

1. Call to Order

2. Confirmation of Disclosures of Conflicts of Interest

NORTH WELD COUNTY WATER DISTRICT

Notice of Meeting

Monday, June 13, 2022, at 1:00 PM

THE BOARD MEETING WILL BE OPEN TO THE PUBLIC AT:

32825 Co Rd 39, Lucerne, CO 80646

OR 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 June 13, 2022, 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 May 23, 2022, Regular Meeting**
 - b. Acceptance of Unaudited May 2022 Financial Statements**
 - c. Approve Invoices through June 13, 2022**
 - d. Approve Engagement Letter with Sherman & Howard for Bond Counsel Services**
 - e. Approval of Conflict of Interest Waiver Letter re Otis & Bedingfield, LLC for work on Lakeview Farms LLC**
- 6. Report: Presentation of Cost-of-Service Study, Headwaters Consulting (enclosures)**
 - a. Action: Consider Approval of Cost-of-Service Study**
- 7. Water Tap Sales Matters:**
 - a. Update re Tap Sales**
- 8. Action: Consider Adoption of Resolution 20220613-01: First Amendment to Annual Administrative Matters Resolution**
- 9. District Manager's Report:**
 - a. Master Plan Update**
 - i. Met with Towns of Eaton and Windsor**
 - ii. Town of Timnath Meeting**

- b. Eaton Water Lease Agreement
- c. Cyber Security Issue Covered by Cyber Insurance

10. Other Business

ADJOURN_____ P.M.

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

Held: Monday, the 23rd day of May, 2022, at 1:00 P.M.

The meeting was conducted via teleconference.

ATTENDANCE

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

Matthew Pettinger
Scott Cockroft, Secretary
Brad Cook, Assistant Secretary
Tad Stout, Assistant Secretary

Ron Buxman 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; Jim Pauley, Feis & Company, P.C., District Accountant, Darin Pytlik and Daniel Rice, Providence Infrastructure Consultants, District Engineers; Mattie Prodanovic, Hilltop Securities; Richard Raines, Water Resources; Kim Newcomer, Slate Communications; Scott Holwick, Lyons Gaddis, Special Water Counsel; Randy Watkins, BDO, District Auditor; Chris Wood, BizWest Newspaper; Members of the Public via teleconference.

ADMINISTRATIVE MATTERS

Call to Order

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

Declaration of Quorum and Confirmation of Director Qualifications

Mr. 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. Director Cook noted that he had a conflict with respect to agenda

item 6.i on the consent agenda and would abstain with respect to that agenda item. 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.

Election of Officers

The Board welcomed Mr. Pettinger to the Board and discussed election of officers. Mr. White noted that the Board needs to have, at a minimum, a President, Secretary, and Treasurer. The Board discussed the offices and upon a motion by Mr. Cook, seconded by Mr. Pettinger, the Board elected Mr. Stout as President.

Upon a motion by Mr. Pettinger, seconded by Mr. Cook, the Board elected additional officers as follows:

Mr. Cockroft – Secretary
Mr. Buxman – Treasurer
Mr. Pettinger – Assistant Secretary
Mr. Cook – Assistant Secretary

Upon a motion by Mr. Pettinger, seconded by Mr. Cook, the Board appointed Mr. Cockroft as the primary representative on the Soldier Canyon Authority Board with Mr. Stout as an alternate representative.

Approval of Agenda

Mr. Reckentine presented the Board with the agenda for the meeting. Upon motion of Mr. Cockroft, seconded by Mr. Pettinger, the Board unanimously approved the agenda, as amended to remove Agenda Item 6.i from the Consent Agenda and addition of Consideration of Approval of a Water Service Agreement for The Ridge at Harmony Road, 5th Filing.

Consider Acceptance of 2021 North Weld County Water District Annual Audit

Mr. Watkins from BDO presented the 2021 audit report and findings to the Board. He discussed testing and sampling performed by the audit team. All findings were presented in the Audit Wrap Up presented to the Board and BDO will issue an unqualified opinion. Following discussion upon a motion of Mr. Cockroft, seconded by Mr. Pettinger, the Board unanimously accepted the 2021 Audit.

CONSENT AGENDA MATTERS

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

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

- a. Minutes from April 11, 2022, Regular Meeting
- b. Acceptance of Unaudited April 2022 Financial Statements
- c. Approve Invoices through May 23, 2022

- d. Offer Anderson Property Eaton Pipeline Project Phase 2 Easement
- e. Allocation Transfer Request - DCP Midstream
- f. WCR 66/41 Project Easements:
 - i. Permanent Water Easement Agreement – Five M Farm Co
 - ii. Temporary Construction Easement Agreement – Five M Farm Co
- g. WCR 25 Easement for Meter Maintenance:
 - i. Permanent Water Easement Agreement – ABCD Landco.
- h. Line 1 Replacement Project; Garney Construction, Change Order #4
- i. REMOVED
- j. Transfer of 3 Water Allocations Request for Mr. Faulkner

Upon a motion by Mr. Cockroft, seconded by Mr. Pettinger, the Board approved the following, with Mr. Cook abstaining.

- i. 1 Share Water Supply and Storage Company Lease for Mr. Brad Cook

NWCWD Mid-Year CIP and Planning Update

Regional Master Plan Effort	Mr. Reckentine presented the Mid-Year CIP and Planning Review Update attached hereto.
Water Service Agreement Capacity Caps	Mr. Reckentine presented to the Board regarding caps in water service agreements.
Letter to Wholesale Customers	The Board directed letters to be sent to wholesale customers regarding the District’s inability to sell more water taps.
Notification Letter to Town of Severance Related to WSA Plant Investment Request	The Board directed a letter to be sent to the Town of Severance regarding projected need for water taps going into the future.
Capital Improvement Plan Update	Mr. Reckentine discussed with the Board the status of the NEWT III pipeline project and anticipated timeline to complete the same. Ft. Collins has approved the SPAR permit and staff is working through 1041 issues with Larimer County. With respect to Larimer County, the Board taking parallel tracks to go through

Larimer County's 1041 process, and to work to acquire the necessary easements to construct the pipeline. The Board discussed contracting for the project, and it is anticipated that the District will enter into one contract for preconstruction services, and a second GMP contract for construction services.

Finance

Mill Levy Election
Scope of Services
and Schedule

Ms. Newcomer with Slate Communications discussed preparations and planning for a November 2022 election to approve a mill levy and presented a scope for work. Upon a motion by Mr. Cook, seconded by Mr. Pettinger, the Board approved the scope of work. The Board requested additional information to help determine the number of mills to request from the voters. The Board discussed the differences between an independent mail ballot election and a coordinated election.

Ms. Prodanovic with Hilltop Securities discussed bonding options with the Board to finance the Newt III project. The Board requested Hilltop seek the highest bonding among possible right now.

Potential Rate
Adjustments Mid-
Year

Mr. Reckentine discussed with the Board a potential cash call for the Soldier Canyon treatment plant that may require a mid-year rate increase.

Wholesale
Accounts
Retail Rate
Adjustment

Mr. Reckentine discussed with the Board a review of wholesale customer water storage requirements and discussed the ability to adjust the wholesale customer discount for being out of compliance with storage requirements in water service agreements. Upon a motion by Mr. Cockroft, seconded by Mr. Pettinger, the Board determined to consider an adjustment to the Wholesale Customer Discount for the Town of Severance subject to verifying storage requirements.

Water Operations Plan 2022
Presentation and Water
Lease Agreements

Mr. Raines presented to the Board regarding annual supply projections and operations plan. Mr. Raines noted there is above average run off right now.

Consider Drought
Declaration

Based on projected annual supply, no drought is declared.

Consider Approval
Lease ELCO – 400
AF NPIC MU

Mr. Raines presented an agreement to lease 400 AF NPIC MU from the ELCO. Following discussion, upon a motion by Mr. Cockroft, seconded by Mr. Pettinger, the Board approved the lease agreement.

Consider Approval
Lease Town of Eaton
- 100 AF NPIC MU

Mr. Raines presented an agreement to lease 100 AF NPIC MU from the Town of Eaton. Following discussion, upon a motion by

Mr. Cockroft, seconded by Mr. Pettinger, the Board approved the lease agreement.

Opposition Change
Case No. 22CW3042
City of Greeley

Mr. Holwick presented the Board with an opposition to Change Case No. 22CW3042 filed by the City of Greeley. Greeley is seeking to change similar shares as the District and as an opposer to the change case, the District can see how Greeley is analyzing the change and make sure that the District’s change case is not undermined by anything Greeley is trying to do. It was noted that Greeley is an opposer to the District change case. Upon a motion by Mr. Cockroft, seconded by Mr. Pettinger, the Board approved opposing the change case filed by the City of Greeley.

**WATER TAP SALE
MATTERS**

Update Regarding Water
Taps

Mr. Reckentine noted that to date 81 taps have been sold.

Consider Approval of 1st
Amendment Water Service
Agreement for Hidden
Valley Farms Subdivision,
6th Filing

Mr. Reckentine presented a 1st Amendment Water Service Agreement for Hidden Valley Farms Subdivision, 6th Filing which reserves the water taps contemplated by the Water Service Agreement and commits to sell the taps subject to the requirements of the amendment. It was noted that the water taps are already contemplated and counted for sale. Upon a motion by Mr. Cook, seconded by Mr. Cockroft, the Board approved the amendment. Mr. Stout abstained.

Consider Approval of Water
Service Agreement The
Ridge at Harmony Road, 5th
Filing

Mr. Reckentine presented a draft Water Service Agreement for The Ridge at Harmony Road, 5th Filing and requested authorization to finalize negotiations of the agreement and approval of the same, subject to legal review. It was noted that the water taps are already contemplated and counted for sale. Upon a motion by Mr. Cockroft, seconded by Mr. Stout, the Board approved negotiating the agreement and approved the same, subject to legal review.

EXECUTIVE SESSION

Not Needed.

**DISTRICT MANAGER’S
REPORT**

Mr. Reckentine reported the following to the Board:
DFA Meeting April 26, 2022 – Mr. Reckentine
presented.

Employee Mid-year Salary Increases – Mr. Reckentine
gave 5% mid-year increases in order to help keep staff.

Upon a motion by Mr. Cockroft, seconded by Mr. Pettinger, the Board ratified the increases.

Hiring Authority Manager at SCWTA – Mr. Reckentine reported regarding the hiring of a new plant manager. The new manager will start in June.

Employee Hourly Rate Study – Mr. Reckentine requested authorization to use consultant time to undertake a rate study. Upon a motion by Mr. Cockroft, seconded by Mr. Pettinger, the Board authorized request.

Non-Potable Supply Update – Wild Wing and Saddler – Mr. Reckentine reported re not allowing Wild Wing to pull water off the District’s system until the dedicated water comes down the ditch.

PUBLIC COMMENT

Mr. Bean provided public comment regarding service capacity and the director election.

OTHER BUSINESS

2022 Director Election Wrap-Up

Mr. White presented regarding the election and overall process. Mr. White noted a few electors had to request ballots from the designated election official. Mr. Stout reported regarding the Canvass Board’s review of election results and expresses his confidence in the election process.

Discussion re Return to In-Person Meetings

The Board discussed returning to in-person meetings and determined to hold hybrid meetings, allowing for in-person attendance and virtual attendance via zoom.

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

May 31, 2022

ASSETS

Current Assets

1014 - BANK OF COLORADO	\$	2,557,280.67
1015 - COLO TRUST - GENERAL		22,299,953.69
1017 - COLO TRUST- RRR		265,563.25
1019 - COLO TRUST - 2019 BOND		2,617,483.74
1030 - CASH DRAWER		200.00
1035 - CONTRA CASH RESERVE		(1,705,883.00)
1050 - CASH RESERVE (CWRPDA)		1,705,883.00
1100 - AR WATER (DRIP)		1,931,631.39
1105 - AR CONSTRUCTION METERS		59,369.49
1116 - ACCOUNTS RECEIVABLE		127,227.36
1230 - PREPAID INSURANCE		64,180.66
1300 - INVENTORY		1,556,909.63

Total Current Assets

31,479,799.88

Property and Equipment

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

Total Property and Equipment

150,709,109.51

Other Assets

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

Total Other Assets

23,060,786.70

Total Assets

\$ 205,249,696.09

LIABILITIES AND CAPITAL

Current Liabilities

2215 - ACCOUNTS PAYABLES	\$	61,533.69
2216 - CONST MTR DEPOSITS		106,800.00
2230 - ACCRUED WAGES		61,575.66

Unaudited - For Management Purposes Only

NORTH WELD COUNTY WATER DISTRICT
Balance Sheet
May 31, 2022

2231 - ACCRUED COMP ABSENCES	130,587.76	
2232 - ACCRUED INTEREST	129,262.50	
Total Current Liabilities		489,759.61
Long-Term Liabilities		
2220 - CURT PRT/ LONGTERM DEBT	5,000.00	
2221 - 2012 BONDS PAYABLE	3,090,000.00	
2222 - 2019 Bond Payable	16,160,000.00	
2223 - Bond Premium '19	851,447.00	
2224 - 2020 BOND PAYABLE	3,450,000.00	
2228 - NET PREM/DISCT '12 BOND	73,293.00	
2229 - PREMIUM ON 2009A LOAN	66,472.00	
Total Long-Term Liabilities		23,696,212.00
Total Liabilities		24,185,971.61
Capital		
2800 - RETAINED EARNINGS	174,683,499.39	
Net Income	6,380,225.09	
Total Capital		181,063,724.48
Total Liabilities & Capital	\$	205,249,696.09

NORTH WELD COUNTY WATER DISTRICT
INCOME STATEMENT
DETAIL
FOR THE FIVE MONTHS ENDING MAY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
REVENUES					
3110 - METERED SALES	\$ 1,165,207.98	\$ 4,540,438.08	\$ 11,484,447.00	6,944,008.92	39.54
3111 - WATER ALLOC SURCHARGE	508,914.00	1,419,206.00	2,625,016.00	1,205,810.00	54.06
3112 - PLANT INVEST SURCHARGE	347,635.55	1,174,385.75	2,132,826.00	958,440.25	55.06
3113 - ADJUSTMENTS	(1,352.75)	(9,608.32)	(20,000.00)	(10,391.68)	48.04
3140 - CONST METER USAGE	23,681.40	144,810.60	205,000.00	60,189.40	70.64
3141 - CONSTR METER RENTAL	1,435.00	4,890.00	5,500.00	610.00	88.91
3142 - CONSTRUCT METER REPAIR	1,658.00	9,307.30	550.00	(8,757.30)	1,692.24
OPERATING	2,047,179.18	7,283,429.41	16,433,339.00	9,149,909.59	44.32
3210 INTEREST-COTRUST-GENERAL	10,398.48	16,848.35	130,384.00	113,535.65	12.92
3220 - PORT PARTONAGE AGFINITY	0.00	16.88	812.00	795.12	2.08
NON OPERATING	10,398.48	16,865.23	131,196.00	114,330.77	12.85
3310 - TAP (PI) FEES	79,425.00	806,450.00	1,000,000.00	193,550.00	80.65
3311 - DISTANCE FEES	12,150.00	110,700.00	173,189.00	62,489.00	63.92
3312 - WATER (ALLOCATION) FEE	276,750.00	1,929,750.00	300,000.00	(1,629,750.00)	643.25
3314 - INSTALLATION FEES	20,350.00	640,957.45	324,730.00	(316,227.45)	197.38
3315 - METER RELOCATION FEE	0.00	0.00	1,624.00	1,624.00	0.00
3316 - LINE EXTENSION FEE	(8,791.85)	(56,791.85)	150,000.00	206,791.85	(37.86)
3320 - NON-POTABLE TAP FEE	15,000.00	94,000.00	48,709.00	(45,291.00)	192.98
3321 - NON-POTABLE INSTALL	5,550.00	54,377.00	21,649.00	(32,728.00)	251.18
3330 - COMMITMENT LETTER FEE	0.00	0.00	796.00	796.00	0.00
3331 - REVIEW FEE	0.00	0.00	2,706.00	2,706.00	0.00
3332 - REVIEW DEPOSIT	(4,250.00)	(4,250.00)	0.00	4,250.00	0.00
3340 - INSPECTION FEE	0.00	0.00	134,389.00	134,389.00	0.00
NEW SERVICE	396,183.15	3,575,192.60	2,157,792.00	(1,417,400.60)	165.69
3410 - WATER RENTAL	0.00	0.00	17,850.00	17,850.00	0.00
3415 - WSSC RETURN FLOW RENTAL	0.00	1,574.00	0.00	(1,574.00)	0.00
AG WATER	0.00	1,574.00	17,850.00	16,276.00	8.82
3500 - MISCELLANEOUS	28,040.01	34,568.92	0.00	(34,568.92)	0.00
3510 - CAR TIME	0.00	0.00	9,742.00	9,742.00	0.00
3520 - TRANSFER FEES	925.00	5,075.00	5,412.00	337.00	93.77
3530 - RISE TOWER RENT	300.00	1,500.00	7,902.00	6,402.00	18.98
3540 - SAFETY GRANT (CSD)	0.00	0.00	11,907.00	11,907.00	0.00
MISCELLANEOUS	29,265.01	41,143.92	34,963.00	(6,180.92)	117.68
3600 - FARM INCOME	0.00	0.00	(9,201.00)	(9,201.00)	0.00
3610 - MINERAL/OIL/GAS RIGHTS	0.00	0.00	(63,672.00)	(63,672.00)	0.00
3640 - EQUIPMENT/VEHICLE SALE	0.00	0.00	(541.00)	(541.00)	0.00
FARM INCOME	0.00	0.00	73,414.00	73,414.00	0.00
3700 - BOND PROCEEDS	0.00	0.00	38,000,000.00	38,000,000.00	0.00

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT
INCOME STATEMENT
DETAIL
FOR THE FIVE MONTHS ENDING MAY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
DEBT PROCEEDS	0.00	0.00	(38,000,000.00)	(38,000,000.00)	0.00
TOTAL REVENUES	2,483,025.82	10,918,205.16	56,848,554.00	45,930,348.84	19.21
OPERATING EXPENSE					
4110 - POTABLE WATER	288.55	807,043.94	2,536,484.52	1,729,440.58	31.82
4130 - CARRYOVER	0.00	0.00	89,450.03	89,450.03	0.00
4140 - WINTER WATER	0.00	0.00	5,520.40	5,520.40	0.00
4150 - ASSESSMENTS	0.00	456,145.47	1,443,962.24	987,816.77	31.59
4160 - RULE 11 FEES	0.00	0.00	63,765.00	63,765.00	0.00
4170 - WATER QUALITY - TESTING	1,461.00	4,554.00	6,072.44	1,518.44	74.99
WATER	(1,749.55)	(1,267,743.41)	(4,145,254.63)	(2,877,511.22)	30.58
4210 - SALARIES, FIELD	77,169.12	430,704.54	1,056,784.98	626,080.44	40.76
4220 - SALARIES, ENGINEERING	8,263.60	41,164.73	225,284.46	184,119.73	18.27
4240 - INSURANCE HEALTH	14,896.72	90,608.42	188,752.00	98,143.58	48.00
4250 - RETIREMENT	6,044.37	30,366.90	82,256.14	51,889.24	36.92
4260 - AWARDS	0.00	0.00	1,324.58	1,324.58	0.00
4270 - UNIFORMS	2,090.35	3,319.70	6,500.00	3,180.30	51.07
4280 - MISCELLANEOUS	0.00	0.00	1,103.81	1,103.81	0.00
4290 - CAR TIME	0.00	0.00	9,934.32	9,934.32	0.00
PERSONNEL OPERATIONS	(108,464.16)	(596,164.29)	(1,571,940.29)	(975,776.00)	37.93
4410 - FIELD	2,292.18	18,331.89	0.00	(18,331.89)	0.00
4411 - UNCC LOCATES	0.00	4,709.90	15,197.35	10,487.45	30.99
4412 - FARM PROPERTIES	0.00	0.00	2,706.08	2,706.08	0.00
4413 - SITE MAINTENANCE ANNUAL	0.00	0.00	5,586.20	5,586.20	0.00
4414 - CONSTRUCTION METER	0.00	5,609.98	0.00	(5,609.98)	0.00
4415 - WATER LINES (REPAIRS)	7,744.45	120,718.99	50,000.00	(70,718.99)	241.44
4416 - APPURTENANCE(REPAIR)	755.46	5,063.16	0.00	(5,063.16)	0.00
4417 - METER SETTING	195.90	23,276.91	108,243.00	84,966.09	21.50
4418 - MASTER METERS	10,963.60	13,677.10	159,181.20	145,504.10	8.59
4419 - SERVICE WORK	293.50	44,430.83	0.00	(44,430.83)	0.00
4420 - STORAGE TANKS (O & M)	0.00	64,838.86	22,500.00	(42,338.86)	288.17
4430 - PUMP STATIONS (O & M)	5,312.44	48,608.61	10,612.08	(37,996.53)	458.05
4435 - CHLORINE STATION	19.68	4,762.94	5,306.04	543.10	89.76
4440 - EQUIPMENT	396.97	44,784.96	42,335.83	(2,449.13)	105.79
4445 - SCADA EQUIPMENT	0.00	3,698.40	5,412.16	1,713.76	68.34
4446 - LOCATING EQUIPMENT	0.00	998.01	5,412.16	4,414.15	18.44
4447 - GPS EQUIPMENT	436.22	3,912.41	25,978.37	22,065.96	15.06
4450 - SHOP/YARD	3,027.26	10,480.31	27,060.80	16,580.49	38.73
4460 - VEHICLES	2,887.43	45,960.50	100,000.00	54,039.50	45.96
4470 - SAFETY	432.73	5,647.09	65,000.00	59,352.91	8.69
4480 - CONTROL VAULTS	261.24	406.70	28,652.62	28,245.92	1.42
4490 - MAPPING EXPENSE	4,732.75	7,669.00	39,184.04	31,515.04	19.57
OPERATION & MAINTENANCE	(39,751.81)	(477,586.55)	(718,367.93)	(240,781.38)	66.48

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT
INCOME STATEMENT
DETAIL
FOR THE FIVE MONTHS ENDING MAY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
4500 - ENGINEERING	0.00	0.00	250,000.00	250,000.00	0.00
ENGINEERING	0.00	0.00	(250,000.00)	(250,000.00)	0.00
4600 - ELECTRICITY	12,366.66	55,229.23	0.00	(55,229.23)	0.00
4610 - PRV'S	0.00	0.00	50,000.00	50,000.00	0.00
4620 - STORAGE TANKS	0.00	0.00	50,000.00	50,000.00	0.00
4630 - PUMP STATIONS	2,999.09	12,187.82	170,000.00	157,812.18	7.17
4640 - METER VAULTS	0.00	0.00	38,000.00	38,000.00	0.00
4650 - FILL STATION	0.00	0.00	5,000.00	5,000.00	0.00
ELECTRICITY	(15,365.75)	(67,417.05)	(313,000.00)	(245,582.95)	21.54
4700 - COMMUNICATIONS	125.22	500.84	50,000.00	49,499.16	1.00
COMMUNICATIONS	(125.22)	(500.84)	(50,000.00)	(49,499.16)	1.00
4810 - GENERAL	4,178.42	20,579.09	40,738.42	20,159.33	50.52
4820 - AUTO	1,374.75	6,873.75	7,347.55	473.80	93.55
4830 - WORKER'S COMP	3,615.50	26,318.50	34,374.80	8,056.30	76.56
INSURANCE	(9,168.67)	(53,771.34)	(82,460.77)	(28,689.43)	65.21
4930 - BAD DEBT EXPENSE	0.00	0.00	3,714.23	3,714.23	0.00
MISCELLANEOUS	0.00	0.00	(3,714.23)	(3,714.23)	0.00
TOTAL OPERATING EXPENSES	174,625.16	2,463,183.48	7,134,737.85	4,671,554.37	34.52
ADMINISTRATIVE EXPENSE					
5110 - OFFICE	40,076.76	207,914.01	511,192.34	303,278.33	40.67
5150 - DIRECTORS' FEES	400.00	400.00	0.00	(400.00)	0.00
SALARIES	40,476.76	208,314.01	511,192.34	302,878.33	40.75
5210 - FICA	9,465.62	51,015.22	102,831.06	51,815.84	49.61
5220 - UNEMPLOYMENT	0.00	1,517.71	4,870.94	3,353.23	31.16
PAYROLL TAXES	9,465.62	52,532.93	107,702.00	55,169.07	48.78
5310 - ADMIN HEALTH INSURANCE	4,974.71	25,523.57	49,358.91	23,835.34	51.71
HEALTH INSURANCE	4,974.71	25,523.57	49,358.91	23,835.34	51.71
5400 - OFFICE UTILITIES	0.00	1,187.04	0.00	(1,187.04)	0.00
5401 - ELECTRICITY	1,476.28	3,568.52	27,060.80	23,492.28	13.19
5402 - PROPANE	0.00	8,143.86	0.00	(8,143.86)	0.00
5403 - TELEPHONE	1,951.18	9,755.90	21,648.64	11,892.74	45.06
5404 - CELL PHONE SERVICE	1,633.36	6,238.50	0.00	(6,238.50)	0.00
5405 - CELL PHONE ACCESSORIES	0.00	27.76	2,706.08	2,678.32	1.03

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT
INCOME STATEMENT
DETAIL
FOR THE FIVE MONTHS ENDING MAY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
5406 - OFFICE CLEANING SERVICE	1,360.00	7,480.00	0.00	(7,480.00)	0.00
5410 - OFFICE EQUIPMENT	0.00	704.79	0.00	(704.79)	0.00
5412 - PRINTERS	158.42	2,115.48	0.00	(2,115.48)	0.00
5413 - FURNITURE	0.00	0.00	2,706.08	2,706.08	0.00
5440 - COMPUTER	0.00	0.00	140,716.18	140,716.18	0.00
5441 - COMPUTER SUPPORT	6,867.41	26,928.33	64,945.93	38,017.60	41.46
5442 - HARDWARE (COMPUTERS)	0.00	0.00	43,297.29	43,297.29	0.00
5443 - SOFTWARE	0.00	175.50	5,412.16	5,236.66	3.24
5444 - LICENSES (ANNUAL)	10,000.00	23,844.55	27,060.80	3,216.25	88.11
5445 - SENSUS METER SUPPORT	0.00	0.00	2,164.86	2,164.86	0.00
5449 - INTERNET/EMAIL	0.00	0.00	21,648.64	21,648.64	0.00
OFFICE UTILITIES	23,446.65	90,170.23	359,367.46	269,197.23	25.09
5510 - OFFICE EXPENSES	7,699.79	64,626.87	171,673.74	107,046.87	37.65
5520 - POSTAGE	272.00	707.98	3,247.30	2,539.32	21.80
5530 - BANK / CREDIT CARD FEES	3,251.08	15,854.97	5,412.16	(10,442.81)	292.95
5540 - BUILDING MAINTENANCE	0.00	2,596.59	1,082.43	(1,514.16)	239.89
5550 - PUBLICATIONS	0.00	0.00	541.22	541.22	0.00
5560 - PRINTING	0.00	0.00	2,706.08	2,706.08	0.00
5580 - DUES & REGISTRATION	0.00	1,322.50	3,247.30	1,924.80	40.73
5590 - TRAINING	0.00	1,280.00	8,659.46	7,379.46	14.78
OFFICE EXPENSE	11,222.87	86,388.91	196,569.69	110,180.78	43.95
5610 - LEGAL	8,904.00	183,498.34	350,000.00	166,501.66	52.43
5620 - ACCOUNTING	15,000.00	19,475.00	26,010.00	6,535.00	74.88
5625 - EASEMENT FEES	151.00	665.00	0.00	(665.00)	0.00
5626 - RECORDING FEES	0.00	58.00	0.00	(58.00)	0.00
5630 - WATER TRANSFER FEES	0.00	2,409.26	0.00	(2,409.26)	0.00
5650 - CONSULTANT FEES	0.00	34,630.43	200,000.00	165,369.57	17.32
5660 - MEMBERSHIP FEES	0.00	0.00	8,843.40	8,843.40	0.00
5670 - APPRAISALS	2,015.00	2,015.00	0.00	(2,015.00)	0.00
5680 - LAND ACQUISITION	19,138.14	61,127.86	0.00	(61,127.86)	0.00
PROFESSIONAL FEES	45,208.14	303,878.89	584,853.40	280,974.51	51.96
5900 - MISCELLANEOUS	0.00	0.00	7,577.03	7,577.03	0.00
5920 - FIRE MITIGATION GRANT	0.00	64,171.65	0.00	(64,171.65)	0.00
MISCELLANEOUS	0.00	64,171.65	7,577.03	(56,594.62)	846.92
TOTAL ADMINISTRATIVE EXPENSE	134,794.75	830,980.19	1,816,620.83	985,640.64	45.74
CAPITAL IMPROVEMENTS					
SOLDIER CANYON	0.00	0.00	0.00	0.00	0.00
6200 - STORAGE TANKS	0.00	0.00	5,900,000.00	5,900,000.00	0.00
STORAGE TANKS	0.00	0.00	5,900,000.00	5,900,000.00	0.00

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT
INCOME STATEMENT
DETAIL
FOR THE FIVE MONTHS ENDING MAY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
PUMP STATIONS	0.00	0.00	0.00	0.00	0.00
6410 - VEHICLES	39,616.17	39,616.17	6,410.00	(33,206.17)	618.04
6420 - TRENCH BOX	0.00	0.00	6,420.00	6,420.00	0.00
6430 - BACKHOES	0.00	0.00	6,430.00	6,430.00	0.00
6440 - OTHER EQUIPMENT	0.00	86,673.55	90,000.00	3,326.45	96.30
EQUIPMENT	39,616.17	126,289.72	109,260.00	(17,029.72)	115.59
6505 - ENGINEERING	0.00	508,549.82	0.00	(508,549.82)	0.00
6510 - WATER LINES	0.00	0.00	13,550,000.00	13,550,000.00	0.00
6515 - METER UPGRADES	0.00	0.00	600,000.00	600,000.00	0.00
6525 - MASTER METER	0.00	4,939.59	0.00	(4,939.59)	0.00
6540 - AWIA & GENERATORS	0.00	0.00	276,440.00	276,440.00	0.00
6547 - GPS EQUIPMENT	0.00	1,650.00	0.00	(1,650.00)	0.00
SYSTEM	0.00	515,139.41	14,426,440.00	13,911,300.59	3.57
6610 - WATER RESOURCE MANAGER	0.00	3,042.91	0.00	(3,042.91)	0.00
6615 - GRAVEL PITS	0.00	0.00	400,000.00	400,000.00	0.00
6620 - WATER RIGHTS	0.00	0.00	5,000,000.00	5,000,000.00	0.00
6630 - LEGAL (WRM)	16,192.50	55,820.84	600,000.00	544,179.16	9.30
6640 - STORAGE	9,216.97	45,714.66	0.00	(45,714.66)	0.00
WATER RIGHTS	25,409.47	104,578.41	6,000,000.00	5,895,421.59	1.74
6710 - EASEMENTS	4,860.00	18,982.86	75,000.00	56,017.14	25.31
6720 - LAND	0.00	0.00	100,000.00	100,000.00	0.00
6730 - SURVEYING	37,617.00	91,038.50	5,000.00	(86,038.50)	1,820.77
LAND/EASEMENTS	42,477.00	110,021.36	180,000.00	69,978.64	61.12
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	107,502.64	856,028.90	26,615,700.00	25,759,671.10	3.22
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
7290 - 2012R NW 1054	0.00	69,675.00	1,530,000.00	1,460,325.00	4.55

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT
INCOME STATEMENT
DETAIL
FOR THE FIVE MONTHS ENDING MAY 31, 2022

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
7292 - TRANSFER TO ENTERPRISE	0.00	38,812.50	0.00	(38,812.50)	0.00
7295 - 2019 BOND - NORT519WERB	0.00	279,300.00	0.00	(279,300.00)	0.00
7296 - 2020 BOND - WATER ENT	0.00	0.00	477,288.00	477,288.00	0.00
PRINCIPLE	0.00	387,787.50	3,238,288.00	2,850,500.50	11.98
INTEREST EXPENSE OTHER	0.00	0.00	0.00	0.00	0.00
TOTAL BONDS	0.00	(387,787.50)	(3,238,288.00)	(2,850,500.50)	11.98
DEPRECIATION & AMORT EXPENSES					
DEPRECIATION & AMORT EXPENSE	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	2,483,025.82	10,918,205.16	56,848,554.00	45,930,348.84	19.21
TOTAL EXPENSES	416,922.55	4,537,980.07	38,805,346.68	34,267,366.61	11.69
PROFIT/LOSS	2,066,103.27	6,380,225.09	18,043,207.32	11,662,982.23	35.36

FOR MANAGEMENT PURPOSES ONLY

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

Reconciled 6/6/2022 by James Pauley, CPA

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance		5,229,212.49
Add: Cash Receipts		502,331.99
Less: Cash Disbursements		(839,476.35)
Add (Less) Other		(2,334,787.46)
Ending GL Balance		2,557,280.67
Ending Bank Balance		2,910,173.86
Add back deposits in transit		
Total deposits in transit		
(Less) outstanding checks		
	Sep 9, 2021	15687 (29.74)
	Sep 9, 2021	15689 (23.28)
	Sep 9, 2021	15694 (97.05)
	Oct 20, 2021	15819 (1,100.00)
	Oct 22, 2021	15848 (215.12)
	Oct 22, 2021	15851 (19.24)
	Nov 30, 2021	15955 (25.00)
	Dec 15, 2021	16008 (85.00)
	Dec 15, 2021	16012 (12.72)
	Dec 15, 2021	16020 (271.26)
	Dec 30, 2021	16056 (31.04)
	Feb 2, 2022	16157 (60.00)
	Feb 2, 2022	16162 (23.28)
	Feb 3, 2022	16164 (15.66)
	Feb 3, 2022	16171 (1,006.15)
	Mar 23, 2022	16321 (23.28)
	Apr 19, 2022	16400 (9,149.59)
	Apr 21, 2022	16408 (7,350.00)
	Apr 21, 2022	16413 (16,150.00)
	Apr 21, 2022	16417 (12,012.00)
	Apr 26, 2022	16429 (58.20)
	Apr 29, 2022	16439 (8,162.86)
	May 2, 2022	16449 (29,870.80)
	May 5, 2022	16455 (9,134.20)
	May 5, 2022	16456 (8,118.59)
	May 5, 2022	16457 (7,033.48)
	May 5, 2022	16460 (5,290.00)
	May 5, 2022	16464 (2,350.00)
	May 5, 2022	16470 (3,915.16)
	May 5, 2022	16473 (40,805.30)
	May 6, 2022	16474 (5,107.96)
	May 6, 2022	16475 (69,540.21)
	May 6, 2022	16476 (39,616.17)
	May 6, 2022	16477 (3,470.80)
	May 6, 2022	16478 (4,879.22)
	May 16, 2022	16485 (142.71)
	May 16, 2022	16488 (272.00)
	May 16, 2022	16490 (293.50)
	May 17, 2022	16491 (1,000.00)
	May 20, 2022	16492 (2,090.35)
	May 20, 2022	16493 (4,860.00)
	May 20, 2022	16494 (10,795.72)
	May 23, 2022	16502 (2,015.00)
	May 23, 2022	16503 (4,250.00)
	May 23, 2022	16505 (6,500.00)
	May 23, 2022	16506 (5,670.10)
	May 23, 2022	16508 (72.86)
	May 23, 2022	16510 (9,073.20)

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

Filter Criteria includes: Report is printed in Detail Format.

May 23, 2022	16511	(829.50)	
May 23, 2022	16512	(64.50)	
May 23, 2022	16513	(247.82)	
May 23, 2022	16514	(590.00)	
May 23, 2022	16515	(208.17)	
May 23, 2022	16516	(18.40)	
May 23, 2022	16518	(1,227.90)	
May 23, 2022	16519	(340.00)	
May 23, 2022	16520	(233.67)	
May 23, 2022	16523	(26.00)	
May 23, 2022	16524	(242.73)	
May 23, 2022	16525	(125.22)	
May 23, 2022	16526	(205.10)	
May 25, 2022	16527	(248.95)	
May 25, 2022	16528	(1,759.45)	
May 25, 2022	16529	(1,575.00)	
May 25, 2022	16530	(315.40)	
May 25, 2022	16531	(220.26)	
May 25, 2022	16532	(4,950.81)	
May 25, 2022	16534	(1,089.62)	
May 25, 2022	16536	(1,361.00)	
May 25, 2022	16537	(158.42)	
May 25, 2022	16539	(249.84)	
May 27, 2022	16540	(1,951.18)	
May 27, 2022	16541	(87.15)	
May 27, 2022	16542	(386.21)	
May 27, 2022	16543	(100.00)	
May 27, 2022	16544	(125.10)	
May 27, 2022	16545	(148.53)	
May 27, 2022	16546	(16.60)	
May 27, 2022	16547	(38.72)	
May 27, 2022	16548	(36.75)	
May 27, 2022	16549	(31.32)	
May 27, 2022	16550	(32.09)	
May 27, 2022	16551	(171.10)	
May 27, 2022	16552	(49.90)	
May 27, 2022	16553	(26.52)	
May 27, 2022	16554	(105.36)	
May 27, 2022	16555	(25.00)	
May 27, 2022	16556	(23.28)	
May 27, 2022	16557	(5.18)	
May 27, 2022	16558	(24.00)	
May 27, 2022	16559	(645.25)	
May 27, 2022	16560	(72.90)	
May 27, 2022	16561	(25.00)	
May 23, 2022	OL-0523202	(1,633.36)	
May 31, 2022	OL-0531202	(340.00)	
May 31, 2022	OL-0531202	(1,340.00)	
May 31, 2022	OL-0531202	(5,746.34)	
Total outstanding checks			(361,562.40)
Add (Less) Other			
May 30, 2022	CC0530	1,755.10	
May 31, 2022	CC0531	5,492.42	
May 31, 2022	CCIH0521	1,356.60	
May 31, 2022	MARS0521	65.09	
Total other			8,669.21
Unreconciled difference			0.00
Ending GL Balance			<u>2,557,280.67</u>

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

Reconciled 6/6/2022 by James Pauley, CPA

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	18,290,779.99
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	4,009,173.70
Ending GL Balance	22,299,953.69
Ending Bank Balance	22,299,953.69
Add back deposits in transit	_____
Total deposits in transit	
(Less) outstanding checks	_____
Total outstanding checks	
Add (Less) Other	_____
Total other	
Unreconciled difference	0.00
Ending GL Balance	22,299,953.69

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

Reconciled 6/6/2022 by James Pauley, CPA

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	2,616,258.96
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	1,224.78
Ending GL Balance	2,617,483.74
Ending Bank Balance	2,617,483.74
Add back deposits in transit	
Total deposits in transit	
(Less) outstanding checks	
Total outstanding checks	
Add (Less) Other	
Total other	
Unreconciled difference	0.00
Ending GL Balance	2,617,483.74

Sherman & Howard

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Matthew J. Hogan
Direct Dial Number: (303) 299-8434
E-mail: mhogan@ShermanHoward.com

June 1, 2022

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

Attention: Mr. Eric Reckentine
District Manager

North Weld County Water District Water Revenue Bonds, Series 2022

Dear Members of the Board of Directors:

We are pleased to confirm our engagement as bond counsel and special disclosure counsel to the North Weld County Water District (the "District"). We appreciate your confidence in us and will do our best to continue to merit it. This letter sets forth the roles we propose to serve and the responsibilities we propose to assume as bond counsel and special disclosure counsel to the District in connection with the issuance of the above captioned bonds (the "Bonds").

Personnel. Matt Hogan will be principally responsible for the work performed by Sherman & Howard L.L.C. on your behalf and they will report to and take direction from Eric Reckentine, the District Manager. Where appropriate, certain tasks may be performed by other attorneys or paralegals. At all times, however, Matt Hogan will coordinate, review, and approve all work completed for the District.

Scope of Services. Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds. As your bond counsel, we will: examine applicable law; consult with the parties to the transaction prior to the issuance of the Bonds; prepare customary authorizing and operative documents, which may include proceedings relating to: the authorization of the sale and issuance of the Bonds, and closing certificates; review a certified transcript of proceedings; and undertake such additional duties as we deem necessary to render the opinion. Subject to the completion of proceedings to our satisfaction, we will render our opinion relating to the validity of the Bonds, the enforceability of the security for the Bonds, and the exclusion of the interest paid on the Bonds (subject to certain limitations which may be expressed in the opinion) from gross income for federal income tax purposes and for Colorado income tax purposes.

We are also being retained by you to assist the District in connection with the Official Statement for the Bonds (the "Official Statement"). As such, we will provide advice to the District on the applicable legal standards to be used in preparing the Official Statement and meeting the District's disclosure responsibilities. At the conclusion of the transaction we will deliver a letter to you stating, substantially, that we have assisted the District in the preparation of the Official Statement, and that in the course of such assistance, nothing has come to the attention of the attorneys in our firm rendering legal services in connection with our representation which leads us to believe that the Official Statement, as of its date (except for the financial statements, other statistical data and statements of trends and forecasts, and information concerning the Bond Insurer, if any, and The Depository Trust Company and its procedures contained in the Official Statement and its Appendices, as to which we express no view), contains any untrue statement of material fact or omits to state any material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading. If requested, we will prepare the Bond Purchase Agreement on behalf of the District, though this is not normally within the scope of our responsibilities.

Our opinion and letter each will be addressed to the District and will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing"). The opinion and letter each will be based on facts and law existing as of their date.

Our services as bond counsel and as special disclosure counsel are limited to those contracted for explicitly herein; the District's execution of this letter constitutes an acknowledgment of those limitations. Specifically, but without implied limitation, our responsibilities do not include any representation by Sherman & Howard L.L.C. in connection with any IRS audit or any litigation involving the District or the Bonds, or any other matter. Neither do we assume responsibility for the preparation of any collateral documents (e.g., environmental impact statements) which are to be filed with any state, federal or other regulatory agency. Nor do our services include financial advice (including advice about the structure of the Bonds) or advice on the investment of funds related to the Bond issue. If such services are requested of us, we suggest that we discuss the nature and extent of those services and an estimate of our fee at the time of the request.

Attorney-Client Relationship. In performing our services, the District will be our client and an attorney-client relationship will exist between us. We will represent the interests of the District rather than its Board of Directors, its individual members, or the District's employees. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Conflicts of Interest. Our firm sometimes represents, in other unrelated transactions, certain of the financial institutions that may be involved in this Bond transaction, such as underwriters, credit enhancers, and banks that act as paying agents or trustees. We do not believe that any of these representations will materially limit or adversely affect our ability to represent the District in connection with the Bonds, even though such representations may be characterized as adverse under the Colorado Rules of Professional Conduct (the "Rules"). In any event, during the term of our engagement hereunder, we will not accept a representation of any of these parties in any matter in which the District is an adverse party. However, pursuant to the Rules, we do ask

that you consent to our representation of such parties in transactions that do not directly or indirectly involve the District. Your execution of this letter will signify the District's prospective consent to such adverse representations in matters unrelated to the Bonds while we are serving as bond counsel hereunder.

Fee Arrangement. Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the responsibilities we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the skill and experience required to complete the services properly, we estimate that our fee will \$60,000, depending upon the principal amount of Bonds to be issued. Such fee may vary: (i) if material changes in the structure of the financing occur, or (ii) if unusual or unforeseen circumstances arise which require a significant increase in our time or our responsibilities. Specifically, if the Bonds are not delivered at Closing on or before October 1, 2022, it will be necessary for us to repeat and update much of our work and a commensurate increase in our fees will result. If, at any time, we believe that circumstances require an adjustment of our original fee estimate, we will consult with you and prepare an amendment to this engagement letter.

We understand and agree that our contingent fees will be paid at Closing out of Bond proceeds. If the financing is not consummated, we understand and agree that we will not be paid.

Document Retention. At or within a reasonable period after Closing, we will review the file to determine what materials should be retained as a record of our representation and those that are no longer needed. We will provide you with a copy of the customary transcript of documents after Closing and will return any original documents obtained from you (if a copy is not included in the transcript). We will retain for several years a copy of the transcript and such other materials as correspondence, final substantive work product, documents obtained from you, and documents obtained from third parties. We will not retain such materials as duplicates of the above-described material, or drafts and notes that do not appear needed any longer.

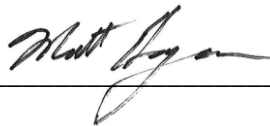
Ordinarily the firm will keep the retained materials until seven years after the final maturity of the Bonds. At the end of that time, unless you advise us in writing to the contrary, we will destroy the bulk of the file. If the file is especially voluminous, we may destroy all or portions of it earlier, as our storage facilities are limited. If you prefer other arrangements for retention or disposition of our files in this matter, please advise us in writing.

Termination of Engagement. Upon delivery of our approving opinion and letter as special disclosure counsel, our responsibilities as bond counsel and as special disclosure counsel will terminate with respect to the Bonds, and our representation of the District and the attorney-client relationship created by this engagement letter will be concluded. Should the District seek the advice of bond counsel on a post-closing matter or seek other, additional legal services, we would be happy to discuss the nature and extent of our separate engagement at that time.

Approval. If the foregoing terms of this engagement are acceptable to you, please so indicate by returning the duplicate original of this letter signed by the officer so authorized, retaining the other original for your files.

We are pleased to have the opportunity to serve as your bond counsel and special disclosure counsel and look forward to a mutually satisfactory and beneficial relationship. If at any time you have questions concerning our work or our fees, we hope that you will contact us immediately.

SHERMAN & HOWARD L.L.C.

By:  _____

MJH/gpm

Accepted and Approved:

NORTH WELD COUNTY WATER DISTRICT

By: _____

Its: _____

Date: _____



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970-330-6700
fotis@nocoattorneys.com
www.nocoattorneys.com

June 3, 2022

Lakeview Farms, LLC
c/o Thomas and Sammie Pitcher
805 South County Road 3
Ft. Collins, CO 80524

North Weld County Water District
Attention: Eric Reckentine
32825 CR 39
Lucerne, CO 80646

RE: Offer to Acquire, Project: Line 1 Replacement Project
Parent Tract APN: 8714000001 and 8712000003
Project Parcel No: PE-BA-6, TE-BA-6, PE-LCR-3-1, and TE-LCR-3-1

Dear Thomas and Sammie Pitcher and Eric Reckentine:

Otis & Bedingfield, LLC (“OB”) has been requested by Thomas and Sammie Pitcher and Lakeview Farms, LLC (“Pitcher/Lakeview”) to assist and advise them with regard to the referenced matter that involves acquisition by North Weld County Water District (“NWCWD”) of permanent and temporary easements across the Pitcher/Lakeview property.

Otis & Bedingfield, LLC (“OB”) has done some legal work for NWCWD in the past and that representation could be perceived as a conflict of interest by either or both NWCWD and Pitcher/Lakeview.

NWCWD and Pitcher/Lakeview understand and acknowledge OB is representing Pitcher/Lakeview exclusively with regard to the Offer to Acquire, and no legal advice from OB will be provided to NWCWD.

By their respective signatures in the spaces provided below, NWCWD and Pitcher/Lakeview acknowledge and waive any real or actual or perceived conflict of interest and waive any objections they may have to OB exclusively representing Pitcher/Lakeview in the proposed transactions between NWCWD and Pitcher/Lakeview, including any follow-up matters or proceedings arising out of the referenced matter.



If either of you have any questions or observations with regard to this letter, please let me know. If either of you prefer not to waive the conflict of interest, OB will decline to proceed with representation of Pitcher/Lakeview.

Sincerely,
Otis & Bedingfield, LLC

FRED L. OTIS
Attorney at Law

Lakeview Farms, LLC

NWCWD

By: _____
Its: _____

By: _____
Its: _____

Thomas Pitcher

Sammie Pitcher

Water Rate Cost-of-Service Study Update

George Oamek

Headwaters Corporation

June 13, 2022

Major Changes since initial draft of Cost-of-Service study

- More aggressive Capital Improvement Program (CIP)
- Anticipated new debt for NEWT3 and Tank 1c to be issued in 2022-23
- Water allocation surcharges increase from \$2.00 to \$6.00 per 1,000 gallons
- Partial moratorium on new taps
- Increase in Plant Investment (PI) fees
- Revised Draft report submitted to District staff

Characteristics of the Calculated Rates

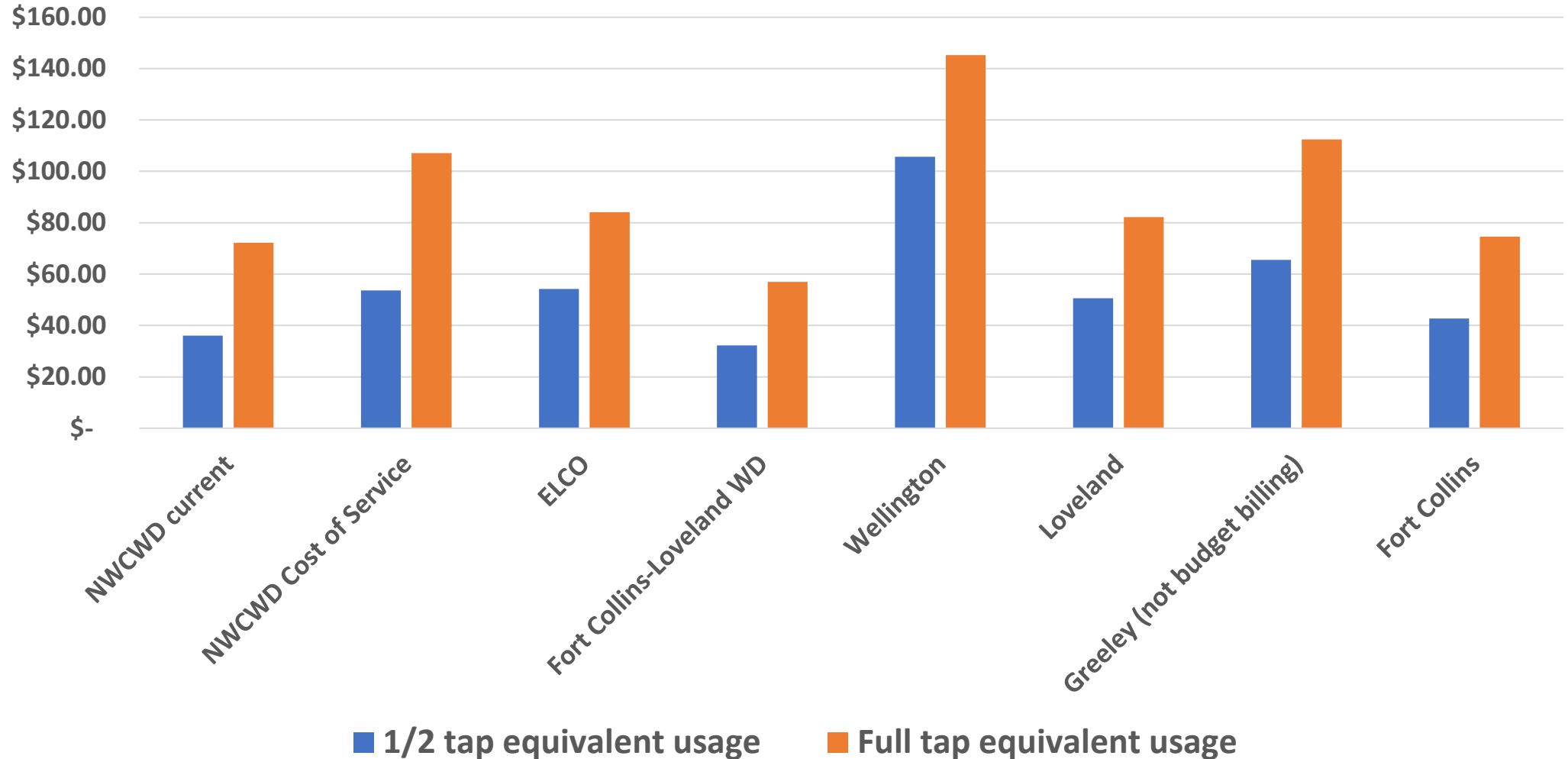
- Reflect base-extra capacity cost allocations
 - Different customer classes place different demands on system capacity
 - Results in differential rates by customer class
- Focus on “used and useful” assets when calculating rates for towns
 - Towns provide their own water supply, peak hour storage, and local distributions system
- Initial estimates focus on single tiers for each customer class
 - Water allocation surcharges serve similar purpose

NWCWD Cost of Service summary for 2023

	Current water charges	Baseline cost-of-service water rates
Residential customers	\$4.15/1,000 gal	\$6.15/1,000 gal
Commercial and industrial	\$4.15/1,000 gal	\$4.45/1,000 gal
Towns	\$3.11/1,000 gal	\$3.72/1,000 gal average
Plant Investment fee	\$17,650/tap	\$15,100/tap Town \$20,200/tap District \$18,200/tap average

	NWCWD current	NWCWD, baseline COS scenario	East Larimer County WD	Fort Collins-Loveland WD (residential, outside Fort Collins)	Town of Wellington	City of Loveland (inside City)	City of Greeley (not on Water Budget)	City of Fort Collins
Monthly service charge	\$24.90, includes first 6,000 gallons	Residential \$36.96; Comm/Indus \$26.70 Both include first 6,000 gallons	\$14.00	\$15.75	\$66.00	\$18.05	\$17.50	\$18.30
Volume charge (\$/1,000 gallons)	All users: \$4.15 Wholesale service to Towns:	Residential: \$6.16 Comm/Indus: \$4.45 Wholesale service to Towns: \$3.72	Residential: \$4.03 Commercial \$3.45	Residential: \$1.83 (<8,000 gal) \$2.60 (<15,000)	\$4.56 (<15,000 gal) \$5.70 (< 30,000 gal)	Residential: \$3.69 Commercial: \$4.39	Residential: \$5.46 Commercial: \$5.45 Industrial: \$4.28	\$2.834 (<7,000 gal) \$3.257 (<13,000 gal)
Excess usage charge (\$/1,000 gallons)	\$6.00 plus volume charge for usage greater than allocation	\$6.00 plus volume charge for usage greater than allocation	\$4.62 plus volume charge for usage greater than allocation	\$3.49 for usage greater than 15,000 gal/mo	\$7.72 (>30,000 gal)	\$1.57 plus volume charge, only for commercial customers	No specific penalty published for non-budget customers.	\$3.746 (>13,000 gal)
Monthly average residential bill (0.32 af)	\$36.07	\$53.59	\$54.15	\$32.21	\$105.63	\$50.56	\$65.50	\$42.70
Monthly average residential bill (0.64 af)	\$72.13	\$107.07	\$84.05	\$56.97	\$145.26	\$82.19	\$112.40	\$74.59

Comparison of Average Monthly Bills



Baseline Cost-of-Service Rates

- With 3% annual adjustments for inflation, baseline rates maintain a positive cash flow through 2030
- PI fees will likely require further increases after in 2025 and beyond
- Increase in rates will likely meet resistance
- Potential future mill levy
- Potential rate-of-return charged to towns
- Path and pace of implementation to be determined

Resolution No. 20220613-01

**FIRST AMENDMENT TO
NORTH WELD COUNTY WATER DISTRICT
ANNUAL ADMINISTRATIVE RESOLUTION
(2022)**

WHEREAS, at the regular meeting of the Board of Directors (the “**Board**”) of North Weld County Water District (the “**District**”), held on December 13, 2021, the Board adopted a resolution entitled North Weld County Water District Annual Administrative Resolution (2022) (the “**Resolution**”); and

WHEREAS, since the adoption of the Resolution, the Board has determined to change the time of regular meetings of the Board of the District.

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

1. REPEAL AND REPLACEMENT. Paragraph 18 of the Resolution is hereby repealed and replaced in its entirety with the following:

18. The Board determines to hold regular meetings on the second Monday of each month, at _____ .m. by telephonic, electronic, or other means not including physical presence.

2. PRIOR PROVISIONS EFFECTIVE. Except as specifically amended hereby, all the terms and provisions of the Resolution shall remain in full force and effect.

[Remainder of page intentionally left blank.]

ADOPTED this 13th day of June, 2022.

NORTH WELD COUNTY WATER DISTRICT

Officer of the District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District