 - WATER LINES (REPAIRS)	12,000.00	12,000.00	50,000.00	38,000.00	24.00
4417 - METER SETTING	6,999.00	6,999.00	108,243.00	101,244.00	6.47
4418 - MASTER METERS	0.00	0.00	159,181.20	159,181.20	0.00
4419 - SERVICE WORK	1,145.00	1,145.00	0.00	(1,145.00)	0.00
4420 - STORAGE TANKS (O & M)	5,500.00	5,500.00	22,500.00	17,000.00	24.44
4430 - PUMP STATIONS (O & M)	112.51	112.51	10,612.08	10,499.57	1.06
4435 - CHLORINE STATION	776.56	776.56	5,306.04	4,529.48	14.64
4440 - EQUIPMENT	5,521.14	5,521.14	42,335.83	36,814.69	13.04
4445 - SCADA EQUIPMENT	0.00	0.00	5,412.16	5,412.16	0.00
4446 - LOCATING EQUIPMENT	0.00	0.00	5,412.16	5,412.16	0.00
4447 - GPS EQUIPMENT	0.00	0.00	25,978.37	25,978.37	0.00
4450 - SHOP/YARD	495.77	495.77	27,060.80	26,565.03	1.83
4460 - VEHICLES	1,358.57	1,358.57	100,000.00	98,641.43	1.36
4470 - SAFETY	3,567.52	3,567.52	65,000.00	61,432.48	5.49
4480 - CONTROL VAULTS	9.58	9.58	28,652.62	28,643.04	0.03
4490 - MAPPING EXPENSE	0.00	0.00	39,184.04	39,184.04	0.00
<b>OPERATION &amp; MAINTENANCE</b>	<b>(37,657.25)</b>	<b>(37,657.25)</b>	<b>(718,367.93)</b>	<b>(680,710.68)</b>	<b>5.24</b>
4500 - ENGINEERING	0.00	0.00	250,000.00	250,000.00	0.00
<b>ENGINEERING</b>	<b>0.00</b>	<b>0.00</b>	<b>(250,000.00)</b>	<b>(250,000.00)</b>	<b>0.00</b>

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT  
INCOME STATEMENT  
DETAIL  
FOR THE ONE MONTH ENDING JANUARY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
4610 - PRV'S	0.00	0.00	50,000.00	50,000.00	0.00
4620 - STORAGE TANKS	0.00	0.00	50,000.00	50,000.00	0.00
4630 - PUMP STATIONS	0.00	0.00	170,000.00	170,000.00	0.00
4640 - METER VAULTS	0.00	0.00	38,000.00	38,000.00	0.00
4650 - FILL STATION	0.00	0.00	5,000.00	5,000.00	0.00
<b>ELECTRICITY</b>	<b>0.00</b>	<b>0.00</b>	<b>(313,000.00)</b>	<b>(313,000.00)</b>	<b>0.00</b>
4700 - COMMUNICATIONS	0.00	0.00	50,000.00	50,000.00	0.00
<b>COMMUNICATIONS</b>	<b>0.00</b>	<b>0.00</b>	<b>(50,000.00)</b>	<b>(50,000.00)</b>	<b>0.00</b>
4810 - GENERAL	4,178.42	4,178.42	40,738.42	36,560.00	10.26
4820 - AUTO	1,374.75	1,374.75	7,347.55	5,972.80	18.71
4830 - WORKER'S COMP	3,615.50	3,615.50	34,374.80	30,759.30	10.52
<b>INSURANCE</b>	<b>(9,168.67)</b>	<b>(9,168.67)</b>	<b>(82,460.77)</b>	<b>(73,292.10)</b>	<b>11.12</b>
4930 - BAD DEBT EXPENSE	0.00	0.00	3,714.23	3,714.23	0.00
<b>MISCELLANEOUS</b>	<b>0.00</b>	<b>0.00</b>	<b>(3,714.23)</b>	<b>(3,714.23)</b>	<b>0.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>413,107.50</b>	<b>413,107.50</b>	<b>7,134,737.85</b>	<b>6,721,630.35</b>	<b>5.79</b>
<b>ADMINISTRATIVE EXPENSE</b>					
5110 - OFFICE	42,310.90	42,310.90	511,192.34	468,881.44	8.28
<b>SALARIES</b>	<b>42,310.90</b>	<b>42,310.90</b>	<b>511,192.34</b>	<b>468,881.44</b>	<b>8.28</b>
5210 - FICA	11,023.52	11,023.52	102,831.06	91,807.54	10.72
5220 - UNEMPLOYMENT	1,310.48	1,310.48	4,870.94	3,560.46	26.90
<b>PAYROLL TAXES</b>	<b>12,334.00</b>	<b>12,334.00</b>	<b>107,702.00</b>	<b>95,368.00</b>	<b>11.45</b>
5310 - ADMIN HEALTH INSURANCE	5,632.79	5,632.79	49,358.91	43,726.12	11.41
<b>HEALTH INSURANCE</b>	<b>5,632.79</b>	<b>5,632.79</b>	<b>49,358.91</b>	<b>43,726.12</b>	<b>11.41</b>
5401 - ELECTRICITY	0.00	0.00	27,060.80	27,060.80	0.00
5402 - PROPANE	2,366.64	2,366.64	0.00	(2,366.64)	0.00
5403 - TELEPHONE	1,951.18	1,951.18	21,648.64	19,697.46	9.01
5405 - CELL PHONE ACCESSORIES	0.00	0.00	2,706.08	2,706.08	0.00
5406 - OFFICE CLEANING SERVICE	1,700.00	1,700.00	0.00	(1,700.00)	0.00
5410 - OFFICE EQUIPMENT	(18.51)	(18.51)	0.00	18.51	0.00
5413 - FURNITURE	0.00	0.00	2,706.08	2,706.08	0.00
5440 - COMPUTER	0.00	0.00	140,716.18	140,716.18	0.00
5441 - COMPUTER SUPPORT	5,026.50	5,026.50	64,945.93	59,919.43	7.74
5442 - HARDWARE (COMPUTERS)	0.00	0.00	43,297.29	43,297.29	0.00
5443 - SOFTWARE	175.50	175.50	5,412.16	5,236.66	3.24
5444 - LICENSES (ANNUAL)	0.00	0.00	27,060.80	27,060.80	0.00

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT  
INCOME STATEMENT  
DETAIL  
FOR THE ONE MONTH ENDING JANUARY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
5445 - SENSUS METER SUPPORT	0.00	0.00	2,164.86	2,164.86	0.00
5449 - INTERNET/EMAIL	0.00	0.00	21,648.64	21,648.64	0.00
<b>OFFICE UTILITIES</b>	<b>11,201.31</b>	<b>11,201.31</b>	<b>359,367.46</b>	<b>348,166.15</b>	<b>3.12</b>
5510 - OFFICE EXPENSES	10,901.59	10,901.59	171,673.74	160,772.15	6.35
5520 - POSTAGE	347.58	347.58	3,247.30	2,899.72	10.70
5530 - BANK / CREDIT CARD FEES	3,643.08	3,643.08	5,412.16	1,769.08	67.31
5540 - BUILDING MAINTENANCE	1,924.60	1,924.60	1,082.43	(842.17)	177.80
5550 - PUBLICATIONS	0.00	0.00	541.22	541.22	0.00
5560 - PRINTING	0.00	0.00	2,706.08	2,706.08	0.00
5580 - DUES & REGISTRATION	0.00	0.00	3,247.30	3,247.30	0.00
5590 - TRAINING	0.00	0.00	8,659.46	8,659.46	0.00
<b>OFFICE EXPENSE</b>	<b>16,816.85</b>	<b>16,816.85</b>	<b>196,569.69</b>	<b>179,752.84</b>	<b>8.56</b>
5610 - LEGAL	3,211.00	3,211.00	350,000.00	346,789.00	0.92
5620 - ACCOUNTING	0.00	0.00	26,010.00	26,010.00	0.00
5626 - RECORDING FEES	58.00	58.00	0.00	(58.00)	0.00
5650 - CONSULTANT FEES	0.00	0.00	200,000.00	200,000.00	0.00
5660 - MEMBERSHIP FEES	0.00	0.00	8,843.40	8,843.40	0.00
<b>PROFESSIONAL FEES</b>	<b>3,269.00</b>	<b>3,269.00</b>	<b>584,853.40</b>	<b>581,584.40</b>	<b>0.56</b>
5900 - MISCELLANEOUS	0.00	0.00	7,577.03	7,577.03	0.00
<b>MISCELLANEOUS</b>	<b>0.00</b>	<b>0.00</b>	<b>7,577.03</b>	<b>7,577.03</b>	<b>0.00</b>
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>91,564.85</b>	<b>91,564.85</b>	<b>1,816,620.83</b>	<b>1,725,055.98</b>	<b>5.04</b>
<b>CAPITAL IMPROVEMENTS</b>					
<b>SOLDIER CANYON</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
6200 - STORAGE TANKS	0.00	0.00	5,900,000.00	5,900,000.00	0.00
<b>STORAGE TANKS</b>	<b>0.00</b>	<b>0.00</b>	<b>5,900,000.00</b>	<b>5,900,000.00</b>	<b>0.00</b>
<b>PUMP STATIONS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
6410 - VEHICLES	0.00	0.00	6,410.00	6,410.00	0.00
6420 - TRENCH BOX	0.00	0.00	6,420.00	6,420.00	0.00
6430 - BACKHOES	0.00	0.00	6,430.00	6,430.00	0.00
6440 - OTHER EQUIPMENT	86,673.55	86,673.55	90,000.00	3,326.45	96.30
<b>EQUIPMENT</b>	<b>86,673.55</b>	<b>86,673.55</b>	<b>109,260.00</b>	<b>22,586.45</b>	<b>79.33</b>
6510 - WATER LINES	0.00	0.00	13,550,000.00	13,550,000.00	0.00
6515 - METER UPGRADES	0.00	0.00	600,000.00	600,000.00	0.00
6525 - MASTER METER	(414,807.45)	(414,807.45)	0.00	414,807.45	0.00

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT  
INCOME STATEMENT  
DETAIL  
FOR THE ONE MONTH ENDING JANUARY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
6540 - AWIA & GENERATORS	0.00	0.00	276,440.00	276,440.00	0.00
<b>SYSTEM</b>	<b>(414,807.45)</b>	<b>(414,807.45)</b>	<b>14,426,440.00</b>	<b>14,841,247.45</b>	<b>(2.88)</b>
6615 - GRAVEL PITS	0.00	0.00	400,000.00	400,000.00	0.00
6620 - WATER RIGHTS	0.00	0.00	5,000,000.00	5,000,000.00	0.00
6630 - LEGAL (WRM)	19,841.25	19,841.25	600,000.00	580,158.75	3.31
6640 - STORAGE	4,548.50	4,548.50	0.00	(4,548.50)	0.00
<b>WATER RIGHTS</b>	<b>24,389.75</b>	<b>24,389.75</b>	<b>6,000,000.00</b>	<b>5,975,610.25</b>	<b>0.41</b>
6710 - EASEMENTS	0.00	0.00	75,000.00	75,000.00	0.00
6720 - LAND	0.00	0.00	100,000.00	100,000.00	0.00
6730 - SURVEYING	0.00	0.00	5,000.00	5,000.00	0.00
<b>LAND/EASEMENTS</b>	<b>0.00</b>	<b>0.00</b>	<b>180,000.00</b>	<b>180,000.00</b>	<b>0.00</b>
<b>BUILDING/PAVING</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OFFICE EQUIPMENT/MISC</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>(303,744.15)</b>	<b>(303,744.15)</b>	<b>26,615,700.00</b>	<b>26,919,444.15</b>	<b>(1.14)</b>
<b>BONDS</b>					
<b>BOND ISSUE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>INTEREST</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
7250 - PLANT EXPANSION	0.00	0.00	1,231,000.00	1,231,000.00	0.00
7290 - 2012R NW 1054	0.00	0.00	1,530,000.00	1,530,000.00	0.00
7296 - 2020 BOND - WATER ENT	0.00	0.00	477,288.00	477,288.00	0.00
<b>PRINCIPLE</b>	<b>0.00</b>	<b>0.00</b>	<b>3,238,288.00</b>	<b>3,238,288.00</b>	<b>0.00</b>
<b>INTEREST EXPENSE OTHER</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL BONDS</b>	<b>0.00</b>	<b>0.00</b>	<b>(3,238,288.00)</b>	<b>(3,238,288.00)</b>	<b>0.00</b>
<b>DEPRECIATION &amp; AMORT EXPENSES</b>					
<b>DEPRECIATION &amp; AMORT EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
TOTAL REVENUES	1,202,082.79	1,202,082.79	56,848,554.00	55,646,471.21	2.11
TOTAL EXPENSES	229,903.40	229,903.40	38,805,346.68	38,575,443.28	0.59
<b>PROFIT/LOSS</b>	<b>972,179.39</b>	<b>972,179.39</b>	<b>18,043,207.32</b>	<b>17,071,027.93</b>	<b>5.39</b>

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT  
INCOME STATEMENT  
DETAIL  
FOR THE ONE MONTH ENDING JANUARY 31, 2022

<u>CURRENT</u> <u>MONTH</u>	<u>YTD</u>	<u>BUDGET</u>	<u>+ OR -</u> <u>BUDGET</u>	<u>%</u> <u>BUDGET</u>
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FOR MANAGEMENT PURPOSES ONLY

**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jan 31, 2022**  
**1014 - 1014 - BANK OF COLORADO**  
**Bank Statement Date: January 31, 2022**

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance		1,558,722.49
Add: Cash Receipts		235,231.26
Less: Cash Disbursements		(741,303.70)
Add (Less) Other		666,042.13
Ending GL Balance		1,718,692.18
Ending Bank Balance		1,892,761.73
Add back deposits in transit		
Total deposits in transit		
(Less) outstanding checks		
	Sep 9, 2021	15687 (29.74)
	Sep 9, 2021	15689 (23.28)
	Sep 9, 2021	15694 (97.05)
	Oct 20, 2021	15819 (1,100.00)
	Oct 22, 2021	15848 (215.12)
	Oct 22, 2021	15851 (19.24)
	Nov 30, 2021	15955 (25.00)
	Dec 15, 2021	15999 (23.28)
	Dec 15, 2021	16008 (85.00)
	Dec 15, 2021	16012 (12.72)
	Dec 15, 2021	16020 (271.26)
	Dec 30, 2021	16036 (1,400.00)
	Dec 30, 2021	16042 (46.56)
	Dec 30, 2021	16044 (188.16)
	Dec 30, 2021	16047 (46.66)
	Dec 30, 2021	16056 (31.04)
	Dec 30, 2021	16062 (362.89)
	Jan 10, 2022	16075 (12,258.75)
	Jan 10, 2022	16078 (5,000.00)
	Jan 18, 2022	16082 (2,600.00)
	Jan 18, 2022	16086 (5,026.50)
	Jan 18, 2022	16087 (3,417.70)
	Jan 18, 2022	16093 (210.00)
	Jan 18, 2022	16094 (4,628.55)
	Jan 18, 2022	16095 (44.00)
	Jan 18, 2022	16096 (2,366.64)
	Jan 18, 2022	16097 (3,016.00)
	Jan 18, 2022	16100 (14,195.25)
	Jan 19, 2022	16105 (21,705.75)
	Jan 19, 2022	16108 (10,817.34)
	Jan 20, 2022	16111 (4,249.78)
	Jan 20, 2022	16112 (1,453.81)
	Jan 20, 2022	16113 (46.30)
	Jan 20, 2022	16117 (219.76)
	Jan 20, 2022	16118 (26.00)
	Jan 21, 2022	16119 (108.64)
	Jan 21, 2022	16120 (28,975.20)
	Jan 21, 2022	16121 (1,145.98)
	Jan 21, 2022	16124 (47.77)
	Jan 21, 2022	16128 (127.43)
	Jan 21, 2022	16129 (25.00)
	Jan 27, 2022	16130 (58.00)
	Jan 27, 2022	16131 (1,100.00)
	Jan 27, 2022	16132 (4,548.50)
	Jan 27, 2022	16133 (1,335.35)
	Jan 27, 2022	16134 (500.00)
	Jan 18, 2022	OL-0118202 (1,528.59)
	Jan 21, 2022	OL-0121202 (41,535.00)



**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jan 31, 2022**  
**1014 - 1014 - BANK OF COLORADO**  
**Bank Statement Date: January 31, 2022**

Filter Criteria includes: Report is printed in Detail Format.

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	Jan 31, 2022	OL-0131202	(340.00)	
	Jan 31, 2022	OL-0131202	(1,340.00)	
Total outstanding checks			(177,974.59)	
Add (Less) Other				
	Jan 30, 2022	CC0130	975.62	
	Jan 31, 2022	CC0131	2,356.61	
	Jan 31, 2022	CCIH0120	445.32	
	Jan 31, 2022	MARS0120	127.49	
Total other			3,905.04	
Unreconciled difference			0.00	
Ending GL Balance			1,718,692.18	

**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jan 31, 2022**  
**1015 - 1015 - COLO TRUST - GENERAL**  
**Bank Statement Date: January 31, 2022**

Filter Criteria includes: Report is printed in Detail Format.

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Beginning GL Balance	18,285,127.13
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	468.40
Ending GL Balance	18,285,595.53
Ending Bank Balance	18,285,595.53
Add back deposits in transit	_____
Total deposits in transit	
(Less) outstanding checks	_____
Total outstanding checks	
Add (Less) Other	_____
Total other	
Unreconciled difference	0.00
Ending GL Balance	18,285,595.53

**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jan 31, 2022**  
**1019 - 1019 - COLO TRUST - 2019 BOND**  
**Bank Statement Date: January 31, 2022**

Filter Criteria includes: Report is printed in Detail Format.

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Beginning GL Balance	2,615,461.95
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	<u>66.06</u>
Ending GL Balance	<u>2,615,528.01</u>
Ending Bank Balance	<u>2,615,528.01</u>
Add back deposits in transit	<u>                    </u>
Total deposits in transit	
(Less) outstanding checks	<u>                    </u>
Total outstanding checks	
Add (Less) Other	<u>                    </u>
Total other	
Unreconciled difference	<u>0.00</u>
Ending GL Balance	<u><u>2,615,528.01</u></u>

## LICENSE TO ENTER CITY OF THORNTON PROPERTY

The CITY OF THORNTON, a Colorado home rule municipality, located at 9500 Civic Center Drive, Thornton, CO 80229 (hereinafter “Licensor” or “Thornton”) the owner of farm properties in Larimer County Colorado, as more particularly described on the attached Exhibit “A” incorporated herein by this reference, does hereby grant permission to East Larimer County Water District, a Colorado political subdivision, whose address is 232 South Link Lane, Post Office Box 2044, Fort Collins, CO 80522 and North Weld County Water District, a Colorado political subdivision, whose address is 32825 CR 39, Lucerne, CO 80646 (hereinafter “Licensee”), its employees and authorized agents, contractors and affiliates (“Crews”), to enter the property described in Exhibit “A” (hereinafter “Properties”) for the purpose of conducting planning and design tasks associated with their NEWT 3 water pipeline project, those tasks include and are limited to: Site walks for planning and constructability reviews, performing topographic land surveys, and Environmental Characterization Studies (hereinafter “License”).

This License is subject to the following conditions and limitations:

1. This License shall commence on the approved and agreed to date below and expire 12 months thereafter, unless sooner terminated as provided below.
2. Licensee hereby agrees to pay for all costs incurred with regard to such land surveys associated with this License.
3. Crews will not enter fields with vehicles or ATV’s that contain crops or that are being prepared for crop planting.
4. Crews will coordinate access to the Properties with Thornton by contacting Brian Foss at (303) 538-7568 or [Brian.Foss@ThorntonCO.gov](mailto:Brian.Foss@ThorntonCO.gov) or Ethan Cozzens at (303) 538-7565 or [Ethan.Cozzens@ThorntonCO.gov](mailto:Ethan.Cozzens@ThorntonCO.gov) at least 24 hours prior to entry.
5. All work allowed under this License shall be performed in compliance with any and all applicable laws, codes or regulations by state, federal, or local requirements.
6. This License does not provide Licensee with any right to construct on the Properties.
7. Licensee affirms that by entering into this License, Thornton will require Licensee, and Licensee agrees to design, locate and place any resulting infrastructure on the Properties so as to locate such infrastructure as close to existing property lines as possible so that such infrastructure causes the minimum possible inconvenience and damage to Thornton and/or Thornton’s Properties.
8. All surveys and work allowed under this License shall be conducted in a manner that will not damage the Licensor’s Properties or interfere with Licensor’s or its tenant or agent’s use and occupancy of the Properties and shall leave the Properties in the same condition found.
9. Licensee will be responsible for any injury or damage to any of the infrastructure or facilities on the Properties, or any of the operations being conducted on the Properties, as part of Licensee’s access to the Properties.

10. Licensee hereby agrees to promptly pay for any damages, including but not limited to damages of growing crops, pasture, fences, livestock, drain tile or buildings of Licensor, its tenants or agents, resulting from the rights granted herein.
11. Licensee hereby releases Licensor, its tenants and agents from against any claims for injury or damages, including court costs and attorney's fees, arising from the exercise of this grant herein, except for claims arising from the negligence or willful misconduct of Licensor, its tenants or agents.
12. Licensee, its agents, contractors or affiliates agree to procure and maintain in force during the term of this License, at its own cost, the following insurance coverages naming Licensor as an additional insured:
  - a) Workers Compensation Insurance as required by the Labor Code of the State of Colorado and Employer's Liability Insurance.
  - b) Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000 each occurrence and \$2,000,000 general aggregate.

In lieu of these insurance coverages, Licensor may, at its sole discretion, accept some other protection from workers compensation and liability claims arising out of this License.
13. Licensor does not guarantee that any markers or stakes will remain on the Properties for any length of time. No metal markers or flags are to be used, only wooden stakes and only if necessary.
14. Licensee agrees to furnish Licensor, at no cost to Licensor, copies of any and all study and survey results and reports produced by or for Licensee as a result of work done under this License.
15. Licensee understands and agrees that Licensor and its officers and employees, are relying on, and do not waive or intend to waive, by any provision of this License, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et seq., as it is from time to time amended, or otherwise available to Licensor its officers and employees.
16. Licensor may terminate this Right of Entry without cause by providing 30 days written notice to Licensee of its intent to terminate.
17. The parties hereby warrant that each party signing below has full and lawful authority to execute this License to Enter on behalf of said party.

APPROVED AND AGREED TO this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**LICENSOR:**

**CITY OF THORNTON**  
a Colorado home rule municipality

By: \_\_\_\_\_  
Brett E. Henry, Executive Director-Infrastructure

**ATTEST:**

\_\_\_\_\_  
Kristen N. Rosenbaum, City Clerk

APPROVED AS TO FORM:  
Tami Yellico, City Attorney

\_\_\_\_\_  
Deputy City Attorney – Water Resources and  
Special Projects

**LICENSEE:**

EAST LARIMER COUNTY WATER DISTRICT

\_\_\_\_\_  
By:  
Its:

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF LARIMER    )

Subscribed and acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by  
\_\_\_\_\_ as \_\_\_\_\_ on behalf of East Larimer  
County Water District.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

NORTH WELD COUNTY WATER DISTRICT

\_\_\_\_\_  
By:  
Its:

STATE OF COLORADO )  
  ) ss.  
COUNTY OF ..... )

Subscribed and acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by  
\_\_\_\_\_ as \_\_\_\_\_ on behalf of North Weld  
County Water District.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC



**EXHIBIT A**

Thornton Farm 56 – BEG AT A PT ON E LN OF SE 1/4 3-7-68 WH BEARS N 399.11 FT FROM SE COR SEC 3, TH W 1454.66 FT M/L TO A PT ON WRLY LN OF LARIMER AND WELD CANAL; TH ALG WRLY LN N 34 05 W 213.41 FT, N 39 42 W 586.56 FT  
Assessor's Parcel No. 8703400927 of the Larimer County records

<b>North Weld County Water District</b>  <b>FAIR MARKET VALUE</b>  <b>WAIVER VALUATION</b>	Owner Name: Hungenberg BOH Farms LLLP
	Parcel NO: 080320000045
	Location: E ½ SE ¼ S 20, T06N, R65W
	County: Weld

**Brief description of subject and taking:** A small temporary construction easement is needed as an area to string pipes related to the relocation of waterlines for the intersection improvement project at WCR 66 and WCR 41.

TCE	Purpose	Area SF or AC	\$/Unit	x % rate of return x duration	
TCE-3	String pipe for waterline relocations	.137	20,000	10% x 2 yrs	\$ 548.00
					\$
					\$
<b>Damages (Cost to Cure). Describe and quantify:</b> N/A					\$ 0
+Total Temporary Easements and Damages (Cost to Cure)					+ \$ <b>550.00 (R)</b>
<b>= Total Compensation Estimate</b>					<b>= \$ 550.00</b>

**Has the owner or designated representative accompanied the Department's representative during inspection of the property?**  
 Yes    Date  
 No    Describe efforts made: Land Agent has met with owner multiple times over the duration of the Intersection Improvement project and is very aware of the property and its encumbrances, as well as landowner concerns associated.

Signed (Waiver Valuation Preparer): <i>Courtney Wallace</i>	Date: 2/9/2022
The dollar amount above is approved as Just Compensation by: North Weld County Water District	Date:

<b>North Weld County Water District</b>  <b>FAIR MARKET VALUE</b>  <b>WAIVER VALUATION</b>	Owner Name: Five M Farm, CO, a Colorado Corporation
	Location: NW ¼ S 28, T06N, R65W
	County: Weld

**Brief description of subject and taking:**  
A small permanent easement and temporary construction easement are needed for relocation of waterlines related to the intersection improvement project at WCR 66 and WCR 41.

Land/Site Value Part Taken Parcel or Easement # (except TE)	Area SF or AC	\$/Unit	Easement Burden %	
PE-1	.074	20,000.00	50%	\$ 740.00
				\$
				\$
				\$
				\$
Total Land				\$ 740.00
<b>Improvements Value Part Taken: Describe Below</b>		<b>Contributory Value: Per Unit Basis or Lump Sum Basis</b>		
N/A				
				\$
+ Total Improvements				+ \$ 0

TCE	Purpose	Area SF or AC	\$/Unit	x % rate of return x duration	
TCE-1	String pipe for PE-1	.202	20,000	10% x 2 yrs	\$ 808.00
					\$
					\$
<b>Damages (Cost to Cure). Describe and quantify:</b> N/A					
					\$ 0
+Total Temporary Easements and Damages (Cost to Cure)					+ \$ <b>810.00 (R)</b>
<b>= Total Compensation Estimate</b>					<b>= \$ 1550.00</b>

**Has the owner or designated representative accompanied the Department's representative during inspection of the property?**  
 Yes    Date  
 No    Describe efforts made: Land Agent has met with owners multiple times over the duration of the Intersection Improvement project and is very aware of the property and its encumbrances, as well as landowner concerns associated.

Signed (Waiver Valuation Preparer): <i>Courtney Wallace</i>	Date: 2/9/2022
The dollar amount above is approved as Just Compensation by: North Weld County Water District	Date:

<b>North Weld County Water District</b>  <b>FAIR MARKET VALUE</b> <b>WAIVER VALUATION</b>	Owner Name: Tomoi Farms, LLC a Colorado limited liability company
	Parcel NO: 080329200002
	Location: W ½ NW ¼ S 29, T06N, R65W
	County: Weld

**Brief description of subject and taking:** A small temporary construction easement is needed as an area to string pipes related to the relocation of waterlines for the intersection improvement project at WCR 66 and WCR 41.

TCE	Purpose	Area SF or AC	\$/Unit	x % rate of return x duration	
TCE-4	String pipe for waterline relocations	.184	20,000	10% x 2 yrs	\$ 736.00
					\$
					\$
<b>Damages (Cost to Cure). Describe and quantify:</b> N/A					\$ 0
+Total Temporary Easements and Damages (Cost to Cure)					+ \$ <b>750.00 (R)</b>
<b>= Total Compensation Estimate</b>					<b>= \$ 750.00</b>

**Has the owner or designated representative accompanied the Department's representative during inspection of the property?**  
 Yes    Date  
 No    Describe efforts made: Land Agent has met with owner multiple times over the duration of the Intersection Improvement project and is very aware of the property and its encumbrances, as well as landowner concerns associated.

Signed (Waiver Valuation Preparer): <i>Courtney Wallace</i>	Date: 2/9/2022
The dollar amount above is approved as Just Compensation by: North Weld County Water District	Date:



**AMENDMENT NO. 45**  
TO THE AGREEMENT FOR CONSULTING SERVICES

**TASK ORDER NO. 5**  
COORDINATION AND DESIGN SUPPORT FOR DISTRICT PROJECTS (“MISCELLANEOUS PROJECTS”)

**BUDGET ALLOCATION INCREASE**

This AMENDMENT is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the North Weld County Water District (hereafter referred to as the “Client” or “District”) and Providence Infrastructure Consultants, Inc., (hereafter referred to as the “Consultant”). This is an Amendment to the original Agreement between the same entities dated the 26<sup>th</sup> day of June 2017. All provisions of the original Agreement are included by reference as part of this Amendment. The paragraphs below describe the Scope, Fee, and Schedule for this Amendment.

**DESCRIPTION:** This is a budget allocation amendment for Task Order No. 5. On January 28, 2022, the current fee allocation was 108.2% exhausted and should be increased to allow services to continue.

**SCOPE:** This amendment does not generally change the Scope of Task Order No. 5. The Scopes for each individual Miscellaneous Project are mutually developed between the Client and the Consultant, and progress is discussed documented during the regularly-scheduled Coordination Meetings. Additionally, seven road intersection-related projects have been transferred into this Task Order from Task Order No. 9, per the Consultant’s letter to the Client, dated 11/24/2021.

**FEE:** Fees associated with this Amendment are defined as follows. Costs will be billed on an hourly basis plus expenses for the actual time required. Subconsultant proposals for work associated with the various Miscellaneous Projects noted below (if any) are attached to this Amendment, as noted.

<b>AMENDMENT SUMMARY</b>			
<b>Item</b>	<b>Description</b>	<b>Cost/Fee</b>	<b>Notes</b>
1	Task Order No. 5 Budget Overage through January 28, 2022	\$215,429.52	Refer to Exhibit A (attached) for a delineation of the current, overall budget overage
2	Additional Fee Allocation for continued services under Task Order No. 5	\$14,570.48	N/A
3	Subconsultant fees associated with Various Miscellaneous Projects	\$0.00	Refer to Exhibit B (attached) for a breakdown of subconsultants and related fees, per each Miscellaneous Project task
<b>Total for this Amendment =</b>		<b>\$230,000.00</b>	



TASK ORDER SUMMARY		
Budget, per Original T.O.	\$30,000.00	01/29/2018
Previous Amendments	\$2,640,000.00	Sum of Previous Amendments
Proposed Amendment Total	\$230,000.00	per the AMENDMENT SUMMARY, above
<b>Proposed Total T.O. Value</b>	<b>\$2,900,000.00</b>	<b>including this Amendment</b>

SCHEDULE: The anticipated completion schedule associated with this revised budget allocation varies per each Miscellaneous Project but is generally intended to support anticipated Consultant services through the period described above.

IN WITNESS whereof, the duly authorized representatives of the Client and Consultant have executed this AMENDMENT.

**Client**

NORTH WELD COUNTY WATER DISTRICT

By: Eric Reckentine  
*(Typed Name)*

Title: District Manager

Date:

**Consultant**

PROVIDENCE INFRASTRUCTURE CONSULTANTS, INC.

By: Darin J. Pytlik  
*(Typed Name)*

Title: Vice President

Date: 02/01/2022



## AMENDMENT NO. 45: EXHIBIT A

Providence Infrastructure Consultants, Inc.  
300 Plaza Drive  
Suite 320  
Highlands Ranch, CO 80129



Jared Rauch  
North Weld County Water District  
32825 County Road 39  
PO Box 56  
Lucerne, CO 80646

February 1, 2022

Project No.: 171016.05  
Invoice No.: 49

**RE: NWCWD Miscellaneous Projects  
Professional Services thru 1/28/2022**

<b>Task Order No. 05 - Miscellaneous Projects</b>	
Total Due:	\$71,319.99
Phase 100 Billed to Date:	\$2,784,109.53
Phase 100 Budget:	\$2,640,000.00
Phase 100 Remaining Budget:	(\$215,429.52)
Percent Complete:	108.2%
<b>PROJECT SUMMARY</b>	
<b>BILLED TO DATE:</b>	\$2,784,109.53
<b>PROJECT BUDGET:</b>	\$2,640,000.00
<b>BUDGET REMAINING:</b>	(\$215,429.52)
<b>PERCENT COMPLETE:</b>	108.2%
<b>Total Amount Due and Payable:</b>	<u>\$71,319.99</u>

Providence Infrastructure Consultants

Daniel Rice, P.E.  
Project Principal



**AMENDMENT NO. 46**  
TO THE AGREEMENT FOR CONSULTING SERVICES

**TASK ORDER NO. 9**  
ON-CALL ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES (“DESIGN REVIEWS”)

**BUDGET ALLOCATION INCREASE**

This AMENDMENT is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the North Weld County Water District (hereafter referred to as the “Client” or “District”) and Providence Infrastructure Consultants, Inc., (hereafter referred to as the “Consultant”). This is an Amendment to the original Agreement between the same entities dated the 26<sup>th</sup> day of June 2017. All provisions of the original Agreement are included by reference as part of this Amendment. The paragraphs below describe the Scope, Fee, and Schedule for this Amendment.

DESCRIPTION: This is a budget allocation amendment for Task Order No. 9. On January 28, 2022, the current fee allocation was 104.6% exhausted and should be increased to allow services to continue.

SCOPE: This Amendment does not generally change the original Scope of Task Order No. 9. In general, the scope of Task Order No. 9 has been minimized with the transfer of the intersection redesign projects being moved to Task Order No. 5.

FEE: Fees associated with this Amendment are defined in the AMENDMENT SUMMARY, below. Costs will be billed on an hourly basis plus expenses for the actual time required.

<b>AMENDMENT SUMMARY</b>			
<b>Item</b>	<b>Description</b>	<b>Cost/Fee</b>	<b>Notes</b>
1	Task Order No. 9 Budget Overage through January 28, 2022	\$22,815.15	Refer to Exhibit A (attached) for a delineation of the current, overall budget overage
2	Additional Fee Allocation for continued services under Task Order No. 9	\$26,372.95	
<b>Total for this Amendment =</b>		<b>\$49,188.10</b>	

<b>TASK ORDER SUMMARY</b>		
Budget, per Original T.O.	\$90,000.00	01/29/2018
Previous Amendments	\$409,180.92	Sum of Previous Amendments
Funds Transferred-In	\$819.08	12/04/2018 (From Task Order No. 10)
Funds Transferred-In	\$811.90	11/24/2021 (From Task Order No. 15)
Proposed Amendment Total	\$49,188.10	per the AMENDMENT SUMMARY, above
<b>Proposed Total T.O. Value</b>	<b>\$550,000.00</b>	<b>including this Amendment</b>





SCHEDULE: The anticipated completion schedule associated with this revised budget allocation varies per each Project but is generally intended to support anticipated Consultant services through the period described above.

IN WITNESS whereof, the duly authorized representatives of the Client and Consultant have executed this AMENDMENT.

**Client**

**Consultant**

NORTH WELD COUNTY WATER DISTRICT

PROVIDENCE INFRASTRUCTURE CONSULTANTS, INC.

A handwritten signature in blue ink, appearing to read 'Darin J. Pytlik', is written over a horizontal line.

By: Eric Reckentine

By: Darin J. Pytlik

*(Typed Name)*

*(Typed Name)*

Title: District Manager

Title: Vice President

Date:

Date: 02/01/2022



## AMENDMENT NO. 46: EXHIBIT A

Providence Infrastructure Consultants, Inc.  
300 Plaza Drive  
Suite 320  
Highlands Ranch, CO 80129



Jared Rauch  
North Weld County Water District  
32825 County Road 39  
PO Box 56  
Lucerne, CO 80646

February 1, 2022

Project No.: 171016.09  
Invoice No.: 49

RE: NWCWD Engineering and Construction Management Services  
Professional Services thru 1/28/2022

<b>Task Order No. 9 - Engineering and Construction Management Services</b>	
Total Due:	\$9,386.81
Phase 100 Billed to Date:	\$514,240.24
Phase 100 Budget:	\$500,811.90
Phase 100 Remaining Budget:	(\$22,815.15)
Percent Complete:	104.6%
<b>PROJECT SUMMARY</b>	
<b>BILLED TO DATE:</b>	\$514,240.24
<b>PROJECT BUDGET:</b>	\$500,811.90
<b>BUDGET REMAINING:</b>	(\$22,815.15)
<b>PERCENT COMPLETE:</b>	104.6%
<b>Total Amount Due and Payable:</b>	<b>\$9,386.81</b>

Providence Infrastructure Consultants

Daniel Rice, P.E.  
Project Principal



## **AMENDMENT NO. 45: EXHIBIT B**

*(Not applicable to this Amendment)*

# NICKEL ROAD

O P E R A T I N G

February 4, 2022

North Weld County Water District  
Attn: Gene Stille, President  
PO Box 56  
Lucerne, CO 80646

**RE: Lease Offer for Unleased Minerals**

Dear Interest Owner:

Nickel Road Operating LLC (“NRO”) is an Oil and Gas Operator in Weld County Colorado that recently drilled the Blehm wells in 7N-R67W- Sec.9 & 10 southeast of your mineral rights. NRO through its subsidiary Nickel Road Development LLC (“NRD”), is offering to lease your minerals in T7N-R67W, Section 6 for the development of the minerals that you own. NRO will assume all expenses associated with the working interest in any wells drilled by entering into an oil and gas lease with you, as lessor, and NRD, as lessee, at the following terms:

- Non- Surface Occupancy
- 20% royalty
- 4 year primary term / 2 year extension @ 100% of the original bonus paid at time of extension
- \$1,350.00 per net acre lease bonus
  - o Our records indicate you own 3.203 net mineral acres (“NMA”) for a \$4,323.38 total lease bonus. The bonus will be paid on a per NMA basis according to our final title examination.
- This offer to lease is applicable through February 28, 2022

If the lease is acceptable to you, please sign in the presence of a notary public and also sign the enclosed W9 for tax purposes and return to our office in the provided envelope. We are not able to issue you your bonus payment until we have a signed W9 in our possession. We will send you the total lease bonus within 30 days of returning the fully executed lease to our office. If you would prefer to sell your mineral interest, please contact me at the information below.

If you have any questions regarding this letter or the proposed operations, please contact me at 970-590-2343 or at [blake.leavitt@nickelroadoperating.com](mailto:blake.leavitt@nickelroadoperating.com) at your earliest convenience.

Accepted and Agreed to this \_\_ day of February, 2022

**North Weld County Water District**

Respectfully,  
**NICKEL ROAD**  
O P E R A T I N G  
VP- Land

\_\_\_\_\_  
Name: Gene Stille  
Title: President

# **PAID-UP OIL & GAS LEASE** **(No Surface Occupancy)**

Producers 88  
(Paid-Up)

**THIS LEASE AGREEMENT** is entered into this February 4, 2022 between North Weld County Water District, as Lessor whose address is PO Box 56, Lucerne, CO 80646, and Nickel Road Development LLC, as Lessee, whose address is 44 Cook Street, Suite 705, Denver, Colorado 80206.

**1. Description.** Lessor, in consideration of Ten and more Dollars (\$10.00 & more), in hand paid, the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, geophysically or by other means (whether now known or not), developing, producing and marketing oil and gas of any nature or kind, along with all hydrocarbon and nonhydrocarbon substances, whether liquid or gaseous, produced in association therewith including sulphur, helium, carbon dioxide, nitrogen and other commercial gases as well as hydrocarbon gases (collectively referred to herein as "covered minerals"), and marketing or rendering more marketable or more valuable the covered minerals, the following described land together with any reversionary rights, riparian rights and after acquired interest therein (the "leased premises") in Weld County, Colorado:

**Township 7 North, Range 67 West, 6<sup>th</sup> P.M.**

**Section 6:** Part of the NW4SW4 & NE4SW4 being more particularly described as follows: Lot A, Recorded Exemption No.. 0705-6-3-RE-4859, according to the map recorded February 16, 2010 at Rec No 3676196, being a part of the Southwest Quarter of Section 6

**Notwithstanding anything to the contrary contained in this lease, it is expressly understood and agreed that lessee shall have no right hereunder, whatsoever, to enter upon or use the surface of any of the lands leased hereunder.**

This lease also covers all property acquired by prescription or accretion, as well as any small strips or parcels of land now or hereafter acquired by Lessor other than by purchase or exchange which are contiguous or adjacent to the leased premises, whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. To determine the amount of any shut-in royalties, the leased premises shall be deemed comprised of 6.405 acres, whether it comprises more or less.

**2. Term of Lease.** This lease shall be in force for a primary term of 4 years from the effective date of this lease, and for as long thereafter as either: (a) any covered minerals are being produced from the leased premises or from lands pooled, unitized or otherwise combined therewith; or (b) Operations, as defined in paragraph 4 below, are being conducted upon the leased premises (subsurface activities, to the extent permitted by paragraph 2) or on lands pooled, unitized or otherwise combined therewith with no cessation of more than one-hundred eighty (180) consecutive days; or (c) this lease is otherwise maintained in effect under the provisions hereof. This lease is a "paid-up" lease requiring no rentals be paid to Lessor. Further, no shut-in royalty payments are required during the primary term.

**3. Royalty Payment.** Royalties on covered minerals produced and saved from the leased premises and either sold or used off the leased premises or lands pooled or unitized therewith, shall be paid by Lessee to Lessor: (a) for oil and other liquid hydrocarbons, the royalty shall be 20% of the amount realized by Lessee in the first sale of such production to a non-affiliate, and (b) for natural gas of any nature or kind (including casinghead gas) and all other covered minerals (including liquid hydrocarbons suspended in gas not separated at the primary separation facilities), the royalty shall be 20% of the gross sales value of all gas produced from the Leased Premises based on the price received by Lessee or Affiliate of Lessee from an independent, non-affiliated, third party purchaser for the product in marketable condition ("Arm's Length Contract"), including all bonuses, premiums, allowances or other consideration of any nature received by Lessee for gas produced or contracted from the Leased Premises. In calculating royalties on all production, Lessee may deduct Lessor's proportionate part of any taxes such as ad valorem, production, severance and excise taxes or other similar taxes as imposed on or measured by production. Lessee agrees to use reasonable diligence to produce, utilize, and market the covered minerals capable of being produced from said wells, but in exercising such diligence, Lessee shall not be obligated to install or furnish facilities beyond the minimum necessary to accomplish such tasks. Any payment of royalties may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment by the last date for payment. Nothing shall impair Lessee's right to release any portion of the leased premises as provided in paragraph 12. If a divided interest (as opposed to an undivided interest) is assigned in this lease, liability for royalty payments shall rest exclusively on the then owners of this lease, severally as to the acreage owned by each.

**4. Operations.** Whenever used in this lease, the word "Operations" (unless specified to the contrary) shall mean drilling, testing, completing, reworking, recompleting, deepening, plugging back, permanently plugging, repairing, perforating, fracturing or dewatering a well located beneath or off the leased premises in an effort to find, obtain, increase, or restore production of oil, gas, sulphur or other covered minerals from the leased premises.

**5. Shut-in Royalty.** If at or after the primary term one or more wells on the leased premises or lands pooled or unitized therewith are capable of producing oil and gas substances in paying quantities, but such well or wells are shut in or production therefrom is not being sold by Lessee, such well or wells shall be deemed to be producing in paying quantities and shall maintain the lease upon compliance with the requirements of this paragraph 6. If for 90 consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of ten dollars (\$10) per acre then covered by this lease. The payment shall be made to Lessor by the first anniversary date of the lease following the end of the 90-day period and thereafter by each anniversary while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations under this lease, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the first anniversary date of the lease following the end of the

90-day period after the end of the period next following the cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. This lease shall not be maintained by the payment of shut-in royalties for any period of more than twenty four (24) consecutive months following the shutting in of a well, but this right to maintain this lease for such period of time shall be a recurring right and may be exercised and from time to time whenever Lessee finds it necessary or expedient to shut in such well or wells.

**6. Pooling.** Lessee shall have the continuing and recurring right, but not the obligation, to pool or otherwise combine all or any part of the leased premises or interest therein with any other lands, leases or interest, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee, in its sole discretion, deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises or to comply with a pooling order of any governmental authority having jurisdiction over such matters, whether or not similar pooling authority exists regarding such other lands, leases or interests. A pooled unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of ten percent (10%), and for an oil well which is a horizontal completion or a gas well shall not exceed twelve hundred and eighty (1280) acres plus a maximum acreage tolerance of ten percent (10%); provided that larger pooled units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. Irrespective of the proceeding limits, in no event shall a pooled unit exceed the size allowed by the Colorado Oil and Gas Conservation Commission. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds one hundred (100) feet in length. Lessee may pool or combine the lands covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with pooled units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights, Lessee shall file of record a written declaration describing the pooled unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Operations or production from anywhere on a pooled unit which includes all or any part of the leased premises, shall be considered for all purposes (except the payment of royalties on production from the pooled unit) as if they were Operations conducted on or production from such part of the leased premises. There shall be allocated to the land covered by this lease included in any such pooled unit that portion of the total production of the pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the acreage in the land covered by this lease and contained in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of the land covered and included in the unit as though produced from the land under this lease. Pooling in one or more instances shall not exhaust Lessee's pooling rights, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any pooled unit formed by expansion or contraction or both, either before or after commencement of production, to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or in the sole reasonable judgment of Lessee, to promote the conservation of covered minerals in and under and that may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised pooled unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises included in or excluded from a pooled unit by such revision, the proportion of pooled unit production on which royalties are payable shall thereafter be adjusted and such adjustment shall be made effective as of the effective date of the revision. Lessee may dissolve any pooled unit formed by filing a written declaration describing the pooled unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling of royalty interests as between any such separate tracts is intended or shall be implied or result merely from including such separate tracts within this lease, but Lessee may nevertheless pool as provided in this paragraph with consequent allocation of production as provided. The words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that on any other part of the leased premises. Pooling shall not constitute a cross-conveyance of interests.

**7. Unitization.** Lessee shall have the continuing and recurring right, but not the obligation, to unitize all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, to constitute a unit or units whenever, in Lessee's sole judgment, such unitization may prevent waste or promote and encourage the conservation of oil and gas by any cooperative or unit plan of development or operation or by a cycling, pressure-maintenance, re-pressuring or secondary recovery program. Any such unit formed shall comply with local, State and Federal laws and with orders, rules, and regulation of State or Federal regulatory or conservation agency having jurisdiction. The size of any such unit may be increased by including acreage believed to be productive, and decreased by excluding acreage believed to be unproductive, or where the owners of which do not join the unit, but any such change resulting in an increase or decrease of Lessor's royalty shall not be retroactive. Any such unit may be established, enlarged or diminished and in the absence of production from the unit area, may be abolished and dissolved by filing of record an instrument so declaring. Operations anywhere on any part of a unit which includes all or any part of the leased premises shall be treated for all purposes as if they were Operations on the leased premises; references in this lease to production from or Operations on the leased premises shall be deemed to include production from or Operations on any portion of such unit. Lessee shall allocate to the portion of the leased premises in any such unit a fractional part of production from such unit on any of the following bases: (a) the ratio between the participating acreage in the leased premises in such units and the total of all participating acreage in the unit, or (b) any other basis approved by State or Federal authorities having jurisdiction over such matters. Lessor shall be entitled to the royalties provided under this lease by the unit production so allocated to that part of the leased premises in such unit and no more.

**8. Ancillary Rights.** Lessee shall have free use of oil, gas and other substances, except water, produced from the leased premises for exploring, developing, producing or marketing production from the leased premises or lands pooled or unitized therewith, and Lessor's royalty shall be computed after deducting any produced oil or gas so used.

**9. Ownership Changes.** The interest of either Lessor or Lessee may be assigned or otherwise transferred in whole or in part, by area or by depth or zone, and the rights and obligations of the parties shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the

obligations of Lessee, and no change in ownership shall bind Lessee until sixty (60) days after Lessee has been furnished with notice, including copies of the recorded documents establishing a complete chain of record title from Lessor to the reasonable satisfaction of Lessee. If a person entitled to shut-in royalties dies, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If two (2) or more persons are entitled to shut-in royalties, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers the entire interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage in this lease then held by each.

**10. Warranty of Title.** Lessor hereby ~~warrants and agrees to defend the title to the lands herein described, and~~ agrees that the Lessee, at its option, may pay or discharge any tax, mortgage or lien existing, levied or assessed against the leased premises and, if it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, besides its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor. If Lessee knows any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties or shut-in royalties, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

**11. Payment Reductions.** If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties, or other payment attributable to the mineral interest shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises. To the extent any royalty or other payment attributable to the mineral interest covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor.

**12. Release of Lease.** Lessee may from time to time deliver to Lessor or file of record a written release of this lease as to all or any portion of the leased premises, and shall thereafter be relieved of all obligations thereafter arising regarding the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained.

**13. Regulation or Delay.** Lessee's obligation under the lease, shall be subject to all laws, rules, regulation and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding paragraph 2 above, when Operations are prevented or delayed by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), then while so prevented, Lessee's duty shall be suspended, and Lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or re-working operations or from producing oil or gas and, at Lessee's option, the period of such prevention or delay shall be added to the term or any period for performance of Lessee's rights or obligations. Lessee shall not be liable for breach of any terms of this lease if the breach is due to force majeure conditions.

**14. Breach or Default.** An alleged breach or default by Lessee of any obligation or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease or cause a termination or reversion of the estate created nor be grounds for cancellation in whole or in part, and no litigation shall be initiated by Lessor regarding any alleged breach or default by Lessee, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and if Lessee does not dispute the breach, then only if Lessee fails to remedy the breach or default within such period. If Lessee disputes that a breach has occurred and the matter is litigated and there is a final un-appealable judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. If this lease is canceled for any cause, other than in the case of breach or default, it shall nevertheless remain in force and effect as to the interest in and to each wellbore as to which there are Operations or production and Lessee shall also have such easements on said leased premises or lands pooled therewith as are necessary to conduct Operation on each wellbore. Nothing in this instrument or in the relationship created shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal-agent relationship between Lessor and Lessee for any purpose. Lessee's standard of conduct shall be that of a reasonable prudent operator.

**15. Option to Extend.** Lessor grants Lessee the option to extend the primary term of this lease for an additional two (2) years on the expiration of the original primary term on all or any portion of the leased premises then held which would expire unless so extended. This option may be exercised by Lessee or its successors and assigns before the expiration of the primary term by paying to Lessor an amount equal to 100% of the initial bonus paid upon execution of this lease, on a net mineral acre basis, for each net mineral acre so extended, which payment shall cover the Two (2) years of the extended term and, Lessor acknowledges there will not be rental payments due for or during the extended term. Payment may be made by check or draft mailed or delivered to Lessor. Should this option be exercised as provided, Lessee may execute and file of record an instrument evidencing the exercise of this option.

**16. Preferential Right.** If while this lease is in effect (but not over eight (8) years after the effective date of the lease) Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the leased premises then covered by this lease, and if Lessor intends to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, all terms and conditions of the offer, including any lease bonus offered, and shall provide Lessee with a copy of the offer and the proposed lease. Lessee shall have thirty (30) days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor under the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all under the terms of the draft. Whether or not Lessee exercises its preferential right, then as long as if this lease remains in effect any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations.







# Tech Memo: **draft**

**To:** Eric Reckentine, NWCWD General Manager  
**From:** Paul Weiss, WWC  
George Oamek, Headwaters Corporation  
**Date:** February, 2022  
**Re:** Drought Mitigation

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## **Introduction**

WWC has developed a computer simulation model to evaluate the North Weld District water supply system. The model simulates the performance of the water supply system over a 50-year period of record, using historical water supply and river flow data derived from 1970 to 2019. This 50-year period contains a wide range of hydrological conditions, most notably the 2000's drought. The model has been updated using the District's latest demand projections and water supply portfolio. During the 2000's drought, the model projects water supply shortages for the District. Under severe drought conditions, the District may need to invoke demand management strategies, such as outdoor watering restrictions. Model output has been evaluated to identify water supply metrics, and threshold values, that may suitable for use as drought mitigation triggers.

Customer characteristics of the North Weld District influence drought plan development. Most water providers in the region primarily serve residential customers who tend to use a large portion of their annual usage for landscape irrigation during the warm months, as much as 50 percent. Residential usage accounts for as much as 90 percent of total demand for many systems in the region. In contrast, traditional residential customers account for about 25 percent of North Weld's usage, with wholesale service to regional communities and commercial customers accounting for 37 percent and 38 percent of usage, respectively. The proportions are significant because these non-residential customers have little discretionary water usage to reduce. Commercial usage is dominated by dairy farms who use the water as part of their production process. Reductions in wholesale municipal usage to the towns would likely take place on the towns' side of the meter, out of the North Weld District's control. As a result, short-term measures will fall primarily upon a relatively small residential sector.

The North Weld District's residential development is rapidly growing and concentrated towards the west and south, in proximity to the larger communities of Fort Collins, Loveland, and Greeley. Residential housing types and lot sizes are similar in these border areas and its follows that some consistency in drought response measures across communities would be beneficial.

Surrounding providers define different stages of drought and implement increasingly aggressive conservation measures as the stage increase in severity. For instance, Fort Collins identifies three stages, plus a Stage 4 “worst case” scenario in which mandatory cutbacks and rationing may be implemented. Outdoor usage and conservation pricing are the main target of the drought stages, with odd-even day watering and time of day restrictions that evolve into single day watering, to no outdoor watering, as the stages progress from Stage 1 to Stage 3. The volume price of water beyond the lower tier also increases with each stage. For Fort Collins, the upper tier prices increase by 20 percent and 30 percent. These conservation measures are available to the North Weld District, although enforcement of landscape restrictions and modifying pricing methods will incrementally increase the District’s operating cost. However, the District has few enforcement options beyond fines and raising rates. Without a conservation officer or the flexibility to assign “water cops” to monitor compliance with landscape measures, pricing measures remain the most viable measure. As a result, residents will be required to self-monitor for compliance with conservation measures.

Pricing measures intended to restrict landscape and other discretionary uses will include a monthly threshold volume that, when exceeded, results in a penalty or surcharge on usage above current charges. The District currently has a monthly threshold of 6,000 gallons before volume charges are imposed. This threshold appears equally applicable to water conservation measures because it should account for indoor usage for the majority of households.

## **SECTION 1: DROUGHT TRIGGERS**

### **Water Supply/Demand Background**

North Weld District’s water supply portfolio consists of native water rights and Colorado-Big Thompson (C-BT) units. The majority of the native water rights are associated with share ownership in various irrigation company ditches located in the Cache la Poudre River basin. The long-term (1970-2019) average, treatable yield for the existing portfolio is 9,610 AF. About 2/3<sup>rd</sup> of the yields derive from the C-BT system. This consists of North Weld’s C-BT unit ownership, the multi-use component of its NPIC shares, and a lease agreement with Colorado State University for approximately 500 AFY. The remaining 1/3<sup>rd</sup> of its yield comes from native water rights. During extreme drought conditions coupled with a low C-BT quota, as experienced in 2000’s drought, North Weld’s water supply yield drops to 6,870 AF. A portion of the water supply is lost to system shrink, consisting of river conveyance losses, reservoir evaporation, plant production losses, and pipeline transmission losses. While the computer model explicitly represents the different losses, they may be considered to average, collectively, about 15% of the supply.

North Weld’s current annual potable demand is about 6,500 AF. Depending upon climate, and its effect on outdoor irrigation demands, the annual demand can range from 7,300 to 5,900 AFY. These values represent an “at-the-tap” demand. The delivery levels at the treatment plant will be greater, as approximately 9% of the treated supplies are lost due to production and transmission losses. Therefore, the annual average “at-the-plant” demand is about 7,100 AF. Of this amount, about 1,400 AF, on average, goes to meeting outdoor demands. This represents 20% of the total demand. For this region, the percent outdoor demand for most water providers is closer to 40%. North Weld’s outdoor

component is low as a result of the relatively large commercial demand levels associated with the dairy industry.

During the 2000's drought, the model predicts that North Weld would have a water supply deficit of 1,800 AF, under current conditions for supply and demand. A second scenario was evaluated, in which the lease agreement with CSU was no longer active. Under this reduced supply scenario, the deficit during the 2000's drought increases to 4,000 AF. Chart 1 shows simulated carryover storage levels and annual supply deficits for the two scenarios.

## **Water Supply Metrics**

North Weld evaluates its water supply each spring to assess its ability to fully meet all system demands. There are three metrics used to forecast seasonal water supply; snowpack in the Cache la Poudre basin (or NRCS streamflow forecast), projected C-BT quota, and volume of water carried over from the previous season. The metrics can be determined by North Weld prior to the irrigation season. The carryover volume is known by mid-winter, the C-BT quota declaration usually occurs in mid-April, and snowpack can be reasonably evaluated by May 1<sup>st</sup>. (April 1<sup>st</sup> and May 1<sup>st</sup> published NRCS streamflow forecast values for 1998-2019 were compared against North Weld's native water rights yields. The April 1<sup>st</sup> NRCS forecast had a weak correlation of 0.485, while the May 1<sup>st</sup> NRCS forecast had a stronger correlation of 0.725.) Therefore, by May 1<sup>st</sup> of each year, North Weld should have adequate information to evaluate the condition of their water supply and to determine whether or not irrigation restrictions will need to be activated for the coming summer.

The three metrics (snowpack, C-BT quota, and carryover storage) are tabulated for the fifty year simulation period (1970-2019) in Table 1. Included are the simulated water shortages for the current conditions scenario (Scen1). Data for the reduced supply scenario (Scen2) is presented in Table 2. After evaluating the metrics against the model results, it is recommended that "trigger" threshold for the metrics be the following:

- C-BT quota less than 80%
- Carryover Storage less than 2,400 AF
- NRCS Streamflow Forecast below average

If all three metrics fall below the threshold, then conditions dictate that the District should implement drought restrictions. These are general guidelines that can be easily translated into operational policy. But the District should continue to evaluate each water year independently based upon its unique set of circumstances and maintain the ability to implement drought restrictions as deemed necessary.

## Water Supply-Drought Formula

A shortfall on the approach described above is that it doesn't provide a scaled value, useful in identifying the intensity of drought and possible system deficits. Several formulaic approaches were evaluated to increase the precision in the annual drought prediction. It was found that an approach producing a supply to demand ratio can produce a more accurate metric for forecasting water supply deficits and their intensity. The suggested formula is:

$$\text{Ratio} = (\text{Carryover Supply} + \text{Projected WY Supply} * 0.95) / (\text{Normalized ATP Demand} * 1.10 + \text{RFO})$$

Where

- Carryover Supply = stored water from previous water year
- Projected WY Supply = expected yield on CBT plus native rights for current water year
- 0.95 = safety factor on supply
- Normalized ATP Demand = expected at-the-plant demand under normal conditions
- 1.10 = dry year demand multiplier
- RFO = return flow obligations associated with converted native supplies

Model simulations for the 50-year period (1970 – 2019) show that the Ratio ranges from 0.84 to 1.74, and that Ratios below 1.0 correlate well with water supply deficit years (Table 1). For the reduced supply scenario, the Ratio ranges from 0.76 to 1.67. Again, ratios below 1.0 correlate well with water supply deficit years (Table 2).

In both instances, the scaled value of the ratio provides a good indicator to the severity of the drought and water supply deficit. While the water supply-drought formula appears to be superior to the more basic water supply metrics approach, the ability to develop reliable estimates of current year yields for native water supplies is dependent upon the accuracy of the NRCS stream flow forecasts. Yield estimates made prior to May 1 may not be accurate. Therefore, the water supply-drought formula should not be applied prior to the NRCS issuance of its May 1<sup>st</sup> forecast. The NRCS forecast identifies expected streamflows as a percent of average, which can be described as ranging from extremely wet to extremely dry. For each discrete increment, the District can use a multiplier to estimate the expected yield on native rights. For example, the annual average yields for the portfolio are known through either long term observation, or in most instances, through water engineering analyses as part of the water court change of use case. The average yield of the native water rights portfolio can then be multiplied by the corresponding factor associated with the NRCS forecast.

Percent of Average		native yields	
■	> 150	extremely wet	150%
■	130 - 150	very wet	125%
■	110 - 129	wet	115%
■	90 - 109	avg	100%
■	70 - 89	dry	85%
■	50 - 69	very dry	75%
■	< 50	extremely dry	60%

Chart 1. Model Results for Current Conditions Scenario (Scen1) and Reduced Water Supply Scenario (Scen2)

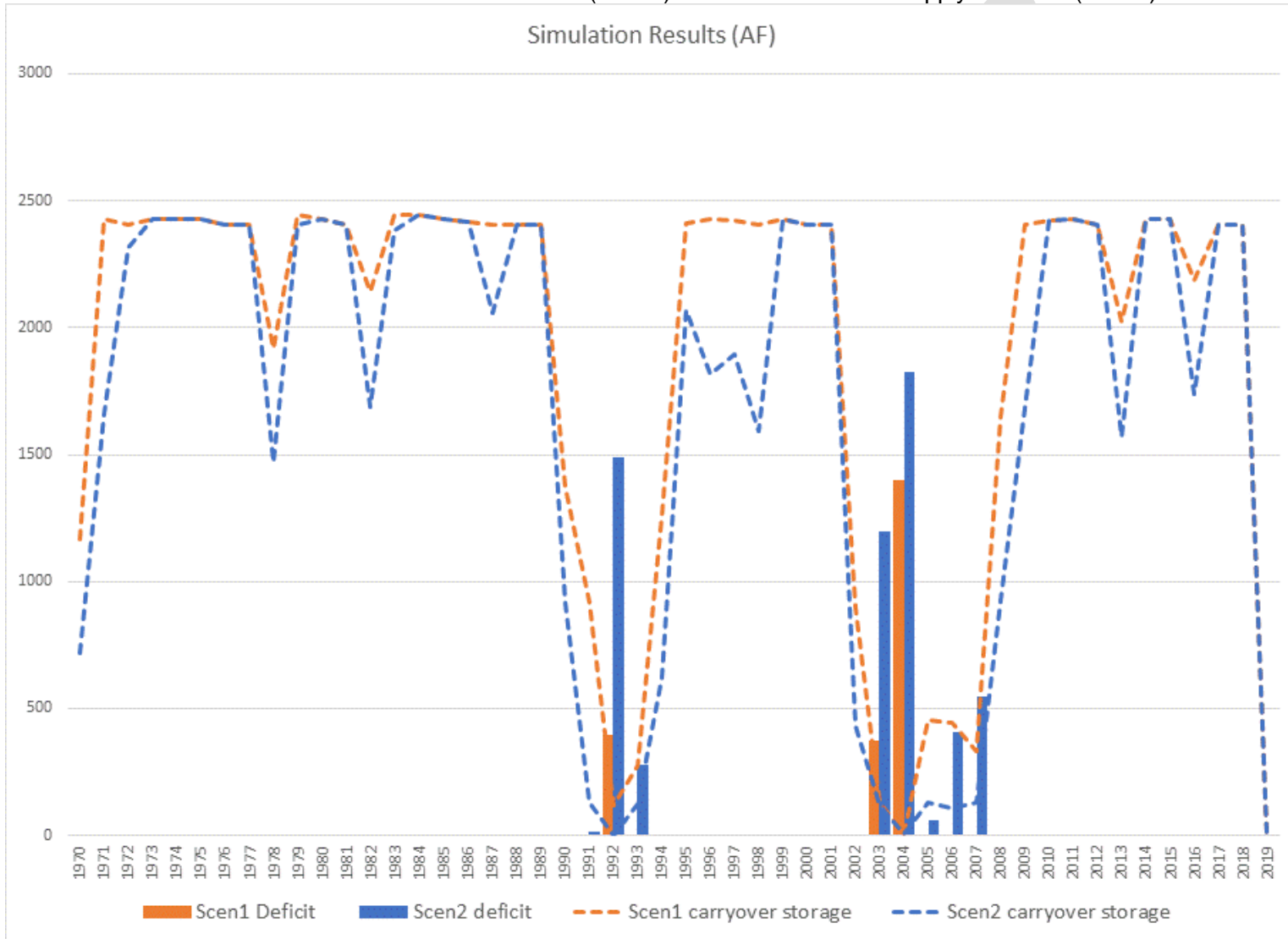


Table 1. Current Conditions Scenario (Scen1)

year	cbt quota	carryover	snowpack	Simulated Deficit	trigger	Supply to Demand Ratio
1970	0.6		1	0		
1971	0.6	1169	1	0		1.30
1972	0.8	2426	0	0		1.33
1973	0.7	2404	1	0		1.47
1974	1	2426	1	0		1.72
1975	0.8	2426	1	0		1.52
1976	1	2426	0	0		1.56
1977	1	2403	0	0		1.49
1978	0.6	2404	0	0		1.19
1979	0.6	1919	1	0		1.26
1980	0.7	2443	1	0		1.69
1981	1	2426	0	0		1.50
1982	0.6	2406	0	0		1.16
1983	0.5	2140	1	0		1.45
1984	0.7	2443	1	0		1.71
1985	0.7	2443	1	0		1.47
1986	0.7	2426	1	0		1.38
1987	0.7	2416	0	0		1.23
1988	0.8	2408	0	0		1.34
1989	1	2407	0	0		1.49
1990	0.5	2408	0	0		1.08
1991	0.6	1372	0	0	1	1.02
1992	0.6	917	0	396	1	0.98
1993	0.6	120	0	0	1	0.91
1994	0.7	273	0	0	1	0.99
1995	0.8	1259	1	0		1.25
1996	0.5	2410	1	0		1.37
1997	0.6	2426	1	0		1.25
1998	0.5	2422	1	0		1.28
1999	0.8	2406	1	0		1.58

Table 1. Continued

2000	1	2426	0	0		1.45
2001	0.9	2405	0	0		1.45
2002	0.7	2406	0	0		1.13
2003	0.5	898	0	372	1	0.88
2004	0.6	127	0	1397	1	0.84
2005	0.7	6	0	0	1	0.95
2006	0.8	455	0	0		1.08
2007	0.8	441	0	0		1.02
2008	0.8	330	0	0		1.09
2009	0.8	1647	0	0		1.22
2010	0.8	2407	1	0		1.48
2011	0.8	2422	1	0		1.74
2012	1	2426	0	0		1.46
2013	0.6	2404	0	0		1.12
2014	0.6	2022	1	0		1.42
2015	0.7	2426	1	0		1.48
2016	0.7	2426	1	0		1.28
2017	0.8	2189	1	0		1.45
2018	0.8	2408	1	0		1.34
2019	0.7	2408	1	0		1.25



Table 2. Reduced Water Supply Scenario (Scen2)

year	cbt quota	carryover	snowpack	Simulated Deficit	trigger	Supply to Plant Demand Ratio
1970	0.6		1	0		
1971	0.6	717	1	0		1.19
1972	0.8	1660	0	0		1.19
1973	0.7	2317	1	0		1.41
1974	1	2426	1	0		1.67
1975	0.8	2426	1	0		1.46
1976	1	2426	0	0		1.50
1977	1	2403	0	0		1.43
1978	0.6	2404	0	0		1.13
1979	0.6	1469	1	0		1.15
1980	0.7	2403	1	0		1.63
1981	1	2426	0	0		1.44
1982	0.6	2406	0	0		1.10
1983	0.5	1690	1	0		1.35
1984	0.7	2384	1	0		1.64
1985	0.7	2443	1	0		1.42
1986	0.7	2426	1	0		1.33
1987	0.7	2416	0	0		1.17
1988	0.8	2058	0	0		1.24
1989	1	2407	0	0		1.43
1990	0.5	2408	0	0		1.03
1991	0.6	922	0	15	1	0.91
1992	0.6	131	0	1491	1	0.83
1993	0.6	3	0	278	1	0.85
1994	0.7	126	0	0	1	0.92
1995	0.8	621	1	0		1.11
1996	0.5	2071	1	0		1.27
1997	0.6	1814	1	0		1.12
1998	0.5	1896	1	0		1.16
1999	0.8	1592	1	0		1.42

Table 2. Continued

2000	1	2426	0	0		1.39
2001	0.9	2405	0	0		1.39
2002	0.7	2406	0	0		1.08
2003	0.5	431	0	1196	1	0.76
2004	0.6	118	0	1823	1	0.78
2005	0.7	5	0	57	1	0.90
2006	0.8	131	0	407		0.98
2007	0.8	106	0	545		0.92
2008	0.8	129	0	0		1.02
2009	0.8	928	0	0		1.08
2010	0.8	1681	1	0		1.33
2011	0.8	2422	1	0		1.69
2012	1	2426	0	0		1.40
2013	0.6	2404	0	0		1.07
2014	0.6	1572	1	0		1.31
2015	0.7	2426	1	0		1.42
2016	0.7	2426	0	0		1.22
2017	0.8	1739	1	0		1.34
2018	0.8	2408	1	0		1.29
2019	0.7	2408	0	0		1.20

## SECTION 2: DROUGHT ACTIONS

Water conservation to mitigate drought will focus upon residential customers' outdoor water usage. This represents the largest volume of discretionary water usage within the North Weld District and provides consistency with other regional water providers' proposed measures. These measures are contained in three stages representing increasing drought severity and are summarized in Table 1.

<i>Table 1. Proposed Measures for the NWCWD Water Shortage Action Plan</i>				
<b>Residential customers</b>				
	<i>Days per week outdoor watering</i>	<i>Surcharge on usage &gt; 6,000 gal/month</i>	<i>Estimated % demand reduction in outdoor usage</i>	<i>Total reduction in annual system demand</i>
<i>Stage 1</i>	2	25% -- \$3.88/1,000 gal. goes to \$4.85/1,000 gal.	25%	260 acre-feet
<i>Stage 2</i>	1	50% -- \$5.82/1,000 gal.	50%	520 acre-feet
<i>Stage 3</i>	0	100% - \$11.64/1,000	100%	1,034 acre-feet
<b>Non-Residential Customers</b>				
<i>Stage 1</i>	2	NA	NA	
<i>Stage 2</i>	1	NA	NA	
<i>Stage 3</i>	0	NA	100%	400 acre-feet

Under the Stage 3 condition, there is no discretionary outdoor watering for landscaping allowed for any District customer, including non-residential customers (with possible exception for hand watering of new plantings and other exceptions yet to be developed). Also, Stage 3 proposes a surcharge of 3 times the current volume rate on usage exceeding 6,000 gallons to discourage outdoor usage.

The proposed surcharge on usage is on a monthly basis and would be in addition to the Water Allocation surcharge on total annual usage already used by the District. It should also be noted that the total estimated water use reduction is somewhat modest due to a relatively small residential sector, with savings representing less than 10 percent of total usage under Stage 1 and Stage 2 conditions, and about 20 percent under Stage 3 conditions.

Residential water usage during drought years should be monitored closely to verify reduction goals are being met. If it becomes apparent they are not, the District should reserve the option to immediately proceed to a Stage 3 level, eliminating landscape usage.

Achieving greater savings would require the District to develop conservation measures for non-residential customers, such as for the large dairies accounting for a major portion of non-residential demand. These measures are necessarily industry-specific and are currently being examined by the District as part of larger water supply and infrastructure issues.

### **SECTION 3: CONCLUSION AND RECOMMENDATIONS**

Under Stage 3 restrictions, or no outdoor watering, the total savings of 1,434 AF annually is a hypothetical maximum. In reality some customers will continue watering despite the surcharges. Therefore, maximum annual savings will be somewhat less.

The potential for savings related to commercial use, such as dairies, is being evaluated separately under the District's policy regarding contractual allocations related to plant investment. Flow control measures being considered for drought curtailment, and the expected savings, are not included in the watering restriction evaluation.

We recommend the North Weld District incorporate the information and findings provided in this tech memo to develop an actionable drought mitigation policy. Drought triggers can be based upon the three water supply metrics (snowpack, C-BT quota, and carryover storage) and are typically known by the end of April, although it is recommended that the District employ the water supply-drought formula which is expected to provide a more precise prediction (Ratio value) of water supply deficits.

Using the water supply Ratio value as a guide, the District can enact appropriate staged drought mitigation measures, as identified in drought actions Table 1.

## SECTION 4: Contract Allocations for Commercial/Dairy Use

District billing records for 2019 and 2020 were evaluated to identify over usage by commercial water users. This group consists primarily of dairy and ranching customers. Historical water use for a set of 30 dairy and ranching customers were computed and compared against actual allocations to highlight the extent of over usage. The following table identifies the actual usage, the allocated units, the available water supply based upon allocated units, and the net difference (over usage).

	Water Use (AF)	Allocated Units	Allocated Water (AF)	Over Usage (AF)	Add'l Req Units
2020	1444	473	332	1112	1588
2019	1424	472	331	1093	1561

Both years saw over usage exceed 1000 acre-feet. Dairies have managed to operate in this fashion by paying a surcharge on their water use beyond their allocation. This system has functioned as the District has had excess water supplies for several years. The excess water has been due, in part, to the annual lease of 500 AF of C-BT water from Colorado State University. Additionally, the C-BT quota has remained at 0.7 or 0.8 AF/share since 2015. In the event the CSU lease is not renewed, and/or the C-BT quota drops to drought yields of 0.5 AF/share, it is unlikely that the District would have excess water supplies to provide to the dairies. A combination of no CSU lease, low C-BT yields, and drought conditions in the Poudre Basin would most certainly result in no excess water supplies in the District.

As simulated with the water supply planning model, the District would suffer water supply deficits under a drought similar to that experienced during the early 2000's. Depending upon whether or not the CSU lease is in place, the successive years of shortfall would range from 2 to 5 years. Under those conditions, the District would be unable to provide excess water to dairies for 2 to 5 successive years.

It is recommended that the District and the dairies begin to explore alternative approaches to meeting that portion of their demand that exceeds their allocated supply. Some possible long term solutions may be:

- Acquiring additional supplies to allocate to the District
  - This could include annual rental of CBT transferred to District
  - Other supplies could be considered, but may require additional State permitting
- Entering into dry-year lease agreements for water supplies
- Developing ground water supplies

Some of these alternatives may require State permitting and water court approval, and the dairies should plan accordingly.

## **Modifications to the Water Allocation Surcharge**

To address near term water supply concerns, updating the Water Allocation surcharge is recommended.

- The current surcharge of \$2.00 per 1,000 gallons reflects raw water price levels from about 2012 and does not provide incentive for commercial customers to acquire additional supplies to cover their excess usage beyond their allocations.
- With C-BT supply currently in the \$60-65K/per unit and native agricultural water supplies in the range of \$50 per acre-foot, a cost-based surcharge would be in the range of \$12 to \$20 per 1,000 gallons on an annual equivalent basis.
- The consensus among the Board is that a Water Allocation surcharge in the range of \$12 to \$20 per 1,000 gallons will drive many dairies out of business, which is an untenable outcome.

The surcharge will have to be high enough to provide an incentive for customers using excess water to conserve water and to seek additional supplies, without driving them out of business. Based on this, transitioning from the current levels to a cost-based level appears to be an option, with the length of this transition period remaining uncertain.

Based on the above considerations and irrespective of drought conditions, increasing the Water Allocation surcharge from \$2.00 per 1,000 gallons to \$6.00 per 1,000 gallons is a recommended near-term step, while gradually increasing the surcharge to a cost-based level within 3 to 5 years. This could be accomplished through annual increases of \$2.00 per 1,000 gallons each year until the surcharge aligns with raw water acquisition cost. This also presumes water would indeed be available for use in excess of customers' allocations. During the interim time frame, the District and dairies can work towards a long-term, more reliable, and lower cost solution that might involve leasing of C-BT supplies and/or local native supplies to cover the excess usage, possible groundwater supplies, and conservation measures.

Under the current Water Allocation surcharge of \$2.00/1,000 gallons and current Plant Investment surcharge of \$3.85/1,000 gallons, the commercial user exceeding their allocations pays \$10.00/1,000 gallons (\$4.15 base rate + \$2.00 Water Allocation surcharge + \$3.85 Plant Investment surcharge). With a \$6.00 Water Allocation surcharge, their total excess use cost increases to \$14.00 (\$12.00), effectively a 40% increase in cost for the excess usage.

The recommended Water Allocation surcharge would apply to all commercial customers in the system prior to 2021. Those joining the system in 2021 and later are already required to pay a cost-based Water Allocation surcharge of \$18.51 per 1,000 gallons, based on the current cost of C-BT supply.

## **Water Allocation Surcharge and Drought Stages**

It is currently assumed that the Commercial Water Allocation surcharge would not vary by drought condition

## SECTION 5: Proposed Surcharge Policy

As described in the previous section many commercial users has seen significant over usage in recent years, relying upon available District supplies to provide water beyond their allocation. This arrangement may no longer be sustainable for the District, especially under drought conditions and resultant loss of system yield. We have recommended that the surcharge rates be increased to better reflect the true value of the water supplies being provided, and to promote commercial users to explore options for acquiring additional supplies.

It is clear that a threefold increase (\$2 to \$6) in the surcharge rate will cause financial impacts to many customers in the North Weld District. To provide an alternative approach for customers to meet demands, and avoid incurring exorbitant surcharge fees, the District will allow customers to convey short term (annual) water supplies to the District, thus increasing their allocation and potentially reducing the amount of water assessed the surcharge rate. As currently conceived, customers will have two options for providing short term supplies to the District:

1. C-BT Rental Water: Customers will independently secure rental water and their own negotiated price. The C-BT water will then be conveyed to the District via a CD4 transfer card as executed by the Northern Colorado Water Conservancy District (Northern). Any fees related to the transfer will be the responsibility of the customer. For example, Northern's Rule 11 imposes a fee for water transferred from an agricultural entity to a municipal water provider. Depending on the source of agricultural C-BT water, this rate will range from approximately \$39 per acre-foot to \$68 per acre-foot.
2. North Weld District Leased Water Pool (LWP): on an annual basis the District will attempt to secure additional short term treatable water supplies, primarily C-BT. On May 1<sup>st</sup> the District will declare the volume of water in the pool, and the cost of the water. Customers will be able to request a user-specified volume of water, at cost. Customer requests will be submitted to the District no later than May 31<sup>st</sup>. In the event the sum of all requests exceeds the amount of water in the pool, the water will be allocated on a pro-rated basis.

The transfer of C-BT water and the North Weld District Leased Water Pool will be coordinated by the Tri-District's in-house Water Resources Department.

Example surcharge calculations, assuming a surcharge increase to \$6 per 1000 gallons:

Commercial customer A has 10 water allocation units. This translates to 7 AF of water (10 x 0.70). Therefore the first 7 AF of water delivered to customer A incurs a charge at the existing base rate of \$4.15 per 1000 gallons. (7 AF x 325,850 gallons/AF = 2,280,950 gallons). Divided by 1000 and multiplied by \$4.15, the cost of delivery will be \$9,465.94.

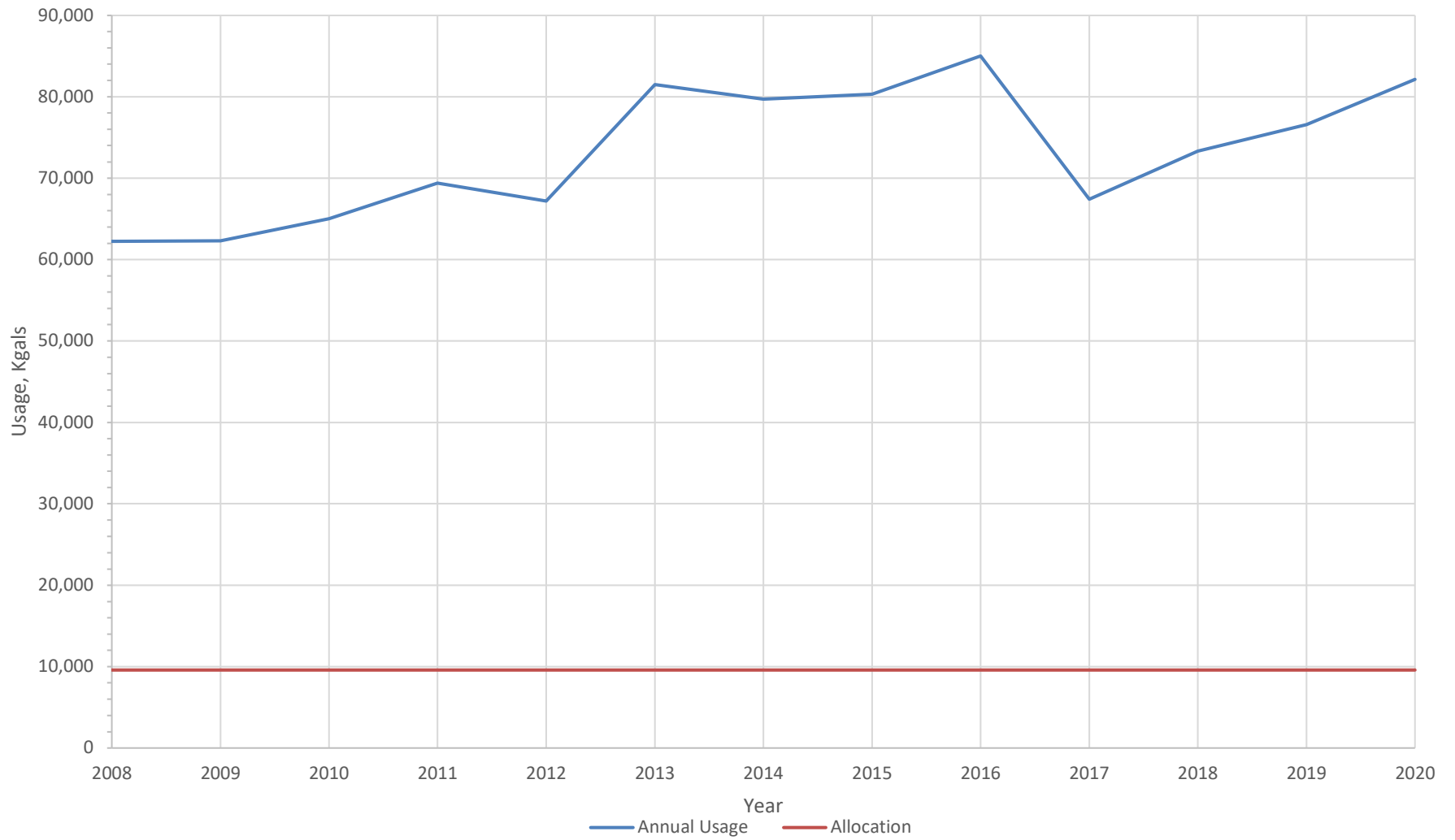
If Customer A were to use 14 AF in a given year, without any additional allocation units, then 7 AF would incur the surcharge. This translates to a cost of 7 AF \* 325,850 gallons/AF \* \$10.15 /1000 gallons = \$23,149.51 (Note that \$10.15 = base rate of \$4.15 + surcharge rate of \$6.00). Thus the total cost of delivering 14 AF to Customer A is \$9,441.25 (for the first 7 AF) plus \$ 23,149.51 (for 7 AF surcharge) = **\$ 32,590.76**

Now suppose customer A rented 3 AF of C-BT for \$200 per AF, and secured 1 AF of the LWP from the District at a cost of \$250. The addition of 4 AF of water increases customer A's water allocation for the year from 7 AF to 11 AF. Under these circumstances, the total cost of delivering 14 AF of water would be  $(11 \text{ AF} * 325,850 \text{ gallons/AF} * \$4.15 / 1000 \text{ gallons}) + (3 \text{ AF} * 325,850 \text{ gallons/AF} * \$10.15 \text{ gallons}) + \text{rental costs} = \$ 14,875.05 + \$9,922.13 + \$850.00 = \mathbf{\$ 25,647.18}$

As part of this program, water rented independently by customers would need to be conveyed to the District no later than October 31<sup>st</sup> of each year.



### Annual Usage



# TRI-DISTRICTS

## East Larimer County ~ Fort Collins Loveland ~ North Weld County Water Districts

To: Eric Reckentine, North Weld County Water District General Manager  
From: Tri-Districts Water Resources and Scott Holwick  
Date: February 14, 2022  
Re: 21CW3234 –ACCWA/United Application

### **Recommendation**

Water Resources and legal counsel recommend filing a statement of opposition to this water court application in order to identify any potential impacts and to prevent injury to North Weld's existing senior diversions and exchanges.

### **Issue**

Arapahoe County Water and Wastewater Authority (ACWWA) and United Water and Sanitation District (United) filed a water court application to add an additional recharge facility to an existing recharge project which is a component of ACWWA's primary plan for augmentation decreed in Case No. 10CW306. Components of the Applicants' project are located in Adams, Arapahoe, Denver, Douglas, Elbert, Morgan, and Weld Counties.

### **Background**

- A copy of the application is attached.
- ACWWA owns and operates a wellfield in the Beebe Draw which serves as its primary source of raw water for municipal uses.

### **Impact to North Weld**

- United and ACCWA each own water rights in the Poudre River Basin.
- United was an aggressive objector in North Weld's WSSC change of use application (Case No. 17CW3057). United also filed a statement of opposition in North Weld's new WSSC change of use application (Case No. 21CW3199).
- Additional information on the scope and impact of this additional augmentation source will be learned during the water court process for this application.

### **Motion for approval**

Water Resources staff and legal counsel are directed to file a statement of opposition to Case No. 21CW3234 and take the steps necessary to protect North Weld's water rights and operations.

**21CW3234 ARAPAHOE COUNTY WATER AND WASTEWATER AUTHORITY (“ACWWA”);** c/o Steven Witter, General Manager; 13031 East Caley Avenue Centennial, Colorado 80111; Telephone: (303) 790-4830. **UNITED WATER AND SANITATION DISTRICT (“UNITED”);** c/o Robert A. Lembke, President; 8301 East Prentice Avenue, Suite 100; Greenwood Village, Colorado 80111; Telephone: (303) 773-1005. The above-listed parties shall be collectively referred to as the “Applicants.”

**APPLICATION TO ADD RECHARGE POND TO ACWWA BEEBE DRAW RECHARGE PROJECT in ADAMS, ARAPAHOE, DENVER, LARIMER, MORGAN, AND WELD COUNTIES.**

Please send all pleadings and correspondence to: Brian M. Nazarenius, Esq., Sheela S. Stack, Esq., William D. Wombacher, Esq., Stacy L. Brownhill, Esq., NAZARENIUS STACK & WOMBACHER, LLC, 5299 DTC Blvd, Suite 610, Greenwood Village, Colorado 80111, (Attorneys for ACWWA). Tod J. Smith, Esq., LAW OFFICE OF TOD J. SMITH, LLC 5777 Central Avenue, Suite 228, Boulder, CO 80301 (Attorney for United).

**2. Introduction.** ACWWA operates a recharge project in the Beebe Draw decreed in Case No. 10CW306 (“306 Decree”) to recharge water into the Beebe Draw groundwater alluvium through various canals and recharge ponds. By this Application, ACWWA seeks approval to add one new recharge facility, the A2 Pond, to the ACWWA Beebe Draw Recharge Project under the 306 Decree (“ACWWA Beebe Draw Recharge Project”).

**3. Claim to Add New Recharge Pond to the ACWWA Beebe Draw Recharge Project.**

3.1. The location of the new recharge pond: The A2 Pond is located northeast of the intersection of State Highway 7 and US Highway 76, in the SE 1/4 of the NW 1/4 of Section 1, Township 1 South, Range 66 West of the 6th P.M., Adams County, Colorado.

3.2. The total capacity of the A2 Pond: 10.57 acre-feet.

3.3. A copy of a diagram depicting the location and design of the A2 Pond: See **Exhibit A**.

3.4. The maximum number of surface acres associated with delivery of water into the A2 Pond: 1.75 acres.

3.5. The relationship between the depth of the water in the A2 Pond, the water surface area, and the volume of water in the A2 Pond (stage-area-capacity curve): See **Figure 1** and **Table 1**.

3.6. The A2 Recharge Pond does not intercept groundwater: The clay layer will be removed from the A2 Pond and will be replaced with gravel, as described above, so that the recharged water will permeate into the aquifer. However, groundwater will not be “intercepted” by the Pond. Groundwater will remain below the bottom of the Pond and does not enter or fill the Pond, thereby exposing it to the atmosphere. As a result, the operation of the Pond does not induce any measurable depletion from the natural groundwater, and there will not be any increase in consumptive use of groundwater due to evaporation from the water table.

3.7. The URF values which Applicants proposes to use to determine the amount and timing of increased or new accretions to the South Platte River or a tributary or drain to river: The timing of the recharge accretions from the A2 Pond to the Beebe Draw and the South Platte River shall be calculated using the URFs for the A2 Pond in **Exhibit B**.

3.8. Sources: ACWWA will deliver the sources of water identified in **Exhibit C** for recharge in the A2 Pond.

4. Name and Address of the Fee Owner of the Land on which the A2 Pond is Located. Co-Applicant United is the fee owner of the land on which the A2 Pond is located. (5 pages, 3 exhibits, 1 table, 1 figure).



**Fox Rothschild** LLP  
ATTORNEYS AT LAW

1225 17th Street  
Suite 2200  
Denver, CO 80202  
Tel 303.292.1200 Fax 303.292.1300  
[www.foxrothschild.com](http://www.foxrothschild.com)

BENJAMIN A. MARESCA  
Direct No: 303.383.7660  
Email: [BMaresca@FoxRothschild.com](mailto:BMaresca@FoxRothschild.com)

February 2, 2022

White Bear Ankele Tanaka & Waldron  
Zachary White  
2145 E. Commons Ave, Suite 2000  
Centennial, CO 80122  
[zwhite@wbapc.com](mailto:zwhite@wbapc.com)

North Weld County Water District  
Board of Directors  
32825 CR 39  
PO Box 56  
Lucerne, CO 80646

Dear Mr. White & Members of the Board:

This firm represents Babcock Land Corp. (“Babcock”) and HR Exchange, LLC (“HR Exchange”). Our clients have serious concerns related to the Board’s September 29, 2021 moratorium on tap sales and plant investment (the “Moratorium”) and the damage the Moratorium will have to my clients’ investments and businesses. Our clients demand that the Board immediately lift the Moratorium and enter into binding agreements to provide sufficient taps to serve my clients’ properties on a commercially reasonable schedule.

Babcock is currently developing the Hidden Valley Filing No. 6 project (“Hidden Valley”) and has invested millions of dollars into the acquisition, entitlement, and development of this project. That investment included Babcock’s acquisition of approximately \$6,000,000 worth of water and conveyance of that water to the District for use at Hidden Valley. Similarly, HR Exchange has been ready to commence development on The Ridge at Harmony Road Filing No. 5 (“The Ridge”) and has invested millions in acquisition and entitlement of the project, including spending approximately \$2,800,000 to acquire water.

As a result of the Moratorium, both developers are facing delays which will result in millions of dollars in lost revenues and other damages. Due to the Moratorium, Babcock and HR Exchange cannot obtain building permits for their lots, which is a condition to the sale of those lots. Therefore, Babcock cannot sell any its 265 lots at Hidden Valley, which Babcock is currently contracted to sell to homebuilders, resulting in a loss of \$21,200,000 in cash flow from the Hidden Valley project. Similarly, HR Exchange is under contract to sell the 103 platted lots at The Ridge for approximately \$7,000,000, but the District’s Moratorium (and its refusal to execute the plat) has prohibited HR Exchange from moving forward with the sale and threatens to derail the sale

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota Missouri Nevada  
New Jersey New York North Carolina Pennsylvania South Carolina Texas Virginia Washington

February 2, 2022

Page 2

altogether. Unbelievably, all of this has occurred with no warning and with no meaningful explanation from the District. Rather than disclose that potential issues existed, the District remained silent when it executed the Hidden Valley plat, it remained silent when it approved the Hidden Valley construction plans, and it remained silent when it took six million dollars in water from Babcock. The District has also, without explanation, refused to sign the final plat for The Ridge.

Since initiating the Moratorium on September 29, 2021, the only justification provided by the Board is that the 1041 amendment processes in Ft. Collins and Larimer County necessitated that the Board institute the Moratorium so that the District could reassess future projects and how the requirements that may result from those 1041 amendments could impact future pipeline projects. We have asked on several occasions how pipelines which are not likely to be operational for years could affect the issuance of water taps in 2022, but no reasonable response has been offered by the District. The District's failure to meaningfully respond suggests that the 1041 amendment processes were nothing more than a convenient excuse to issue the Moratorium while the District fixes the actual problems behind the closed doors of its executive sessions, wholly outside the public eye. The District has acknowledged as much by its actions and its words. At its October 25, 2021 meeting, it was acknowledged that the Fort Collins 1041 amendment proposal had been narrowed in a manner that would cause it not to impact the District's proposed NEWT III Pipeline Project. On January 13, 2022, the District's manager and legal counsel explained to us that the District has serious capacity and infrastructure issues which, once remedied, would permit the District to, at least partially, lift the Moratorium, suggesting the Moratorium was initiated under false pretenses.

The Board's justification for the Moratorium (e.g. the Fort Collins/Larimer County 1041 Amendment processes) and the lack of transparency surrounding the Board's decision-making process suggests the Board may be acting in bad faith, to the detriment of those served by the District, developers within the District, and governmental entities that rely on building permit revenues to fund their programs. Based on the limited information available to the public, it appears that the District has been, at the very least, negligent in carrying out its duties to the public as a water service provider, all while charging millions of dollars in fees and taking millions of dollars' worth of water, and leading the development community to detrimentally rely on the District's ability to provide competent water service within its service area.

Under Colorado law, boards of special districts are tasked with the "management, control, and supervision of all the business and affairs of the special district." C.R.S. § 32-1-1001(1)(h). Further, all members of the Board have taken an oath to support and uphold all applicable state and federal laws with regard to the operation of the District and to "faithfully perform the duties

February 2, 2022

Page 3

of the office” into which they have been elected. C.R.S. § 24-12-101(1). Yet by failing to properly and competently plan for growth within its service area and through the apparent bad faith initiation and continuation of the Moratorium, the Board has failed to comply with such directives. As the gatekeepers to the water supply for the District’s service area, the Board’s mismanagement represents a failure of its duties to those within the District and the state of Colorado.

The District has an obligation to conduct its business in the light of day, not behind closed doors, and not without accountability to those that it serves. It appears that, in a bad faith effort to avoid public scrutiny, the Board failed to provide information, and in some cases provided misinformation, regarding the reasons for the Moratorium. It further appears that the District has been badly mismanaged. Unless the Board takes immediate action to lift the Moratorium, our clients will be forced to take steps to protect their investments, to end the Moratorium, and to investigate any potential wrongdoing with regard to this Moratorium and the daily operations of the District. If appropriate action is not timely taken by the District, we have been authorized to immediately pursue all legal actions, including but not limited to, filing requests for access to District records and filing for declaratory relief to have the Moratorium lifted. Our clients waive no rights by sending this letter and look forward to the Board’s immediate action.

Sincerely,



Benjamin A. Maresca

CC: Jeff Mark ([jmark@landhuisco.com](mailto:jmark@landhuisco.com))  
Rick Rubin ([rrubin@foxrothschild.com](mailto:rrubin@foxrothschild.com))  
John Hawk ([jhawk@foxrothschild.com](mailto:jhawk@foxrothschild.com))

**RESOLUTION NO. 20220214-01**

**RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
NORTH WELD COUNTY WATER DISTRICT**

**CONCERNING MORATORIUM AND ESTABLISHING A TAP SALE CRITERIA  
POLICY**

---

WHEREAS, the North Weld County Water District (the “District”) was organized pursuant to §§ 32-1-101 *et seq.*, C.R.S. (the “Special District Act”), as amended, and is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the “Board”) is empowered with the management, control, and supervision of all the business and affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of Colorado for carrying on the business, objects, and affairs of the Board and the District; and

WHEREAS, on September 29, 2021, in response to proposed permitting regulations in Ft. Collins and Larimer County related to critical infrastructure projects intended to meet the current and future service demands on the District’s water system, including its planned NEWT III Pipeline Project (“NEWT III”), and in order to allow the District to understand the impact of the proposed permitting regulations on the District, the Board imposed a moratorium on all tap sales and plant investments until October 25, 2021 (the “Moratorium”); and

WHEREAS, on October 25, 2021, it was reported that Ft. Collins’ proposed permitting regulations would not impact the District’s planned NEWT III project, but the issues with Larimer County’s proposed permitting regulations had not been resolved and required further discussion. The Board extended the Moratorium to December 13, 2021, allowing additional time for negotiation with Larimer County, and the Board directed staff to start to develop policies related to tap sales criteria based on results from ongoing hydraulic model verification work; and

WHEREAS, during the Moratorium, the District continued to work to verify its hydraulic to understand the current and future capacity of the District’s water infrastructure, and to discuss with potential partners solutions to capacity issues found as part of the District’s efforts to verify it’s hydraulic model; and

WHEREAS, on December 13, 2021, the Board determined to extend the Moratorium again until May 9, 2022; and

WHEREAS, District staff has determined that the District's water system has sufficient capacity to allow for the sale of limited tap sales; and

WHEREAS, on January 10, 2022, based on recommendations from District staff and analysis of the District's water system capacity, the Board directed staff and legal counsel to prepare a proposed policy for consideration at its February 14, 2022 regular meeting to lift the Moratorium and allow for limited tap sales; and

WHEREAS, the District recognizes that it has entered into water service agreements with developers and property owners and that those developers and property owners have relied, and are relying, on the District to fulfill its commitments to serve under those water service agreements; and

WHEREAS, the Board desires to lift the Moratorium and allow for limited tap sales per year until additional capacity can be made available to the District either through intergovernmental agreements with other water providers or the completion of additional infrastructure projects, including NEWT III; and

WHEREAS, the Board desires to establish a tap sale criteria policy in order to clarify how and when the District will sell water taps (the "Tap Sale Criteria Policy") and to allow the District to manage water system capacity and ensure that it can continue to provide water to its customers; and

WHEREAS, the Board finds that lifting the Moratorium and the adoption of this North Weld County Water District Tap Sale Criteria Policy is in the best interest of the public health, safety, and welfare within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

1. Moratorium. The Board, having reviewed the District's water system capacity and hydraulic modeling, and based on the recommendations of District staff and consultants, hereby finds and determines that it is in the best interest of the District to lift the Moratorium and allow for the limited sale of water taps and plant investments, and hereby repeals and lifts the Moratorium in Zones 1, 2, 7, and 7B as indicated on the zone map, attached hereto and incorporated herein as **Exhibit A**. District staff is hereby directed to resume the sale of taps and plant investments in Zones 1, 2, 7, and 7B, subject to the Tap Sale Criteria Policy. Person's or property owners seeing a water tap and plant investment outside Zones 1, 2, 7, and 7B may seeks a variance from the Moratorium in writing to the Board, and the Board map approve the variance at its sole discretion.



2. Adoption. The Board hereby adopts the North Weld County Water District Tap Sale Criteria Policy, attached hereto and incorporated herein as **Exhibit B**.

3. Authorization. The Board hereby directs the District Manager, as may be necessary, to implement and otherwise oversee compliance with the Tap Sale Criteria Policy.

4. Amendments. The District expressly reserves the right to amend, revise, redact, and/or repeal this Resolution and the Tap Sale Criteria Policy in whole or in part, from time to time, in order to further the purpose of carrying on the business, objects, and affairs of the District.

5. Effective Date. This Resolution and the Tap Sale Criteria Policy shall be effective immediately and shall remain in full force and effect until such time as such processes is repealed by the Board.

6. Severability. If any term or provision of this Resolution of the Tap Sale Criteria Policy are found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the Tap Sale Criteria Policy as a whole but shall be severed from the Tap Sale Criteria Policy, leaving the remaining terms or provisions in full force and effect.

*[Remainder of the page intentionally left blank. Signature page to follow.]*

ADOPTED THIS 14<sup>TH</sup> DAY OF FEBRUARY, 2022.

NORTH WELD COUNTY WATER DISTRICT, a  
quasi-municipal corporation and political  
subdivision of the State of Colorado

---

President

ATTEST:

---

Secretary

APPROVED AS TO FORM:

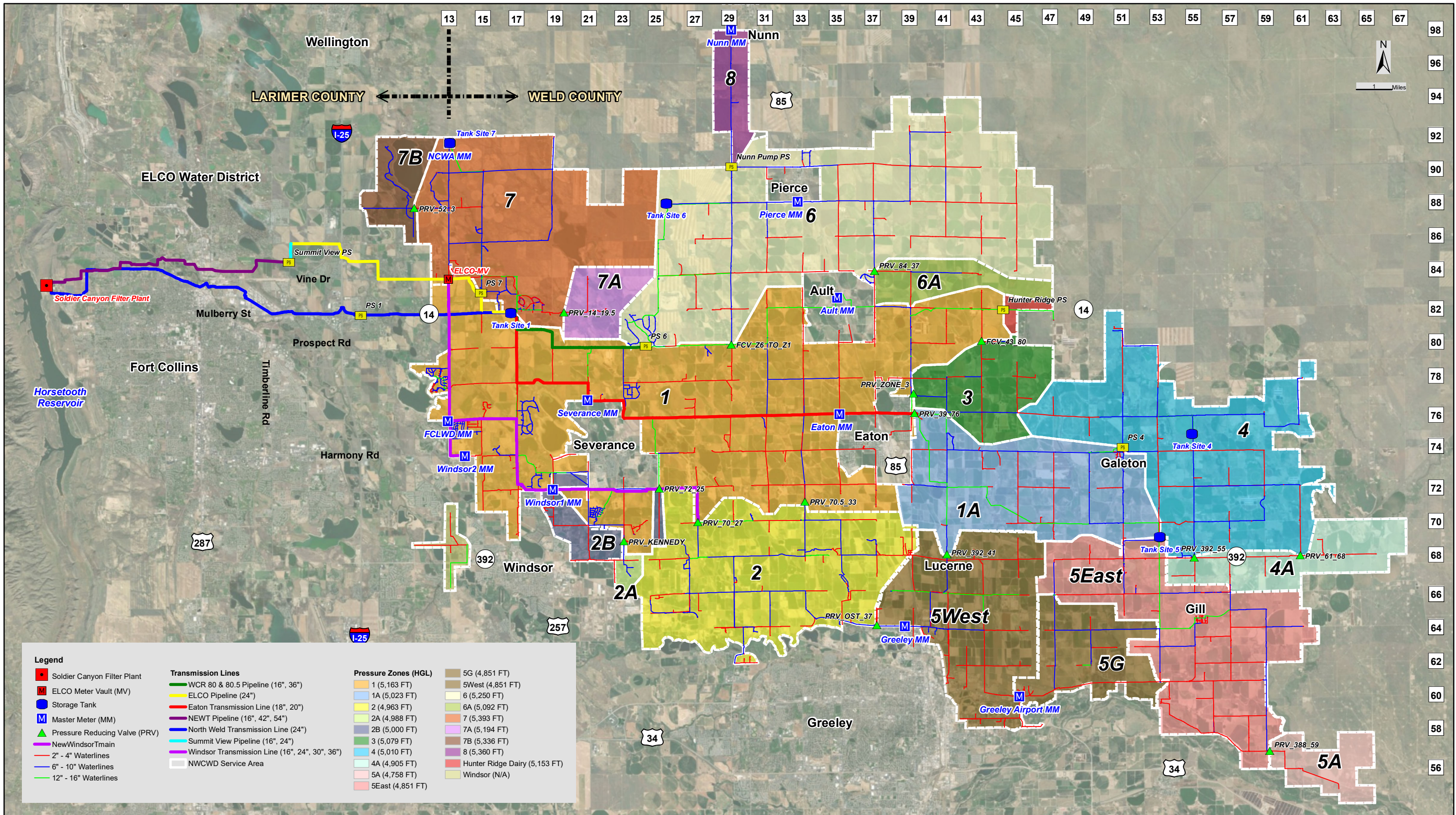
WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

---

General Counsel to the District

*Signature page to Resolution Concerning Moratorium and Establishing a Tap Sale Criteria Policy*

**EXHIBIT A**  
**NORTH WELD COUNTY WATER DISTRICT**  
**ZONE MAP**



**NORTH WELD COUNTY WATER DISTRICT  
EXISTING WATER SYSTEM AND PRESSURE ZONES MAP**

Figure 1



## EXHIBIT B

### NORTH WELD COUNTY WATER DISTRICT

#### TAP SALE CRITERIA POLICY

- I. **Tap Sale Criteria Policy:** The District’s policy is to allow those persons or property owners currently in need of water taps and plant investments from the District to be able to purchase the necessary water taps and plant investments at the time they are needed, but not sooner. The District does not intend to reserve or pre-sell water taps and plant investments. Therefore, the District hereby establishes that in order to be eligible to purchase a tap and plant investment from the District the following criteria must be met:
- a. The property to be served by the water tap and plant investment is subject to a current “Water Service Agreement”;
  - b. All requirements of the Water Service Agreement with respect to the property to be served by the water tap have been completed and accepted by the District;
  - c. All water required to dedicated to the District has been dedicated and accepted by the District;
  - d. The person or property owner seeking a water tap and plant investment must own the deed to the property to be served by the water tap and plant investment; and
  - e. The person or property owner seeking the water tap and plant investment must be concurrently seeking a building permit from the appropriate jurisdiction.
- II. **Limitation on Tap Sales:** In furtherance of the District’s need to preserve the health, safety, and welfare of its and its customers, and to ensure that the District’s water system has sufficient capacity to meet the demands of its customers, the District’s policy is to limit the number of water tap and plant investments it sells in each year.
- a. The number of water tap and plant investments the District may sell in a single year shall be as follows:
    - i. Until the District is able to complete the construction of additional critical infrastructure, including its NEWT III project, or until the District is able to acquire sufficient additional treatment and transmission capacity from other water service providers, the District will limit its sale of taps and plant investments to no more than 120 per year.
    - ii. After the District is able to complete the construction of additional critical infrastructure or the acquisition of additional treatment and transmission capacity from other water service providers, the Board of Directors shall establish a maximum number of tap and plant investment sales it will sell in the

subsequent year (the “Annual Sales”). In making its determination, the Board of Directors may consider the District’s hydraulic model and system capacity, recommendations from staff and consultants, current and future infrastructure projects, and any other information deemed by the Board of Directors to be beneficial in making its determination. The Board of Directors may adjust the number of Annual Sales if it determines additional sales are acceptable, or that additional limitations are needed in order to protect the District’s water system.

- b. The District Manager, in consultation with District Staff and consultants, shall be responsible for monitoring the sale of taps and the District’s water system capacity in order to ensure that the sale of taps will not have an adverse impact on the District’s water system or its customers.
- c. The District Manager shall report to the Board of Directors at each regular meeting of the Board of Directors the total number of water taps and plant investments sold during the previous month, and the total number of water taps and plant investments sold year to date.

III. **Variance:** Any person or property owner seeking a variance from this policy shall make such request in writing establishing the basis for the request, and such request shall be presented to the Board of Directors at its next regular meeting for consideration. Only the Board of Directors shall have the authority to approve a variance.

IV. **Enforcement:** The Board hereby directs the District Manager, as may be necessary, to implement and oversee compliance with this Policy in accordance with any rules and regulations of the District which may be in existence now or adopted in the future, including the imposition of fines.

**10. Executive Session: The Board reserves the right to enter into Executive Session for the following purposes: Receiving legal advice and discussing matters subject to negotiation and strategy pursuant to § 24-6-402(4)(b) & (e), C.R.S. regarding litigation with Eagle View Farms, LLC and other potential litigation**

HEADQUARTERS:  
Ditch Witch of The Rockies  
9000 N I-35 Service Road  
Oklahoma City, OK 73131



**Ditch Witch**  
of the Rockies

COLORADO LOCATION: 303-287-7563    UTAH LOCATION: 801-974-9600    IDAHO LOCATION: 208-376-8394

SHIP TO: NORTH WELD COUNTY WATER DISTRICT  
32825 WCR 39  
LUCERNE CO 80646

INVOICE TO: North Weld County Water District  
32825 WCR 39  
PO Box 56  
Lucerne CO 80646

Branch 05 - COMMERCE CITY *REPRINT*		
Date 1/6/22	Time	Page 1
Account No NORTH104	Phone No 9703563020	Inv No 00 E01518
Ship Via SALESMAN	Purchase Order DUE ON INVOICE	
DUSTY CINNAMON		Salesperson 523 / 537

www.ditchwitchrockies.com

**EQUIPMENT INVOICE**

Description	Amount
Stock #: 019021                      Serial #: DWPXH50XKM0000599 New 2021 DW HX50 DITCH WITCH HX50 800/400/RF W/ GPS	74022.55
Stock #: 019022                      Serial #: 1DST722M2M1701638 New 2021 DW VT24 DITCH WITCH VT24 800 GAL HEAVY TRAILER	19151.00
<u>Trade Ins</u> =====	
Stock #: 019867                      Serial #: 100696 VACTRON PMD555DT-H VAC W/ TRAILER	8000.00-
<u>Miscellaneous Charges/Credits</u> =====	
SHIPPING                                      Qty:      1      Price:      1500.00	1500.00
SC	Subtotal:      86673.55 ON ACCOUNT:      86673.55

X \_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Printed Name

- **SERVICE CHARGES:** Accounts over 30 days are subject to a 1.5% service charge (annual rate 18%), and all costs of collection including reasonable attorney's fee.
- **RETURNS:** A restocking fee of 15% will be applied to all returned parts. Ditch Witch reserves the right to increase the restocking fee or deny returns for items with damaged packaging or any wear.

**Thank You For Your Business!**

6440/20211639  
DUSTY CINNAMON



## Contacts

Creig Veldhuizen  
Managing Director  
8055 E. Tufts Avenue, Suite 500  
Denver, Colorado 80237  
Direct: 303.248.2521  
Wcell: 323.925.3110  
Email:  
[creig.veldhuizen@hilltopsecurities.com](mailto:creig.veldhuizen@hilltopsecurities.com)

---

February 8, 2022

# Municipal Advisory Services Qualifications for: North Weld County Water District

- The HilltopSecurities' team will be led by Creig Veldhuizen who each bring significant relevant experience in serving the role as Municipal Advisor to Colorado Special Districts.
  - Creig Veldhuizen has 19 years of experience issuing public debt as a land developer and special district board member and has specialized in advising Colorado special districts on their debt issuances as a municipal advisor or underwriter since 2019.

Team	
<b>Municipal Advisory Lead</b>	
Creig Veldhuizen Managing Director 8055 E. Tufts Avenue, Suite 500 Denver, CO 80237 303.248.2521 <a href="mailto:Creig.Veldhuizen@hilltopsecurities.com">Creig.Veldhuizen@hilltopsecurities.com</a>	
<b>Underwriting/Market Support</b>	
<b>Pete Stare</b> Managing Director 700 Milam Street, Suite 500 Houston, TX 77002 713.654.8639 <a href="mailto:Peter.Stare@hilltopsecurities.com">Peter.Stare@hilltopsecurities.com</a>	<b>Elizabeth Funk</b> Managing Director 8055 E. Tufts Avenue, Suite 500 Denver, CO 80237 303.248.2502 <a href="mailto:Elizabeth.Funk@hilltopsecurities.com">Elizabeth.Funk@hilltopsecurities.com</a>

## Overview

- More than 70 years of industry experience and approximately 150 employees committed to public finance.
- Involved in an average of 24 deals, totaling approximately \$1.2 billion per week as underwriter or municipal advisor.
- Public finance is a top priority for HilltopSecurities.
- Municipal advisory expertise and an active underwriting desk provides us with a unique perspective not available to advisors.
- Registered Broker-Dealer with transparency and accountability; subject to SEC, MSRB and FINRA rules and regulations.

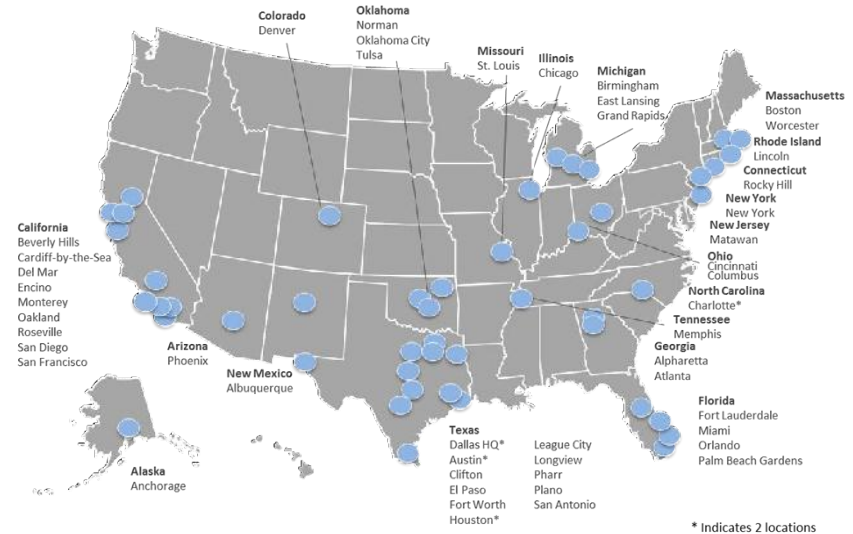
## Sector Expertise

Airports	Ports
Benefit Plan Services	Public Power
Convention Center / Hotel	School Districts
General Obligation	Special Districts
Healthcare	State Revolving Funds
Higher Education	Student Loans
Housing	Toll Roads / Rapid Transit
Public-Private Partnership	Water and Sewer

## Municipal Products

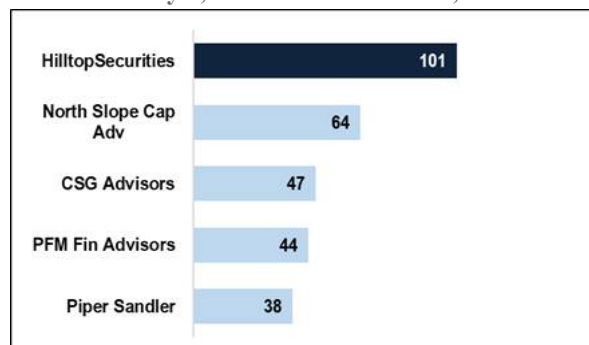


## National Platform – 52 Office Locations in 20 States



- HilltopSecurities ranked as the number one municipal advisor in Colorado by Ipreo MuniAnalytics for the number of deals and aggregate par amount from January 1, 2016 to December 31, 2020, with an aggregate par amount of over \$7.95 billion.

**Colorado Municipal Advisory Rankings  
Number of Colorado Transactions  
January 1, 2016 to December 31, 2020**



Source: Ipreo MuniAnalytics

Type of Credit	# of Transactions	Total Par Amount	Type of Sale <sup>(1)</sup>		
			Competitive	Negotiated	Bank Placement
General Obligation Bonds	33	\$2,926,360,000	11	15	7
Certificates of Participation	45	\$2,738,071,497	7	22	16
Revenue Bonds <sup>(2)</sup>	24	\$2,340,600,984	4	12	8
Enterprise Revenue Bonds	31	\$1,109,187,000	11	13	7
<b>Totals:</b>	<b>133</b>	<b>\$9,114,219,481</b>	<b>33</b>	<b>62</b>	<b>38</b>

(1) All financings included in the data above were executed to be fixed rate financings.

(2) Includes three Tax Increment Revenue bond financing.

Source: HilltopSecurities internal data. Totals may not add to data from Ipreo MuniAnalytics as that data source does not track private placements.

*Represents negotiated and privately placed financings led by HilltopSecurities*

<p><b>HARVEST AT UPLAND</b> Improvement Area No. 2</p> <p><b>\$8,495,000</b></p> <p>CFD No. 2016-1 City of Upland (CA) Special Tax Bonds Series 2021A &amp; Taxable 2021B</p> <p>Sole Manager February 2021</p>	<p><b>HARRIS COUNTY</b> MUD NO. 382</p> <p><b>\$10,635,000</b></p> <p>Harris County (TX) MUD #382 Unlimited Tax Refunding Bonds, Series 2021</p> <p>Senior Manager February 2021</p>	<p><b>BROOKTRAILS</b> TOWNSHIP</p> <p><b>\$2,955,000</b></p> <p>Brooktrails Township Community Svc Dist (CA) Water Revenue Refunding Bonds, Series 2021</p> <p>Sole Manager February 2021</p>	<p><b>FORT BEND COUNTY</b> MUD NO. 58</p> <p><b>\$78,360,000</b></p> <p>Fort Bend County (TX) MUD #58 UT Ref &amp; Road Ref Bonds, Series 2021 &amp; 2021A</p> <p>Senior Manager January 2021</p>	 <p><b>\$1,038,000</b></p> <p>Penn Valley Fire Protection District (CA) 2020 Lease Purchase Obligation</p> <p>Placement Agent December 2020</p>	 <p><b>\$31,455,000</b></p> <p>Capitol Area Development Authority (CA) Tax Allocation Rev Bonds Taxable Series 2020</p> <p>Sole Manager November 2020</p>	 <p><b>\$7,555,000</b></p> <p>Clear Brook City MUD (TX) UT Refunding Bonds, Series 2020</p> <p>Senior Manager November 2020</p>
 <p><b>\$21,075,000</b></p> <p>Cloverdale Community Development Agency (CA) Tax Allocation Ref Bonds 2020A &amp; Taxable 2020B</p> <p>Senior Manager August 2020</p>	<p><b>SUMMERWIND TRAILS</b> Improvement Area No. 1</p> <p><b>\$14,325,000</b></p> <p>CFD No. 2018-1 City of Calimesa (CA) Special Tax Bonds Series 2020</p> <p>Sole Manager August 2020</p>	<p><b>WILIAMSON COUNTY</b> MUD NO. 11</p> <p><b>\$9,325,000</b></p> <p>Williamson County (TX) MUD No. 11 UT Refunding Bonds Series 2020</p> <p>Sole Manager August 2020</p>	 <p><b>\$4,736,000</b></p> <p>Lindsay-Strathmore Irrigation District (CA) Installment Purchase Agreement, Series 2020</p> <p>Placement Agent July 2020</p>	 <p><b>\$6,265,000</b></p> <p>Southgate Recreation &amp; Park District (CA) Certificates of Participation Series 2020</p> <p>Sole Manager July 2020</p>	 <p><b>\$2,412,000</b></p> <p>City of Newport Beach (CA) Assmt Dist No. 111 Limited Obligation Imp Bonds, Series 2020</p> <p>Placement Agent June 2020</p>	<p><b>JP RANCH</b> Improvement Area No. 3</p> <p><b>\$3,038,476</b></p> <p>CFD No. 2013-1 City of Calimesa Special Tax Bonds Series 2020</p> <p>Placement Agent May 2020</p>
<p><b>Successor Agency to the Redevelopment Agency of the City of Grass Valley</b></p> <p><b>\$8,255,000</b></p> <p>Grass Valley RDA (CA) Tax Allocation Refunding Bonds, Series 2020A &amp; Taxable 2020B</p> <p>Sole Manager May 2020</p>	<p><b>SMITH CANAL AREA ASSESSMENT DISTRICT</b></p> <p><b>\$23,435,000</b></p> <p>San Joaquin Area Flood Control Agency (CA) Assessment Revenue Bonds, Series 2020</p> <p>Sole Manager May 2020</p>	<p><b>HUNTER'S GLEN MUD</b></p> <p><b>\$3,200,000</b></p> <p>Hunter's Glen MUD (TX) Waterworks &amp; Sewer System Combination UT &amp; Rev Ref Bonds, 2020A</p> <p>Sole Manager April 2020</p>	<p><b>TERRA BELLA IRRIGATION DISTRICT</b></p> <p><b>\$3,074,000</b></p> <p>Terra Bela Irrigation District (CA) 2020 Installment Purchase Agreement</p> <p>Placement Agent February 2020</p>	<p><b>MONTGOMERY COUNTY</b> MUD NO. 9</p> <p><b>\$8,150,000</b></p> <p>Montgomery Co (TX) MUD #9 UT Refunding Bonds Series 2020</p> <p>Senior Manager February 2020</p>	<p><b>THREE SIXTY DEGREES @ SOUTH BAY</b></p> <p><b>\$9,435,000</b></p> <p>CFD No. 2006-1 (CA) City of Hawthorne 2020 Special Tax Refunding Bonds</p> <p>Sole Manager January 2020</p>	<p><b>EDGEWATER DEVELOPMENT</b></p> <p><b>\$8,335,000</b></p> <p>CFD No. 2004-1 (CA) County of Yuba 2020 Special Tax Refunding Bonds</p> <p>Sole Manager January 2020</p>

*Represents recent transactions where Hilltop Securities Inc. acted as Underwriter, Placement Agent, or Municipal Advisor*

E-86 special District	Ritiro special District	Great Western Park special District	Johnstown Farms East special District	Serenity Ridge special District No. 2	Colliers Hill special District No. 1	Prairie Center special District No. 7
\$7,120,000	\$2,190,000	\$12,600,000	\$7,062,000	\$17,395,000	\$2,350,000	\$3,990,000
Series 2021A <sub>(3)</sub> General Obligation Ltd Tax Cash Flow Bonds	Series 2019B(3) Subordinate Ltd Tax General Obligation Bonds	Bonds	General Obligation Ltd Tax Cash Flow Bonds Series 2021	Series 2021A-1 Cinderella Refunding Loan Series 2021A-2 TE Ltd Tax GO Loan	Series 2021C Jr. Lien General Obligation Ltd Tax Bonds	Subordinate Ltd Tax General Obligation Bonds Series 2021
Municipal Advisor May 2021	Principal Purchaser June 2021	Municipal Advisor October 2021	Underwriter October 2021	Municipal Advisor November 2021	Placement Agent November 2021	Municipal Advisor 2021

*Represents negotiated and privately placed financings led by Creig Veldhuizen as Developer, Issuer, Municipal Advisor or Underwriter*

Jefferson Center special District No. 2	Cimarron special District	Vauxmont special District	Candelas Bond Trust I	Cimarron special District	Vauxmont special District	Sky Ranch Community Authority Board
\$40,000,000	\$23,000,000	\$76,150,000	\$76,150,000	\$21,325,000	\$132,620,000	\$13,195,000
Series 2007 Special Revenue Bonds	Series 2012 GO Bonds	Series 2015A, 2015B Refunding Revenue Bonds	Pass-Through Tax-Exempt Trust	Series 2018 Senior Bridge Loan	Series 2019 Refunding Revenue Bonds	Series 2019 Limited Tax Supported Bonds
Principal/Issuer 2007	Principal/Issuer 2012	Principal/Issuer 2015	Principal 2015	Principal 2018	Principal 2019	Financial Advisor 2019
Erie Commons special District No. 2	Spring Valley special District No. 3	Southshore special District No. 2	Wyndham Hill special District No. 2	Jefferson Center special District No. 1	The Aurora Highlands Community Authority Board	Castle Oaks special District No. 3
\$32,650,000	\$6,736,000	\$62,045,000	\$29,670,000	\$128,745,000	\$168,000,000	\$34,250,000
Series 2019 GO Bonds	Series 2020 GO Bonds	Series 2020 Limited Tax GO Bonds	Series 2020 General Obligation Bonds	Series 2020 Special Revenue Bonds	Series 2020 Drawdown Bonds	Series 2020 GO Limited Tax Refunding & Improvement Bonds
Financial Advisor 2019	Financial Advisor 2020	Financial Advisor 2020	Financial Advisor 2020	Financial Advisor 2020	Financial Advisor 2020	Financial Advisor 2020
Spring Valley special District No. 4	Spring Valley special District No. 2	Sorrel Ranch special District	Johnstown Farms special District	Prairie Center special District No. 7	Crystal Valley special District No. 2	Three Springs special District No. 1
\$14,761,000	\$11,000,000	\$13,425,000	\$2,100,000	\$12,225,000	\$56,660,000	\$25,750,000
Series 2020 Limited Tax GO Bonds	Series 2020 Limited Tax Refunding Bonds	Series 2020 Limited Tax GO Refunding Bonds	Series 2020 Limited GO Bonds	Series 2020 Limited Tax GO Bonds	Limited Tax GO Refunding and Improvement Bonds	Series 2020 Senior Loan
Financial Advisor 2020	Financial Advisor 2020	Financial Advisor 2020	Underwriter 2020	Financial Advisor 2020	Financial Advisor 2020	Co-Placement Agent 2020

## ▪ Southshore special District No. 2

- Creig Veldhuizen was engaged as lead municipal advisor to the district in 2020 after the district had already selected its underwriter
- Board was transitioning to resident control
- Analyzed underwriter's proposed debt structure and determined there were several lower cost options available to the district
- Creig's recommendations led to a rated, insured structure that, when compared to the original underwriter's proposed structure, resulted in:
  - 2.36% annual interest cost savings
  - Decreased total debt service paid by the district by \$23 million
  - Saved the district \$897k in underwriting fees
  - Present value savings of 34%





## ▪ Erie Highlands special District No. 1

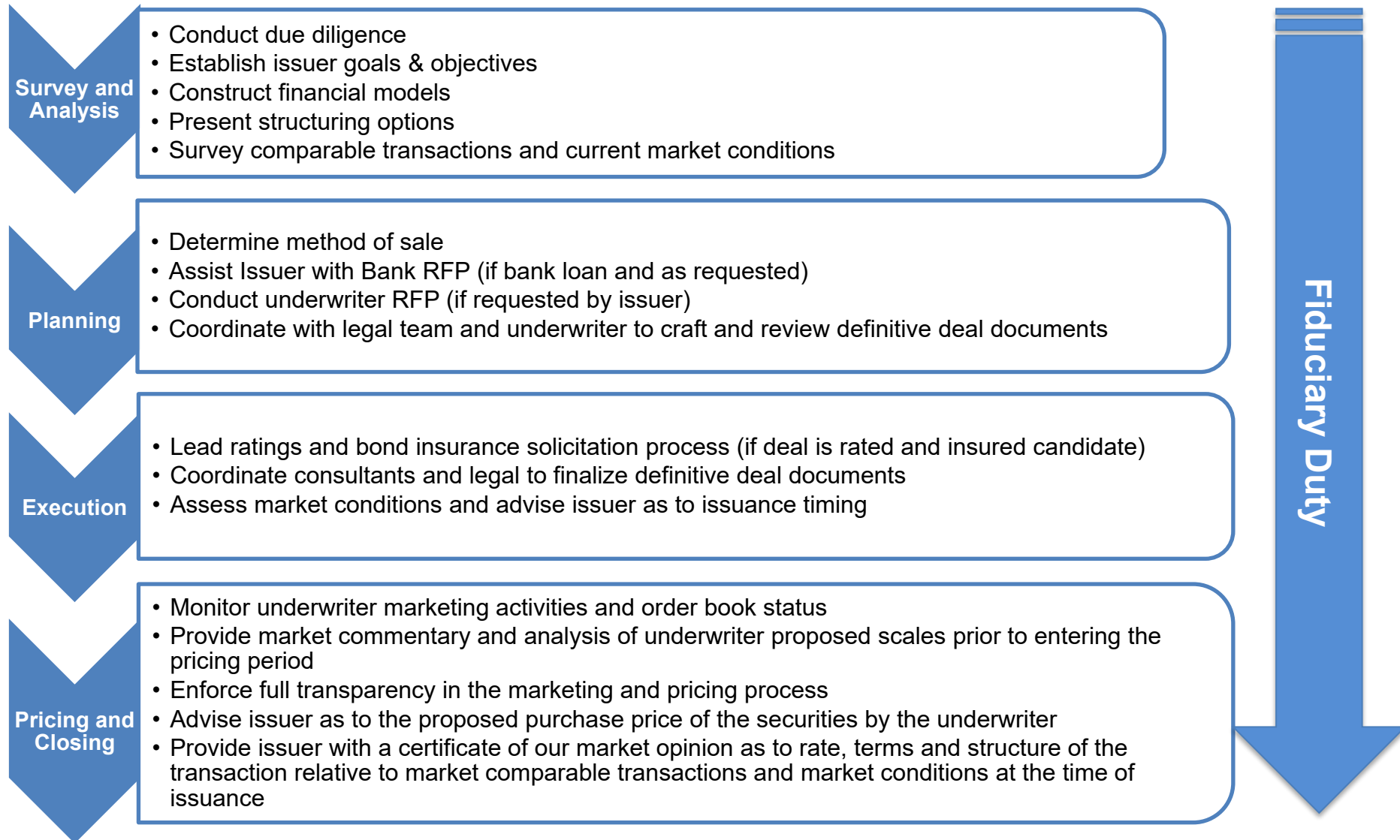
- Jason Simmons served as municipal advisor for the Erie Highlands special District No. 1 in connection with a refunding of their outstanding bonds. The resident-controlled board requested a fiduciary advisor to assist them in evaluating multiple refunding structures and to provide guidance as to which structure best met their goal of providing immediate debt service mill levy reduction
- Services included analyzing multiple scenarios and presenting the mill levy impact and total debt service projections to the board, working with the underwriter to obtain bond insurance without an underlying rating, and providing market commentary, expertise and pricing assurance
- Results:
  - Refunding bonds resulted in a TIC% of 2.43% and a net present value savings of 51%
  - Debt service savings of \$7.2 million over the term of the new debt
  - Allowed the District board to reduce the debt service mill levy for 2021 collections by over 21 mills from 56.33 to 33.81

## ▪ Crystal Valley special District No. 2

- Creig Veldhuizen was engaged as lead municipal advisor to the district to advise the district as to debt structure, lead negotiations with subordinate bond holders and with legacy developers, assist with the underwriter selection, and to lead deal execution and to ensure fair market pricing
- Resident controlled board
- Lowered annual interest costs by 2.26%
- Decreased outstanding debt by \$15.7 million
- Secured rating and bond insurance
- Lowered total projected debt service by \$7.7 million
- New debt structure will allow the board to decrease its future debt service mill levy by up to 51% over the life of the debt
- Projected to save typical district taxpayer \$25,019 in property taxes over the life of the debt vs. original debt structure (based on \$500k home value)



Hilltop Securities typical full service municipal advisory scope of services



## *Hilltop Securities provides best of class full-service municipal advisory services*

- Hilltop is one of the top municipal advisory firms in the country
- Your dedicated municipal advisory team possesses extensive experience in advising Colorado special district clients in successful debt transactions in many types of markets and of varying size, structure, tenor to meet their objectives
- Our team has advised Colorado special district clients on over \$950 million in transaction par value in the past 24 months
- ***As a broker dealer participating in \$1.4bln in municipal debt transactions and trades weekly, we possess the market knowledge and insight that eliminates ‘information asymmetry’ between Issuer and its underwriter***
- Our clients place their confidence in us to serve as their fiduciary ‘quarterback’ throughout the transaction process to ensure they have the right structure for the right time given the market conditions

# Market Update

## Market Observations

### Primary Market:

- 30-Day Visible Supply is approximately \$8.71 billion
- The calendar consists of \$3.7 billion of negotiated deals and \$2.1 billion of competitive deals
- The largest negotiated deal of the week is \$511 million Port of Portland, Oregon International Airport Authority

### Secondary Market:

- Municipal Bond Funds reported \$2.9 billion in negative net inflows last week, compared with \$1.432 billion of negative net inflows the prior week
- Weekly trade volume of \$74.683 billion represents an increase of \$10.01 billion from the previous week's \$64.673 billion

### General Market Overview:

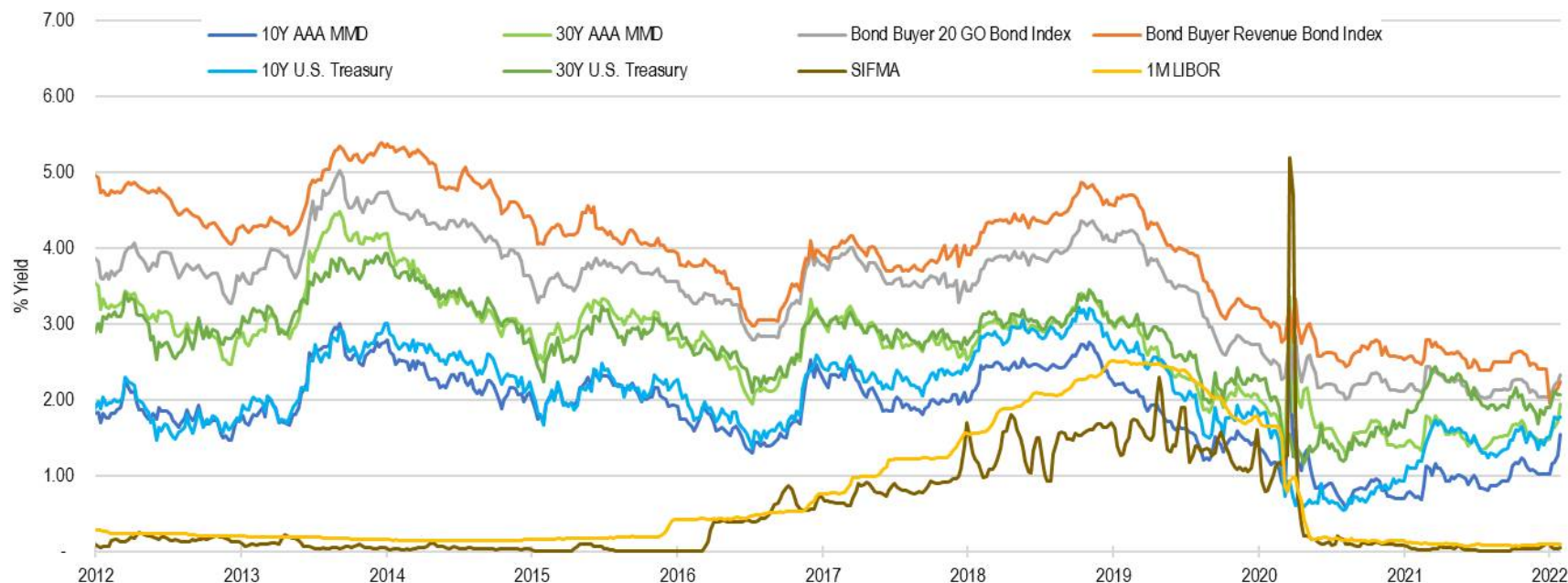
- SIFMA has increased .08% on a year-to-date basis
- The month-to-month volatility has been smoothed out, as non-farm payrolls rose by 476K in January and December's were revised up to 510,00 from 190,000, leading to the two-and-five-year treasury yields rising double digits
- For the third straight week, the Muni Fund Flows have resulted in outflows with last week having the largest outflow since March of 2020
- Compounding factors such as inflation, tensions between Russia and Ukraine, and Texas's winter storm that hit last week contributed to US Oil prices reaching \$90 per barrel

Economic Calendar: Investor Movement Index, Consumer Credit, NFIB Small Business Optimism Index, International Trade in Goods and Services, MBA Mortgage Applications, Wholesale Inventories, EIA Petroleum Status Report, Michelle Bowman Speaks, Loretta Mester Speaks, CPI, Jobless Claims, EIA Natural Gas Report, Treasury Statement, Fed Balance Sheet, Consumer Sentiment

## Statistics

	2/4/2022	1/28/2022	Change
5Y MMD	1.16	1.21	(0.05) ▼
10Y MMD	1.44	1.55	(0.11) ▼
15Y MMD	1.57	1.67	(0.10) ▼
20Y MMD	1.68	1.79	(0.11) ▼
30Y MMD	1.84	1.95	(0.11) ▼
MMD 2/30 Yield Curve Steepness	96	106	(10) ▼
Bond Buyer 11 GO Bond Index	1.85	1.86	(0.01) ▼
Bond Buyer 20 GO Bond Index	2.32	2.33	(0.01) ▼
Bond Buyer Revenue Bond Index	2.23	2.24	(0.01) ▼
1Y UST	0.89	0.75	0.14 ▲
5Y UST	1.78	1.61	0.17 ▲
7Y UST	1.90	1.74	0.16 ▲
10Y UST	1.93	1.78	0.15 ▲
30Y UST	2.23	2.07	0.16 ▲
UST 2/30 Yield Curve Steepness	92	92	- -
10Y MMD/UST Ratio	75	87	(12.5) ▼
30Y MMD/UST Ratio	83	94	(11.7) ▼
SIFMA	0.11	0.06	0.05 ▲
1M LIBOR	0.12	0.11	0.009 ▲
30-Day Negotiated Visible Supply	5,453.9	7,490.9	(2,037.0) ▼
30-Day Competitive Visible Supply	3,254.6	3,696.3	(441.7) ▼
Lipper Muni Bond Fund Flows	(2,900)	(1,432)	(1,468) ▼

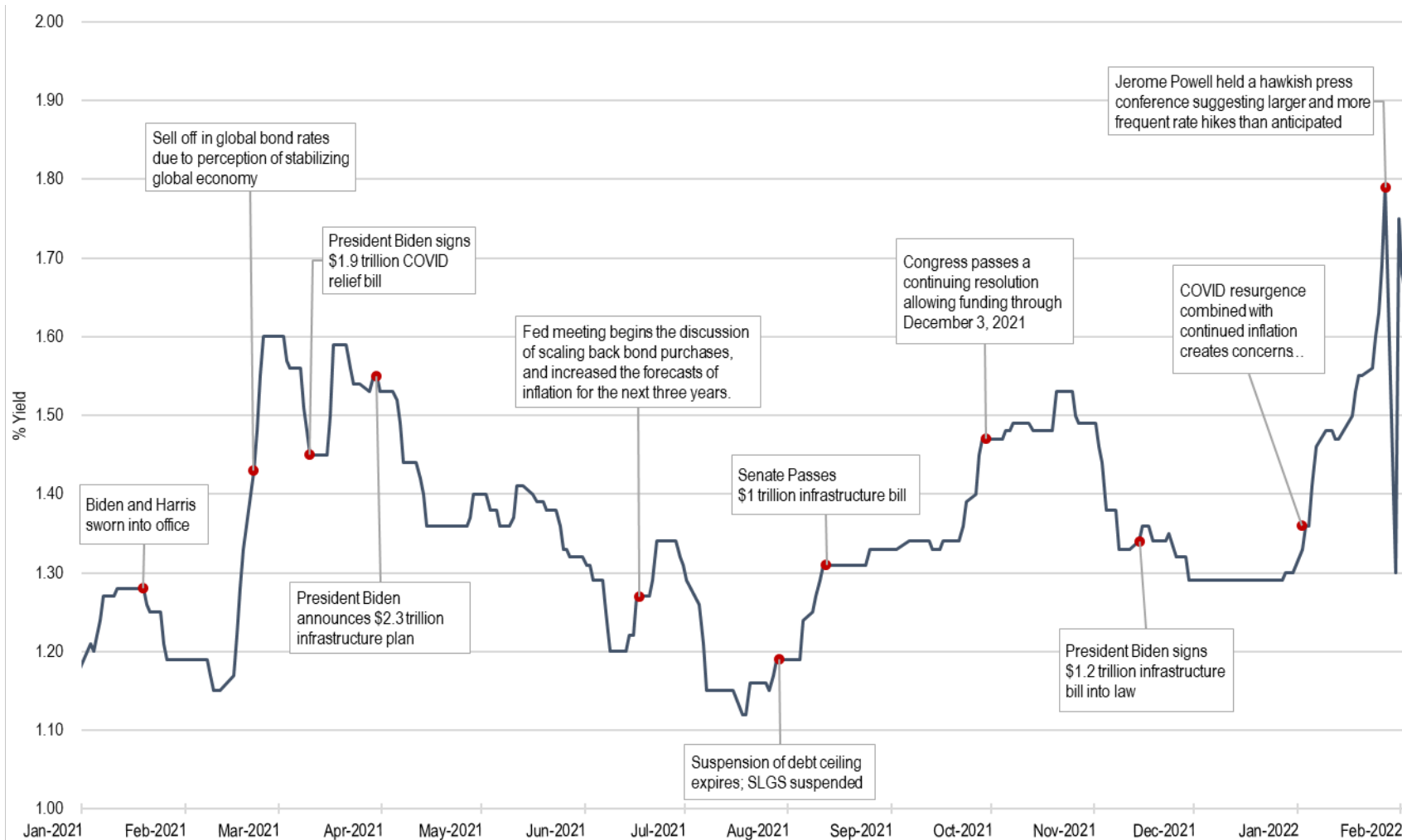
## Benchmark Interest Rates – 1/1/12 to 2/4/22



## Rates Analysis – 1/1/12 to 2/4/22

	10Y AAA MMD	30Y AAA MMD	Bond Buyer 20 GO Bond Index	Bond Buyer Revenue Bond Index	10Y U.S. Treasury	30Y U.S. Treasury	SIFMA	1M LIBOR
Current	1.44	1.84	2.32	2.23	1.93	2.23	0.11	0.12
Maximum	3.01	4.49	5.03	5.40	3.23	3.94	5.20	2.52
Minimum	0.58	1.27	2.02	1.97	0.55	1.17	0.01	0.07
Average	1.83	2.70	3.45	3.93	2.03	2.72	0.50	0.72
% Time Lower	23.1%	18.0%	15.4%	0.8%	41.7%	19.9%	41.2%	9.1%

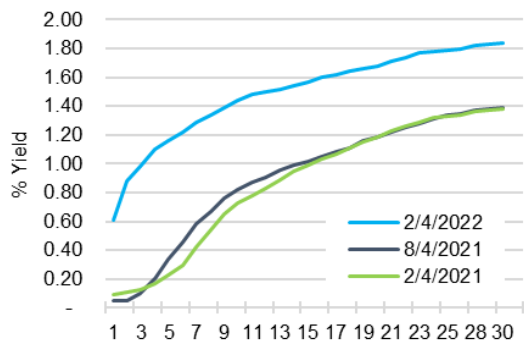
## Change in 20-Year MMD with Market Commentary – 1/2/4 to 2/4/22



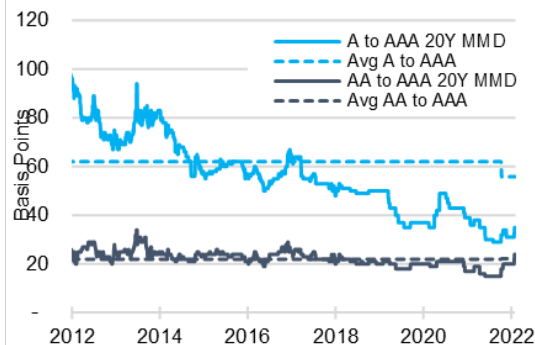
Source: Refinitiv Municipal Market Data and HilltopSecurities



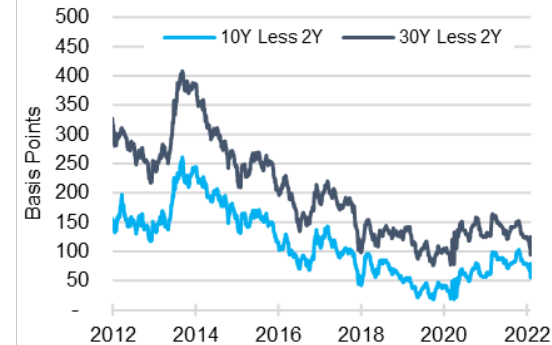
## AAA MMD Yield Curve Comparison



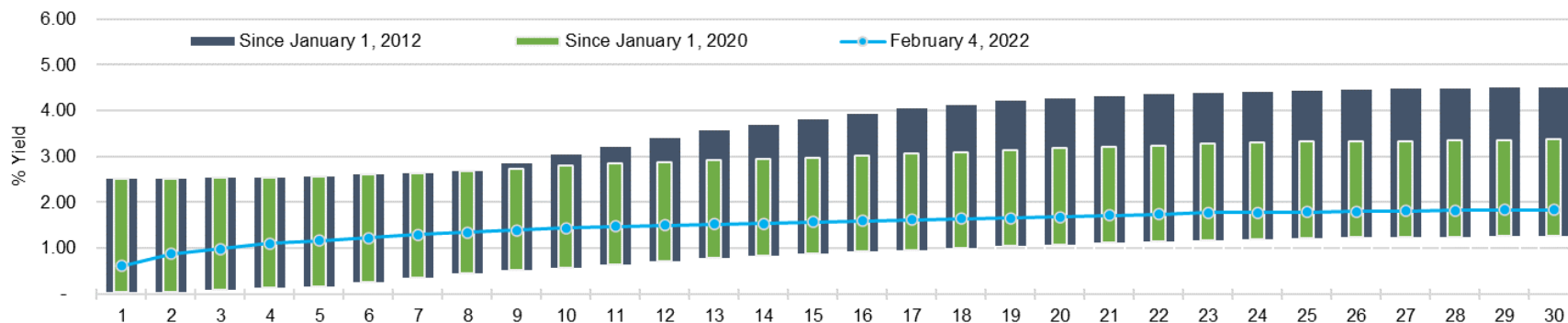
## MMD Credit Spreads to AAA – 1/1/12 to 2/4/22



## AAA Yield Curve Steepness – 1/1/12 to 2/4/22

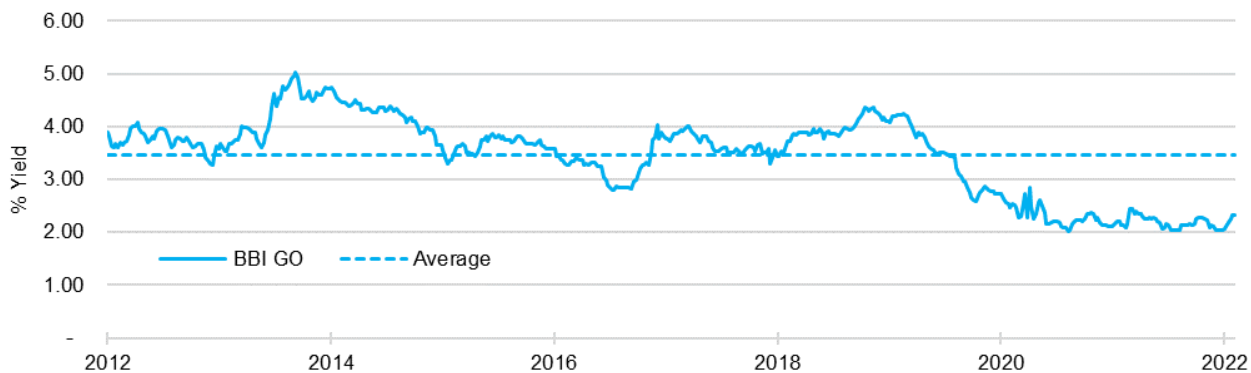


## Maximum and Minimum AAA MMD Yields

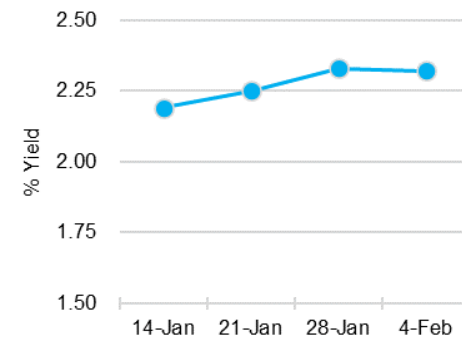


Source: Refinitiv Municipal Market Data

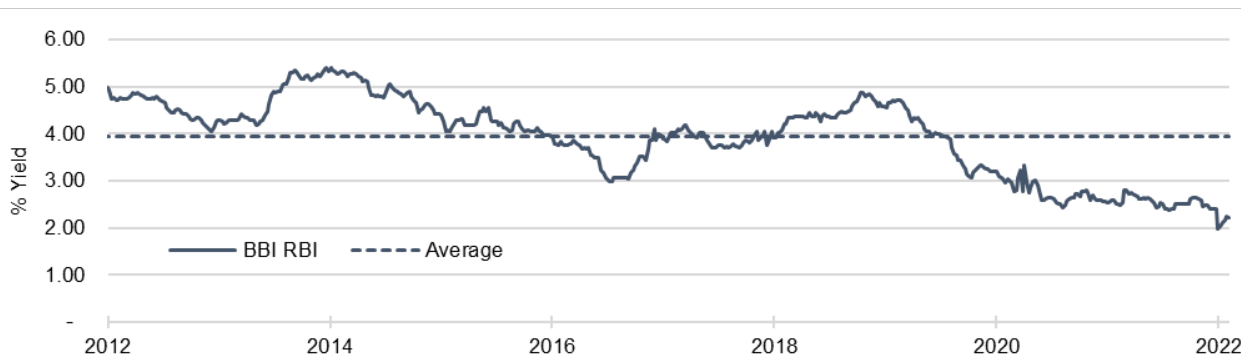
## The Bond Buyer 20-Bond General Obligation Index – 1/1/12 to 2/4/22



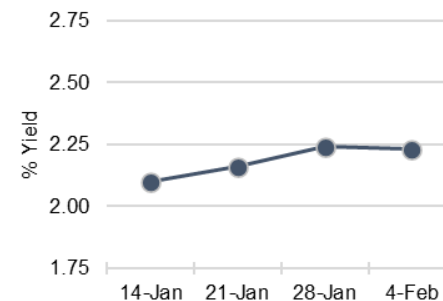
### 4-Week Snapshot



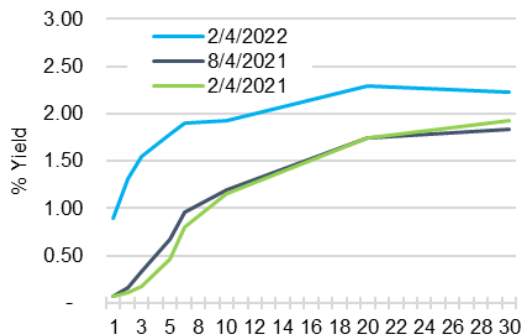
## The Bond Buyer Revenue Bond Index – 1/1/12 to 2/4/22



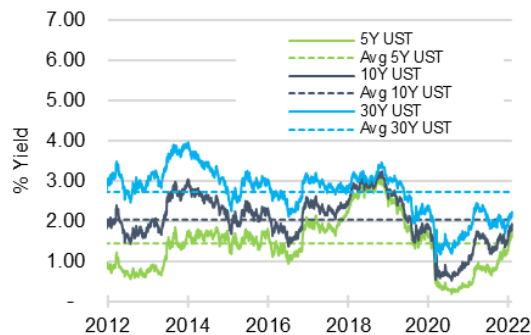
### 4-Week Snapshot



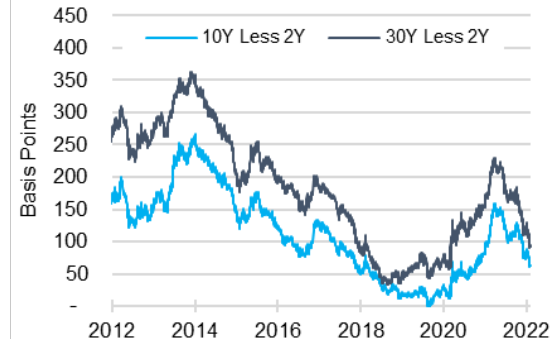
## UST Yield Curve Comparison



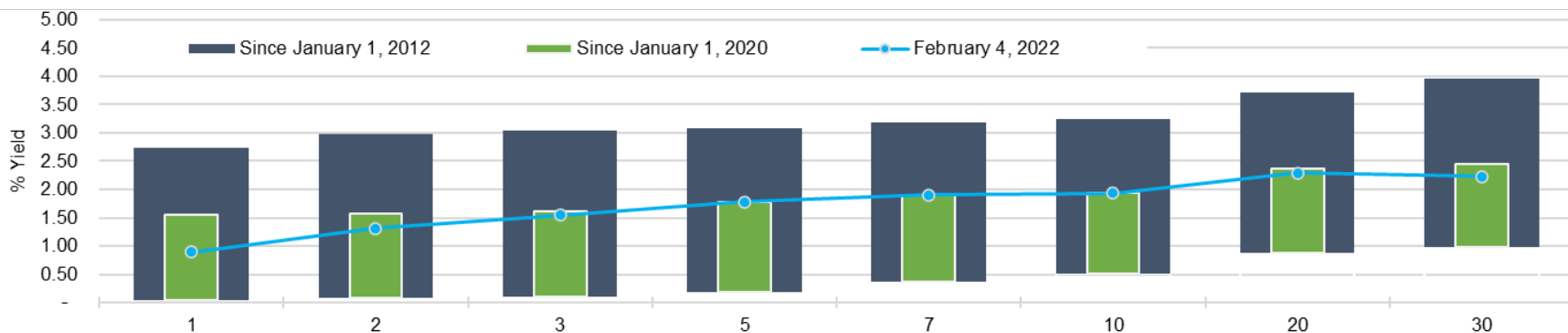
## UST Rates – 1/1/12 to 2/4/22



## UST Yield Curve Steepness - 1/1/12 to 2/4/22

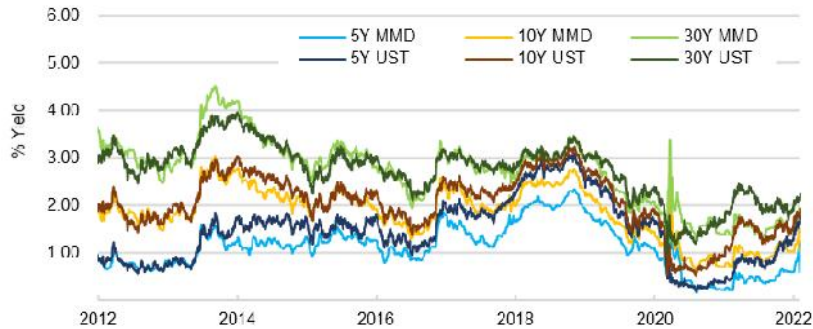


## Maximum and Minimum UST Yields

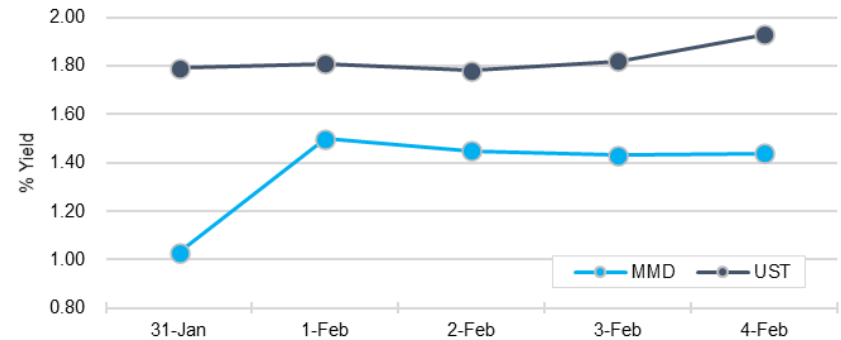


Source: U.S. Treasury Department

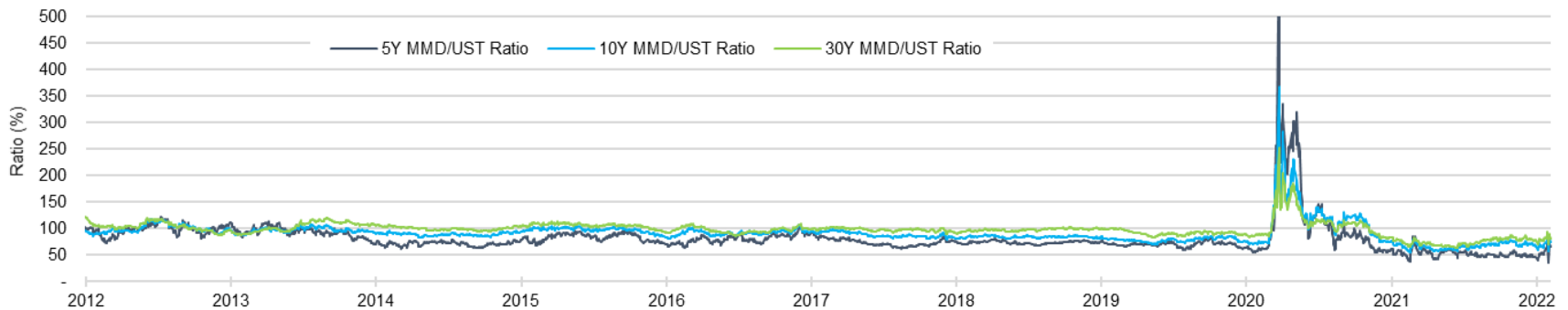
**MMD | UST 5-10-30 Year Historical Rates Comparison – 1/1/12 to 2/4/22**



**MMD | UST 10-Year 1-Week Comparison**



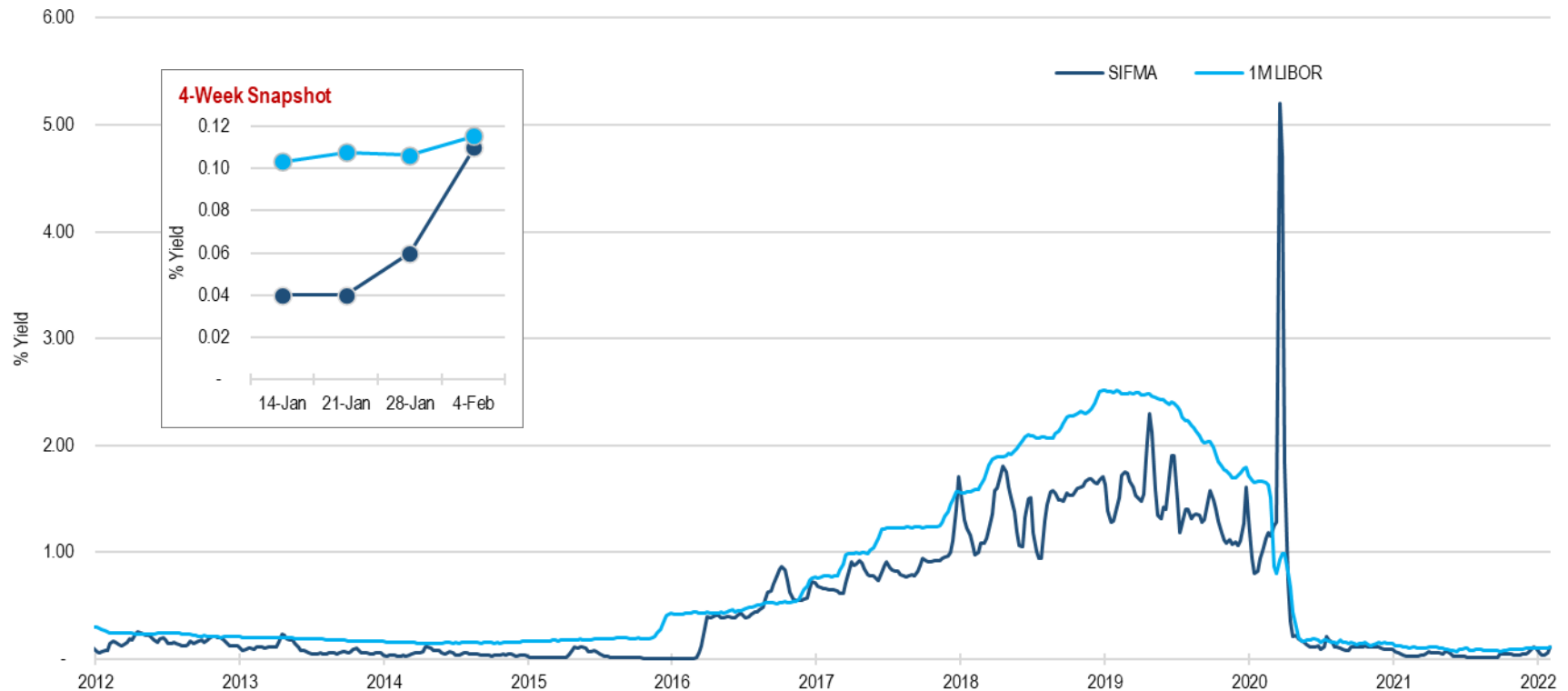
**MMD | UST 5-10-30 Year Ratios – 1/1/12 to 2/4/22**



Source: Refinitiv Municipal Market Data and U.S. Treasury Department

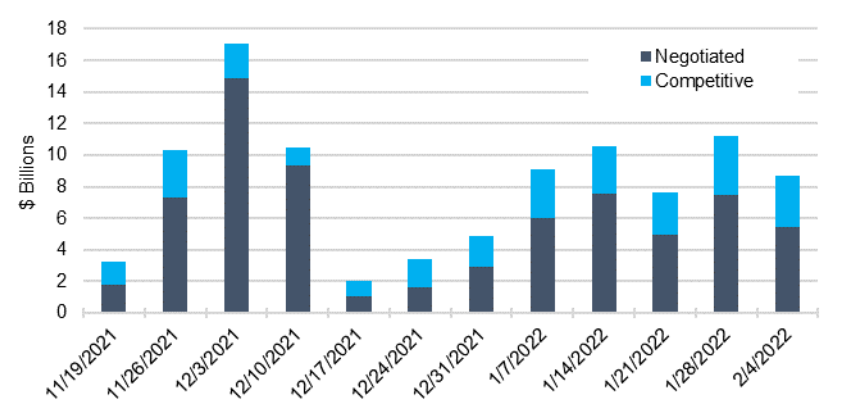
- SIFMA reset at 0.11%, a five-basis point increase from the prior week
- 1M LIBOR reset at 0.12%, one-point increase from the prior week

## SIFMA vs 1M LIBOR – 1/1/12 to 2/4/22

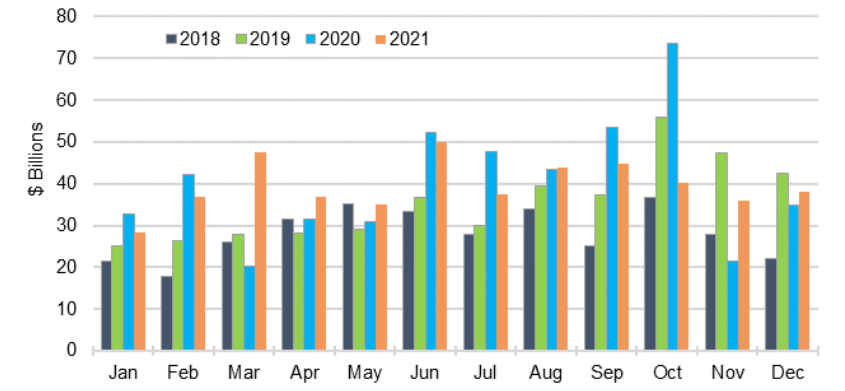


Source: Bloomberg

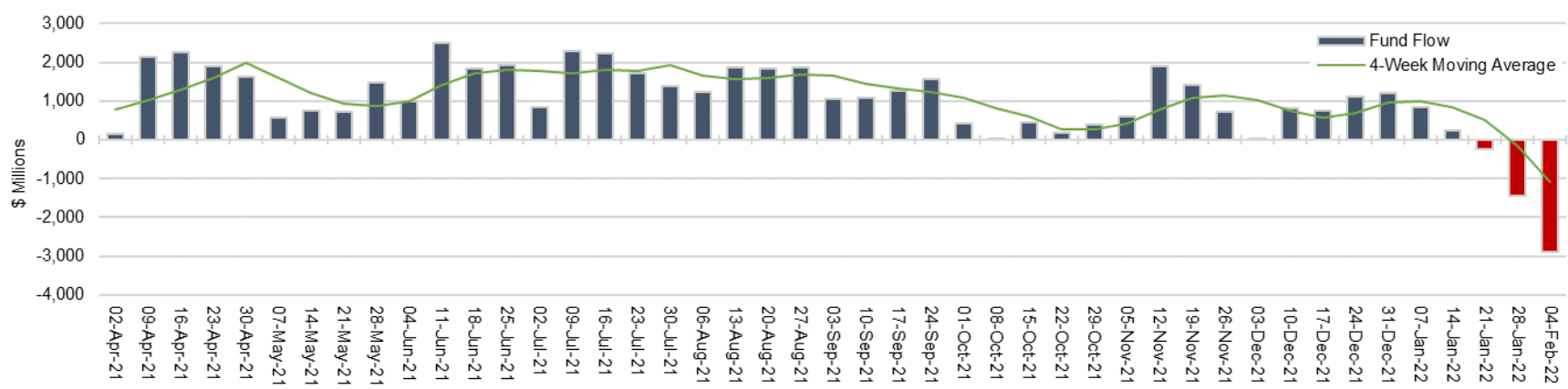
## Visible Supply



## Monthly Bond Issuance

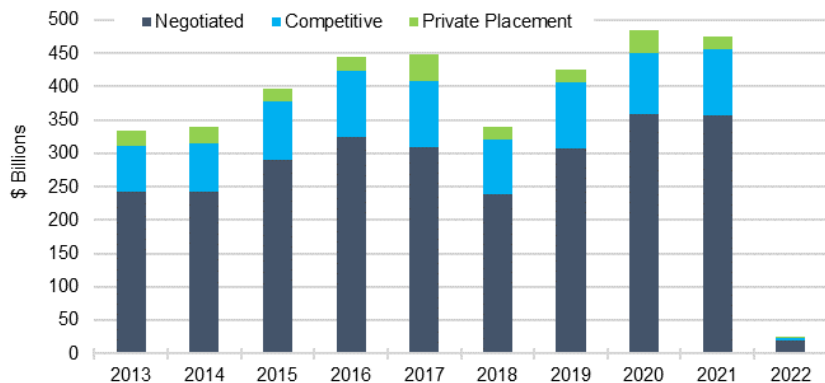


## Lipper Municipal Bond Fund Flows

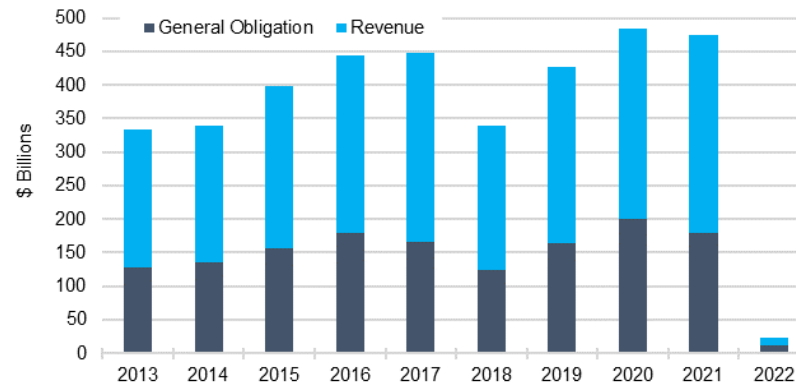


Source: The Bond Buyer and Bloomberg

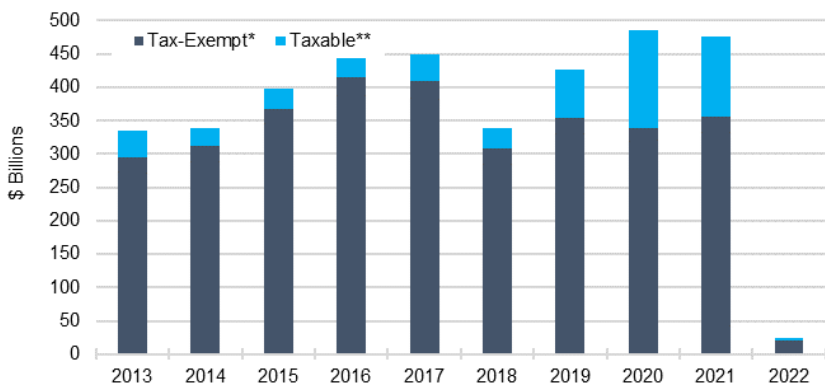
## Negotiated vs Competitive vs Private Placement



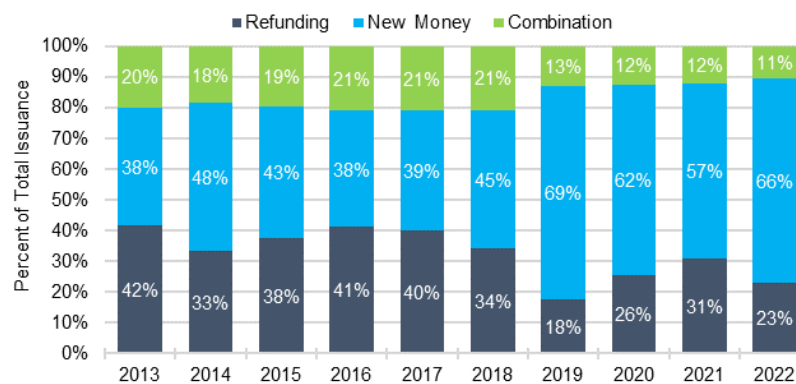
## Revenue vs General Obligation



## Taxable vs Tax-Exempt



## Refunding vs New Money



\* Tax-Exempt Includes AMT Bonds \*\*Taxable Includes Stimulus Bonds

Source: The Bond Buyer "A Decade of Bond Finance" and Thomson Reuters (based on data available through December 31, 2021) Excludes Notes

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# Team Resumes

## *Managing Director*



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Work Cell: 323.925.3110  
[creig.veldhuizen@hilltopsecurities.com](mailto:creig.veldhuizen@hilltopsecurities.com)

### **Areas of Focus**

- Debt Capital Markets Origination

### **Profile**

- Over 20 years of debt, capital markets and real estate deal-making experience
- Successfully led, managed and closed nearly \$2 billion in various capital markets transactions including mergers and acquisitions, debt, equity, tax-exempt special district bond financings and land transactions
- Managed all aspects of the land development process for master planned communities from entitlements, financing construction, and builder sales to marketing and community operations
- Able to anticipate challenging issues that land developers and special districts may encounter while providing insightful advice to clients
- Prior to joining HilltopSecurities, advised clients on over \$750 million in Colorado special district debt issuances while at Piper Sandler and prior to that led the issuance of over \$468 million in special district financing transactions as a developer and issuer

### **Education**

- B.S. in Finance from the University of Colorado at Boulder in 1994

### **Licenses Held**

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Representative, Series 7
  - Municipal Advisor Representative, Series 50, Series 52
  - Uniform Securities Agent, Series 63
  - Investment Banking Representative, Series 79
- Holds Chartered Financial Analyst (CFA) Designation

## *Managing Director*



### **Contact Information:**

8055 East Tufts Avenue  
Suite 500  
Denver, Colorado 80237

Telephone: 303.248.2502  
elizabeth.funk@hilltopsecurities.com

### **Area of Focus**

- Underwriting

### **Profile**

- Joined the firm in 2019
- 16 years' experience in municipal finance across public finance, underwriting and trading
- Previously worked as Director at Citi, and prior to that for Stifel
- Has priced a variety of municipal and corporate securities for issuers throughout the country, over \$2.5B in par underwritten
- Women in Public Finance National Board of Directors; Co-Chair Mentorship Committee Diversity, Equity and Inclusion Committee
- Member of Municipal Bond Women's Forum
- Rock the Street Wall Street Volunteer and Mentor

### **Education**

- Masters of Business Administration in Finance and Accounting, Regis University
- Bachelor of Arts in Economics, University of Kansas

### **Licenses Held**

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
- General Securities Representative, Series 7
- Uniform Securities Agent, Series 63

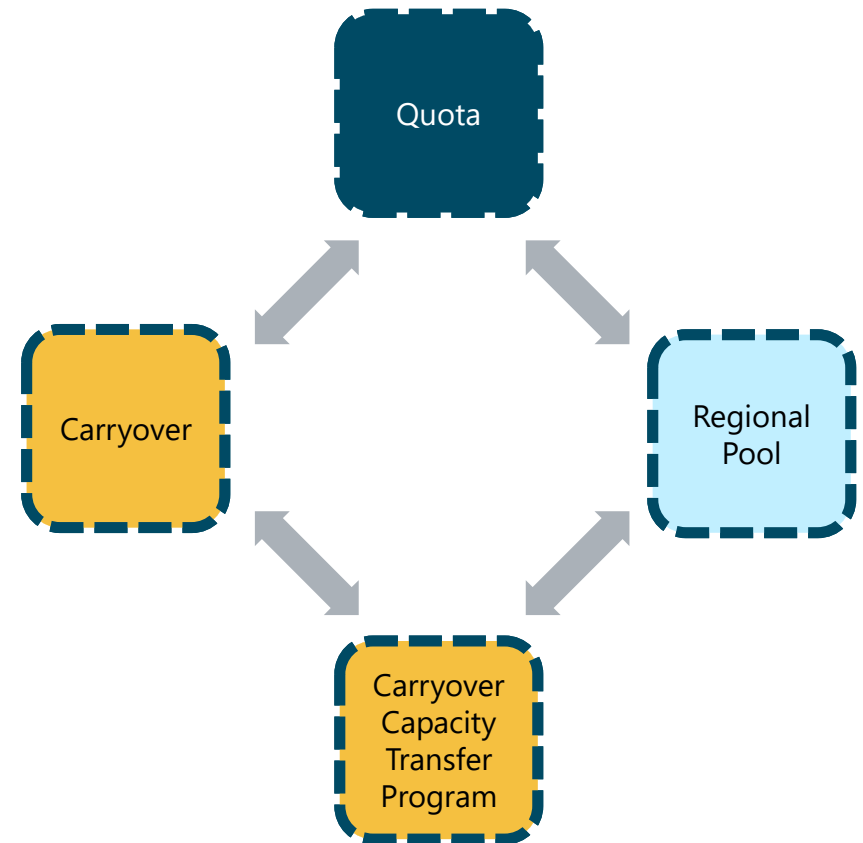


# Northern Water Programs Discussion

February/March 2022

# Agenda

1. Introduction/Purpose of today's discussion
2. Brief presentation
  1. Northern Water programs for allocating water
  2. Planning for uncertainty
3. Open discussion



# Purpose

## Northern Water Board

The Northern Water Board has asked us to seek your input concerning possible temporary changes to Northern Water programs if the Colorado River water supply outlook continues to deteriorate

## Your Input

Your input will be helpful to the Board as it continues its discussion of strategies to address Colorado River hydrology trends

## Continuous Conversation

# Three Questions to Frame the Discussion

If we look forward and conditions continue to get worse, does it make sense to change the way the C-BT Project operates?

- With the goal of making the Project more resilient

What could 'break' your system?

- In theory, if things go bad
- For this discussion, assume it goes south rapidly
- Currently ok, but prepare for unknown

What could help/hurt?

- Can Northern Water adjust programs to help?

# Logistics

- Modifying Carryover, Carryover Capacity Transfer, and/or Regional Pool Program would require rule changes
- Takes time to change rules, even on a temporary basis
- Additional chances to give input
  - Informal comments to staff
  - Formal comments to Board





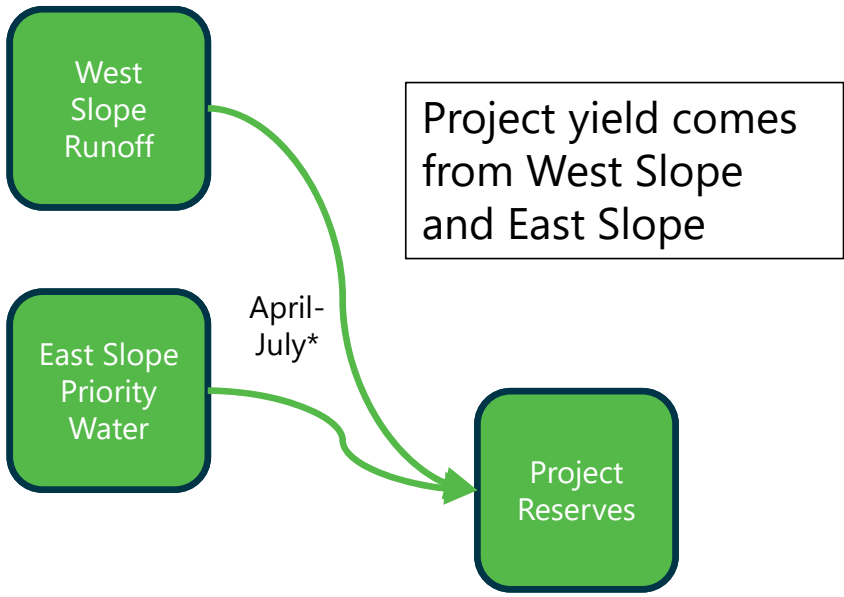
# **C-BT Project Water Program Overview**

Quota, Carryover, and Regional Pool

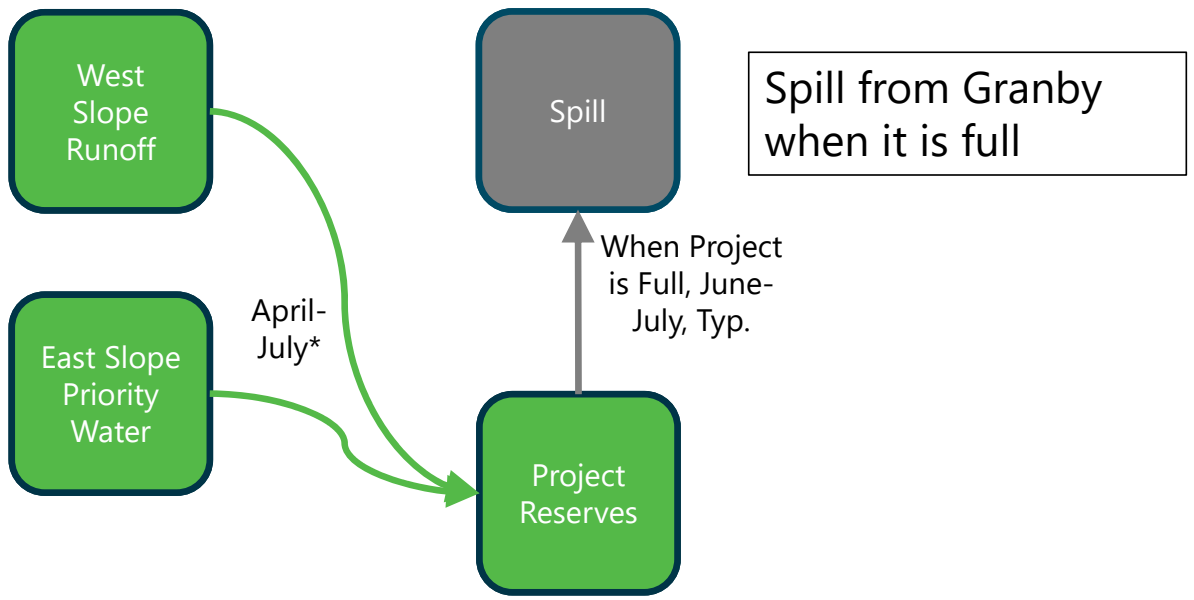


Project Reserves in  
Granby, Carter Lake,  
and Horsetooth

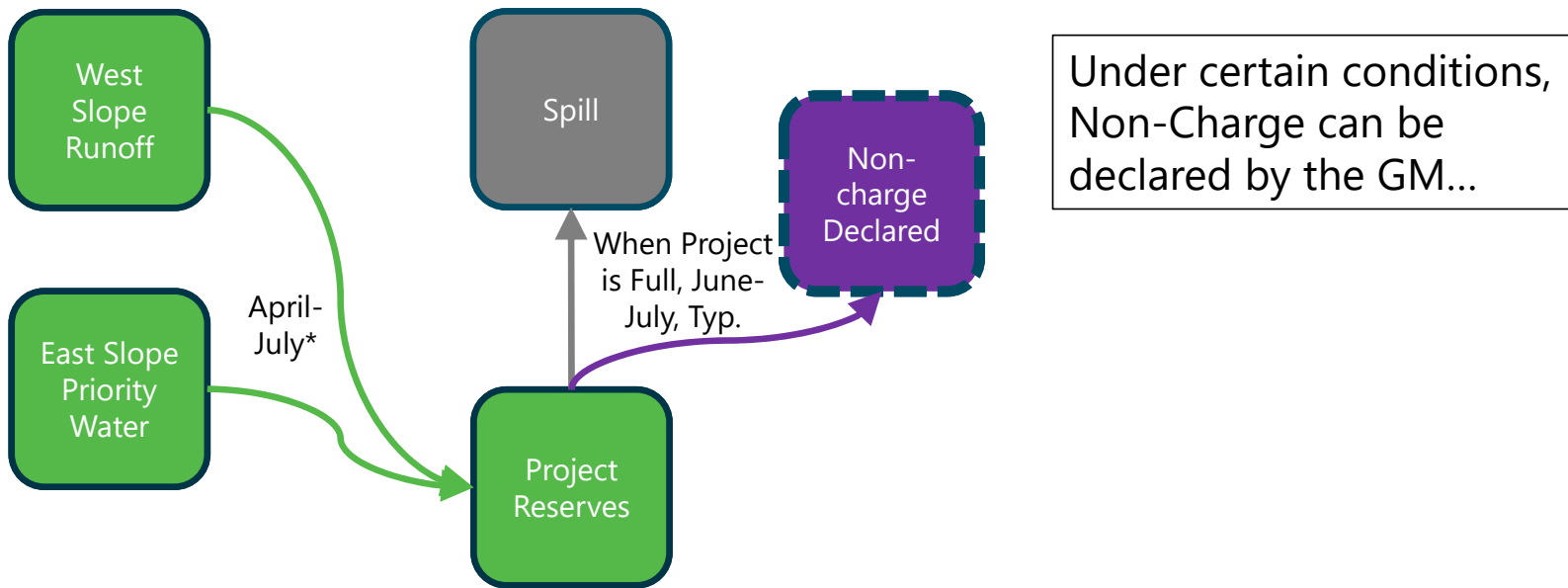
Project  
Reserves



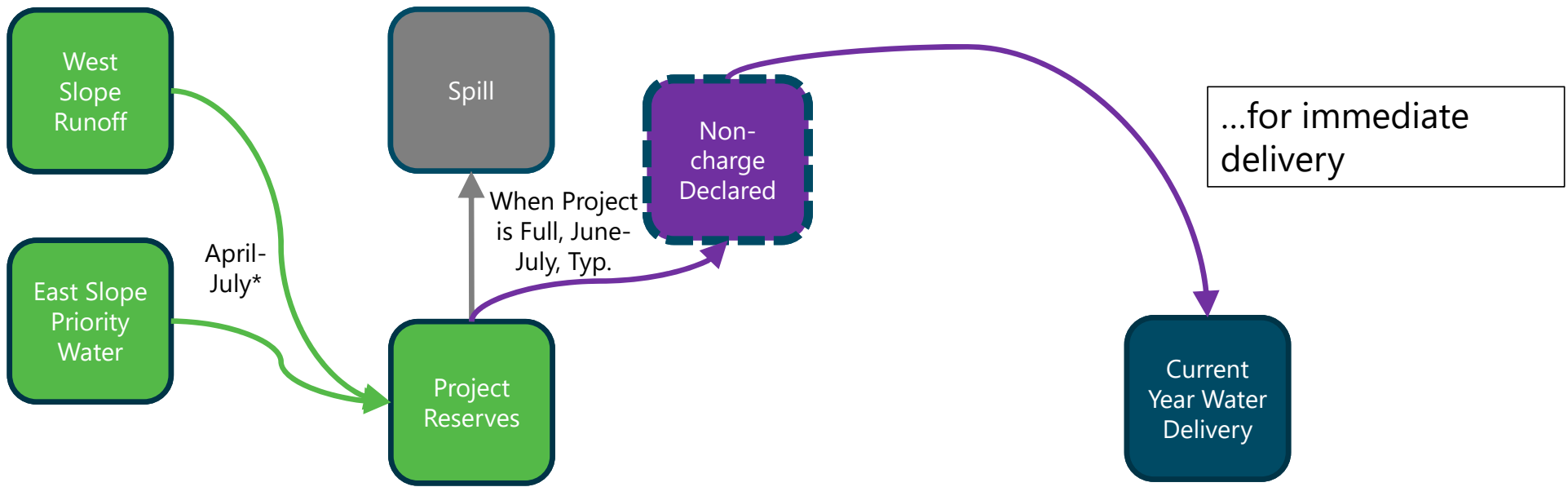
\*Primary months are listed, but occurs year-round



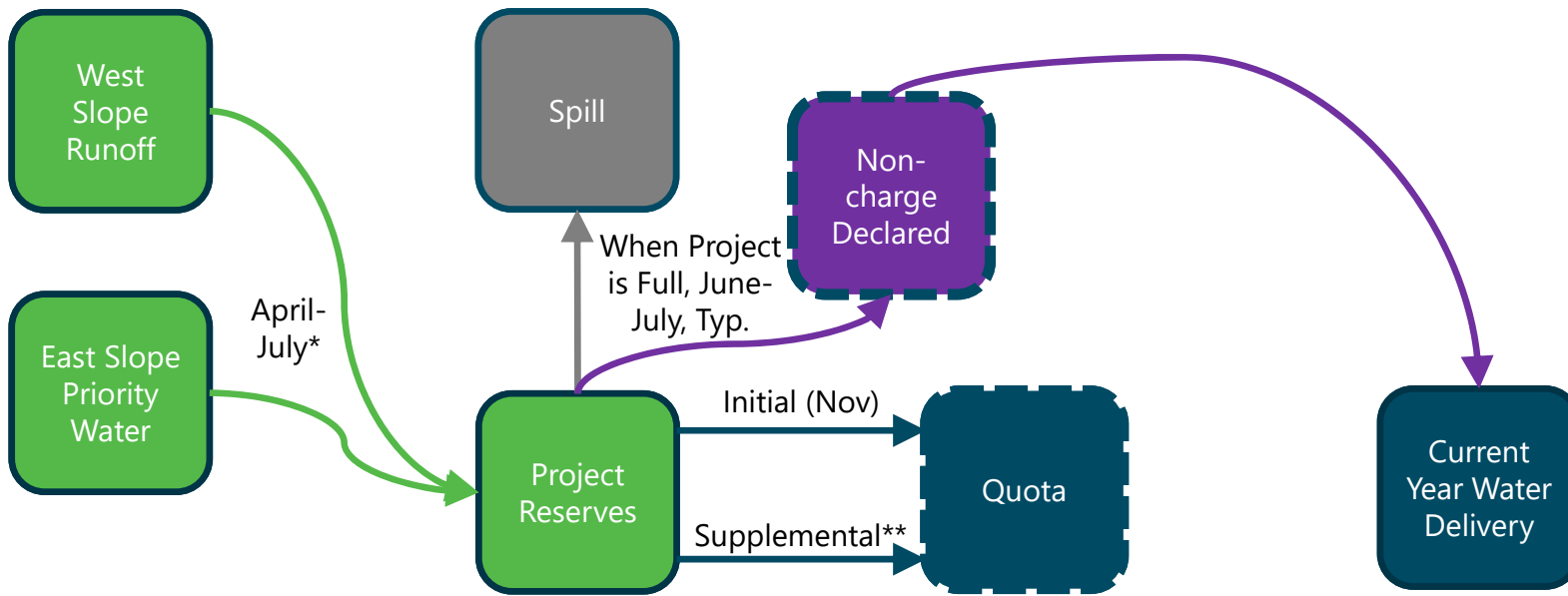
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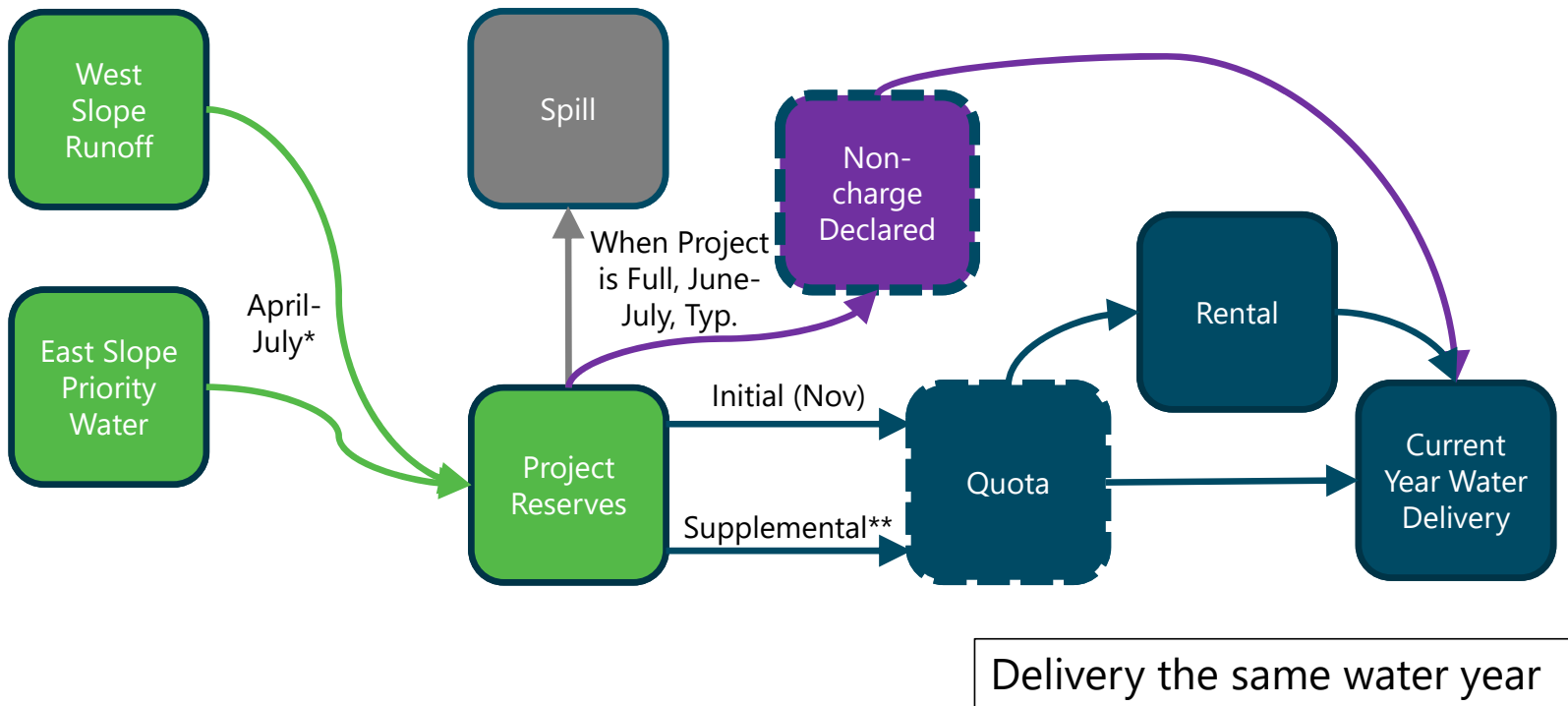
\*Primary months are listed, but occurs year-round



- Initial quota allocation at October Board Meeting
- Supplemental allocation in April
- Sometimes, additional supplemental allocation after April if conditions warrant

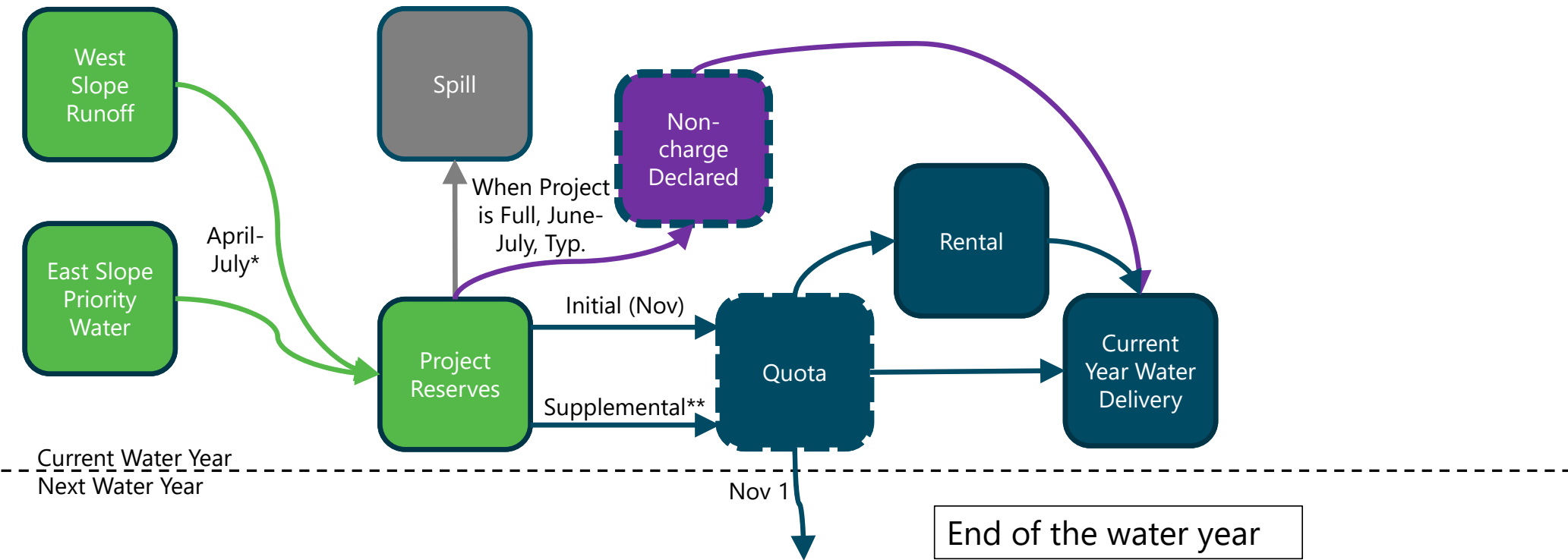
\*Primary months are listed, but occurs year-round

\*\*Supplemental quota is typically set in April and sometimes later in the year as well at the Board's discretion

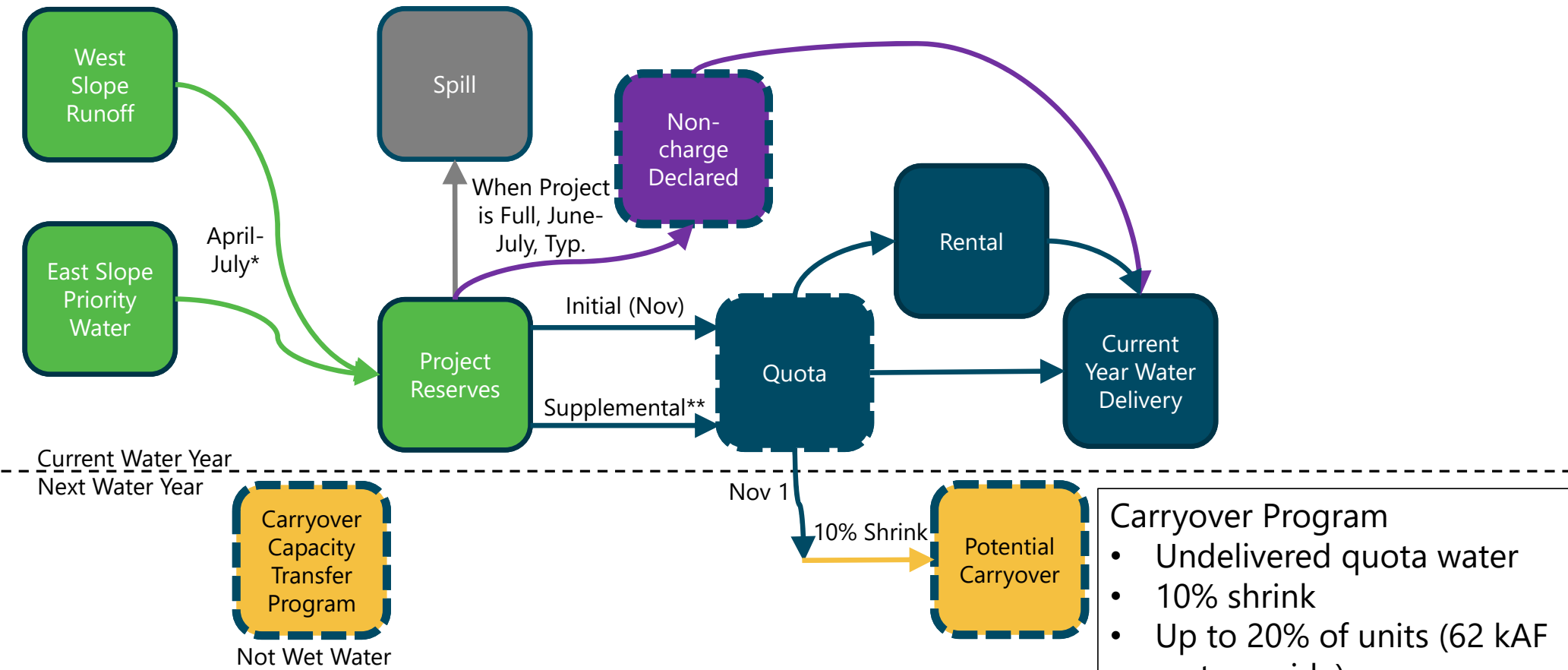


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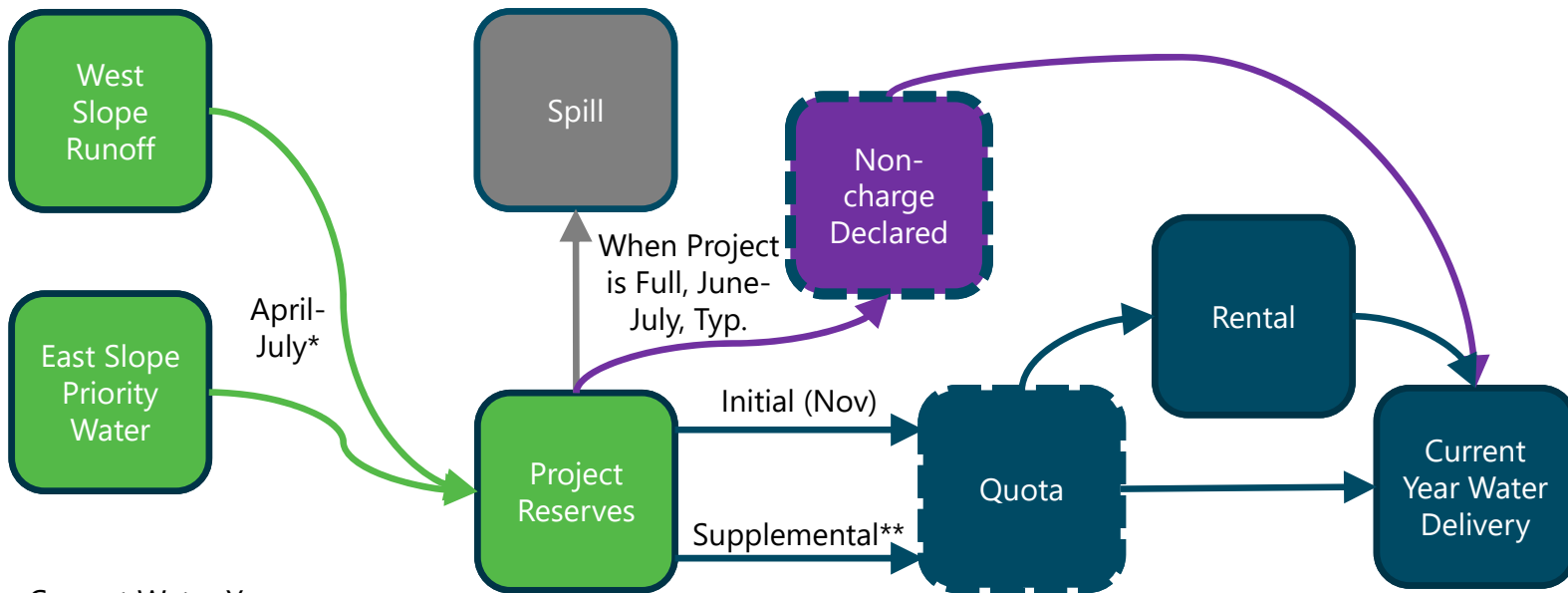


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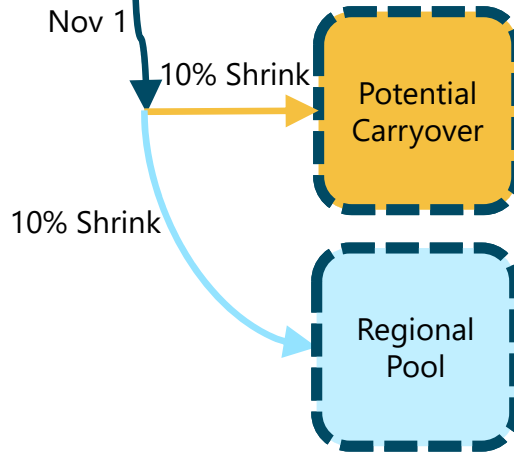
- Carryover Program**
- Undelivered quota water
  - 10% shrink
  - Up to 20% of units (62 kAF system wide)
  - Can rent carryover capacity from other entities (CCTP)



Current Water Year  
Next Water Year



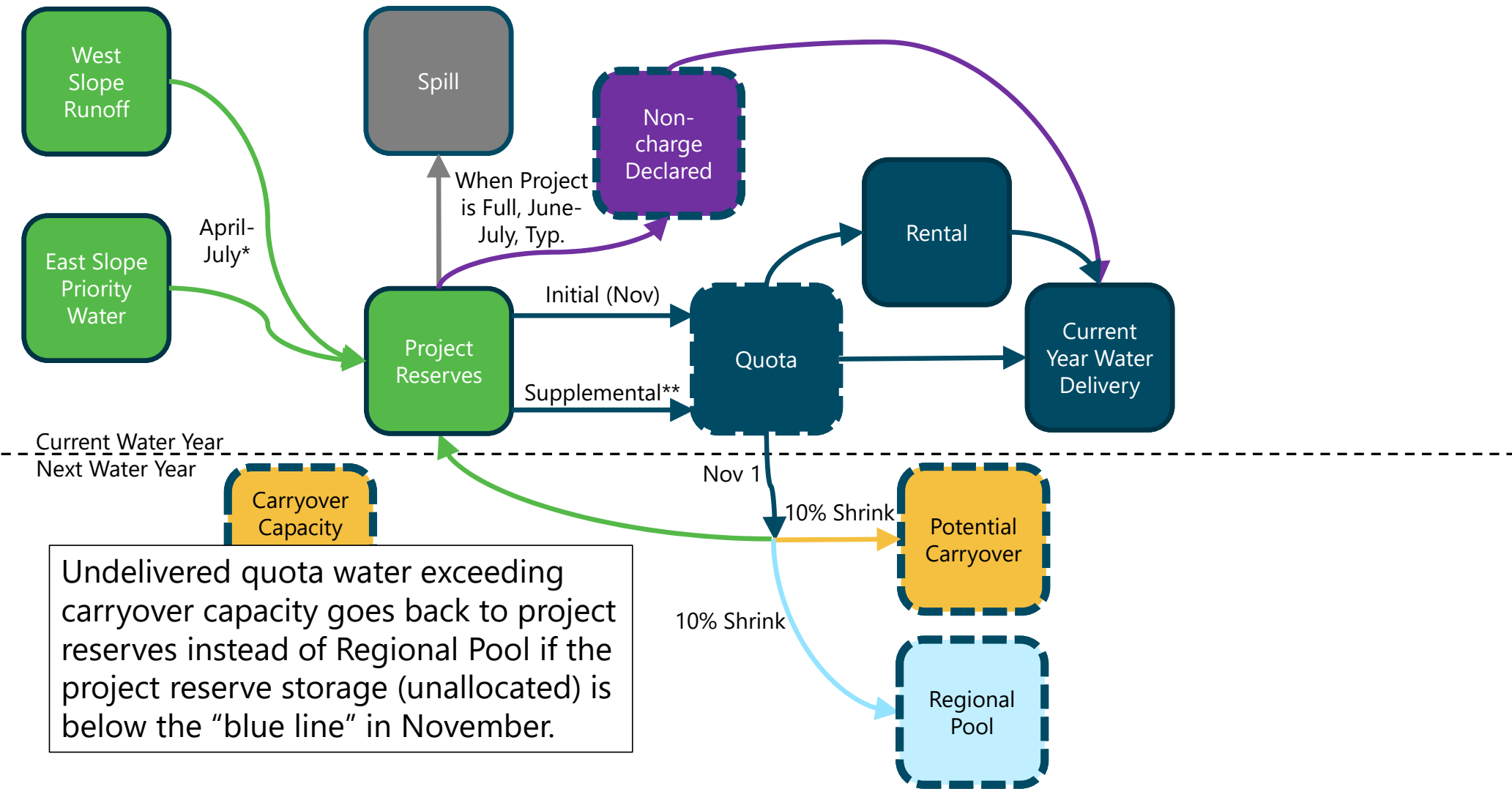
Not Wet Water

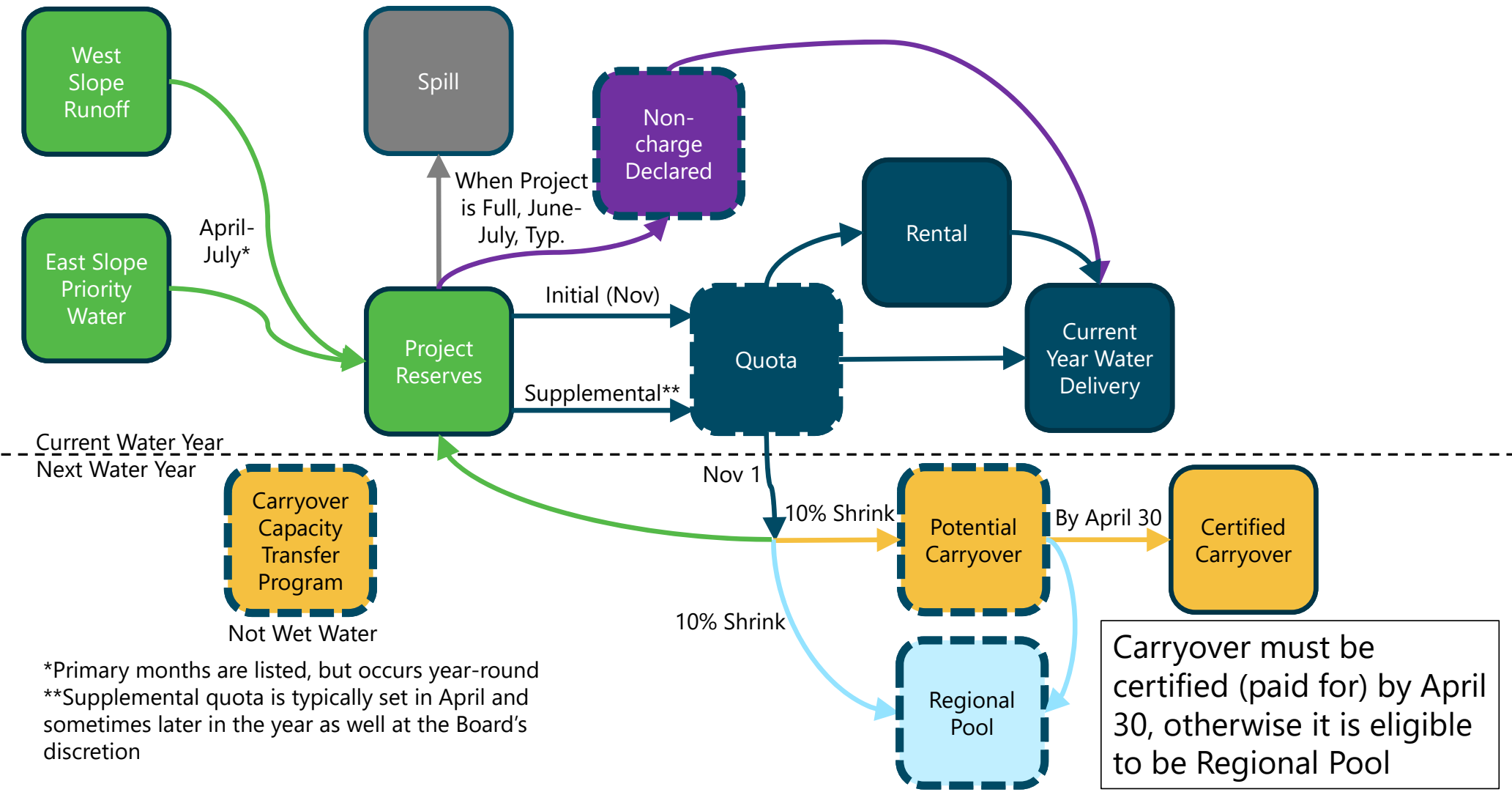


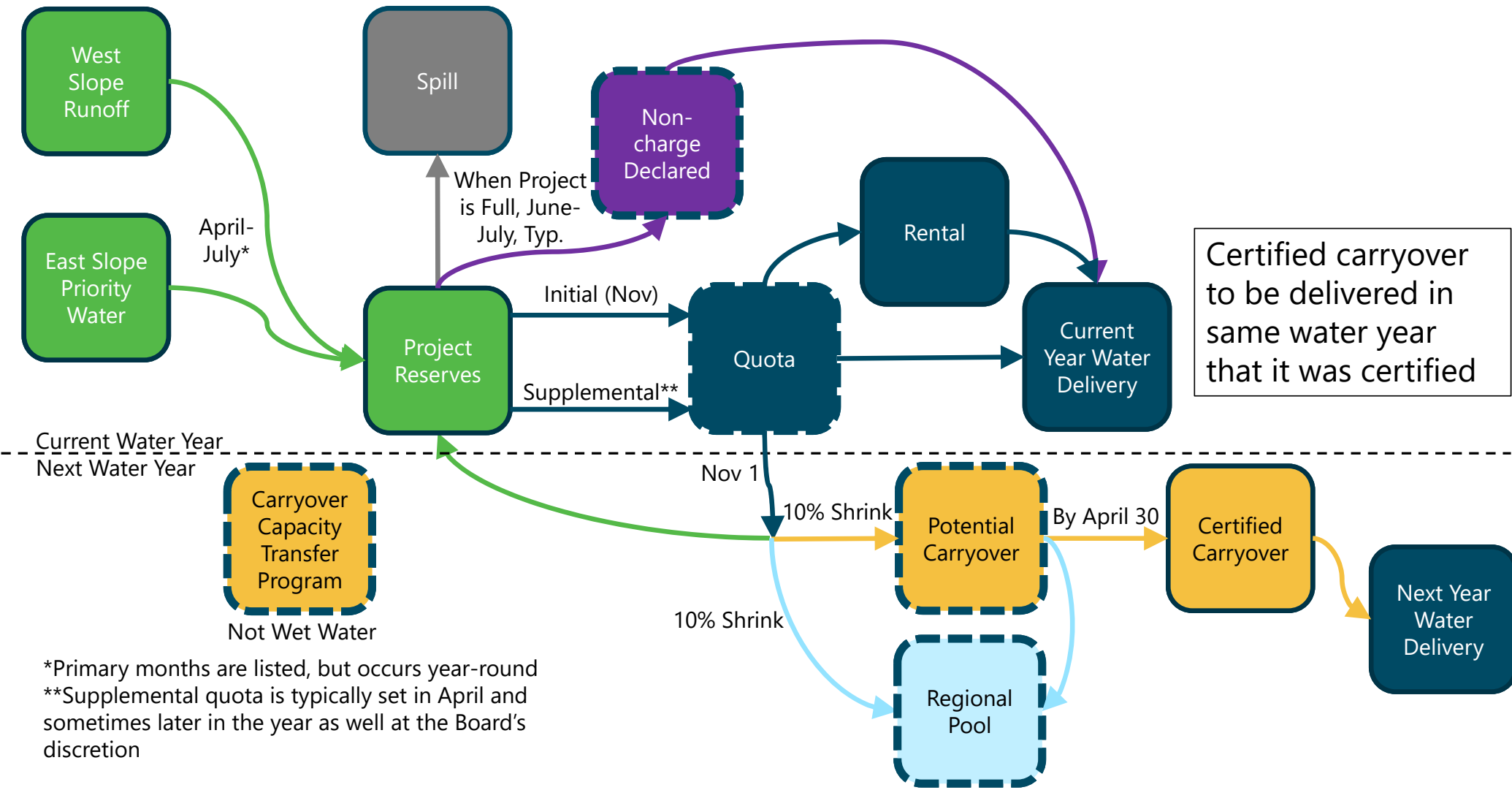
**Regional Pool Program**

- Undelivered quota water exceeding carryover capacity
- 10% shrink
- Not allocated yet!

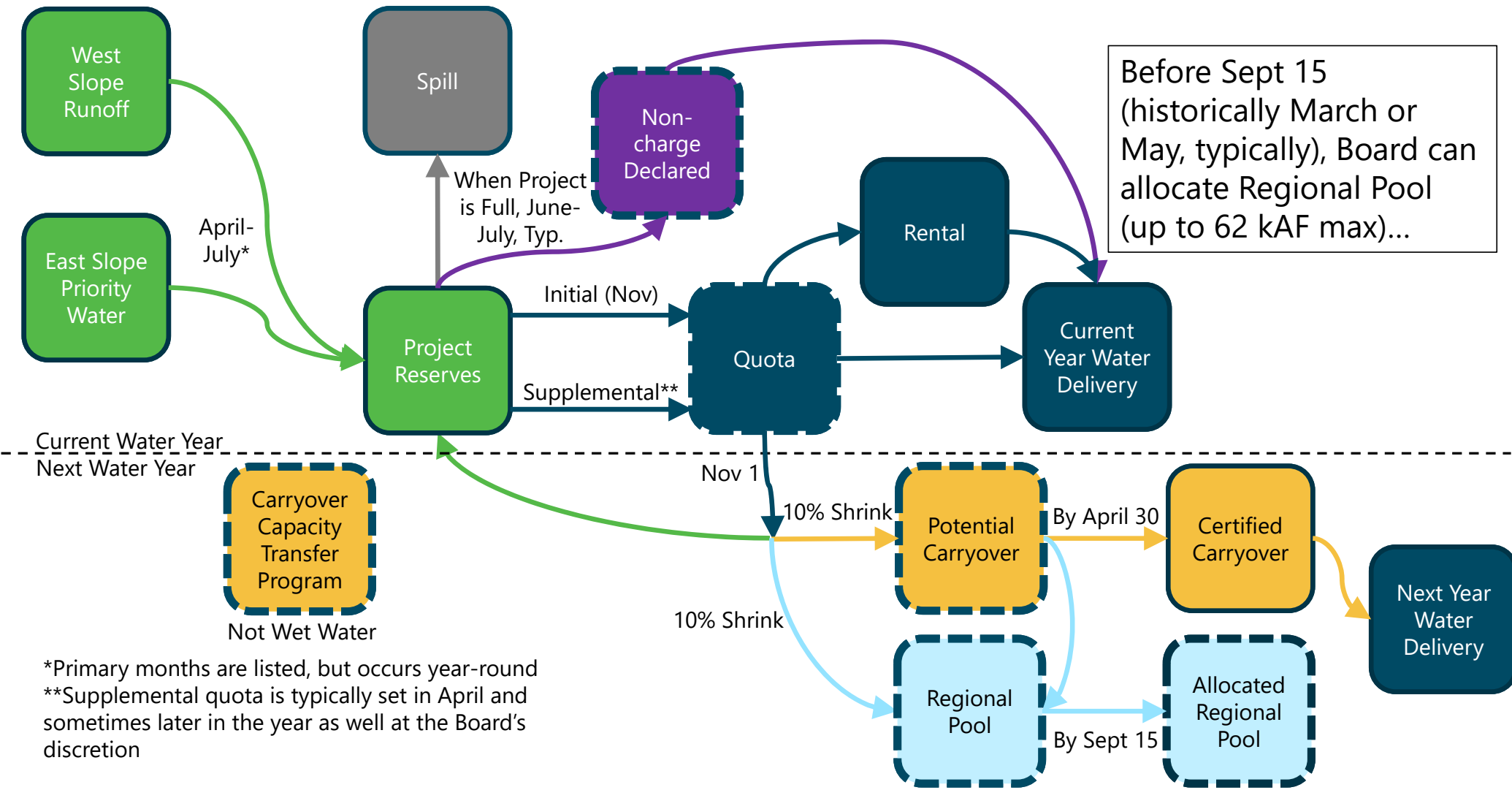
\*Primary months are listed, but occurs year-round  
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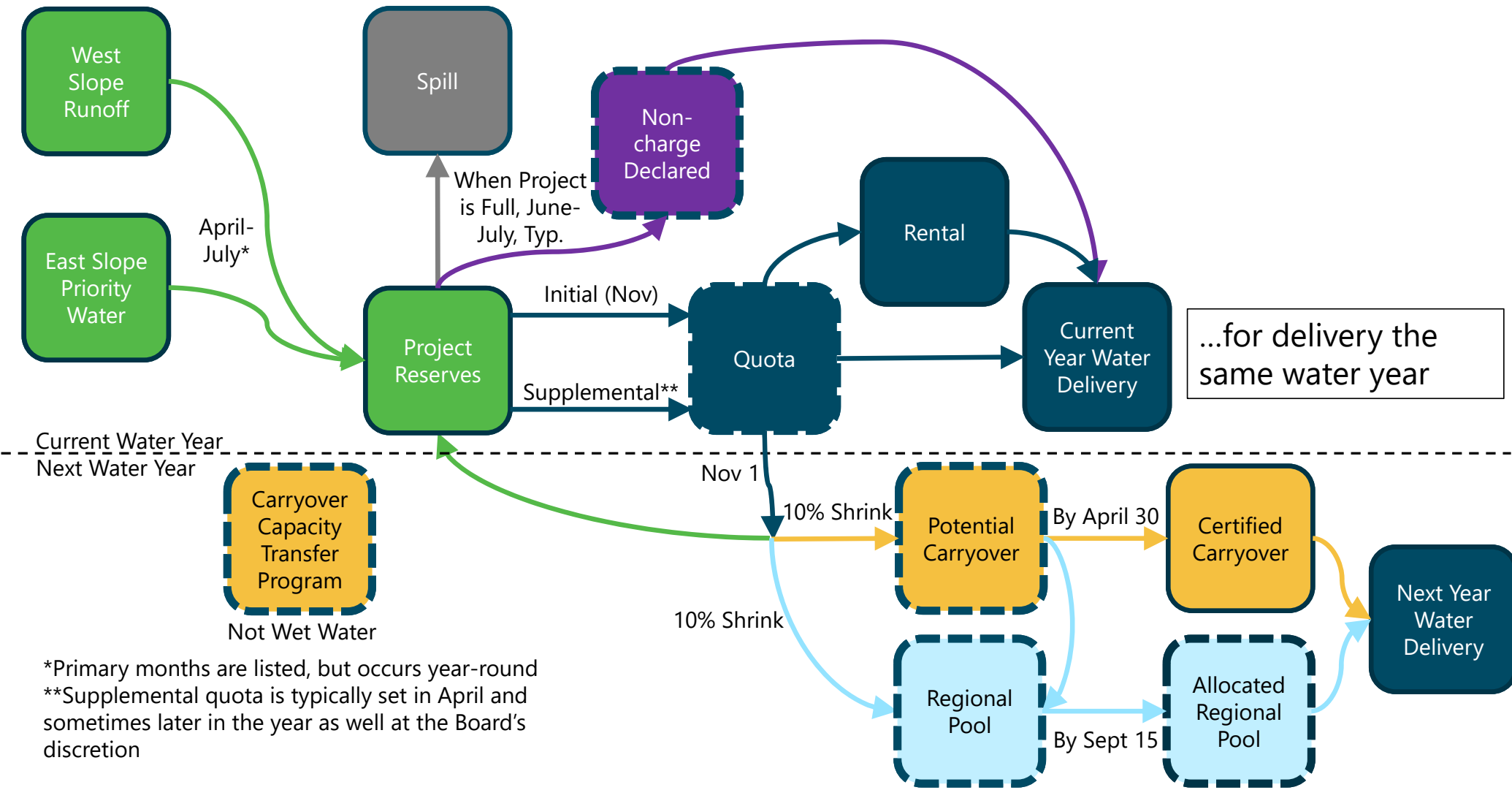




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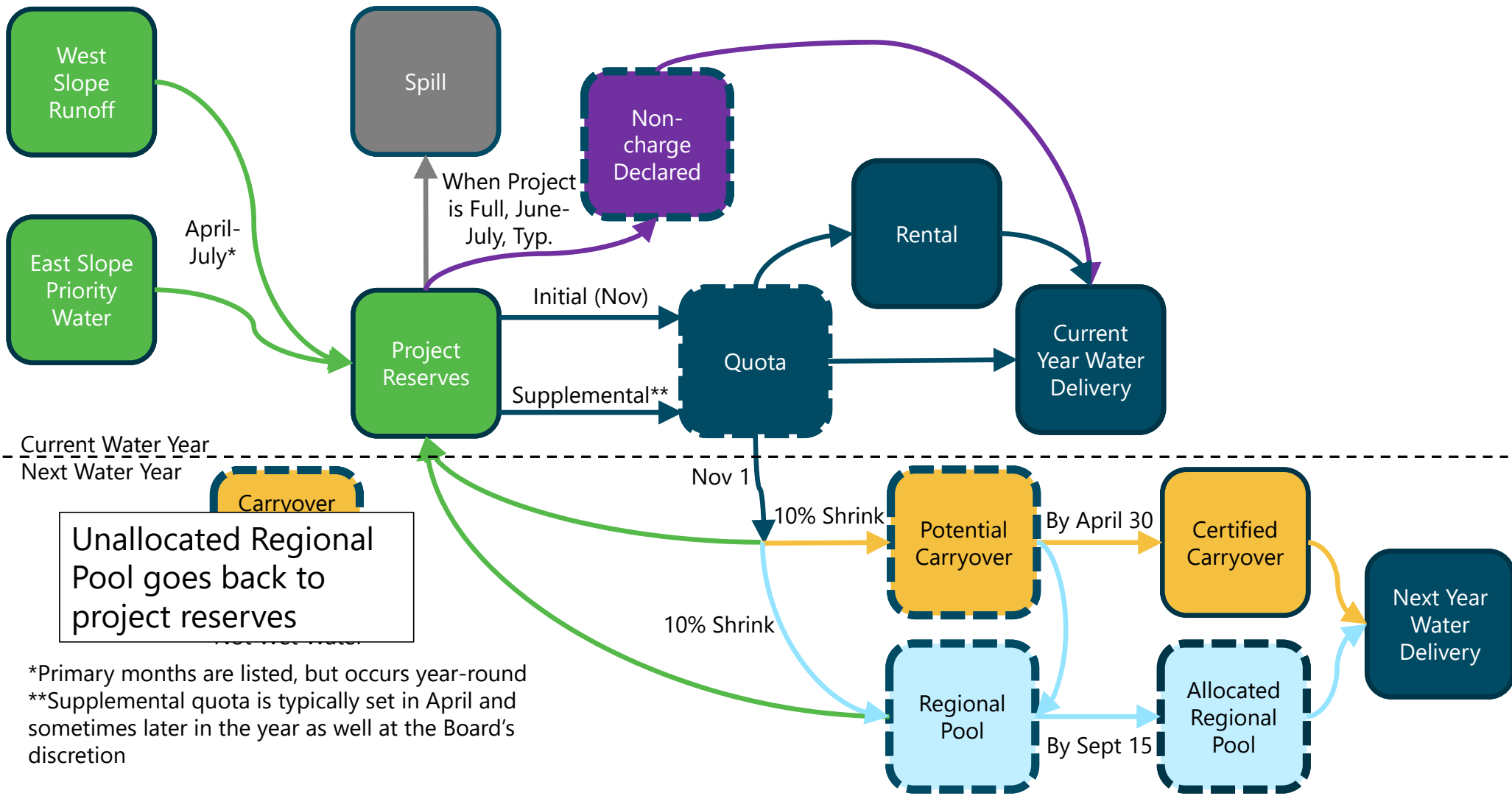


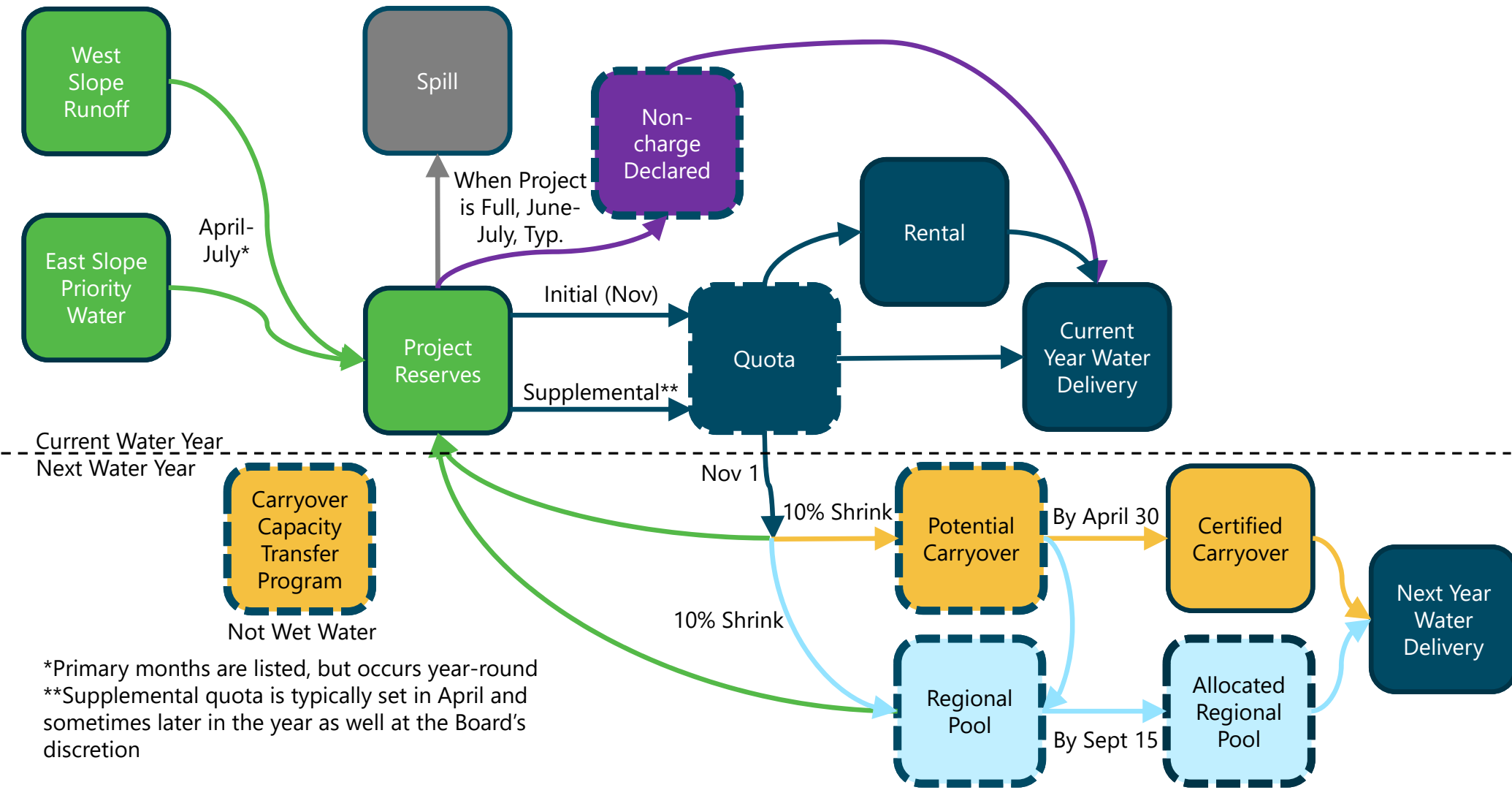
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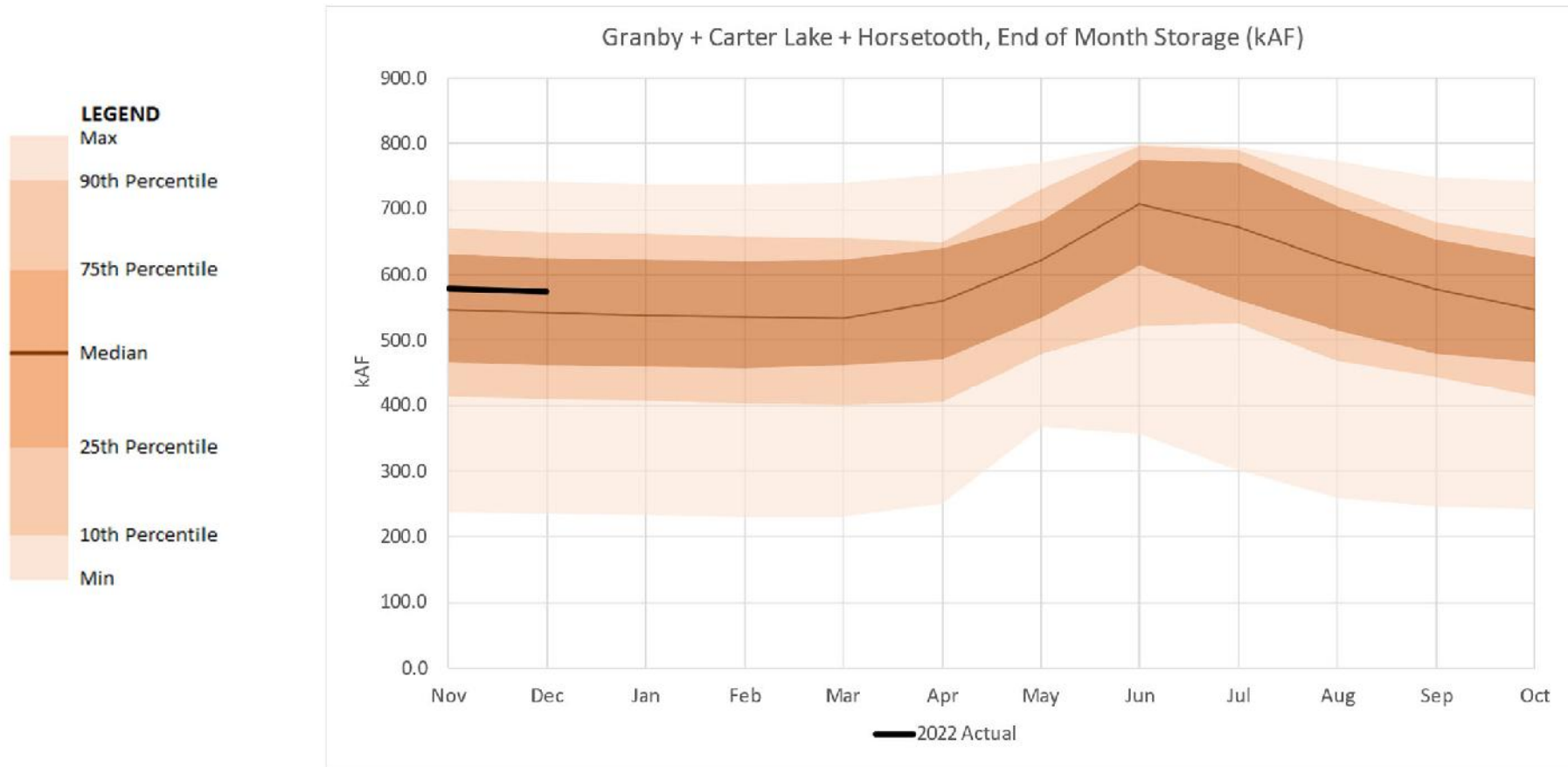


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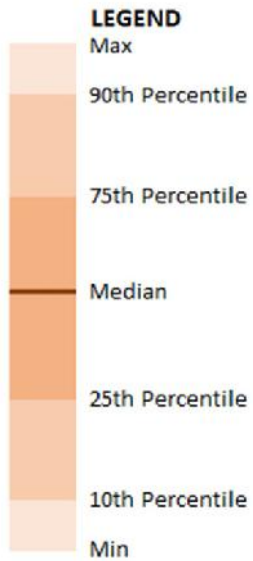


# **C-BT Project Storage 12 Month Forecast**

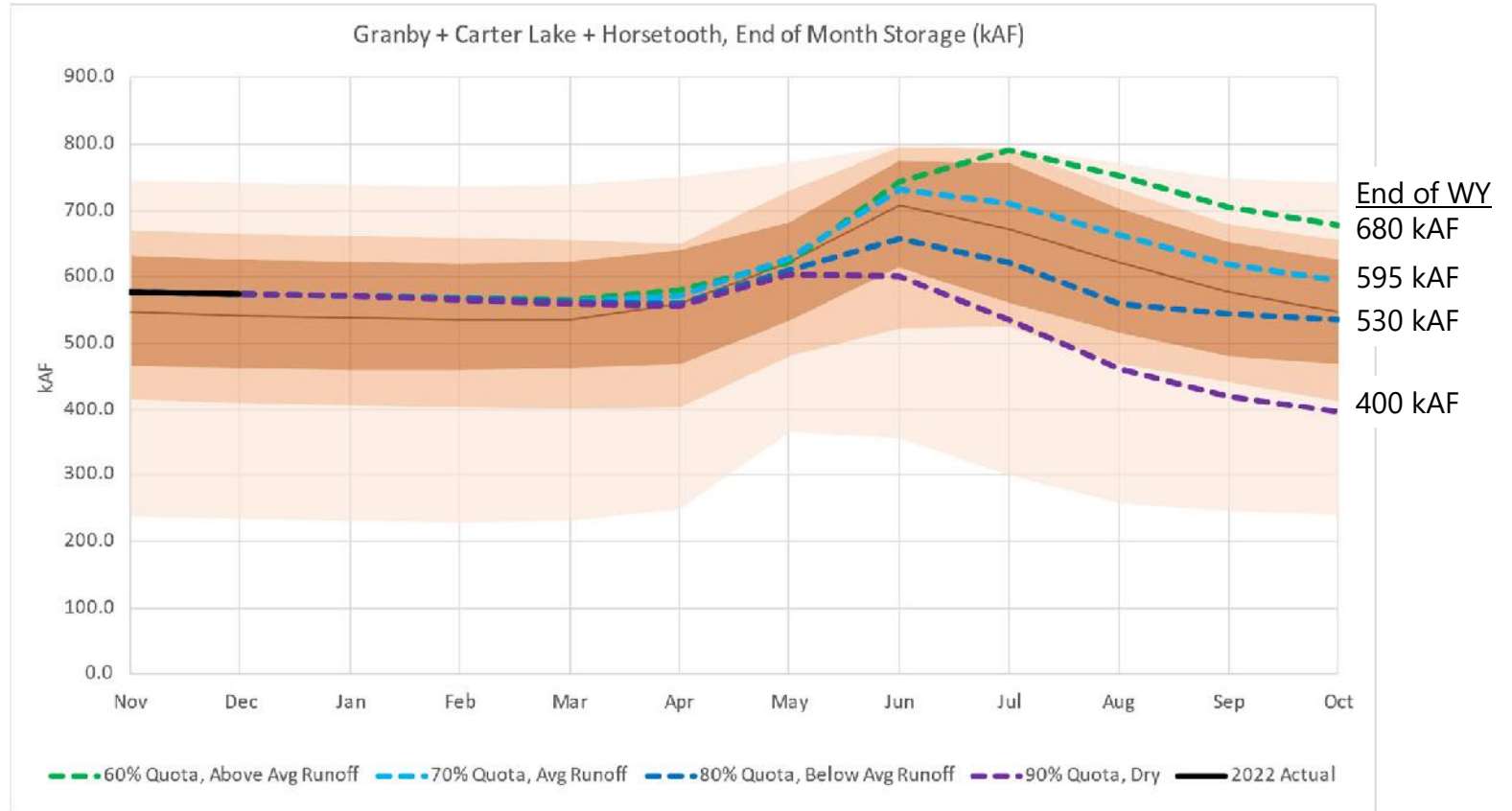
# Historic C-BT Project Storage, 2000-2021



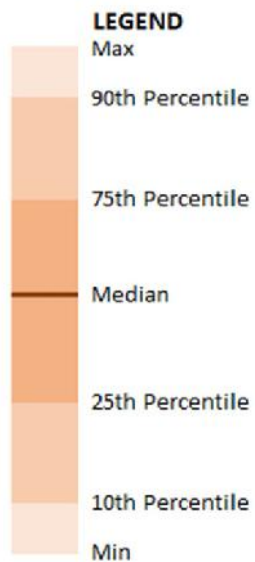
# WY2022 C-BT Project Storage Forecast



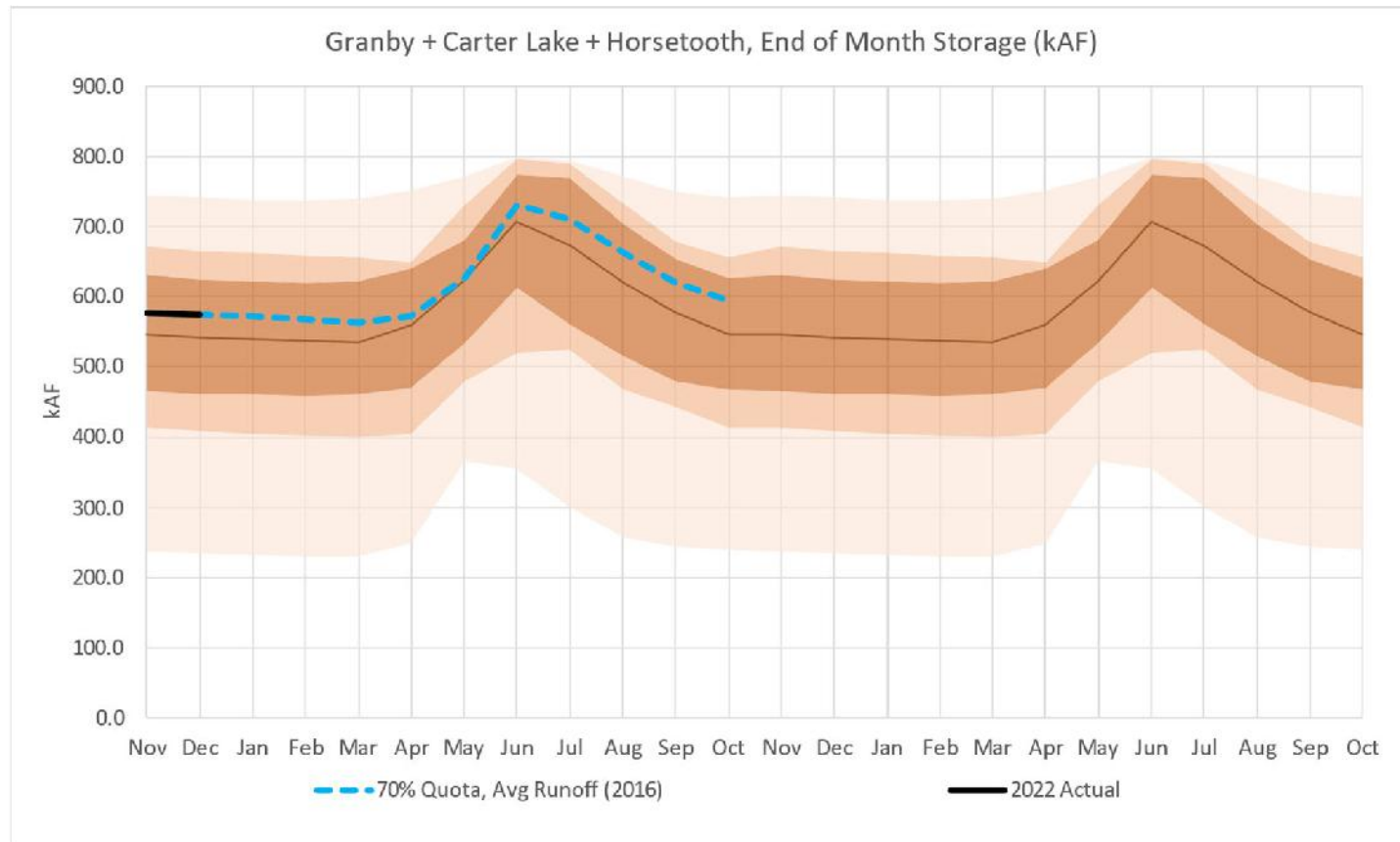
Regional Pool = 0



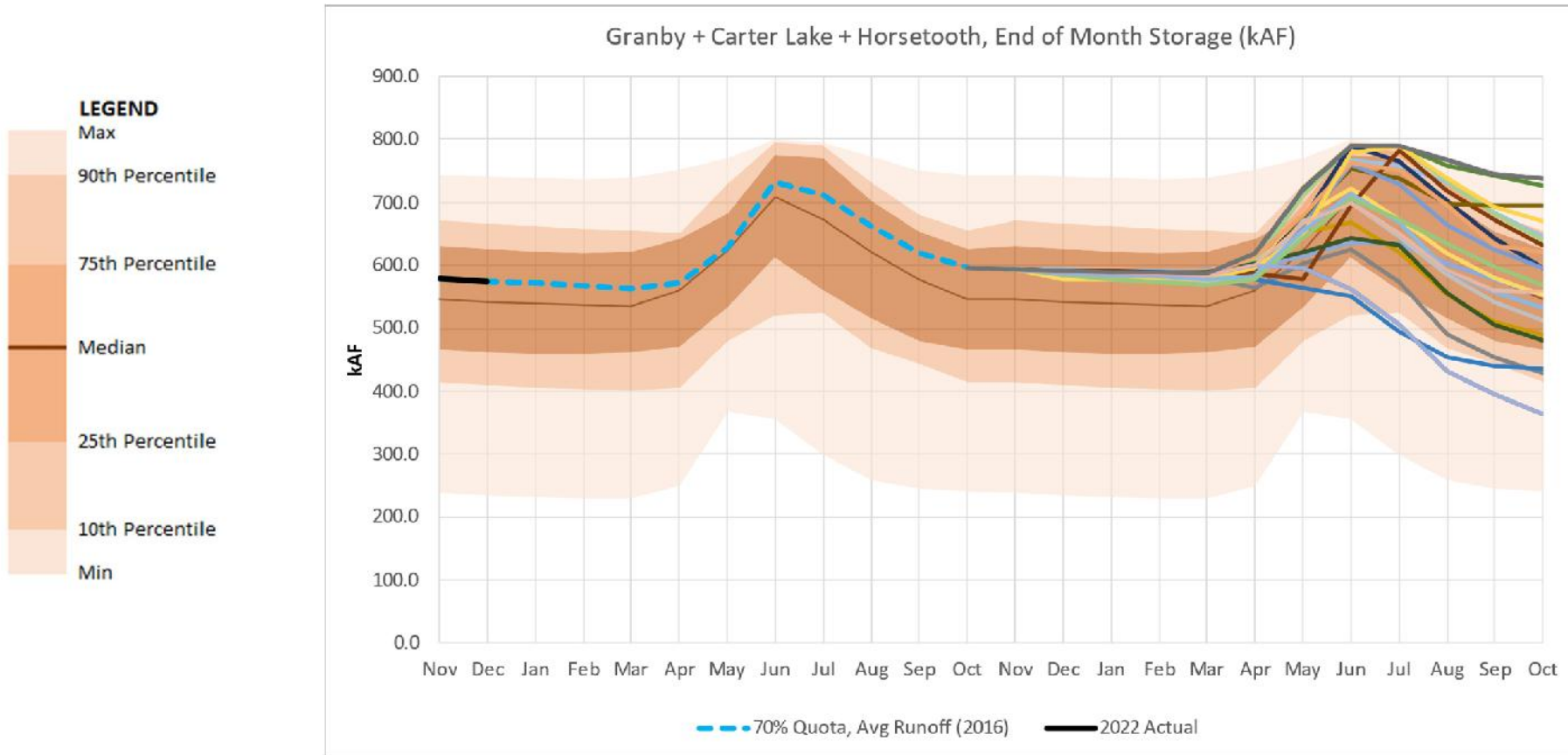
# 70% Quota, Average Runoff Year



Regional Pool = 0



# 24-Month Ensemble





# Discussion



# Three Questions to Frame the Discussion

If we look forward and conditions continue to get worse, does it make sense to change the way the C-BT Project operates?

- With the goal of making the Project more resilient

What could 'break' your system?

- In theory, if things go bad (for this discussion, assume it goes south rapidly)
- Currently ok, but prepare for unknown

What could help/hurt?

- Can Northern Water adjust programs to help?

# What could help/hurt?

- Examples of how Northern Water Board could adjust programs:
  - If project water supply and forecast continue to get worse, what if the Board increased carryover (to 25% or 30%)?
  - Wait until June to make decisions?
  - RPP allocation – thoughts given uncertainty in water supply?
  - Change the way quota is considered?
  - Anything else?
- How would changes like these affect your planning and operations?
- At what point would it make sense for changes to go into effect?



**Thank You**