

**1. Call to Order**

**2. Confirmation of Disclosures of Conflicts of Interest**

**NORTH WELD COUNTY WATER DISTRICT**

**Notice of Meeting**

**Monday, August 14, 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 August 14, 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 July 17, 2023, Meetings**
  - b. Unaudited Financials for July 2023**
  - c. Invoices through August 14, 2023**
  - d. Greeley and NW Harmony Interconnect Pump Station Purchase Contract**
  - e. Element WSSC Change Case No.1 Task Order No. 4**
  - f. Stantec Master Plan Change Order 1**
  - g. Honey Creek Resources Cost of Service and Finance Model Update Scope**
  - h. Ditesco Services Scope of Services NEWT III Construction Management**
  - i. BPCCC Variance Request**
    - i. Rest Stop Storage**
  - j. Easement Agreements**
    - i. Overland Ponds Mark Linder Pond 1**
    - ii. AB Property – NEWT III**
  - k. Nickel Road Mineral Lease Agreement**
- 6. Discussion: Town Mayor and Manager for the Town of Eaton Discussion on Future Water Service in Relation to 2<sup>nd</sup> Treatment Plant and NWCWD**
- 7. Action: Consider Approval for Variance Request Related to Development Review for the Ridge Commercial Development**

- 8. 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 The Ridge Commercial Development**
  
- 9. District Manager's Report: (enclosures)**
  - a. Tap Sales**
  - b. Audit Extension Filed – September 30, 2023**
  - c. SDA Annual Meeting - September 12 – 14**
  - d. Thornton Northern Properties Stewardship Plan (NPSP) August 14, 2023**
  - e. Notices Sent to NEWT III alignment property owners.**
  - f. Leak on 18" Distribution Line from Tank 1**
  - g. System and CIP Map and 2023 Budget Memo**
  - h. Master Plan and Water Service Agreement Work Sessions**
  - i. City of Fort Collins Change in Water Requirements and Excess Water Usage Charges**
  
- 10. Other Business**

**ADJOURN\_\_\_\_\_ P.M.**

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

Held: Monday, the 17<sup>th</sup> day of July, 2023, at 8:30 A.M.

*The meeting was conducted via teleconference.*

**ATTENDANCE**

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

Tad Stout, President  
Scott Cockroft, Secretary  
Nels Nelson, Treasurer  
Anne Hennen, Assistant Secretary

Matthew Pettinger was absent and excused.

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

**ADMINISTRATIVE MATTERS**

Call to Order

The meeting was called to order at 8:30 A.M.

Declaration of Quorum and Confirmation of Director Qualifications

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

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

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



Approval of Agenda

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

**PUBLIC COMMENT**

No members of the public addressed the Board.

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

**CONSENT AGENDA MATTERS**

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

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

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

Consider Approval of the NWCWD 2022 Financial Audit Conducted by BDO

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

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

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

Consider Approval Garney Construction NEWT III GMP and Contract Amendment

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

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

Consider Approval SCWTA Creation Agreement 2<sup>nd</sup> Amendment

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

Consider Approval of Variance Request for WinDance aka Severance South Subdivision

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

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

No action was taken.

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

None.

## **DISTRICT MANAGER'S REPORT**

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

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

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

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

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

**OTHER BUSINESS**

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

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

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

**ADJOURNMENT**

There being no further business to be conducted, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting

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Secretary for the District

ATTACHMENT 1



## NORTH WELD COUNTY WATER DISTRICT

32825 CR 39 • LUCERNE, CO 80646

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

[WWW.NWCWD.ORG](http://WWW.NWCWD.ORG) • EMAIL: [WATER@NWCWD.ORG](mailto:WATER@NWCWD.ORG)

February 21, 2023

*VIA EMAIL*

Town Council, Town of Severance  
c/o Nicholas Wharton, Town Manager  
3 S. Timber Ridge Parkway  
Severance, CO 80550  
[nwharton@townofseverance.org](mailto:nwharton@townofseverance.org)

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

Dear Town of Severance Council,

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

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

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



## NORTH WELD COUNTY WATER DISTRICT

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

Sincerely,

*Eric Reckentine*

NORTH WELD COUNTY WATER DISTRICT

Cc: Keith Martin, Town Attorney

ATTACHMENT 2

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

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

see message below,  
s.



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

Town board and administrative staff,

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



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

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

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

Stephen Gagliardi

Town of Severance

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**From:** Eric Reckentine <[ericr@nwcwd.org](mailto:ericr@nwcwd.org)>

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

**To:** Stephen Gagliardi <[stephen.gagliardi@townofseverance.org](mailto:stephen.gagliardi@townofseverance.org)>

**Subject:** RE: Master plan completion

**Caution:** This is an external email and may have a suspicious subject or content. Please take care when clicking links or opening attachments. When in doubt, contact your OnixIT at [support@onixit.com](mailto:support@onixit.com) or (970) 223-0300.

Steve

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

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

Eric

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**From:** Stephen Gagliardi <[stephen.gagliardi@townofseverance.org](mailto:stephen.gagliardi@townofseverance.org)>

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

**To:** Eric Reckentine <[ericr@nwcwd.org](mailto:ericr@nwcwd.org)>

**Subject:** Master plan completion

Hi Eric,

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

Thank you for your time and attention,

Stephen Gagliardi

Town of Severance

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NORTH WELD COUNTY WATER DISTRICT

Balance Sheet  
July 31, 2023

ASSETS

Current Assets

1014 - BANK OF COLORADO	\$	6,030,081.61
1015 - COLO TRUST - GENERAL		10,806,403.11
1017 - COLO TRUST- RRR		265,563.25
1019 - COLO TRUST - 2019 BOND		2,236,344.64
1020 - COLO TRUST - 2022 BOND		39,432,413.56
1030 - CASH DRAWER		200.00
1035 - CONTRA CASH RESERVE		(1,705,883.00)
1050 - CASH RESERVE (CWRPDA)		1,705,883.00
1100 - AR WATER (DRIP)		2,108,109.97
1105 - AR CONSTRUCTION METERS		55,886.36
1116 - ACCOUNTS RECEIVABLE		36,786.65
1230 - PREPAID INSURANCE		32,294.54
1300 - INVENTORY		1,904,723.57

Total Current Assets 62,908,807.26

Property and Equipment

1220 - LAND BUILDING SITE		541,875.18
1222 - CSU DRYING BEDS		28,612.00
1225 - LAND & EASEMENTS		2,577,384.19
1405 - WATER RIGHTS OWNED		95,122,451.44
1407 - WATER STORAGE		6,155,513.62
1415 - MACHINERY & EQUIPMENT		2,389,048.51
1416 - DEPREC - MACH & EQUIP		(1,822,316.91)
1420 - OFFICE EQUIPMENT		52,720.33
1421 - DEPREC - OFFICE EQUIP		(52,720.11)
1425 - PIPELINES		74,192,485.87
1426 - DEPREC - PIPELINES		(25,088,803.91)
1430 - STORAGE TANKS		2,689,338.13
1431 - DEPREC - STORAGE TANKS		(1,545,497.07)
1432 - MASTER METERS		689,854.53
1433 - DEPREC MASTER METERS		(54,718.43)
1435 - PUMP STATIONS		5,687,716.34
1436 - DEPREC - PUMP STATIONS		(2,619,270.54)
1437 - FILL STATION		15,555.00
1438 - DEPREC - FILL STATION		(3,888.75)
1440 - PAVING		25,500.20
1441 - DEPREC - PAVING		(25,499.80)
1445 - OFFICE BUILDING		1,667,567.41
1446 - DEPREC - BUILDING		(526,487.01)
1454 - CONSTRUCT IN PROGRESS		22,713.40

Total Property and Equipment 160,119,133.62

Other Assets

1457 - FILTER PLANT EQUITY		22,849,610.70
1464 - BOND INSURANCE		1,841.00
1466 - Bond Cst of Issue '19		188,070.00

Total Other Assets 23,039,521.70

Total Assets \$ 246,067,462.58

LIABILITIES AND CAPITAL

Current Liabilities

2215 - ACCOUNTS PAYABLES	\$	37,673.74
2216 - CONST MTR DEPOSITS		127,424.94

Unaudited - For Management Purposes Only

NORTH WELD COUNTY WATER DISTRICT

Balance Sheet

July 31, 2023

2230 - ACCRUED WAGES	118,253.00	
2231 - ACCRUED COMP ABSENCES	150,013.12	
2232 - ACCRUED INTEREST	117,662.50	
	<u>                    </u>	
Total Current Liabilities		551,027.30
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	777,042.00	
2224 - 2020 BOND PAYABLE	3,450,000.00	
2228 - NET PREM/DISCT '12 BOND	26,465.00	
2229 - PREMIUM ON 2009A LOAN	52,732.00	
	<u>                    </u>	
Total Long-Term Liabilities		<u>23,561,239.00</u>
Total Liabilities		24,112,266.30
Capital		
2800 - RETAINED EARNINGS	228,137,022.20	
Net Income	(6,181,825.92)	
	<u>                    </u>	
Total Capital		<u>221,955,196.28</u>
Total Liabilities & Capital	\$	<u><u>246,067,462.58</u></u>

NORTH WELD COUNTY WATER DISTRICT  
INCOME STATEMENT  
DETAIL  
FOR THE SEVEN MONTHS ENDING JULY 31, 2023

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
<b>REVENUES</b>					
3110 - METERED SALES	\$ 1,265,947.98	\$ 6,745,096.37	\$ 12,215,468.00	5,470,371.63	55.22
3111 - WATER ALLOC SURCHARGE	487,314.00	2,882,382.00	3,490,134.00	607,752.00	82.59
3112 - PLANT INVEST SURCHARGE	344,293.85	1,668,152.15	2,268,587.00	600,434.85	73.53
3113 - ADJUSTMENTS	(42,241.18)	(69,441.74)	0.00	69,441.74	0.00
3140 - CONST METER USAGE	13,590.80	108,497.54	209,100.00	100,602.46	51.89
3141 - CONSTR METER RENTAL	1,205.00	8,695.00	5,610.00	(3,085.00)	154.99
3142 - CONSTRUCT METER REPAIR	3,922.45	14,413.50	560.00	(13,853.50)	2,573.84
<b>OPERATING</b>	<b>2,074,032.90</b>	<b>11,357,794.82</b>	<b>18,189,459.00</b>	<b>6,831,664.18</b>	<b>62.44</b>
3210 INTEREST-COTRUST-GENERAL	221,682.17	1,461,829.79	130,384.00	(1,331,445.79)	1,121.17
3220 - PORT PARTONAGE AGFINITY	1,084.09	1,739.02	828.00	(911.02)	210.03
<b>NON OPERATING</b>	<b>222,766.26</b>	<b>1,463,568.81</b>	<b>131,212.00</b>	<b>(1,332,356.81)</b>	<b>1,115.42</b>
3310 - TAP (PI) FEES	526,500.00	2,061,750.00	3,000,000.00	938,250.00	68.73
3311 - DISTANCE FEES	54,000.00	229,050.00	176,653.00	(52,397.00)	129.66
3312 - WATER (ALLOCATION) FEE	36,750.00	114,750.00	300,000.00	185,250.00	38.25
3314 - INSTALLATION FEES	56,700.00	227,600.00	331,224.00	103,624.00	68.71
3315 - METER RELOCATION FEE	0.00	4,400.00	1,656.00	(2,744.00)	265.70
3316 - LINE EXTENSION FEE	0.00	0.00	153,000.00	153,000.00	0.00
3320 - NON-POTABLE TAP FEE	8,000.00	13,000.00	49,684.00	36,684.00	26.17
3321 - NON-POTABLE INSTALL	25,205.00	30,405.00	22,082.00	(8,323.00)	137.69
3330 - COMMITMENT LETTER FEE	0.00	0.00	828.00	828.00	0.00
3331 - REVIEW FEE	0.00	0.00	2,760.00	2,760.00	0.00
3340 - INSPECTION FEE	0.00	0.00	137,077.00	137,077.00	0.00
<b>NEW SERVICE</b>	<b>707,155.00</b>	<b>2,680,955.00</b>	<b>4,174,964.00</b>	<b>1,494,009.00</b>	<b>64.22</b>
3410 - WATER RENTAL	0.00	15,898.50	18,207.00	2,308.50	87.32
<b>AG WATER</b>	<b>0.00</b>	<b>15,898.50</b>	<b>18,207.00</b>	<b>2,308.50</b>	<b>87.32</b>
3500 - MISCELLANEOUS	11,218.19	50,461.23	0.00	(50,461.23)	0.00
3510 - CAR TIME	0.00	0.00	9,937.00	9,937.00	0.00
3520 - TRANSFER FEES	825.00	4,000.00	5,520.00	1,520.00	72.46
3530 - RISE TOWER RENT	300.00	2,100.00	8,060.00	5,960.00	26.05
3540 - SAFETY GRANT (CSD)	0.00	0.00	12,145.00	12,145.00	0.00
<b>MISCELLANEOUS</b>	<b>12,343.19</b>	<b>56,561.23</b>	<b>35,662.00</b>	<b>(20,899.23)</b>	<b>158.60</b>
3600 - FARM INCOME	0.00	0.00	(9,385.00)	(9,385.00)	0.00
3610 - MINERAL/OIL/GAS RIGHTS	(166.33)	(132,085.33)	(64,946.00)	67,139.33	203.38
3640 - EQUIPMENT/VEHICLE SALE	0.00	0.00	(552.00)	(552.00)	0.00
<b>FARM INCOME</b>	<b>166.33</b>	<b>132,085.33</b>	<b>74,883.00</b>	<b>(57,202.33)</b>	<b>176.39</b>
<b>DEBT PROCEEDS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT  
INCOME STATEMENT  
DETAIL  
FOR THE SEVEN MONTHS ENDING JULY 31, 2023

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
<b>TOTAL REVENUES</b>	<b>3,016,463.68</b>	<b>15,706,863.69</b>	<b>22,624,387.00</b>	<b>6,917,523.31</b>	<b>69.42</b>
<b>OPERATING EXPENSE</b>					
4110 - POTABLE WATER	318.13	1,558,654.82	3,224,486.36	1,665,831.54	48.34
4120 - RENTAL WATER	0.00	(11,375.00)	0.00	11,375.00	0.00
4130 - CARRYOVER	0.00	0.00	91,239.03	91,239.03	0.00
4140 - WINTER WATER	0.00	0.00	5,630.81	5,630.81	0.00
4150 - ASSESSMENTS	0.00	608,096.71	463,615.14	(144,481.57)	131.16
4160 - RULE 11 FEES	0.00	0.00	65,040.00	65,040.00	0.00
4170 - WATER QUALITY - TESTING	1,086.00	6,841.00	14,000.00	7,159.00	48.86
<b>WATER</b>	<b>(1,404.13)</b>	<b>(2,162,217.53)</b>	<b>(3,864,011.34)</b>	<b>(1,701,793.81)</b>	<b>55.96</b>
4210 - SALARIES, FIELD	91,033.20	796,545.25	1,527,998.00	731,452.75	52.13
4220 - SALARIES, ENGINEERING	10,221.86	77,058.07	189,998.66	112,940.59	40.56
4240 - INSURANCE HEALTH	15,979.38	105,774.76	193,471.00	87,696.24	54.67
4250 - RETIREMENT	6,839.34	51,483.76	84,313.00	32,829.24	61.06
4260 - AWARDS	0.00	0.00	1,358.00	1,358.00	0.00
4270 - UNIFORMS	300.00	8,091.52	6,500.00	(1,591.52)	124.48
4280 - MISCELLANEOUS	0.00	0.00	1,131.00	1,131.00	0.00
4290 - CAR TIME	0.00	0.00	10,183.00	10,183.00	0.00
<b>PERSONNEL OPERATIONS</b>	<b>(124,373.78)</b>	<b>(1,038,953.36)</b>	<b>(2,014,952.66)</b>	<b>(975,999.30)</b>	<b>51.56</b>
4410 - FIELD	3,305.81	24,272.41	0.00	(24,272.41)	0.00
4411 - LOCATES	1,589.28	7,521.99	15,501.00	7,979.01	48.53
4412 - FARM PROPERTIES	0.00	14,761.36	2,760.00	(12,001.36)	534.83
4413 - SITE MAINTENANCE ANNUAL	0.00	3,090.64	5,698.00	2,607.36	54.24
4414 - CONSTRUCTION METER	0.00	10,970.31	0.00	(10,970.31)	0.00
4415 - WATER LINES (REPAIRS)	992.50	166,535.90	50,000.00	(116,535.90)	333.07
4416 - APPURTENANCE(REPAIR)	224.12	27,420.52	0.00	(27,420.52)	0.00
4417 - METER SETTING	0.00	134,277.59	600,000.00	465,722.41	22.38
4418 - MASTER METERS	0.00	18,245.90	5,000.00	(13,245.90)	364.92
4419 - SERVICE WORK	1,595.00	64,593.56	0.00	(64,593.56)	0.00
4420 - STORAGE TANKS (O & M)	0.00	12,749.12	0.00	(12,749.12)	0.00
4430 - PUMP STATIONS (O & M)	148,618.93	174,086.17	0.00	(174,086.17)	0.00
4435 - CHLORINE STATION	0.00	365.37	0.00	(365.37)	0.00
4440 - EQUIPMENT	3,511.02	24,300.32	205,000.00	180,699.68	11.85
4445 - SCADA EQUIPMENT	0.00	289.50	0.00	(289.50)	0.00
4446 - LOCATING EQUIPMENT	997.08	997.08	0.00	(997.08)	0.00
4450 - SHOP/YARD	4,502.43	62,427.18	0.00	(62,427.18)	0.00
4460 - VEHICLES	16,067.53	107,196.78	102,000.00	(5,196.78)	105.09
4470 - SAFETY	190.00	8,228.13	0.00	(8,228.13)	0.00
4480 - CONTROL VAULTS	0.00	1,305.15	29,226.00	27,920.85	4.47
4490 - MAPPING EXPENSE	6,128.57	32,397.32	39,968.00	7,570.68	81.06
<b>OPERATION &amp; MAINTENANCE</b>	<b>(187,722.27)</b>	<b>(896,032.30)</b>	<b>(1,055,153.00)</b>	<b>(159,120.70)</b>	<b>84.92</b>
4500 - ENGINEERING	0.00	0.00	50,000.00	50,000.00	0.00

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT  
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	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
<b>ENGINEERING</b>	<b>0.00</b>	<b>0.00</b>	<b>(50,000.00)</b>	<b>(50,000.00)</b>	<b>0.00</b>
4600 - ELECTRICITY	17,198.00	114,360.09	181,100.00	66,739.91	63.15
4640 - METER VAULTS	0.00	9,009.75	0.00	(9,009.75)	0.00
<b>ELECTRICITY</b>	<b>(17,198.00)</b>	<b>(123,369.84)</b>	<b>(181,100.00)</b>	<b>(57,730.16)</b>	<b>68.12</b>
4700 - COMMUNICATIONS	100.22	701.85	0.00	(701.85)	0.00
<b>COMMUNICATIONS</b>	<b>(100.22)</b>	<b>(701.85)</b>	<b>0.00</b>	<b>701.85</b>	<b>0.00</b>
4810 - GENERAL	2,943.51	20,604.57	0.00	(20,604.57)	0.00
4820 - AUTO	968.45	8,490.15	0.00	(8,490.15)	0.00
4830 - WORKER'S COMP	2,546.96	22,393.72	0.00	(22,393.72)	0.00
<b>INSURANCE</b>	<b>(6,458.92)</b>	<b>(51,488.44)</b>	<b>0.00</b>	<b>51,488.44</b>	<b>0.00</b>
<b>MISCELLANEOUS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>337,257.32</b>	<b>4,272,763.32</b>	<b>7,165,217.00</b>	<b>2,892,453.68</b>	<b>59.63</b>
<b>ADMINISTRATIVE EXPENSE</b>					
5110 - OFFICE	41,323.51	309,113.50	932,658.00	623,544.50	33.14
<b>SALARIES</b>	<b>41,323.51</b>	<b>309,113.50</b>	<b>932,658.00</b>	<b>623,544.50</b>	<b>33.14</b>
5210 - FICA	10,934.01	92,289.30	130,000.00	37,710.70	70.99
5220 - UNEMPLOYMENT	0.00	2,291.82	4,968.00	2,676.18	46.13
<b>PAYROLL TAXES</b>	<b>10,934.01</b>	<b>94,581.12</b>	<b>134,968.00</b>	<b>40,386.88</b>	<b>70.08</b>
5300 - HEALTH INSURANCE	0.00	0.00	60,000.00	60,000.00	0.00
5310 - ADMIN HEALTH INSURANCE	4,358.39	27,135.84	0.00	(27,135.84)	0.00
<b>HEALTH INSURANCE</b>	<b>4,358.39</b>	<b>27,135.84</b>	<b>60,000.00</b>	<b>32,864.16</b>	<b>45.23</b>
5400 - OFFICE UTILITIES	263.27	1,606.61	0.00	(1,606.61)	0.00
5401 - ELECTRICITY	756.96	4,794.24	10,000.00	5,205.76	47.94
5402 - PROPANE	0.00	8,142.13	7,000.00	(1,142.13)	116.32
5403 - TELEPHONE	2,030.49	14,139.52	23,000.00	8,860.48	61.48
5404 - CELL PHONE SERVICE	3,170.75	11,490.12	20,000.00	8,509.88	57.45
5405 - CELL PHONE ACCESSORIES	0.00	9.77	500.00	490.23	1.95
5406 - OFFICE CLEANING SERVICE	1,700.00	10,200.00	20,000.00	9,800.00	51.00
5407 - INTERNET	0.00	0.00	600.00	600.00	0.00
5409 - SECURITY CAMERAS	3,380.00	11,505.00	0.00	(11,505.00)	0.00
5410 - OFFICE EQUIPMENT	0.00	135.45	0.00	(135.45)	0.00
5412 - PRINTERS	410.28	1,900.30	0.00	(1,900.30)	0.00
5413 - FURNITURE	0.00	0.00	2,760.00	2,760.00	0.00
5440 - COMPUTER	0.00	0.00	1,000.00	1,000.00	0.00
5441 - COMPUTER SUPPORT	5,619.00	39,552.56	66,245.00	26,692.44	59.71

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	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
5442 - HARDWARE (COMPUTERS)	7,795.00	7,795.00	0.00	(7,795.00)	0.00
5443 - SOFTWARE	0.00	71.00	7,000.00	6,929.00	1.01
5444 - LICENSES (ANNUAL)	0.00	27,572.45	30,000.00	2,427.55	91.91
5445 - SENSUS METER SUPPORT	0.00	2,438.00	3,000.00	562.00	81.27
<b>OFFICE UTILITIES</b>	<b>25,125.75</b>	<b>141,352.15</b>	<b>191,105.00</b>	<b>49,752.85</b>	<b>73.97</b>
5510 - OFFICE EXPENSES	13,293.07	105,394.96	175,107.00	69,712.04	60.19
5520 - POSTAGE	0.00	649.74	3,312.00	2,662.26	19.62
5530 - BANK / CREDIT CARD FEES	3,580.91	25,014.50	5,520.00	(19,494.50)	453.16
5540 - BUILDING MAINTENANCE	0.00	41,806.52	1,104.00	(40,702.52)	3,786.82
5560 - PRINTING	0.00	0.00	2,760.00	2,760.00	0.00
5580 - DUES & REGISTRATION	3,100.00	3,150.00	3,312.00	162.00	95.11
5590 - TRAINING	100.00	200.00	8,833.00	8,633.00	2.26
<b>OFFICE EXPENSE</b>	<b>20,073.98</b>	<b>176,215.72</b>	<b>199,948.00</b>	<b>23,732.28</b>	<b>88.13</b>
5610 - LEGAL	1,260.00	435,586.79	357,000.00	(78,586.79)	122.01
5620 - ACCOUNTING	0.00	27,975.00	50,000.00	22,025.00	55.95
5630 - WATER TRANSFER FEES	0.00	3,016.58	100.00	(2,916.58)	3,016.58
5640 - MAPPING - NORTHLINE	0.00	0.00	700.00	700.00	0.00
5650 - CONSULTANT FEES	0.00	19,850.00	204,000.00	184,150.00	9.73
5660 - MEMBERSHIP FEES	0.00	35,638.55	9,022.00	(26,616.55)	395.02
5670 - APPRAISALS	23,500.00	27,500.00	0.00	(27,500.00)	0.00
5680 - LAND ACQUISITION	1,330.00	62,259.79	0.00	(62,259.79)	0.00
<b>PROFESSIONAL FEES</b>	<b>26,090.00</b>	<b>611,826.71</b>	<b>620,822.00</b>	<b>8,995.29</b>	<b>98.55</b>
5900 - MISCELLANEOUS	0.00	(406.94)	7,729.00	8,135.94	(5.27)
5920 - FIRE MITIGATION GRANT	0.00	17,382.97	0.00	(17,382.97)	0.00
<b>MISCELLANEOUS</b>	<b>0.00</b>	<b>16,976.03</b>	<b>7,729.00</b>	<b>(9,247.03)</b>	<b>219.64</b>
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>127,905.64</b>	<b>1,377,201.07</b>	<b>2,147,230.00</b>	<b>770,028.93</b>	<b>64.14</b>
<b>CAPITAL IMPROVEMENTS</b>					
6100 - SOLDIER CANYON	0.00	0.00	312,000.00	312,000.00	0.00
<b>SOLDIER CANYON</b>	<b>0.00</b>	<b>0.00</b>	<b>312,000.00</b>	<b>312,000.00</b>	<b>0.00</b>
6200 - STORAGE TANKS	8,800.00	581,950.48	1,600,000.00	1,018,049.52	36.37
<b>STORAGE TANKS</b>	<b>8,800.00</b>	<b>581,950.48</b>	<b>1,600,000.00</b>	<b>1,018,049.52</b>	<b>36.37</b>
6300 - PUMP STATIONS	0.00	117,117.57	0.00	(117,117.57)	0.00
<b>PUMP STATIONS</b>	<b>0.00</b>	<b>117,117.57</b>	<b>0.00</b>	<b>(117,117.57)</b>	<b>0.00</b>
6400 - EQUIPMENT	0.00	0.00	25,700.00	25,700.00	0.00
6410 - VEHICLES	0.00	144,345.42	142,000.00	(2,345.42)	101.65
6420 - TRENCH BOX	0.00	204.02	0.00	(204.02)	0.00

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	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
6440 - OTHER EQUIPMENT	24,198.75	24,198.75	0.00	(24,198.75)	0.00
<b>EQUIPMENT</b>	<b>24,198.75</b>	<b>168,748.19</b>	<b>167,700.00</b>	<b>(1,048.19)</b>	<b>100.63</b>
6505 - ENGINEERING	90,448.36	840,646.84	300,000.00	(540,646.84)	280.22
6510 - WATER LINES	0.00	5,499,828.45	15,200,000.00	9,700,171.55	36.18
6515 - METER UPGRADES	0.00	0.00	240,000.00	240,000.00	0.00
6540 - AWIA & GENERATORS	0.00	0.00	350,000.00	350,000.00	0.00
6545 - SCADA EQUIPMENT	0.00	13,501.00	0.00	(13,501.00)	0.00
<b>SYSTEM</b>	<b>90,448.36</b>	<b>6,353,976.29</b>	<b>16,090,000.00</b>	<b>9,736,023.71</b>	<b>39.49</b>
6610 - WATER RESOURCE MANAGER	0.00	124,492.47	0.00	(124,492.47)	0.00
6615 - GRAVEL PITS	0.00	0.00	400,000.00	400,000.00	0.00
6620 - WATER RIGHTS	0.00	6,990,000.00	9,000,000.00	2,010,000.00	77.67
6630 - LEGAL (WRM)	0.00	31,656.62	310,000.00	278,343.38	10.21
6640 - STORAGE	20,319.25	104,588.11	0.00	(104,588.11)	0.00
<b>WATER RIGHTS</b>	<b>20,319.25</b>	<b>7,250,737.20</b>	<b>9,710,000.00</b>	<b>2,459,262.80</b>	<b>74.67</b>
6710 - EASEMENTS	32,208.00	347,301.90	165,000.00	(182,301.90)	210.49
6720 - LAND	0.00	0.00	190,000.00	190,000.00	0.00
6730 - SURVEYING	868.00	16,723.50	5,000.00	(11,723.50)	334.47
<b>LAND/EASEMENTS</b>	<b>33,076.00</b>	<b>364,025.40</b>	<b>360,000.00</b>	<b>(4,025.40)</b>	<b>101.12</b>
<b>BUILDING/PAVING</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OFFICE EQUIPMENT/MISC</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>176,842.36</b>	<b>14,836,555.13</b>	<b>28,239,700.00</b>	<b>13,403,144.87</b>	<b>52.54</b>
<b>BONDS</b>					
<b>BOND ISSUE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>INTEREST</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
7250 - PLANT EXPANSION	0.00	0.00	1,231,000.00	1,231,000.00	0.00
7290 - 2012R NW 1054	0.00	39,375.00	1,590,000.00	1,550,625.00	2.48
7292 - TRANSFER TO ENTERPRISE	0.00	34,312.50	0.00	(34,312.50)	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	473,288.00	473,288.00	0.00
7297 - 2022 BOND	0.00	1,049,454.59	1,833,000.00	783,545.41	57.25
<b>PRINCIPLE</b>	<b>0.00</b>	<b>1,402,442.09</b>	<b>5,127,288.00</b>	<b>3,724,845.91</b>	<b>27.35</b>

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	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
<b>INTEREST EXPENSE OTHER</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL BONDS</b>	<b>0.00</b>	<b>(1,402,442.09)</b>	<b>(5,127,288.00)</b>	<b>(3,724,845.91)</b>	<b>27.35</b>
<b>DEPRECIATION &amp; AMORT EXPENSES</b>					
<b>DEPRECIATION &amp; AMORT EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
TOTAL REVENUES	3,016,463.68	15,707,135.69	22,624,387.00	6,917,251.31	69.43
TOTAL EXPENSES	642,005.32	21,888,961.61	42,679,435.00	20,790,473.39	51.29
<b>PROFIT/LOSS</b>	<b>2,374,458.36</b>	<b>(6,181,825.92)</b>	<b>(20,055,048.00)</b>	<b>(13,873,222.08)</b>	<b>30.82</b>

FOR MANAGEMENT PURPOSES ONLY

**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jul 31, 2023**  
**1014 - 1014 - BANK OF COLORADO**  
**Bank Statement Date: July 31, 2023**

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance		4,442,536.36
Add: Cash Receipts		727,806.21
Less: Cash Disbursements		(838,048.99)
Add (Less) Other		1,697,788.03
Ending GL Balance		<u>6,030,081.61</u>
Ending Bank Balance		<u>6,417,607.56</u>
Add back deposits in transit		
Total deposits in transit		
(Less) outstanding checks		
	Nov 18, 2022	17106 (227.65)
	Feb 8, 2023	17343 (37,789.84)
	Apr 12, 2023	17582 (452.84)
	May 12, 2023	17640 (750.00)
	Jun 6, 2023	17733 (355.04)
	Jun 9, 2023	17774 (71.04)
	Jul 3, 2023	17800 (27.00)
	Jul 5, 2023	17814 (21,008.00)
	Jul 6, 2023	17823 (6,675.27)
	Jul 6, 2023	17824 (116,666.75)
	Jul 7, 2023	17827 (18,000.00)
	Jul 17, 2023	17830 (24,198.75)
	Jul 17, 2023	17831 (8,800.00)
	Jul 18, 2023	17838 (314.98)
	Jul 18, 2023	17839 (53.28)
	Jul 18, 2023	17843 (40.78)
	Jul 18, 2023	17844 (62.16)
	Jul 18, 2023	17845 (33.87)
	Jul 18, 2023	17849 (124.32)
	Jul 19, 2023	17864 (4,875.00)
	Jul 19, 2023	17866 (312.00)
	Jul 19, 2023	17872 (1,779.13)
	Jul 19, 2023	17873 (386.04)
	Jul 20, 2023	17875 (997.08)
	Jul 20, 2023	17876 (785.65)
	Jul 20, 2023	17877 (4,440.87)
	Jul 20, 2023	17878 (291.32)
	Jul 21, 2023	17880 (196.30)
	Jul 21, 2023	17881 (4,028.00)
	Jul 21, 2023	17882 (5,500.00)
	Jul 21, 2023	17883 (5,619.00)
	Jul 21, 2023	17884 (24,194.41)
	Jul 21, 2023	17885 (868.00)
	Jul 21, 2023	17889 (190.00)
	Jul 21, 2023	17890 (28.00)
	Jul 21, 2023	17893 (435.00)
	Jul 21, 2023	17894 (33,199.68)
	Jul 21, 2023	17895 (100.22)
	Jul 21, 2023	17896 (992.50)
	Jul 21, 2023	17897 (7,795.00)
	Jul 24, 2023	17898 (2,400.00)
	Jul 24, 2023	17899 (182.45)
	Jul 24, 2023	17900 (111.00)
	Jul 24, 2023	17901 (200.00)
	Jul 24, 2023	17902 (279.09)
	Jul 24, 2023	17903 (9,879.23)
	Jul 24, 2023	17904 (895.00)
	Jul 24, 2023	17905 (26.23)

**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jul 31, 2023**  
**1014 - 1014 - BANK OF COLORADO**  
**Bank Statement Date: July 31, 2023**

Filter Criteria includes: Report is printed in Detail Format.

	Jul 24, 2023	17906	(19,916.50)	
	Jul 24, 2023	17907	(387.00)	
	Jul 28, 2023	17908	(2,500.00)	
	Jul 28, 2023	OL-0728202	(2,030.49)	
	Jul 31, 2023	OL-0731202	(340.00)	
	Jul 31, 2023	OL-0731202	(1,340.00)	
	Jul 17, 2023	VOID 16682	(24,198.75)	
Total outstanding checks				(397,350.51)
Add (Less) Other				
	Jul 30, 2023	CC0730	2,562.14	
	Jul 31, 2023	CC0731	6,384.05	
	Jul 31, 2023	CCIH0720	878.37	
Total other				9,824.56
Unreconciled difference				0.00
Ending GL Balance				6,030,081.61

**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jul 31, 2023**  
**1015 - 1015 - COLO TRUST - GENERAL**  
**Bank Statement Date: July 31, 2023**

Filter Criteria includes: Report is printed in Detail Format.

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Beginning GL Balance	10,759,864.92
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	46,538.19
Ending GL Balance	10,806,403.11
Ending Bank Balance	10,806,403.11
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	10,806,403.11

**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jul 31, 2023**  
**1019 - 1019 - COLO TRUST - 2019 BOND**  
**Bank Statement Date: July 31, 2023**

Filter Criteria includes: Report is printed in Detail Format.

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Beginning GL Balance	2,226,944.73
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	9,399.91
Ending GL Balance	2,236,344.64
Ending Bank Balance	2,236,344.64
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	2,236,344.64

**NORTH WELD COUNTY WATER DISTRICT**  
**Account Reconciliation**  
**As of Jul 31, 2023**  
**1020 - 1020 - COLO TRUST - 2022 BOND**  
**Bank Statement Date: July 31, 2023**

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	39,266,669.49
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	165,744.07
Ending GL Balance	39,432,413.56
Ending Bank Balance	39,432,413.56
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	39,432,413.56

**DATE ISSUED:** July 19, 2023

**PROPOSAL NUMBER:** 95071-19891-6

**PROJECT LOC.:** Weld County, CO

**PROJECT TITLE:** Greeley Interconnect at Harmony BPS

**TO:** Mr. Eric Reckentine

**ENGINEER:** Providence Infrastructure Consultants  
Highlands Ranch, CO

North Weld County Water District  
32825 CR 39  
P.O. Box 56  
Lucerne, CO 80646

## EQUIPMENT PROPOSAL

### BELOW GRADE BOOSTER PUMP STATION

EFI-Solutions proposes to manufacture, factory test, and deliver one (1) factory-built Master Below Grade Booster Pump Station complete, fully assembled in an elliptical steel capsule with structural steel members, size: 46'-0" long x 14'-0" wide x 10'-6" interior height. The station overall width shall be 15'0" when including the exterior structural members. Piping will be schedule 40 steel with interior coating of fusion bonded epoxy and exterior coating of two (2) part epoxy. The steel capsule and structural members will also be coated with a two (2) part epoxy. Additionally, the interior station floor and lowest portion of the station wall will also be coated with a two (2) part high-performance aromatic polyurea spray elastomer system that provides an anti-slip surface and offers excellent resistance to corrosion. The following major components/services are included:

- One (1) size 16" main suction connection;
- One (1) size 20" main discharge connection;
- Four (4) Cornell Model 6RB End Suction, Close Coupled Pumps, rated for 2,350 GPM @ 155' TDH, each equipped with the following:
  - 150 HP, 1,800 RPM, 460 VAC, 3 PH Premium Efficient Electric Motors;
  - Shaft Grounding Rings, Insulated Motor Bearings, and N.C. Motor Thermostats;
  - NSF-61 Certification of Pumps;
- One (1) size 10" Cla Val Model 131-G01BCSYEKC X117D Electronic Control Valve with Stainless Steel Internal Trim, Standard Bronze/Brass Pilots, Tubing/Fittings, Isolation Valves, Opening/Closing Speed Controls, and Y-Strainer. The valve is equipped with an X117D Position Transmitter and 120 VAC Solenoids;
- One (1) size 8" Cla Val Model 50-G01BSKCKD X117D Pressure Relief Valve with Stainless Steel Internal Trim, Dura-Kleen Stem, Standard Bronze/Brass Pilots, Tubing/Fittings, Isolation Valves, Opening Speed Control, and an X117D Position Transmitter;
- Four (4) size 16" Val-Matic 1800 Series, Globe Style Silent Check Valves;
- Eight (8) size 16" Bray Model 31H Isolation Butterfly Valves with Handwheel Operators;
- Two (2) size 10" Bray Model 31H Isolation Butterfly Valves with Handwheel Operators;
- Two (2) size 8" Bray Model 31H Isolation Butterfly Valves with Handwheel Operators;
- One (1) size 1" ARI Model D040C01 Combination Air Release Valve;



- One (1) size 16" Rosemount Model 8750W Magnetic Flow Meter with optional Advanced Diagnostic Suite 1 and Advanced Diagnostic Suite 2;
- One (1) hose bib assembly with vacuum breaker;
- One (1) smooth nose sample tap;
- Two (2) pressure gauges;
- One (1) Bilco Model SS-50 size 5'0" x 5'0" man entry hatch;
- One (1) Ladder and Ladder-Up Safety Device;
- Eight (8) 17-pound magnesium anodes (shipped loose for contractor installation);
- One (1) Anode Test Station;
- One (1) Carrier Model 50FC, 12.5 Ton Roof Mount HVAC unit with integral Electric 15kW Heater;
- One (1) 965 CFM Exhaust Fan & corresponding vent;
- One (1) self -draining dehumidifier;
- Two (2) Sump Pumps and corresponding sump pits;
- One (1) mono-beam crane rail with 2-ton rated chain hoist;
- One (1) Station Control Panel containing:
  - a. One (1) Allen Bradley, Compact Logix series Programmable Logic Controller;
  - b. Necessary Relays, Selector Switches, Pilot Devices, and Terminal Blocks for station control;
- Four (4) 200hp, 6 pulse, NEMA 1, ABB VFD;
- One (1) 200A, TCI Active Filter;
- One (1) 480 volt, 3 phase, 1000A, NEMA 1, Distribution Panel w/ load breakers;
- One (1) 120/240V 1P3W, NEMA 1, 10kAIC rated Lighting Panelboard;
- One (1) 480V-120/240V single-phase Transformer;
- One (1) Surge Protection Device;
- One (1) Phase Monitor;
- One (1) NEMA 1 Interface Panel;
- One (1) SPACE (36" x 30" x 11") for customer installed and supplied RTU Telemetry panel (NWCWD Panel);
- One (1) SPACE (24" x 30" x 12") for customer installed and supplied RTU Telemetry panel (City of Greeley Panel);
- Six (6) Min. LED interior lights;
- One (1) Station Intrusion alarm mounted at entrance hatch;
- One (1) Station High temperature alarm;
- One (1) Station Low temperature alarm;
- One (1) Station High water level alarm;
- One (1) Suction pressure transducer;
- One (1) Discharge pressure transducer;
- One (1) Discharge pressure switch;

- Interior conduit to be Schedule 40 PVC
  - a. NEMA 1 Wireway to be used as needed;
- Station wire to be copper THHN/THWN.

ESTIMATED Weight: 80,000#

Net Cost..... \$ 1,218,254.00

**NOTES AND CLARIFICATIONS:**

**Due to the current volatility of pricing on various resources the price of this proposal can only be held for thirty (30) days.**

**Costs are extremely volatile; therefore, all material must be released within forty-five (45) days from the date of this proposal or fifteen days from the date of which submittals have been submitted or shipped. All material that is not released in this time frame may be subject to a price increase.**

1. This proposal includes delivery f.o.b. jobsite on the nearest passable road to the site or transfer site. Responsibility for the equipment will remain with EFI during transport. Responsibility is transferred when the equipment is lifted from delivery trailer. The crane and proper rigging are the responsibility of the installing Contractor.
2. This proposal **does not include** preparatory job-site work, off-loading, anchoring or installation of the station, installation of any external equipment, mechanical field connections or supply or termination of field power or control wiring.
3. The proposed station includes custom anchor clips. Anchor bolts, nuts and anchor plates are by the Installing Contractor.
4. Proposed suction and discharge piping will terminate with a plain end 1' beyond the station wall. Installing Contractor is responsible for connection at this point.
5. **The installing contractor is responsible for providing the Victaulic 233 coupling for station connection as directed by the Engineer. The installing contractor shall be required to ship the required weld on restraint rings for the Victaulic 233 couplings to be welded on at the station manufacturer's factory before painting of the station.**
6. This proposal includes a PLC for local pressure controls, but does not include, if any, ancillary telemetry equipment or integration.
7. The sale price includes complete, engineering submittals sealed by a P.E. licensed in Colorado and one (1) lot Operation & Maintenance Manuals with Parts List.
8. This proposal includes up to one (1) trip and two (2) man days on-site for manufacturer's field start-up service with training. Additional days & travel, if required due to factors outside this scope, will be billed at EFI's on-site/travel rate: \$1,600/man day plus travel.

9. This proposal includes Parts and Labor Warranty for a period of two (2) years after factory start-up service, as described in the Conditions of Sale.

Submittal Delivery: 3 – 5 Weeks after Order.

Manufacture Completion: 37 – 40 Weeks After Receipt of Approval.

Holidays may extend actual delivery.

EFI WILL SHIP THE EQUIPMENT TO THE JOB SITE WITHIN 7 TO 10 DAYS AFTER MANUFACTURE.

**PLEASE NOTE: Several of EFI'S suppliers/vendors have informed EFI that until further announcement, they reserve the right to amend their delivery date, their price and their scope or amount of supply and/or other terms and conditions set out in their offer or quotation to the magnitude affected by the Covid-19 pandemic. Be advised that EFI-Solutions, Inc. deems the Covid-19 associated changes inflicted by our manufacturers and suppliers as outside of its reasonable control and (may be) subject to Force Majeure provisions.**

#### **PAYMENT TERMS:**

The price is firm if order is placed within 30 days from date of proposal and providing release to manufacture and ship "when ready" is given within 90 days. Payments are due Net 30 days of invoice/milestone. Retainage of payment is not allowed.

**Monthly Progress Billing** - Terms of payment will be Net 30 days subject to 1.5% per month late charge for past due accounts. Invoicing will be monthly, based upon the percentage of work completed during the billing period, and will be submitted to the Purchaser each month by an agreed upon date. The invoiced amount will reflect the value of the percentage of completion accomplished during the billing period for each of up to eight (8) categories: Engineering/Submittal Delivery, Approval of Submittals, Manufacture, Delivery, Onsite Services, \*Start-up & Training, (\*payment not to exceed sixty days after delivery for start-up and O&M milestones) \*O&M/ Spare Parts, and Punch List Completion. EFI will determine the percentage of completion accomplished for each month. The Purchaser may require substantiation, which will be limited to photocopies of material packing slips and photographs of station fabrication unless additional charges are accepted. The Purchaser or their agent may visit the EFI factory at their expense for substantiation.

Applicable taxes will be added in each payment.

Projects in arrears may be subject to work stoppage and will be assessed a late fee of 1.5% per month.

**Discounted Prepayment Terms:** In lieu of the terms stated above, EFI offers a 1% reduction of net cost for full payment received within 20 calendar days of receipt of order.

*Where Monthly Progress Billing is not available, other Billing Schedules will be negotiated.*

For additional information contact our local representative: **Mr. Chris Horneck**  
Hydrosol, Inc.  
7238 East Geddes Avenue, Englewood, CO 80112-1605  
(303) 692-0825 | FAX: (303) 692-9469  
[chorneck@hydrosol.biz](mailto:chorneck@hydrosol.biz)

Unless otherwise stated, quoted price(s) **do not include taxes**, bonds, fees, or permits. The price as proposed herein is based on and is expressly conditional upon acceptance of the stated terms on this proposal, including the payment terms. Any change or modification of these terms may result in a corresponding change to the quoted price. If alternate terms are preferred, and they are agreeable to EFI, a cost adjustment may be required for the added costs & liabilities. Some requested revisions of terms may not be acceptable. Any alternate terms or requests for such should be addressed prior to the bid.

Subtotal.....	\$ 1,218,254.00
Taxes .....	\$ Not included
Total .....	\$ 1,218,254.00

All Amounts quoted are in U.S. Dollars

**EFI'S OFFER OF PRODUCT OR SERVICE IS EXPRESSLY CONDITIONED ON PURCHASER'S ACCEPTANCE OF THE TERMS  
HEREIN AND THE CONDITIONS OF SALE ACCOMPANYING THIS PROPOSAL.**

Accepted, **Contingent** Upon Contract Award and Receipt of Submittal Approval

this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Date Issued: July 19, 2023

\_\_\_\_\_  
Company Name

EFI-SOLUTIONS

Prepared by:

\_\_\_\_\_  
Authorized Signature



By \_\_\_\_\_  
Name and Title

Maximiliane Roberts, Sales Coordinator

## CONDITIONS OF SALE

ALL PROPOSALS ARE BASED ON, AND ALL PRODUCTS ARE SOLD ON THE FOLLOWING TERMS, CONDITIONS AND PROCEDURES. **TERMS STATED ON THE PRECEDING PAGES SUPERSEDE TERMS AND CONDITION STATED IN THE CONDITIONS OF SALE:**

### 1. DEFINITIONS -

- 1.1 "Seller" shall mean Engineered Fluid, Inc (EFI), a Delaware corporation, d.b.a. EFI-Solutions.
- 1.2 "Purchaser" shall mean the person or entity listed on the Order Acknowledgement, and any subsidiary or affiliate of such person or entity receiving the Product under the Contract.
- 1.3 "Parties" shall mean the Seller and Purchaser, collectively.
- 1.4 "Product" shall mean the good(s) or service supplied pursuant to the Order Acknowledgement.
- 1.5 "Contract" shall mean the agreement between the Parties consisting exclusively of the Order acknowledgment (including its terms), together with EFI's written supply quote (including the terms and Conditions of Sale), and the Purchaser's written notice of order for the goods and/or services offered by the EFI. In the event of conflict between a term appearing the price quotation of Seller and the term appearing in the Order Acknowledgement, the Order Acknowledgement shall govern.

2. EFI-Solutions is an equipment manufacturer and is not, nor is to be considered a sub-contractor; as such any contractual requirements the Purchaser may have with a Third Party under a separate contract shall not be considered part of this Contract. EFI's offer is strictly expressed herein Transfer of this Contract to a Third Party is not permitted without the approval of the Parties.
3. TERMS - Payment Terms for Secured Order, which may be stated on the face of this quotation are subject to approval of credit and/or proof of a bond enforce against loss. Otherwise, Progress Payment Terms detailed on the face shall apply. All payments due hereunder to Seller shall be paid to Seller in United States Dollars. Retainage of money due is not permitted. Account must be current, including late charges, before start-up is performed.
4. DELIVERY - Unless otherwise stated, the apparatus covered by this proposal and any parts thereof shall be delivered to the Purchaser, f.o.b. the project site, or nearest passable road. Deliveries of the various units of this order may be made as completed.
5. DELIVERY TIME - The quoted delivery stated herein is Seller's best estimate when issued and begins on the date all necessary information is received to properly manufacture the apparatus in its final desired state. While Seller will diligently attempt to meet this date, it shall not be liable for any delay in shipment from any cause whatsoever and Purchaser agrees not to make any such claim.

Notwithstanding anything to the contrary herein, title to and right to possession of the Product shall remain with Seller and Seller shall retain a security interest in the Product (or goods into which the Product is incorporated by Purchaser) and any proceeds of the Purchaser's sale of the Product in the ordinary course of Purchaser's business until any and all payments due from Purchaser to Seller pursuant to the Contract shall have been made. Lien Waivers will only be issued on the direct portion that has been paid to the Seller.

This equipment will ship to the job site within 7 to 10 days after fabrication is complete. If EFI is required to hold finished equipment for longer than thirty (30) days, storage fees will be assessed at the rate of 1% of the sale price per month to cover insurance, trailer rental and maintenance of the station while it is in storage. It shall be the Purchaser's responsibility to notify EFI thirty (30) days prior to anticipated delivery if a delay in receipt of equipment is anticipated.

6. TAXES - No federal, state, local, GST/HST or any applicable taxes that may be imposed on this transaction have been included in the prices quoted unless specifically stated on the proposal face. All applicable taxes are to be paid by the Purchaser.
7. INSURANCE – EFI carries General Liability Insurance, Automobile Liability, Workers Compensation, Professional Liability and Pollution Liability Insurance. A copy of our certificate is available upon request. Unless otherwise stated herein, additional insurance is not included in the proposed price.
8. WARRANTY – Unless otherwise stated above, EFI warrants, to the original user, each product of its manufacture to be free from defects in material and workmanship for the period, whichever comes first, of twenty-four (24) months from the date of successful start-up, not to exceed thirty (30) months from notice of manufacturer completion, provided the product is properly installed, maintained and operated under normal conditions according to the manufacturer's instructions.

The obligation of EFI under this warranty is limited to correction without charge any part or parts thereof which shall upon examination disclose to the manufacturer's satisfaction to have been originally defective. Correction of such



defects by repair or replacement shall constitute fulfillment of all obligations by EFI. EFI shall not be liable for loss, damage or expense directly or indirectly from the use of its products or from any other cause.

Engineering design, products, components, parts, services or programming not purchased from EFI are excluded from this warranty. No start-up services on these components are included in this proposal. Expenses incurred by EFI attributable to the misapplication or malfunction of components not supplied by EFI will be the responsibility of the Purchaser.

The warranty of any products, components or parts provided by EFI, but controlled by equipment/programs provided by others is limited to the original manufacturer's warranty.

This warranty is conditional and does not apply to any of the following items:

- a) Items that must be replaced because of normal usage such as pump seals, packing, grease, oil, light bulbs, etc.
- b) Items that have been started up by person not authorized by EFI or that have been altered or repaired out-side of the manufacturer's factory, without written authorization from EFI.
- c) Products that are not started, checked and adjusted by an authorized EFI technician within eighteen (18) months from the date of shipment, unless special written instructions have been requested and received from EFI.

The product is subject to no expressed, implied or statutory warranty other than herein set forth, and no agent, representative or distributor of EFI has any authority to alter the terms of this warranty.

9. CANCELLATION - Purchaser agrees to reimburse to EFI all costs incurred and associated with sale and cancellation of order. Charges will include, but not be limited to, submittal design and assembly, procurement of material, manufacturing labor, (i) restocking charges, and (ii) shipping and handling of material and an additional amount equal to 10% of the aggregate amount reimbursed pursuant to subsections (i) and (ii) above as a cancellation processing fee.
10. ACCEPTANCE - Acceptance of this proposal whether by a separate purchase order or by other means shall constitute an acknowledgment of the quotation as written and an acceptance of the terms and conditions thereof. Any positive written response to this proposal shall be considered as an acceptance thereof. Acceptance of any terms, provision or conditions in conflict with those stated herein shall be so stated in writing by an officer of EFI. The acceptance of any goods or merchandise shipped to Purchaser as described herein shall constitute an agreement by the Purchaser to all the terms and conditions hereof.
11. REMEDIES - Purchaser's exclusive remedy for damaged or defective product is replacement of nonconforming product or payment of an amount not to exceed the purchase price of the product for which damages are claimed at the Seller's option. Purchaser shall have no right to set-off, to withhold payment or to make a reduction in price. Purchaser's remedy of replacement or refund is available only if nonconformance was not caused by Purchaser or by accident, fire or other hazards.
12. GOVERNING LAW - This transaction shall be governed by, interpreted and enforced in accordance with the laws of the State of Illinois. Where applicable, the United Nations Convention on Contracts for the International Sale of Goods shall govern.
13. DISPUTE RESOLUTION - Any and all lawsuits arising out of the terms and conditions of this agreement or concerning the goods sold hereunder shall be instituted and litigated in the Circuit Court of the Fourth Judicial Circuit, Marion County, Illinois and in no other forum unless the parties mutually agree in writing to a different forum. Accordingly, the parties to this transaction submit to the jurisdiction of the Circuit Court of the Fourth Judicial Circuit, Marion County, Illinois with respect to any dispute or disagreement having to do with, or arising out of, this contract or the performance by either party hereunder.
14. COSTS AND ATTORNEY'S FEES - In the event that Purchaser shall fail to comply with any of the terms and conditions hereof, then Purchaser shall reimburse EFI for all attorney's fees and court costs which may be paid, or incurred, by EFI in an effort to enforce the terms and conditions hereof or to obtain damages on account of the breach hereof by Purchaser.

## Attachment A

### Amendment No. 1 to Task Order No. 4

Water Supply and Storage Company 2021 Change of Use Water Court Application  
June 28, 2023

This Task Order sets forth the terms and conditions of services to be completed pursuant to communications between ELEMENT and CLIENT and serves to amend Attachment A to the Master Consulting Agreement between our firms dated October 21, 2019.

#### Scope of Services

ELEMENT is providing water resources services to CLIENT to support a change of use of Water Supply and Storage Company (WSSC) water rights in Case No. 21CW3119. The first phase (Phase I) covered services including the preparation of a Preliminary Expert Report and providing support to CLIENT and its legal counsel in the development of a water court application (the Application), preparing a draft water court decree, preparing a Substitute Water Supply Plan (SWSP) application, responding to a Summary of Consultation, reviewing and responding to objector comments, and in settlement negotiations. If the Application is not settled prior to July 1, 2023, it will be referred to the water court judge. The primary purpose of this first amendment to the task order is to continue assisting CLIENT in its settlement negotiations. This includes providing information to the City of Greeley's consultant related to information ELEMENT prepared to assist CLIENT in settlement with the Larimer and Weld Irrigation Company, Larimer and Weld Reservoir Company, and WRCC, Inc. ELEMENT will also assist CLIENT with its Substitute Water Supply Plan renewal application for 2024. A subsequent amendment will be provided if an expert report and trial preparation are needed.

#### Deliverables and Project Schedule

The primary deliverable under this Amendment will be technical information provided to CLIENT's legal counsel to support settlement negotiations, information provided to the City of Greeley's consultant, and information provided to CLIENT in support of its SWSP renewal application for 2024. All deliverables, as well as participation in phone/conference calls, meetings, and communication via email will be provided in a timely manner to meet critical deadlines and mutually agreed-upon schedules. We are available to begin working on this project upon execution of the Agreement.

#### Fee Schedule

The budget estimate for the tasks described in the Scope of Services section above is \$40,000, based on the hourly rates described below. This budget estimate will include the period from June 1, 2023 to December 31, 2023. Payments for our services are based on the actual time spent on CLIENT's behalf and are measured by standard hourly rates based upon a 40-hour work week. Our current hourly rates are as follows:

Professional Services	Hourly Rate
Administrative	\$75.00
Staff Engineer/Hydrologist	\$140.00
Project Engineer/Hydrologist	\$160.00
Senior Engineer/Hydrologist	\$185.00
Project Manager	\$195.00
Senior Project Manager	\$205.00

Overtime, rush, and holiday work necessitated by CLIENT's directive is billed at an additional \$55 per hour. Sub-consultants to ELEMENT are billed at cost plus five percent. ELEMENT reserves the right to adjust the hourly rates annually.

If scope changes or project specifications cause an increase or decrease in services, an equitable adjustment shall be made to ELEMENT's compensation and this Agreement shall be modified by change order accordingly. ELEMENT will treat as a change order any written or oral order (including directions, instructions, interpretations or determinations) from CLIENT which request changes in the services. ELEMENT will provide CLIENT notice within ten (10) days of the change order of any resulting increase in fee. Unless CLIENT objects in writing within five (5) days, the change order becomes part of this Agreement. If during the term of this Agreement material circumstances or conditions come to exist that were not originally contemplated by or known to a party, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, either party may call for renegotiation of appropriate portions of this Agreement. Each party shall notify the other party of the changed conditions necessitating renegotiation, and the parties shall promptly and in good faith enter into renegotiation of this

Agreement. If terms cannot be agreed to, either party may then terminate this Agreement.

**CLIENT**

**ELEMENT Water Consulting, Inc.**

By: \_\_\_\_\_  
Signature & Title

By: \_\_\_\_\_  
Beorn A. Courtney, P.E., President

Date: \_\_\_\_\_

Date: \_\_\_\_\_





**Stantec Consulting Services Inc.**

3325 South Timberline Road  
2nd Floor  
Fort Collins CO 80525-3681

June 15, 2023

Project/File: North Weld County Water District Regional Master Plan

**Eric Reckentine**

North Weld County Water District  
32825 Co Rd 39  
Lucerne, CO 80646

Dear Eric Reckentine,

**Reference: Regional Master Plan - Progress Update**

As the internal project manager for Stantec on this project, I have recently completed an audit of our scope and budget. Last month, we were unable to invoice you, due to the lack of physical percent complete progress on this fixed-fee project. As a result, I have conferred with the project team to determine the cause of the lack of progress despite the hours spent on the project.

A portion of our overrun stems from an underestimate of the level of effort it would take to complete certain tasks. For example, it took our resources more time to become familiar with the data than anticipated and we have had to hold more internal coordination meetings than we initially planned for. This is a burden Stantec should be expected to bear, as it is not the fault of the District that we did not budget these tasks correctly.

However, a portion of the blame can be attributed to the difficulty we have had in collecting and managing the necessary data and system information from the District and the Towns. For example, the amount of data sent from the District for the model was overwhelming and was not always useful. Incorrect data was sent through GIS and there were problems with the totalizer flows. Also, the SCFP spreadsheets that were sent were not useful for the modeling needs. Our resources spent a significant amount of time going through the data to find the numbers that were pertinent for the model updates and calibration. As a result, twice as much time was spent on the Data Collection and System Characterization tasks than was budgeted.

The Population Growth and Water Demand task was also more difficult than originally anticipated. For example, we struggled to get data from the Towns and had to hold several additional meetings to get useful data. It was originally assumed that we would not need any additional meetings with the Towns and that the data sent would be sufficient to update the peaking factors.

Under the Model Update and Calibration task, we were scoped to verify the Model with GIS data sent from the District. The information in the model was to be "spot checked" against information in the District's GIS. However, GIS information sent by the District was not up to date and several meetings were required to reconcile the data with what was in the model. Over 80 hours were spent on this task when the level of effort was budgeted at 16 hours.



**Stantec Consulting Services Inc.**

3325 South Timberline Road  
2nd Floor  
Fort Collins CO 80525-3681

The task that required generating and allocating water demands was also a larger effort than anticipated. We had been scoped to use the 2021 demand datasets, which were already in the model, but were asked to use 2022 data. This was difficult because some residential user data is actually farm/dairy demand in 2022 and it took extra effort to figure out how to handle that. Furthermore, we did not originally anticipate simulating specific subdivisions in the model, which ended up being necessary.

Below is a summary of the overruns we have been experiencing. Given the circumstances surrounding the cause of the overruns, we would hope that you would agree to sharing some of the burden. We are requesting an amendment to our contract in the sum of \$15,200.

<b>Activity</b>	<b>Hours Budgeted</b>	<b>Fee Budgeted</b>	<b>Hours Spent</b>	<b>Fee Spent</b>	<b>Additional Hours Requested</b>	<b>Additional Fee Requested</b>
Data Collection	11	\$1,480	39	\$5,928	18	\$2,736
System Characterization	32	\$4,280	50	\$7,600	12	\$1,824
Population Growth and Water Demands	55	\$7,810	89	\$13,528	22	\$3,344
GIS Model Verification	16	\$2,270	82	\$12,464	42	\$6,384
Generation and Allocation of Water Demands	11	\$1,540	21	\$3,192	6	\$912
<b>Total</b>	<b>125</b>	<b>\$17,380</b>	<b>281</b>	<b>\$42,712.00</b>	<b>100</b>	<b>\$15,200</b>

Please feel free to call me to discuss these findings and the potential for an amendment.

Best regards,

**STANTEC CONSULTING SERVICES INC.**

**Lisa Fardal** PE, PMP  
Project Manager  
Phone: (970) 212-2773  
Mobile: (970) 231-5538  
lisa.fardal@stantec.com

**Attachment 1 – Work Tasks and Estimated Level of Effort for Updating COS Water Rate Study and Plant Investment Surcharge**

Task	Description	Estimated labor effort, hours
Update historical usage and demands	Update historical water usage and demand, by sector, including 2022 and 2023, to date;	4
Update future usage and demand estimates	<p>Update estimates of future usage and demands by sector, acknowledging high degree of uncertainty associated with NISP-influenced future wholesale demands and commercial demands associated with dairy operators.</p> <p>This task would also include confirming most recent estimates of wholesale customer peaking factors, and expressing future demand in both terms of water volume and in the number of taps. Also, a strong link and consistency with demands used in the revised system hydraulic model is essential.</p> <p>Demand will ultimately be driven by a combination of traditional growth, future actions taken by wholesale and commercial users, and the ability of the system to install sufficient capacity to provide service, or taps, where and when requested. Future demand is expressed in the number of taps. However, it is important to note how many new taps are created by new customers and how many new taps are created by existing commercial customers using water beyond their allocation.</p> <p>This task will focus upon a baseline and alternative demand scenarios, especially re. future wholesale customer demands.</p>	24
Commercial and residential usage beyond purchased taps	For purposes of estimating water and plant allocation surcharge revenue, estimate annual usage in excess of water and plant tap investments. Due to uncertainty re. how commercial users may react to demand management policies, these usage estimates and corresponding revenue estimates will be similarly uncertain.	8
Update Capital Improvement Program (CIP) estimates	<p>Obtain future CIP estimate for as far into the future as the District and their consultants are comfortable with. Express future costs in both 2023 dollars and with anticipated cost escalation.</p> <p>Allocate CIP costs between expenditures to accommodate future customers, or growth, and expenditures benefitting existing customers. Growth-related expenditures will be recovered through PI fees and accrue to the Capital Reserve portion of the rate model. Remaining CIP expenditures will be recovered through monthly water charges to customers.</p>	16

	Further allocate CIP costs on a joint-specific basis: whether the expenditures provide district-wide benefit or benefit a specific group of customers.	
Update PI fees	Update Plant Investment fees based on the CIP costs allocated to growth and the expected number of new taps. PI fees will be calculated on a District-wide basis and also for wholesale customers, as a group.	16
Update Revenue Requirements	Update the system's current and future annual operating cost estimates, including O&M costs, administrative costs, and capital costs and debt service recovered through rates. Subtract non-rate revenues from this total, including PI and Water Allocation surcharge revenues. The remaining balance is the basis for monthly water charges.  Some discussion will be necessary to confirm that surcharge revenues continue to "buy-down" rates for existing customers rather than be used for capital expenditures, primarily water acquisition.	8
Update Capital Reserve accounting	Within the rate model, capital-related revenues, including tap fees, and capital expenditures are tracked separately from the revenue requirements. Estimated annual capital reserves are the result of this table.  Bond proceeds and annual debt service calculations are included in this capital accounting.	12
Cost allocation to function, update	Revenue requirements are allocated to water system function, including source of supply, treatment, transmission, storage, distribution, and administrative.  These allocations ensure that wholesale customers do not pay for water supply or small diameter distribution lines.	4
Cost allocation to base-extra capacity, update	Allocation of the functionalized costs to base-extra capacity parameters: average day, max day, and max hour.	4
Cost allocation to customer class, update	Further allocation of costs to customer class based on usage and peak demand characteristics.	4
Cost-of-service rate calculations by customer class, update	Calculate cost of service-based water rates by customer class for either a baseline year or multi-year average scenario.	16
Rate implementation	Assess one or more rate scenarios that ensure rate revenues are adequate for a 5-year period through 2028.	8
District cash flow	Determine the District's annual cash flow and annual capital reserve levels based on these rate scenarios.	8

Planning scenarios	It is anticipated that several scenarios will be considered with respect to future wholesale customer usage and commercial usage.	24
Update COS Rate Study document	Provide an updated draft of the Cost of Service Water Rate Study. It is assumed that after District review, this document will assist in negotiating water rates with exiting wholesale customers	24
Board meeting and other meetings attendance	Attend October Board meeting	8
Other meetings and telephone conferences	Included in the tasks above.	
<b>Total estimated effort for rate study update and planning scenarios</b>		<b>196 @ \$160/hr = \$31,360</b>
Update PI Surcharge and associated Memorandum	Based on changes in water acquisition costs and reflecting any future changes in District policies regarding PI surcharges, update the surcharge level and its documentation	<b>16 @ \$160/hr = \$2,560</b>

Delivery by email to:  
Randy Siddens [randys@elcowater.org](mailto:randys@elcowater.org)  
Eric Reckentine [ericr@nwcwd.org](mailto:ericr@nwcwd.org)

August 4, 2023

Mr. Mike Scheid  
General Manager  
East Larimer County Water District  
232 South Link Lane  
Fort Collins, Colorado 80522

Mr. Eric Reckentine  
General Manager  
North Weld County Water District  
32825 Co Rd 39  
Lucerne, CO 80646

RE: NEWT 3 – Construction Management  
Scope of Services Proposal

Dear Eric and Mike:


This scope of work proposal follows on our recent discussions regarding having Ditesco continue to support the NEWT3 project through the construction phase.

Providence Infrastructure Consultants (PIC) has been retained to provide engineering services during construction. Garney Construction has been retained to provide general contracting and construction services. Retaining Ditesco to provide construction management, inspection and contract administration completes the construction phase team. Ditesco will act as CM as Owner's Agent for this phase of the work.

Thank you for giving Ditesco the opportunity to provide these services for this project!

Please let me know if you have any questions or require further information regarding this proposal, I can be reached by phone at 970.988.8605 and email [keith.meyer@ditescoservices.com](mailto:keith.meyer@ditescoservices.com).

Sincerely,

  
Keith Meyer, P.E.

Enc. scope of services

Cc: Crystal Bidwell,  
Andrew West  
file

# **Exhibit A**

## **NEWT 3**

### **Construction Management**

#### **Project Understanding**

This scope of services is a continuation of our prior contract providing project management services for the NEWT3 pipeline project. North Weld County Water District (North Weld) and East Larimer County Water District (ELCO) have partnered on the NEWT3 project with North Weld owning 70% of the pipeline and ELCO owning 30%. The project will provide needed potable water to various portions of each water district. Currently, Providence (PIC) has completed the design efforts while Garney Construction has provided a final GMP for the construction contract.

The services provided under this contract are generally expected to include construction management, contract administration, inspection and document management.

#### **Task 1: Design and Permitting Management**

- This task is complete.

#### **Task 2 – Preconstruction**

- Our team will photograph existing site conditions to develop a baseline record of pre-existing conditions to provide documentation for protecting the Districts from damage claims. This will be done with standard photographic means and drone technology.
- Prior to construction, we will establish a Procore document management site for design team, owner and contractor access. This site will house all construction phase communications including submittal reviews, RFIs, meeting minutes, and reports. Ditesco staff will establish the required tracking logs within Procore to manage the RFI, submittal and change tracking processes for use in inspection and quality control. Ditesco will provide training and access for users of this cloud-based application.
- We will develop a Risk Register for use during preconstruction, construction, and post-construction phases. The Risk Register will require buy-in and understanding from all parties. Ditesco will work to ensure a proper balance of risk balance between the Districts, Providence, and Garney.
- Our team will review the contractor's construction schedule and provide comments in order to ensure a logical and achievable project schedule.

#### **Task 3: Construction**

- During this phase Ditesco will provide full-time Construction Management as Owner's Agent and Resident Engineering services to assist in work coordination and ensure compliance with contract documents/specifications.
- Our staff will attend and document one pre-construction meeting.
- We will attend weekly progress meetings on site with the contractor and their subcontractors. We will provide meeting minutes for all meetings, track action items and ensure follow-through by the assigned party.
- Ditesco staff will conduct special project meetings as necessary for work planning, method of procedure (MOP) review and sequencing events as may be defined in the specifications or as required by the construction process.
- During the construction phase, we will manage a Procore document management site for design team, and owner. This site will house construction phase communications including, meeting minutes, test results, correspondence, daily logs and reports.

- Our team will ensure work does not occur until approved submittals are provided by the contractor. As part of our normal inspection procedures, our staff will ensure all materials received on the jobsite conform to approved submittals and shop drawings.
- Ditesco staff will review all material test reports provided by the Districts' QC testing firm. We will comment on reports not meeting specifications and recommend remediation measures if necessary. We will ensure the appropriate number of tests are taken and that they are sampled according to industry standards and the project specifications.
- We will maintain a photographic log of the project documenting construction and post construction conditions. This work is expected to include brief descriptions of each photograph with a filename, time and date reference. This work will be within the Procore document management site.
- We will maintain project records including contracts, schedules (overall job and three/six-week look-ahead), progress meeting minutes, material test results, weekly reports, correspondence, pay applications, change orders, routine photographs, testing records and post construction close-out paperwork (punch lists, lien waivers, substantial completion/final acceptance).
- We will review and recommend approval of pay applications to the Districts, review and manage contract changes for approval by the Districts and provide for overall administration of the construction contract. This work includes verification of quantities and cost backup, review and audit of all change order requests and performing independent cost estimates as necessary to support change order audits.
- We will implement change control procedures for a CMaR construction contract. This will include daily; weekly and monthly tracking of contractor progress items. We will establish these procedures with the contractor from the onset of construction.
- Ditesco will act as the main contact for the Districts, the Engineer and Contractor throughout the construction phase, managing all aspects of the project delivery.
- Our staff will perform daily site inspection and observation (full time) to ensure quality construction and conformity to the plans and specifications. Inspections will include pipeline installation, excavation, dewatering, trench stabilization, shoring, pipe bedding, interior and exterior coatings, backfill and site restoration. Additional inspection will include structural concrete, reinforcing steel, roadway reconstruction and asphalt paving. We will provide field engineering support addressing field changes quickly to avoid construction delays.
- We understand bore/tunnel work is being performed as a design/build component to the Contractor's contract. As such, we will support this work, but will rely on the engineer of record for final inspection of the tunnel and boring field installation and construction quality.
- Our team will ensure the project is built to a high degree of quality. Nonconformance reports will be issued as necessary to document quality issues and bring issues to final closure.
- We will coordinate construction activities with all stakeholders including the Districts, private property owners, and others as necessary.
- We will ensure the material testing firm is appropriately managed and quality control reporting is accurate.
- We will provide the Districts with weekly and monthly reports documenting the contractors work progress, contract times and other pertinent information.
- We will document daily work progress in the form of daily construction reports through the Procore site for each day that Ditesco is onsite for inspection. Daily reports will include work activities, production, photos, crew and equipment allocation, communications, testing, materials received, traffic management, changes in conditions, weather, any outside visitors, and hours worked.
- We routinely manage a "pending issues" log that tracks pending changes and issues related to the construction contract. This tool will form the basis of change orders and change control.



- Ditesco will ensure accurate record drawings are maintained through collection of Contractor provided redlines and information we may collect.
- Ditesco staff will document as-built locations of the pipeline through use of survey and GPS grade equipment as a supplement to the contractor's work.
- Our team will monitor the contractor's schedule regularly and will expect monthly updates to the project CPM from them. We will endeavor to share project scheduling software files with the contractor to review logic, float and activity durations in detail. We will report on any discrepancies in the schedule to the expected delivery through terms in the construction contract.

**Task 4: Post Construction**

- We will conduct a final punch list walk-through for various stages of the work.
- Ditesco personnel will ensure that an as-built plan set is maintained by the Contractor, reviewed by Ditesco, and transmitted to the Engineer upon completion of the project. This will be redlined drawings in Bluebeam or electronic drawings (CAD) maintained by our staff and will be coordinated with plan changes that may be documented by the Contractor. We expect redlined drawings will be maintained through Procure or a Bluebeam Studio session. We will also ensure accurate O&M manuals are transmitted to the Districts upon completion of the project (as applicable).
- Ditesco staff will assist the Districts in compiling, executing and collecting all necessary close out paperwork including substantial completion, final acceptance, lien waivers, consent of surety, warranty letters and other close out forms as necessary.
- We will provide a written Certificate of Completion to the Districts and a final letter certifying that the construction was performed in accordance with the approved plans/specifications relative to Ditesco's onsite observations.
- We will conduct warranty walk-through inspections at designated times after final project acceptance.

**Deliverables**

- Deliverables will include full project documentation including: construction correspondence, pay applications, change orders, field orders, work change directives, schedules, reports, photographs, meeting notes, record drawings and other relevant information produced throughout the preconstruction and construction phase. All documents will be provided in an electronic form on external drives for Districts use (as duplicated from the Procure site).

**Schedule**

The anticipated schedule for the construction phase of NEWT3 is:

Construction Phase:                      October 2023 through late fall 2024 (estimated at 15 months)

**Fee Estimate**

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**Total:** **\$1,411,284.00**

**Work will be billed at the time and material rates shown in Exhibit B, not to exceed. Please refer to page 6 of this proposal for a detailed breakdown of the fee estimate. All reimbursable expenses will be billed at direct cost, without markup, including subconsultants.**

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## Exhibit B

### Ditesco 2023-2024 Rates

President:	\$240.00 per hour
Principal:	\$185.00 per hour
Department Manager:	\$165.00 per hour
Senior Project Manager:	\$152.00 per hour
Project Manager:	\$145.00 per hour
Associate Project Manager:	\$125.00 per hour
Engineer:	\$120.00 per hour
Associate Engineer:	\$115.00 per hour
Project Engineer:	\$110.00 per hour
Senior Construction Manager:	\$152.00 per hour
Construction Manager:	\$126.00 per hour
Inspector:	\$95.00 per hour
Senior CAD Designer:	\$136.00 per hour
CAD Designer:	\$85.00 per hour
GIS Technician:	\$82.00 per hour
Administrative:	\$72.00 per hour
Mileage Reimbursement:	IRS Rate
Daily Truck Rate:	\$105.00 per day
Subconsultant Markup	none
All other costs at direct expense	
Terms	30 days net

A Design Phase/Task Description	Person/Role								J Task Total	Notes	
	B Keith Meyer Principal/PM (hrs)	C Bill Renz Sr. Project Manager (hrs)	D Matt Jardin Construction Manager (hrs)	E Andrew West Engineer (hrs)	F Nathan Dunning Engineer (hrs)	G Eric Kitscher Inspector (hrs)	H Rhonda Bunner CAD Designer (hrs)	I Leslie Bratner Admin (hrs)			
	\$185	\$152	\$126	\$115	\$120	\$95	\$136	\$68			
<b>Task 2: Preconstruction Phase</b>										\$1,254,782	
2.03 Contract Management											
- Contract Management	4	2	0	2	0	0	0	4	\$1,546		
- Establish Procure site for project team	0	2	0	4	0	0	0	0	\$764	document management	
- Preconstruction Photos and Video	0	0	18	24	10	0	0	0	\$6,228	photos and drone documentation	
1.02 Meetings											
- Routine Meeting Allowance	24	0	0	24	0	0	0	0	\$7,200	misc. meeting allowance	
<b>Construction Phase (14 months)</b>											
<b>Task 3: Construction</b>											
1.02 Preconstruction Meeting (minutes, contact lists, etc.)	4	0	3	3	3	0	0	2	\$1,959		
1.02 Progress meetings (1 per week for 15 months)	183	91.5	274	274	68.5	68.5	0	183	\$140,969		
2.03 Create and compile job files/Procure Management	23	46	91	183	0	0	0	0	\$43,758		
2.02 Submittal/shop drawing coordination and record keeping	46	91	69	91	0	0	0	0	\$41,501	Submittals by Engineer	
2.04 RFI Response	10	8	4	20	8	0	0	0	\$6,830	RFIs by Engineer	
2.03 Contract Management - Construction	30	15	0	30	0	0	0	15	\$12,300		
2.03 Contract Management (pay applications, change orders, etc.)	30	0	0	30	0	0	0	0	\$9,000		
2.01 Construction Management (CM/RE)	183	91	2057	686	2285	1371	0	0	\$790,204	based on 50 hr work week; two pipe headings	
1.07 Monthly Reports	4	0	0	15	0	0	0	15	\$3,485	summary reports to Districts	
2.01 Daily Construction Logs	0	0	457	114	457	229	0	0	\$147,287		
2.07 Record Drawing Documentation	0	0	4	10	20	4	80	0	\$15,314		
2.05 Schedule Management	15	0	15	10	0	0	0	0	\$5,815		
<b>Task 4: Post-Construction Services (warranty period)</b>											
2.06 Start Up and Testing	4	2	8	16	20	0	0	0	\$6,292		
2.07 Punch list walk through	2	0	16	16	16	0	0	0	\$6,146		
2.07 Close out paperwork (substantial and final completion, etc.)	4	1	0	4	0	0	0	0	\$1,352		
2.07 Project Close Out (compilation of files, photos, job records, etc.)	0	0	0	8	0	0	0	4	\$1,192		
2.07 Warranty walkthrough (11th month)	8	2	16	16	0	0	0	0	\$5,640		
Reimbursables (estimated):											
Vehicle Cost at \$105/day; 3 vehicles										\$143,955	3 truck assignments for duration
Other Direct Costs as a % of labor at 1.0%										\$12,548	material testing by Districts under separate contract
<b>NOTE: staff assignments are based on current availability and may change at Ditesco's discretion.</b>											
<b>Design and Permitting Phase Subtotal</b>	574	352	3032	1580	2888	1673	80	223			
<b>% Job Assignment</b>	0.24	0.15	1.26	0.66	1.20	0.70	0.03	0.09			
<b>Cost</b>	\$106,190	\$53,428	\$382,032	\$181,700	\$346,500	\$158,888	\$10,880	\$15,164			
<b>Reimbursable Costs (mileage, etc.)</b>									\$156,503		
<b>Total Cost</b>									\$1,411,284		



**Backflow Prevention and Cross-Connection Control  
Variance Request Form (Page 1 of 2)**

The NWCWD Backflow Prevention and Cross-Connection Control Regulation requires all non-single family service connections, and single-family service connections that pose a Backflow risk, to install an Approved RPZ Assembly immediately downstream of the water meter or as close to that location as deemed practical by NWCWD.

This form is for Tapholders requesting a Variance from the requirement described above.

NWCWD reserves the right to deny any Variance request.

**The following is to be completed by the Tapholder:**

Property Owner: <u>Rest Stop Storage LLC</u>	Contact Name: <u>Scott McBride</u>
Property Address:	Contact Phone: <u>970-673-9929</u>
Meter Number: <u>4446</u>	Contact Email: <u>info@reststopstorage.com</u>

**Category of Property (check all that apply):**

<input type="checkbox"/> Commercial	<input type="checkbox"/> Residential	<input type="checkbox"/> Agriculture	<input type="checkbox"/> Industrial
<input type="checkbox"/> Other (describe as necessary)			

**Variance Criteria (check and describe all that apply):**

<input type="checkbox"/>	There is not adequate drainage for an Approved RPZ Assembly.
<input type="checkbox"/>	An Approved RPZ Assembly would be subject to flooding.
<input checked="" type="checkbox"/>	Unreasonable Burden
<input type="checkbox"/>	Installation of an Approved RPZ Assembly would compromise the function of an existing fire sprinkler system.
	<i>When submitting Variance request form, include supporting documentation, signed by a certified fire sprinkler designer, that installation of an Approved RPZ Assembly would compromise the functioning of the existing fire sprinkler system.</i>

**Describe applicable Variance Criteria below:**

The RPZ is located at the meter pit which is in the path of mowing & maintenance. It would be subject to theft & vandalism since it is outside the fenced area. Power is not available in the area. The meter is in ditch company easement so this would obstruct their access along the ditch.



**Backflow Prevention and Cross-Connection Control  
Variance Request Form (Page 2 of 2)**

**Describe proposed alternative solution below:**

I would recommend to move the RPB Containment Assembly 65ft downstream of the meter to allow the assembly to be located near power and in a secure location. Away from traffic/maintenance hazards.

The assembly will still be upstream of any tees or first point of use so it is still a containment assembly.

*Include sketch above or attach additional drawings and information as/if necessary.*

	Name (Print)	Rest	Signature	Date
Tapholder	Mark	Step Storage		7/20/23
Master Plumber				
Master Plumber Certification Information: Met with district staff				

**For NWCWD Use Only:**

Date Submitted:	Date Reviewed:	Status: <input type="checkbox"/> Approved <input type="checkbox"/> Unapproved
Comments:		
Authorized By:		

## NON-EXCLUSIVE EASEMENT FOR ACCESS

This NON-EXCLUSIVE EASEMENT AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between CITY OF GREELEY, COLORADO, a Colorado home rule municipality, as to an undivided 50% interest, whose address is 1000 10<sup>th</sup> Street, Greeley, Colorado, FORT COLLINS-LOVELAND WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, as to an undivided 21% interest, NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado as to an undivided 16.5% interest and EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado as to an undivided 12.5% interest, (collectively, “Grantors”), and MARK A. LINDER, whose address is 4355 Bingham Hill Road, Fort Collins, Colorado, 80521 (“Grantee”).

### RECITALS

- a. Grantors own the real property known as Larimer County Parcel Number: 98324-12-901 (“Property”) legally described as:  
  
OUTLOT A, LINDER MINOR LAND DIVISION 11-S3085, COUNTY OF LARIMER, STATE OF COLORADO.
- b. Grantee desires to use and occupy a portion of the Property for access purposes (“Licensed Use”) in, on, through, across or along portions of the Property and desires to obtain Grantors’ permission, therefore.
- c. Grantors desire to grant to Grantee a non-exclusive easement (“Easement”) for the above-stated purpose, upon the terms and conditions contained below.

### AGREEMENT

NOW, THEREFORE, for consideration, the receipt and sufficiency of which is hereby acknowledged, Grantors hereby grant to Grantee, with respect to such interest as Grantors may have in the Property, the authorization to access in, on, through, across or along portions of the Property shown on **Exhibit A**, and legally described on **Exhibit A-1**, subject to the following:

1. Grantors intend to use the Property for the construction, operation, maintenance, repair, replacement, and relocation of their uses and facilities and the rights herein granted to Grantee for the use of the Property are subject to the rights of Grantors to use the Property for such purposes, which rights Grantors hereby expressly reserve.
2. Grantee shall apply for, obtain, and pay for, any and all permits required by the Grantors and any and all other applicable jurisdictions prior to commencing any work within the Property.



3. Grantee shall restore, at Grantee's sole cost and expense, the surface of the Property, as nearly as practicable and permissible, to its prior condition and contour following any disturbance of the Property occasioned by the uses granted Grantee in this Easement.
4. Any damage to the Property or to any of Grantors' facilities located on the Property, as a result of the access shall be paid for, and repaired, at the sole expense of Grantee. All repairs shall be made in accordance with Grantors current municipal rules, regulations, and ordinances.
5. As used in this Easement, the terms ("Claims") means (1) losses, liabilities, and expenses of any sort, including attorneys' fees; (2) fines and penalties; (3) environmental costs, including, but not limited to, investigation, removal, remedial, and restoration costs, and consultant and other fees and expenses; and (4) any and all other costs or expenses.
6. As used in this Easement, the term ("Injury") means (1) death, personal injury, or property damage; (2) loss of profits or other economic injury; (3) disease or actual or threatened health effect; and (4) any consequential or other damages.
7. To the extent permitted by law, Grantee covenants and agrees to at all times protect, indemnify, hold harmless, and defend Grantors, their respective directors, officers, agents, employees, successors, assigns, parents, subsidiaries, and affiliates from and against any and all Claims arising from, alleged to arise from, or related to any Injury allegedly or actually occurring, imposed as a result of, arising from, or related to (1) this Easement; (2) Grantee's or any other person's presence at the Property as a result of or related to this Easement.
8. Grantee's duty to protect, indemnify, hold harmless, and defend hereunder shall apply to any and all Claims and Injury, including, but not limited to:
  - a. Claims asserted by and person or entity, including, but not limited to, employees of Grantee or Grantee's contractors, subcontractors, or their employees;
  - b. Claims arising from, or alleged to be arising in any way from, the acts or omissions of Grantee, Grantee's sublessees, invitees, agents, or employees.
9. Each of the Grantors warrant that the signatories hereto have the authority to grant this Easement to Grantee.
10. Grantors do not waive any provisions of the Colorado Governmental Immunity Act, CRS §24-10-101, *et seq.*
11. This Easement is not transferable or assignable without written notice to Grantors.
12. Upon abandonment of the use of the Property by Grantee, this Easement shall terminate.

13. This Easement shall inure to the benefit of and be binding upon the legal representatives, successors, heirs, and assigns of the parties hereto.
14. This Easement may be executed in two (2) original counterparts, each of which shall be deemed an original of this instrument.
15. Electronic Signatures. This Agreement may be executed and delivered by electronic signature by any of the parties and all parties consent to the use of electronic signatures.
16. Recording. City will record this Agreement in the real property records of the Larimer County Clerk and Recorder.

*{SIGNATURE PAGES TO FOLLOW}*





GRANTOR:

**THE CITY OF GREELEY, COLORADO,**  
a Colorado home rule municipality

Real Estate Management:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Kallasandra Moran, Real Estate Manager

Owning Department:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Adam Prior, Chief Engineer

**GRANTOR:**

**FORT COLLINS-LOVELAND WATER DISTRICT**, A quasi-municipal corporation and a political subdivision of the State of Colorado

By: \_\_\_\_\_  
Chris Pletcher, P.E. District Manager

ATTEST: \_\_\_\_\_

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF LARIMER    )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2023, by Chris Pletcher, as District Manager of the FORT COLLINS-LOVELAND WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**GRANTOR:**

**NORTH WELD COUNTY WATER DISTRICT**, a Political Subdivision of the State of Colorado

ATTEST:

\_\_\_\_\_  
Tad Stout, President

\_\_\_\_\_  
Scott Cockroft, Secretary

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF WELD        )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2023, by Tad Stout, as President of the NORTH WELD COUNTY WATER DISTRICT, a Political Subdivision of the State of Colorado.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

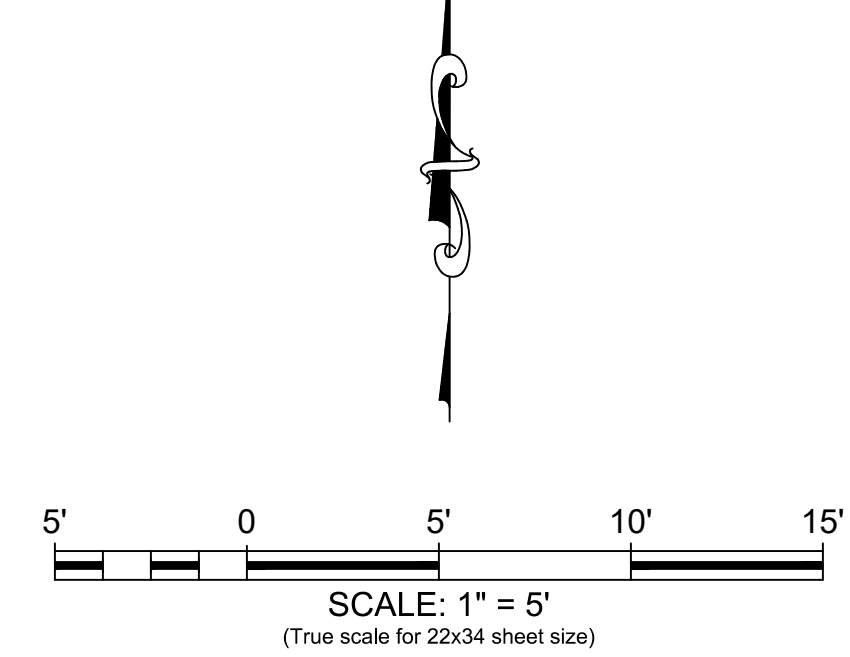




Drawing Name: D:\Projects\Larimer No 2 Lateral\Drawings\Sheets\Site Layout.dwg Tuesday, December 06, 2022 5:48 PM By: Rhonda Bummer



**EXHIBIT A**



**LEGEND:**

EXISTING CONTOURS	--- 4987 ---
EXISTING PROPERTY LINE	--- P/L ---
EXISTING EASEMENT	--- ESMT --- ESMT ---
EXISTING FENCE	-X-X-
EXISTING WATERLINE	--- W --- W ---
EXISTING WATER EDGE	--- W ---
EXISTING 15" UNDERDRAIN	--- 15" UD ---
EXISTING TREES	
EXISTING TREES TO BE REMOVED	

**FIELD SURVEY BY:**

ORIGINAL FIELD SURVEY:  
MAJESTIC SURVEYING  
DATE: September 26, 2022

**NOTES:**

1. THE SIZE, TYPE AND LOCATION OF ALL KNOWN UNDERGROUND UTILITIES ARE APPROXIMATE WHEN SHOWN ON THESE DRAWINGS. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO VERIFY THE EXISTENCE OF ALL UNDERGROUND UTILITIES IN THE AREA OF THE WORK.
2. CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING DEMOLITION, REMOVAL, REPLACEMENT AND DISPOSAL OF ALL FACILITIES AND MATERIAL.
3. ALL SYMBOLS ARE ONLY GRAPHICALLY REPRESENTED AND ARE NOT TO SCALE.
4. CONTRACTOR TO USE ONSITE MATERIAL FOR FILL AREAS.
5. CONTRACTOR SHALL SCARIFY ALL FILL AREAS PRIOR TO EMBANKMENT AND SHALL USE ONSITE MATERIALS FOR BACKFILL OF STRUCTURES AND SITE GRADING.
6. ALLOWANCE FOR CHANNEL STABILIZATION SHALL INCLUDE OVEREXCAVATION, PLACEMENT OF STABILIZATION ROCK AND COMPACTION AS DIRECTED BY THE ENGINEER.
7. CONTRACTOR SHALL PROTECT STOCKPILED AREAS WITH APPROPRIATE EROSION CONTROL.
8. CONTRACTOR SHALL PROVIDE TWO TEMPORARY MOBILE RUMBLE STRIPS CONSTRUCTION ENTRANCE TREATMENTS AT THE SITE ACCESS OFF OF OVERLAND TRAIL.
9. CONTRACTOR SHALL HAUL OFF AND DISPOSE OF UNSUITABLE MATERIAL USING ALLOWANCE PAY ITEM AS DIRECTED BY ENGINEER.

**ditesco**  
Project & Construction Services  
2133 S. Timberline Road, Suite 110  
Fort Collins, Colorado 80525  
Phone: 970.632.5068  
www.ditescoservices.com

P.E. Seal

No.	Revisions:	By:	Date:

<b>OUTLET STRUCTURE SITE AND GRADING PLAN</b>		DESIGNED BY:	B. Renz	DATE:	December 5, 2022	SCALE:	1" = 5'
		DRAWN BY:	R. Bummer	FILE NAME:	Site Layout.dwg		
APPROVED BY:		B. Renz					

TRI-DISTRICTS  
LARIMER NO 2 DITCH LATERAL

LARIMER COUNTY #2 DITCH COMPANY

PRESIDENT \_\_\_\_\_ DATE \_\_\_\_\_

PROJECT NUMBER:  
XXXX

SHEET NUMBER  
**C102**

SHEET INDEX: 6



EXHIBIT A  
**PARCEL DESCRIPTION**

A parcel of land, being part of Outlot A, Linder Minor Land Division, #11-S3085 as recorded February 10, 2012 as Reception No. 20120009390 of the Records of the Larimer County Clerk and Recorder, situate in the Southeast Quarter (SE1/4) of Section Thirty-two (32), Township Eight North (T.8N.), Range Sixty-nine West (R.69W.) of the Sixth Principal Meridian (6th P.M.), County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southeast corner of said Outlot A and assuming the East line of Outlot A as bearing South 00°08'15" West, as platted, a distance of 1057.95 feet and with all other bearings contained herein relative thereto;

Thence along the Southerly lines of Outlot A the following three courses:

THENCE North 73°11'58" West a distance of 313.54 feet;

THENCE South 46°09'07" West a distance of 115.51 feet to the POINT OF BEGINNING;

THENCE South 46°09'07" West a distance of 73.52 feet;

THENCE North 62°51'40" West a distance of 52.89 feet to the Southerly line of Outlot A;

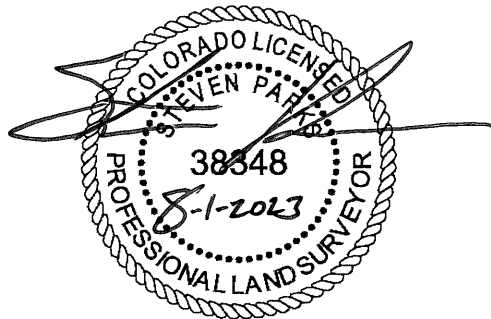
THENCE North 46°09'07" East, along said Southerly line, a distance of 47.07 feet;

THENCE South 84°58'54" East a distance of 66.39 feet to the POINT OF BEGINNING.

Said described parcel of land contains 3,015 Square Feet or 0.069 Acres, more or less (±).

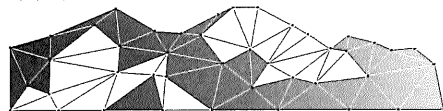
**SURVEYORS STATEMENT**

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



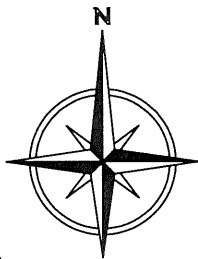
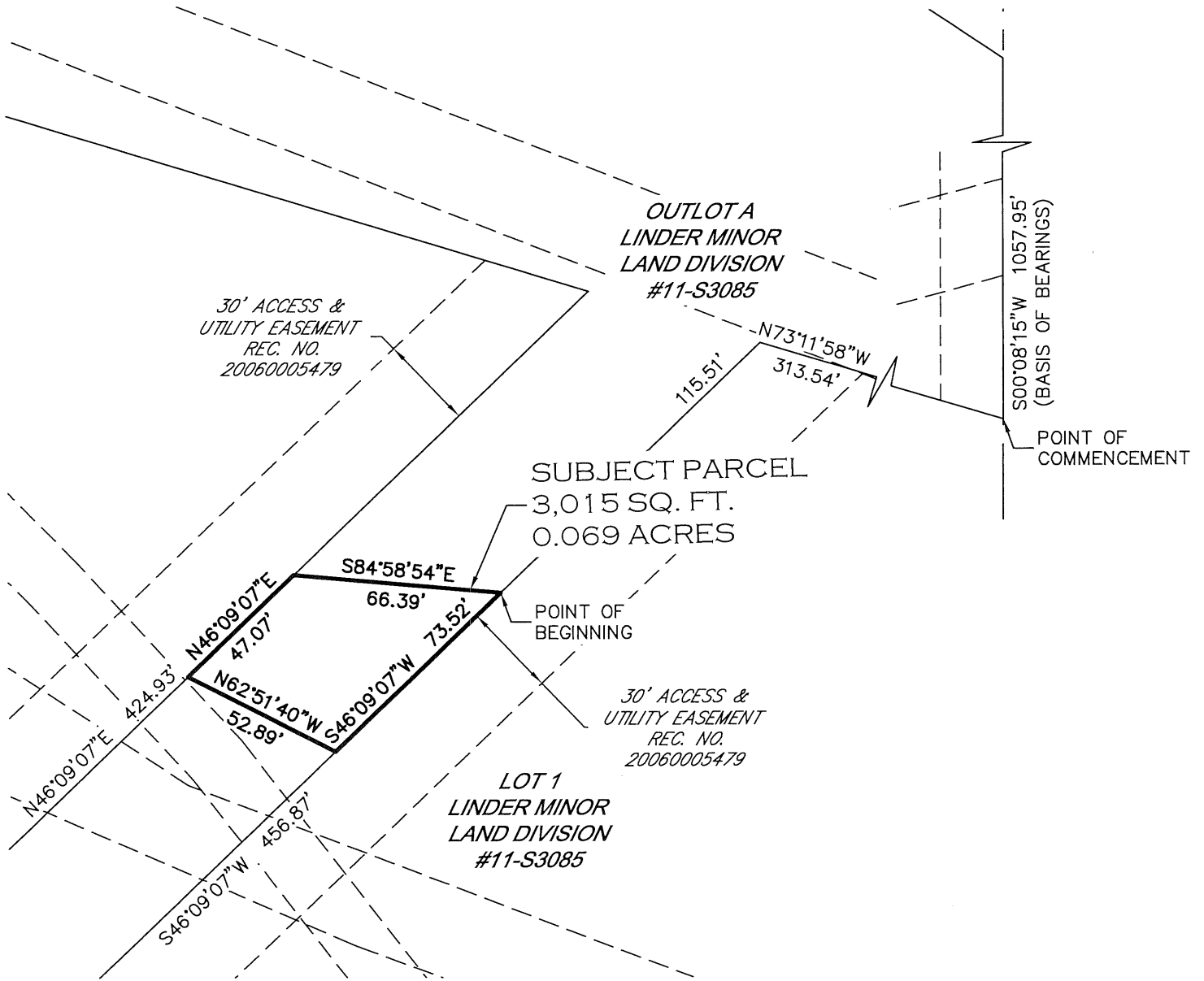
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Steven Parks - on behalf of Majestic Surveying, LLC  
Colorado Licensed Professional Land Surveyor #38348



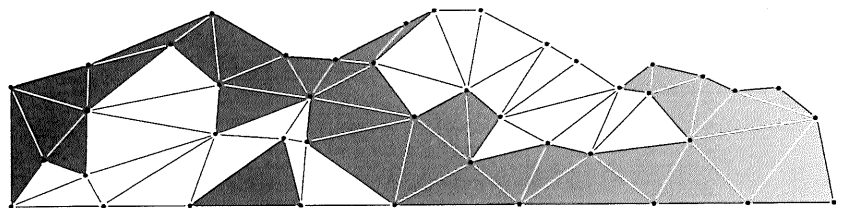
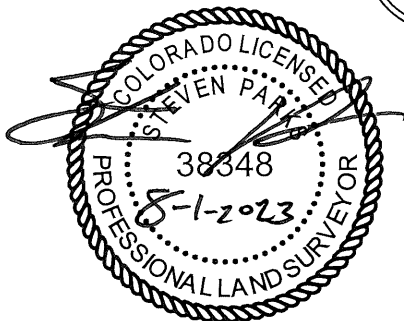
**MAJESTIC SURVEYING**  
1111 Diamond Valley Drive, Suite 104  
Windsor, Colorado 80550

# EXHIBIT A



Note: This drawing does not represent a monumented land survey. Its sole purpose is a graphic representation of the accompanying written description.

Notice: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (CRS 13-80-105)



## MAJESTIC SURVEYING

Steven Parks, PLS 38348  
On behalf of Majestic Surveying, LLC

PROJECT NO: 2022364  
DATE: 8-1-2023

CLIENT: DITESCO  
SCALE: 1"=50'



## **PERMANENT EXCLUSIVE WATER PIPELINE EASEMENT**

This Permanent Exclusive Water Pipeline Easement is made this \_\_\_ day of \_\_\_\_\_, 2023, by and between ANHEUSER-BUSCH FOUNDATION, A MISSOURI CHARITABLE TRUST, whose address is One Busch Place, St. Louis, MO 63118 (“GRANTOR”), and the EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, whose address is 232 South Link Lane, Fort Collins, Colorado 80524 and the NORTH WELD COUNTY WATER DISTRICT, a Political Subdivision of the State of Colorado, which has an address of 33247 Highway 85, Lucerne, Colorado, 80646 (jointly, “GRANTEE”).

GRANTOR, for and in consideration of the sum of Ten and no/100 dollars (\$10.00) and other good and valuable consideration paid by the GRANTEE to the GRANTOR, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm to the GRANTEE, its successors and assigns forever, a Permanent Exclusive Water Pipeline Easement (“Permanent Easement” or “Easement”) on, under, and across the real property legally described and depicted on Exhibit A (“Easement Area”) attached hereto and incorporated herein by this reference, located in Larimer County, Colorado. The Easement granted is for the purposes of:

1. Surveying, locating, installing, constructing, using, operating, maintaining, inspecting, repairing, altering, removing, and replacing one (1) or more buried water pipelines, in whole or in part, and all necessary subsurface and surface appurtenances for the transportation of water and the operation and control of water facilities;
2. Marking the location of the Permanent Easement and pipeline or pipelines thereunder by suitable markers set and maintained in the ground at locations which shall not interfere with such reasonable use as GRANTOR shall make of the Permanent Easement under the terms of this Permanent Easement;
3. Cutting and clearing trees, brush, debris and other obstructions on the Permanent Easement that might interfere with the operation and maintenance of GRANTEE’s activities and facilities within the Permanent Easement; and
4. Access for purposes of maintaining, inspecting, repairing, altering, removing and replacing one (1) or more buried water pipelines across property owned by the GRANTOR that is contiguous to the Permanent Easement. Such access shall be limited to existing or future public and private roads located thereon where such roads are adequate for GRANTEE’s purposes. If, as determined by GRANTEE at its sole discretion, there are no existing access roads providing reasonable access to the Easement Area, then GRANTEE may, at its sole cost and expense, install access roads within the Easement Area following written notice to GRANTOR. If at any time after GRANTEE installs an access road and GRANTEE determines there has become adequate and reasonable access through future public and/or private roads, then GRANTEE shall abandon the access roads it constructed, and shall use

the public and/or private roads. Abandonment shall consist of GRANTEE ceasing use of the access road and GRANTEE shall have no obligation to physically modify, remove or deconstruct any abandoned access road.

The GRANTEE shall:

5. Use commercially reasonable efforts to bury all pipe and communication and control cables to a minimum depth of 4 and one-half (4-1/2) feet at the time of construction so as not to interfere unreasonably with the uses of the Easement Area reserved to GRANTOR below;
6. Use commercially reasonable efforts to restore the surface of the ground to its condition prior to installation, construction, maintenance, alteration, or replacement of the pipeline or pipelines and appurtenances thereto;
7. Use commercially reasonable efforts to restore existing fences, drain tile, irrigation systems, private roads and other improvements to substantially the conditions existing prior to GRANTEE's activities within the Permanent Easement;
8. Pay the GRANTOR the actual damages to growing crops, livestock and other items caused by GRANTEE's activities within the Permanent Easement;
9. At least ten (10) days prior to the beginning of the water pipeline construction notify GRANTOR or its designee, in writing (which may be via email), of the GRANTEE's intent to enter upon the property to begin construction of the water pipeline. After construction is completed and for purposes of operation and maintenance of the GRANTEE's pipeline or appurtenances GRANTEE shall notify GRANTOR or its designee in writing, or other manner as may be mutually agreed (which may be via email), of GRANTEE's intent to enter upon the EASEMENT;
10. Restore or replace improvements made by the GRANTOR within the Easement with written consent by the GRANTEE (not to be unreasonably withheld, conditioned or delayed), should those improvements be disturbed by the GRANTEE or GRANTEE'S water pipeline, on the condition that the GRANTOR pays the costs for such restoration or replacement. If GRANTOR proposes to construct improvements within the Easement in connection with its development of the property, GRANTOR will provide GRANTEE written notice of such improvements, including reasonable detail concerning the extent and location of such improvements through the City of Fort Collins development review process, or that of any other land use jurisdiction that has authority at the time of development of the property. GRANTEE will review and respond through the City of Fort Collins review process, and GRANTEE signature on development drawings shall serve as approval with non-signature serving as disapproval. If GRANTEE disapproves, the parties will work in good faith to address and make such reasonable modifications to the improvements as may be necessary to address GRANTEE concerns. Notwithstanding the foregoing, GRANTOR, its successors and Assigns, shall be permitted, without consent

from GRANTEE, to construct the drainage trickle channels, inlets and spillways shown on the master drainage plan for the development of the property (Martin/Martin January 2019) as may be reasonably modified by GRANTOR or its successors and assigns so long as said modification(s) do not require GRANTEE to lower or otherwise alter its pipelines or otherwise interfere with any rights granted to GRANTEE or GRANTEE's reasonable ability to exercise its rights granted by this Easement (subject to GRANTEE's approval, not to be unreasonably withheld, conditioned or delayed), and in connection therewith, GRANTOR, and its successors and assigns, may alter the ground level within +/- 0.5' of the proposed grades shown in Montava/ELCO NEWT 3 conceptual grading plans, dated January 4, 2023. Any alterations in excess of +/- 0.5' shall require GRANTEE approval, as set forth above; and

11. GRANTEE shall maintain (and shall cause its contractors and consultants present on the Property to maintain) a policy of commercial general liability insurance with a limit of at least Two Million Dollars (\$2,000,000.00) and including automobile liability and products liability and naming GRANTOR, and its designees, successors and assigns, and their respective parent, subsidiaries, and affiliates as an additional insured under such insurance policy. The evidence of coverage shall be provided to GRANTOR prior to GRANTEE's entry on the property and shall specifically state that coverage as it pertains to GRANTOR, shall be primary regardless of any other coverage which may be available to GRANTOR or the additional insureds. All insurance coverage required in this paragraph shall be on an occurrence rather than a claims-made basis. The policy shall be written so that GRANTOR and the additional insureds shall be notified at least thirty (30) days prior to the effective date of such cancellation or amendment.

The GRANTOR reserves the right to use and occupy the surface and subsurface of the Easement Area for any purpose not inconsistent with the rights and privileges granted herein and which will not unreasonably interfere with or endanger any of the GRANTEE'S facilities on or under the Easement or GRANTEE'S use thereof, provided that in no event, without the prior written consent of the GRANTEE which shall be solely at the discretion of the GRANTEE, shall GRANTOR:

12. Construct or allow the construction of any buildings or other structures (provided, however, that GRANTOR, and its successors and assigns shall be permitted to construct the improvements in connection with the stormwater detention facilities shown on the Martin/Martin Drainage report dated, January 2019, as may be reasonably modified by GRANTOR or its successors and assigns so long as said modification(s) do not require GRANTEE to lower or otherwise alter its pipelines or otherwise interfere with any rights granted to GRANTEE or GRANTEE's reasonable ability to exercise its rights granted by this Easement (subject to GRANTEE's approval, not to be unreasonably withheld, conditioned or delayed), including, the trickle channels, inlets and spillways);
13. Impound water or other substance in, on or over the Easement (provided, however, that GRANTOR, and its successors and assigns shall be permitted to impound stormwater in

existing or further detention facilities as outlined in Martin/Martin Drainage report dated, January 2019 as may be reasonably modified by GRANTOR or its successors and assigns so long as said modification(s) do not require GRANTEE to lower or otherwise alter its pipelines or otherwise interfere with any rights granted to GRANTEE or GRANTEE's reasonable ability to exercise its rights granted by this Easement (subject to GRANTEE's approval, not to be unreasonably withheld, conditioned or delayed));

14. Plant trees, shrubs or other landscaping of any type that will exceed three (3) feet in height at mature growth within the Permanent Easement;
15. Alter the ground level (except as permitted hereunder);
16. Store or allow the storage of any equipment, materials or any other items on or across the Permanent Easement that unreasonably interferes with GRANTEE'S use of the Permanent Easement or ability to access their infrastructure within the Permanent Easement for the purposes described in this Agreement;
17. Store or dispose of any dangerous, toxic, or hazardous substance on or under the Easement;
18. Install, alter or replace any fence on the Easement, except at near right angles to the water pipeline(s) and provided that GRANTEE shall have the right to request and the GRANTOR shall install gates in any fences that cross the Easement;
17. Grant subsurface or surface easements within the Easement Area to other utilities, cable service providers or any other entity for utilities and/or lines running parallel to GRANTEE's water pipeline(s).
18. Use the Easement for any purpose except agriculture or open areas without the prior written consent of GRANTEE; provided, however, the written consent of the GRANTEE will not be unreasonably withheld, delayed, or conditioned for the following uses:
  - a. Open space areas with or without landscaping but excluding fences (other than along property lines or as allowed elsewhere herein), retaining walls, and trees;
  - b. Paved, gravel-surfaced, or unsurfaced local roadways (not arterial roadways);
  - c. Paved, gravel-surfaced, or unsurfaced parking areas except use involving long-term storage;
  - d. Paved, gravel-surfaced, or unsurfaced recreation areas (excluding buildings) such as trails and bike paths;
  - e. Temporary covers or enclosures not requiring the construction of a foundation and not to be used for long-term storage;

- f. Granting subsurface or surface easements within the Easement Area to other utility and cable service crossings at near right angles to the water pipeline with minimum two (2) feet of clearance between the utility/cable service and the water pipeline and further subject to industry standards for crossings that may be applicable.

No Termination: The Easement shall not be terminated or extinguished by nonuse or abandonment.

Governing Law; Enforcement: This Agreement is subject to and is governed by the laws of the State of Colorado. Enforcement of this Agreement may be by legal proceedings against any party violating any restriction, covenant, condition or agreement herein contained, either to restrain or enjoin such violation, obtain specific performance, or recover damages.

No Rights to the Public: This Agreement is not intended to, nor will it create any rights in the public to the Easement Area.

No Waiver: Failure of any party to exercise any of its rights hereunder shall not constitute a waiver or abandonment thereof. The waiver by any party of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of the same or any other provision hereof.

Modifications to Agreement: This Agreement may be modified or amended only in writing, duly executed and acknowledged by the GRANTEE and the owner of the Easement Area, and recorded in the real property records of Larimer County, Colorado.

Entire Agreement: This Agreement, subject to the GRANTEE'S rules, regulations, standards and resolutions which are not in conflict with provisions hereof, contains the entire Agreement relating to the rights herein granted and the obligations hereunder assumed. In the event any term or provision of this Agreement shall be held to be unenforceable for any reason whatsoever by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other term or provision hereof, and such provision shall be modified (to the extent possible) to match the parties' intent.

Obligations to Run with the Land: The Easement, the rights and obligations of the parties, and the terms, rights, conditions, restrictions and limitations of this Agreement, shall run with and burden the GRANTOR'S Property, and shall be binding upon and inure to the benefit of GRANTOR and GRANTEE and the owners of the Easement Area, and their respective heirs, successors, and permitted assigns.

[SEPARATE SIGNATURE PAGES FOLLOW]



GRANTEE:  
**EAST LARIMER COUNTY WATER DISTRICT**, a quasi-municipal corporation and a political subdivision of the State of Colorado

By \_\_\_\_\_  
Loren Maxey, President

STATE OF COLORADO )  
                                  ) ss.  
COUNTY OF LARIMER )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2023, by Loren Maxey, as President of EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado.

Witness my hand and official seal.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

GRANTEE:  
**NORTH WELD COUNTY WATER DISTRICT**, a Political Subdivision of the State of Colorado

ATTEST:

\_\_\_\_\_  
Scott Cockroft, Secretary

\_\_\_\_\_  
Tad Stout, President

STATE OF COLORADO  
    ) ss.  
COUNTY OF LARIMER

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2023, by Tad Stout, as President of the NORTH WELD COUNTY WATER DISTRICT, a Political Subdivision of the State of Colorado.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public







EXHIBIT 'A' TO PERMANENT EXCLUSIVE WATER PIPELINE EASEMENT

Legal Description and Depiction of Permanent Easement

**EXHIBIT A**  
**(1 of 4)**  
**PROPERTY DESCRIPTION**

A strip of land, being part of the North Half (N1/2) of Section Four (4), Township Seven North (T.7N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado, the centerline of said strip of land being more particularly described as follows:

**COMMENCING** at the West Quarter (W1/4) corner of said Section 4 and assuming the South line of the Northwest Quarter (NW1/4) of said Section 4, being monumentalized by a #6 rebar with a 3 ¼" diameter aluminum cap stamped "LS 31938, 1997" at the West end and by a #6 rebar with a 3 ¼" diameter aluminum cap stamped "LS17502, 1997" at the East end, as bearing South 89°15'10" East, being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/11, a distance of 2627.99 feet, with all other bearings contained herein relative thereto;

THENCE North 00°20'03" East along the West line of the Northwest Quarter (NW1/4) of said Section 4 a distance of 20.00 feet to a point being Twenty (20) feet, as measured at a right angle, North of the South line of the Northwest Quarter (NW1/4) of said Section 4, said point being the **POINT OF BEGINNING** of said centerline;

Said strip of land is Forty (40) feet in width starting at this point;

THENCE South 89°15'10" East along a line being Twenty (20) feet, as measured at a right angle, North of and parallel with the South line of the Northwest Quarter (NW1/4) of said Section 4 a distance of 2377.15 feet to a point being Twenty (20) feet, as measured at a right angle, Westerly of a Westerly line of that 50' wide electric easement recorded October 10, 1985 as Reception No. 85052101 of the records of the Larimer County Clerk and Recorder and that 50' wide utility easement recorded October 22, 1985 as Reception No. 85054098 of the records of the Larimer County Clerk and Recorder;

THENCE North 12°15'57" East along a line being Twenty (20) feet, as measured at a right angle, Westerly of and parallel with said Westerly line of said easements a distance of 355.17 feet;

THENCE South 89°59'45" East a distance of 263.74 feet;

THENCE North 60°16'28" East a distance of 339.70 feet;

THENCE North 87°49'25" East a distance of 603.56 feet;

THENCE South 44°11'57" East a distance of 75.37 feet to a point being Twenty (20) feet, as measured at a right angle, North of a North line of Waterglen P.U.D., recorded December 15, 1998 as Reception No. 98109875 of the records of the Larimer County Clerk and Recorder;

The following Two (2) courses and distances are along lines being Twenty (20) feet, as measured at a right angle, North of and parallel with North lines of said Waterglen P.U.D.:

THENCE North 86°33'26" East a distance of 1253.18 feet;

THENCE South 88°26'34" East a distance of 50.95 feet to a point being Forty-two (42) feet, as measured at a right angle, West of the West Right-of-way line of Interstate 25 (I-25), established by that Special Warranty Deed recorded January 7, 1965 in Book 1276 at Page 251 of the records of the Larimer County Clerk and Recorder;

Said strip of land is Eighty-four (84) feet in width starting at this point;

THENCE North 00°25'59" East along a line being Forty-two (42) feet, as measured at a right angle, West of and parallel with said West Right-of-way line a distance of 80.02 feet to the to the **POINT OF TERMINATION** of said centerline, said point bears North 22°23'39" West a distance of 752.30 feet from the East Quarter (E1/4) corner of said Section 4;



**EXHIBIT A**  
**(2 of 4)**  
**PROPERTY DESCRIPTION**

The sidelines of said described strip of land shall be shortened or lengthened so as to result in continuous lines through angle points and so as to terminate on the West line of the Northwest Quarter (NW1/4) of said Section 4 near the point of beginning and on a line with a bearing of South 88°26'34" East near the point of termination, said line being One Hundred (100) feet North of and parallel with a portion of the North line of said Waterglen, P.U.D.;

EXCEPTING THEREFROM:

Any portion of said described strip of land lying within that parcel of land described in that Quit Claim Deed recorded May 7, 1904 in Book 171 at Page 301 of the records of the Larimer County Clerk and Recorder.

Said resultant strip of land contains 216,129 sq. ft. or 4.962 acres, more or less ( $\pm$ ), and may be subject to any rights-of-way or other easements of record or as now existing on said resultant strip of land.

**SURVEYORS STATEMENT**

I, Michael Chad Dilka, a Colorado Licensed Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking and that it is true and correct to the best of my knowledge and belief.



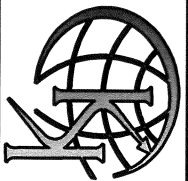
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Michael Chad Dilka - on behalf of King Surveyors  
Colorado Licensed Professional Land Surveyor #38106

**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011

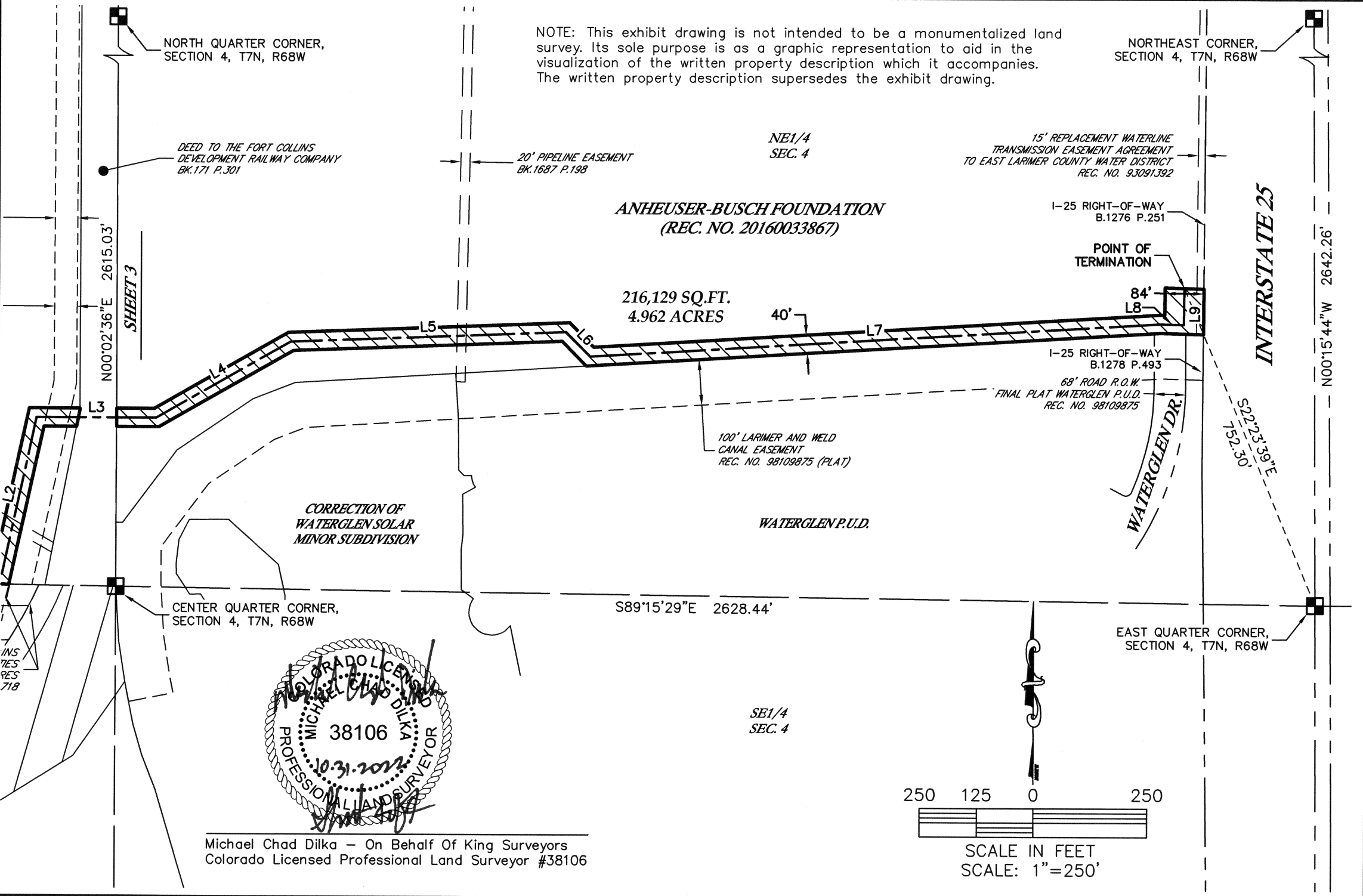
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**KING SURVEYORS**  
 650 E. Garden Drive | Windsor, Colorado 80550  
 phone: (970) 686-5011 | fax: (970) 686-5821  
 email: contact@KingSurveyors.com

PROJECT NO: 20200030  
 DATE: 10/31/2022  
 CLIENT: NWCWD  
 DWG: ESMT-AB-PE  
 DRAWN: SMF CHECKED: MCD



Michael Chad Dilka - On Behalf Of King Surveyors  
 Colorado Licensed Professional Land Surveyor #38106

PROPERTY DEPICTION  
**EXHIBIT A (4 of 4)**  
 N1/2 SEC. 4, T7N, R68W

## TEMPORARY CONSTRUCTION EASEMENT

This Temporary Construction Easement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between ANHEUSER-BUSCH FOUNDATION, A MISSOURI CHARITABLE TRUST, whose address is One Busch Place, St. Louis, MO 63118 (“GRANTOR”), and the EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, whose address is 232 South Link Lane, Fort Collins, Colorado 80524 and the NORTH WELD COUNTY WATER DISTRICT, a Political Subdivision of the State of Colorado, which has an address of 33247 Highway 85, Lucerne, Colorado, 80646 (jointly, “GRANTEE”).

GRANTOR, for and in consideration of the sum of Ten and no/100 dollars (\$10.00) and other valuable consideration paid by the GRANTEE to the GRANTOR, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by this Temporary Construction Easement does grant, bargain, sell, convey and confirm to the GRANTEE, its successors and assigns forever, a nonexclusive temporary construction easement (the “Easement”) on, under and across the property described and depicted on Exhibit A (Property Description and Exhibit Map) attached hereto and incorporated herein by this reference, located in Larimer County, Colorado (the “Easement Area”); for the purposes of :

1. Surveying, locating, installing and constructing a buried water pipeline on lands adjacent to the Easement Area, in whole or in part;
2. Cutting and clearing trees, brush, debris and other obstructions on the Easement Area that might interfere with GRANTEE’S activities on the Property; and
3. Access for purposes of surveying, locating, installing and constructing a buried water pipeline across property owned by the GRANTOR that is contiguous to the Easement Area with the GRANTOR’S consent, which consent shall not be unreasonably withheld.

The term of this Easement shall begin on the first day construction activities for the water pipeline within the area adjacent to the Easement Area begins. The term of this Easement ends on the last day construction activities for the water pipeline occur, but no later than one (1) year after the first day construction activities for the water pipeline begin.

During the term of this Easement GRANTOR shall not place, erect, install or permit any



above or below ground building, structure or other obstruction on the Easement that may interfere with the GRANTEE'S activities on the Easement Area hereunder.

The GRANTEE shall:

4. Use commercially reasonable efforts to, restore the surface of the ground to its condition prior to installation, construction, maintenance, alteration, or replacement of the pipeline or pipelines and appurtenances thereto;
5. Use commercially reasonable efforts to, restore fences, drain tile, irrigation systems, landscaping, private roads and other improvements, to the conditions existing prior to GRANTEE'S activities on the Easement;
6. Pay the GRANTOR the actual damages to growing crops, livestock and other items caused by GRANTEE'S activities on the Easement;
7. At least ten (10) days prior to the beginning of the water pipeline construction notify GRANTOR or its designee, in writing (which may be via email), of the GRANTEE's intent to enter upon the property to begin construction of the water pipeline. After construction is completed and for purposes of operation and maintenance of the GRANTEE's pipeline or appurtenances GRANTEE shall notify GRANTOR or its designee in writing, or other manner as may be mutually agreed (which may be via email), of GRANTEE's intent to enter upon the EASEMENT;
8. GRANTEE shall maintain (and shall cause its contractors and consultants present on the Property to maintain) a policy of commercial general liability insurance with a limit of at least Two Million Dollars (\$2,000,000.00) and including automobile liability and products liability and naming GRANTOR, and its designees, successors and assigns, and their respective parent, subsidiaries, and affiliates as an additional insured under such insurance policy. The evidence of coverage shall be provided to GRANTOR prior to GRANTEE's entry on the property and shall specifically state that coverage as it pertains to GRANTOR, shall be primary regardless of any other coverage which may be available to GRANTOR or the additional insureds. All insurance coverage required in this paragraph shall be on an occurrence rather than a claims-made basis. The policy shall be written so that GRANTOR and the additional insureds shall be notified at least thirty (30) days prior to the effective date of such cancellation or

amendment.

The GRANTOR reserves the right to use and occupy the surface and subsurface of the Easement Area for any purpose not inconsistent with the rights and privileges granted herein which will not unreasonably interfere with or endanger any of the GRANTEE'S facilities on or under the Easement or GRANTEE'S use thereof.

GRANTOR warrants and will forever defend the title to the Easement Area against all those claiming through GRANTOR, subject to prior rights. The easements and covenants contained herein shall run with the land and shall be binding upon and inure to the benefit of the respective successors and assigns of GRANTOR and GRANTEE.

[SEPARATE SIGNATURE PAGES FOLLOW]



GRANTEE:

**EAST LARIMER COUNTY WATER DISTRICT**, a quasi-municipal corporation and a political subdivision of the State of Colorado

By \_\_\_\_\_  
Loren Maxey, President

STATE OF COLORADO )

) ss.

COUNTY OF LARIMER )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by Loren Maxey, as President of EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public



CONSENT BY MONTAVA PARTNERS

The undersigned being the holder of a contractual right that may affect the above-described property, hereby consents to the grant of the foregoing Temporary Construction Easement.

Dated this 8<sup>th</sup> day of August, 2023

Montava Partners, LLC  
a Colorado limited liability company

By: Cameron Investments L.C.,  
an Idaho limited liability company, Manager

By: [Signature]  
Matthew Cameron Clark, Manager

STATE OF Idaho )

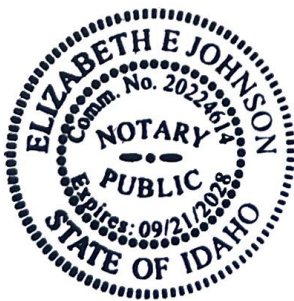
) ss.

COUNTY OF Ada )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of August, 2023, Matthew Cameron Clark, Manager of Cameron Investments L.C., an Idaho limited liability company as Manager of MONTAVA PARTNERS, LLC.

WITNESS my hand and official seal.

My commission expires: 9/21/2028



[Signature]  
Notary Public

CONSENT BY Poudre School District R-1

The undersigned being the holder of a contractual right that may affect the above-described property, hereby consents to the grant of the foregoing Temporary Construction Easement.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023

POUDRE SCHOOL DISTRICT R-1  
403 N. College Ave., Ste 410  
Fort Collins, CO 80524

By: \_\_\_\_\_

Name: Rob Petterson

Title: President, Board of Education

STATE OF \_\_\_\_\_ )

) ss.

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by Rob Petterson, President of Board of Education of Poudre School District R-1.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

EXHIBIT 'A' TO TEMPORARY CONSTRUCTION EASEMENT

Legal Description and Depiction of Temporary Construction Easement

[To be attached]



**EXHIBIT A**  
**(1 of 3)**  
**PROPERTY DESCRIPTION**

A strip of land, Sixty (60) feet in width, being part of the North Half (N1/2) of Section Four (4), Township Seven North (T.7N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado, the centerline of said strip of land being more particularly described as follows:

**COMMENCING** at the West Quarter (W1/4) corner of said Section 4 and assuming the South line of the Northwest Quarter (NW1/4) of said Section 4, being monumentalized by a #6 rebar with a 3 1/4" diameter aluminum cap stamped "LS 31938, 1997" at the West end and by a #6 rebar with a 3 1/4" diameter aluminum cap stamped "LS17502, 1997" at the East end, as bearing South 89°15'10" East, being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/11, a distance of 2627.99 feet, with all other bearings contained herein relative thereto;

THENCE North 00°20'03" East along the West line of the Northwest Quarter (NW1/4) of said Section 4 a distance of 70.00 feet to a point being Seventy (70) feet, as measured at a right angle, North of the South line of the Northwest Quarter (NW1/4) of said Section 4, said point being the **POINT OF BEGINNING** of said centerline;

THENCE South 89°15'10" East along a line being Seventy (70) feet, as measured at a right angle, North of and parallel with the South line of the Northwest Quarter (NW1/4) of said Section 4 a distance of 2336.67 feet to a point being Seventy (70) feet, as measured at a right angle, Westerly of a Westerly line of that 50' wide electric easement recorded October 10, 1985 as Reception No. 85052101 of the records of the Larimer County Clerk and Recorder and that 50' wide utility easement recorded October 22, 1985 as Reception No. 85054098 of the records of the Larimer County Clerk and Recorder;

THENCE North 12°15'57" East along a line being Seventy (70) feet, as measured at a right angle, Westerly of and parallel with said Westerly line of said easements a distance of 354.64 feet;

THENCE South 89°59'45" East a distance of 290.77 feet;

THENCE North 60°16'28" East a distance of 338.69 feet;

THENCE North 87°49'25" East a distance of 638.07 feet;

THENCE South 44°11'57" East a distance of 74.71 feet to a point being Seventy (70) feet, as measured at a right angle, North of a North line of Waterglen P.U.D., recorded December 15, 1998 as Reception No. 98109875 of the records of the Larimer County Clerk and Recorder;

The following Two (2) courses and distances are along lines being Seventy (70) feet, as measured at a right angle, North of and parallel with North lines of said Waterglen P.U.D.:

THENCE North 86°33'26" East a distance of 1232.45 feet;

THENCE South 88°26'34" East a distance of 10.14 feet to a point being Eighty-four (84) feet, as measured at a right angle, West of the West Right-of-way line of Interstate 25 (I-25), established by that Special Warranty Deed recorded January 7, 1965 in Book 1276 at Page 251 of the records of the Larimer County Clerk and Recorder, said point being the **POINT OF TERMINATION** of said centerline, said point bears North 26°15'11" West a distance of 743.38 feet from the East Quarter (E1/4) corner of said Section 4;

The sidelines of said described strip of land shall be shortened or lengthened so as to result in continuous lines through angle points and so as to terminate on the West line of the Northwest Quarter (NW1/4) of said Section 4 near the point of beginning and on a line being Eighty-four (84) feet, as measured at a right angle, West of and parallel with said West Right-of-way line near the point of termination, said West Right-of-way line bearing North 00°25'59" East;

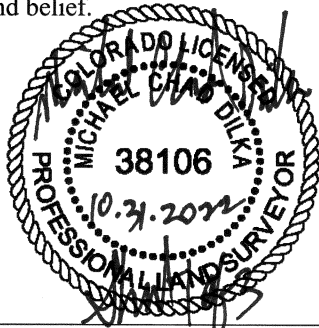
EXCEPTING THEREFROM:

Any portion of said described strip of land lying within that parcel of land described in that Quit Claim Deed recorded May 7, 1904 in Book 171 at Page 301 of the records of the Larimer County Clerk and Recorder.

Said resultant strip of land contains 311,747 sq. ft. or 7.157 acres, more or less ( $\pm$ ), and may be subject to any rights-of-way or other easements of record or as now existing on said resultant strip of land.

**SURVEYORS STATEMENT**

I, Michael Chad Dilka, a Colorado Licensed Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking and that it is true and correct to the best of my knowledge and belief.



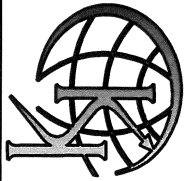
Michael Chad Dilka - on behalf of King Surveyors

Colorado Licensed Professional Land Surveyor #38106

**KING SURVEYORS**, 650 East Garden Drive, Windsor, Colorado 80550, (970) 686-5011

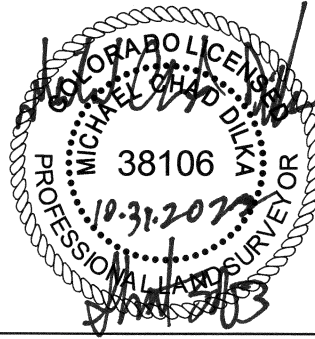
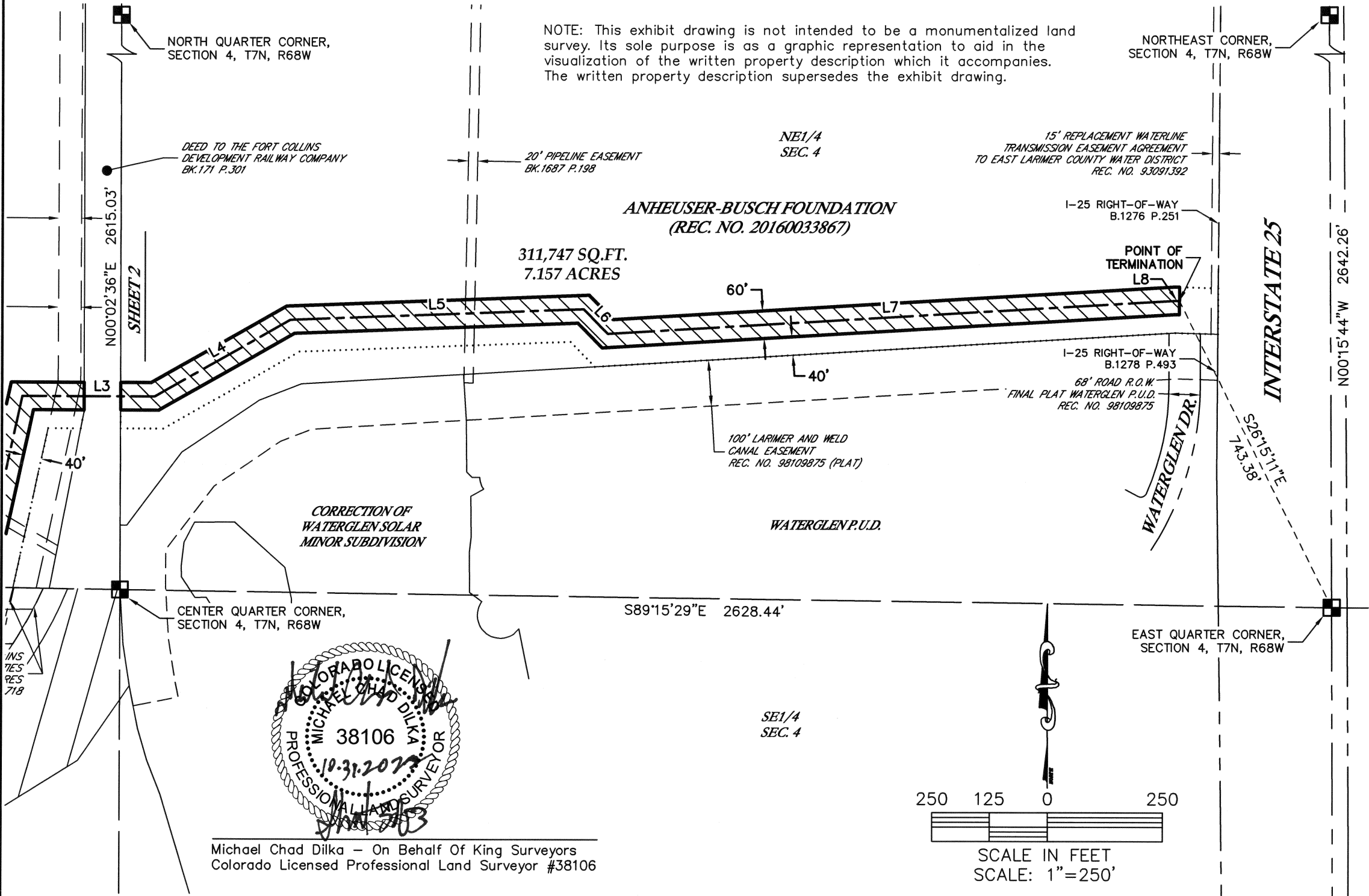
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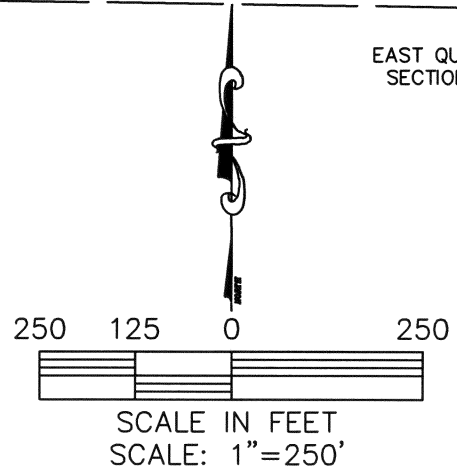


**KING SURVEYORS**  
 650 E. Garden Drive | Windsor, Colorado 80550  
 phone: (970) 686-5011 | fax: (970) 686-5821  
 email: contact@KingSurveyors.com

PROJECT NO: 20200030  
 DATE: 10/31/2022  
 CLIENT: NWCWD  
 DWG: ESMT-AB-TCE  
 DRAWN: SMF CHECKED: MCD



Michael Chad Dilka - On Behalf Of King Surveyors  
 Colorado Licensed Professional Land Surveyor #38106



PROPERTY DEPICTION

**EXHIBIT A (3 OF 3)**

N1/2 SEC. 4, T7N, R68W

# NICKEL ROAD

O P E R A T I N G

August 9, 2023

North Weld County Water District  
Attn: Tad Stout, Board Chair  
PO Box 56  
Lucerne, CO 80646

**RE: Lease Offer for Unleased Minerals**

Dear Interest Owner:

Nickel Road Operating LLC (“NRO”) is an Oil and Gas Operator in Weld County Colorado that recently drilled the Blehm wells in 7N-R67W- Sec.7, 8, 9 and 10 south and east of your mineral rights. NRO through its subsidiary Nickel Road Development LLC (“NRD”), is offering to lease your minerals in T7N-R67W, Section 6 for the development of the minerals that you own. NRO will assume all expenses associated with the working interest in any wells drilled by entering into an oil and gas lease with you, as lessor, and NRD, as lessee, at the following terms:

- Non- Surface Occupancy
- 20% royalty
- 4 year primary term / 3 year extension @ 100% of the original bonus paid at time of extension
- \$1,400.00 per net acre lease bonus
  - o Our records indicate you own 3.200 net mineral acres (“NMA”) for a \$4,480.00 total lease bonus. The bonus will be paid on a per NMA basis according to our final title examination.
- This offer to lease is applicable through September 1, 2023

If the lease is acceptable to you, please sign in the presence of a notary public and also sign the enclosed W9 for tax purposes and return to our office in the provided envelope. We are not able to issue you your bonus payment until we have a signed W9 in our possession. We will send you the total lease bonus within 30 days of returning the fully executed lease to our office. We also buy mineral rights and if you would prefer to sell your mineral interest, please contact me at the information below for a quote.

If you have any questions regarding this letter or the proposed operations, please contact me at 970-590-2343 or at [blake.leavitt@nickelroadoperating.com](mailto:blake.leavitt@nickelroadoperating.com) at your earliest convenience.

Accepted and Agreed to this \_\_ day of August, 2023

Respectfully,

**North Weld County Water District**

Blake Leavitt- CPL  
VP- Land

---

Name: Tad Stout  
Title: Board Chair

# **PAID-UP OIL & GAS LEASE** **(No Surface Occupancy)**

Producers 88  
(Paid-Up)

**THIS LEASE AGREEMENT** is entered into this 9<sup>th</sup> day of August, 2023 between North Weld County Water District, as Lessor whose address is PO Box 56, Lucerne, CO 80646, and Nickel Road Development LLC, as Lessee, whose address is 44 Cook Street, Suite 705, Denver, Colorado 80206.

**1. Description.** Lessor, in consideration of Ten and more Dollars (\$10.00 & more), in hand paid, the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, geophysically or by other means (whether now known or not), developing, producing and marketing oil and gas of any nature or kind, along with all hydrocarbon and nonhydrocarbon substances, whether liquid or gaseous, produced in association therewith including sulphur, helium, carbon dioxide, nitrogen and other commercial gases as well as hydrocarbon gases (collectively referred to herein as "covered minerals"), and marketing or rendering more marketable or more valuable the covered minerals, the following described land together with any reversionary rights, riparian rights and after acquired interest therein (the "leased premises") in Weld County, Colorado:

**Township 7 North, Range 67 West, 6<sup>th</sup> P.M.**

**Section 6:** Part of the NW4SW4 & NE4SW4 being more particularly described as follows: Lot A, Recorded Exemption No.

0705-6-3-RE-4859, according to the map recorded February 16, 2010 at Reception No 3676196, being a part of the SW/4

**Notwithstanding anything to the contrary contained in this lease, it is expressly understood and agreed that lessee shall have no right hereunder, whatsoever, to enter upon or use the surface of any of the lands leased hereunder.**

This lease also covers all property acquired by prescription or accretion, as well as any small strips or parcels of land now or hereafter acquired by Lessor other than by purchase or exchange which are contiguous or adjacent to the leased premises, whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. To determine the amount of any shut-in royalties, the leased premises shall be deemed comprised of 6.405 acres, whether it comprises more or less.

**2. Term of Lease.** This lease shall be in force for a primary term of 4 years from the effective date of this lease, and for as long thereafter as either: (a) any covered minerals are being produced from the leased premises or from lands pooled, unitized or otherwise combined therewith; or (b) Operations, as defined in paragraph 4 below, are being conducted upon the leased premises (subsurface activities, to the extent permitted by paragraph 2) or on lands pooled, unitized or otherwise combined therewith with no cessation of more than one-hundred eighty (180) consecutive days; or (c) this lease is otherwise maintained in effect under the provisions hereof. This lease is a "paid-up" lease requiring no rentals be paid to Lessor. Further, no shut-in royalty payments are required during the primary term.

**3. Royalty Payment.** Royalties on covered minerals produced and saved from the leased premises and either sold or used off the leased premises or lands pooled or unitized therewith, shall be paid by Lessee to Lessor: (a) for oil and other liquid hydrocarbons, the royalty shall be 20% of the amount realized by Lessee in the first sale of such production to a non-affiliate, and (b) for natural gas of any nature or kind (including casinghead gas) and all other covered minerals (including liquid hydrocarbons suspended in gas not separated at the primary separation facilities), the royalty shall be 20% of the gross sales value of all gas produced from the Leased Premises based on the price received by Lessee or Affiliate of Lessee from an independent, non-affiliated, third party purchaser for the product in marketable condition ("Arm's Length Contract"), including all bonuses, premiums, allowances or other consideration of any nature received by Lessee for gas produced or contracted from the Leased Premises. In calculating royalties on all production, Lessee may deduct Lessor's proportionate part of any taxes such as ad valorem, production, severance and excise taxes or other similar taxes as imposed on or measured by production. Lessee agrees to use reasonable diligence to produce, utilize, and market the covered minerals capable of being produced from said wells, but in exercising such diligence, Lessee shall not be obligated to install or furnish facilities beyond the minimum necessary to accomplish such tasks. Any payment of royalties may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment by the last date for payment. Nothing shall impair Lessee's right to release any portion of the leased premises as provided in paragraph 12. If a divided interest (as opposed to an undivided interest) is assigned in this lease, liability for royalty payments shall rest exclusively on the then owners of this lease, severally as to the acreage owned by each.

**4. Operations.** Whenever used in this lease, the word "Operations" (unless specified to the contrary) shall mean drilling, testing, completing, reworking, recompleting, deepening, plugging back, permanently plugging, repairing, perforating, fracturing or dewatering a well located beneath or off the leased premises in an effort to find, obtain, increase, or restore production of oil, gas, sulphur or other covered minerals from the leased premises.

**5. Shut-in Royalty.** If at or after the primary term one or more wells on the leased premises or lands pooled or unitized therewith are capable of producing oil and gas substances in paying quantities, but such well or wells are shut in or production therefrom is not being sold by Lessee, such well or wells shall be deemed to be producing in paying quantities and shall maintain the lease upon compliance with the requirements of this paragraph 6. If for 90 consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of ten dollars (\$10) per acre then covered by this lease. The payment shall be made to Lessor by the first anniversary date of the lease following the end of the 90-day period and thereafter by each anniversary while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations under this lease, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the first anniversary date of the lease following the end of the

90-day period after the end of the period next following the cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. This lease shall not be maintained by the payment of shut-in royalties for any period of more than twenty four (24) consecutive months following the shutting in of a well, but this right to maintain this lease for such period of time shall be a recurring right and may be exercised and from time to time whenever Lessee finds it necessary or expedient to shut in such well or wells.

**6. Pooling.** Lessee shall have the continuing and recurring right, but not the obligation, to pool or otherwise combine all or any part of the leased premises or interest therein with any other lands, leases or interest, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee, in its sole discretion, deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises or to comply with a pooling order of any governmental authority having jurisdiction over such matters, whether or not similar pooling authority exists regarding such other lands, leases or interests. A pooled unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of ten percent (10%), and for an oil well which is a horizontal completion or a gas well shall not exceed twelve hundred and eighty (1280) acres plus a maximum acreage tolerance of ten percent (10%); provided that larger pooled units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. Irrespective of the proceeding limits, in no event shall a pooled unit exceed the size allowed by the Colorado Oil and Gas Conservation Commission. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds one hundred (100) feet in length. Lessee may pool or combine the lands covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with pooled units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights, Lessee shall file of record a written declaration describing the pooled unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Operations or production from anywhere on a pooled unit which includes all or any part of the leased premises, shall be considered for all purposes (except the payment of royalties on production from the pooled unit) as if they were Operations conducted on or production from such part of the leased premises. There shall be allocated to the land covered by this lease included in any such pooled unit that portion of the total production of the pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the acreage in the land covered by this lease and contained in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of the land covered and included in the unit as though produced from the land under this lease. Pooling in one or more instances shall not exhaust Lessee's pooling rights, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any pooled unit formed by expansion or contraction or both, either before or after commencement of production, to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or in the sole reasonable judgment of Lessee, to promote the conservation of covered minerals in and under and that may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised pooled unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises included in or excluded from a pooled unit by such revision, the proportion of pooled unit production on which royalties are payable shall thereafter be adjusted and such adjustment shall be made effective as of the effective date of the revision. Lessee may dissolve any pooled unit formed by filing a written declaration describing the pooled unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling of royalty interests as between any such separate tracts is intended or shall be implied or result merely from including such separate tracts within this lease, but Lessee may nevertheless pool as provided in this paragraph with consequent allocation of production as provided. The words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that on any other part of the leased premises. Pooling shall not constitute a cross-conveyance of interests.

**7. Unitization.** Lessee shall have the continuing and recurring right, but not the obligation, to unitize all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, to constitute a unit or units whenever, in Lessee's sole judgment, such unitization may prevent waste or promote and encourage the conservation of oil and gas by any cooperative or unit plan of development or operation or by a cycling, pressure-maintenance, re-pressuring or secondary recovery program. Any such unit formed shall comply with local, State and Federal laws and with orders, rules, and regulation of State or Federal regulatory or conservation agency having jurisdiction. The size of any such unit may be increased by including acreage believed to be productive, and decreased by excluding acreage believed to be unproductive, or where the owners of which do not join the unit, but any such change resulting in an increase or decrease of Lessor's royalty shall not be retroactive. Any such unit may be established, enlarged or diminished and in the absence of production from the unit area, may be abolished and dissolved by filing of record an instrument so declaring. Operations anywhere on any part of a unit which includes all or any part of the leased premises shall be treated for all purposes as if they were Operations on the leased premises; references in this lease to production from or Operations on the leased premises shall be deemed to include production from or Operations on any portion of such unit. Lessee shall allocate to the portion of the leased premises in any such unit a fractional part of production from such unit on any of the following bases: (a) the ratio between the participating acreage in the leased premises in such units and the total of all participating acreage in the unit, or (b) any other basis approved by State or Federal authorities having jurisdiction over such matters. Lessor shall be entitled to the royalties provided under this lease by the unit production so allocated to that part of the leased premises in such unit and no more.

**8. Ancillary Rights.** Lessee shall have free use of oil, gas and other substances, except water, produced from the leased premises for exploring, developing, producing or marketing production from the leased premises or lands pooled or unitized therewith, and Lessor's royalty shall be computed after deducting any produced oil or gas so used.

**9. Ownership Changes.** The interest of either Lessor or Lessee may be assigned or otherwise transferred in whole or in part, by area or by depth or zone, and the rights and obligations of the parties shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the

obligations of Lessee, and no change in ownership shall bind Lessee until sixty (60) days after Lessee has been furnished with notice, including copies of the recorded documents establishing a complete chain of record title from Lessor to the reasonable satisfaction of Lessee. If a person entitled to shut-in royalties dies, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If two (2) or more persons are entitled to shut-in royalties, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers the entire interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage in this lease then held by each.

**10. Warranty of Title.** Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee, at its option, may pay or discharge any tax, mortgage or lien existing, levied or assessed against the leased premises and, if it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, besides its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor. If Lessee knows any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties or shut-in royalties, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

**11. Payment Reductions.** If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties, or other payment attributable to the mineral interest shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises. To the extent any royalty or other payment attributable to the mineral interest covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor.

**12. Release of Lease.** Lessee may from time to time deliver to Lessor or file of record a written release of this lease as to all or any portion of the leased premises, and shall thereafter be relieved of all obligations thereafter arising regarding the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained.

**13. Regulation or Delay.** Lessee's obligation under the lease, shall be subject to all laws, rules, regulation and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding paragraph 2 above, when Operations are prevented or delayed by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), then while so prevented, Lessee's duty shall be suspended, and Lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or re-working operations or from producing oil or gas and, at Lessee's option, the period of such prevention or delay shall be added to the term or any period for performance of Lessee's rights or obligations. Lessee shall not be liable for breach of any terms of this lease if the breach is due to force majeure conditions.

**14. Breach or Default.** An alleged breach or default by Lessee of any obligation or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease or cause a termination or reversion of the estate created nor be grounds for cancellation in whole or in part, and no litigation shall be initiated by Lessor regarding any alleged breach or default by Lessee, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and if Lessee does not dispute the breach, then only if Lessee fails to remedy the breach or default within such period. If Lessee disputes that a breach has occurred and the matter is litigated and there is a final un-appealable judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. If this lease is canceled for any cause, other than in the case of breach or default, it shall nevertheless remain in force and effect as to the interest in and to each wellbore as to which there are Operations or production and Lessee shall also have such easements on said leased premises or lands pooled therewith as are necessary to conduct Operation on each wellbore. Nothing in this instrument or in the relationship created shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal-agent relationship between Lessor and Lessee for any purpose. Lessee's standard of conduct shall be that of a reasonable prudent operator.

**15. Option to Extend.** Lessor grants Lessee the option to extend the primary term of this lease for an additional Three (3) years on the expiration of the original primary term on all or any portion of the leased premises then held which would expire unless so extended. This option may be exercised by Lessee or its successors and assigns before the expiration of the primary term by paying to Lessor an amount equal to 100% of the initial bonus paid upon execution of this lease, on a net mineral acre basis, for each net mineral acre so extended, which payment shall cover the Three (3) years of the extended term and, Lessor acknowledges there will not be rental payments due for or during the extended term. Payment may be made by check or draft mailed or delivered to Lessor. Should this option be exercised as provided, Lessee may execute and file of record an instrument evidencing the exercise of this option.

**16. Preferential Right.** If while this lease is in effect (but not over seven (7) years after the effective date of the lease) Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the leased premises then covered by this lease, and if Lessor intends to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, all terms and conditions of the offer, including any lease bonus offered, and shall provide Lessee with a copy of the offer and the proposed lease. Lessee shall have thirty (30) days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor under the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all under the terms of the draft. Whether or not Lessee exercises its preferential right, then as long as if this lease remains in effect any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations.





# Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

<b>Print or type.</b>	<b>See Specific Instructions on page 3.</b>	<p><b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p> <hr/> <p><b>2</b> Business name/disregarded entity name, if different from above</p> <hr/> <p><b>3</b> Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC                  <input type="checkbox"/> C Corporation                  <input type="checkbox"/> S Corporation                  <input type="checkbox"/> Partnership                  <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p><b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	<p><b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p style="font-size: small;">(Applies to accounts maintained outside the U.S.)</p>
		<p><b>5</b> Address (number, street, and apt. or suite no.) See instructions.</p> <hr/> <p><b>6</b> City, state, and ZIP code</p> <hr/> <p><b>7</b> List account number(s) here (optional)</p> <hr/>	<p>Requester's name and address (optional)</p> <hr/>

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> </tr> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </table>					-	-	-	-
-	-	-	-					
<b>or</b>								
<b>Employer identification number</b>								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> </tr> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </table>					-	-	-	-
-	-	-	-					

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	<p><b>Signature of U.S. person ▶</b></p>	<p><b>Date ▶</b></p>
------------------	--	----------------------

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

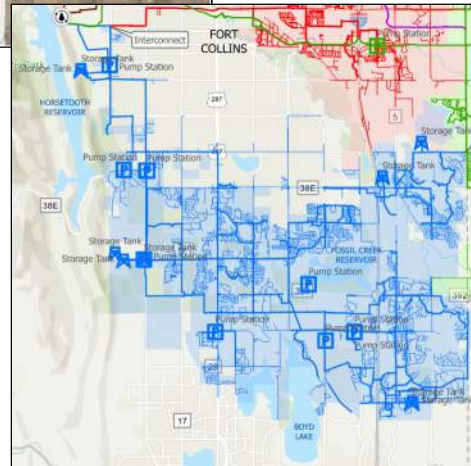
*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

## FCLWD Challenges



**FORT COLLINS • LOVELAND  
WATER DISTRICT**

- Future Cobb Lake WTP
  - Initial capacity: 10-13 MGD
  - Build-Out Capacity: 25-27 MGD
  - At Build-Out – provides 20 MGD for FCLWD
- 42-inch Western Backbone Pipeline
- New Zone 5 Transmission Pipeline
- Storage Tanks
- Total Future Demand – about 57 MGD

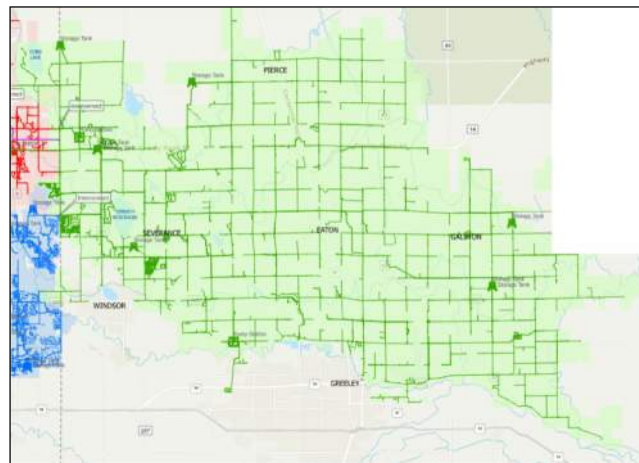


11

## NWCWD Challenges



- Capacity
  - May back calculate based on what's available from Plant
  - May limit growth
- NEWT III (shared with ELCO)
- Zone 1 (NEWT to Tank 1 and south)
- 30" distribution line (CR72 to Pump Stations 4 & 5)
- Storage Tanks



12



Estimate for 'Fast Track' Project

Water Treatment Plant	2023				2024				2025				2026				2027				2028			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. RFP / Selection of WQ and WTP design firm (national)																								
Assemble RFP Document, invite firms/public																								
Proposal Generation																								
Proposals Due, Internal Review																								
Design, DB, FDB, CMAR Team Interviews																								
Selection and negotiation of Contract																								
2. WQ Sampling and Study																								
3. Water Treatment Alternative Evaluation																								
Alternative Evaluation																								
Pilot Program																								
Cost Estimates																								
Evaluation and Selection of Preferred Treatment Approach																								
4. Water Treatment Plant Preliminary Design (30%)																								
Survey / Soils / Design / Cost Estimates																								
Develop Preliminary layout, Stamp, Full Set of P&I																								
Confirmation of project cost and approach																								
Permitting																								
5. Design/Build RFP and Contractor Selection																								
6. Final Design / Construction																								
7. Plant Startup																								
8. Plant Operational Tuning, Staffing up, etc																								

Finished Water Pipelines	2023				2024				2025				2026				2027				2028			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Select Pipeline Design Firm and Project Delivery Method																								
Assemble RFP Document, invite firms/public																								
Proposal Generation																								
Proposals Due, Internal Review																								
Design, DB, FDB, CMAR Team Interviews																								
Selection and negotiation of Contract																								
2. Alignment Preliminary Design (Define Route Alternates)																								
3. Survey, Legal Research, Environmental Permitting																								
Property Ownership research along route alternates																								
LiDAR-based Survey and Base Map																								
Existing Utility Research																								
Rights of Entry / Tapo Survey																								
Communications / Community Engagement program outreach																								
4. Preliminary Pipeline Design (to 30%) for Route Alternates																								
Preliminary Plan and Profile, Pot-holing																								
Cost Estimates																								
Evaluation and Selection of Preferred Route																								
Start Environmental Permitting																								
5. Final Pipeline Design/Contractor Selection (to 100%)																								
RFP for Contractor (DB or other Alternative Produce Delivery)																								
Final Design, Plan and Profile																								
Environmental Permitting																								
Cost Estimates																								
6. Property Acquisition																								
7. Procurement																								
8. Construction																								

• **NISP Water Delivery Schedule**

The Town continues to participate in the NISP water project. At present, the extent of the participation is 1,300-acre feet of water delivered from the Glade and Galeton storage.

As noted above, the Town is currently undergoing a utility rate analysis that will help determine the viability and extent of future participation. Below is a timeline for the Glade portion of the project.

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
U.S. Army Corps of Engineers (USACE) Releases Final Environmental Impact Statement															
Colorado Department of Public Health and Environment Issues 401 Water Quality Certification															
Larimer County Approves 1041 Permit															
Final Design Work															
Record of Decision by USACE															
Environmental Mitigation and Enhancements															
Highway 287 Relocation															
Pipelines, Pump Station Construction															
Glade Reservoir Construction															
First Water Deliveries from Glade Reservoir															



- 8. 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 The Ridge Commercial Development**

**APPROVED**

By Meredith Yoder at 3:58 pm, Jul 28, 2023



OFFICE OF THE STATE AUDITOR • LOCAL GOVERNMENT AUDIT DIVISION  
KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

## Request for Extension of Time to File Audit for Year End December 31, 2022 ONLY


Requests may be submitted via internet portal: <https://apps.leg.co.gov/osa/lg>.

<b>Government Name:</b>	<u>North Weld County Water District</u>
<b>Name of Contact:</b>	<u>Eric Reckentine</u>
<b>Address:</b>	<u>32825 CO Road 39</u>
<b>City/Zip Code</b>	<u>Lucerne, CO 80646</u>
<b>Phone Number:</b>	<u>970-356-3020</u>
<b>E-mail</b>	<u><a href="mailto:ericr@nwcwd.org">ericr@nwcwd.org</a></u>
<b>Fiscal Year Ending (mm/dd/yyyy):</b>	<u>December 31, 2022</u>
<b>Amount of Time Requested (in days):</b> (Not to exceed 60 calendar days)	<u>60 days Audit Due: September 30, 2023</u>

**Comments (optional):** \_\_\_\_\_

I understand that if the audit is not submitted within the approved extension of time, the government named in the extension request will be considered in default without further notice, and the State Auditor shall take further action as prescribed by Section 29-1-606(5)(b), C.R.S.

**Must be signed by a member of the governing board.**

Signature	<u></u>
	<u>Tad r stout (Jul 25, 2023 15:30 MDT)</u>
Printed Name:	<u>Tad Stout</u>
Title:	<u>President</u>
Date:	<u>July 25, 2023</u>

# 2022 Audit Extension

Final Audit Report

2023-07-25

Created:	2023-07-25
By:	Zachary White (zwhite@wbapc.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAw5_wv2rSaEz_wn7zYY6wLSDLPavcnyV

## "2022 Audit Extension" History

-  Document created by Zachary White (zwhite@wbapc.com)  
2023-07-25 - 8:36:33 PM GMT- IP address: 97.122.166.227
-  Document emailed to tads@nwcwd.org for signature  
2023-07-25 - 8:36:51 PM GMT
-  Email viewed by tads@nwcwd.org  
2023-07-25 - 9:29:33 PM GMT- IP address: 152.39.157.69
-  Signer tads@nwcwd.org entered name at signing as Tad r stout  
2023-07-25 - 9:30:32 PM GMT- IP address: 107.77.197.36
-  Document e-signed by Tad r stout (tads@nwcwd.org)  
Signature Date: 2023-07-25 - 9:30:34 PM GMT - Time Source: server- IP address: 107.77.197.36
-  Agreement completed.  
2023-07-25 - 9:30:34 PM GMT



## Thornton Northern Properties Stewardship Plan Upcoming Community Meeting

**Date:** Monday, August 14, 2023

**Time:** 5:30-7:00 pm

**Location:** Eaton Area Community Center ([1675 3rd St, Eaton, CO 80615](https://www.thorntonco.gov/1675-3rd-St-Eaton-CO-80615))

Please join us on **Monday August 14, 2023** from **5:30-7:00 pm** at the **Eaton Area Community Center** to learn more about the **Thornton Northern Properties Stewardship Plan!** This will be the second and final Community Meeting where the project team will review land use and water optimization information including updated maps and draft Thornton NPSP elements. Information will be provided on next steps and how community members can stay informed as this Plan comes to a close.



### Background

The City of Thornton owns approximately 18,000 acres of agricultural properties in Larimer and Weld counties, which Thornton purchased for the water rights in the mid-1980s. Thornton is responsible for the management and eventual divestiture of its northern properties, and has gathered an abundance of community and stakeholder input over the past 18 months to help inform Thornton's future land use decisions. Thornton's vision is to be an engaged landowner, respecting the needs and interests of the Northern Communities as it works to secure its decreed water rights.

### Land Management and Divestment Strategies

Through a community-driven land use planning effort and a future-oriented lens, Thornton has identified potential land uses for its properties that strive to be consistent with community plans and aspirations. Since November 2021 the City of Thornton has engaged a diverse Steering Committee and numerous other stakeholder groups in order to consider potential:



future land uses



development  
opportunities



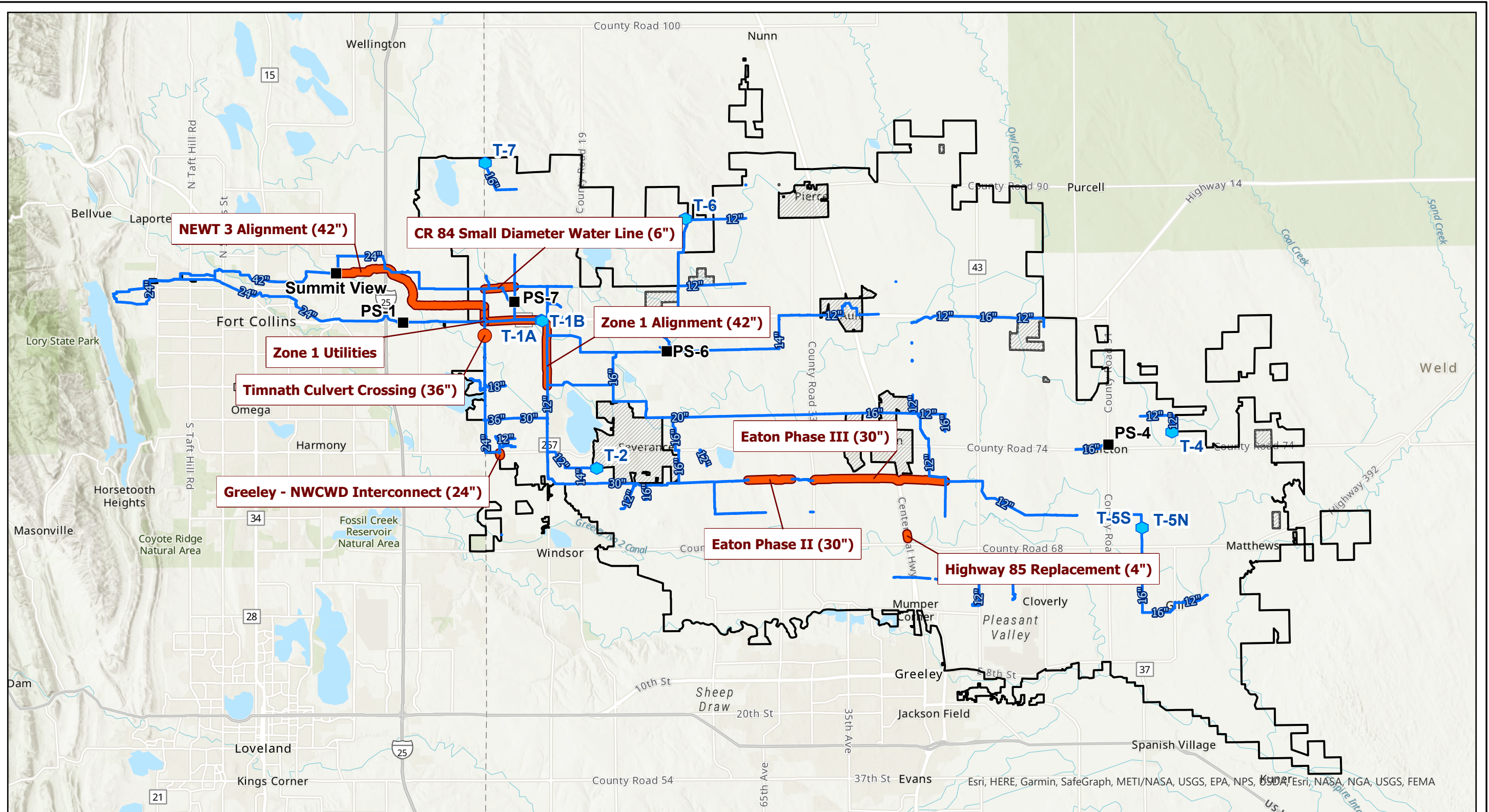
conservation  
opportunities








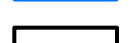

water use, allocation, and  
optimization strategies

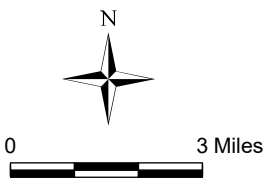
**These recommendations, when finalized in 2023, will guide Thornton as it pursues its management and divestment goals for these properties.**

To learn more about the City of Thornton's Northern Properties Stewardship Plan, visit our website [www.thorntonco.gov](http://www.thorntonco.gov)



**EXPLANATION**

- |   |  |   |  |
|---|--|---|--|
|  | STORAGE TANK                               |  | CAPITAL IMPROVEMENT PROJECT (CIP) EXTENT |
|  | PUMP STATION                               |  | 12" OR LARGER WATER LINE                 |
|  | CAPITAL IMPROVEMENT PROJECT (CIP) LOCATION |  | DISTRICT BOUNDARY                        |
|   |  |  | EXCLUDED FROM DISTRICT                   |



**FIGURE 2**  
**CAPITAL IMPROVEMENT PROJECTS**  
**NORTH WELD COUNTY WATER DISTRICT**  
**LUCERNE, COLORADO**

Drawn By: BR | Checked By: JG | Scale: 1" = 3 Miles | Date: 8/1/23 | File: 2\_CIP\_2023

I:\TRIHIDRO\COMMENTS\NWCWD\GIS\MAPPING\2023\_PROJECTS\NWCWD\_2023\_PROJECTS.APRX



To: Board of Directors North Weld County Water District

From: Eric Reckentine

December 12, 2023

### North Weld County Water District 2023 Budget Memo

Total district water usage growth is projected to increase at approximately 0.5% for the next 3 years and at approximately 1% starting in 2027.

- Commercial water usage is projected as flat to 2021 volumes for next 5 years.
- Wholesale Water Accounts are projected at approximately 0.5% water usage increases for the next 5 years and the three towns associated with the Group treatment plant usage volumes are projected as flat starting in 2027.
- District residential water usage is projected at approximately 0.5% water usage increase annually for the next three years.

### *Revenue*

Meter sale revenue is anticipated to increase from approximately \$16.5 million in 2022 budget to \$18 million in 2023. The 2023 forecast projects approximately \$18 million in metered revenues.

- Rate increase projections for all customer classes is at 7% for next ten years.
- Towns out of compliance with storage requirements are projected at residential rates for next two years.
- Water allocation surcharges are projected at \$6.00/1000 gallons.
- Plant investment surcharges are projected at \$3.85/1000 gallons.
- Plant Investment sales are projected at 150 PI's annually for 5 years.
- Cash in Lieu sales are projected at 10 units at \$62,500, recommend raising cost to \$73,500 per unit.
- Plant Investment Fee is currently projected at \$17,650 per PI not counting distance fee. Recommend Honey Creek Consulting review and recommend appropriate rate based upon revised CIP.

### *Expenses*

Operations Maintenance, Administration 2023 budget is projected at approximately \$9.4 million which is approximately \$400,000 increase to 2022 budget and flat to 2023 forecast.

Labor costs are projected to increase from 2022 to 2023 by 10%, that includes a 5% employee cost of living increase.

District anticipates acquiring two replacement fleet vehicles in 2023 and an additional backhoe, John Deere 135p for \$200,000 in total.

Solider Canyon Filter Plant treatment costs rate increase of \$500,000 for 2023, see attached SCWTA budget memo.

Capital improvement project costs for 2023 are projected at approximately \$28.2 million compared to 2022 budget of \$26.5 million. Forecast for 2023 is capital improvement projects is projected at \$12.5 million to date. This is a reflection on supply chain issues in relation to potential NEWT III pipeline project and Eaton Pipeline project starts and reflects only potential material orders and water rights acquisition. This number may be adjusted prior to final budget if materials are acquired, and three Tank rehab projects start.

Capital Improvements projects costs have been projected at 30% cost increase for the duration of the projects based upon rapid increase in material costs. The anticipated capital improvement ten-year forecast is approximately \$200 million that includes approximately \$60 million in water rights acquisition.

#### System

- North Weld East Larimer County (NEWT) III transmission line permitting, and construction projected cost of \$8 million for 2023 and \$8 million for 2024.
- Eaton Pipeline Phase 2 two mile 30-inch distribution construction projected cost of \$3.5 million for 2023, anticipating fall of 2022 construction costs of \$3.5 million.
- Emergency generator power at Pump Station 1 and Nunn pump Station projects cost of \$250,000.
- Greeley and North Weld Interconnect projected cost of \$3 Million.
- AWIA additional security and SCADA power upgrades projected cost \$100,000.
- Tank Rehabilitation Projects Tank 5 and Tank 7 projected cost of \$1.6 million.
- Tank 1C Design and Construction project cost of \$7 million with 2025 construction.
- Tank 1 16-inch distribution pipeline upsizing project projected start 2024 total project cost of approximately \$20 million.
- Weld County Transmission Line to Tank 1 Site project start 2024 project cost of \$8 million.
- Summit View Pump Station Upgrade project start 2026 projected cost of \$4 million.

#### Raw Water Projects for 2023

- Raw water district drought supply acquisition project projected at \$9 million.
- Water Supply and Storage Company Structures projected cost of \$50,000.
- Larimer #2 Headgate Project Overland Ponds projected cost of \$200,000.
- Pleasant Valley Pipeline sedimentation basin project projected cost of \$312,000.
- Reservoir Pumping Costs of \$200,000.
- Legal and Engineering cost of approximately \$200,000.

## Master Planning and Policy

- Regional Master Plan
  - Capacity Sale Caps for Wholesale Accounts, Evaluate and Revise Water Service Agreements.
  - Capacity Limits for Commercial Accounts, Evaluate and Revise Water Service Agreements.
  - Tap Sale Limits on Residential Taps, Evaluate and Revise Water Service Agreements.
  - Revised Capital Improvement Projects Program.
- Cost of Service Study finalized 2023 dependent on Revised Water Service Agreement.
- System Pressurization Study for analyses pressurization of the transmission system at the treatment plant to be managed by SCWTA.
- Soldier Canyon Filter Plant Expansion Study to be managed by SCWTA projected at \$50,000 for 2023.
- Soldier Canyon Filter Plant Master Plan to be managed by SCWTA projected at \$500,000 for 2023.

The District completed the following capital improvement projects in 2022:

- Soldier Canyon Treatment Plant Upgrade to 60 MGD.
- Line 1 replacement project and upsizing.
- Pump Station 1 upgrade.
- Old Eaton Pipeline bypass, line replacement and upsizing.
- Emergency Backup Power Summit View.
- Emergency Power SCADA.
- Start Buss Grove Interconnect.
- Start Greeley NW Interconnect.
- Start Construction NEWT III Transmission Line.
- Start Construction Eaton Pipeline Project Phase 2.
- Acquisition of Knox Pit Reservoir Project - Overland Ponds.
- Acquisition of Water Rights.

Over the course of the previous 4 years the District has acquired over 1,300 acre-feet of new water supplies at a cost of approximately \$49,000,000, averaging \$41,000 per acre-foot, constructed approximately \$41,000,000 of system improvements, averaging about \$8.2 million annually to serve growth and maintain reliable service, has spent \$47,000,000 in operations and maintenance (O&M), or about \$9.4 million per year, has received \$80,000,000 in operational revenue, has received \$65,000,000 in non-operation revenue, and has maintained approximately \$10,000,000 in operational and replacement reserve funds. Specific projects include:

- Eaton Pipeline Project Phase 1.
- Pump Station Rebuild Summit View.
- Pump Station Upgrade Station 4.
- Pump Station Upgrade Station 6.

- Mason Street Interconnect City of Greeley.
- Horse tooth Operation Project Hansen Pump Back Station.
- Master Meters to Severance.
- Master Meter to Windsor.
- Nunn Pump Station Upsize and Replacement.
- Wild wing Irrigation Raw Water Line.
- Acquisition of River Bluffs Reservoir Storage Project.
- Acquisition of Overland Ponds – Cell 5.
- Adjudication and Development of Return Flow Structures for Native Rights.
- 5- year CDPHE Sanitary Survey.
- American Water Infrastructure Act Survey and Implemented the Response Recommendations.
- Mill Levy Ballot Initiative.

The District over the course of 4 years has developed or modified approximately 20 policies, and updated manuals and protocols related to updated design criteria, maintenance program, safety, employment manuals and polices, development review procedures, drought triggers, finance and reserve fund policies, regulatory compliance manual and policies related to back flow and cross connection devices, board of director manual and plant investment and water dedication policies.

The following are considered by District Management to be key policy changes that have had significant impact on maintaining district solvency:

- Finance Policies for Reserve and Depreciation Funds.
- Elimination of the Conservation Blue Tap Program.
- Raw Water Dedication Policy Change from 100% Cash in Lieu to 100% Raw Water Dedication.
- Drought Trigger Policies and Surcharges.
- Flow Control Program for Commercial Customers.
- Mortarium Policies Temporarily Limiting New Growth.
- Elimination of the Water Allocation and Plant Investment Reinvestment Program.

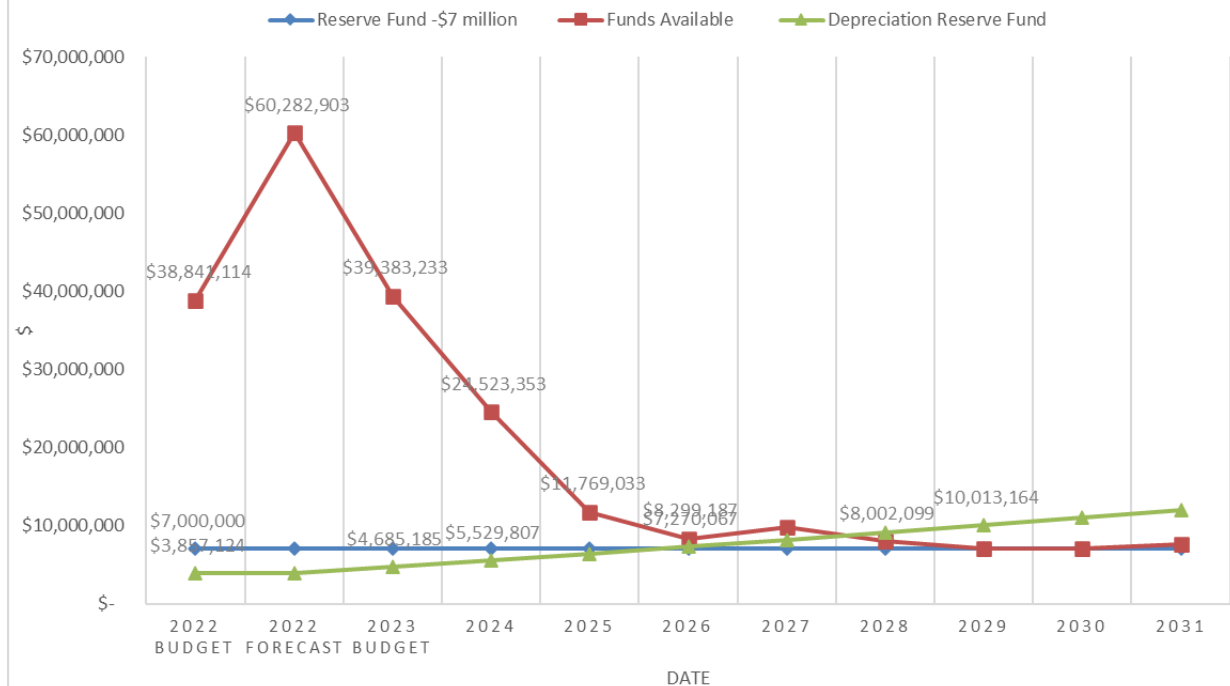
Management recommends the following

1. a 7% rate increase
2. Increasing the plant investment fee to reflect the Honey Creek recommendation of \$20,250 per PI not including distance fee
3. Increasing CIL to \$73,500
4. Conducting an assessment of current PI surcharge fee to reflect the increase in capital improvement costs as described in the Honey Creek memo.

**2023 Budget and Forecast  
North Weld County Water District**

	2022 budget	2022 Forecast	2023 Budget	Forecasts			
				2024	2025	2026	2027
<b>Revenues</b>							
Total Operating Revenue	\$ 16,433,340	\$ 21,802,000	\$ 18,189,459	\$ 19,512,823	\$ 20,932,868	\$ 22,456,656	\$ 24,091,762
Debt Proceeds	\$ 38,000,000	\$ 34,615,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Operating Revenue	\$ 184,009	\$ 800,000	\$ 185,081	\$ 186,175	\$ 187,291	\$ 188,429	\$ 189,590
Total Contributions	\$ 2,157,808	\$ 7,221,000	\$ 4,174,964	\$ 4,492,463	\$ 4,510,313	\$ 4,528,519	\$ 4,547,089
<b>Total Revenues</b>	<b>\$ 56,848,570</b>	<b>\$ 64,438,000</b>	<b>\$ 22,624,387</b>	<b>\$ 24,267,842</b>	<b>\$ 25,708,380</b>	<b>\$ 27,253,069</b>	<b>\$ 28,909,496</b>
<b>Expenditures</b>							
Administrative	\$ 1,816,621	\$ 2,011,000	\$ 2,147,230	\$ 2,300,300	\$ 2,355,912	\$ 2,412,925	\$ 2,471,375
Operational	\$ 7,134,738	\$ 7,500,000	\$ 7,165,217	\$ 7,184,582	\$ 6,991,158	\$ 7,176,356	\$ 7,277,110
Debt Service	\$ 3,238,288	\$ 3,300,000	\$ 5,127,288	\$ 4,420,825	\$ 4,421,488	\$ 4,416,925	\$ 4,422,250
Water Enterprise Fund 2020 Bond	\$ 477,288	\$ 477,288	\$ 473,288	\$ 474,175	\$ 474,838	\$ 470,275	\$ 475,600
Capital Improvements	\$ 26,615,700	\$ 12,400,000	\$ 28,239,700	\$ 24,360,500	\$ 23,815,396	\$ 15,820,390	\$ 12,325,484
<b>Total Expenditures</b>	<b>\$ 38,805,347</b>	<b>\$ 25,688,288</b>	<b>\$ 42,679,435</b>	<b>\$ 38,266,208</b>	<b>\$ 37,583,954</b>	<b>\$ 29,826,596</b>	<b>\$ 26,496,219</b>
Earnings	\$ 18,043,223	\$ 38,749,712	\$ (20,055,048)	\$ (13,998,366)	\$ (11,875,574)	\$ (2,573,526)	\$ 2,413,278
Funds Available (carry over prior to depreciation)	\$ 36,669,174	\$ 61,110,964	\$ 40,227,855	\$ 25,384,868	\$ 12,647,778	\$ 9,195,507	\$ 10,712,465
<b>Depreciation</b>	<b>\$ 828,061</b>	<b>\$ 828,061</b>	<b>\$ 844,622</b>	<b>\$ 861,515</b>	<b>\$ 878,745</b>	<b>\$ 896,320</b>	<b>\$ 914,246</b>
Funds Available	\$ 38,841,114	\$ 60,282,903	\$ 39,383,233	\$ 24,523,353	\$ 11,769,033	\$ 8,299,187	\$ 9,798,219
<b>Reserve Fund -\$7 million</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>
<b>Fund Available minus reserve fund</b>	<b>\$ 31,841,114</b>	<b>\$ 53,282,903</b>	<b>\$ 32,383,233</b>	<b>\$ 17,523,353</b>	<b>\$ 4,769,033</b>	<b>\$ 1,299,187</b>	<b>\$ 2,798,219</b>
<b>Depreciation Reserve Fund</b>	<b>\$ 3,857,124</b>	<b>\$ 3,857,124</b>	<b>\$ 4,685,185</b>	<b>\$ 5,529,807</b>	<b>\$ 6,391,322</b>	<b>\$ 7,270,067</b>	<b>\$ 8,166,387</b>

**DISTRICT FUNDS**



August 8, 2023

# WORK SESSION AGENDA ITEM SUMMARY

City Council

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## STAFF

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Jen Dial, Water Resources Manager  
Jason Graham, Director of Water Utilities  
Lance Smith, Utilities Finance Director

## SUBJECT FOR DISCUSSION

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**Water Supply Requirement and Excess Water Use Fee Increase.**

## EXECUTIVE SUMMARY

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As prices continue to rise for water supplies and the infrastructure to support them, Fort Collins Utilities (“Utilities”) determined it needed to re-examine its Water Supply Requirement (“WSR”) and Excess Water Use (“EWU”) fees. The WSR and EWU fees do not apply to customers or developers served by other water districts.

Based on a detailed consultant recalculation and recommendation, staff is proposing to increase fees substantially from \$68,200 per acre-foot to \$179,500 per acre-foot for the WSR, and \$16.67 per 1,000 gallons to \$43.87 per 1,000 gallons for EWU. These fee increases will apply to both commercial and residential development and redevelopment, as well as existing commercial customers with a water allotment who incur an EWU charge. These fees do not apply to redevelopment unless there is an increase in water service.

These fees will go to Council for approval in November with implementation on January 1. However, given the significant increase, we would like to consider options to help customers adjust to and pay for the increased fees.

## GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

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1. Does Council have any questions regarding the need and evaluation of WSR and EWU fees?
2. Does Council have any specific direction for outreach and implementation of the WSR and EWU fee increases?

## BACKGROUND / DISCUSSION

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Due to the scarcity of water in Northern Colorado, coupled with rising demands, water's cost has increased significantly. Additionally, storage project costs have continued to increase due to permitting and construction costs. In November 2022, the cost estimate for the Halligan Water Supply Project was projected at almost double the cost estimated in 2019. These combined increases prompted staff to reevaluate the WSR methodology and fee structure once again. Because the EWU fee is increased by the same percentage as the WSR, the EWU fee was also recalculated.

It is best practice to reevaluate WSR fees a minimum of every 2 years. WSR fees offset the costs to Utilities to provide new customers with water in perpetuity and assure development pays its own way when connecting to Utilities water service. This helps avoid impacts to current Utilities customers.

If allotment customers use more water than their tap is allocated annually, they pay EWU fees. This covers the cost for water above and beyond their allocation.

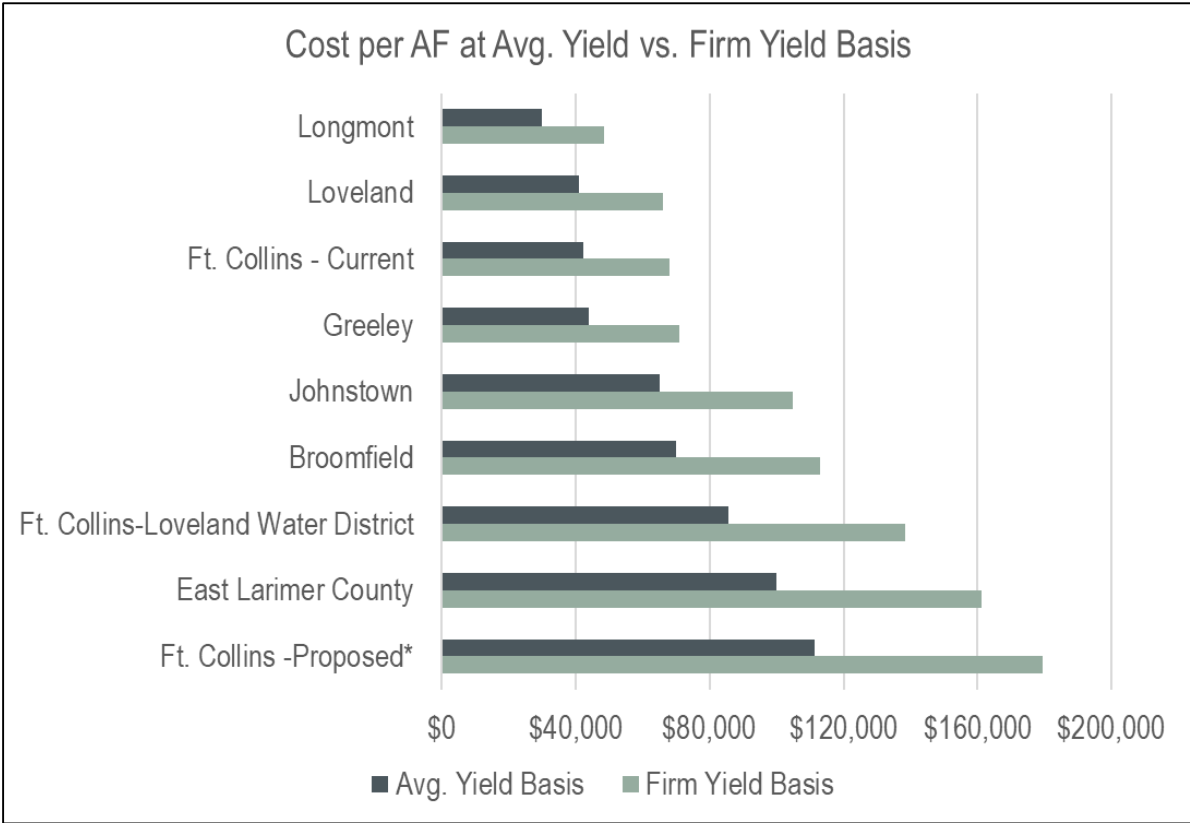
### WSR FEE CALCULATION

In early 2022, Utilities hired FCS Group to evaluate the WSR methodology and fee. The evaluation is specific to WSR which then determines how EWU fees are calculated. There are three ways the WSR (also referred to as 'cash-in-lieu' for some water providers) can be calculated: buy-in, incremental, or combined approach. FCS Group recommended Utilities use a 'combined approach' that considers the cost of the existing and future water supply system (infrastructure and water rights).

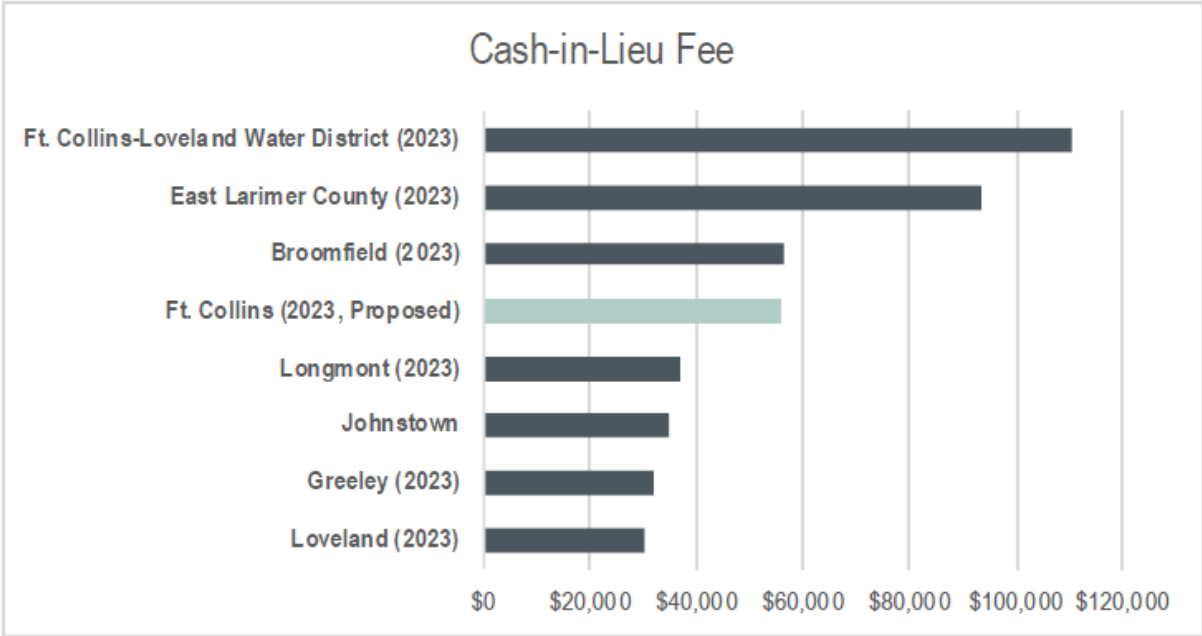
The cost of existing infrastructure is not included in the WSR calculation because the City's current infrastructure needs to be expanded to be able to serve future customers. Therefore, it's included in future water supply system costs. The WSR calculation includes the cost of future infrastructure (Halligan Reservoir expansion and capital improvement projects to expand the system's capacity), market value of existing water rights, and market value of expected future water rights acquisitions. This total cost is then divided by the firm yield of the water rights portfolio, which results in a cost of \$179,500/acre-foot to serve future development.

It is recommended to use the 'firm' yield (which is the current method), as opposed to 'average' yield. Firm yield is the amount of water the City can depend on assuming a 50-year drought. Firm yield is contingent on storage and infrastructure to capture and deliver those water rights. For example, the firm yield with the current Halligan Reservoir is much less than with an enlarged Halligan Reservoir because there is not the ability to capture water rights during high flows and store it for use during future droughts.

The following graph illustrates the cost comparison per acre-foot in WSR compared to other water providers in the region.



While the City’s proposed fee would be the highest in the region, these comparisons are not apples to apples because there is not a consistent methodology used among water providers. Additionally, each water provider has a different dedication requirement. For instance, the City requires 0.31 acre-feet per four-bedroom single-family home, which equates to \$53,850 per residence. Fort Collins-Loveland Water District requires 0.80 acre-feet for a similar home, which equates to \$110,000 per residence. (The graph below illustrates a comparison of the cost for a four-bedroom, 5,200 square foot outdoor area residence.) This discrepancy also applies to commercial developments.





## IMPACTS

The WSR fee increase will impact development, redevelopment, and existing customers but to different extents. Because there is not much developable land left within the Utilities water service area, there is likely to be less impact to new development. According to the 2017 Fort Collins City Plan Trends and Forces Report, approximately 25% of the new development that will occur within the Growth Management Area will be within Utilities service area, with the remaining 75% serviced by surrounding water districts. Currently, there are 821 developers in some phase of the development review process that could be financially impacted if they are not able to pay their WSR ahead of January 1, 2024.

Redevelopment is expected to continue and will also be impacted by an increase to WSR fees. Particularly in Downtown, near Colorado State University, and along the College Avenue corridor, there are opportunities for infill and redevelopment expected in the coming years, but the exact amount is unknown at this time.

As for EWU charges, up to 260 customers per year have paid those fees since 2012. This amounts to between \$500,000-\$1.7 million in annual collection. The number of customers is not expected to change unless the City sees more customers deciding to increase their allotment by paying an additional WSR. While customers have the option to pay a WSR fee to increase their allotment, many find it more financially feasible to pay a smaller annual EWU fee than a large one-time WSR fee. With increasing WSR costs, it is unknown how that might change.

The WSR and the EWU fees ensure that the Water Utility is not burdening the existing rate payers with the cost of new development. For Affordable Housing, any subsidy would require the Water Utility to be fairly compensated.

## NEXT STEPS & RECOMMENDATIONS

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Water is expensive and rising costs are outside the City's control. The population in Fort Collins is expected to continue to grow and Utilities is charged with finding a way to pay for future water demands. If developers are not required to pay the market cost of the water rights and infrastructure needed to provide service for future customers, these costs would inequitably fall on existing customers. Therefore, staff recommends implementing the proposed \$179,500 per acre-foot WSR fee and \$43.87 per 1,000 gallons EWU fee starting January 1, 2024.

### Options for implementation include:

- Move forward with staff recommendation at projected pace and implement fees January 1, 2024.
- Evaluate different payment options for:
  - Current development review customers
  - Small businesses
  - Most marginalized customers
  - Affordable housing development
- Enhance conservation programs to help offset the price of water.
  - Xeriscape Incentive Program (XIP) which assists customers in removing grass for more native plants that decrease water demand in the long term.
  - Allotment Management Program (AMPP) provides eligible Utilities customers with a temporary waiver from their EWU fees if they meet certain qualifications.

Given the substantial increase to the WSR and EWU fees, staff acknowledges the importance of communication and engagement with Council, Boards and Commissions, the community, and internal colleagues.

**Staff intends to:**

- Meet with internal staff, Water Commission, Planning and Zoning Commission, Chamber of Commerce, Economic Advisory Board, and Development Review Executive Team (**mid-August - early October**).
- Email developers with projects in the development review process and assist in their payment of WSR ahead of the fee increase (**August**).
- Email customers who have incurred EWU charges so they can consider paying a WSR to increase their allotment (**August - September**).
- Fort Shorts e-newsletter (internal staff) (**August**).
- Update City website (**August**).
- Lunch and Learn or Open House for development community (**October**).
- Communicate with the Affordable Housing Board and Building Review Commission (**September**).
- City News e-newsletter (**September**).
- Building Services e-newsletter (**September**).
- Fort Collins Area Chamber of Commerce e-newsletter (**September/October**).

**ATTACHMENTS**

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1. Presentation



# Water Supply Requirements and Excess Water Use Fee Updates

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**Jason Graham**

Utilities Water Director

**Jen Dial**

Page 111 | s Water Resource Manager





- Purpose
- Water Supply Requirements (WSR) and Excess Water Use (EWU) fees
- Evaluation
- Frequently Asked Questions
- Outreach
- Options and Considerations
- Recommendation
- Discussion



- Share with City Council the need for WSR and EWU fee increases.
- Does Council have any questions regarding the need and evaluation of WSR and EWU fees?
- Does Council have any specific direction for outreach and implementation of the WSR and EWU fees?

- Utilities has been developing and maintaining a high-quality water system for nearly 150 years.
- Our innovative and forward-thinking approach has provided reliable water for our community.
- Currently we are focused on:
  - Taking care of our existing system
  - Water quality and conservation
  - Regulations
  - Climate resiliency (drought, water scarcity, historic weather events)





- The market cost of water continues to significantly increase:
  - Scarcity of water in the West
  - Competition for limited water resources
- Storage project costs continue to increase:
  - Permitting process
  - Construction costs
- Development pays its own way which prevents impacts to existing customers



## Item 2. What is an Acre-Foot (AF)?

- An AF of water equals about **326,000 gallons**, or enough water to cover a football field 1-foot deep.
- One acre-foot can supply water to **3-4 single-family homes** in Fort Collins per year.







### WSR Fee

- New development and re-development
- One-time fee per AF
- Buys into the current value of Utilities' water portfolio, in exchange for water service in perpetuity

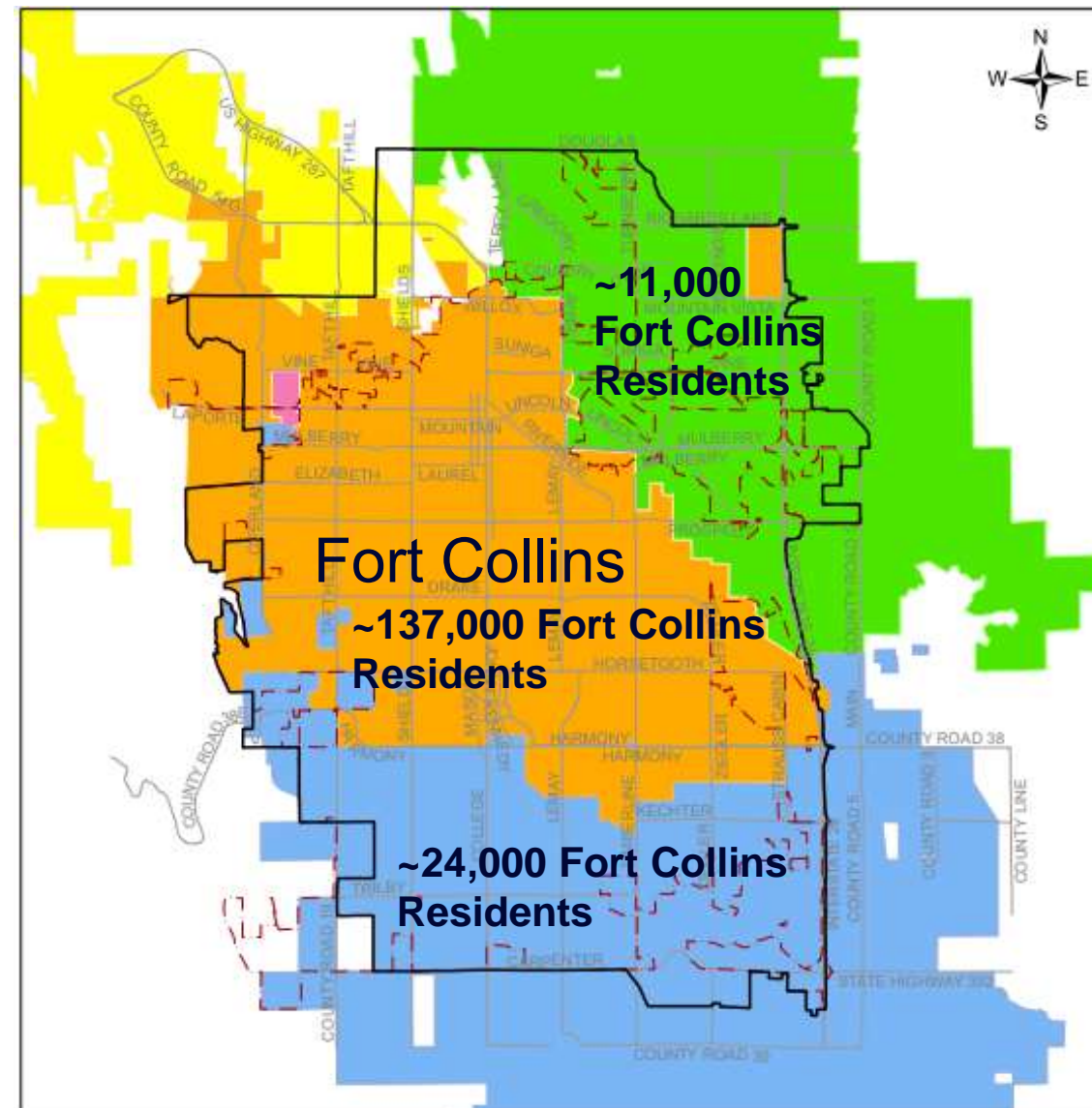


### EWU Fee

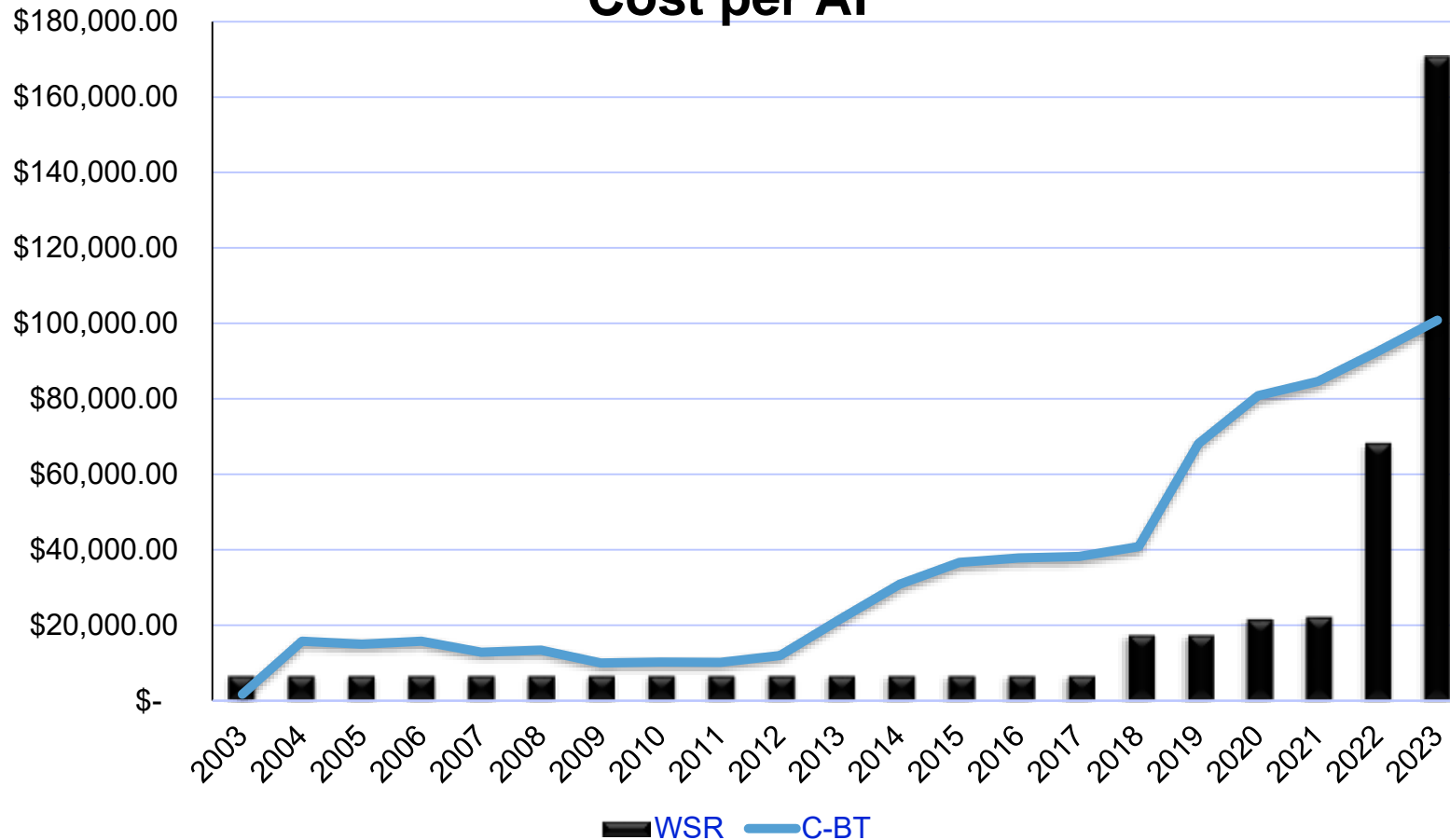
- Annual fee for commercial allotment customers
- Fee per 1,000 gallons over assigned allotment

Item 2. SR and EWU Applicability

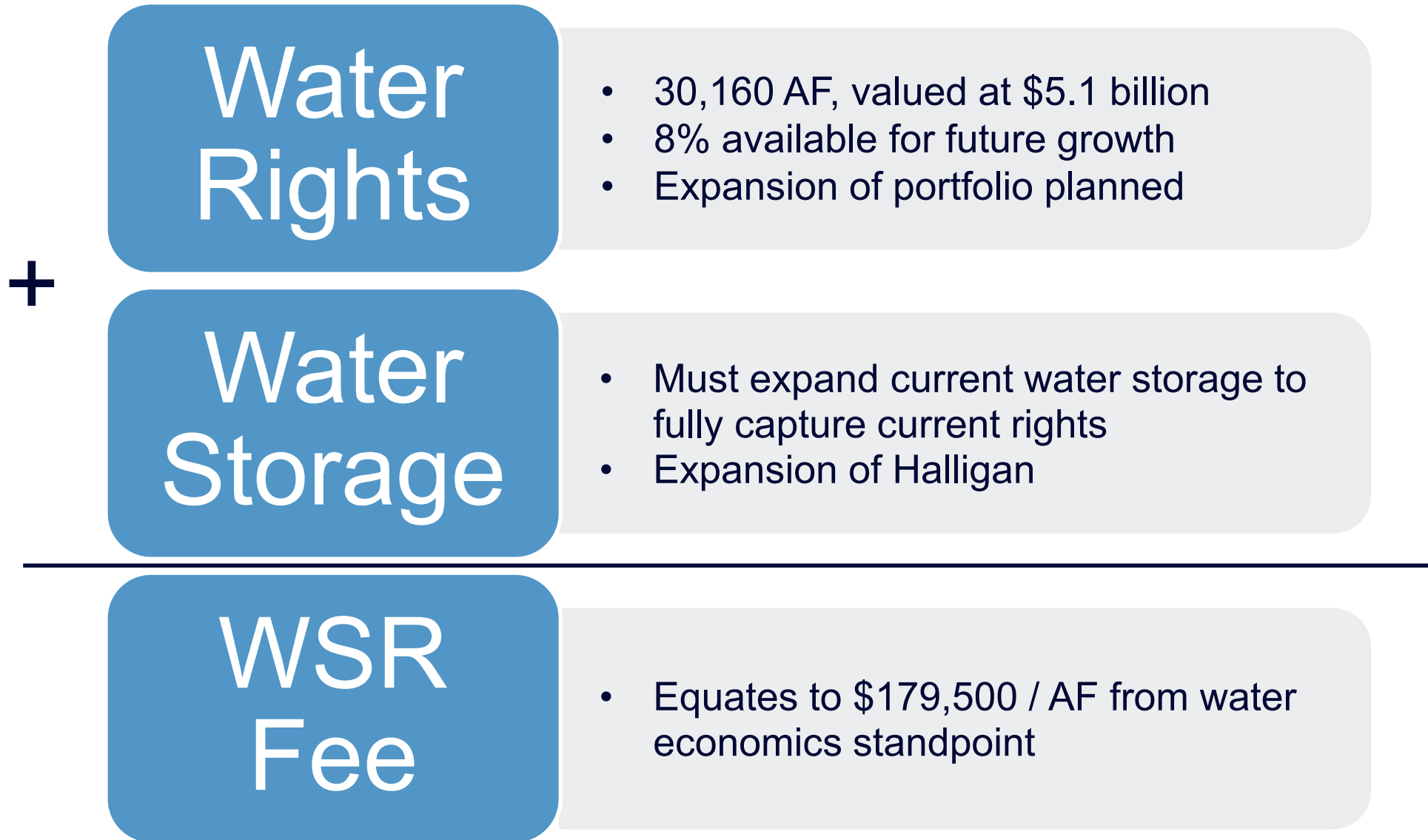
- Growth Management Area (GMA)
- Fort Collins Utilities
- ELCO Water District
- Fort Collins-Loveland Water District
- West Fort Collins Water District



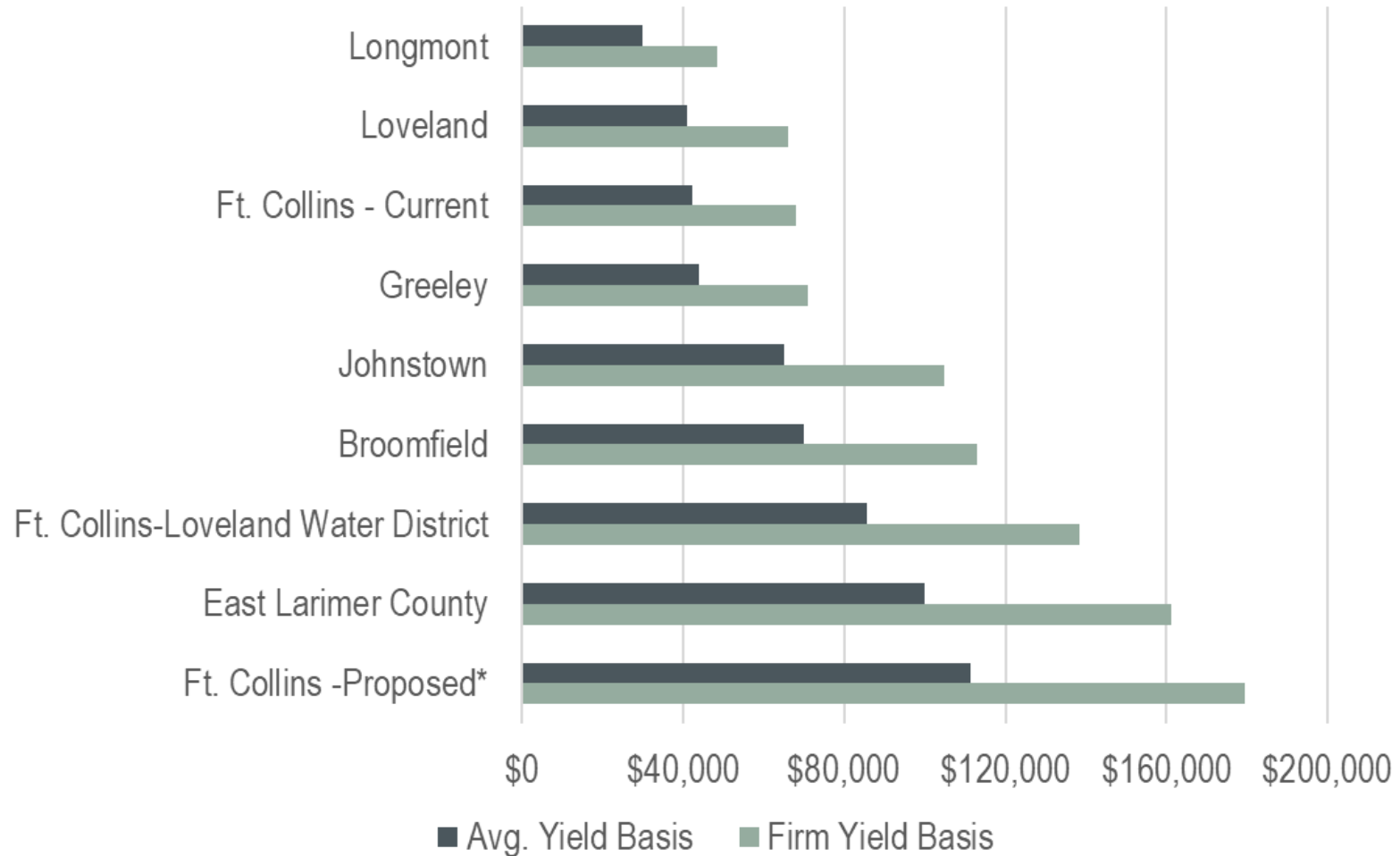
## Fort Collins WSR vs. C-BT Cost per AF



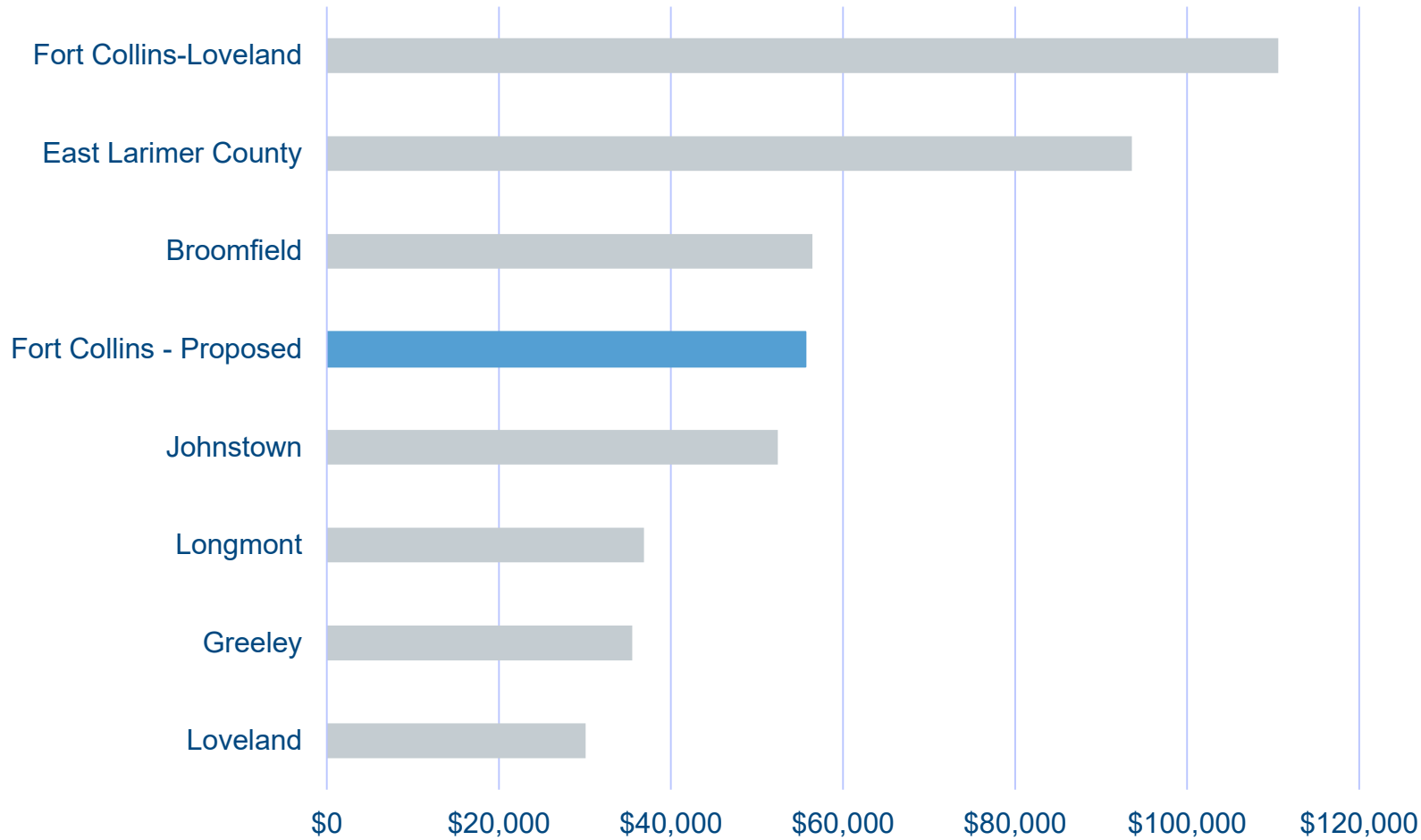
- Hired FCS Group and West Water Consultants to evaluate
- Colorado-Big Thompson Project (C-BT) prices increased 52x in 30 years while inflation increased 2x.
- Non-C-BT water rights costs have increased as well ~143,000 AF
- Last significant increase was 2021 (\$22,145 to \$68,200)
- Halligan Reservoir expansion costs have **almost doubled** since 2019
- Should evaluate a minimum of every two years



Cost per AF at Avg. Yield vs. Firm Yield Basis



### Residential Property Fees



4 BR Single-Family  
7,300 SF Lot

Provider	Dedication Required (AF)
Fort Collins-Loveland	0.80
ELCO	0.58
Broomfield	0.50
<b>Fort Collins</b>	<b>0.31</b>
Johnstown	0.50
Longmont	0.76
Greeley	0.50
Loveland	0.45



4BR Single-Family Home  
7,300 SF Lot Size  
5,200 SF Outdoor Area

**\$670,000**

Est. Median Home Price  
(Zillow as of 5/5/23)

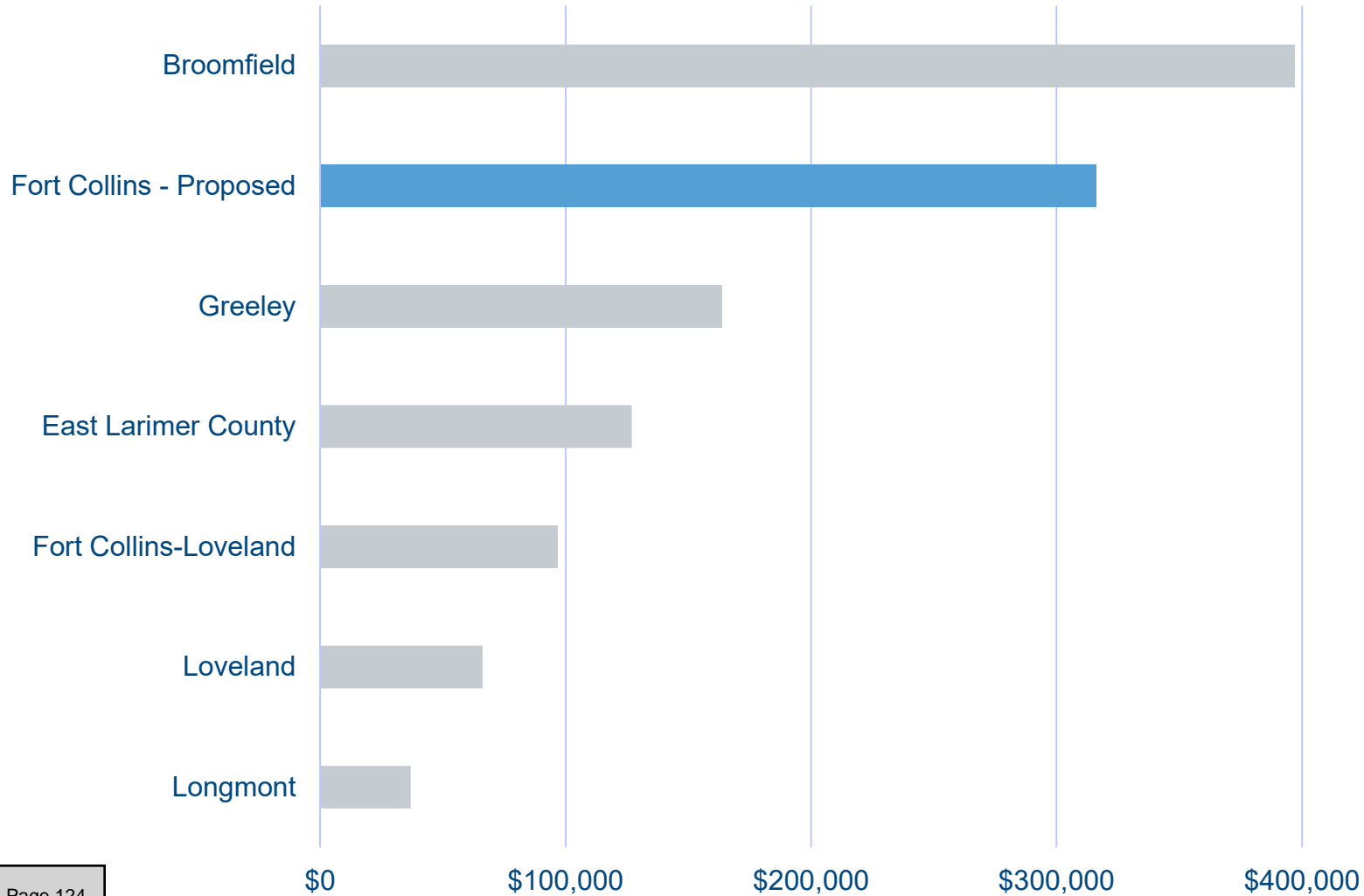
**3.2%**

Current Fee of \$21,168  
as % of Median Price

**8.3%**

Proposed Fee of \$55,645  
as % of Median Price

### Commercial Property Fees - Restaurants

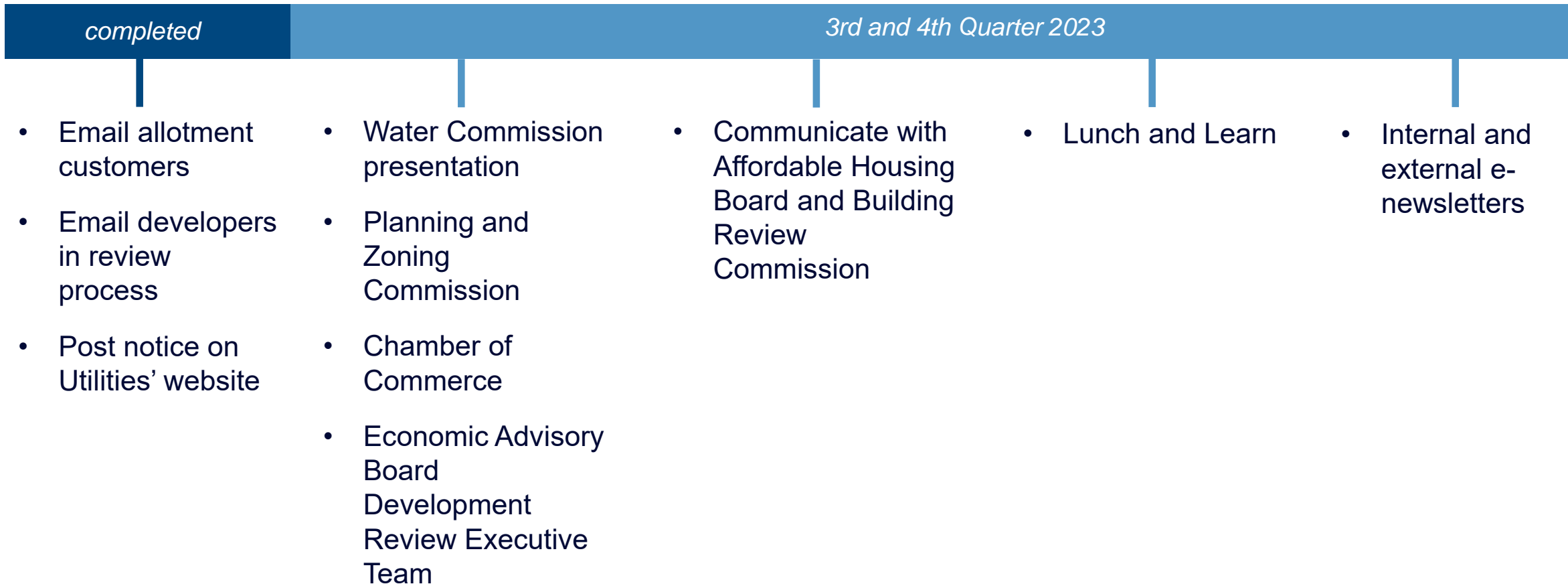


Restaurant Business  
4,000 SF  
¾" Meter Tap

Provider	Dedication Required (AF)
Broomfield	3.52
<b>Fort Collins</b>	<b>1.76</b>
Greeley	2.31
ELCO	0.79
Ft. Collins – Loveland	0.70
Loveland	1.00
Longmont	0.76



- **Does the City plan to purchase more water rights?**
  - Yes, the City is always evaluating potential water rights purchases to expand our portfolio for growth.
- **Are the fees increasing to pay for the Halligan Water Supply Project?**
  - No, the need to increase the fees exists regardless of Halligan. Halligan is only ~8% of our total water portfolio value.
- **What do we expect for future water costs?**
  - We expect water rates to continue to go up.
- **What have you heard from stakeholders?**
  - Internal stakeholders and existing customers have expressed concerns with the rapid increase in cost impacting their ability to do business, especially for affordable housing and small businesses.
- **How is this related to the water adequacy code updates?**
  - WSR relates to our water rights and storage for customers in Utilities' service area. Water adequacy determination ensures a water provider can deliver reliable and safe water to their customers.



- Increase **WSR** fees from **\$68,200** to **\$179,500** per AF starting January 1, 2024.
- Increase **EWU** fees from **\$16.67** to **\$43.87** per 1,000 gallons starting January 1, 2024.

## Item 2. Options and Considerations

1. Move forward with staff recommendation at projected pace and implement fees January 1, 2024.
2. Evaluate different payment options for:
  - Current development review customers
  - Small businesses
  - Most marginalized customers
  - Affordable housing development
3. Enhance conservation programs to help offset the price of water.

- Does Council have any questions regarding the need and evaluation of WSR and EWU fees?
  
- Does Council have any specific direction for outreach and implementation of the WSR and EWU fees?

# End of presentation-start of back slides

- **New Development**

- ~25% will occur in the Utilities service area
- Developers currently in the development review process that would be affected

- **Re-development**

- Infill and redevelopment with an increase in water service
- Expected, but exact amount unknown

- **Existing Customers with Allotments**

- Up to 260 customers/year have paid EWU fees since 2016
  - \$500,000 to \$1.7 million annual collection
- Could purchase additional WSR to avoid

- Discuss developing a program or rate structure to address impacts to most marginalized customers, such as affordable housing and small businesses
- Expand or modify existing water conservation programs such as:
  - Allotment Management Program (AMP) which provides eligible customers with a temporary EWU waiver if they meet certain qualifications
  - Xeriscape Incentive Program (XIP) which assists customers in removing grass for more native plants that decrease water demand in the long term



# 19<sup>th</sup> Century

Settlement in  
Northern Colorado

Ditches, streams,  
canals – water and  
wastewater

Fires lead to first  
Municipal Water Works

# 20<sup>th</sup> Century

Regulations  
Water resources and  
infrastructure  
acquisition  
Federal funding

Michigan Ditch, Joe  
Wright Reservoir  
Horsetooth and C-BT  
Treatment Facilities

# 21<sup>st</sup> Century

Asset management  
Water quality and  
conservation  
Regulations  
Climate resiliency

Regional partnerships  
One Water  
Federal funding

	<p>4BR, single-family detached home 5,200 square-feet of outdoor area 101,000 gallons per year</p>	<p><b>\$21,140</b> CURRENT FEE</p>	<p><b>\$55,645</b> PROPOSED FEE</p>
	<p><b>RETAIL</b> 3/4" water meter 15,000 SF 0.3 AF Dedication Required</p>	<p><b>\$20,460</b> CURRENT FEE</p>	<p><b>\$53,850</b> PROPOSED FEE</p>
	<p><b>OFFICE</b> 3/4" water meter 15,000 SF 0.3 AF Dedication Required</p>	<p><b>\$20,460</b> CURRENT FEE</p>	<p><b>\$53,850</b> PROPOSED FEE</p>
	<p><b>RESTAURANT</b> 3/4" water meter 4,000 SF 1.76 AF Dedication Required</p>	<p><b>\$120,030</b> CURRENT FEE</p>	<p><b>\$315,916</b> PROPOSED FEE</p>