

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

Held: Monday, the 17th day of July, 2023, 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
Scott Cockroft, Secretary
Nels Nelson, Treasurer
Anne Hennen, Assistant Secretary

Matthew Pettinger was absent and excused.

Also present were Eric Reckentine, General Manager of the District; Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Braden Peterson, Town of Severance; Keith Meyer, Ditesco; Erin Tolooee, BDO; Kris Pickett, Severance South; John Holdren, and Todd Bean.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order at 8:30 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. White inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest about any matters scheduled for discussion at the meeting. All directors reviewed the agenda for the meeting and confirmed that they have no additional conflicts of interest in connection with any of the matters listed on the agenda.

Approval of Agenda

Mr. Reckentine presented the Board with the agenda for the meeting. Upon motion of Mr. Cockroft, seconded by Mr. Nelson, the Board unanimously approved the agenda as amended to add WAPA Access Agreements and Thornton Recharge Letter Agreement.

PUBLIC COMMENT

No members of the public addressed the Board.

Mr. Reckentine spoke on the record regarding past communications with the Town of Severance and miscommunications and misinformation distributed by the Town of Severance regarding negotiations to purchase 50 plant investments. No such negotiations have occurred. Mr. Reckentine read a letter sent by the District to the Town of Severance in February attached hereto as **Attachment 1** and read correspondence from the Town liaison regarding master planning efforts attached hereto as **Attachment 2**.

CONSENT AGENDA MATTERS

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

Upon motion of Mr. Cockroft, seconded by Mr. Nelson, the Board approved the following:

- a. Minutes from June 12, 2023, Meetings
- b. Unaudited Financials for June 2023
- c. Invoices through July 17, 2023
- d. Easement and Access Agreements
 - i. City of Thornton Letter Agreement – Recharge Site Access
 - ii. Jacobs – NEWT III (ratify)
 - iii. Highway 84 Replacement Project
 - iv. Possession and Use Agreements
 - 1. DyeCrest Dairy - NEWT III
 - 2. Greeley and NWCWD Interconnect

Consider Approval of the NWCWD 2022 Financial Audit Conducted by BDO

Ms. Tolooee from BDO presented the District 2022 audit report. The District will receive a clean, unmodified opinion from BDO. Notwithstanding, deficiencies and necessary controls were discussed with the Board.

Mr. Reckentine reported that the District 3rd party accounting firm has not performed as expected in the last year and he will begin looking for a new accounting firm.

Upon motion of Mr. Nelson, seconded by Ms. Hennen, the Board unanimously accepted the 2022 audit.

Consider Approval Garney Construction NEWT III GMP and Contract Amendment

Mr. Meyer presented to the Board regarding the proposed Guaranteed Maximum Price (GMP) for the NEWT III project. He reported plans are at 100%. He reported regarding Change Order 1 to the contract, which was already approved to procure pipeline, and presented Change Order 2 which includes the GMP in the amount of \$22,101,515. The District's portion will be 70%.

Upon motion of Mr. Cockroft, seconded by Ms. Hennen, the Board unanimously accepted the GMP and approved Change Order 2.

Consider Approval SCWTA Creation Agreement 2nd Amendment

Mr. Reckentine reported to the Board regarding the history of the formation of the SCWTA and various amendments to the establishment agreement. Currently a 2nd Amendment is being discussed to add infrastructure to the defined terms under the agreement. Mr. Reckentine reported that additional work is necessary and will bring the agreement back to the Board when ready for approval.

Consider Approval of Variance Request for WinDance aka Severance South Subdivision

Mr. Pickett addressed the Board regarding a request for a variance to use the District's 20-foot easement to install a water line necessary for the Win Dance development. The District has already granted a variance to allow a 12-inch water line in the District's easement. Mr. Pickett is proposing to up-size his water line to also include the necessary flow for the 12-inch water line.

Mr. Reckentine discussed a preference to see the waterline in a separate easement to allow for easier maintenance. Mr. Reckentine suggested asking for a 20-foot easement from Xcel, and 10-feet from the District to achieve a 30-foot easement.

No action was taken.

Executive Session: The Board reserves the right to enter into Executive Session for the following purposes: Receiving legal advice and discussing matters subject to negotiation and strategy pursuant to § 24-6-402(4)(b) & (e), C.R.S. related to Variance Request for WinDance aka Severance South Subdivision

None.

DISTRICT MANAGER'S REPORT

Tap Sales Mr. Reckentine reported that 105 taps have been sold to date and that there are 45 more expected to be sold by the end of the year.

Severance CORA Request Mr. Reckentine reported that a CORA request was received from the Town of Severance and the District responded.

Larimer County Flood Plain Permit Approved for NEWT III Pipeline Project Mr. Reckentine reported that the Flood Plain Permit for NEWT III was approved by Larimer County.

Northern Colorado Water Alliance Mr. Reckentine reported that the Northern Colorado Water Alliance is asking the District to stay in for 2024 and requested \$2,500 from the District. Mr. Reckentine reported this was in the budget and planned.

CDL LICENSES Mr. Reckentine reported to the Board regarding difficulty retaining drivers with CDL's. The District has helped with the training cost in the past for drivers and then they leave as soon as they are licensed. Mr. Reckentine discussed with the Board employment agreements requiring individuals to reimburse the District for the cost of training if they leave the District within a defined period of time. The Board directed preparation of the agreements.

OTHER BUSINESS

Consider Approval of WAPA Applications Mr. Reckentine reported regarding the WAPA applications to the Board. Upon motion of Ms. Hennen, seconded by Mr. Cockroft, the Board unanimously approved the applications.

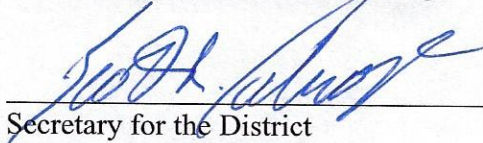
Consider Approval of Thornton Recharge Agreement Mr. Reckentine reported regarding a Thornton Recharge Agreement to the Board. Upon motion of Ms. Hennen, seconded by Mr. Cockroft, the Board unanimously approved the agreement.

Ms. Hennen addressed the Board and Staff regarding a desire for the District to adopt an attitude of cooperation when working with customers and Towns.

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

ATTACHMENT 1



NORTH WELD COUNTY WATER DISTRICT

32825 CR 39 • LUCERNE, CO 80646

P.O. BOX 56 • BUS: 970-356-3020 • FAX: 970-395-0997

WWW.NWCWD.ORG • EMAIL: WATER@NWCWD.ORG

February 21, 2023

VIA EMAIL

Town Council, Town of Severance
c/o Nicholas Wharton, Town Manager
3 S. Timber Ridge Parkway
Severance, CO 80550
nwharton@townofseverance.org

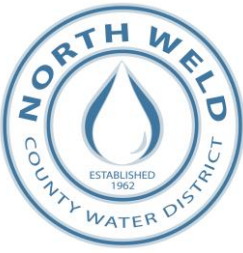
RE: North Weld County Water District and Town of Severance Cooperation

Dear Town of Severance Council,

North Weld County Water District (the “District”) has had several meetings with the Town of Severance representatives that included the Mayor, Town Council and District board representatives, and management from both organizations in relation to regional master planning, collaborative efforts moving forward, mutual understandings, and other issues. The District’s understanding was that meetings were intended to provide a platform to understand concerns and to work together in a cooperative manner. The District reviewed the latest “Council Corner” statement sent to the residents of the Town as part of its February 2023 newsletter and believes it is important to clear up some statements made pertaining to the District position on future growth and how the Town understands the communications made during our group meetings.

The District wants to remind and bring to the Town’s attention that the District has informed the Town on several occasions that it does not know when or if it will be able to sell additional plant investments to serve new developments in the Town. The master planning effort described in the Town’s statement is the first step. The process will include the Town as a stakeholder in the master planning effort. Following the master planning effort, future capacity sales and future capacity caps will be incorporated in a revised water service agreement with the Town dependent on the master planning results and if approved by the District’s Board of Directors. The model of unlimited plant investment purchases is not sustainable by any identity based on our area's dramatic growth and long-term drought challenges. The District has been working with and discussing with the Town for many years the Cost of Service to provide for future growth and has concerns with the gap between future town treatment projects to manage future growth and District’s ability to serve the region’s growth demands.

Please be reminded as before that should the Town approve any new developments, the District cannot guarantee that water service will be available to serve them at any point in the



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future. The District would like to and hopefully move forward in a collaborative manner with mutual respect shown between parties in the future.

Sincerely,

Eric Reckentine

NORTH WELD COUNTY WATER DISTRICT

Cc: Keith Martin, Town Attorney

ATTACHMENT 2

From: [Eric Reckentine](#)
To: [Garret Mick](#); [Zachary P. White](#); angela@slatecommunications.com; [Kim Newcomer](#)
Subject: FW: Master plan completion
Date: Monday, June 19, 2023 8:18:52 AM
Attachments: [Outlook-nv1csisp.jpg](#)

From: Stephen Gagliardi <stephen.gagliardi@townofseverance.org>
Sent: Friday, June 16, 2023 4:59 PM
To: Eric Reckentine <ericr@nwcwd.org>; Tad Stout <tadrstout@gmail.com>
Subject: Fw: Master plan completion

see message below,
s.



From: Stephen Gagliardi <stephen.gagliardi@townofseverance.org>
Sent: Friday, June 16, 2023 4:57 PM
To: Nicholas Wharton <nwharton@townofseverance.org>; Matthew Fries <matthew.fries@townofseverance.org>; Dan Meyers <dan.meyers@townofseverance.org>; Dennis Kane <dennis.kane@townofseverance.org>; Frank Baszler <frank.baszler@townofseverance.org>; Michelle Duda <michelle.duda@townofseverance.org>; David Bruen <david.bruen@townofseverance.org>; Lindsay Radcliff Coombes <lcoombes@townofseverance.org>
Subject: Fw: Master plan completion

Town board and administrative staff,

Below is the response I received from Eric Reckentine. I mentioned that I would forward it to you all at our last meeting. To summarize the forwarded message below the Master Plan is looking to be completed in October. I would like to share my opinion of how North Weld Water is handling this situation with our board and administrative staff. NWCWD is trying to correct years of poor management and bad policy. I believe that NWCWD is operating in a fair and consistent manner. They are treating all of their customers in the same fashion. I have been in meetings where they have denied requests for more water taps for Agriculture, Townships and private developers. North Weld cannot allow any more capacity to be taken from the system until they know how much they have through an exhaustive system model

and create a master plan. Making any decision about capacity of a relied upon resource without knowing how much there is; is the definition of negligence. Which is why North Weld is taking their time and doing things right.

Dairy's are a complicated subject in regard to North Weld Water. Some Dairy's are being allowed to over use 1 million dollars of water in surcharge a year. Some organizations have been allowed to use residential taps for their water needs. Some operations have been abusing the system for decades and not paying for their water usage. NWCWD is addressing these problems and more in a way that will not hurt the current job market, damage live stock, and keep the business of agriculture an important aspect of our community. I believe in October when the Master plan is complete we will have our answers to our water questions. We just have to be patient.

If you have any questions please feel free to reach out to me. I will answer any question you have or find the answer through conversations with NWCWD.

Stephen Gagliardi

Town of Severance

From: Eric Reckentine <ericr@nwcwd.org>

Sent: Wednesday, June 14, 2023 9:56 AM

To: Stephen Gagliardi <stephen.gagliardi@townofseverance.org>

Subject: RE: Master plan completion

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Steve

Appreciate your comments and as always we appreciate you listening to the District, your understanding of the regional issues and our discussions with you as liaison to the Town. Just be clear the District and at the District's discretion may sell PI's to the Town and the town distributes the tap sales whether to residential or commercial sector customers within the Town service area, those decisions are the Town's. As we stated the model verification and update is nearly complete, hoping end to this week to finalize follow up testing on the model. The District is anticipating the master planning draft efforts to be completed no sooner than the late October time frame, this is not a guaranteed date of course as it depends on input from the NW BOD, additional requests,

stakeholder meeting input and if additional analysis or negotiations are required etc.

Eric

From: Stephen Gagliardi <stephen.gagliardi@townofseverance.org>

Sent: Tuesday, June 13, 2023 12:23 PM

To: Eric Reckentine <ericr@nwcwd.org>

Subject: Master plan completion

Hi Eric,

It was good to see you yesterday. Can you please send me over an email with your approximation of when you think the master plan will be done. I would like to share that with our board. What you stated in the meeting is fine. Our board is anxious about when our potential commercial business owners will be able to purchase taps from North Weld and I would like them to hear it from you. I believe in your planning and leadership of this complex water network and I appreciate all you are doing for the district and our community.

Thank you for your time and attention,

Stephen Gagliardi

Town of Severance

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