

NORTH WELD COUNTY WATER DISTRICT

Notice of Meeting

Monday, July 8, 2024, at 8:30 AM

32825 Co Rd 39, Lucerne, CO 80646

**THE BOARD MEETING WILL BE OPEN TO THE PUBLIC IN PERSON AND 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 July 8, 2024, NWCWD Board Meeting Agenda**
- 4. Public Comment (3 Minute Time Limit; Items Not Otherwise on the Agenda)**
- 5. Consent Agenda: (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 June 10, 2024, Regular Meeting**
 - b. Unaudited Financial Statements June 2024**
 - c. Invoices through July 8, 2024**
 - d. Letter of Intent Single Lot**
 - i. Shiner**
 - e. Raw Water Dedication Agreement Johnson Dairy**
 - f. City of Greeley Overland Ponds Amended Site Maintenance Agreement**
 - g. Slate Communications Letter of Termination of Services**
 - h. Authorization # 3 Greeley and NWCWD Harmony Interconnect**
- 6. Action: Consider Acceptance of 2023 Draft Financial Audit, Plante Moran (enclosures)**
- 7. Discussion/Action: FCWLD and NWCWD Buss Grove Interconnect IGA and FCLWD Capacity Issues(enclosures)**
- 8. Action: Selection of Public Relations Firm and Approval of Engagement Letter (enclosures)**
 - a. The Solution PR <https://www.thesolutionpr.com/litigation-public-relations/>**
 - b. Novitas <https://novitascommunications.com/novitas-communications-team/>**
- 9. Action: Consider Approval of Variance Proposals Related to NWCWD Development Review Policy (enclosures)**

- a. Saddler Development (privileged and confidential separate cover enclosures)
 - b. Foss Dairy
10. Action: NWCWD Regional Master Plan Update and Growth Projection Analysis 2030 through 2040
11. Action: Update re Litigation with Eagle View Farms, LLC and Litigation Issues
12. 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)(a)(b)(e) & (f), C.R.S. related to Regional Master Plan; Development Review Variance Requests; FCWLD and NWCWD Buss Grove Interconnect IGA and Usages; and Eagle View Farms, LLC Litigation.
13. District Manager's Report:
- a. Tap Sales
 - b. Line 1 Transmission Line Repair
 - c. September Meeting Date
 - d. BPCCC Legislative Change July 1, 2024
14. Other Business

ADJOURN _____ .M.

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

Held: Monday, the 10th day of June 2024, at 8:30 A.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:

Tad Stout, President
Nels Nelson, Treasurer
Anne Hennen, Assistant Secretary
Matt Pettinger, Assistant Secretary

Director Cockroft was absent. All absences are deemed excused unless otherwise noted in these minutes.

Also present were Eric Reckentine, General Manager of the District; Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Richard Raines, Water Resources; Angela Thompson, Slate Communication; Alicia Watkins, Plante Morane; Matt Collins, Arbitrage Compliance Specialists; Dave Bruin, Town of Severance; and members of the public.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order at 8:32 A.M.

Declaration of Quorum and Confirmation of Director Qualifications

Mr. Stout 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. Wagner 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. Nelson, seconded by Ms. Hennen, the Board unanimously approved the agenda as presented.

PUBLIC COMMENT

John Holdren addressed the Board regarding the Water Service Agreement with the Town of Severance and inquired as to how many new plant investments they would receive. Mr. Reckentine reported that the District is currently working with the Towns of Eaton and Nunn and then would begin working with the Towns of Severance and Pierce. Mr. Reckentine noted that the Town of Severance would receive 120 plant investments.

CONSENT MATTERS

AGENDA

Upon a motion of Mr. Nelson, seconded by Mr. Pettinger, the following items on the consent agenda were unanimously approved, ratified and adopted:

- a. Minutes from May 13, 2024, Regular Meeting
- b. May Unaudited Financials
- c. Invoices through June 10, 2024
- d. Letter of Intent Single Lot
- e. NEWT III Century Link Settlement

NWCWD 2023 Draft
Financial Audit, Plante
Moran

Ms. Watkins presented to the Board the 2023 Draft Financial Audit and addressed the status of the audit questions related to the 2019 and 2022 bonds that are being addressed with legal counsel.

2019 Bond Arbitrage
Discussion

Mr. Collins informed the Board regarding the arbitrage and yield restriction rules and noted that he has reviewed the District's 2019 bonds, and the District is required to make a yield restriction payment to the IRS in July. Mr. Collins will continue to review the 2022 bonds and will report back to the Board. No action taken.

Consider Approval of
NWCWD Policy

Resolution No. 20240610-01:
Resolution Amending
Development Review
Process

Mr. Reckentine presented to the Board the Resolution Amending the Development Review Process. Following discussion, upon a motion from Mr. Nelson and seconded by Mr. Pettinger, the Board unanimously adopted the resolution.

DISTRICT MANAGER'S REPORT

Tap Sales

Mr. Reckentine reported to the Board there were 30 taps sold to date.

Design Completion 30% Mr. Reckentine reported that the plans will soon be at 60% and Eaton Pipeline Phase 3 the District will be sending an RFQ to obtain a list of bidders in the near future for this project and for the Timnath 36 Inch line project

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

Secretary for the District

NORTH WELD COUNTY WATER DISTRICT

Balance Sheet
June 30, 2024

ASSETS

Current Assets

1014 - BANK OF COLORADO	\$	958,355.78
1015 - COLO TRUST - GENERAL		15,219,254.51
1017 - COLO TRUST- RRR		265,563.25
1019 - COLO TRUST - 2019 BOND		2,345,890.15
1020 - COLO TRUST - 2022 BOND		37,654,660.20
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)		2,519,514.43
1105 - AR CONSTRUCTION METERS		40,112.83
1116 - ACCOUNTS RECEIVABLE		7,797.07
1230 - PREPAID INSURANCE		60,929.42
1300 - INVENTORY		2,157,830.22

Total Current Assets 61,230,107.86

Property and Equipment

1220 - LAND BUILDING SITE		541,875.18
1222 - CSU DRYING BEDS		28,612.00
1225 - LAND & EASEMENTS		3,440,118.09
1405 - WATER RIGHTS OWNED		102,112,451.44
1407 - WATER STORAGE		6,572,497.14
1415 - MACHINERY & EQUIPMENT		2,600,943.63
1416 - DEPREC - MACH & EQUIP		(2,007,120.85)
1420 - OFFICE EQUIPMENT		52,720.33
1421 - DEPREC - OFFICE EQUIP		(52,720.11)
1425 - PIPELINES		76,915,677.65
1426 - DEPREC - PIPELINES		(26,502,452.05)
1430 - STORAGE TANKS		3,626,714.18
1431 - DEPREC - STORAGE TANKS		(1,642,003.81)
1432 - MASTER METERS		689,854.53
1433 - DEPREC MASTER METERS		(82,279.68)
1435 - PUMP STATIONS		5,974,705.89
1436 - DEPREC - PUMP STATIONS		(2,826,752.24)
1437 - FILL STATION		15,555.00
1438 - DEPREC - FILL STATION		(4,666.50)
1440 - PAVING		25,500.20
1441 - DEPREC - PAVING		(25,499.80)
1445 - OFFICE BUILDING		1,667,567.41
1446 - DEPREC - BUILDING		(568,176.17)
1454 - CONSTRUCT IN PROGRESS		8,333,141.04

Total Property and Equipment 178,886,262.50

Other Assets

1457 - FILTER PLANT EQUITY		22,849,610.70
1466 - Bond Cst of Issue '19		0.37

Total Other Assets 22,849,611.07

Total Assets \$ 262,965,981.43

LIABILITIES AND CAPITAL

Current Liabilities

2215 - ACCOUNTS PAYABLES	\$	792,745.49
2216 - CONST MTR DEPOSITS		101,024.94
2230 - ACCRUED WAGES		74,373.11

Unaudited - For Management Purposes Only

NORTH WELD COUNTY WATER DISTRICT

Balance Sheet
June 30, 2024

2231 - ACCRUED COMP ABSENCES	162,037.28	
2232 - ACCRUED INTEREST	625,550.00	
2240 - Retainage Payable	455,109.03	
Total Current Liabilities		2,210,839.85
Long-Term Liabilities		
2222 - 2019 Bond Payable	15,700,000.00	
2223 - Bond Premium '19	702,637.62	
2224 - 2020 BOND PAYABLE	2,225,000.00	
2226 - 01A BOND	34,615,000.00	
2226.1 - 2022 Bond Premium	2,224,785.12	
2227 - CURT PORT LONGTERM DEBT	2,025,000.00	
2229 - PREMIUM ON 2009A LOAN	40,317.67	
Total Long-Term Liabilities		57,532,740.41
Total Liabilities		59,743,580.26
Capital		
2800 - RETAINED EARNINGS	203,059,247.99	
Net Income	163,153.18	
Total Capital		203,222,401.17
Total Liabilities & Capital	\$	262,965,981.43

NORTH WELD COUNTY WATER DISTRICT
Income Statement
Detail
For the Six Months Ending June 30, 2024

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
REVENUES					
3110 - METERED SALES	\$ 1,537,129.66	\$ 5,802,753.39	\$ 14,417,718.00	8,614,964.61	40.25
3111 - WATER ALLOC SURCHARGE	467,551.50	2,392,046.50	4,300,000.00	1,907,953.50	55.63
3112 - PLANT INVEST SURCHARGE	369,733.50	1,451,484.00	2,800,000.00	1,348,516.00	51.84
3113 - ADJUSTMENTS	87,242.64	464,998.97	0.00	(464,998.97)	0.00
3140 - CONST METER USAGE	20,223.20	84,501.39	213,282.00	128,780.61	39.62
3141 - CONSTR METER RENTAL	2,030.00	5,520.00	5,722.00	202.00	96.47
3142 - CONSTRUCT METER REPAIR	281.72	8,244.28	572.00	(7,672.28)	1,441.31
OPERATING	2,484,192.22	10,209,548.53	21,737,294.00	11,527,745.47	46.97
3210 INTEREST-COTRUST-GENERAL	238,157.89	1,472,270.79	1,500,000.00	27,729.21	98.15
3220 - PORT PARTONAGE AGFINITY	0.00	2,553.52	845.00	(1,708.52)	302.19
NON OPERATING	238,157.89	1,474,824.31	1,500,845.00	26,020.69	98.27
3310 - TAP (PI) FEES	284,700.00	3,482,700.00	3,300,000.00	(182,700.00)	105.54
3311 - DISTANCE FEES	48,500.00	561,500.00	180,186.00	(381,314.00)	311.62
3312 - WATER (ALLOCATION) FEE	36,750.00	36,750.00	210,000.00	173,250.00	17.50
3314 - INSTALLATION FEES	44,500.00	101,346.22	337,849.00	236,502.78	30.00
3315 - METER RELOCATION FEE	0.00	0.00	1,689.00	1,689.00	0.00
3316 - LINE EXTENSION FEE	0.00	0.00	156,060.00	156,060.00	0.00
3320 - NON-POTABLE TAP FEE	6,000.00	16,000.00	10,000.00	(6,000.00)	160.00
3321 - NON-POTABLE INSTALL	3,000.00	24,515.00	0.00	(24,515.00)	0.00
3330 - COMMITMENT LETTER FEE	100.00	1,600.00	0.00	(1,600.00)	0.00
3331 - REVIEW FEE	40.00	640.00	0.00	(640.00)	0.00
3360 - OFFSITE INFRASTRUCTURE	0.00	73,260.11	0.00	(73,260.11)	0.00
NEW SERVICE	423,590.00	4,298,311.33	4,195,784.00	(102,527.33)	102.44
3410 - WATER RENTAL	15,885.00	15,885.00	18,571.00	2,686.00	85.54
3415 - WSSC RETURN FLOW RENTAL	0.00	1,628.00	0.00	(1,628.00)	0.00
AG WATER	15,885.00	17,513.00	18,571.00	1,058.00	94.30
3500 - MISCELLANEOUS	0.00	54,973.14	0.00	(54,973.14)	0.00
3520 - TRANSFER FEES	450.00	3,400.00	10,000.00	6,600.00	34.00
3530 - RISE TOWER RENT	300.00	1,800.00	8,221.00	6,421.00	21.90
MISCELLANEOUS	750.00	60,173.14	18,221.00	(41,952.14)	330.24
TOTAL REVENUES	3,162,575.11	16,060,370.31	27,470,715.00	11,410,344.69	58.46
OPERATING EXPENSE					
4110 - POTABLE WATER	0.00	1,631,796.78	3,278,725.90	1,646,929.12	49.77
4120 - RENTAL WATER	(12,750.00)	(12,750.00)	0.00	12,750.00	0.00
4130 - CARRYOVER	0.00	0.00	93,063.81	93,063.81	0.00
4140 - WINTER WATER	0.00	0.00	5,743.43	5,743.43	0.00
4150 - ASSESSMENTS	0.00	616,749.83	536,331.86	(80,417.97)	114.99
4160 - RULE 11 FEES	0.00	0.00	66,341.00	66,341.00	0.00
4170 - WATER QUALITY - TESTING	699.00	8,593.00	14,280.00	5,687.00	60.18
WATER	12,051.00	(2,244,389.61)	(3,994,486.00)	(1,750,096.39)	56.19
4210 - SALARIES, FIELD	103,962.32	685,275.43	1,422,445.00	737,169.57	48.18
4220 - SALARIES, ENGINEERING	11,636.28	72,406.59	316,162.00	243,755.41	22.90
4240 - INSURANCE HEALTH	15,922.22	93,020.97	198,308.00	105,287.03	46.91
4250 - RETIREMENT	7,038.30	46,927.48	86,420.00	39,492.52	54.30
4260 - AWARDS	0.00	0.00	1,392.00	1,392.00	0.00
4270 - UNIFORMS	0.00	847.24	6,500.00	5,652.76	13.03
4280 - MISCELLANEOUS	0.00	0.00	1,160.00	1,160.00	0.00
EMPLOYEES	(138,559.12)	(898,477.71)	(2,032,387.00)	(1,133,909.29)	44.21
REPAIRS	0.00	0.00	0.00	0.00	0.00
4410 - FIELD	3,108.86	28,561.22	60,000.00	31,438.78	47.60
4411 - LOCATES	909.45	5,753.40	17,000.00	11,246.60	33.84

For Management Purposes Only

NORTH WELD COUNTY WATER DISTRICT
Income Statement
Detail
For the Six Months Ending June 30, 2024

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
4412 - FARM PROPERTIES	0.00	0.00	3,000.00	3,000.00	0.00
4413 - SITE MAINTENANCE ANNUAL	0.00	0.00	5,812.00	5,812.00	0.00
4414 - CONSTRUCTION METER	0.00	9,947.99	0.00	(9,947.99)	0.00
4415 - WATER LINES (REPAIRS)	30,495.41	85,660.34	473,000.00	387,339.66	18.11
4416 - APPURTENANCE(REPAIR)	0.00	9,108.89	225,000.00	215,891.11	4.05
4417 - METER SETTING	12,000.00	60,986.17	510,000.00	449,013.83	11.96
4418 - MASTER METERS	0.00	367.50	25,000.00	24,632.50	1.47
4419 - SERVICE WORK	0.00	120,031.63	130,000.00	9,968.37	92.33
4420 - STORAGE TANKS (O & M)	0.00	22,853.91	54,000.00	31,146.09	42.32
4430 - PUMP STATIONS (O & M)	38,482.92	65,212.54	285,000.00	219,787.46	22.88
4435 - CHLORINE STATION	0.00	561.05	5,520.00	4,958.95	10.16
4440 - EQUIPMENT	2,727.20	23,742.88	77,000.00	53,257.12	30.83
4445 - SCADA EQUIPMENT	0.00	0.00	30,000.00	30,000.00	0.00
4446 - LOCATING EQUIPMENT	0.00	0.00	5,631.00	5,631.00	0.00
4447 - GPS EQUIPMENT	0.00	0.00	27,028.00	27,028.00	0.00
4450 - SHOP/YARD	3,533.65	24,641.74	51,000.00	26,358.26	48.32
4460 - VEHICLES	20,641.69	94,423.37	104,040.00	9,616.63	90.76
4470 - SAFETY	53,359.84	67,367.89	20,400.00	(46,967.89)	330.23
4480 - CONTROL VAULTS	0.00	0.00	34,000.00	34,000.00	0.00
OPERATION & MAINTENANCE	(165,259.02)	(619,220.52)	(2,142,431.00)	(1,523,210.48)	28.90
ENGINEERING	0.00	0.00	0.00	0.00	0.00
4600 - ELECTRICITY	10,513.97	72,112.20	184,722.00	112,609.80	39.04
4640 - METER VAULTS	0.00	15,405.25	0.00	(15,405.25)	0.00
4650 - FILL STATION	0.00	138.73	0.00	(138.73)	0.00
ELECTRICITY	(10,513.97)	(87,656.18)	(184,722.00)	(97,065.82)	47.45
4700 - COMMUNICATIONS	100.08	600.77	51,000.00	50,399.23	1.18
COMMUNICATIONS	(100.08)	(600.77)	(51,000.00)	(50,399.23)	1.18
4810 - GENERAL	2,943.51	17,661.06	75,500.00	57,838.94	23.39
4820 - AUTO	968.45	5,810.70	20,400.00	14,589.30	28.48
4830 - WORKER'S COMP	2,546.96	24,680.76	76,500.00	51,819.24	32.26
INSURANCE	(6,458.92)	(48,152.52)	(172,400.00)	(124,247.48)	27.93
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00
TOTAL OPERATING EXPENSES	308,840.11	3,898,497.31	8,577,426.00	4,678,928.69	45.45
ADMINISTRATIVE EXPENSE					
5110 - OFFICE	48,370.83	296,667.15	538,541.00	241,873.85	55.09
SALARIES	48,370.83	296,667.15	538,541.00	241,873.85	55.09
5210 - FICA	12,447.23	81,803.55	139,000.00	57,196.45	58.85
5220 - UNEMPLOYMENT	0.00	0.00	5,068.00	5,068.00	0.00
PAYROLL TAXES	12,447.23	81,803.55	144,068.00	62,264.45	56.78
5300 - HEALTH INSURANCE	0.00	0.00	61,200.00	61,200.00	0.00
5310 - ADMIN HEALTH INSURANCE	4,400.81	26,404.86	0.00	(26,404.86)	0.00
HEALTH INSURANCE	4,400.81	26,404.86	61,200.00	34,795.14	43.15
5400 - OFFICE UTILITIES	320.99	1,937.27	0.00	(1,937.27)	0.00
5401 - ELECTRICITY	0.00	2,944.29	10,200.00	7,255.71	28.87
5402 - PROPANE	0.00	8,885.97	7,140.00	(1,745.97)	124.45
5403 - TELEPHONE	5,675.15	31,148.51	23,460.00	(7,688.51)	132.77
5404 - CELL PHONE SERVICE	1,709.35	9,821.92	20,400.00	10,578.08	48.15
5405 - CELL PHONE ACCESSORIES	0.00	0.00	510.00	510.00	0.00
5406 - OFFICE CLEANING SERVICE	1,700.00	8,840.00	20,400.00	11,560.00	43.33
5407 - INTERNET	463.28	1,419.84	612.00	(807.84)	232.00
5409 - SECURITY CAMERAS	0.00	6,760.00	12,000.00	5,240.00	56.33

NORTH WELD COUNTY WATER DISTRICT
Income Statement
Detail
For the Six Months Ending June 30, 2024

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
5410 - OFFICE EQUIPMENT	0.00	0.00	500.00	500.00	0.00
5412 - PRINTERS	315.93	1,299.87	500.00	(799.87)	259.97
5413 - FURNITURE	0.00	0.00	2,815.00	2,815.00	0.00
5440 - COMPUTER	0.00	0.00	5,000.00	5,000.00	0.00
5441 - COMPUTER SUPPORT	5,774.40	36,721.56	67,570.00	30,848.44	54.35
5442 - HARDWARE (COMPUTERS)	190.29	5,113.18	0.00	(5,113.18)	0.00
5443 - SOFTWARE	0.00	0.00	7,140.00	7,140.00	0.00
5444 - LICENSES (ANNUAL)	0.00	16,134.90	30,600.00	14,465.10	52.73
5445 - SENSUS METER SUPPORT	0.00	0.00	3,060.00	3,060.00	0.00
OFFICE UTILITIES	16,149.39	131,027.31	211,907.00	80,879.69	61.83
5510 - OFFICE EXPENSES	11,510.54	117,911.00	178,609.00	60,698.00	66.02
5520 - POSTAGE	325.00	354.90	3,378.00	3,023.10	10.51
5530 - BANK / CREDIT CARD FEES	50,988.98	70,824.56	5,631.00	(65,193.56)	1,257.76
5540 - BUILDING MAINTENANCE	1,318.50	2,808.94	1,126.00	(1,682.94)	249.46
5560 - PRINTING	0.00	0.00	2,815.00	2,815.00	0.00
5580 - DUES & REGISTRATION	0.00	0.00	3,378.00	3,378.00	0.00
OFFICE EXPENSE	64,143.02	191,899.40	194,937.00	3,037.60	98.44
5610 - LEGAL	8,781.00	152,781.92	364,140.00	211,358.08	41.96
5620 - ACCOUNTING	2,000.00	62,000.00	51,000.00	(11,000.00)	121.57
5625 - EASEMENT FEES	0.00	800.00	0.00	(800.00)	0.00
5626 - RECORDING FEES	(58.00)	(58.00)	0.00	58.00	0.00
5630 - WATER TRANSFER FEES	0.00	4,943.50	4,000.00	(943.50)	123.59
5640 - MAPPING - NORTHLINE	0.00	0.00	714.00	714.00	0.00
5650 - CONSULTANT FEES	2,910.00	69,559.75	208,080.00	138,520.25	33.43
5660 - MEMBERSHIP FEES	0.00	18,758.60	60,000.00	41,241.40	31.26
5680 - LAND ACQUISITION	1,958.36	34,464.75	100,000.00	65,535.25	34.46
PROFESSIONAL FEES	15,591.36	343,250.52	787,934.00	444,683.48	43.56
VEHICLES	0.00	0.00	0.00	0.00	0.00
5900 - MISCELLANEOUS	0.00	0.00	110,000.00	110,000.00	0.00
MISCELLANEOUS	0.00	0.00	110,000.00	110,000.00	0.00
TOTAL ADMINISTRATIVE EXPENSE	161,102.64	1,071,052.79	2,048,587.00	977,534.21	52.28
CAPITAL IMPROVEMENTS					
SOLDIER CYN FILTER PLANT	0.00	0.00	0.00	0.00	0.00
6200 - STORAGE TANKS	0.00	28,457.88	1,000,000.00	971,542.12	2.85
STORAGE TANKS	0.00	28,457.88	1,000,000.00	971,542.12	2.85
6300 - PUMP STATIONS	0.00	19,257.61	75,000.00	55,742.39	25.68
PUMP STATIONS	0.00	19,257.61	75,000.00	55,742.39	25.68
6410 - VEHICLES	0.00	93,013.40	220,000.00	126,986.60	42.28
EQUIPMENT	0.00	93,013.40	220,000.00	126,986.60	42.28
6505 - ENGINEERING	144,376.60	754,265.38	1,200,000.00	445,734.62	62.86
6510 - WATER LINES	0.00	3,145,624.82	19,700,000.00	16,554,375.18	15.97
6515 - METER UPGRADES	0.00	0.00	100,000.00	100,000.00	0.00
6520 - RADIO READ METERS	0.00	0.00	200,000.00	200,000.00	0.00
6530 - PRV'S	0.00	0.00	500,000.00	500,000.00	0.00
6545 - SCADA EQUIPMENT	23,959.25	37,209.25	0.00	(37,209.25)	0.00
SYSTEM	168,335.85	3,937,099.45	21,700,000.00	17,762,900.55	18.14
6610 - WATER RESOURCE MANAGER	0.00	851.33	0.00	(851.33)	0.00
6615 - GRAVEL PITS	0.00	0.00	200,000.00	200,000.00	0.00
6620 - WATER RIGHTS	0.00	5,280,000.00	6,000,000.00	720,000.00	88.00

NORTH WELD COUNTY WATER DISTRICT
Income Statement
Detail
For the Six Months Ending June 30, 2024

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
6630 - LEGAL (WRM)	1,389.75	23,250.36	310,000.00	286,749.64	7.50
6640 - STORAGE	63,873.56	187,225.48	0.00	(187,225.48)	0.00
WATER RIGHTS	65,263.31	5,491,327.17	6,510,000.00	1,018,672.83	84.35
6710 - EASEMENTS	2,000.00	244,222.24	75,000.00	(169,222.24)	325.63
6720 - LAND	0.00	0.00	100,000.00	100,000.00	0.00
6730 - SURVEYING	0.00	5,185.00	5,000.00	(185.00)	103.70
LAND/EASEMENTS	2,000.00	249,407.24	180,000.00	(69,407.24)	138.56
BUILDING/PAVING	0.00	0.00	0.00	0.00	0.00
OFFICE EQUIPMENT/MISC	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL IMPROVEMENTS	235,599.16	9,818,562.75	29,685,000.00	19,866,437.25	33.08
BONDS					
BOND ISSUE	0.00	0.00	0.00	0.00	0.00
INTEREST	0.00	0.00	0.00	0.00	0.00
7250 - PLANT EXPANSION	0.00	0.00	1,231,000.00	1,231,000.00	0.00
PRINCIPLE	0.00	0.00	1,231,000.00	1,231,000.00	0.00
BOND ISSUANCE COST	0.00	0.00	0.00	0.00	0.00
INTEREST EXPENSE OTHER	0.00	0.00	0.00	0.00	0.00
TOTAL BONDS	0.00	0.00	(1,231,000.00)	(1,231,000.00)	0.00
DEPRECIATION & AMORT EXPENSES					
DEPRECIATION & AMORT EXPENSE	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	3,162,731.48	16,060,898.37	27,547,095.00	11,486,196.63	58.30
TOTAL EXPENSES	708,848.16	15,897,745.19	44,793,042.00	28,895,296.81	35.49
PROFIT/LOSS	2,453,883.32	163,153.18	(17,245,947.00)	(17,409,100.18)	(0.95)

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of Jun 30, 2024
1014 - 1014 - BANK OF COLORADO
Bank Statement Date: June 30, 2024

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance		1,082,932.72
Add: Cash Receipts		527,747.64
Less: Cash Disbursements		(2,432,423.23)
Add (Less) Other		1,780,098.65
Ending GL Balance		<u>958,355.78</u>
Ending Bank Balance		1,725,200.53
Add back deposits in transit		
Total deposits in transit		
(Less) outstanding checks		
	Nov 18, 2022	17106 (227.65)
	Nov 30, 2023	18286 (1,100.00)
	Nov 30, 2023	18288 (1,100.00)
	Nov 30, 2023	18299 (1,100.00)
	Nov 30, 2023	18302 (1,100.00)
	Nov 30, 2023	18305 (1,100.00)
	Jan 30, 2024	18494 (8,000.00)
	Feb 9, 2024	18529 (14.43)
	Mar 8, 2024	18644 (1,100.00)
	Mar 11, 2024	18658 (25.00)
	Apr 10, 2024	18747 (259.20)
	Apr 12, 2024	18758 (9.60)
	Apr 12, 2024	18759 (35.27)
	Apr 15, 2024	18768 (46.50)
	Apr 22, 2024	18783 (39.39)
	Apr 23, 2024	18793 (46,506.70)
	May 28, 2024	18880 (121.50)
	May 29, 2024	18891 (10,000.00)
	May 29, 2024	18893 (116,666.75)
	Jun 7, 2024	18899 (4,995.98)
	Jun 7, 2024	18910 (3,356.79)
	Jun 12, 2024	18930 (4,606.99)
	Jun 20, 2024	18941 (1,125.00)
	Jun 20, 2024	18943 (8,887.04)
	Jun 20, 2024	18944 (2,000.00)
	Jun 20, 2024	18946 (3,800.00)
	Jun 20, 2024	18951 (8,781.00)
	Jun 20, 2024	18952 (23,959.25)
	Jun 20, 2024	18953 (67,292.64)
	Jun 20, 2024	18954 (100.08)
	Jun 20, 2024	18955 (533.47)
	Jun 24, 2024	18958 (65,580.68)
	Jun 24, 2024	18959 (347.30)
	Jun 24, 2024	18960 (953.50)
	Jun 24, 2024	18961 (2,990.00)
	Jun 24, 2024	18962 (402.20)
	Jun 24, 2024	18963 (367.88)
	Jun 24, 2024	18964 (11,503.28)
	Jun 24, 2024	18965 (28.00)
	Jun 24, 2024	18966 (619.46)
	Jun 24, 2024	18968 (38,482.92)
	Jun 24, 2024	18969 (1,627.78)
	Jun 25, 2024	18970 (171.00)
	Jun 25, 2024	18971 (113.94)
	Jun 25, 2024	18972 (13.62)
	Jun 25, 2024	18973 (1,370.29)
	Jun 25, 2024	18974 (5,774.40)
	Jun 25, 2024	18976 (13.82)

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of Jun 30, 2024
1014 - 1014 - BANK OF COLORADO
Bank Statement Date: June 30, 2024

Filter Criteria includes: Report is printed in Detail Format.

Jun 25, 2024	18977	(312.00)	
Jun 25, 2024	18978	(325.00)	
Jun 25, 2024	18979	(61.61)	
Jun 25, 2024	18980	(51.42)	
Jun 25, 2024	18981	(387.00)	
Jun 25, 2024	18982	(365.00)	
Jun 27, 2024	18985	(138.32)	
Jun 27, 2024	18987	(49.53)	
Jun 27, 2024	18988	(12,746.24)	
Jun 27, 2024	18989	(46,682.50)	
Jun 27, 2024	18990	(40.88)	
Jun 27, 2024	18991	(1,958.36)	
Jun 27, 2024	18992	(36,750.00)	
Jun 18, 2024	OL-0618202	(217,307.37)	
Jun 25, 2024	OL-0625202	(4,683.89)	
Jun 28, 2024	OL-0628202	(8,299.12)	
Total outstanding checks			(778,508.54)
Add (Less) Other			
Jun 29, 2024	CC0629	8,236.54	
Jun 30, 2024	CC0630	3,136.00	
Jun 28, 2024	MARS0618	291.25	
Total other			11,663.79
Unreconciled difference			0.00
Ending GL Balance			958,355.78

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of Jun 30, 2024
1015 - 1015 - COLO TRUST - GENERAL
Bank Statement Date: June 30, 2024

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	15,152,789.57
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	<u>66,464.94</u>
Ending GL Balance	<u>15,219,254.51</u>
Ending Bank Balance	15,219,254.51
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>15,219,254.51</u></u>

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of Jun 30, 2024
1019 - 1019 - COLO TRUST - 2019 BOND
Bank Statement Date: June 30, 2024

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	2,335,820.97
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	<u>10,069.18</u>
Ending GL Balance	<u>2,345,890.15</u>
Ending Bank Balance	2,345,890.15
Add back deposits in transit	_____
Total deposits in transit	
(Less) outstanding checks	_____
Total outstanding checks	
Add (Less) Other	_____
Total other	
Unreconciled difference	<u>0.00</u>
Ending GL Balance	<u><u>2,345,890.15</u></u>

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of Jun 30, 2024
1020 - 1020 - COLO TRUST - 2022 BOND
Bank Statement Date: June 30, 2024

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	37,493,036.43
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	<u>161,623.77</u>
Ending GL Balance	<u>37,654,660.20</u>
Ending Bank Balance	37,654,660.20
Add back deposits in transit	_____
Total deposits in transit	
(Less) outstanding checks	_____
Total outstanding checks	
Add (Less) Other	_____
Total other	
Unreconciled difference	<u>0.00</u>
Ending GL Balance	<u><u>37,654,660.20</u></u>



NORTH WELD COUNTY WATER DISTRICT

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June 28, 2024

Kirk & Kristine Shiner, Developer
13520 CR 72
Greeley, CO 80631

Subject: Water Service Request, Shiner Property, 2nd Residence - Single Family Residential Tap Request

This Letter of Intent (the "Letter") is in response to your inquiry regarding water service from North Weld County Water District (the "District") to the property legally described in **Exhibit A**, attached hereto and incorporated by this reference (the "Property"). Kirk & Kristine Shiner shall be referred to herein as the "Developer".

In order to support you with obtaining water service, you should understand the following:

1. The District is able to provide water service to the Property, contingent upon all requirements of the District being satisfied. If all District requirements, including all contracts, have not been satisfied and completed with the District within 1 year of the date of this Letter, this Letter is no longer of any force and effect. After 1 year, it should be understood that the District reserves the right to refuse water service, if raw water is unavailable, and/or pipeline or water treatment capacity is not capable of providing water service to the above-described property.
2. Before a water tap may be purchased, the Developer must provide a copy of a **Warranty Deed**, a **Physical Address**, and provide a copy of **this Letter**, which **Letter** must be acknowledged by the Developer and also recorded on the Property in the real property records of the Weld or Larimer County Clerk and Recorder, as appropriate.
3. The Developer must sign and execute any and all necessary Easement and Rights-of-Way Agreements regarding specific locations, widths, size of pipeline(s) and descriptions for the Line Extension as determined by the District. Providing water service to the Property is contingent upon execution and recording of the Easement and Right-of-Way Agreements. Until such Easement and Right-of-Way Agreements are finalized and recorded to the satisfaction of the District, the District will not initiate the design or construction of the Meter Set or Line Extension needed to provide water service to the Property.
4. Based on the irrigation use of the Property along with other pertinent information provided on the Water Tap Request Form, **the District recommends the Developer's irrigated landscaping square footage not exceed 6,000 square feet**. This recommendation is based on the Full Standard Tap allocation and should be used to optimize delivery without surcharge (i.e., to minimize the risk or likelihood of surcharge). Should the Developer desire to irrigate a larger landscaped area, the District recommends the Developer purchase an additional allocation.
5. Developer is subject to the District's Amended and Restated Water Dedication Policy, which may be amended from time to time (the Policy"). A copy of the current Policy is attached hereto as **Exhibit B**.
6. In no event shall Developer apply for a land division of the Property with a County prior to dedicating water as required by the Policy and as set forth above. In the event Developer fails to dedicate water in relation to the Property prior to a County approving a land division, the sole recourse of any future owners of the divided Property shall be against the Developer.
7. Any future owners of the Property or divided Property shall be third-party beneficiaries to this Letter and shall have the right to enforce the terms of this Letter against the Developer. Nothing contained in this Letter shall give or allow any claim or right of action against the District by a subsequent owner of the Property or divided portion of the Property. The Developer shall be solely responsible for any claims relating to its failure to dedicate water rights as required by the Policy.
8. The District's water tap options are shown in Table No. 1 included in **Exhibit C** of this Letter.
9. The District's current tap fees are shown in Table No. 2 included in **Exhibit C** of this Letter. **The District's tap fees shall be valid for 10 business days from the date the Developer receives this Letter. The tap fees must be paid within 10 business days of Letter receipt. After 10 business days of Letter receipt, tap fees will be subject to the 'then in effect rates' (current cost) established by the District.** The District is not responsible for notifying individuals, banks, lenders, prospective buyers, real estate agents or anyone else, in any manner, of a change of rates and/or fees.



NORTH WELD COUNTY WATER DISTRICT

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10. **The Meter Set Fee is valid only for the location shown on the map attached hereto as Exhibit D.** After the water tap has been purchased (Raw Water AFU & Plant Investment Fee), the Developer has 1 year in which to have the meter set. The District requires a minimum 60 day advance notice to set the meter. If the meter has not been set within 12 months from the purchase date and the Developer requests in writing to relinquish the meter, the District shall refund the Developer 98% of the tap fee. If longer than a year, the District will refund the Developer 90% of the tap fee paid. **If the Developer does not choose to relinquish the meter within 12 months of the Developer purchasing the meter and the meter remains unset, the account will begin to be billed the minimum monthly amount.**
11. The District's current usage rates and fees are shown in Table No. 3 included in **Exhibit C** of this Letter.
12. **Water Surcharge.** Water surcharge fees will be assessed when an account's year to date usage exceeds the annual water allotment at a rate set forth in the District's Fee Schedule, as may be amended from time to time. Surcharge fees are assessed as a penalty and deterrent for over usage by customers.
13. **Rate Differential Charge.** Effective November 1, 2015, the District no longer accepts water transfers.
14. The District's current Plant Investment Surcharge is shown in Table No. 4 included in **Exhibit C** of this Letter. Plant Investment Surcharge will be assessed when an account's year to date usage exceeds the Plant Investment Allotment. The transfer of additional water will **not** remove this charge. Additional Plant Investment Units must be purchased to increase the allotment and reduce the Plant Investment Surcharges. These rates are in addition to the standard monthly usage fee.
15. The District has reviewed the Developer's Water Tap Request Application. Based on the information provided in the application, the District's review included, but was not limited to, engineering review, field inspections, fire flow analysis, hydraulic modeling, identification of offsite infrastructure improvement needs, preliminary pipe sizing, and/or developing a preliminary line extension layout and fee estimate. **If offsite infrastructure or a line extension is deemed necessary to serve the Developer's property, the Developer is required to submit to the District for further Plan Review or Design Approval prior to installation or service being provided by the District. Please reference the Process for Obtaining Water Service workflow diagram for details on the Plan Review or Design scope of services.** It is important to note that all crossing agreements, easements or other outside third-party contracts require full execution prior to any construction or water service being provided. It is imperative that the Developer allow ample time for the Plan Review or Design Approval process prior to requiring water service.
16. Developer is subject to the Backflow Prevention and Cross Connection Control Regulation, which may be amended from time to time. A copy of the Backflow Prevention and Cross Connection Control Regulation can be obtained from the District Manager.

The District hopes this Letter provides the necessary information to facilitate progress in meeting the requirements needed to secure water for the above described property. Should you have any questions or concerns, please contact the District.

Sincerely,

Title: _____, Board of Directors

Date

North Weld County Water District

(Acknowledgement and Agreement by Developer follows.)



NORTH WELD COUNTY WATER DISTRICT

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Acknowledgement and Agreement by Developer

The Developer hereby acknowledges and agrees to the terms of this Letter of Intent, including its obligation to dedicate water in relation to the Property. The Developer acknowledges and agrees that it shall be solely responsible for any claims that may be brought in the future by subsequent owners of the Property or portion of the Property in regards to Developer's failure to make an appropriate water dedication prior to selling all or a portion of the Property.

The Developer, its successors and assigns, hereby agrees to defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants (collectively, the "District Indemnitees"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "Claims"), including reasonable legal expenses and attorneys' fees actually incurred, by the District Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Developer or any of its subcontractors, officers, agents or employees, in connection with this Letter of Intent and/or the Developer's obligation to appropriately dedicate water prior to selling all or a portion of the Property. In the event the Developer fails to assume the defense of any Claims required in this paragraph within fifteen (15) days after notice from the District of the existence of such Claim, the District may assume the defense of the Claim with counsel of its own selection, and the Developer will pay all reasonable expenses of such counsel.

Kirk Shiner

Date

Kristine Shiner

Date



NORTH WELD COUNTY WATER DISTRICT

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EXHIBIT A

Lot A, Recorded Exemption No. 0805-08-01 RE-5108, according to map recorded September 9, 2011 at Reception No. 3791479, being a part of the N1/2 of Section 8, Township 6 North, Range 66 West of the 6th P.M., County of Weld, State of Colorado.

(Street Address: 34743 CR 29, Greeley, CO)

Weld County Parcel Number: 080508100010

EXHIBIT B

NORTH WELD COUNTY WATER DISTRICT

AMENDED AND RESTATED WATER DEDICATION POLICY

I. Water Dedication Requirements

A. Projects in which the District has an executed Water Services Agreement with Owner/Developer as of September 13, 2020.

i. Development Requiring Less than 5-Acre Feet of Water. Any owner or developer of real property who has an executed Water Service Agreement with the District as of September 13, 2020, and who is requesting water taps requiring less than five (5) acre feet of water for a development project, whether on one (1) or more separate lots, tracts or parcels, shall, at its election, either (i) pay to the District a cash payment in lieu of dedication of raw water in accordance with the then applicable cash-in-lieu payment schedule adopted by the District from time to time or (ii) transfer acceptable raw water rights to the District in satisfaction of the raw water requirements for such development project.

ii. Development Requiring 5-Acre Feet or More. Any owner or developer of real property, whether acting alone or through one (1) or more Affiliates, who has an executed Water Service Agreement with the District as of September 13, 2020, and who is requesting water taps requiring five (5) acre feet or more of water for a development property, whether on one (1) or more separate lots, tracts or parcels, shall, at its election, either (i) transfer acceptable raw water rights to the District in satisfaction of the raw water requirements for such development project or (ii) transfer acceptable water rights to the District in satisfaction of seventy percent (70%) of the raw water requirements for such development project and pay to the District a cash payment in lieu of dedication of raw water in satisfaction of the remaining thirty percent (30%) of the raw water requirements in accordance with the then applicable cash-in-lieu payment schedule adopted by the District from time to time. For purposes of this Resolution, the term “Affiliate” shall mean any individual or entity that directly or indirectly through one (1) or more intermediaries controls or is controlled by or is under common control with another specified individual or entity.

iii. Cash-in-Lieu Payment Rate. The cash-in-lieu payment rate to be charged by the District in lieu of dedication of raw water shall be Fifty-Eight Thousand

Dollars (\$58,000.00) per Colorado-Big Thompson (C-BT) unit until further modified by the Board of Directors.

B. Projects in which a Water Service Agreement between the Owner/Developer and District was not executed as of September 13, 2020.

i. Raw Water Dedication. The owner or developer shall transfer acceptable raw water rights to the District in satisfaction of one-hundred percent (100%) of the raw water requirements for such development project. The District will not accept cash payments in lieu of such raw water dedication. Notwithstanding the foregoing, owners or developers purchasing a single tap from the District may make a cash-in-lieu payment to the District in lieu of making a raw water dedication, which cash-in-lieu payment shall be in accordance with the then applicable cash-in-lieu payment schedule adopted by the District, as may be amended from time to time. The foregoing exception to dedication of one-hundred percent (100%) of the raw water requirements for single tap purchases is not available for recorded exemptions approved by a County. In the event a recorded exemption is approved by a County, owners and/or developers of such divided and exempted properties are not eligible to purchase single taps from the District, and, therefore, are required to transfer the required raw water rights to the District in satisfaction of one-hundred percent (100%) of the raw water rights requirements as set forth in this paragraph.

ii. Phased Approach. Dedication of raw water rights may be in a phased approach to be agreed upon in writing by the District and the owner or developer, and which shall be memorialized in a Water Services Agreement between the District and the owner or developer. No water taps for any phase of development shall be issued until the agreed upon raw water dedication has been made for the applicable phase of development.

C. Developers/Owners subject to Paragraph I.A Requirements May Opt-in to Paragraph I.B Requirements. Developers and owners subject to the raw water and cash-in-lieu dedication requirements set forth in paragraph I.A, above, may opt to be subject to the requirements set forth in paragraph I.B by submitting a written request to the District and entering into an amended Water Services Agreement with the District setting forth the new dedication requirements. Any District costs associated with the amendment to the existing Water Services Agreement shall be paid in full by the developer or owner.

II. General Requirements for all Water Rights Dedications

A. Water Rights Acceptable to District. Only those water rights determined to be acceptable by the District shall be eligible for use in satisfying the District's raw water requirements. Conversion factors for such raw water rights and the determination of the amount of water available for allocation from such raw water rights shall be within the sole discretion of the Board of Directors.

B. Transfer of Water Rights. Water rights dedicated to the District and assigned for use to a subdivision or other real property shall not thereafter be re-assigned to another subdivision or other real property without the prior written authorization of the District, which authorization shall be within the sole and absolute discretion of the Board of Directors. All water rights dedicated to the District shall be owned by the District and the person or entity dedicating such water rights to the District shall have no further ownership interest in the raw water rights.

C. Costs and Expenses of Water Dedication. All costs and expenses to dedicate water rights to the District to satisfy the raw water requirements of the District shall be paid by the person or entity required to dedicate the water rights to the District. All costs and expenses necessary to change such water rights so that they can be diverted and used by the District for potable and non-potable water use shall be paid by the person or entity required to dedicate the water rights to the District, or his, her or its successor in interest, by payment of all required Water Court transfer fees.

D. Overlapping Municipalities with Higher Water Dedication Requirements. Notwithstanding anything in this Amended and Restated Water Dedication Policy to the contrary, if a municipality overlapping with the District or the District's Service Area, as may be defined in any agreement between the District and the overlapping municipality, requires a higher amount of water dedication under its water dedication policies and/or under a water service agreement between the municipality and the District, then the owner/developer shall be required to dedicate such higher amount to the District.

III. Under Dedicated Commercial Customer Dedication Requirements

Non-residential or wholesale water meter users ("Commercial Customers") determined by the District to have not previously dedicated water resources sufficient to meet their current usage ("Under Dedicated Commercial Users") shall be allowed to dedicate additional water resources to the District in an amount equal to the difference between the amount of water resources already dedicated to the District and fifty percent (50%) of the Commercial Customer's "Calculated Maximum Annual Volume" (defined below).

Calculated Maximum Annual Volume is calculated as the most recent five (5) year average of the Commercial Customer's maximum annual usage, minus ten percent (10%).

In general, a Commercial Meter is classified as a water tap with an allocation of more than four (4) acre-feet of water.



NORTH WELD COUNTY WATER DISTRICT

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EXHIBIT C

Table No. 1 – Tap Options and Requirements

	Raw Water	Plant Investment	Distance Fee	Meter Set Fee	Water Allocation (Annually)	Plant Investment Allocation (Annually)
Full Standard Tap	100%	100%	100%	100%	228,000 Gallons	228,000 Gallons
Restrictions		Lot Size greater than 0.33 Acres (14,375 sq. ft)				
75% Tap	75%	100%	100%	100%	171,000 Gallons	171,000 Gallons
Restrictions		Lot sizes greater than 0.20 acres (8,712 sq. ft) but less than 0.33 Acres (14,375 sq. ft) OR landowners with adequate, verifiable irrigation rights or well permits for outside water use				
50% Tap	50%	100%	100%	100%	114,000 Gallons	114,000 Gallons
Restrictions		Lot size less than 0.20 acres (8,712 sq. ft) OR with a Board Approved Irrigation System OR a Board Approved Commercial Enterprise				
<p>A tap may be allotted more than 1 unit of Water and/or Plant Investment. In this case the allotment is the unit/class X 228,000 gallons = Annual Allocation. (i.e. Water Allocation 5 x 228,000 = 1,140,000 gallons Annual Allocation)</p> <p>Surcharge will be assessed when an account's year to date usage exceeds the Water and/or Plant Investment Allotment. See Paragraph 14 and Table 4 for Rates.</p>						

Table No. 2 – District Tap Fees

TAP FEES (Assumed for Full Standard Tap)		INSTALLATION COST	
Raw Water for One Acre-Foot Unit (AFU) Effective 01/01/2023. Fee may change at Board Meeting each month. See nwcwd.org for current information.	\$73,500	Meter Set Fee Per Tap	\$5,300
Base Portion of Plant Investment Fee	\$21,900		
Distance Portion of Plant Investment Fee (11 miles)	\$5,500		
TOTAL Up-Front COSTS PER TAP		\$106,200 Full Standard Tap	
<p>A Line Extension is required to serve Lot A. The Line Extension required is approximately 1,450-feet of 4-inch waterline along the existing access road, to the Lot. Agent/Owner will be required to submit a Plan Review to progress with the Line Extension. See Paragraph 15 above and the workflow diagram available at nwcwd.org for details.</p> <p style="text-align: center;">See Table 1 for Options and/or Restrictions. Cost will exclude Line Reimbursement Fee & Supplemental Fee if applicable unless otherwise stated. See Paragraph 15 for Details</p> <p style="text-align: center;">Price is valid for ten (10) business days from receiving this Letter.</p>			
Minimum Pressure		35 psi	
Normal Pressure Range		120 psi to 130 psi	
Maximum Pressure		145 psi	

Table No. 3 – Usage Rates and Fees

Usage Amount	Charge or Rate Per Month
0 to 6,000 gallons	\$28.50 Minimum
6,000 gallons and up	\$4.75 per 1,000 gallons (Kgal)

Table No. 4 – Plant Investment Surcharge Rates

All usage exceeding the Plant Investment Allotment	\$4.50 per 1,000 gallons (Kgal)
--	---------------------------------



Line Extension Depiction

1:6,000



Legend

- Parcels
- Highway
- County Boundary

North Weld County Water District water service is available, according to the terms of this letter, to:

Lot A RE-5108, also known as 34743 CR 29.



1,000.0 0 500.00 1,000.0 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere
© Weld County Colorado

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

RAW WATER DEDICATION AGREEMENT

This Raw Water Dedication Agreement (the “**Agreement**”) is made and entered into this 8th day of July 2024, by and between Johnson Dairy, LLC (the “**Dedicator**”) and the **North Weld County Water District**, acting by and through the North Weld County Water District Enterprise (the “**District**”). The Dedicator and the District are collectively referred to herein as the “**Parties**.”

RECITALS

WHEREAS, the District exists pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating and maintaining certain public facilities and improvements for itself, its residents and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, the Dedicator has a contract with Northern Colorado Water Conservancy District (“**Northern**”) for ten (10) Units in the Colorado – Big Thompson Project (“**C-BT Units**” or “**Units**”) represented by Allotment Contract No. 9284, which upon approval by Northern, will be dedicated to the District; and

WHEREAS, pursuant to § 32-1-1006(1)(e), C.R.S., the District is empowered to acquire water rights provided that, pursuant to § 32-1-1001(1)(f), C.R.S., such water rights are not required to be dedicated for public use pursuant to any governmental ordinance, regulation or law, and, if they are, provided that such water rights are not considered to be real property; and

WHEREAS, the Units are not required pursuant to § 32-1-1001(1)(f), C.R.S., to be dedicated for public use pursuant to any governmental ordinance, regulation or law, and, as such, are not real property, and, therefore, the District is permitted to acquire them from the Dedicator; and

WHEREAS, pursuant to Resolution No. 20240311-01, *A Resolution Adopting A Second Amendment to Amended and Restated Water Dedication Policy*, as adopted on March 11, 2024 (“**Resolution**”), Under Dedicated Commercial Users, as that term is defined therein, are allowed to dedicate additional water resources to the District; and

WHEREAS, as contemplated by the Resolution, Dedicator desires to dedicate to the District the Units, as additional water resources for the benefit of Dedicator’s meter number 399003, located at 23016 Weld County Road 74, Eaton, Colorado 80615 (the “**Tap**”), upon the following terms and conditions and subject to the following contingencies and

WHEREAS, the Parties desire to enter into this Agreement for the dedication of the Units to the Tap as more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. Transfer and Dedication. For purposes of this Agreement, the dedication date shall be the date on which the District receives official written notification from Northern that the transfer of the Units from the Dedicator to the District has been approved (“**Dedication Date**”). The Parties agree that the Units are to be transferred and dedicated to the District for the benefit of the Dedicator beginning on the Dedication Date, and thereafter, subject to the terms and conditions of this Agreement.
2. Northern Approval Contingency. The transfer and dedication of the Units, and the District’s obligations hereunder, are expressly contingent upon the approval of Northern of the transfer of the Units to the District. The Dedicator shall complete and execute an application for change of allotment for the Units and related documents for submission to Northern for approval of the transfer of the Units, which documentation shall designate the District as the transferee of the Units. If Northern denies the application, the Dedicator shall in good faith seek to remedy any deficiencies and request approval at the next meeting of Northern. However, if despite Dedicator’s good faith effort, the contingency is not satisfied as of September 30, 2024, this contingency shall be deemed unfulfilled and this Agreement shall terminate and be of no further force or effect.
3. Water Services Agreement. After the Dedication Date, the Dedicator and the District shall enter into the District's Water Services Agreement, subject to all existing infrastructure fees and any other fees charged by the District in the amounts established by the District.
4. Title. Title to the CBT Units shall be merchantable in the Dedicator and the Dedicator shall provide District with a copy of the water allotment contract(s). The Dedicator shall take all actions necessary to effectuate the timely transfer and dedication of the CBT Units to the District. Any transfer fee for the transfer of the Units from the Dedicator to the District shall be paid by the Dedicator.
5. Warranty. The Dedicator warrants that title to the CBT Units will be conveyed free and clear of all deeds of trust, liens, security interests, financing statements, prior or preemptive rights to purchase, liens, encumbrances and assessments, leases or other pending sales agreements or first rights of refusal (collectively, “**Liens**”).
6. Assessments. All assessments due or made by Northern for 2024 and otherwise prior to the date the Units are transferred to the District shall be paid by the Dedicator. All assessments due for 2025 and assessments associated with the transfer to municipal use shall be the responsibility of the District.

7. Survival. The representations, warranties and indemnities made by the Parties to this Agreement and the covenants and agreements to be performed or complied with by the Parties under this Agreement shall be deemed to be continuing and shall survive the transfer and dedication of the CBT Units to the District.

8. Cooperation to Effectuate this Agreement. The Parties will cooperate with each other and execute and deliver such other instruments and take such other steps as may be necessary to effectuate all the provisions of this Agreement. All documents required from the Dedicator to transfer the Units on Northern's records shall be completed, executed, and delivered to the District by July 31, 2024.

9. District Option to Void the Agreement. This Agreement shall be voidable at the District's option at any time prior to the Dedication Date in the event that the District's Board of Directors determines, in its sole and absolute discretion, that the Units are not suitable to meet the District's requirements as set forth in the Resolution, bylaws, rules, regulations, and policies.

10. Governing Law.

- a. *Venue*. Venue for all actions arising from this Agreement shall be in the District Court in Weld County. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise.
- b. *Choice of Law*. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

11. Subject to Annual Appropriation and Budget. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Dedicator expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the District's Board of Directors and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

12. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded

or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

13. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, administrators, successors and assigns.

15. No Third-Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

16. Headings. Paragraph headings used herein are for convenience of reference and shall in no way define, limit, or prescribe the scope or intent of any provision under this Agreement.

17. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each party has contributed to the preparation of this Agreement.

18. Legal Advice. All Parties are hereby advised to seek competent tax and/ or legal advice regarding this transaction.

19. Entire Agreement. This document represents the complete contract and option of the Parties, and no oral modification shall be recognized. Any amendments or additions shall be made in writing signed by the Parties.

20. Notice of Acceptance; Counterparts. If this Agreement is accepted by all Parties by virtue of signatures below and if all Parties receive notice of such acceptance on or before the close of business on July 8, 2024, this instrument shall become a binding contract between the Dedicator and the District, and shall inure to the benefit of their respective successors and assigns. If this Agreement is not accepted by all Parties by said date, this Agreement shall become null and void, and of no effect. A copy of this Agreement may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete copy between the Parties.

Dedicator:

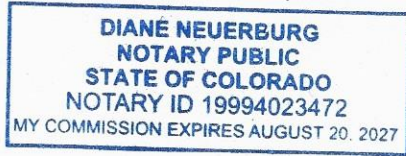
By: Rodney Johnson 6.25.24
Johnson Dairy LLC Manager Date

STATE OF COLORADO)
) ss
COUNTY OF WELD)

The foregoing was acknowledged before me this 25th day of June 2024
by Rodney Johnson as manager of Johnson Dairy, LLC.

WITNESS my hand and official seal.

My commission expires: 8/20/27



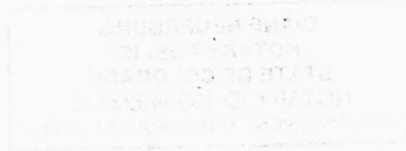
Diane Neuerburg
Notary Public

Dedicator's Signature Page to Raw Water Dedication Agreement, dated July 8
, 2024

Facsimile (fax) or e-mailed copies of original documents containing signatures of the Parties shall be valid and binding upon the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

[Remainder of Page Intentionally Blank. Signature Pages Follow]



District:

**NORTH WELD COUNTY WATER DISTRICT,
A SPECIAL DISTRICT CREATED AND
AUTHORIZED BY C.R.S. 32-1-101 ET SEQ.**

By: _____
District President Date

Attest: _____

District Date

Seal:

District's Signature Page to Agreement for Raw Water Dedication Agreement, dated
_____, 202_



January 12, 2023
 Revised June 13, 2024

RE: Letter of Understanding Regarding Maintenance of the Overland Ponds Gravel Pits

This Letter of Understanding between the East Larimer County Water District, Fort Collins-Loveland Water District, and North Weld County Water District (together the “Tri-Districts”) and the City of Greeley (“Greeley” and collectively the “Parties”) documents the understanding between the Parties for future maintenance activities for the Overland Ponds Gravel Pits (“Ponds”) near Laporte, CO.

Commencing in 2023, Greeley will assume all general maintenance of the Ponds and surrounding property owned by the Parties. Maintenance activities include, but are not limited to, mowing, brush and tree removal, security and safety projects, erosion repair, and weed control. Activities that exceed the scope of general maintenance such as large-scale reclamation or emergency repair projects will be brought before the Overland Trail Ponds Steering Committee for consideration. Greeley will provide regular updates to and solicit input from the Tri-Districts on maintenance activities at quarterly Steering Committee meetings. At each 4th Quarter Steering Committee meeting, Greeley will present an annual maintenance plan and budget for the coming year for Steering Committee approval.

Maintenance costs will include Greeley’s labor and equipment (which will be used whenever possible) and, if required, outside equipment rental, subcontracted services and material purchases. Equipment and labor rates charged shall be as follows:

- Equipment rented from an outside entity: Greeley 50%, Tri-Districts 50%
- Greeley-owned equipment: Tri-Districts 50% of the commercial rental rate per hour
- Greeley’s labor: Tri-Districts 50% of Greeley’s hourly rates
- Material purchase: Greeley 50%, Tri-Districts 50%
- Subcontracted services: Greeley 50%, Tri-Districts 50%

Steering Committee approval will be required for any single purchase of subcontracted services, equipment or material to be used for Pond maintenance that will exceed \$3,000 or was not included in that year’s budget.

The Tri-Districts agree to reimburse Greeley for their pro-rata share of maintenance costs. At the 4th Quarter Steering Committee meeting of each year, Greeley shall provide an accounting of all maintenance costs incurred from the preceding year including receipts for material purchases and equipment rentals as well as an accounting of Greeley staff time and hourly labor and equipment rental rates. In the event the Tri-Districts incur maintenance costs throughout the year, a true-up of costs owed to each entity will occur during the 4th quarter of any calendar year. The Tri-Districts will reimburse Greeley their prior year’s pro-rata maintenance costs within 45 days of the 4th Quarter Steering Committee meeting. If a true-up occurs, Greeley shall reimburse the Tri-Districts within 45 days of the 4th Quarter Steering Committee meeting.



The Parties will coordinate with the Colorado Division of Reclamation, Mining and Safety on all annual inspections and corrective actions. Greeley and Tri-District representatives will be present at all DRMS site inspections and during any anticipated corrective actions that need to take place.

Agreed to:

Sean Chambers
Director
Greeley Water & Sewer Department

Mike Scheid
General Manager,
East Larimer County Water District

Chris Pletcher
General Manager
Fort Collins-Loveland Water District

Eric Reckentine
General Manager
North Weld County Water District

CC:

Randy Gustafson, City of Greeley
Richard Raines, Soldier Canyon
Keith Meyer, Ditesco
Bill Schenderlein, Blue Earth Solutions
Leah Hubbard, City of Greeley

Enclosures:

2023 Maximum Labor and Equipment Costs



Zachary P. White
Shareholder

303-858-1800
zwhite@wbapc.com

June 30, 2024

VIA E-MAIL AND U.S. MAIL

Slate Communications, LLC
2301 Research Boulevard, Suite 204
Fort Collins, CO 80526
Attention: Kim Newcomer
Email: kim@slatecommunications.com

Re: Termination of Engagement (Communication Services)

Dear Ms. Newcomer

Please be advised that effective immediately, pursuant to Paragraph 6 of the Agreement for Services (the “**Agreement**”), North Weld County Water District (the “**District**”) is terminating its engagement of Slate Communications, LLC (“**Slate Communications**”) for all services. Slate Communications is no longer authorized to perform any services related to the District or communicate with third parties on the District’s behalf. Pursuant to Paragraph 5 of the Agreement, all materials prepared by Slate Communications in relation to its obligations under the Agreement are the property of the District and Slate Communications must deliver such materials to the District, care of the District’s Manager, Eric Reckentine, promptly.

The District hired Slate Communications to provide communications services (the “**Services**”) involving other governmental entities. Knowing this, Slate Communications failed to provide any disclosure to the District regarding the blatant conflict of interest in acquiring the same government entities as clients. In light of this failure by Slate Communications to provide any disclosure regarding the conflict of interest it had in providing Services to the District, the District’s Board of Directors is terminating the Agreement. It is the District’s expectation that any communications and any materials generated on behalf of the District will remain confidential and will not be shared with any other governmental entity or third party.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON

Slate Communications

June 30, 2024

Page 2

Zachary P. White
Shareholder

cc: North Weld County Water District Board of Directors
Eric Reckentine

WORK CHANGE DIRECTIVE NO.: 0020

Owner: City City of Greeley, CO Owner's Project No.: **FK21-10-170**
Engineer: Providence Infrastructure Consultants, Inc Engineer's Project No.:
Contractor: Reynolds Construction, LLC Contractor's Project No.: **42202.300**
Project: **Terry Ranch Pipeline – Segment 1 (NWCWD Interconnect)**
Contract Name: **Terry Ranch Pipeline – Segment 1**
Date Issued: June 24, 2024 Effective Date of Work Change Directive: July 2, 2024

Contractor is directed to proceed promptly with the following change(s):

Description:

Install additional 24" C900 PVC pipe, ductile iron fittings, and gate valve to connect the two previously installed legs of the NWCWD interconnect. See attached plan markup for layout and details.

Attachments:

**PP-201 NWCWD GIH Additional Piping Markup
Cost Detail / Backup**

Purpose for the Work Change Directive:

Provide permanent bypass connection for the future GIH pump station, allowing for use of interconnect while pump station in being procured/installed.

Directive to proceed promptly with the Work described herein, prior to agreeing to change in Contract Price and Contract Time, is issued due to:

Notes to User—Check one or both of the following

Non-agreement on pricing of proposed change. Necessity to proceed for schedule or other reasons.



Estimated Change in Contract Price and Contract Times (non-binding, preliminary):

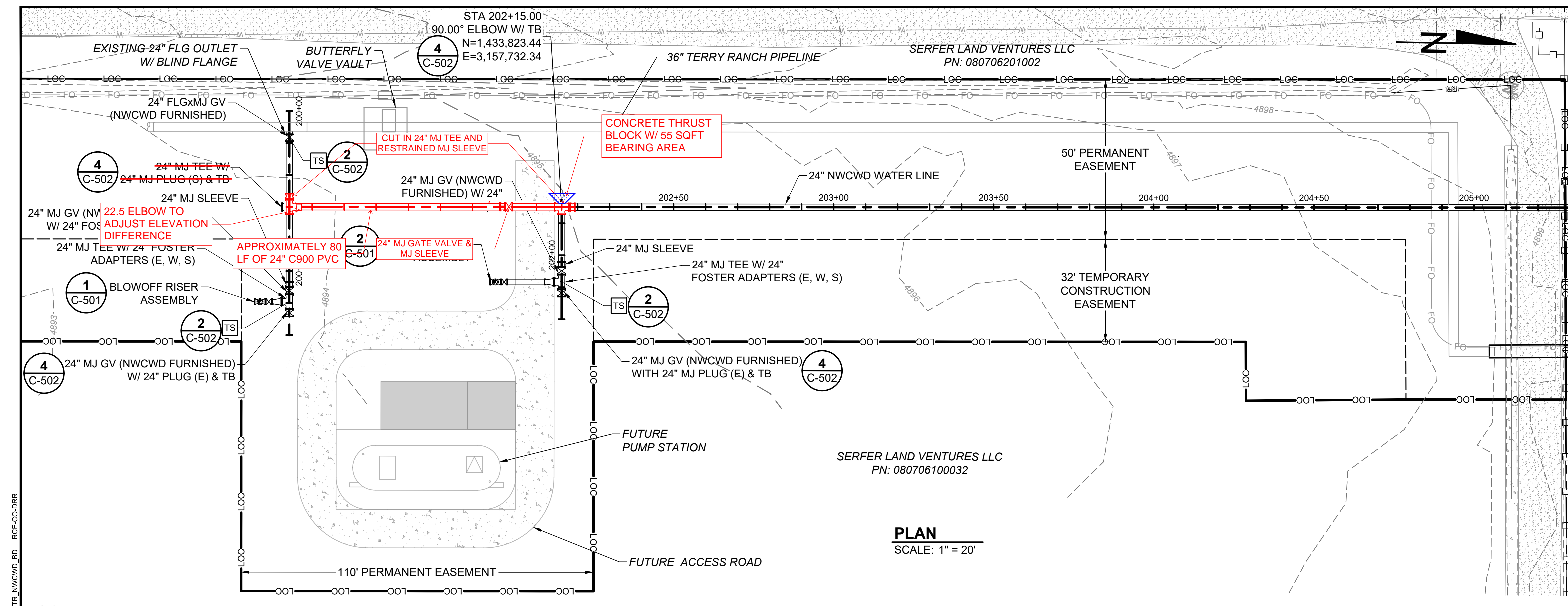
Contract Price: **\$114,810.15** **[increase].**

Contract Time: **0** days **[increase].**

Basis of estimated change in Contract Price:

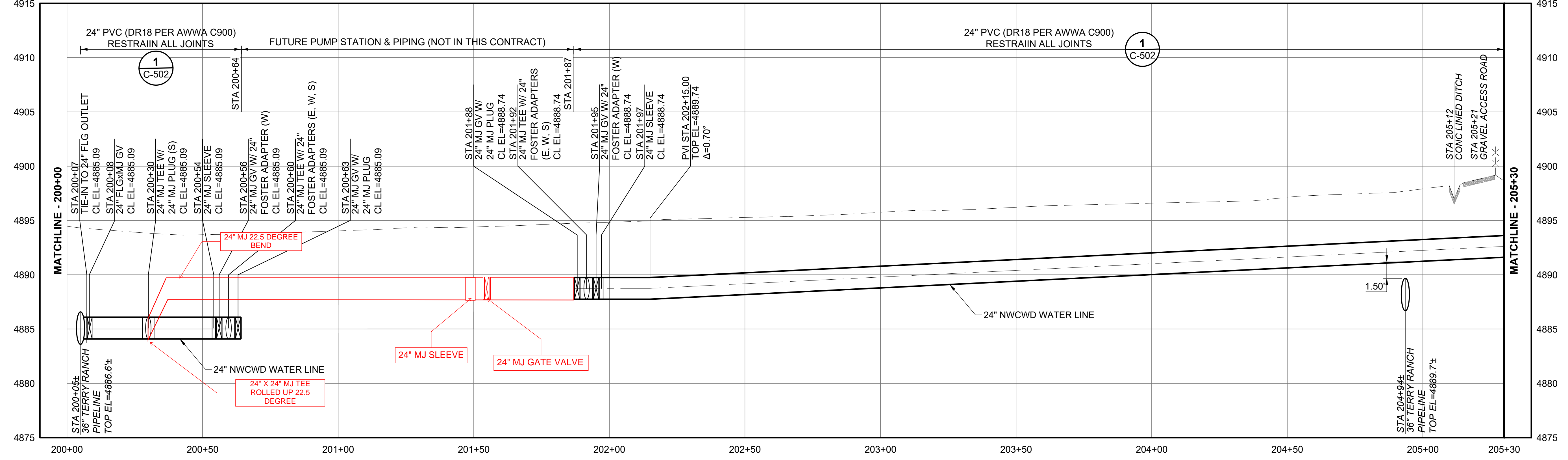
Lump Sum Unit Price Cost of the Work Other

	Recommended by Owner's Rep	Authorized by Owner	Approved by Contractor
By:			
Title:	<u> Construction Manager </u>		<u> CMAR Project Manager </u>
Date:	<u> 07/01/2024 </u>		<u> 6/28/2024 </u>



NOTES:
 1. ALL DUCTILE IRON FITTINGS TO BE INSTALLED WITH POLYETHYLENE WRAP.

5
 C-502



FINAL FOR CONSTRUCTION
 FEBRUARY 8, 2023

PROVIDENCE INFRASTRUCTURE CONSULTANTS
 300 PLAZA DR., SUITE 320
 HIGHLANDS RANCH, CO 80129
 (303)997-5035
 www.providenceic.com

REYNOLDS CONSTRUCTION, LLC
 1775 E 69TH AVE
 DENVER, CO 80229
 (303) 287-7700
 www.reynoldscn.com

REVISION	DESCRIPTION OF ISSUE / REVISION	REVISED BY

Great. From the Ground Up.

VERIFY SCALE
 BAR IS ONE INCH ON ORIGINAL DRAWING
 IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY

NORTH WELD COUNTY WATER DISTRICT
 GREELEY INTERCONNECT AT HARMONY

PLAN AND PROFILE - STA 200+00 TO 205+30

PROJECT:	220002
DRAWN BY:	B. BOHN
DESIGNED BY:	D. PYTLIK
APPROVED BY:	D. RICE
SHEET:	4 OF 7
DRAWING:	PP-201

June 28, 2024

City of Greeley, Colorado
 1100 10th Street
 Greeley, Colorado 80631



Attn: Jim Paulson

CHANGE ORDER REQUEST #020: NWCWD Interconnect Permanent Bypass

RE: TERRY RANCH PIPELINE - NWCWD INTERCONNECT

Description: Description of Change Order Request.

Anything above herein and in the attachments beyond the described scope shall be additional costs above and beyond this Change Request.

Furnish materials and install a 24" permanent bypass on the previously installed NWCWD Internonnect to the Terry Ranch Pipeline. Work to be completed on a time and material basis in conformance with the current contract, and in accordance with the attached preliminary plan and profile. (24" Gate Valve to be furnished by NWCWD)

Operations:

Reynolds Construction field crew and subcontractors when applicable.

Hours:

0.0

Labor: Supervision and Mobilization

Classification	Hours	Rate	Extension
Project Manager	10.0	\$ 213.81	\$ 2,138.10
Assistant Project Manager	12.0	\$ 122.95	\$ 1,475.40
Superintendent	20.0	\$ 138.98	\$ 2,779.60
Project Accounting	2.0	\$ 128.29	\$ 256.58
Truck Driver	10.0	\$ 72.52	\$ 725.20
Foreman	4.0	\$ 124.49	\$ 497.96
Total		Total Labor	\$ 7,872.84

Labor: Install Permanent Bypass, Flush New Piping

Classification	Hours	Rate	Extension
Foreman	45.0	\$ 124.49	\$ 5,602.05
Group 4 Operator (Excavator, Motor Grader)	45.0	\$ 116.54	\$ 5,244.30
Group 3 Operator (Loader, Compactor)	45.0	\$ 90.64	\$ 4,078.80
Pipe Layer (Group 2)	90.0	\$ 72.52	\$ 6,526.80
Laborer (Group 1)	90.0	\$ 56.98	\$ 5,128.20
Total		Total Labor	\$ 26,580.15

Equipment: Supervision and Mobilization

Unit	Hours	Rate	Extension
Tractor Trailer w/ Lowboy	10.0	\$ 113.40	\$ 1,134.00
Pickup Truck	4.0	\$ 28.59	\$ 114.36
Excavator, JD 470	4.0	\$ 275.10	\$ 1,100.40
Loader, JD 644	4.0	\$ 143.10	\$ 572.40
Total		Total Equipment	\$ 2,921.16

Equipment: Install Permanent Bypass, Flush New Piping

Unit	Hours	Rate	Extension
Pickup Truck	45.0	\$ 28.59	\$ 1,286.55
Excavator, JD 470	40.0	\$ 275.10	\$ 11,004.00
Loader, JD 644	40.0	\$ 143.10	\$ 5,724.00
Trench Box (Large)	80.0	\$ 20.00	\$ 1,600.00
Steel Trench / Road Plates	160.0	\$ 7.50	\$ 1,200.00
Levels/Transits/Survey/Laser	45.0	\$ 10.00	\$ 450.00
Small Tools and Consumables	45.0	\$ 8.00	\$ 360.00
Water Truck	20.0	\$ 55.00	\$ 1,100.00
Total		Total Equipment	\$ 22,724.55

Subcontractors:

Item	Unit	Quant.	Rate	Extension
Tractor Trailer w/ End Dump	HR	4.0	\$ 122.00	\$ 488.00
				\$ -
Total	Total Subcontractors			\$ 488.00

Materials:

Item	Unit	Quant.	Unit Price	Extension
PVC Pipe & MJ Fittings (Ferguson Quote #B365013)	LS	1.0	\$ 44,546.00	\$ 44,546.00
Pipe Bedding (Holcim)	TN	125.0	\$ 17.30	\$ 2,162.50
Class A Concrete (Burnco)	CY	4.0	\$ 176.95	\$ 707.80
Concrete Fuel Surcharge	EA	1.0	\$ 40.00	\$ 40.00
Dump Fees	EA	1.0	\$ 550.00	\$ 550.00
Miscellaneous Material	LS	1.0	\$ 750.00	\$ 750.00
				\$ -
Total	Total Materials			\$ 48,756.30

EXTENDED COST OF PROJECT GENERAL CONDITIONS	LS	0	\$ -	\$ -
				Cost of Additional Work \$ 109,343.00
				CMAR Fee (5%) \$ 5,467.15
				Bond 0.0% \$ -
				Total Change Request \$ 114,810.15

Sincerely,
REYNOLDS CONSTRUCTION, LLC



Chris Schneider
CMAR Project Manager

City of Greeley, Colorado Representative

Approved By: _____

Date: _____



FERGUSON WATERWORKS
 17655 E 25TH DR
 AURORA, CO 80011-4625

Phone: 720-859-3060
 Fax: 303-366-0215

Deliver To: From: Darrik Trent Comments:

11:26:59 JUN 28 2024

FERGUSON WATERWORKS #1116
 Price Quotation
 Phone: 720-859-3060
 Fax: 303-366-0215

Bid No: B365013
Bid Date: 06/25/24
Quoted By: DDT

Cust Phone: 303-287-7700
Terms: NET 10TH PROX

Customer: REYNOLDS CONSTRUCTION LLC
 1775 E 69TH AVE
 MAINLINE DIVISION
 DENVER, CO 80229

Ship To: REYNOLDS CONSTRUCTION LLC
 1775 E 69TH AVE
 MAINLINE DIVISION
 DENVER, CO 80229

Cust PO#: 24" PIPE & FITTINGS

Job Name: TERRY RANCH

Item	Description	Quantity	Net Price	UM	Total
DR18BP24	24 C900 DR18 CL235 PVC GJ BLUE PIPE IN STOCK IN ARIZONA*	100	147.750	FT	14775.00
SPWPC24	24 SIGMA BELL REST F/ C900 *PVLOK SIGMA STOCK IN DENVER*	4	1195.000	EA	4780.00
MJTLA24	24 MJ C153 TEE L/A SIGMA STOCK IN DENVER*	2	3075.000	EA	6150.00
MJLSLA24	24X15 MJ C153 LONG SLV L/A SIGMA STOCK IN DENVER*	4	1500.000	EA	6000.00
IMJBG24	24 MJ C153 BLT GSKT PK L/ GLAND IN STOCK IN DENVER*	18	65.000	EA	1170.00
SSLCEX24	24 PVC WDG REST GLND *ONELOK E-COAT IN STOCK IN DENVER*	18	505.000	EA	9090.00
M37220CLR88	37X220 CLR PERF 8.8 MIL POLYWRAP	1	200.000	EA	200.00
PSPWT210	2X100 10 MIL PIPE WRAP TAPE	12	5.500	EA	66.00
MJ4LA24	24 MJ C153 45 BEND L/A	1	1955.000	EA	1955.00
SVB2600WH35	5-1/4 STD VBX CVR WATER SHORT	1	30.000	EA	30.00
SVB2661X35	26 SCRW HD VBX TOP ONLY	1	110.000	EA	110.00
SVB63023035	24 EXT 30 BOTTOM SCREW MID SECTION	1	85.000	EA	85.00
SVB6316035	#160 BASE FOR 3PC VBX	1	135.000	EA	135.00
TOTAL					44546.00

Net Total: \$44546.00
Tax: \$2115.96
Freight: \$0.00
Total: \$46661.96



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Scan the QR code or use the link below to
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<https://survey.medallia.com/?bidsorder&fc=1116&on=33326>

FERGUSON WATERWORKS #1116
Price Quotation

Fax: 303-366-0215

11:26:59 JUN 28 2024

Reference No: B365013

Quoted prices are based upon receipt of the total quantity for immediate shipment (48 hours). SHIPMENTS BEYOND 48 HOURS SHALL BE AT THE PRICE IN EFFECT AT TIME OF SHIPMENT UNLESS NOTED OTHERWISE. QUOTES FOR PRODUCTS SHIPPED FOR RESALE ARE NOT FIRM UNLESS NOTED OTHERWISE.

CONTRACTOR CUSTOMERS: IF YOU HAVE DBE/MBE/WBE/VBE/SDVBE/SBE GOOD FAITH EFFORTS DIVERSITY GOALS/ REQUIREMENTS ON A FEDERAL, STATE, LOCAL GOVERNMENT, PRIVATE SECTOR PROJECT, PLEASE CONTACT YOUR BRANCH SALES REPRESENTATIVE IMMEDIATELY PRIOR TO RECEIVING A QUOTE/ORDER.

Seller not responsible for delays, lack of product or increase of pricing due to causes beyond our control, and/or based upon Local, State and Federal laws governing type of products that can be sold or put into commerce. This Quote is offered contingent upon the Buyer's acceptance of Seller's terms and conditions, which are incorporated by reference and found either following this document, or on the web at <https://www.ferguson.com/content/website-info/terms-of-sale>

Govt Buyers: All items are open market unless noted otherwise.

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

Buyer shall accept delivery of products within 60 days of Seller receiving the products at Seller's warehouse. If Buyer causes or requests a delay in delivery of the products, Buyer may be subject to storage fees and additional costs caused by such delay. Seller reserves the right to requote the products and reschedule the delivery date, subject to manufacturer's lead times and price increases, if Buyer is unable to accept delivery within 60 days.



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June 28, 2024

To the Board of Directors and Management
North Weld County Water District

We have audited the financial statements of North Weld County Water District (the "District") as of and for the year ended December 31, 2023 and have issued our report thereon dated June 28, 2024. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Internal Control Related Matters Identified in an Audit

Section II - Required Communications with Those Charged with Governance

Sections I and II include information that we are required to communicate to those individuals charged with governance of the District. Section I communicates deficiencies we observed in the District's internal control that we believe are material weaknesses and significant deficiencies. Section II communicates significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process.

We would like to take this opportunity to thank the District's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the board of directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC



Alisha M. Watkins, CPA
Partner



Chris Otto, CPA
Partner

Section I - Internal Control Related Matters Identified in an Audit

In planning and performing our audit of the financial statements of the District as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiencies in the District's internal control to be material weaknesses:

Restricted Cash

As of December 31, 2022, material misclassifications of cash between the restricted and unrestricted categories on the statement of net position, as well as misclassifications of net position between net investment in capital assets and unrestricted net position (as further described in Section II of this letter) were identified during our audit procedures, requiring correction to the audited comparative financial statements. The deficiency in controls pertains to incorrect application of the accounting guidance governing the presentation of restricted cash balances with the statement of net position. Without such reclassifications, these cash financial statement line items would not have been presented in accordance with generally accepted accounting principles.

Arbitrage Liability Monitoring and Management

As of the date of this report, the District has significant unspent bond proceeds related to the District's 2019 and 2022 bond issuances; however, the District has not had procedures in place to ensure compliance with arbitrage requirements set forth by the Internal Revenue Service (IRS) for issuers of tax-exempt bonds. As a result of the audit process, management engaged an arbitrage compliance specialist and has now recorded a yield reduction liability due to the IRS related to the 2019 unspent bond proceeds and an arbitrage liability for the 2022 unspent bond proceeds. We encourage the District to ensure procedures are maintained going forward to monitor/manage arbitrage compliance on existing unspent proceeds and any new tax-exempt bond issuances, as well as to ensure that any related liabilities are recorded in the period to which they relate.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the District's internal control to be significant deficiencies:

Auditor Identified Journal Entries

During the audit, several correcting entries were identified by Plante & Moran, PLLC that were required to be corrected by management. The entries impacted the following areas: accrued liabilities, accounts payable, expenditures, revenue, capital assets, other assets, and net position. We encourage the District to continue to revisit its processes and procedures in place over year-end close to ensure that all such balances are properly reported in accordance with generally accepted accounting principles (GAAP) as of year end and prior to the start of the audit.

Section I - Internal Control Related Matters Identified in an Audit (Continued)

Segregation of Duties

Due to the size of the District, we realize that achieving the optimal level of segregation of duties is difficult. A strong system of internal controls separates the custody and record-keeping functions surrounding cash receipts and disbursements, as well as other incompatible duties. In the District's system design, one individual has full access to and responsibility over all aspects of the financial reporting function (financial applications, bank accounts, payroll, etc.).

Because the District has a limited number of people to whom it may assign these functions, maintaining sufficient internal controls becomes more challenging. We did note, however, that the District has implemented many detective controls to mitigate this risk, such as requiring a second review/approval for all transactions recorded in the general ledger system, the District manager's review of all bank transactions, and an added control in which the bank requires verbal confirmation/approval from the District manager of all electronic disbursements over \$2,000.

We did identify some areas where we believe controls could be further enhanced, as follows:

- Within the general ledger system, the same individual described above also serves as the system administrator, which provides full system rights. In addition, that individual also has access to a second general ledger administrator account, which means that the control system put in place to require approval of all journal entries by somebody other than the preparer could be circumvented.
- As it relates to the DRIP billing system, that same individual is the only district employee who reviews the billing activity in DRIP monthly prior to invoices being issued to district customers. Any edits/changes to the billing system are directly to the third-party contractor by this individual who also has the ability to make changes in the system. Any such changes to the billing system are not reviewed by another individual.

We encourage the District to continue to evaluate where controls could be strengthened in these areas identified. In addition, we would like to take this opportunity to remind you of the importance of maintaining the offsetting controls in your system that you have already put in place, particularly with the limitations that may prevent the District from fully preventing or mitigating this risk.

Section II - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 6, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on November 6, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023, other than the adoption of GASB 96, *Subscription-Based Information Technology Arrangements*, and GASB 94, *Public-Private and Public-Public Partnerships*, which did not have a material impact on the District.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Section II - Required Communications with Those Charged with Governance (Continued)

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following misstatements were detected as a result of our audit procedures: accrued payroll of approximately \$74,000; correction to accounting of old bond issuance costs of approximately \$170,000; recording of non-payroll expenses due (operating and arbitrage) totaling approximately \$876,000; corrections between expense and capital classification for ongoing project work totaling approximately \$240,000; a correction to revenue recorded of approximately \$407,000; and a correction to beginning of year net position of approximately \$127,000.

In addition, as described in Section I, material reclassifications were made to correct the reporting of restricted cash balances within the statement for net position as of both December 31, 2022 and December 31, 2023. Specifically, an adjustment to move \$2.2 million and \$1.7 million of unrestricted cash to the restricted category was eliminated for December 31, 2022 and 2023, respectively. The computation of net investment in capital assets as of December 31, 2022 was also corrected to include the 2019 unspent bond proceeds in the amount of \$2,176,950, as only the 2022 unspent bond proceeds were included previously.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the District, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 28, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

North Weld County Water District

**Financial Report
with Supplementary Information
December 31, 2023**

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Independent Auditor's Report

To the Board of Directors
North Weld County Water District

Opinion

We have audited the financial statements of North Weld County Water District (the "District") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise North Weld County Water District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of North Weld County Water District as of December 31, 2023 and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Prior Year Financial Statements

The basic financial statements of North Weld County Water District as of and for the year ended December 31, 2022 were audited by other auditors, who expressed an unmodified opinion on October 6, 2023.

As discussed in Note 2 to the financial statements, certain amounts reported in the December 31, 2022 financial statements were reclassified to conform to the 2023 presentation. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
North Weld County Water District

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Management is responsible for the accompanying schedule of revenue and expenditures - budget to actual (budgetary basis) and rate maintenance, which are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Our opinion on the financial statements does not cover such information, and we do not express an opinion or any form of assurance thereon.



June 28, 2024

North Weld County Water District Management's Discussion and Analysis

Management's discussion and analysis is designed to provide an analysis of the financial condition and operating results and to also inform the reader on financial issues and activities of the North Weld County Water District (the "District").

Management's Discussion and Analysis ("MD&A") should be read in conjunction with the District's basic financial statements (beginning on page 11).

2023 Highlights – Business-Type Activities

- On December 31, 2023, the District's net position was \$203,059,245 an increase of \$11,562,782 from the 2022 amount of \$191,496,463. On December 31, 2022, the District's net position was \$191,496,463 an increase of \$16,891,085 from the 2021 amount of \$174,605,378. The District's net position increase was due to acquiring more water rights, construction that is in progress and the decrease of non-current liabilities.
- Operating revenues for 2023 decreased by \$979,847 from \$21,708,298 in 2022 to \$20,728,451. Operating revenues for 2022 increased by \$4,847,454 from \$16,860,844 in 2021 to \$21,708,298. The District's 2023 decrease in operating revenue was due to the decrease in water sales by implementation of higher surcharges and the regulation of commercial users attributed to the decrease.
- Total operating expenses in 2023 increased by \$779,452 from \$11,861,163 to \$12,640,615. Total operating expenses in 2022 increased by \$1,123,330 from \$10,737,833 to \$11,861,163. The District's operating expenses have increased due to construction and needed system improvements.
- Total non-operating revenue/expense decreased in 2023 by \$3,569,004 from \$7,043,950 to \$3,474,946. 2023 overall decrease was due to a decrease in tap/connection fees somewhat offset by an increase in interest expense.
- Total capital assets in 2023 increased by \$18,767,135 from \$182,968,736 to \$201,735,871. Total capital assets in 2022 increased by \$9,410,018 from \$173,558,718 to \$182,968,736.
- Total non-current liabilities decreased by \$1,294,216 in 2023, from \$58,159,543 in 2022 to \$56,865,327. Total non-current liabilities increased by \$36,252,743 in 2022, from \$21,906,800 in 2021 to \$58,159,543.

North Weld County Water District Tap Moratorium

The North Weld County Water District Board of Directors voted in October 2021 to place a moratorium on the sale of new taps and plant investments that continued into winter of 2022. Since the initial tap moratorium, NWCWD has lifted the restrictions in certain zones and allowed the sale of taps. Larimer County has given its approval to NWCWD's 1041 application for the NEWTIII Project, project construction is underway, and the project should be completed in October 2024 bringing improved infrastructure and services to the region. NWCWD has since allowed tap sales for single lot development, opened up plant investment sales to the six Towns (whole customers), and is finalizing a regional master plan that will be completed the fall of 2024 that will allow for the development review of new conceptual developments in the District once approved.

**North Weld County Water District
Management's Discussion and Analysis**

Using this Annual Report

The financial statements included in this annual report are those of a quasi-municipal corporation and a political subdivision of the State of Colorado engaged only in a business-type activity. As an enterprise fund, the District's basic financial statements include:

Statements of Net Position – reports the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations. (See page 11).

Statements of Revenues, Expenses and Changes in Net Position – reports the District's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions. (See page 12).

Statements of Cash Flows – reports the District's cash flows from operating activities, non-capital financing activities, capital and related financing activities, and investing activities. (See page 13).

The following tables summarize information from these statements.

Statement of Net Position

December 31,	2023	2022	2021
Current assets	\$ 22,032,483	\$ 29,120,937	\$ 21,263,662
Restricted assets	42,585,260	40,562,086	4,321,345
Capital assets, net	201,735,871	182,968,736	173,558,718
Other assets	-	189,911	211,176
Total Assets	<u>\$ 266,353,614</u>	<u>\$ 252,841,670</u>	<u>\$ 199,354,901</u>
Resources			
Current Liabilities	\$ 6,429,042	\$ 3,314,811	\$ 2,842,723
Non-current liabilities	<u>56,865,327</u>	<u>58,159,543</u>	<u>21,906,800</u>
Total Liabilities	<u>\$ 63,294,369</u>	<u>\$ 61,474,354</u>	<u>\$ 24,749,523</u>
Net Position			
Net investment in capital assets	\$ 185,592,841	\$ 163,536,293	\$ 154,188,851
Unrestricted	<u>17,466,404</u>	<u>27,960,170</u>	<u>20,416,527</u>
Total Net Position	<u>\$ 203,059,245</u>	<u>\$ 191,496,463</u>	<u>\$ 174,605,378</u>

Capital assets increased by \$18,767,135 during 2023, compared to an increase of \$9,410,018 in 2022 and \$14,626,046 in 2021.

**North Weld County Water District
Management's Discussion and Analysis**

Review of Revenue

Years Ended December 31,	2023	2022	2021
Operating Revenue			
Water Sales	\$ 20,457,821	\$ 21,382,156	\$ 16,463,770
Construction Water	<u>270,630</u>	<u>326,142</u>	<u>397,074</u>
Total operating revenue	\$ 20,728,451	\$ 21,708,298	\$ 16,860,844
Non-operating revenues			
Earnings on investments	2,700,628	780,724	2,997
Other non-operating income	521,471	246,059	85,037
Amortization of bond premiums	456,942	-	-
Tap/connection fees	<u>2,714,150</u>	<u>7,134,545</u>	<u>3,453,950</u>
Total non-operating revenue	6,393,191	8,161,328	3,541,984
Total revenue	<u>\$ 27,121,642</u>	<u>\$ 29,869,626</u>	<u>\$ 20,402,828</u>

Water sales in 2023 decreased by \$924,335 from \$21,382,156 to \$20,457,821. Water sales increased from \$16,463,770 in 2021 to \$21,382,156 in 2022, an increase of \$4,918,386. Water sales from construction meters decreased from \$326,142 in 2022, to \$270,630 a decrease of \$55,512. Water sales from construction meters decreased from \$397,074 in 2021, to \$326,142 in 2022, a decrease of \$70,932.

Review of Expenses

Years Ended December 31,	2023	2022	2021
Administrative	\$ 2,929,761	\$ 2,233,343	\$ 1,825,409
Distribution	7,738,385	7,737,047	7,094,729
Depreciation	<u>1,972,469</u>	<u>1,890,773</u>	<u>1,817,695</u>
Total operating expenses	12,640,615	11,861,163	10,737,833
Interest expense	<u>2,918,245</u>	<u>1,117,378</u>	<u>689,673</u>
Total expense	<u>\$ 15,558,860</u>	<u>\$ 12,978,541</u>	<u>\$ 11,427,506</u>

Operating expenses were \$12,640,615 of the total expenditures as shown on the budgetary comparison schedule including depreciation of \$1,972,469. The major contributors to the increase were administrative expenses and interest expenses.

**North Weld County Water District
Management's Discussion and Analysis**

Capital Contribution/Tap and Connection Fees

Years Ended December 31,	2023	2022	2021
Tap fees - customers	\$ 2,223,750	\$ 3,453,950	\$ 1,790,750
Meter set fees	22,400	176,255	206,075
Reimbursement for water rights	(32,250)	2,367,250	3,495,026
Distance Fees	245,850	403,725	359,400
Reimbursement for line extension	254,400	737,615	785,031
Miscellaneous	<u>-</u>	<u>(4,250)</u>	<u>5,000</u>
Net capital contribution/ tap and connection fees	<u>\$ 2,714,150</u>	<u>\$ 7,134,545</u>	<u>\$ 6,641,282</u>

Net contributed capital/tap and connection fees were \$2,714,150 of the total revenues as shown on the budgetary comparison schedule.

Capital Assets, Net of Depreciation

Years Ended December 31,	2023	2022	2021
Transmission and distribution system	\$ 87,222,044	\$ 83,274,480	\$ 78,865,986
Facilities	1,667,567	1,667,567	1,644,153
Vehicle and field equipment	2,600,942	2,389,047	2,204,382
Other	78,221	78,221	78,221
Total depreciable assets	<u>91,568,774</u>	<u>87,409,315</u>	<u>82,792,742</u>
Less: accumulated depreciation	<u>(33,711,207)</u>	<u>(31,738,738)</u>	<u>(29,847,965)</u>
Total depreciable assets, net	<u>57,857,567</u>	<u>55,670,577</u>	<u>52,944,777</u>
SCWTA Treatment Capacity	22,849,610	22,849,610	22,849,610
Land, easements, and water rights	112,695,553	104,425,836	94,928,149
Construction in progress	<u>8,333,141</u>	<u>22,713</u>	<u>2,836,182</u>
Total capital assets, net	<u>\$ 201,735,871</u>	<u>\$ 182,968,736</u>	<u>\$ 173,558,718</u>

Major capital asset additions in 2023 were:

Tank Improvements	\$ 937,376
Pump Station Improvements	286,989
Greeley Interconnect at Harmony/Terry Ranch	1,367,793
Waterline at CR72 & 31-33	5,084,070
Newt 3 Waterline	3,191,605
Water Rights	<u>6,990,000</u>
	<u>\$ 17,857,833</u>

**North Weld County Water District
Management's Discussion and Analysis**

Construction in Progress

The following projects will be ongoing in 2024:

- Newt 3
- Eaton Pipeline Phase 2
- Eaton Pipeline Phase 3
- Harmony Interconnect
- CR 84 & CR 15 Water Line Replacement
- Zone 1 Water Line

Debt Administration

On December 31, 2023, the District had \$57,694,778 in outstanding debt obligations, a decrease of \$2,449,765 from 2022. In 2022, the District's outstanding debt increased by \$32,498,359, from \$22,057,866 in 2021 to \$54,556,225 in 2022. The increase in 2022 was due to the issuance of the 2022 revenue bond.

	Beginning Balance	Additions	Retirements	Ending Balance
2012 refunding revenue bonds	\$ 1,575,000	\$ -	\$ (1,575,000)	\$ -
2019 revenue bonds	16,160,000	-	-	\$ 16,160,000
2020 refunding revenue bonds	3,050,000	-	(410,000)	\$ 2,640,000
2022 revenue bonds	34,615,000	-	-	\$ 34,615,000
Compensated absences	150,013	115,037	(103,013)	\$ 162,037
Total	55,550,013	115,037	(2,088,013)	53,577,037
Current portion of long-term debt	(1,985,000)			(2,025,000)
Net bond premiums	4,594,530			4,117,741
Total non-current liabilities	58,159,543			55,669,778

**North Weld County Water District
Management's Discussion and Analysis**

Customer Classification, Water Rates, Revenue and Consumption

The District currently provides water service to 6,582 taps, 95%, of which, are residential. All water service is metered and read electronically. The following table is a breakdown of water consumption and revenue billed by customer class in 2023.

Classification	2023 Water Consumption (Per 1000 Gal.)	Percent of Total	Total Billed in 2023	Percent of Total
Residence Only	17,177	0.59%	104,546	0.52%
Standard	476,806	16.49%	2,397,422	11.83%
Standard ½	55,779	1.93%	325,077	1.60%
Standard ¾	13,002	0.45%	66,512	0.33%
Flow Control	148,168	5.13%	491,165	2.42%
Commercial	1,020,296	35.30%	4,512,763	22.26%
Municipal	980,609	33.92%	3,686,116	18.18%
Conservation Blue	119,885	4.15%	659,320	3.25%
Fire Meters	242	0.01%	5,320	0.03%
Non-Potable Meters	58,647	2.03%	87,971	0.43%
Unset Meters	-	-	13,434	0.07%
Adjustments	-	-	-26,390	-0.13%
Surcharges (PI)	-	-	2,976,609	14.68%
Surcharges (W)	-	-	4,970,952	24.52%
Total	2,890,611	100%	20,270,817	100%

Basic Service Fees, Rates and Changes

The District has established a schedule of rates, fees and charges for the connection to and use of District facilities. State law provides that, until paid, all such rates, fees, tolls and charges constitute a perpetual lien on and against the property served. User charges are billed according to customer classification and usage. Each customer is subject to a minimum monthly charge, which begins when the meter is set. If the meter is not set within 12 months after purchase of the tap, a monthly charge is assessed.

In establishing the current rate schedule, it was determined that the rate must both pay for increasing operating costs, including debt service, and allow for some system deferred maintenance funds while not overburdening District customers on the lower end of the usage scale with excessive rates. The following table is a comparison of basic service fees for a Standard Tap (Class 1). The 2020 rates increased from \$3.39 to \$3.73. Monthly minimum for usage between 0-6 (Kgals) was \$22.38. The 2021 rates increased from \$3.73 to \$3.88. Monthly minimum for usage between 0-6 (Kgals) was \$23.28. The 2022 rates increased from \$3.88 to \$4.15. Monthly minimum for usage between 0-6 (Kgals) was \$24.90. The 2023 rates increased from \$4.15 to \$4.44. Monthly minimum for usage between 0-6 (Kgals) was \$26.64. The 2024 rates increased from \$4.44 to \$4.75. Monthly minimum for usage between 0-6 (Kgals) is \$28.50.

**North Weld County Water District
Management's Discussion and Analysis**

Comparative Residential System User Charges 2020 - 2024

	January 2020	January 2021	January 2022	January 2023	January 2024
Monthly Minimum Usage (Kgals) 0-6	\$22.38	\$23.28	\$24.90	\$26.64	\$28.50
6 and greater	\$3.73	\$3.88	\$4.15	\$4.44	\$4.75

Comparative Town's User Charges 2020-2024

75% Residential Rate	\$2.80	\$2.91	\$3.11	\$3.33	\$3.56
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Tap Fees

The District charges tap fees to recover costs of system acquisition, construction and expansion. A tap fee is a one-time charge that must be paid in full before the meter will be installed and the account is considered active. The District's tap fee is calculated based upon plant investment fee, distance fee, raw water fee and storage fee. Effective July 1, 2018 the storage fee is no longer a requirement.

The total tap fee for a Water Class 1 and Plant Investment Class 1 is; cash in lieu - raw water for 2023 was \$73,500, approximately the cost of 1 unit of CBT. The plant investment was \$20,250, a distance fee of \$300 per mile from the District's main tank site at Highway 14 and Highway 257 to the property following section lines with a minimum of 5 miles or \$1,500, and a meter pit installation which averages \$2,100.

In 2010, the District made Conservation Blue Taps available to customers purchasing a new tap. A Conservation Blue Tap allows the customer to purchase a tap and not pay the plant investment fee nor pay the distance fee. These taps are automatically in the plant investment surcharge as soon as usage occurs. With the purchase of Conservation Blue Taps, the number of plant investments will decrease while water class allocations will increase.

Per Resolution 20180813-02 – Elimination of Conservation Blue Taps, effective August 13, 2018, Conservation Blue Taps are only available to certain pending subdivisions that have already received conditional or final approval from the District. Plat for such subdivisions shall be recorded on or before August 13, 2019 and the taps, including payment or transfer of water, as applicable, shall be purchased on or before August 13, 2023.

Historical Plant Investment Collections

Year	Number of PIs	Tap Fee Revenue
2017	250.25	\$1,876,875
2018	299.50	\$2,246,250
2019	188.75	\$1,606,125
2020	260.84	\$2,478,065
2021	188.50	\$1,790,750
2022	195.69	\$3,453,950
2023	109.81	\$2,223,750

**North Weld County Water District
Management's Discussion and Analysis**

Capital Improvement Plan

The five-year capital improvement plan (CIP) for the period 2024 thru 2028 is driven by the growth within the District and Northern Colorado. The CIP for this report is split into the following categories and amounts for each category:

	Proposed CIP					
Project	2024	2025	2026	2027	2028	Total
Main Transmission Lines, Meters, Tanks, Distribution Lines and Pump Stations	\$22,995,000	\$16,100,000	\$12,950,000	\$7,500,000	\$7,950,000	\$67,495,000
Water Resources	6,510,000	6,380,000	6,330,000	6,380,000	6,380,000	31,980,000
Land /Easements	180,000	180,000	180,000	180,000	180,000	900,000
Total	\$29,685,000	\$22,660,000	\$19,460,000	\$14,060,000	\$14,510,000	<u>\$100,375,000</u>

Upcoming expenditures are to expand and improve the piping network and storage capabilities of the District.

Contracts and Agreements

The District is a party to contracts and cooperative agreements concerning the financing, acquisition, construction, operation, maintenance, and use of certain water facilities.

Economic and Other Factors

Overall, the District has shown increases in water revenues and tap sales as a result of continued growth throughout the District, the Towns served by the District, and generally in Weld and Larimer counties. Operating expenses have increased due to construction and needed system improvements but will assure future water revenues and tap sales to be generated.

Land use, zoning and management procedures and policies as established by Weld and Larimer County will materially affect the extent of future growth and development within the District.

Financial Contact

The District's financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information please contact Eric Reckentine, District Manager, North Weld County Water District, P.O. Box 56, Lucerne, CO 80646.

North Weld County Water District

Statement of Net Position

	December 31, 2023 and 2022	
	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	\$ 18,348,808	\$ 26,112,408
Receivables	1,600,779	1,174,450
Inventory	1,983,213	1,756,572
Prepaid items	99,683	77,507
Total current assets	<u>22,032,483</u>	<u>29,120,937</u>
Noncurrent assets:		
Restricted cash and cash equivalents (Note 4)	42,585,260	40,562,086
Capital assets:		
Assets not subject to depreciation (Note 5)	143,878,304	127,298,159
Assets subject to depreciation - Net (Note 5)	57,857,567	55,670,577
Debt issuance costs - Net (Note 2)	-	189,911
Total noncurrent assets	<u>244,321,131</u>	<u>223,720,733</u>
Total assets	<u>266,353,614</u>	<u>252,841,670</u>
Liabilities		
Current liabilities:		
Accounts payable	3,704,119	773,060
Accrued liabilities and other	699,923	556,751
Current portion of bonds payable (Note 6)	2,025,000	1,985,000
Total current liabilities	<u>6,429,042</u>	<u>3,314,811</u>
Noncurrent liabilities:		
Compensated absences (Note 6)	162,037	150,013
Payable from restricted assets (Note 2)	1,195,549	-
Long-term debt - Net (Note 6)	55,507,741	58,009,530
Total noncurrent liabilities	<u>56,865,327</u>	<u>58,159,543</u>
Total liabilities	<u>63,294,369</u>	<u>61,474,354</u>
Net Position		
Net investment in capital assets	185,592,841	163,536,293
Unrestricted	17,466,404	27,960,170
Total net position	<u><u>\$ 203,059,245</u></u>	<u><u>\$ 191,496,463</u></u>

North Weld County Water District

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenue		
Water sales - Treated	\$ 20,457,821	\$ 21,382,156
Construction water	<u>270,630</u>	<u>326,142</u>
Total operating revenue	20,728,451	21,708,298
Operating Expenses		
Administrative	2,929,761	2,233,343
Distribution	7,738,385	7,737,047
Depreciation (Note 5)	<u>1,972,469</u>	<u>1,890,773</u>
Total operating expenses	<u>12,640,615</u>	<u>11,861,163</u>
Operating Income	8,087,836	9,847,135
Nonoperating Revenue (Expense)		
Interest earnings	2,700,628	780,724
Interest expense	(2,918,245)	(1,117,378)
Other nonoperating income	521,471	246,059
Amortization of bond premiums	456,942	-
Tap/Connection fees	<u>2,714,150</u>	<u>7,134,545</u>
Total nonoperating revenue	<u>3,474,946</u>	<u>7,043,950</u>
Change in Net Position	11,562,782	16,891,085
Net Position - Beginning of year	<u>191,496,463</u>	<u>174,605,378</u>
Net Position - End of year	<u><u>\$ 203,059,245</u></u>	<u><u>\$ 191,496,463</u></u>

North Weld County Water District

Statement of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Receipts from customers	\$ 20,302,122	\$ 21,805,624
Payments to suppliers	(5,005,671)	(7,577,402)
Payments to employees and fringes	(2,525,829)	(2,217,397)
Net cash and cash equivalents provided by operating activities	12,770,622	12,010,825
Cash Flows Provided by Noncapital Financing Activities - Other nonoperating revenue	521,471	246,059
Cash Flows from Capital and Related Financing Activities		
Tap/connection fees	2,714,150	7,134,545
Principal paid on long-term debt	(1,985,000)	(1,915,000)
Interest paid	(3,016,294)	(1,005,659)
Proceeds from issuance of debt	-	38,353,291
Acquisition of land, easements, and water rights	(8,269,717)	(9,497,691)
Acquisition and construction of capital assets	(11,176,284)	(2,157,678)
Net cash and cash equivalents (used in) provided by capital and related financing activities	(21,733,145)	30,911,808
Cash Flows Provided by Investing Activities - Earnings on investments	2,700,626	780,728
Net (Decrease) Increase in Cash and Cash Equivalents	(5,740,426)	43,949,420
Cash and Cash Equivalents - Beginning of year	66,674,494	22,725,074
Cash and Cash Equivalents - End of year	\$ 60,934,068	\$ 66,674,494
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 18,348,808	\$ 26,112,408
Restricted cash	42,585,260	40,562,086
Total cash and cash equivalents	\$ 60,934,068	\$ 66,674,494
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	\$ 8,087,836	\$ 9,847,135
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	1,972,469	1,890,773
Bond issuance cost write-off	170,061	-
Changes in assets and liabilities:		
Receivables	(426,329)	97,326
Inventories	(226,641)	(278,439)
Prepaid items	(22,176)	32,517
Accounts payable	2,931,059	114,663
Accrued expenses	272,319	287,425
Compensated absences	12,024	19,425
Total adjustments	4,682,786	2,163,690
Net cash and cash equivalents provided by operating activities	\$ 12,770,622	\$ 12,010,825

December 31, 2023 and 2022

Note 1 - Nature of Business

North Weld County Water District (the "District") is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes (CRS). The District was organized on November 28, 1962 as a quasi-municipal corporation and political subdivision of the State of Colorado and is governed pursuant to the provisions of the Colorado Special District Act. The District was established to provide water services to customers in northern Weld and eastern Larmer counties.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The accounting policies of the District conform to generally accepted accounting principles, as applicable to governmental units accounted for as a business-type activity. The business-type activities reporting model is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

Note 2 - Significant Accounting Policies

Reporting Entity

The District is governed by an elected five-member board of directors. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Joint Venture

Prior to February 1, 2017, the District was a participant with East Larimer County Water District (ELCO) and Ft. Collins/Loveland Water District (FLWD) in a joint venture to operate Soldier Canyon Filter Plant (the "Plant"), the filter plant from which the District, ELCO, and FLWD purchase 100 percent of their water. Each district was charged for their respective share of the water purchased from the Plant and for capital improvements made at the Plant on a periodic basis. Major capital improvements to the Plant were funded by the individual districts independently and included in each district's capital assets. As such, the depreciation expense for these assets was also reflected in the financial statements of the District, ELCO, and FLWD. The District's net investment and its share of the operating results of the Plant were reported in the accompanying statement of net position and statement of revenue, expenses, and changes in net position.

On February 1, 2017, the District transferred all of the filter plant assets to a new entity, Solider CanyonWater Treatment Authority (the "Authority"). In exchange for the District's share of the Plant's assets, the District received treatment capacity share of 16.238 million gallons per day (MGD) or 36.084 percent. The treatment capacity is considered an intangible asset with an indefinite life and is included in capital assets not subject to depreciation. Complete financial statements for the Authority may be obtained from the Authority's administrative office at 4424 LaPorte Avenue, Ft. Collins, Colorado 80521.

On April 16, 2019, the District entered into a revised and restated creation agreement with the Authority and other participating districts, which expanded the plant capacity from 45 MGD to 60 MGD, increasing the District's capacity share to 23.238 MGD or 38.730 percent.

Note 2 - Significant Accounting Policies (Continued)

On January 11, 2024, the District entered into a second revised and restated creation agreement with the Authority. The District's capacity in the treatment plant was not modified; however, the District now holds capacity in the Pleasant Valley Pipeline (PVP), a transmission line that delivers raw water to the Plant, along with the PVP Munroe Turnout Screen and Sedimentation Basin of 33.780 percent, 15.88 percent, and 16.89 percent, respectively.

Basis of Accounting

The District is a special-purpose government engaged in business activities. This proprietary fund uses the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Restricted Assets

The revenue bonds require unspent bond proceeds to be set aside for construction, debt service payments, and other related reserves, as further discussed in Note 6. These amounts have been classified as restricted assets.

Receivables and Allowance for Doubtful Accounts

The District's receivables are due from commercial and residential customers within the District's service area. The District's policy for collections is limited to the right to discontinue service and to place liens on property. In 2020, the District adopted a policy allowing for the certification of delinquent accounts to the County Treasurer for collection - Resolution 2020121407: Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges. The District had no allowance for doubtful accounts at December 31, 2023 and 2022, as they consider amounts fully collectible.

Capital Contributions

Contributions of cash, transmission lines, and water rights to the District by developers, customers, or agreements with others are treated as capital contributions on the District's statement of revenue, expenses, and changes in net position.

Inventories and Prepaid Items

Inventories are valued at the lower of cost or market. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items, when applicable.

Capital Assets

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 2 - Significant Accounting Policies (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Facilities	40
Transmission and distribution system	10-100
Vehicles and field equipment	5-10
Other	5-20

Net Position

Net position of the District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Payable from Restricted Assets

Accounts payable from restricted asset balances recorded on the statement of net position as of December 31, 2023 include arbitrage and related liabilities pertaining to the 2019 and 2022 unspent tax-exempt bond proceeds totaling approximately \$740,000. These amounts represent computed obligations through the period ended December 31, 2023. Of the total, approximately \$50,000 is due to be remitted to the Internal Revenue Service (IRS) in July 2024, while the remaining amount is not required to be remitted until 2027.

Remaining amounts recorded in payable from restricted assets at December 31, 2023 relate to construction retainages that will be disbursed upon project completion.

Compensated Absences (Vacation and Sick Leave)

It is the District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the District will pay upon employment termination; vacation pay is accrued when incurred.

The District has recorded a liability of \$203,059,245 and \$150,013 at December 31, 2023 and 2022, respectively.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred.

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized when earned. Metered water accounts are read and billed monthly on 30-day cycles. There was no significant unbilled revenue at December 31, 2023 and 2022.

Operating Revenue and Expenses

The District distinguishes between operating revenue and expenses and nonoperating items in the statement of revenue, expenses, and changes in net position. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water services to its customers. Operating revenue consists of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses, and depreciation of assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses or capital contributions.

Water Rights

The District's water rights are primarily composed of those acquired by the District. The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. All other costs, including costs incurred for the protection of those rights, are expensed when incurred.

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the District's financial statements for the year ending December 31, 2024.

In December 2023, the Government Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the District's financial statements for the year ending December 31, 2025.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including June 28, 2024, which is the date the financial statements were available to be issued.

Reclassifications

Certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 - Significant Accounting Policies (Continued)

As of December 31, 2022, restricted assets on the statement of net position of \$40,562,086 pertained to unspent bond proceeds and have been adjusted as such in these financial statements, as they were previously reported at \$42,799,926. In addition, classification of net position categories was also updated for this and other items. Net investment in capital assets as of December 31, 2022 is now reported at \$163,536,293, with unrestricted reported at \$27,960,170. Restricted cash balances described above all relate to unspent bond proceeds and are, therefore, reported as a component of net investment in capital assets. The total net position of \$191,496,463 remains unchanged as of December 31, 2022.

Additionally, amounts in the statement of cash flows as of December 31, 2022 were reclassified to align with the presentation as of December 31, 2023. The most significant of which was the inclusion of restricted cash and equivalents of approximately \$4.3 million and \$42.8 million as of the beginning and end of year respectively within the cash flow reconciliation, as required under GAAP. As a result of this change, net cash provided (used) by capital and related financing activities was adjusted by approximately \$38 million.

Note 3 - Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the board of directors (the "Board") in accordance with state statutes. The budget is prepared on a basis consistent with GAAP except that capital asset additions and principal payments are budgeted as expenditures and debt proceeds are budgeted as revenue.

The budget process timeline is as follows:

1. On or before October 15, the District staff submits to the Board a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at regular Board meetings to obtain public comments.
3. Prior to December 31, the budget is adopted by the Board.
4. Unused appropriations lapse at the end of each year.

Refer to supplemental section for an overview of budgeted and actual expenditures for fiscal year 2023.

Note 4 - Cash and Cash Equivalents

The District had cash and cash equivalents as follows:

	2023	2022
Cash and cash equivalents	\$ 18,348,808	\$ 26,112,408
Restricted cash and cash equivalents	42,585,260	40,562,086
Total	\$ 60,934,068	\$ 66,674,494

December 31, 2023 and 2022

Note 4 - Cash and Cash Equivalents (Continued)

Of the total cash and cash equivalents held by the District, \$57,979,623 and \$65,446,877 as of December 31, 2023 and 2022, respectively, consists of short-term investments held in a portfolio with a target weighted-average maturity of 60 days or less.

The District's cash and short-term investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102 percent of the uninsured deposits. At December 31, 2023 and 2022, the District had deposits with a financial institution with a carrying amount of \$2,954,346 and \$1,227,418, respectively. The bank balances with the financial institution were \$2,285,533 and \$1,357,932, respectively, of which \$250,000 was covered by federal depository insurance. The remaining balances of \$2,035,533 and \$1,107,932, respectively, were collateralized with securities held by the financial institutions' agents but not in the District's name.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which special districts may invest, which include the following:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Note 4 - Cash and Cash Equivalents (Continued)

External Investment Pool

At December 31, 2023 and 2022, the District had invested \$57,979,522 and \$65,446,876, respectively, in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund, and each share is equal in value to \$1. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and the highest-rate commercial paper. COLOTRUST EDGE is an enhanced cash, variable NAV pool that offers next-day liquidity. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. All of the District's invested balances are held in COLOTRUST PRIME. The Trust is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The District does not have a formal written investment policy that limits investment maturities as a means of managing its exposure to fair value losses; however, the District adheres to state statutes. Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. The COLOTRUST PRIME portfolio had a weighted-average maturity of 69 and 100 days for the years ended December 31, 2023 and 2022, respectively.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. COLOTRUST PRIME is rated AAAM by Standard and Poor's Global Credit Ratings.

December 31, 2023 and 2022

Note 5 - Capital Assets

Capital asset activity of the District's business-type activities was as follows:

	Balance January 1, 2023	Additions	Disposals and Adjustments	Balance December 31, 2023
Capital assets not being depreciated:				
Land, easements, and water rights	\$ 104,425,836	\$ 8,269,717	\$ -	\$ 112,695,553
SCWTA treatment capacity	22,849,610	-	-	22,849,610
Construction in progress	22,713	8,310,428	-	8,333,141
Subtotal	127,298,159	16,580,145	-	143,878,304
Capital assets being depreciated:				
Transmission and distribution system	83,274,480	3,947,564	-	87,222,044
Facilities	1,667,567	-	-	1,667,567
Vehicles and field equipment	2,389,047	211,895	-	2,600,942
Other	78,221	-	-	78,221
Subtotal	87,409,315	4,159,459	-	91,568,774
Accumulated depreciation:				
Transmission and distribution system	29,311,201	1,745,976	-	31,057,177
Facilities	526,487	41,689	-	568,176
Vehicles and field equipment	1,822,829	184,804	-	2,007,633
Other	78,221	-	-	78,221
Subtotal	31,738,738	1,972,469	-	33,711,207
Net capital assets being depreciated	55,670,577	2,186,990	-	57,857,567
Net capital assets	<u>\$ 182,968,736</u>	<u>\$ 18,767,135</u>	<u>\$ -</u>	<u>\$ 201,735,871</u>

December 31, 2023 and 2022

Note 5 - Capital Assets (Continued)

	Balance January 1, 2022	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated:				
Land, easements, and water rights	\$ 94,928,149	\$ 9,497,687	\$ -	\$ 104,425,836
SCWTA treatment capacity	22,849,610	-	-	22,849,610
Construction in progress	2,836,182	22,713	(2,836,182)	22,713
Subtotal	120,613,941	9,520,400	(2,836,182)	127,298,159
Capital assets being depreciated:				
Transmission and distribution system	78,865,986	4,408,494	-	83,274,480
Facilities	1,644,153	23,414	-	1,667,567
Vehicles and field equipment	2,204,382	184,665	-	2,389,047
Other	78,221	-	-	78,221
Subtotal	82,792,742	4,616,573	-	87,409,315
Accumulated depreciation:				
Transmission and distribution systems	27,637,789	1,673,412	-	29,311,201
Facilities	485,334	41,153	-	526,487
Vehicles and field equipment	1,646,621	176,208	-	1,822,829
Other	78,221	-	-	78,221
Subtotal	29,847,965	1,890,773	-	31,738,738
Net capital assets being depreciated	52,944,777	2,725,800	-	55,670,577
Net capital assets	<u>\$173,558,718</u>	<u>\$ 12,246,200</u>	<u>\$ (2,836,182)</u>	<u>\$ 182,968,736</u>

Depreciation expense was \$1,972,469 and \$1,890,773 for the years ended December 31, 2023 and 2022, respectively.

December 31, 2023 and 2022

Note 6 - Long-term Debt

Long-term debt activity for the years ended December 31, 2023 and 2022 can be summarized as follows:

	2023				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -					
Direct borrowings and placements - Revenue bonds:					
2012 refunding revenue bonds	\$ 1,575,000	\$ -	\$ (1,575,000)	\$ -	\$ -
2019 revenue bonds	16,160,000	-	-	16,160,000	460,000
2020 refunding revenue bonds	3,050,000	-	(410,000)	2,640,000	415,000
2022 revenue bonds	34,615,000	-	-	34,615,000	1,150,000
Total direct borrowings principal outstanding	55,400,000	-	(1,985,000)	53,415,000	2,025,000
Net bond premiums	4,594,530	-	(476,789)	4,117,741	-
Long-term borrowings - Net of premiums	59,994,530	-	(2,461,789)	57,532,741	2,025,000
Compensated absences	150,013	115,037	(103,013)	162,037	-
Total long-term debt	<u>\$ 60,144,543</u>	<u>\$ 115,037</u>	<u>\$ (2,564,802)</u>	<u>\$ 57,694,778</u>	<u>\$ 2,025,000</u>
	2022				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -					
Direct borrowings and placements - Revenue bonds:					
2012 refunding revenue bonds	\$ 3,090,000	\$ -	\$ (1,515,000)	\$ 1,575,000	\$ 1,575,000
2019 revenue bonds	16,160,000	-	-	16,160,000	-
2020 revenue bonds	3,450,000	-	(400,000)	3,050,000	410,000
2022 revenue bonds	-	34,615,000	-	34,615,000	-
Total direct borrowings principal outstanding	22,700,000	34,615,000	(1,915,000)	55,400,000	1,985,000
Net bond premiums	991,212	3,603,318	-	4,594,530	-
Long-term borrowings - Net of premiums	23,691,212	38,218,318	(1,915,000)	59,994,530	1,985,000
Compensated absences	130,588	118,463	(99,038)	150,013	-
Total long-term debt	<u>\$ 23,821,800</u>	<u>\$ 38,336,781</u>	<u>\$ (2,014,038)</u>	<u>\$ 60,144,543</u>	<u>\$ 1,985,000</u>

December 31, 2023 and 2022

Note 6 - Long-term Debt (Continued)

A summary of the District's long-term debt as of December 31, 2023 and 2022 is as follows:

Source	2023	2022
2012 Revenue Refunding Bonds		
<p>\$13,440,000 Refunding Revenue Bonds, Series 2012 due in yearly installments of \$1,230,000 through 2015 with additional increases up until the date of maturity of November 1, 2023; interest at 2.0% to 5.0%. These bonds are a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$0 and \$9,188 at December 31, 2023 and 2022, respectively. The bond principal was paid in full during 2023</p>	\$0	\$1,575,000
2019 Revenue Bonds		
<p>\$16,160,000 Water Enterprise Revenue Bonds, Series 2019 due in principal installments of \$460,000 in 2024 with additional increases up until the date of maturity in 2036; interest at 3.0% to 5.0%. These bonds are a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$93,100 and \$80,800 at December 31, 2023 and 2022, respectively</p>	\$16,160,000	\$16,160,000
2020 Refunding Revenue Bonds		
<p>\$3,850,000 Water Enterprise Revenue Refunding Loan, Series 2020 due in principal installments of \$400,000 in 2021 with additional increases up until the date of maturity in 2029; interest at 2.25%. The bonds were issued to refund the 2009 Colorado Water Resource and Power Development Authority (CWRPDA) loan. These bonds are a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$9,900 and \$11,438 at December 31, 2023 and 2022, respectively</p>	\$2,640,000	\$3,050,000
2022 Revenue Bonds		
<p>\$34,615,000 Water Enterprise Revenue Bonds, Series 2022 due in principal installments of \$1,150,000 in 2024 with additional increases up until the date of maturity in 2042; interest at 4.0% to 5.0%. These bonds are a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$522,550 and \$129,806 at December 31, 2023 and 2022, respectively</p>	<u>\$34,615,000</u>	<u>\$34,615,000</u>
Totals	<u>\$53,415,000</u>	<u>\$55,400,000</u>

Note 6 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds are as follows:

Years Ending December 31	Annual Maturities	Interest	Total
2024	\$ 2,025,000	\$ 2,185,650	\$ 4,210,650
2025	2,110,000	2,095,813	4,205,813
2026	2,215,000	2,002,000	4,217,000
2027	2,305,000	1,903,213	4,208,213
2028	2,415,000	1,800,200	4,215,200
2029-2033	13,890,000	7,318,863	21,208,863
2034-2038	17,100,000	4,150,850	21,250,850
Thereafter	11,355,000	1,050,500	12,405,500
Total	<u>\$ 53,415,000</u>	<u>\$ 22,507,089</u>	<u>\$ 75,922,089</u>

Note 7 - Risk Management

The District is a member of the Colorado Special District Property and Liability Pool (CSDPLP). The District has joined together with other special districts in the State of Colorado. This is a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays annual contributions for its property, casualty, and worker's compensation insurance coverage. The intergovernmental agreement provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of specified self-insurance retention.

At December 31, 2022 (the most current audited financial statements), CSDPLP has total admitted assets of \$69,212,177, liabilities of \$45,329,704, and unassigned surplus of \$23,882,473. The liability amount includes no long-term debt. Total revenue for 2022 amounted to \$27,064,468, investment income was \$462,530, and total expenses were \$25,447,966, resulting in a net income of \$2,079,032. The amount of the District's share of these amounts is less than 1 percent.

Note 8 - Deferred Compensation

During 1993, the District established an Internal Revenue Code Section 457 deferred compensation plan, which also provides for contributions from the employee and the employer. The District makes matching contributions of up to 3.0 percent of an employee's eligible salary. During 2023 and 2022, the District's contributions to this plan totaled \$90,294 and \$114,839, respectively.

Note 9 - TABOR Compliance

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

December 31, 2023 and 2022

Note 9 - TABOR Compliance (Continued)

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise will require judicial interpretation.

Other Supplementary Information

North Weld County Water District

Schedule of Revenue and Expenditures - Budget to Actual (Budgetary Basis) - Unaudited

December 31, 2023

The District prepares its annual budget on a non-GAAP basis of accounting. Below is the reconciliation from the budget basis of accounting to GAAP basis:

	2023	2022
Excess of non-GAAP revenue over expenditures (budgetary basis)	\$ (9,646,291)	\$ 40,180,604
Adjustments required to reconcile:		
Non-GAAP revenue/expenditures:		
Bond principal	1,985,000	1,915,000
Debt proceeds	-	(34,615,000)
Capital asset acquisition	20,739,600	11,301,254
GAAP revenue/expense- adjustments:		
Depreciation expense	(1,972,469)	(1,890,773)
Amortization of bond premiums	456,942	-
Change in net position GAAP basis	<u>\$ 11,562,782</u>	<u>\$ 16,891,085</u>

	Final Budget	Actual - Budgetary Basis	Variance - Favorable (Unfavorable)	Year Ended December 31, 2022 Actual - Budgetary Basis
Revenue:				
Operating revenue:				
Metered sales	\$ 12,215,468	\$ 12,568,134	\$ 352,666	\$ 12,720,143
Surcharges	3,490,134	4,970,952	1,480,818	5,130,584
PI surcharge	2,268,587	2,976,609	708,022	3,551,492
Adjustments	-	(57,874)	57,874	(20,063)
Construction water	215,271	270,630	55,359	326,142
Total operating revenue	18,189,460	20,728,451	2,654,739	21,708,298
Nonoperating revenue:				
Earnings on investments	130,384	2,700,628	2,570,244	780,724
Water lease and rental	18,207	18,780	573	39,292
Miscellaneous	36,490	364,442	327,952	206,767
Farm revenue	9,385	1,000	(8,385)	-
Mineral, oil, and gas rights	64,946	137,249	72,303	-
Sale of property	552	-	(552)	-
Total nonoperating revenue	259,964	3,222,099	2,962,135	1,026,783
Proceeds from issuance of debt	-	-	-	34,615,000
Capital contributions:				
Tap fees - Customers	3,000,000	2,223,750	(776,250)	3,453,950
Meter set fees	704,646	22,400	(682,246)	176,255
Reimbursement for water rights	-	(32,250)	(32,250)	2,367,250
Distance fees	176,653	245,850	69,197	403,725
Reimbursement for line extension	153,000	254,400	101,400	737,615
Miscellaneous	140,665	-	(140,665)	(4,250)
Total capital contributions	4,174,964	2,714,150	(1,460,814)	7,134,545
Total revenue	22,624,387	26,664,700	-	64,484,626

North Weld County Water District

Schedule of Revenue and Expenditures - Budget to Actual (Budgetary Basis) - Unaudited

December 31, 2023

	Final Budget	Actual - Budgetary Basis	Variance - Favorable (Unfavorable)	Year Ended December 31, 2022 Actual - Budgetary Basis
Expenditures:				
Administrative				
Personnel - Administrative	\$ 932,658	\$ 1,262,013	\$ 329,355	\$ 547,332
Payroll taxes	134,969	156,994	22,025	139,672
Health insurance	60,000	48,969	(11,031)	56,389
Office utilities	191,105	237,358	46,253	243,112
Office expense	199,949	329,158	129,209	267,816
Professional fees	620,820	867,444	246,624	865,616
Miscellaneous	7,729	27,825	20,096	113,406
Total administrative	2,147,230	2,929,761	782,531	2,233,343
Distribution				
Water	3,864,011	4,089,865	225,854	3,066,466
Personnel operations	1,824,953	1,872,902	47,949	1,678,276
Operation and maintenance	1,055,153	1,397,746	342,593	1,327,931
Engineering	50,000	-	(50,000)	-
Electricity	181,100	191,967	10,867	189,117
Communications	50,000	1,203	(48,797)	9,764
Insurance	140,000	137,872	(2,128)	170,022
Miscellaneous	-	46,830	46,830	1,295,471
Total distribution	7,165,217	7,738,385	573,168	7,737,047
Debt service:				
Interest expense	3,142,288	2,918,245	(224,043)	1,117,378
Principal paid	1,985,000	1,985,000	-	1,915,000
Total debt service	5,127,288	4,903,245	(224,043)	3,032,378
Capital improvements:				
Soldier Canyon Filter Plant	312,000	-	(312,000)	-
Storage tanks	1,600,000	937,378	(662,622)	83,361
Pump stations	-	286,990	286,990	50,761
Equipment	25,700	211,895	186,195	422,858
System	15,740,000	2,723,192	(13,016,808)	1,223,874
Water rights, storage, infrastructure	10,080,000	7,406,984	(2,673,016)	9,370,787
Land and easements	180,000	862,734	682,734	126,900
Construction in progress	-	8,310,427	8,310,427	22,713
Total capital improvements	28,239,700	20,739,600	(7,198,100)	11,301,254
Total budgeted expenditures	42,679,435	36,310,991	-	24,304,022
Excess of budgeted revenue (under) over budgeted expenditures	\$ (20,055,048)	\$ (9,646,291)	\$ -	\$ 40,180,604

North Weld County Water District

Rate Maintenance - Unaudited

December 31, 2023 and 2022

The District's loan agreement with the CWRPDA requires the District to establish, levy, and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to (1) meet the operation and maintenance expenses of the system, (2) comply with all covenants in the loan resolution, and (3) pay at least 100 percent of the debt service on all indebtedness or 110 percent of such debt service if connection fees are included as a source of repayment.

	2023	2022
Operating revenue	\$ 20,728,451	\$ 21,708,298
System connections fees (limited to 15% of revenue)	2,714,150	3,256,245
Operation and maintenance expense (excluding depreciation expense)	(10,668,146)	(9,970,390)
Net revenue as defined in loan agreement	12,774,455	14,994,153
2023 principal due	1,985,000	1,915,000
2023 interest due	2,422,992	1,117,378
Subtotal	4,407,992	3,032,378
Required revenue as defined in loan agreement	4,848,791	2,959,633

North Weld County Water District

Rate Maintenance - Unaudited

December 31, 2023 and 2022

The District's 2019 Water Enterprise Revenue Bonds require the District to establish, levy, and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to (1) equal the annual operation and maintenance expenses for such fiscal year; (2) equal to 110 percent of both the principal and interest on the 2022 Bonds and any Parity Lien Bonds then outstanding payable from the net pledged revenue in that fiscal year; and (3) any amounts required to pay all policy costs, if any, due to owing and all sums if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the gross pledged revenue or any securities payable therefrom.

The District's 2022 Water Enterprise Revenue Bonds require the District to establish, levy, and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to (1) equal the annual operation and maintenance expenses for such fiscal year; (2) equal to 110 percent of both the principal and interest on the 2022 Bonds and any Parity Lien Bonds then outstanding payable from the net pledged revenue in that fiscal year; and (3) any amounts required to pay all policy costs, if any, due to owing and all sums if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the gross pledged revenue or any securities payable therefrom.

	2023	2022
Operating revenue	\$ 20,728,451	\$ 21,708,298
Nonoperating revenue	3,222,099	-
Tap/connection fees	2,714,150	-
Operation and maintenance expense (excluding depreciation expense)	<u>(10,668,146)</u>	<u>(9,970,390)</u>
Net revenue as defined in loan resolution	15,996,554	11,737,908
2023 principal	1,985,000	1,915,000
2023 interest	<u>3,047,932</u>	<u>1,117,378</u>
Subtotal	<u>5,032,932</u>	<u>3,032,378</u>
Required revenue as defined in loan resolution	<u>\$ 4,848,791</u>	<u>\$ 2,959,633</u>

BOARD MEETING COMMUNICATION

TO: Board of Directors, North Weld County Water District
DATE: July 8, 2024
RE: Ft. Collins/Loveland Water District Buss Grove Interconnect

North Weld County Water District (“NWCWD”) had been supplying Ft. Collins/Loveland Water District (“FCWLD”) through the interconnect at Buss Grove at flow rates ranging between 500 gpm and 2000 gpm and 5 million gallons since June 12, 2024. The interconnect was turned off June 27, 2024. The interconnect has existed for years, but there is apparently not an agreement between NWCWD and FCWLD related to the use of the interconnect. NWCWD understands that the use of the interconnect is not related to emergency issues or to outages but related to overcommitment of capacity in the Timnath area. NWCWD’s information is based on board packet memos and conversations with FCLWD staff and management. FCLWD is interested in generating a new IGA.

- NWCWD asked that communication occurs between the districts related to increases in flow rates. It appears that FCLWD has been utilizing the interconnect on a continuous basis daily, which should not be happening, and spikes are occurring above 1000 gpm up to 2000 gpm without communication for the last several days of the use of the interconnect. Excluding a couple of high precipitation days, NWCWD had been supplying water to FCLWD daily.
- NWCWD had been operating both pump stations to assist and NWCWD crews have been working overtime and nightly to make sure NWCWD’s system was not affected by these unexpected demands from FCLWD.
- NWCWD is concerned about the risk of running both pump stations continuously for an unknown length of time and stresses associated with increased workload from system checks and emergency measures is very high.
- NWCWD is concerned that very minimal demand reductions strategies have been implemented by FCLWD wherein voluntary water restrictions and hydrant meter reductions may be a very short-term fix or have no actual effects on demand issues related to additional development and continuous sales of lots by FCLWD.
- NWCWD has implemented a development moratorium that we are modifying, has placed plant investment sales on hold for towns we serve and is only now allowing limited sales, and has asked for demand reductions from agricultural businesses we have served for decades, and is not in a position to supply capacity to a district outside of our service area for summer demands and limit further development within our service.

Fort Collins-Loveland Water District



To: FCLWD Board of Directors
From: Sandra Bratlie, PE - District Engineer
Date: 6/18/2024
Re: Allocation #1 for Timnath Conveyance Project

The Timnath area is a high growth area which is primarily supplied by the Harmony interconnect between the District and Fort Collins Utilities (FCU). Water delivered through this interconnect is exchanged back at the Overland Pump Station "L-vault". The agreement between FCLWD and FCU states that no more than 12 MGD can be transferred any given day and the running balance should stay within a +12 MGD/-12 MGD discrepancy. Any net delivery from FCU to FCLWD in excess of the 5 MGD of FCLWD owned treatment capacity is charged a water purchase rate approximately double our internal water production cost. The District also has an interconnect with NWCWD at the intersection of Buss Grove and County Road 1 in which filling of Timnath Tank can be accelerated. Flows pulled from NWCWD are charged an emergency rate more than six times our internal water production cost, reflecting the intent that this interconnect is for emergency use only.

In early June a heat wave caused a significant spike in temperatures. As a result, the Timnath Tank was struggling to fill, and therefore the system was not maintaining sufficient pressure in a timely cycle and the District has had to maximize flows from Harmony interconnect and activate the NWCWD interconnect. The issues are a combination of the following:

- Increased number of taps purchased over the past year or so that are now active
- Increased temperatures with lower spring precipitation
- Increased demand due to new build landscaping establishment (new sod is often watered continuously) – Timnath Landings now Timnath Lakes new home construction and common area landscaping
- Several high-demand of hydrant meters utilized within the Timnath Tank zone
- Conveyance bottleneck - Timnath Parkway to Buss Grove 24" is still under construction and is currently limited through a 12" pipe as a result of the construction timing required to have growth pay its own way.

The District is currently implementing demand management measures to reduce demand, however as those behavior based changes take time, the project(s) to increase conveyance through the Timnath pressure area needs to be accelerated. The Water Master Plan updated in 2023 has identified several projects that will improve conveyance to the Timnath pressure zone.

- Western Backbone / Zone 5 – will ultimately improve conveyance to the Timnath Zone and reduce reliance on Harmony interconnect. However, all phases need to be completed and this is several years away.
- Cobb Lake will supplement supply from the east side and reduce reliance on NWCWD. This project is also several years away with a lot of uncertainties to be resolved before it becomes operational.

5150 Snead Drive
Fort Collins, Colorado 80525
Phone: 970-226-3104
Fax: 970-226-0186
www.fclwd.com

Fort Collins-Loveland Water District



- Timnath Conveyance Improvements – a transmission network connection along County Road 5 from the Airport Zone to the Timnath Zone. This network is intended to be built out through development (following Growth Pays Its Own Way) however there are gaps in connectivity due to areas of floodplain and undevelopable land along County Road 5 between Weitzel St and E Co Rd 34 C.

While the Western Backbone, Zone 5, and Cobb Lake are all underway, the acceleration of the Timnath Conveyance Improvements is required to provide immediate relief. We are requesting approval of an emergency allocation to expedite the connection of the Airport Zone to Timnath Zone along County Road 5 in the amount of \$2,200,000. We also request that the board consider the urgency of this project and need to accelerate the design and construction in approving a resolution to use Integrated Project Delivery for this project.

Allocations			
Project	Timnath Conveyance Improvements		
Project Number	PROJ-TBD		
Estimated Timeline	24 months		
Allocation #	1		
Allocation Approval Date	June 18, 2024		
Allocation Approval Amount:	\$2,200,000		
Item/Contingency/Risk	Allocation Amount	Entity	Comment
Hydraulic Modeling	\$50,000	TBD	
Design	\$500,000	TBD	
Construction	\$1,650,000	TBD	
Allocation Request	\$ 2,200,000		

Budget Line Item: 9140 DISTRIBUTION (NON-OPERATING)
 Annual Budget: \$ 54,010,000
 Actual on 4/30/2024: \$ 1,547,897
 Requested Amount: \$ 2,200,000



**BID PROPOSAL - JULY 2024:
NORTH WELD COUNTY WATER DISTRICT**

The North Weld County Water District (“District”) has a need for positive communications campaigns with local, statewide, and industry trade news media and outreach. In addition, educational outreach to community members and partners across the area will be key elements moving forward to include in the strategic plan.

The District manages the water for one of Colorado’s most rapidly growing areas and it’s essential to ensure the District communicates successfully with dairies, developers, community members and other supporters.

This proposal outlines who The SolutionPR is (including why we have experience in this industry); and the strategy, support and implementation we will provide the District through various projects, initiatives, press statements, crisis communications and legal battles.

The SolutionPR is experienced in all aspects of media outreach and public relations and will ensure the proper protocols and communications campaigns will be in the best interest of the District.

EXPERTS IN WATER LAW, ENVIRONMENTAL REGULATIONS:

The SolutionPR works closely with environment and water reporters in Colorado and nationally. We follow water regulations, legal cases, and rule changes closely for a variety of our clients. Recently, we were able to obtain an interview with top environment reporter, Hiroko Tabuchi, from the **New York Times** discussing the EPA’s new PFAS water rules and fresh lawsuits filed by water utilities as a consequence.

We have been tracking the Colorado River water wars from start to finish with the Supplemental Environmental Impact Statement (SEIS) plan in 2023 in regards to proper direction between the seven states and upper/lower basins on dividing water assets. When the plan was finalized, we were first to get in front of reporters covering it.

In addition to PFAS and Colorado River water rights, we also have our fingers on the pulse of developments with the Clean Water Act; recent EPA Supreme Court decisions (EPA v. Ohio); SCOTUS Loper decision that overturned the Chevron deference and will impact industries and federal agencies across the board; EV regs; net-zero emissions laws; carbon offset disclosures - just to name a few.



**BID PROPOSAL - JULY 2024:
NORTH WELD COUNTY WATER DISTRICT**

Given our background in water issues, as well as working with special districts in Colorado such as Buckhorn Valley Metro District 1, The SolutionPR is ideally positioned to best represent NWCWD.

COLORADO MEDIA RELATIONS:

On a daily basis, we work with Colorado reporters, producers, assignment editors, and news directors tracking timely news and getting our clients recognized as thought-leaders and repetitive sources. Not only do we work more like press secretaries for our clients, we also get contacted frequently from reporters who need expert comments for their stories.

CRISIS COMMUNICATIONS:

We are highly experienced in Crisis Communications. Every business, company or organization encounters a crisis at some point. It's important to be prepared *before* that happens and to be ready to roll out proper communications protocols, procedures, messaging and immediately respond with external and internal communications.

It's critical for the District to work to control the narrative in every circumstance to avoid negative press. However, when and if that happens, we will implement a rapid response strategy to counter any misinformation or inaccuracies.

STOPPING THE SPREAD OF MISINFORMATION:

We will work with the District and legal counsel to simplify complex issues and translate them into educational information that the media and public can consume.

As the Town of Severance has already conducted aggressive miscommunication to the media, we'll work closely with the District to create a plan that will not only get their leaders the right information, but we'll help to restore the working relationship so the District can continue to service its customers.



BID PROPOSAL - JULY 2024:
NORTH WELD COUNTY WATER DISTRICT

SERVICES OUR WORK WILL INCLUDE:

- **Message Session and Creation** – We will work with the District to create key, compelling messages for our communications efforts. This will be critical for effectiveness and success with the media, your target audiences, and the public. Discussions will also include internal messaging for board members as they could inadvertently become a public face if asked about the situation. For a message to be successful, it must be clear, compelling, specific, and directed to your target audience. The messages that are developed will be used in fact sheets, backgrounders, press releases, and talking points as repetition is key.
- **Storytelling** and controlling the narratives
 - We are experts in telling a story. What is the District doing that community members will value knowing? What stories can we tell - not just locally, but nationally? We work closely with reporters to hand-deliver stories they'll be interested in telling to their viewers/readers.
 - For any media campaign to be successful, it is crucial to coordinate the release of information strategically and plan stories accordingly. We will draft a proactive, aggressive story plan that will outline specific story angles and identify key media – locally and regionally – in order to reach your audience for the maximum impact on goals.
- The District staff are **experts and thought leaders** in a very special, niche area. We track the news on an hourly basis and can reach out to the District for comments on different topics where you can lend expertise to reporters as a resource. These opportunities can serve as ways to get on reporters' radar screens, as well as increase exposure for the District water management expertise.
- **Media training** - our experience has proven that our clients' results are far superior when they know how to strategically respond to the media, shape potential stories, and ensure the message that we have helped develop is used consistently across multiple media channels and outlets. Our technique enhances interview skills and capabilities for print, broadcast, podcasts, and digital/online media.
- **Streamlining interview requests** - we will handle all of the set-up for media requests as they come in to help coordinate between reporters and the District. Part of our efforts will also be to put in place a protocol for handling media calls/questions that come to the



BID PROPOSAL - JULY 2024:
NORTH WELD COUNTY WATER DISTRICT

District.

- **Fact sheets, FAQs** - we will help write and put together fact sheets and media backgrounders to be used in a variety of ways – from the media to the website.
- We will **track news developments** and monitor and report any coverage that is important to the District.
- Our experience in helping clients place **penned articles** or **op-eds** in targeted news publications is broad and deep. It provides another vehicle for positive media exposure. It would be helpful to identify board members or 3rd party validators (fans) that could be used in these efforts.
- **Social media** – If needed, we can oversee the outreach, content and engagement management on various social platforms which could help improve online conversations. We can help manage and produce a shared social media editorial calendar that will help plan and strategize. We are digital communications experts with years of experience in managing successful social media campaigns.

WHY THE SOLUTIONPR?

The SolutionPR approaches media relations in a way that closely mirrors an aggressive political campaign without the negativity. We use creative yet aggressive pitches that get picked up and used by reporters more often than not.

We are news experts, plain and simple. We know how newsrooms operate. We know when daily editorial meetings are being held and strategize our pitches around those so they get pitched by reporters on the spot. We are veteran journalists and use our expertise to benefit our clients in just about every area of internal and external communications.

As it relates to the District, we happen to love environmental and water issue(s) and look forward to learning more about your strengths and weaknesses, highlighting the strengths through thought-provoking stories and, on the flip side, preparing you for any worst-case scenarios. Because you can never be overly prepared for a crisis.



BID PROPOSAL - JULY 2024:
NORTH WELD COUNTY WATER DISTRICT

We work one-on-one with each client; something that you won't experience with a larger firm. As a smaller firm, we are aggressive and agile, moving quickly to reach reporters on deadline, saving time and money in the end for you.

Our staff boasts professionals and seasoned journalists who have firsthand experience in newsrooms. In addition to that, we have a quarter century of media relations proficiency that have successfully pitched international, national, regional and local media outlets for clients and have gained them increased credibility and recognition.

ACCOUNTABILITY AND BUDGET

We predict that the first two months will be heavier in activity as we get to know you and start our efforts.

The fee for our media services will be \$7,000 - \$7,500 for approximately 25 hours per month at our \$280 hourly rate. We track our hours and include a detailed summaries for you on our efforts. Any time not spent is not billed, as some months may be much slower in activity.

Any additional hours for Services needed will be charged by hour with *prior approval* from the District.

We look forward to possibly working with NWCWD!

North Weld County Water District Reputation Management Proposal

Objectives

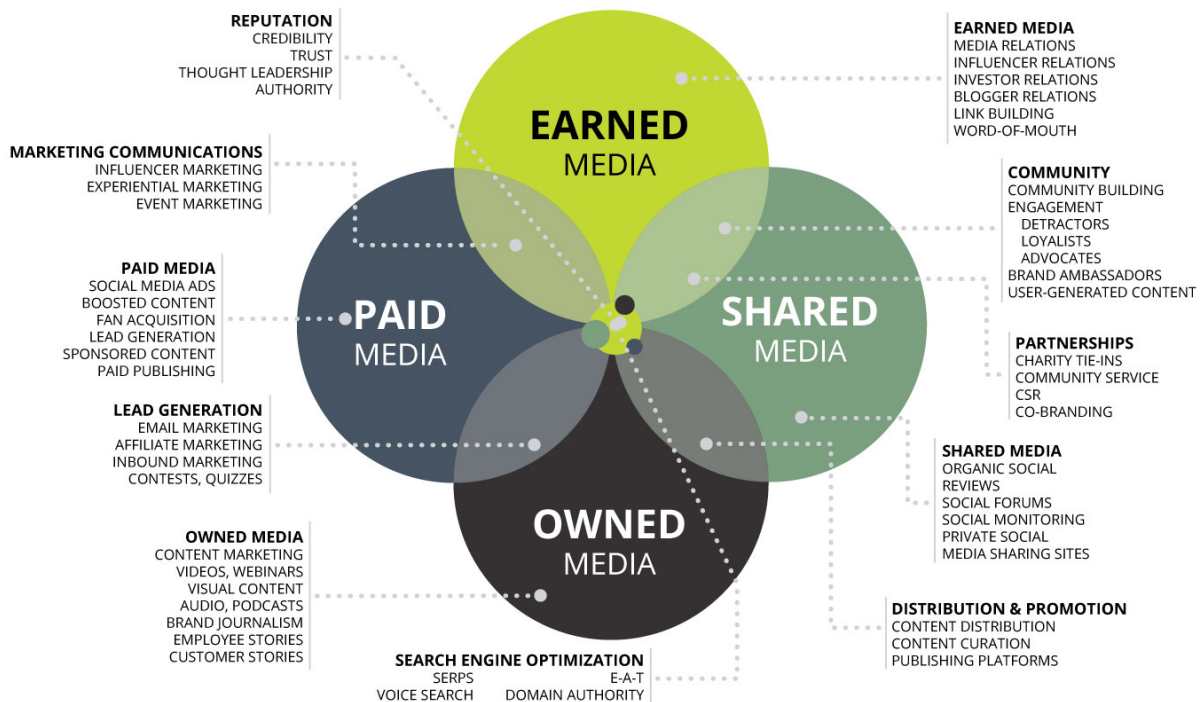
- Generate and increase positive news and local conversation regarding the responsible and thoughtful future the district is creating.
- Become the go-to resource for the community regarding facts about the state of water resources within the District.
- Engage the community in learning more about the activities and plan of the North Weld County Water District.
- Command the local water conversation over other, less productive voices.

Strategies

- Position NWCWD as the experts in responsible water management in Northern Colorado and beyond.
- Empower the public to band together and seek rational and responsible water programs.
- Reinforce confidence in NWCWD with stakeholders and customers through robust education efforts and transparency.
- Identify champions and third-party validators and empower them with information and materials to become advocates for NWCWD.
- Differentiate NWCWD from other Northern Colorado water districts.

Tactics

Novitas is known for its holistic campaigns that incorporate the PESO (paid, earned, shared, and owned) model to allow for expertise across a wide range of tactics.



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Phases

I. Research

Research allows us to understand our stakeholders, their needs, and their values, and ensures that we are as effective and strategic as possible in the planning and implementation process.

- Review existing polling and determine which additional research is necessary to conduct effectively measure and execute on this messaging.
- Consider conducting a communication/social media audit to understand the most effective channels for message distribution.
- Research may include primary and secondary research as well as a combination of qualitative and quantitative methods.

II. Planning

- Develop KPIs and SMART objectives.
- Develop annual communication plan with proactive and reactive strategies.
 - Create a calendar of infrastructure milestones to celebrate so the community feels included in the District's good news.
- Develop a comprehensive messaging guide to ensure everyone is singing from the same sheet of music.
- Create a web page with NWCWD improvements and plans to serve as a single point of truth.
- Develop a social media campaign around water facts for Northern Colorado and NWCWD's master plan
- Create a video featuring NWCWD personnel explaining constraints that also shows water storage facilities. Another uses scaled-down water amounts in cups on a kitchen table to show available water compared to demands for it.

III. Implementation

- Host media with local media to begin forging a relationship with journalists and editorial page writers.
- Pitch experts to local and national media to discuss the water resource issue in the district and beyond.
- Place op-eds or letters to the editor in local news supportive of NWCWD.
- Submit NWCWD for appropriate awards and speaking opportunities.
- Monitor media and report weekly on clips, unless a crisis arises when we will monitor more frequently.
- Host community events like town halls and round table forums to educate residents and stakeholders and to disseminate factual information to combat misinformation.
- Host community leader tours to walk through and answer questions about the master plan.
- Place ads on social feeds and Nextdoor touting NWCWD's master plan and water management.
- Leverage partnerships to allow third parties to praise NWCWD's responsible water management.
- Work with local influencers (friendly politicians, small farmers, customers) to support master plan.

IV. Evaluation

- Measure results against SMART objectives to determine most effective activities.
- Provide constant feedback loop to ensure lessons learned are incorporated into planning and execution for future activities.

Budget

A typical budget for similar campaigns is \$7,500 per month, exclusive of out-of-pocket expenses such as polling or ad buys. We are happy to tailor a program to best meet your needs.

Tad Stout, President

Foss Dairy Farm, LLLP
32687 Weld County Road 59
Gill, CO 80624
970-590-2541



July 2, 2024

North Weld County Water District
P.O. Box 56
Lucerne, CO 80646

Dear Board of Directors,

We want to request a variance to policy. We request a transfer to be allowed to move CBT water units to our tap at 32970 County Road 59, Gill. By allowing this transfer of water we want to reduce or eliminate the Tier 2 Overuse Surcharge. Please understand that the amount of water allowed to transfer to a residential tap is not enough water to remedy this overuse surcharge.

This would mean a reclassification of our tap from residential to commercial. We are receiving the amount of water we need out of our current tap. We understand that it may not be possible to physically upgrade our tap at this time, however the current infrastructure is working for our water requirements. We may not be using all the proper terminology for the options available to correct this billing situation, but somehow, we need to be able to work this out.

We simply want to allocate water to our tap to cover our usage and eliminate the excessive charges. We have the water units available to make this transfer.

My family has been using this tap for over 6 decades. During these decades, we have always paid extra charges for plant infrastructure, and other over allocation charges. The new charges that have been implemented are excessive and very detrimental to my family's business.

Thank you,

Robin Meireis
Foss Dairy Farm, LLLP

- 12. 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)(a)(b)(e) & (f), C.R.S. related to Regional Master Plan; Development Review Variance Requests; FCWLD and NWCWD Buss Grove Interconnect IGA and Usages; and Eagle View Farms, LLC Litigation.**