

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

Held: Monday, the 11th day of April, 2022, at 1:00 P.M.

The meeting was conducted via teleconference.

ATTENDANCE

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

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

Also present were: Eric Reckentine, General Manager of the District; Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Paul Weiss, Williams and Weiss Consulting; Darin Pytlik, Providence Infrastructure Consultants, District Engineers; Jason Simmons, Hilltop Securities; Richard Reins, Water Resources; Members of the Public via teleconference.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order at 1:00 P.M.

Declaration of Quorum and Confirmation of Director Qualifications

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

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

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

Approval of Agenda

Mr. Reckentine presented the Board with the agenda for the meeting. Upon motion of Mr. Stout, seconded by Mr. Buxman, the Board unanimously approved the agenda, as amended to move consideration Agenda Item 12 "Consider Engagement Letter for Financial Advisor Services with Hilltop Securities" before Agenda Item 4.

Consider Approval of Engagement Letter for Financial Advisor Services with Hilltop Securities

Mr. Reckentine presented an engagement letter with Hilltop Securities to provide financial advisor services to the District in connection with bond issuances. Mr. Simmons discussed the role of a financial advisor in any given financial transaction and discussed the services to be provided for an initial bond issuance to finance the NEWT III Pipeline project, and future bond issuances. Following discussion upon a motion of Mr. Stout, seconded by Mr. Cockroft, the Board unanimously approved the engagement letter with Hilltop Securities.

CONSENT AGENDA MATTERS

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

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

- a. Minutes from March 14, 2022 Regular Meeting
- b. Acceptance of Unaudited March 2022 Financial Statements
- c. Approve Invoices through April 11, 2022
- d. Waiver Valuation Anderson Property Eaton Pipeline Project Phase 2 Easement
- e. Independent Contractor Agreement with Horrocks Engineers for On-Call Engineering Services

Consider Adoption of Resolution No. 20220411-01: Resolution Adopting a Commercial Drought Policy

Mr. Reckentine presented a Resolution Adopting a Commercial Drought Policy to the Board and discussed the proposed policy to limit commercial customers to their actual water allocations in the event of a drought. Mr. Cockroft discussed concerns about the policy and a desire to allow commercial users to bring additional water to the District on a yearly basis, not just during a drought, but acknowledged that policy is a good start. Upon a motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously adopted the Resolution.

Consider Adoption of Resolution No. 20220411-02: Resolution Adopting a Residential Drought Policy

Mr. Reckentine presented a Resolution Adopting a Residential Drought Policy to the Board and discussed the proposed policy to limit residential customers water used in the event of a drought. The policy allows for three stages of drought to be determined by the Board, with corresponding watering restrictions. Upon a motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously adopted the resolution.

**WATER TAP SALE
MATTERS**

Update Regarding Water
Taps

Mr. Reckentine updated the Board that 17 water taps were sold in March, and 67 of 75 authorized water water taps have been sold since February 2022.

Consider Adoption of
Resolution No. 2022041103:
Resolution Establishing an
Amended Tap Sale Criteria
Policy

Mr. Reckentine presented a Resolution Establishing an Amended Tap Sale Criteria Policy which provides that the District may sell water taps already committed under water service agreements, or where water has been dedicated already, without a monthly limitation on the number of water taps sold. Following discussion, upon a motion of Mr. Cockroft, seconded by Mr. Cook, the Board unanimously adopted the Resolution.

Consider Approval of
Second Amendment to
Amended and Restated
Water Service Agreement
with Town of Severance

Mr. Reckentine the Second Amendment to Amended and Restated Water Service with the Town of Severance with provides for the sale of 100 additional plant investments to the Town, and requires negotiation of a new water service agreement between the District and the Town. Following discussion, upon a motion of Mr. Cook, seconded by Mr. Cockroft, the Board approved the Agreement with Directors Stille, Cook and Cockroft voting yes, and Director Buxman voting no. Director Stout abstained from discussion and voting.

Consider Approval of
Variance Request from Wolf
Creek Dairy

Mr. Reckentine presented a request to the Board from the Wolf Creek Dairy for a variance to allow for the purchase of an additional plant investment. Mr. Reckentine discussed the request with the Board and recommended a denial. Following discussion, upon a motion of Mr. Stout, seconded by Mr. Buxman, the Board denied the variance request.

Consider Approval of a
Compound Tap Policy
Variance

Woodman

Mr. Reckentine presented the Woodman request for a variance to the Compound Tap Policy. Following discussion, upon a motion of Mr. Buxman, seconded by Mr. Stout, the Board denied the variance request.

Heldt

Mr. Reckentine presented the Heldt request for a variance to the Compound Tap Policy. Following discussion, upon a motion of Mr. Stout, seconded by Mr. Buxman, the Board denied the variance request.

Consider Adoption of Resolution No. 20220411-04: Second Amendment to Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Penalties, and Charges for Water Services and Facilities

Mr. Reckentine presented the Second Amendment to Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Penalties, and Charges for Water Services and Facilities. The purpose of the amendment is to adjust the allocation surcharge from \$2.00 to \$6.00, based on the Williams and Weiss study on the cost of raw water. Following discussion, upon a motion of Mr. Cockroft, seconded by Mr. Cook, the Board unanimously adopted the Resolution.

Consider Approval of Amendment to Knox Pit Purchase and Sale Agreement

Mr. Reckentine presented the Board with an amendment to the Knox Pit Purchase and Sale Agreement. Mr. Reckentine reported that issues with due diligence have been met. The amendment seeks a second extension until October 2022 to finalize liner revisions. Following discussion, upon a motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously approved the amendment.

EXECUTIVE SESSION

Not needed.

May 2022 Director Election Update

Mr. White reported that the director election is proceeding forward.

Consider Approval of On-Site Ballot Drop Box on Election Day

Mr. White discussed with the Board the option to provide an onsite ballot drop box the day of the election. The Board discussed challenges with onsite ballot drop boxes in the past. Following discussion, upon a motion of Mr. Cockroft, seconded by Mr. Stout, the Board unanimously determined not to provide an onsite ballot drop box.

Potable Water Infrastructure Project Select Energy and Platte Land and Water for Northwest Weld County

Mr. Reckentine reported to the Board. No action was taken.

DISTRICT MANAGER'S REPORT

Mr. Reckentine reported the following to the Board:

- a. DFA Meeting April 26, 2022 – Conference will be held in April and Mr. Reckentine will be presenting.

PUBLIC COMMENT

None.

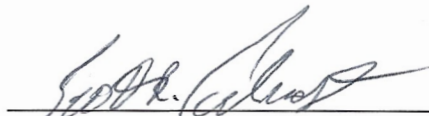
OTHER BUSINESS

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