

NORTH WELD COUNTY WATER DISTRICT

Notice of Meeting

Monday, December 11, 2023, 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 December 11, 2023, 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 November 13, 2023, Meeting**
 - b. Unaudited Financials for November 2023**
 - c. Invoices through December 11, 2023**
 - d. Basilere Meter Relocation Request, Wood Lake Line Replacement**
 - e. Change Order Element Engineering -Oppositions**
 - f. Work Directive Change CR 84 Project Line Replacement**
 - g. Stantec Master Plan Amendment**
 - h. Long Peak WSSC Recharge Project Contractor Change Order**
 - i. Back Flow Cross Connection Variance Request - MMM**
 - j. Adoption of Resolution No. 20231211-01: 2024 Annual Administrative Resolution (enclosure)**
 - k. Easement Agreements**
 - i. Serfer Easement and Reimbursement Agreements – Greeley and NWCWD Harmony Interconnect**
 - ii. HOA Ridgewood Crossing Agreement – NEWT III**
 - iii. License to Enter – Long peak Dairy**
 - l. Knox Pit Amendment Agreement with Poudre Fire and LRM**
 - m. Amendment and Ratification of Oil and Gas Lease – Nickel Road Development**

6. **Financial Matters:**
 - a. **Conduct Public Hearing on 2023 Budget Amendment and Consider Adoption of Resolution No. 20231211-0_: Resolution Amending 2023 Budget (if needed) (enclosure)**
 - b. **Conduct Public Hearing on 2024 Budget and Consider Adoption of Resolution No. 20231211-02: Resolution Adopting 2024 Budget, Imposing Mill Levy and Appropriating Funds (enclosure)**
7. **Consider Adoption 2024 Fee Schedule (enclosure)**
8. **Action: Consider Approval of Honey Creek Resources Revised Cost of Service and Fees Study (enclosures)**
9. **Discussion: Revised CDPHE Lead and Copper Rule**
10. **Executive Session: The Board reserves the right to enter into Executive Session for the following purposes: Receiving legal advice and discussing matters subject to negotiation and strategy pursuant to § 24-6-402(4)(b) & (e), C.R.S. related to Cost-of-Service Study**
11. **District Manager's Report: (enclosures)**
 - a. **Tap Sales**
 - b. **CDPHE Sanitary Survey – No Violations or Deficiencies**
 - c. **Christmas Party December 18, 2023, Eaton Country Club 12:00 p.m.**
 - d. **Wood Lake Line Relocation Project**
 - e. **Work Session Master Plan Dates**
 - f. **NWCWD 2024 Regular Board Meeting Dates**
 - g. **Master Plan Stakeholder Meeting**
 - i. **Town of Severance, November 16, 2023**
 - ii. **Monte Vista Dairy, November 28, 2023**
12. **Other Business**
 - a. **North Poudre Irrigation Company Nominations for Director**
 - b. **Town of Ault Line Leak**

ADJOURN _____ P.M.



3729 Cleveland Avenue
P.O. Box 100
Wellington, Colorado 80549
Telephone: (970)568-3612
Fax: (970)221-4659

North Poudre Irrigation Company

November 20th, 2023

NOTICE TO SHAREHOLDERS REGARDING NOMINATION OF DIRECTORS FOR THE NORTH POUDBRE IRRIGATION COMPANY

To All Voting-Qualified Shareholders of the North Poudre Irrigation Company (“NPIC”):

In order to streamline the nomination process at the annual shareholders meeting, nomination forms shall be mailed to all voting-qualified shareholders of the Company prior to the annual meeting. Implementing this policy allows for advance proper qualification of nominees if an election is required to be by ballot under the By-Laws.

The NPIC Board of Directors consists of five members, each of whom serves a three-year term. The Director positions expiring as of February 2024 are currently held by:

Dale Leach (Fort Collins Loveland Water District)
Donnie Dustin (City of Fort Collins)

NPIC Director elections are conducted during each annual shareholder meeting, held the first Monday in February of each year from 8:00 to 12:00 p.m. Dale Leach (Fort Collins Loveland Water District) and Donnie Dustin (City of Fort Collins) plan to run for re-election. If you would like to nominate the existing Director(s) for re-election, or to nominate yourself or another qualified shareholder for inclusion on the February 5th, 2024 NPIC ballot, please ensure delivery of your completed nomination form (enclosed) **on or before January 2nd, 2024** by U.S. mail or by personal delivery to:

The North Poudre Irrigation Company
3729 Cleveland Avenue
P.O. Box 100
Wellington, CO 80549
ATTN: Cali Gunter

To be effective, all nomination forms and supporting authorization documents, as necessary, must be properly completed and must be received in the office of NPIC on or before January 2nd, 2024 and include your full name, address, and telephone number.

THE NORTH POUDBRE IRRIGATION COMPANY

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THE NORTH POUDDRE IRRIGATION COMPANY
P.O. BOX 100
3729 CLEVELAND AVENUE
WELLINGTON, COLORADO 80549

NOMINATION(S) FOR ELECTION TO
THE BOARD OF DIRECTORS

I hereby nominate the following¹ for election to the Board of Directors at the annual shareholder's meeting of the North Poudre Irrigation Company on February 5th, 2024:

To fill the expiring three-year term of Dale Leach with Fort Collins Loveland Water District, I hereby nominate:

To fill the expiring three-year term of Donnie Dustin with the City of Fort Collins, I hereby nominate:

Stockholder making the nomination(s) ["Nominator"] (*please print*):

(Name must be identical to that shown on your stock certificate or supporting authorization as described below.)

Signature: _____ Date _____

Address: _____ Phone Number _____

If you hold your share(s) on behalf of a governmental or other entity or organization, you must include an executed Statement of Authority or appropriate Resolution by governing body authorizing you to nominate and sign on behalf of the stockholder you are representing. If such Statement of Authority or Resolution is not provided with this nomination form, your nominations will not be considered.)

NOMINATOR AND NOMINEE MUST EACH BE A VOTING-QUALIFIED NPIC SHAREHOLDER

NOMINATIONS MUST BE RECEIVED IN NPIC'S OFFICE NO LATER THAN CLOSE OF BUSINESS, JANUARY 2nd, 2024 BY HAND-DELIVERY OR U.S. MAIL.

¹ If nominating an individual that is a representative of an organization or entity, please state that organization or entity.

WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of the 25th day of June, 2001, by and between the North Weld County Water District, acting by and through the North Weld County Water District Enterprise (hereinafter "District"), and the Town of Ault acting through its Water Activity Enterprise (hereinafter "Ault"), a Colorado Municipality.

RECITALS

WHEREAS, the District is a statutory special district formed under the Laws of the State of Colorado and is a quasi municipal corporation; and

WHEREAS, the District Enterprise and Ault Enterprise were created by the District and Ault, respectively, in order to comply with the provisions of Section 20, Article X of the Colorado Constitution and Article 45.1 of Title 37 of the Colorado Revised Statutes, as applicable; and

WHEREAS, the District (on its own or in cooperation with others) owns, maintains and operates a system for the storage and distribution of potable water within Weld County and Larimer County, Colorado; and

WHEREAS, Ault owns, maintains and operates a separate and independent system for the storage of and distribution of potable water to its residents and customers; and

WHEREAS, Ault desires to contract with the District for certain potable water supplies and services; and

WHEREAS, the District, as a non-profit quasi municipal statutory district must establish and provide water rates so as to cover maintenance and operation, depreciation, replacement and appropriate funding of capital costs of the District; and

WHEREAS, Ault and District desire to enter into an agreement defining their respective rights, duties, obligations and interests; and

NOW, THEREFORE, in consideration of the premises and the covenants and agreements hereinafter set forth, it is agreed by and between the District and Ault as follows:

ARTICLE 1 DEFINITIONS

1.1 "Commitment" shall mean the District's obligation to furnish water as set forth in Section 2.1.

1.2 "Conservation Plan" shall refer to a plan created by the Town in accordance with Section 2.7 hereinbelow.

1.3 "Contract Service Area or Service Area" shall mean all taps served by the Town of Ault, including all taps currently in existence, whether or not such taps are inside or outside of the limits of the Town of Ault. Contract Service Area or Service Area may only be expanded by the Town in accordance with section 9.3 of this agreement. Contract Service Area or Service Area is further defined and explained in Section 9.3 of this agreement.

1.4 "Delivery Point(s)" shall mean point(s) at which the District delivers water to Ault's system.

1.5 "Engineering Standards" shall mean the engineering standards of the District, including future modifications thereto.

1.6 "Furnish" when used with regard to the District's Commitment shall mean to acquire and furnish and includes all of the intermediate steps necessary to provide water at the delivery point(s) but does not include the obligation to construct certain localized storage, pumping, transmission or distribution facilities which may be constructed by Ault as part of Ault's facilities.

1.7 "Impossible" shall mean a circumstance in which the District is prevented from performing under the terms and provision of this Agreement. Such a circumstance must be beyond the control of the District and must not be created by any actions of the District.

1.8 "Minimum Raw Water Obligations" shall mean 110% of the total measured potable water usage at the master meter for the previous year plus any anticipated increases in usage.

1.9 "Notice" shall mean the notice described in Section 10.2.

1.10 "Water Supply" shall include, but not be limited to, existing water supplies, future water supply projects and development of existing and after acquired water rights.

ARTICLE 2 WATER SUPPLY

2.1 The District shall furnish, and Ault shall purchase and receive from the District, water for the operation of Ault's water system in the maximum and minimum annual amounts, peak demands in gallons per minute, and minimum and maximum pressures, all as are more fully set forth in Exhibit "A" attached hereto. Ault shall not serve users or property outside the limits of the Northern Colorado Water Conservancy District.

2.2 The water to be furnished by the District shall be potable water, which complies with the Federal Safe Drinking Water Act and any other applicable drinking water regulations. The District shall conduct all testing necessary to assure that the water furnished under this Agreement complies with Federal and State drinking water standards. No promise or guarantee of pressure is made by the District or is to be implied from anything contained herein, except as established by Exhibit "A".

2.3 The District's commitment shall be limited only by the occurrence of factors, which make it impossible for the District to meet the commitment.

2.4 At any time, Ault may purchase or otherwise acquire surface, raw water rights and or other waters. If such water rights have a raw water quality which is capable of being delivered to and treated by the District's then current water treatment system to the then current federal and state Drinking Water Standards, and are usable in the District's water supply system, the District agrees to accept such water rights and reserve to Ault an additional amount of treated water. The amount of additional treated water shall be equivalent to the firm annual yield of the conveyed water rights, as determined by the District, using the same firm annual yield methodology used by the District in the operation and management of its water rights and water system, less treatment and conveyance losses.

2.5 The minimum and maximum pressures as shown on Exhibit "A" are to be met by the District at the Delivery Point(s) only. Ault is responsible for all pressures within its system after the Delivery Point. Additionally, the Delivery Point shall be as set forth in Exhibit "A" attached hereto unless modified by written mutual agreement.

2.6 Both parties to this Agreement recognize that the District's water supply is dependent upon natural water resources that are variable in quantity of supply from year to year. The District shall not be liable to accurately anticipate availability of the District's water supply or for an actual failure of the District's water supply due to inadequate run-off or other occurrence beyond the reasonable control of the District. In time of such shortage or failure, water use may be curtailed in a manner to be determined by the District; provided, however, that such curtailment on use shall be applied uniformly both inside and outside Ault.

2.7 Ault will create and implement a Conservation Plan within one (1) year from the date of this Agreement in order to encourage wise use of water throughout Ault's service area. Said plan should provide for adoption of such policies or taking action as may be required of Ault as a recipient of water from the District by Federal and/or State law.

2.8 The District shall use reasonable diligence to provide a constant and uninterrupted supply of water except for interruption or reductions due to: (1) uncontrollable forces; (2) operations or devices installed for water system protection; and (3) maintenance, repair, replacement, installation of equipment, or investigation and inspection of the water system, which interruption or reductions are temporary, and in the opinion of the District, necessary. Excepting cases of emergency, Ault will be given reasonable advance notice of such interruptions.

2.9 The District shall not be considered in default under this Agreement if prevented from fulfilling any obligations by reason of Uncontrollable Forces. The term "Uncontrollable Forces" shall mean any cause beyond the control of the obligated party, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, breach of construction contract by a third party or restraint by court or public authority, which due diligence and foresight, such party could not have reasonably been expected to avoid. A party rendered unable to fulfill its obligation by reason of Uncontrollable Forces shall exercise due diligence to remove such inability with all reasonable dispatch.

ARTICLE 3 RAW WATER

3.1 Ault shall annually provide raw water ("Raw Water Requirement") for treatment and delivery by the District, in the amount of 110% of the total measured potable water usage by Ault at the master meter for the previous year, plus any anticipated increases in Ault's use. Raw water provided to the District shall be provided on an actual gallon basis as measured at the intake station at the Soldier Canyon Filter Plant. The stated "110%" is 100% plus an allowance of 10% to cover estimated shrinkage from the Soldier Canyon Treatment Plant to the point of delivery at the master meter.

3.2 The Raw Water Requirements shall be provided from the Colorado Big Thompson Project ("CBT"), the Windy Gap Project ("WG"), North Poudre Irrigation Company ("NPIC"), or from any other source reasonably acceptable to the District which is at least as usable to the District as CBT or WG water at the District's sole discretion.

3.3 The District shall not acquire, rent or own any additional Raw Water necessary to meet Ault's Raw Water Requirement. Ault is solely liable to make arrangements for its own Raw Water necessary to meet the Raw Water Requirement.

3.4 The District shall not be required to acquire any additional raw water necessary to meet Ault's Raw Water Requirements.

3.5 In the event Ault does not provide sufficient raw water to the District to meet its Raw Water Requirements, the District shall give Ault notice of such insufficiency, as nearly as possible, thirty (30) days prior to the time when such additional raw water will be necessary. If, after such notice, Ault fails or refuses to provide sufficient raw water, the District may, in its sole discretion provide such raw water. (See Section 8.2).

ARTICLE 4 DISTRICT FACILITIES

4.1 The District shall, at its sole expense, take such actions and make such connections between Ault's system and the District's system as necessary to supply water service to Ault as required under this Agreement.

4.2 The District shall install the necessary metering equipment and master meter vault(s). The District shall design the master meter vault(s) and flow control device(s), in accordance with the specification of the District. Ault shall reimburse the District for all costs and expenses including design, location, construction and installation of all equipment and vault(s) replaced or added after the date of this Agreement.

4.3 The District shall install, own and operate a flow-restricting device(s) at the master meter vault(s). Said device shall be capable of controlling the flow rate to Ault within the rates provided on Exhibit "A", as modified by the terms of Section 9.2, as directed by Ault in writing. Ault shall not be responsible for charges based on deliveries at flow rates greater than the flow rates directed by Ault in writing or as stated in this Agreement.

4.4 The District shall own and maintain the District's water system, including any interconnection facilities, water line, pump station and treatment plant facilities necessary to serve Ault as required by this Agreement, up to the Delivery Point(s). The District shall own the master meter, meter vault, and flow and pressure control facilities, which shall be managed, administered, operated and maintained exclusively by the District. For the purpose of determining operation and maintenance responsibility, Ault shall maintain from the meter vault outlet valve on Ault's side.

ARTICLE 5 TOWN'S FACILITIES

5.1 Ault will own and continue to be responsible for construction, operation and maintenance of its distribution lines and other system facilities on Ault's side of the Delivery Point(s). Ault shall undertake all proper steps to prevent connections to Ault's water system which would in any way permit water produced in or by Ault to enter the District's distribution system by back-flow, back-pressure or otherwise, so as to prevent the quality of water in the District's transmission system from being affected by water produced in or by Ault.

5.2 Ault agrees to maintain its facilities in good repair at all times and to make such replacements as may be necessary to keep the facilities in proper operating condition at all times.

5.3 Ault agrees that it will, at all times, operate the water distribution so as not to interfere with service to others dependent upon the District for a supply of water. Specifically, Ault agrees that it will operate its facilities, especially any pumping or storage facilities, in correlation with operation of District facilities and will install and use such devices, including telemetry, as are necessary to effectuate correlation; provided, however, that Ault shall not be required to pay for the installation of any physical changes to its water distribution system required only to benefit others outside its Service Area.

ARTICLE 6 MASTER METERS

6.1 The District shall read the master meter(s) at monthly intervals, under its own meter reading schedule. If requested by Ault, the District shall give Ault notice of any master meter reading and allow a Ault representative to be present and observe.

6.2 Once every five- (5) years the District shall test and calibrate the master meter(s) at the District's cost. At anytime, upon Ault's written request, the District shall make or cause to be made a special meter test at Ault's cost. The District shall notify Ault in advance of any master meter test and allow an Ault representative to be present.

6.3 The readings of any master meter which shall have been disclosed by tests, conducted pursuant to American Water Works Association standards, to be inaccurate shall be corrected from the beginning of the monthly billing period immediately preceding the billing period during which the tests are made in accordance with the percentage of inaccuracy found by such tests, provided that no correction shall be made for a longer period than such inaccuracy may be conclusively determined by the District to have existed.

6.4 If any meter shall fail to register for any period, Ault and the District shall agree as to the amount of water furnished during such period and the District shall render a bill therefor. If no agreement can be reached, the billing shall be based upon historical usage data.

6.5 If at any time Ault desires to change the location of any master meter vault(s), the District will attempt to accommodate such request if, in the sole and reasonable opinion of the District, such relocation will not detrimentally affect the District's water system in any manner and only upon the condition that Ault shall be responsible for any and all costs and expenses, of any type or kind, thereof.

ARTICLE 7 RATES AND CHARGES

7.1 For the use of water provided by the District hereunder, the District shall be paid by Ault the amount or amounts of money calculated by utilizing the schedules attached hereto as Exhibit "B" and incorporated herein by reference. The schedule of charges provided for in this paragraph shall remain in full force and effect until the District shall deem it necessary to raise or lower the charges for the water. In addition to any other rate or charge herein provided, Ault shall pay or cause to be paid all applicable plant investment fees, and such other rates, tolls, charges or combination thereof as the District may, from time to time, in the exercise of its lawful authority impose. System development charges for the construction of new facilities and use of existing facilities will be the subject of separate contracts of the parties and shall be determined on a case by case basis. The parties agree that Ault shall at all times be subject to rates and charges equivalent and in effect for other municipal customers of the District.

7.2 The District will adopt water service rates and other charges sufficient to totally and fully reimburse the District for all costs of furnishing water under this Agreement, together with an additional amount to be determined by the District. Ault and the District agree that the duration of this Agreement is such that the passage of time will require changes in the charges to be made for the use of water hereunder.

7.3 The District will, not less than once, but not more than two times in each calendar year, review the plant investment fee, and the rates for potable water furnished hereunder, and if necessary, adjust such rates based upon actual usage and audit figures so as to produce sufficient revenues to maintain and operate the system necessary to serve Ault and all other users, and establish and maintain reasonable reserves for operation and maintenance. Such revised rates shall be deemed to be substituted for the original rate herein provided, and Ault agrees to pay such revised rates for potable water delivered after the effective date of such rate revisions.

7.4 The District shall provide notice to Ault of any expected rate change or any projected operation, maintenance or capital improvement cost that will affect the rates to be paid by Ault provided that:

- a. The District shall notify Ault of a proposal for an increase in water service rates at least thirty (30) days prior to the Board Meeting at which formal action on such proposal is scheduled.
- b. The District shall notify Ault of new water service rates within ten (10) days after the District has adopted them.
- c. The new water service rates shall not become effective sooner than thirty (30) days after they have been adopted and shall not apply to water delivered by the District on or before the date of their adoption by the District.

7.5 Billing for each month shall be made on or about the last day of the month and payment made on or before the twentieth day of the following month. Any bill not paid by the twentieth day of the month following billing shall be delinquent and Ault shall pay an additional delinquent fee of Ten Percent (10%) of the unpaid monthly billing which delinquent fee shall be effective as of January 1, 2001. However, in no event shall the delinquent fee be less than One Thousand Dollars (\$1,000.00) per month. Additionally, if Ault refuses or fails to pay any bill by the due date, the District may discontinue delivery of potable water hereunder upon thirty- (30) days written notice to Ault of its intention to do so.

7.6 The parties agree that water service rates charged to Ault shall be related to the cost of service incurred by the District in providing water service to Ault as fairly as determined by the District. Ault further specifically agrees that water service rates for water service provided under this Agreement shall be governed by the provisions of this Agreement, any State statutes to the contrary notwithstanding.

ARTICLE 8 COSTS AND EXPENSES

8.1 Ault shall pay for all costs associated with acquisition of raw water by Ault and temporary transfer of the same to the District, and any periodic charges or assessments related to such raw water. Ault shall be responsible for all costs and/or expenses involved in changing the District's operations to facilitate use of raw water from a provider other than the Northern Colorado Water Conservancy District.

8.2 Ault shall pay an additional fee for any potable water furnished to Ault, for which the District provided raw water to meet Ault's Minimum Raw Water Obligation.

(See Section 3.5). This additional fee shall be based on 10% of the District's "cash in lieu of water" value as determined solely by the District for an allocation of 70% of an acre-foot (228,000 gallons). The District shall immediately notify Ault of any change in the determination of such charge.

ARTICLE 9 ANNEXATIONS AND INCREASES IN SERVICE

9.1 The parties recognize that it is the intent of the Plant Investment Fee to pay for system enhancement needed by the District to supply expanded usage by Ault. So long as Ault's demand stays within the peak demand specified on Exhibit "A", the District will furnish the new service and no additional plant investment fees will be required from Ault.

9.2 Should Ault expect additional demand above the peak demand specified on Exhibit "A", Ault shall make written request to the District for such additional potable water service. Upon receipt of written request, the District shall have thirty (30) days within which to notify Ault in writing of its decision and terms, to supply such additional potable water service. If the District determines to provide such additional potable water service, the District will apply a Plant Investment Fee, for each additional one-gallon per minute (1 gpm) beyond the peak demand specified in Exhibit "A".

9.3 Any expansion of Ault's service area within the boundaries of the Town but not within the boundaries of the District may be made by written notification from Ault to the District. Any expanded or new contract service area or service area within the boundaries of the Town and within the boundaries of the District, including properties annexed to Ault after January 1, 2000, shall require an agreement between Ault and the District providing for fair compensation to the District for authorities, services and facilities taken over by the Town and/or abandoned by the District pursuant to the expansion. The value determination provisions as currently set forth in §13-1-502(2)c, Colorado Revised Statutes, shall govern such compensation. When such agreement is reached, the District shall be presumed to consent to Ault's proposed expansion. However, in no event shall Ault's service area or contract service area include any property not within the boundaries of the Town and within the boundaries of the District without the express written consent of the District.

ARTICLE 10 TERM

10.1 This Agreement shall be effective on the date first above written and remain in effect on a perpetual basis unless terminated as provided in Section 10.2 and/or 10.3.

10.2 In the event of a material breach of any provision of this Agreement by any party which is not corrected within one year from the date of notice of the breach, the non-defaulting party may terminate this Agreement. However, if this Agreement is terminated by District due to a material breach by Ault, the District will not cease water service to Ault until after two years from the written date of notice of the breach.

10.3 Either party hereto may also seek specific performance of this Agreement and specific performance shall not be considered to be an election of the only available remedy.

10.4 However, in no event shall Ault pay for less than the sums paid for usage for the average of the previous five years even if Ault elects to receive no water from the District under the terms of this Agreement. If Ault does not receive water from the District under this Agreement for a period of five years in an amount not less than 30 million gallons annually or the current equivalent charge therefore, the District shall have no further obligation to provide any water to Ault under the terms of this Agreement, and this Agreement shall then be deemed null and void.

ARTICLE 11 MISCELLANEOUS PROVISIONS

11.1 The District recommends that potable water storage tank facilities be constructed to hold not less than the maximum one day usage of all water sources. Ault agrees to provide one or more potable water storage tank facilities but the location, construction date(s) and size of any such facilities shall be at the sole discretion of Ault. It is the intent of this paragraph that such potable water storage tank facilities may be necessary to insure an adequate and steady supply and pressure for Ault as well as not to create a burden upon the District facilities.

11.2 Ault agrees to adopt and enforce within Ault's Service Area rules and regulations reasonably compatible with those of the District related to the delivery and use of potable water. Ault, for itself and for all of its users, agrees to abide by all tariffs, rules and regulations of the District.

11.3 No later than September 1 of each year, Ault will supply the District with estimates of its projected maximum day and average day needs for following year.

11.4 All prior agreements are null and void as of the effective date of this Agreement.

11.5 The parties shall assist each other in acquiring any easements and other permits or approvals necessary to accomplish and place into effect this Agreement and for the construction of any necessary facilities.

11.6 The invalidity or un-enforceability of any provision of this Agreement shall not affect or impair any other provision unless material to the performance of either party.

11.7 The parties agree that, in addition to any other remedies allowed by law, the provisions of this Agreement may be specifically enforced in a Court of competent jurisdiction and, in any judicial action, the unsuccessful party agrees to pay all costs of such action as actually incurred by the successful party, including attorney fees.

11.8 Except as otherwise provided herein, if either party shall be in default or breach in performance of any term, covenant or condition of this Agreement, the party not in default or breach shall give the defaulting or breaching party prompt written notice of such default or breach. If the default or breach is not cured within thirty (30) days following notice, the party that is not in default or breach may seek remedies provided for herein.

11.9 The waiver by either party of any default or breach of any term, covenant or condition of this Agreement shall not operate as a waiver of any default or breach of any other term, covenant or condition, or subsequent default or breach of the same.

11.10 Neither party may assign or transfer all or any part of this Agreement without the prior written consent of the non-assigning party, although such consent shall not be unreasonably withheld.

11.11 Any notice, demand or request delivered by mail, in accordance with this section shall be deemed given seventy-two (72) hours after the same is deposited certified mail, in any post office or postal box regularly maintained by the United States Postal Service addressed to the District at P.O. Box 56, Lucerne, CO 80646 and to Ault at 201 1st Street, Ault, Co 80610. The addresses may be changed at any time by similar notice.

11.12 Neither party shall, by reason of this Agreement, or the use of water thereunder, or otherwise, acquire vested or adverse right or future right, in law or equity, in the water rights owned by the other party. The use, rental or license of water after the expiration of the initial term of this Agreement or under any renewal thereof shall not be deemed to initiate, create or vest any rights, save those herein expressly stated and enumerated.

11.13 There shall be understood between the parties hereto that each party owns its own water system and each is a separate and independent system from the other.

11.14 To the extent legally possible, each party shall indemnify and hold the other party harmless from and against any and all liability, loss, damages, costs and expenses, including reasonable attorney fees, arising from the identifying party's

negligence, including but not limited to, negligent delivery of water at rates or pressures which exceed the maximum pressure or do not meet the minimum pressure established on Exhibit "A". By such agreement to indemnify and hold each other harmless, neither party waives any defenses and immunities to third parties, which it would otherwise be entitled under the Colorado Governmental Immunity Act.

11.15 Until paid, all rates, tolls or charges shall constitute a perpetual lien on and against the property served and all property and water facilities and water rights of Ault, and any such lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanic's liens. The District shall shut off or discontinue service for account delinquencies or other violations of the District's Rules and Regulations, or for other violations of this Agreement.

11.16 No assignment by either party of its rights under this Agreement shall be binding on the other unless the other party shall have assented to such assignment with the same formality as employed in the execution of this Agreement.

11.17 No party shall waive its rights hereunder by failing to exercise its rights; any such failure shall not affect the right of such party to exercise at some future time the rights not previously exercised.

11.18 None of the remedies provided for under this Agreement need to be exhausted or exercised as a prerequisite to either party's pursuit of further relief to which it may be entitled.

11.19 Nothing in this Agreement shall be construed as a grant by either party of any exclusive right or privilege.

11.20 This Agreement shall remain in force until terminated by agreement or pursuant to the provisions hereof.

11.21 Ault and the District agree that this Agreement shall be construed and enforced as the fully integrated expression of their contract with respect to the matters addressed herein. No express or implied covenants not specifically set forth shall be deemed to be a part of this Agreement. The parties expressly aver that no representations other than those specifically set forth in this Agreement have been relied upon by either party to induce it to enter into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

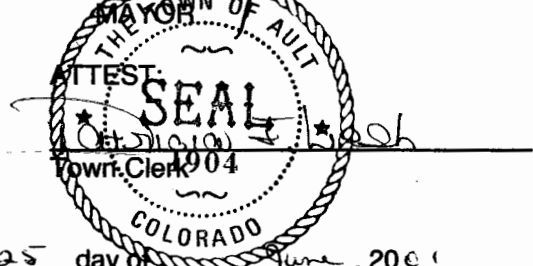
NORTH WELD COUNTY
WATER DISTRICT

TOWN OF AULT
ENTERPRISE

BY: Gary E Simpson

BY: [Signature]

STATE OF COLORADO)
) ss.
COUNTY OF WELD)



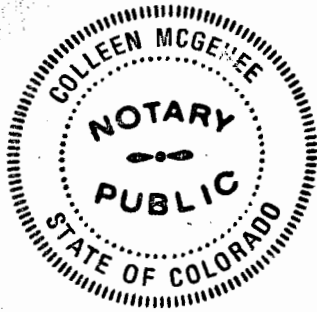
The foregoing instrument was acknowledged before me this 25 day of June, 2001

by Gary E Simpson as President of North Weld County Water District.

WITNESS by hand and official seal.

My commission expires:

Colleen McGehee
Notary Public



MY COMMISSION EXPIRES AUGUST 29, 2002

EXHIBIT "A"

Delivery Point:	Meter Vault located at 420 Graefe Avenue, Ault, within the Southeast $\frac{1}{4}$ of Section 11, Township 7 North, Range 66 West of the 6 th Prime Meridian, County of Weld, State of Colorado
Maximum Annual Amount =	143.2 Million Gallons
Peak Demand =	420 gallons per minute (gpm)
Maximum Pressure =	105 psi
Minimum Pressure =	30 psi

EXHIBIT "B"

Usage / Commodity Charge:

Determination of the usage / commodity charge shall be based on 75% of the District's usage / commodity charge for all individual customers. The usage charge shall be charged per 1,000 gallons of water delivered through the meter.

Plant Investment Fees:

The Plant Investment Fee shall consist of a base portion and a distance portion. The Plant Investment Fee is charged to wholesale customers for each one gallon per minute(1 gpm) peak demand above the specified demand in exhibit "A".

The Base Portion of the Plant Investment Fee is determined from the estimated costs for constructing additional filter plant capacity and transmission, storage facilities which deliver water to the first storage facility of the District (As of August 15, 2000 the Base Portion is \$5,000.⁰⁰).

Distance Portion of the Plant Investment Fee is determined from the estimated costs for constructing additional service facilities to deliver water from the first storage tanks located at the intersection of Colorado State Highways 257 & 14 to the customer. This portion of the Plant Investment Fee is applied to the tap with a proportional relationship to the distance from the meter location to the above mentioned storage tanks (As of August 15, 2000 the Distance Portion is \$200.⁰⁰ per mile).