

NORTH WELD COUNTY WATER DISTRICT

Notice of Meeting

Monday, August 8, 2022, 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 8, 2022, NWCWD Board Meeting Agenda**
- 4. Public Comment (3 Minute Time Limit; Items Not Otherwise on the Agenda)**
- 5. Consent Agenda: (These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda) (enclosures)**
 - a. Minutes from July 11, 2022, Regular Meeting**
 - b. Minutes from July 26, 2022 Special Meeting**
 - c. Approve Invoices through August 8, 2022**
 - d. Larimer & Weld Ditch Crossing Agreements – Eaton Pipeline**
 - e. Anderson Easement Acquisition – Eaton Pipeline**
 - f. NEWT III – Scope of Work for Professional Services Ditesco Engineering**
 - g. Bond Fee Disclosure Letter from White Bear Ankele Tanaka & Waldron**
 - h. Matthew Pettinger Tap Relocation – Line Extension**
 - i. Stantec SCWTP 65 MGD Treatment Study**
- 6. Action: Bond Issuance (enclosures)**
 - a. Update Bond Issuance Rating Agency Presentation July 25, 2022**
 - i. August 17, 2022 Bonds Sold Competitive**
 - ii. Closing August 31, 2022**
 - b. Action: Consider Adoption of a Resolution Authorizing the Issuance and Sale of its Water Enterprise Revenue Bonds, Series 2022 in the estimated aggregate principal amount of up to \$38,000,000 (which amount is subject to increase or decrease as determined by the Board, or as otherwise permitted by such resolution), authorizing the use of the Preliminary Offering Statement, and approving a Paying Agent Agreement, Continuing Disclosure Certificate, and other related documents. (enclosure)**

7. **Action: Consider Approval of COS study (enclosures)**
 - a. **Action: Mill Levy and Mill Levy Survey**
 - b. **Action: Rate of Return**

8. **Action: November 2022 Election**
 - a. **Discussion re Coordination of Election with Larimer and Weld County**
 - b. **Consider Approval of Intergovernmental Agreement for Conduct of Coordinated Elections with The Board of County Commissioners of Weld County (enclosure)**
 - c. **Consider Approval of Intergovernmental Agreement for 2022 General Election with Larimer County Clerk and Recorder (enclosure)**

9. **Water Tap Sales Matters:**
 - a. **Update re Tap Sales**
 - b. **Update regarding Town of Severance Meeting**
 - c. **Consider Approval of Town of Severance Retail Rate Adjustment (enclosures)**

10. **Action: Overland Ponds Storage Reservoir (enclosures)**
 - a. **Consider Approval of Larimer # 2 Carriage Agreement**
 - b. **Consider Approval of Intergovernmental Agreement with City of Greeley for Annual Maintenance Cost Sharing**

11. **Report: Update Saddler Ridge PUD (enclosures privileged and confidential)**

12. **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**
 - a. **Town of Severance Retail Rate Adjustment**
 - b. **Saddler Ridge PUD**

13. **District Manager's Report:**
 - a. **Colorado River Report – Northern Water Presentation**
 - b. **Eaton Pipeline Project Phase 2 Bid – Bids August 23**
 - c. **County Road 74/35 Project Bid**
 - d. **SDA Conference and Dinner**
 - e. **BPCC Extension Letters**
 - f. **Wildwing non-potable**
 - i. **Cross connections**
 - ii. **Raw water**

14. **Other Business**

ADJOURN _____ .M.

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

Held: Monday, the 11th day of July, 2022, 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
Ron Buxman, Treasurer
Matthew Pettinger, Assistant Secretary
Brad Cook, Assistant Secretary

Also present were Eric Reckentine, General Manager of the District; Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Garrett Mick, North Weld County Water District; Richard Raines, Water Resources, Daniel Rice, Providence Infrastructure Consultants; Lauren Taylor, Spencer Fane, District special counsel; Members of the Public.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order at 8:35 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. Mr. Stout reminded the Board about his prior serves on the Board of the Town of Severance and advised the Board that he would abstain from all matters related to the Town of Severance. 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. Buxman, seconded by Mr. Pettinger, the Board unanimously approved the agenda.

PUBLIC COMMENT

Dairy Operators addressed the Board regarding concerns with the District’s policy changes over the last year. In particular, the comments addressed the historical purpose of the District to bring water to the eastern dairies. Dairies believe the surcharge they pay for water usage should be used by the District to acquire additional water, and the current policy to require dairies to bring additional water to the District for dedication is unfair and cost prohibitive. The District was asked to find a way to make the surcharge have value instead of just penalizing the dairies.

CONSENT AGENDA MATTERS

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

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

- b. Acceptance of Unaudited June 2022 Financial Statements
- c. Approve Invoices through July 11, 2022
- d. Variance Request Backflow Prevention – Booth
- e. Agreement for Relocation of Potable Water Facilities for Weld County Road 33/74 with Weld County
- f. Letter to Regional Strata Operations Committee
- g. 160 G Compactor Purchase Order
- h. Addendum to Independent Contractor Agreement with TriHydro Corporation (Engineering and Environmental Consulting)
- i. Stantec Change Order
 - i. Knox Pit
 - ii. Longs Peak WSSC Recharge Site
- j. Just Compensation Waiver Valuation with Serfer Land Ventures, LLC

Upon motion of Mr. Pettinger, seconded by Mr. Cook, the Board approved the following, as amended:

- a. Minutes from June 13, 2022, Regular Meeting

WATER TAP SALE MATTERS

Update Regarding Water Taps

Mr. Reckentine noted that to date 92 taps have been sold year-to-date, and tap sales are slowing down.

Town of Severance Matters

i. Consider Retail Rate Adjustment

Mr. Reckentine discussed with the Board provisions of the Water Service Agreement with the Town of Severance (the “Town”) that requires a certain amount of water storage by the Town. If the Town does not have adequate water storage, the District can remove the Town’s wholesale discount. The Board discussed measures taken in recent months to make sure each customer is paying for all the service that it should and feels it is most fair to all customers if all customers are held to the same standard.

ii. Request for Meeting with the Town

Mr. Reckentine presented to the Board a request from the Town of Severance for the two bodies to meet together to discuss the future of the relationship between the two bodies. The Board discussed a desire to send only representatives of the Board to meet with the Town. Following discussion, upon a motion by Mr. Cockroft, seconded by Mr. Pettinger, the Board determined to send two representatives to meet with representatives of the Town. Mr. Reckentine will coordinate dates with the Town and Mr. Cockroft and Mr. Cook will represent to the Board.

Mr. Stout recused himself from the room and abstained from discussions regarding the Town.

Review NEWT III CMAR Contractor Bids and Consider Selection of NEWT III CMAR Contractor

Mr. Reckentine and Mr. Rice presented the results of review of proposals for the NEWT III CMAR Contractor. Following discussion, upon a motion by Mr. Buxman, seconded by Mr. Cook, the Board selected Reynolds Construction for award of the CMAR Contract.

The Board was advised that East Larimer County Water District will also review the results and make a selection of CMAR Contractor.

Update on Status of Litigation with Eagle View Farms LLC

Ms. Taylor updated the Board regarding the District’s Court denying the District’s motion to dismiss the case with Eagle View Farms LLC. Ms. Taylor noted that the Court often defers to wanting to review all the facts before dismissing a plaintiff’s complaint. The next steps in the process will be prepare for discover. No action was taken.

Executive Session pursuant to § 24-6-402(4)(b) & (e), C.R.S. related to:

- a. Town of Severance Retail Rate Adjustment and Request for Meeting
- b. NEWT III CMAR Contractor Selection

Upon motion of Mr. Cockroft, seconded by Mr. Pettinger, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session for the purpose of receiving legal advice and to determine positions relative to matters that are subject to negotiation related the Town of Severance Retail Rate Adjustment, and Selection of the NEWT III CMAR Contractor pursuant to §§ 24-6-402(4)(b) and (e), C.R.S.

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

Also pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation or take formal action during execution session.

Following discussion, the Board reconvened in regular session.

Upon a motion of Mr. Cockroft, seconded by Mr. Pettinger, the Board determined to meet with representatives of the Town to notify them that the wholesale discount will be eliminated pursuant to the terms of the Water Service Agreement, and then to consider formal adjustment of the Towns rate at the August regular meeting.

Upon a motion by Mr. Buxman, seconded by Mr. Cook, the Board selected Reynolds Construction for award of the CMAR Contract.

DISTRICT MANAGER'S REPORT

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|--|--|
| a. Master Plan Update
i. Met with Towns of Timnath, Nunn, Pierce, Ault, Severance will meet NCWA on July 12, 2022 | Mr. Reckentine reported on meetings with towns regarding the need to engage in master planning discussions to understand the future demand on the District. Mr. Reckentine reported that all towns have responded positively to the discussions. Mr. Reckentine also reported that he will be meeting with the Town of Severance on July 12, 2022. |
| b. Mark Kempton, SCWTA Authority Manager June 20, 2022 | Mr. Reckentine reported that Mark Kempton has been hired as the manager of the plant. |
| c. Stantec Treatment Plant Expansion Master Planning | Mr. Reckentine reported that Stantec has been asked to look at potential to expand the Soldier Canyon Treatment Plan. |
| d. Colorado River Report | Mr. Reckentine reported to the Board regarding the latest Colorado River Report and discussed the current situation with the many compact states. |
| e. Eaton Pipeline Project Phase 2 Bid Request | Mr. Reckentine reported to the Board regarding bidding of the Eaton Pipeline project. The Board directed bidding to be opened to all potential bidders. |

OTHER BUSINESS

The Board discussed the comments made by members of the public related to water dedication requirements and water surcharge changes. The Board directed staff to research the issues raised by the dairies and report back to the Board.

ADJOURNMENT

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

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

Secretary for the District

Attorney Statement
Regarding Privileged Attorney-Client Communication

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that in my capacity as the attorney representing the North Weld County Water District (the “District”), I attended the Executive Session on July 13, 2022, for the sole purposes of conferencing with the District’s Board of Directors for the purpose of giving legal advice on specific legal questions and discussing negotiations with third parties as authorized by §§ 24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by § 24-6-402(4)(b), C.R.S., and based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S.

Zachary P. White, Esq.
WHITE BEAR ANKELE TANAKA & WALDRON
General Counsel to the District

MINUTES OF A JOINT SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE NORTH WELD COUNTY WATER DISTRICT AND BOARD OF DIRECTORS OF THE EAST LARIMER COUNTY WATER DISTRICT

Held: Tuesday, the 26th day of July, 2022, at 6:00 P.M.

The meeting was conducted via teleconference.

ATTENDANCE

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

North Weld County Water District (“NWC”)

Tad Stout
Scott Cockroft
Ron Buxman
Brad Cook

Matt Pettinger was excused

East Larimer County Water District (“ELCO”)

Loren Maxey
Joseph Fonfara
Scott Baker
James Clay

Also present were Eric Reckentine, General Manager of NWC; Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Mike Scheid, General Manager of ELCO; Randy Siddens, ELCO District Engineer; Bill Renz, Ditesco Project & Construction Services

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order at 6:05 P.M.

Declaration of Quorum and Confirmation of Director Qualifications

It was noted that a quorum for the Boards 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 of NWC 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 NWC 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 of NWC at least 72 hours prior to the meeting, in

accordance with Colorado law, and those disclosures were acknowledged by the Board of NWC. Mr. White inquired into whether members of the Board of NWC 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.

Mr. Scheid reported that disclosures for those ELCO directors that provided notice of potential or existing conflicts of interest, if any, were filed with the Secretary of State's Office and the Board of ELCO at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board of ELCO. 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.

Mr. Stout recommended to the Boards that Mr. Maxey be designated as the Chairman of the meeting. Upon a motion by Mr. Stout, seconded by Mr. Buxman, the Board of NWC designated Mr. Maxey as the Chairman of the meeting.

Upon a motion by Mr. Baker, seconded by Mr. Fonfara, the Board of ELCO designated Mr. Maxey as the Chairman of the meeting.

Approval of Agenda

Mr. Maxey presented the Boards with the agenda for the meeting. Upon a motion by Mr. Stout, seconded by Mr. Buxman, the Board of NWC approved the agenda as presented.

Upon a motion by Mr. Baker, seconded by Mr. Fonfara, the Board of ELCO approved the agenda as presented.

Review NEWT III CMAR Contractor Bids and Consider Adoption of Joint Resolution 20220726-01: Resolution Approving the Selection of the NEWT III CMAR Contractor

Mr. Reckentine and Mr. Scheid introduced the topic of discussion and the reason the two Boards are meeting in joint session. NWC selected Reynolds Construction as the CMAR Contractor, and ELCO selected Garney Construction as the CMAR Contractor.

Mr. Renz was asked to present to both Boards regarding the scoring of the proposals for the project. Mr. Renz discussed the proposal and scoring process. Following scoring, three of the potential contractors were invited to interviews. Garney and Reynolds were the leading potential contractors.

The Boards discussed the proposals and how different bidders look at overhead and profit, and how those numbers are often built into proposals.

Mr. Maxey spoke in favor of Garney based on the discussion, his review of the proposals and past experience working for ELCO.

Mr. Reckentine discussed NWC's prior experience with Garney. NWC was pleased with Garney's work on the treatment plant expansion, but has had some recent issues.

Following discussion among the Boards and Mr. Renz regarding the proposals, Mr. Reckentine recommended the Boards engage Garney as the CMAR Contractor.

Upon a motion by Mr. Cockroft, seconded by Mr. Buxman, the Board of NWC selected Garney as the CMAR Contractor.

Upon a motion by Mr. Farfara, seconded by Mr. Baker, the Board of ELCO selected Garney as the CMAR Contractor.

Upon a motion by Mr. Baker, seconded by Mr. Cockroft, the Boards unanimously adopted Resolution 20220726-01: Resolution Approving the Selection of a NEWT III CMAR Contractor.

ADJOURNMENT

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

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

Secretary for North Weld County Water District

Secretary for East Larimer County Water District

CROSSING AGREEMENT

THIS CROSSING AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2022, by and between the Lucas Lateral Ditch Company, a Colorado Mutual Ditch Company and Non-Profit Corporation, whose address is 106 Elm Avenue, Eaton, Colorado 80615, (“Grantor”), and the North Weld County Water District, whose address is 32825 CR 39, Lucerne, Colorado 80646, (“Grantee”). The parties may be collectively referred to as the “Parties.”

RECITALS

- A. Grantor is the owner of that certain irrigation and ditch system known as the Lucas Lateral located in Weld County, Colorado. The Lucas Lateral may consist of one or more ditches and the entirety of the system is collectively referred to herein as the “Ditch”.
- B. Grantor has a prescriptive easement for the Ditch, including areas adjacent to the Ditch, by virtue of historic use but may not have fee ownership of the underlying land.
- C. Grantee desires a license to cross the Ditch and to construct, install, lay, maintain, repair, replace, operate, inspect, survey, and remove, if necessary, a total of two (2) water pipelines further described as follows:
 - a. One (1) ductile iron pipeline up to 36 inches in diameter inside a 54-inch reinforced plastic mortar casing pipe (the “Water Line”) under the ditch in Section 10, Township 6 North, Range 66 West of the 6th P.M. in Weld County, Colorado, Latitude: 40.509994°, Longitude: -104.762861°, (“West Lucas Crossing”).
 - b. One (1) ductile iron pipeline up to 36 inches in diameter inside a 54-inch reinforced plastic mortar casing pipe (the “Water Line”) under the ditch in Section 10, Township 6 North, Range 66 West of the 6th P.M. in Weld County, Colorado, Latitude: 40.509460°, Longitude: -104.754276°, (“East Lucas Crossing”).
- D. The West Lucas Crossing and the East Lucas Crossing may be collectively identified herein as the “Crossings” or “Water Lines” and are to be constructed in accordance with the plans and specifications and as shown on **Exhibit A**, attached hereto and made a part hereof by this reference.
- E. Grantee understands and assumes the inherent risk of damage that may be caused to the Crossings due to seepage, soil conditions, settling, corrosion, and/or Grantor’s operation and maintenance of the Ditch.

Grantor is willing to grant Grantee a license for the Crossings pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for valuable consideration, the adequacy of which is hereby acknowledged, the Parties mutually agree as follows:

1. The above Recitals are accurate and are incorporated herein by reference.
2. It is understood that this Agreement shall grant to Grantee only such rights as specifically stated herein or as otherwise agreed upon in writing by the Parties. Specifically, this Agreement provides Grantee rights to install two (2) Water Lines, together with cathodic protection test stations ("Cathodic Stations"), to be used for transporting treated water only. Water Lines are not to be used for any other purpose or to transport any other substance, without the express written consent of Grantor. Any additional pipelines proposed by the Grantee or other crossings of the Ditch will be subject to the Grantor's sole discretion and subject to a future agreement.
3. Grantor does grant to Grantee, its successors and assigns a license which shall be a perpetual, non-exclusive license to construct, maintain, repair, replace, operate, inspect, survey, and remove, if necessary, the Water Lines, including all underground improvements and appurtenances thereto, under the Ditch at the specific locations and in the manner designated and referred to on **Exhibit A** ("License"). The License shall include the right of ingress and egress as is reasonable and necessary for the exercise of the Grantee's rights granted herein. Should plans for the Water Lines change from those described in **Exhibit A** in any material manner, new drawings and plans must be provided to Grantor prior to the commencement of the construction of the Water Lines.
4. Furthermore, Grantor does grant to Grantee, its successors and assigns, the right to mark the location of the Water Lines and Cathodic Stations with suitable markers set in or on the ground, which Grantee agrees to do upon completion of the installation of the Water Lines and Cathodic Stations, provided that said markers shall be placed in locations which will not interfere with any reasonable operation of the Ditch or use ditch road by Grantor. A condition of the License is that Grantee shall provide to Grantor, within 60 days of completion of the Crossings, a copy of as-built drawings illustrating the Ditch and Water Lines and Cathodic Stations and a detailed description of the location of the same.
5. Any installation or construction of additional Crossings, pipeline(s), or crossing(s) to the Ditch other than what is provided for in this Agreement are subject to Grantor's sole discretion and subject to a future agreement.
6. Grantee agrees that the top of the casing for the West Lucas Crossing shall be installed at least **eight (8) feet** below the bottom of the Ditch. Grantee agrees that the top of the casing for the East Lucas Crossing shall be installed at least **five (5) feet** below the bottom of the Ditch. The Ditch may be "open cut" to install the Water Lines, provided that the banks of the Ditch are restored to at least their pre-cutting condition; and provided further, that should the Ditch banks not be so restored, Grantee assumes the liability as described in this

Agreement for damage to property and inability of Grantor to deliver water through the Ditch attributed to the banks of the Ditch not being restored following the open cut. In addition, Grantee agrees to perform the following reclamation work: (a) installation of flowfill backfill above the pipe bedding zone material to 2 ft (+/-) below grade (b) reconstruction of the ditch banks to match pre-construction geometry up the bottom of the concrete liner. Native backfill shall be compacted to 95% relative compaction and within 2% (+/-) of optimum moisture content. (c) Installation of concrete irrigation ditch liner by Can-Do Concrete Construction (Greeley, CO). A concrete liner shall extend upstream and downstream to the nearest undisturbed joint. Concrete depth and reinforcement shall match the existing concrete liner. All reclamation work described in this paragraph shall be completed to match the existing grade of the Ditch.

7. Grantee agrees to obtain from the landowners who own fee simple title to the lands upon which Grantor's property is located an easement or other written permission to cross such lands.
8. The License shall be perpetual unless Grantee abandons the Crossings for a period of ten (10) years after which time the License shall be deemed abandoned and terminated and all Grantee's rights under this Agreement shall also terminate.
9. The scope of this Agreement and the extent of the License granted in Paragraph 2 of this Agreement is hereby limited to the extent reasonably necessary to install the Crossings. If the Crossings must be moved, altered or enlarged at any time, or otherwise the construction of the Crossings is not as described in **Exhibit A**, notice of the same must be given to Grantor, and this Agreement will be considered null and void, and a new agreement will be required.
10. Grantee agrees not to commence construction and installation of the Crossings before **November 1, 2022**. Water is not expected to be in the Ditch during the November 1, 2022 through the April 1, 2023 timeframe; however, Grantee should contact Grantor at least 10 days prior to installing the Crossings to determine if infrastructure to bypass water is necessary. Should bypass infrastructure be necessary, Grantee shall coordinate the capacity of such bypass with Grantor prior to commencing construction of the Crossings. Grantee also agrees not to commence construction and installation of the Crossings without first having coordinated a specific start date with Grantor, which request shall be directed to Grantor at the contact information in this paragraph 7. Grantor reserves the right to have its employees and/or its engineers on the premises as it feels necessary to inspect the installation of the Crossings. Should Grantor elect to have its engineers on the premises during the installation of the of the Crossings, then Grantee shall reimburse Grantor for the costs associated with having Grantor's engineer onsite, to be paid by Grantee in accordance with paragraph 19 of this Agreement.

Lucas Lateral Ditch Company:
106 Elm Avenue, Eaton, CO 80615
Attention: Kimberly Nelson
970-454-3377

Upon receiving such request, Grantor will then notify its employees and/or its engineers to contact the Grantee to coordinate the work. The Crossings shall be completed on or before **April 1, 2023**. If, during the course of construction of the Crossings, Grantee encounters unforeseen problems or issues, or if the Grantee changes the plans from those set forth on **Exhibit A** in any material manner, the Grantee agrees to contact the Grantor to discuss any such issues or proposed revisions to **Exhibit A**. The Grantee also agrees to notify the Grantor's General Manger when the Crossings has been completed.

The Grantee's contact person for the Crossings will be:

Eric Reckentine, Manager, North Weld County Water District
Phone: 970-356-3020

11. Grantee also agrees not to commence any work related to maintenance, repair, replacement, inspection, and/or removal of the Crossings (except for emergencies) without first having given Grantor at least ten (10) days' notice prior to the commencement of such work, and having obtained the consent and approval from Grantor, which approval will not be unreasonably withheld. Approval shall be withheld if the necessary drawings, specifications and/or any other documentation requested by Grantor are either not submitted by Grantee, are deemed insufficient to evaluate the work to be undertaken or are otherwise unsatisfactory to Grantor. Grantor reserves the right to have its engineers review any such drawings, specifications or other documentation. In the event the Grantor's engineer and the Grantee's engineer disagree, the Parties agree to work as cooperatively as possible toward a resolution. If a resolution cannot be reached, the requirements of the Grantor's engineer shall prevail. Once Grantee receives approval to commence the work to be undertaken, Grantor further reserves the right to have its employees and/or its engineers on the premises as it feels necessary to inspect the work. Grantee shall not commence any of the above-listed activities (except for emergencies) on the Crossings when Grantor is running water in the Ditch, except with express written approval by Grantor.

Grantee agrees that in constructing, maintaining, repairing, replacing, operating, inspecting, surveying, and removing the Crossings, whether in an emergency or not, it shall do so in such a manner as not to damage the Ditch, embankments, fences, roads or other property associated with the Ditch, and so as not to compromise the flow of water or the water quality in the Ditch. The determination of whether or not damage or compromise has occurred shall be within the sole discretion of Grantor. By exercising its right to have its employees and/or its engineers on the premises for the purpose of inspecting any work related to the constructing, maintaining, repairing, replacing, operating, inspecting, surveying, and removal of the Crossings, shall in no way be construed as to alleviate Grantee of its responsibility to perform any such work in accordance with this Agreement, nor shall it be construed to alleviate Grantee of the liabilities associated with not complying with this or any other section of this Agreement. Grantee shall ensure that its activities in completing the Crossings do not increase seepage from the Ditch. Without limiting the damages or remedies available under other provisions of this Agreement to Grantor or the liability of Grantee under this Agreement, if seepage

occurs or flow of water in the Ditch is otherwise impaired due to Grantee's activities hereunder, Grantee shall make such repairs as are necessary to stop it, including, without limitation, installation of bentonite slurry lining material. Grantee agrees that it will not prevent, impede or restrict Grantor's vehicular access to the Ditch. If the installation, maintenance, repair or operation of the Crossings interrupts Grantor's ability to deliver water, Grantee shall, at Grantee's sole expense and in coordination with Grantor, take commercially reasonable actions to resume flow of water in the ditch as soon as possible. Without limitation, such actions may include installation of a bypass channel or culvert of sufficient capacity to deliver water past the location of the Water Line, and obtaining replacement water to be delivered below the point of the Water Line commensurate with the demands for water below that point. In addition to taking such remedial actions, Grantee acknowledges and agrees to take all steps necessary to promptly repair the Ditch. To the extent Grantee fails to take such remedial actions and steps to repair the Ditch in a prompt manner, Grantor may take such actions as necessary to complete the same, and invoice Grantee for all costs associated with doing so. Further, Grantee acknowledges and agrees that taking remedial action and repairing the Ditch or reimbursing Grantor if Grantee should fail to do so, Grantor may incur additional damages as a result of its inability to deliver water, and Grantee shall be responsible for all such additional damages. As acknowledgment that interruption in water deliveries as described in the paragraph will result in additional costs being imposed on Grantor, Grantee hereby agrees to pay Grantor \$2,000.00 per day as partial damages, payment of which shall not relieve Grantee of any of the other provisions of this paragraph or prevent Grantor from seeking other remedies under law. In the event actual damages exceed the amount of partial damages paid to Grantor as described in the preceding sentence, payment of such partial damages shall offset the total amount of damages payable to Grantor. Grantee shall require its contractor to list Grantor as additionally insured during the course of construction of the Crossings.

12. Any and all excavations made by Grantee in its constructing, maintaining, repairing, replacing, operating, inspecting, surveying, and removing the Crossings shall be immediately leveled off, and any damage to the Ditch, embankments, fences, roads or other property associated with the Ditch (excluding the damage caused by the intentional wrongdoing or negligence of Grantor) shall be promptly repaired to the reasonable satisfaction of Grantor and at the expense of Grantee.
13. Grantee agrees that it will at all times maintain the Crossings and repair all breaks leaks and damages therein and thereto at its own expense. Grantee further agrees that, if by reason of any break, leak or damage to the Crossings (excluding breaks, leaks or damage caused by the intentional wrongdoing or negligence of Grantor), damage in and to the Ditch and injury to the property of Grantor and/or property owners adjacent to the Ditch and its embankments is sustained, including damages sustained by Grantor's stockholders or water users, then Grantee will, with all due diligence and at its own expense, repair and replace such property in the same condition as such property was in prior to such break, leak or damage in and to the Crossings. In the event water carried by the Ditch becomes contaminated or is physically unable to be delivered to Grantor's shareholders or others with a right to receive water from Grantor, as a result of such break, leak or damage to the

Crossings, the Parties agree the partial damages provision in paragraph 9 of this Agreement shall apply.

14. Grantee further agrees that, if at any time the Crossings causes any settling in the Ditch embankments, the roads thereon, or any part of the Ditch (excluding any settling caused by the intentional wrongdoing or negligence of Grantor), it will, at its own expense and upon notification by Grantor, immediately make all reasonable repairs required by Grantor.
15. To the extent permitted by law and without waiving the protections, procedural requirements and monetary limitations of the Colorado Governmental Immunity Act, Grantee further agrees to indemnify and hold harmless Grantor, its successors, assigns, employees, agents and stockholders on account of any damage or loss sustained by them or any of them arising by reason of the construction, laying, installation, maintenance, repair, replacement, operation, inspection, survey, and/or removal the Crossings, including but not limited to damages sustained to water users with a right to receive water from the Grantor under the Ditch, but excluding damage or loss caused by the intentional wrongdoing or negligence of Grantor. Grantee shall require its contractors to purchase and maintain and Grantee shall purchase and maintain such insurance as shall protect Grantee and Grantor from claims which may in any way arise out of or be in any manner connected with Grantee's performance of this Agreement, whether such claims arise out of the act or failure to act of the Grantee or of the direct or indirect agent, delegee, appointee, or employee of Grantee. Grantee shall also require its contractors to carry insurance in amount customarily carried by prudent contractors, and to carry workers' compensation insurance for its employees in statutory limits. All such insurance policies shall be endorsed to show that the insurers waive subrogation against Grantor, its directors, officers, employee and shareholders. Except for workers' compensation, automobile and professional liability insurance policies, the insurance policies of Grantee's contractor shall identify Grantor as an additional insured and the liability insurance policy of Grantee shall identify Grantor as an additional insured. Certificates of Insurances acceptable to Grantor shall be submitted to Grantor no less than three (3) business days before Grantee commences the Project. The liability of Grantee is not limited to available insurance coverage.
16. If, in the future, Grantor should desire to enlarge, deepen or otherwise change or relocate the Ditch or to construct any other Ditch, Ditch or waterway on the Ditch or to do any other thing incident to the operation of the Ditch or any other portion of the irrigation system of Grantor, Grantor shall communicate the same to Grantee at least sixty (60) days prior to carrying out the aforementioned changes. After being so notified, Grantee agrees, at Grantee's expense and with all due diligence, to change, relay and reconstruct its Crossings so as to comply with such plans and specifications as Grantor may prescribe as being reasonably necessary to permit the change and the proper maintenance and operation of Grantor's Ditch.
17. To the extent permitted by law, Grantee agrees to protect Grantor and hold it harmless from any and all third-party claims and damages that said Crossings and their construction, installation, maintenance, repair, replacement, operation, inspection, survey, and/or removal may directly or indirectly cause. Grantee hereby releases Grantor, its successors, assigns, employees, agents and stockholders from any and all claims and damages of

whatsoever character to the Crossings or other property of Grantee located in, along, across, over or under the Ditch arising out of either seepage, soil conditions, settling, corrosion, and/or Grantor's operation and maintenance of the Ditch or other portions of Grantor's irrigation system, or resulting from any other act either on the part of Grantor or on the part of any third party, excluding claims or damages caused by the intentional wrongdoing or negligence of Grantor.

18. The License herein granted to Grantee shall continue as long and only so long as Grantee, its successors and assigns, shall faithfully and promptly comply with this Agreement. In the event of breach by Grantee, Grantor may terminate and revoke this Agreement with thirty (30) days prior notice to Grantee to allow Grantee the opportunity to cure any of its defaults hereunder.
19. In the event of a dispute between Grantor and Grantee concerning this Agreement, the Parties agree that neither shall be liable to or responsible for the payment of attorney fees and/or legal costs incurred by or on behalf of the other.
20. Grantee agrees to pay Grantor a non-refundable crossing fee of \$10,000.00 upon the execution of this Agreement. In addition, Grantee agrees to reimburse Grantor for all costs incurred by Grantor, including Grantor's engineering costs, Grantor's administrative costs and any of its staff's time, and legal fees associated with this Agreement. Reimbursement of such fees shall be paid simultaneously with the crossing fee described in the first sentence of this paragraph 20.
21. Grantee further agrees that it shall reimburse Grantor the reasonable costs it incurs in association with any subsequent reviews for approval of work related to maintenance, repair, replacement, inspection, and/or removal of the Crossings. These costs may include, but are not limited to, Grantor's engineering costs for review and any on-site inspection of work, Grantor's administrative costs and any of its staff's on-site inspection of work, and legal fees associated with this Agreement. These costs and fees shall be accounted for on a regular basis, or as soon as possible upon the completion of the initial installation of the Crossings, any subsequent review, and any on-site inspection time, and shall be reimbursable within ten (10) days of submission of an invoice.
22. It is mutually understood and agreed that this Agreement and all the terms and conditions contained herein shall extend to and be binding upon the parties hereto, their successors and assigns, and shall be recorded in the office of the Weld County Clerk and Recorder.
23. This Agreement may not be assigned by either party without the prior written consent of the other party. The rights and duties of the Parties under this Agreement shall inure to the benefit and burden of the successors and assigns of the parties.
24. Venue for any litigation arising under this Agreement shall be exclusively proper in Weld County, Colorado. This Agreement shall be construed and enforced pursuant to the provisions of the laws of the State of Colorado.

[Signatures on following page]

GRANTOR: LUCAS LATERAL DITCH COMPANY

106 Elm Avenue
Eaton, CO 80615

By: _____
Lynn Ottoson, President

STATE OF COLORADO)
)ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022 by Lynn Ottoson, as President of Lucas Lateral Ditch Company.

Witness my hand and official seal.
My commission expires: _____

Notary Public

GRANTEE: NORTH WELD COUNTY WATER DISTRICT

32825 Weld County Road 39
Lucerne, CO 80646

By: _____

(print name & title)

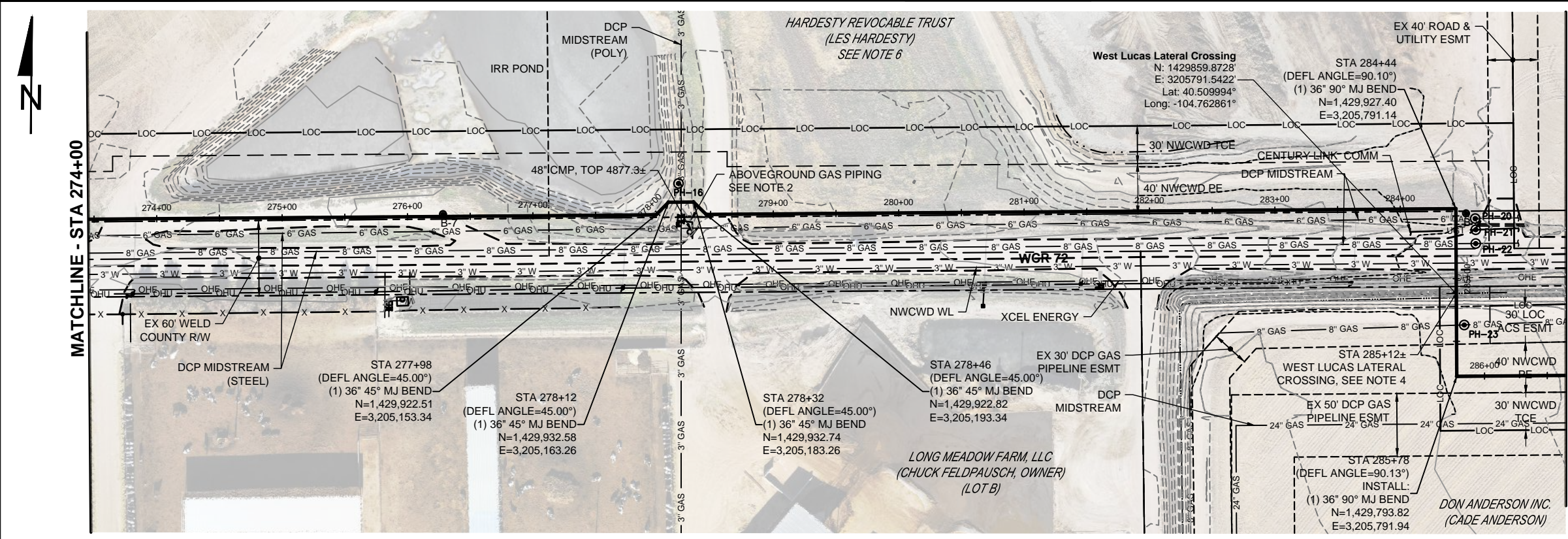
STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, as _____ of North Weld County Water District.

WITNESS my hand and official seal.
My Commission Expires: _____

Notary Public

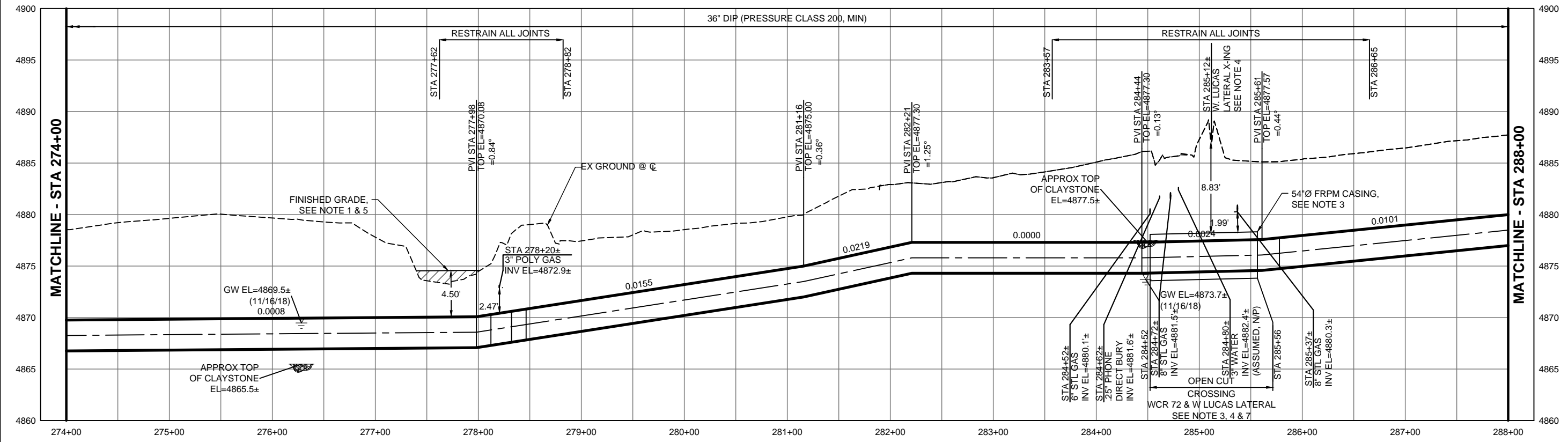
EXHIBIT A



PLAN
SCALE: 1"=50'

PH #	STA	UTILITY TYPE	SIZE (IN)	MATERIAL	UTILITY OWNER	DEPTH TO T.O.P. (FT)
16	278+20	Gas	3.00	PVC	DCP	3.90
20	284+52	Gas	6.00	Steel	DCP	5.40
21	284+62	Gas	0.25	Direct Bury	Century Link	3.20
22	284+72	Gas	8.00	Steel	DCP	3.40
23	285+37	Gas	8.00	Steel	DCP	4.30

- NOTES:**
- BACKFILL OVER THE TOP OF THE WATERLINE SHALL BE REDUCED TO 4.5-FT., AS SHOWN IN THE PROFILE. THE SLOPE OF THE FINAL GRADE SHALL NOT EXCEED THAT OF THE EXISTING EMBANKMENT PRIOR TO CONSTRUCTION. CONTRACTOR SHALL PROVIDE A PRE- AND POST-CONSTRUCTION TOPOGRAPHICAL SURVEY TO QUANTIFY THE VOLUME OF STORAGE LOST IN THE POND DUE TO BACKFILLING, AND DREDGE THE POND TO REGAIN THIS VOLUME. FOR BIDDING PURPOSES, ASSUME 86 CY OF DREDGING WILL BE REQUIRED FROM THE POND, AND THAT THIS MATERIAL WILL NOT BE SUITABLE FOR BACKFILL.
 - MAINTAIN MINIMUM 12-FT CLEARANCE AROUND ABOVEGROUND GAS PIPING.
 - REFER TO SECTION 33 05 07 FOR FRPM CASING PIPE REQUIREMENTS. SIX FEET MIN. COVER REQUIRED BENEATH ROADWAY. BACKFILL WITH FLOWFILL, PER WELD COUNTY REQUIREMENTS.
 - COORDINATE CONCRETE IRRIGATION DITCH LINER REPLACEMENT WITH CAN-DO CONCRETE CONSTRUCTION (GUEELY, CO.) (970) 352-8021. BACKFILL WITH FLOWFILL, SAME AS THE ADJACENT COUNTY ROAD. EMBANKMENT FOR LATERAL DITCH RESTORATION SHALL BE COMPACTED TO 95% RELATIVE COMPACTION PER SECTION 31 23 35.
 - REFER TO SECTION 31 01 01 FOR PROPERTY OWNER REQUIREMENTS.
 - LANDOWNER REQUIRES TRENCH TO BE "WATER-PACKED," PER SECTION 31 01 01. CONTRACTOR SHALL NOT EXPECT THIS REQUIREMENT TO BE DIMINISHED, ALLEVIATED, OR REMOVED.
 - CONTRACTOR SHALL OBTAIN R/W PERMIT FROM WELD CO. PRIOR TO CONSTRUCTION. SUBMIT PERMIT APPLICATION ASAP DUE TO LEAD TIMES.



PROFILE
SCALE: 1"=50'H; 1"=5'V

PROVIDENCE INFRASTRUCTURE CONSULTANTS
4901 EAST DRY CREEK ROAD, SUITE 210
CENTENNIAL, CO 80122
(303) 997-5035
www.providenceic.com

FINAL-FOR-BID
NOT FOR CONSTRUCTION
04/11/2022

REVISION	DESCRIPTION OF ISSUE / REVISION	REVISED BY



VERIFY SCALE
BAR IS ONE INCH ON ORIGINAL DRAWING
IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY

**NORTH WELD COUNTY
WATER DISTRICT
EATON PIPELINE PROJECT
(PHASE 2)**

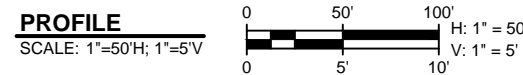
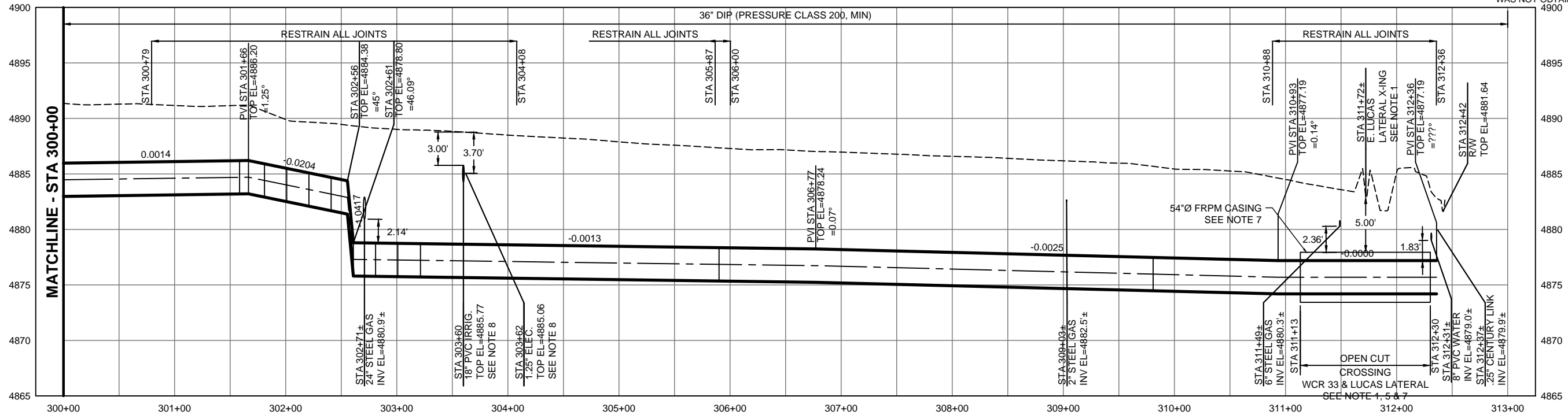
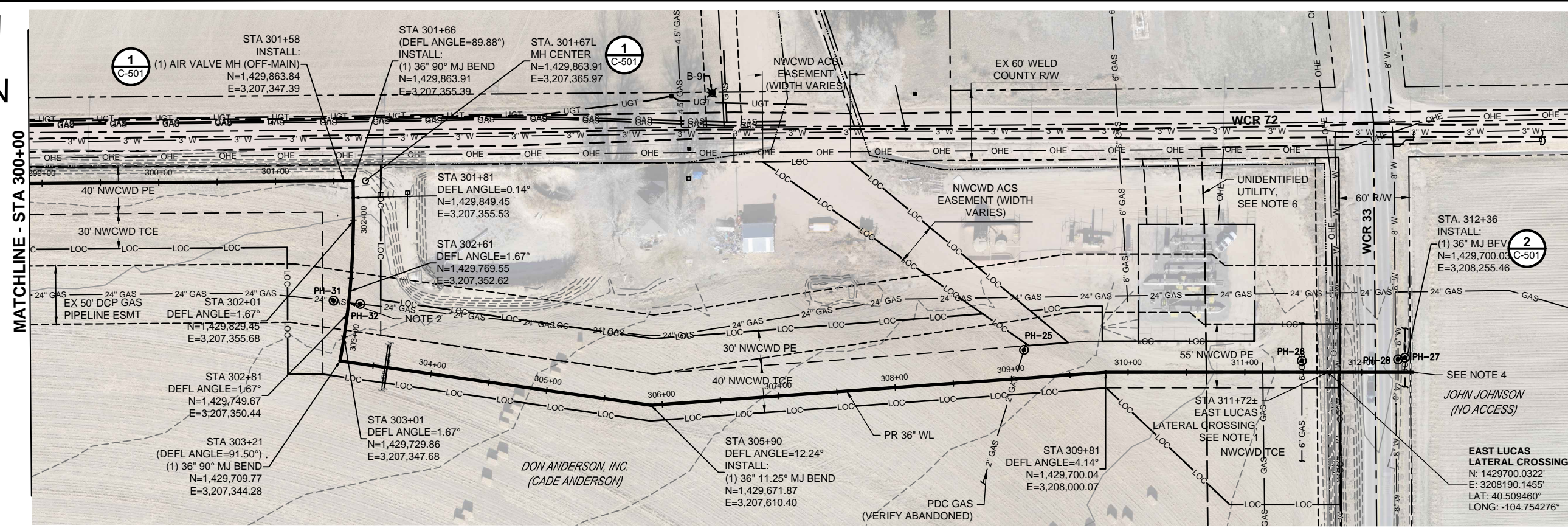
PLAN AND PROFILE - WATERLINE
STA 274+00 TO STA 288+00

PROJECT: 171016.16-141-020
DRAWN BY: A. JIMENEZ
DESIGNER: D. COWING
APPROVED BY: D. PYTLIK
SHEET: 11 OF 17
DRAWING: C-227

DATE: Apr 13, 2022, 1:55pm
DWG: S220-Projects\171016.16-141-020\2022-SHEETS\C-227.dwg USER: rturner

PH #	STA	UTILITY TYPE	SIZE (IN)	MATERIAL	UTILITY OWNER	DEPTH TO T.O.P. (FT)
25	309+03	Gas	2.00	Steel	PDC	3.50
26	311+49	Gas	6.00	Steel	DCP	2.80
27	312+37	Phone	0.25	Direct Bury	Century Link	2.80
28	312+31	Water	8.00	PVC	NWCWD	3.70
31	302+71	Gas	24.00	Steel	DCP	6.40
32	302+71	Gas	24.00	Steel	DCP	6.20

- NOTES:**
- COORDINATE CONCRETE IRRIGATION DITCH LINER REPLACEMENT WITH CAN-DO CONCRETE CONSTRUCTION (GREELY, CO.); (970) 352-8021. BACKFILL WITH FLOWFILL. SAME AS THE ADJACENT COUNTY ROAD, EMBANKMENT FOR LATERAL DITCH RESTORATION SHALL BE COMPACTED TO 95% RELATIVE COMPACTION PER SECTION 832355.
 - THE 36" WATERLINE SHALL BE INSTALLED TO CROSS THE 24" DCP GAS LINE PERPENDICULARLY, WITH A 20-FOOT STICK OF PIPE CENTERED AT THE CROSSING LOCATION. DEFLECT JOINTS EQUALLY ($\pm 1.67'$) BETWEEN STA 302+01 AND STA 303+01.
 - REFER TO SECTION 31 01 01 FOR PROPERTY OWNER REQUIREMENTS.
 - CONTRACTOR TO INSTALL SHEET PILING TO PROTECT EXISTING CONCRETE DITCH DURING INSTALLATION OF 36-INCH BFV AND TIE-IN TO EXISTING 8-INCH WATERLINE. NO ACCESS ALLOWED ON JOHN JOHNSON PROPERTY.
 - CONTRACTOR SHALL OBTAIN R/W PERMIT FROM WELD CO. PRIOR TO CONSTRUCTION. SUBMIT PERMIT APPLICATION ASAP DUE TO LEAD TIMES.
 - SIZE, LOCATION AND DEPTH UNKNOWN. CONTRACTOR TO VERIFY.
 - REFER TO SECTION 33 05 07 FOR FRPM CASING PIPE REQUIREMENTS. SIX FEET MIN. COVER REQUIRED BENEATH ROADWAY. BACKFILL WITH FLOWFILL, PER WELD COUNTY REQUIREMENTS.
 - THE LOCATION OF THE PRIVATE 18-INCH IRRIGATION AND 1.25-INCH ELECTRICAL LINE SHOWN ON THE PLANS IS APPROXIMATE. THE DEPTHS OF THESE LINES WERE CONFIRMED WITH POT-HOLING, THOUGH PRECISE SURVEY DATA WAS NOT OBTAINED.



PROVIDENCE INFRASTRUCTURE CONSULTANTS
 4901 EAST DRY CREEK ROAD, SUITE 210
 CENTENNIAL, CO 80122
 (303) 997-5035
 www.providenceic.com

FINAL-FOR-BID
 NOT FOR CONSTRUCTION
 04/11/2022

REVISION	DESCRIPTION OF ISSUE / REVISION	REVISED BY



VERIFY SCALE
 BAR IS ONE INCH ON ORIGINAL DRAWING
 IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY

NORTH WELD COUNTY
 WATER DISTRICT
 EATON PIPELINE PROJECT
 (PHASE 2)

PLAN AND PROFILE - WATERLINE
 STA 300+00 TO STA 312+36

PROJECT: 171016.16-141-020
 DRAWN BY: A. JIMENEZ
 DESIGNER: D. COWING
 APPROVED BY: D. PYTLIK
 SHEET: 13 OF 17
 DRAWING: C-229

PERMANENT WATER EASEMENT AGREEMENT
(North Weld County Water District)

THIS PERMANENT WATER EASEMENT AGREEMENT (“Agreement”) is made this _____ day of _____, 2022, by and between DON ANDERSON, INC., a Colorado Corporation, whose address is 15427 County Road 74, Eaton, CO 80615 (“Grantor”), and NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 32825 County Road 39, Lucerne, Colorado 80646 (the “Grantee” or “District”).

1. Grantor’s Property. Grantor is the owner of that certain parcel of real property located in Larimer County, Colorado, which is legally described as Northeast Quarter (NE¼) of Section Ten (10), Township Six (6) North, Range Sixty-Six (66) West of the Sixth Principal Meridian, County of Weld, State of Colorado (the “Property”).

2. Grant of Easement. For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by Grantee to Grantor, the receipt and sufficiency of which are hereby acknowledged, Grantor has granted, bargained, sold and conveyed, and by this Agreement does grant, bargain, sell, convey and confirm unto Grantee, its successors and assigns, a perpetual easement (the “Easement”) in, on, under, over, across and upon the real property legally described and depicted on Exhibit A attached hereto and incorporated herein by reference (the “Easement Area”).

3. Purpose and Uses of Easement. The Easement herein granted may be used by the District for the purposes of:

- (a) Surveying, locating, installing, constructing, using, operating, maintaining, inspecting, repairing, altering, removing, and replacing one (1) buried water pipeline, and all necessary subsurface and one (1) surface appurtenances for the transportation of water and the operation and control of water facilities (the “Improvements”) including; supporting pipelines located within the Easement Area under ravines and water courses with such structures as the District shall reasonably determine to be necessary or advisable;
- (b) Marking the location of the Easement Area and Improvements therein by suitable markers set and maintained in the ground at locations which shall not unreasonably interfere with Grantor’s use of the Easement Area under the terms of this Agreement; and
- (c) Cutting and clearing trees, brush, debris and other obstructions on the Easement Area that might interfere with the operation and maintenance of the District’s activities and facilities related to the Improvements on the Easement Area, after advanced written notice to Grantor

4. Additional Rights of the District. Grantor further grants to the District, its successors

and permitted assigns:

- (a) The right of ingress to and egress from the Easement Area over, across and upon the Property by means of the permanent accesses depicted on Exhibit A;
- (b) The right to install, maintain and use gates or other livestock barriers in all fences which now cross or shall hereafter cross the Easement Area;
- (c) The right to grade the Easement Area to the same grade as was prior to construction to insure the working of the pivot irrigation of the farm fields; will not bring any soil onto the Property, without first seeking the permission of Grantor Any excess soil from the Property shall be retained on site to be used by Grantor for their continued use. Execution of this agreement provide authorization for the District to bring in bedding material to surround and encapsulate the pipe, which includes sand, pee gravel, or other similar materials, said materials will be a minimum of 24 – inches below the surface.
- (d) The District shall have and exercise the right of subjacent and lateral support to whatever extent is necessary for the operation and maintenance of the Improvements. It is specifically agreed to between and among the parties that, except as provided in this Easement, the Grantor, its successors and assigns, shall not take any action which would impair the lateral or subjacent support for the Improvements. The Grantor, its successors and assigns, shall have and exercise the right of subjacent and lateral support to whatever extent is necessary for the operation and maintenance of any improvements on the property adjoining the Property. It is specifically agreed by and between the Grantor and the District that, except as provided in this Agreement, the District shall not take any action which would impair the lateral or subjacent support for such improvements. This paragraph is not intended to prohibit the development of the private property located adjacent to the Property; and
- (e) The District shall have the right to use so much of the adjoining premises of the Grantor, its successors or assigns, during surveying, , use, maintenance, repair, replacement and/or removal of the Improvements as may be reasonably required, with advance written con sent of Grantor and the execution of a temporary construction easement with payment of additional compensation; provided, however that such activities shall not interfere unreasonably with Grantor’s, its successors’ or assigns’ use and enjoyment of such adjoining premises. The District and its permitted assignees and licensees shall repair any damage caused to any adjoining premises and the improvements thereon, and shall be liable for any injury to any person or damage to property, to the extent arising out of the District’s, its permitted assignee’s or licensee’s use of the Easement.

5. The District’s Obligations. In connection with the District’s use of the Easement

Area, the District shall:

- (a) Bury Improvements to a sufficient depth at the time of construction so as not to interfere unreasonably with the cultivation of the Easement Area for agricultural purposes;
- (b) Restore the surface of the ground to its condition prior to installation, construction, maintenance, alteration, or replacement of the Improvements and appurtenances thereto or as close thereto as possible;
- (c) Restore existing fences, drain tile, irrigation systems, landscaping, private roads and other improvements, to the conditions existing prior to the District's activities related to the Improvements within the Easement Area or as close thereto as possible;
- (d) Pay Grantor the fair market value for any growing crops, livestock and other items which are damaged by the District's activities related to the Improvements within the Easement Area; and
- (e) Restore or replace improvements made by Grantor on the Easement Area that were made with the written consent of the District, as provided in Section 7 below in the event those improvements are disturbed by the District, on the condition that Grantor pays the costs for such restoration or replacement.

6. Livestock Crossing During the District's Operations on Easement Area. In the event Grantor's Property is being used for grazing purposes, the District agrees that, during the period of construction of the Improvements within the Easement Area or any subsequent alteration, removal or replacement of said Improvements, the District shall leave or arrange for reasonable crossing over the Easement Area for cattle and livestock of Grantor and its tenants and lessees. Further, whenever it becomes necessary for the District, its agents or contractors to cut a fence on Grantor's Property during its operations, the District shall, at its option, either keep the gate closed or guarded in such a manner so as to prevent the entrance and exit of cattle or livestock through such opening, or construct in any one (1) or more places, substantial gates with dual locks and to furnish Grantor with one (1) set of keys thereto. Before any of Grantor's fences are cut by the District, the fence shall be braced in order to prevent slackening of wires along the fence in each direction from the District's temporary opening.

7. Grantor's Rights in Easement Area. Grantor reserves the right to use and occupy the Easement Area for any purposes consistent with the rights and privileges granted herein which will not interfere with or endanger any of the District's facilities on or under the Easement Area or the District's use thereof, provided that Grantor, its successors and assigns shall not:

- (a) Construct or allow the construction of any buildings or other structures on or under the Easement Area;
- (b) Impound water or other substances on or over the Easement Area;

- (c) Store or dispose of any dangerous, toxic, or hazardous substance on or under the Easement Area;
- (d) Alter or replace any fence on the Easement Area without the prior written consent of Grantee;
- (e) Plant or allow any trees, shrubs or other landscaping to exceed three (3) feet at mature growth to grow on the Easement Area, or alter ground level, without the prior written consent of Grantee;
- (f) Add or remove soil or alter the grade of the land within the Easement Area;
- (g) Use the Easement Area for any purpose except agriculture without the prior written consent of District; provided, however, the written consent of District shall not be unreasonably withheld, delayed, or conditioned for the following uses:
 - (1) Open space areas with or without landscaping but excluding fences (other than along property lines), retaining walls, and trees;
 - (2) Paved, gravel-surfaced, or unsurfaced local roadways (not arterial roadways);
 - (3) Paved, gravel-surfaced, or unsurfaced parking areas except use involving long-term storage;
 - (4) Paved, gravel-surfaced, or unsurfaced recreation areas (excluding buildings) such as trails, bike paths, basketball courts, tennis courts, volleyball courts;
 - (5) Temporary covers or enclosures not requiring the construction of a foundation and not to be used for long-term storage; and
 - (6) Utility service crossings at near right angles of the Improvements with a minimum two (2) feet of clearance from actual pot-holed elevations of the pipe. Other industry standards for crossings may apply and would be addressed during the plan review for each crossing.

8. Maintenance of Easement Area.

- (a) Grantor will maintain the surface of the Easement Area (except for any of the District's improvements permitted thereon) in a sanitary condition in compliance with any applicable weed, nuisance or other legal requirements.

- (b) Grantor will not deposit, or permit or allow to be deposited, earth, rubbish, debris, or any other substance or material, whether combustible or noncombustible, on the Easement Area, other than vegetation not prohibited under Section 7 above.

9. Representations of Grantor. Grantor represents and warrants that it is the lawful owner in fee simple of the Easement Area; that it has good and lawful right and authority to grant, sell and convey the Easement Area or any part thereof; and that it will warrant and defend title to the Easement and Easement Area.

10. Additional Terms and Conditions.

- (a) Construction. Whenever used herein, the singular includes the plural, the plural the singular; and the use of any gender is applicable to all genders.
- (b) Validity. If any term of this Agreement is determined by any court to be unenforceable, the other terms of this Agreement shall nonetheless remain in full force and effect; provided, however, that if the severance of any such provision materially alters the rights or obligations of the parties, the parties shall engage in good faith negotiations in order to adopt mutually agreeable amendments to this Agreement as may be necessary to restore the parties as closely as possible to the initially agreed upon relative rights and obligations.
- (c) Binding Effect. All of the covenants herein contained are binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, personal representatives, successors and assigns.
- (d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement.
- (e) Recordation. This Agreement shall be recorded in the real property records of Larimer County.
- (f) Runs with the Land. The rights and responsibilities set forth in this Agreement are intended to be covenants on the Property and are to run with the land.
- (g) Benefits and Burdens. Each and every one of the benefits and burdens of this Agreement shall inure to and be binding upon the respective legal representatives, administrators, successors and permitted assigns of the Grantor and the District.
- (h) Abandonment. The District agrees that at such time and in the event that the Improvements or Easement described herein are abandoned by the District and any successor or permitted assignee, the Easement will terminate

automatically and the real property interest represented by the Easement will revert to the Grantor, its heirs, successors and/or assigns. The District or its successor or assigns shall record a release of this Agreement with forty-five (45) days of the abandonment.

- (i) Assignability. It is expressly acknowledged and agreed that the District shall have the right and authority to assign the Easement to any appropriative local governmental entity or to any public utility provider, including but not limited to all rights to use, and all obligations associated with, the Easement as are granted to and assumed by the District herein, subject to such assignee assuming the obligations set forth herein, the District shall have the right and authority to grant temporary construction easements to any appropriative local governmental entity or public utility provider for purposes of construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the Improvements, subject to all the terms and conditions of this Agreement.

- (ii) **INDEMNIFICATION AND DAMAGES**. Notwithstanding anything herein to the contrary, to the extent permitted by law, the District shall indemnify and hold Grantor harmless from and against any and all damages, injuries, and claims of every kind, except Grantor's willful misconduct, arising out of the exercise of any rights granted hereunder, including, without limitation, those based upon assertions of acts and omissions of any contractor, subcontractor, workman or other entity or person on the Property by reason of this Agreement.

The District agrees to pay Grantor for any and all additional actual physical damages to the Property which were not already paid to Grantor and occasioned by any additional repair.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first written above.

GRANTOR:
Don Anderson, Inc.,
A Colorado Corporation

By: _____
Barbara Ann Anderson, President

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by **Barbara Ann Anderson**, as **President** for **Don Anderson, Inc, a Colorado Corporation**.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

THE DISTRICT:

NORTH WELD COUNTY WATER
DISTRICT, a quasi-municipal corporation and
political subdivision of the
State of Colorado

By _____
Tad Stout, President

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by Tad Stout, as President, of NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal and political subdivision of the State of Colorado.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public



2133 South Timberline, Suite 110
Fort Collins, CO 80525
ditescoservices.com

Delivery by email to:
Randy Siddens randys@elcower.org
Eric Reckentine eric@nwcwd.org

August 3, 2022

Mr. Randy Siddens, P.E.
District Engineer
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 – Project and Construction Management
Scope of Services Proposal

Dear Eric and Randy:


This scope of work proposal follows on our recent discussions regarding the referenced project. We are very excited for the opportunity to join your team and lead the project and construction management efforts for this critical infrastructure project.

We understand that North Weld County Water District (North Weld) and East Larimer County Water District (ELCO) have partnered on this 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 Engineering has performed early work on route studies, environmental clearances and other permitting efforts. North Weld and ELCO have a distinct goal of having this pipeline under construction by spring of 2023 and complete by early to mid-2024.

Thank you for giving Ditesco the opportunity to provide PM/CM services for this project. We hope you find the services outlined herein on target and consistent with our discussions. We appreciate our continued relationship with the Districts!

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.

Sincerely,



Keith Meyer, P.E.

Enc. scope of services

Cc: Bill Renz, PE
file

Exhibit A

NEWT 3

Project and Construction Management

Project Understanding

North Weld County Water District (North Weld) and East Larimer County Water District (ELCO) have partnered on the NEWT 3 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 Engineering has performed early work on route studies, environmental clearances and other permitting efforts. North Weld and ELCO have a distinct goal of having this pipeline under construction by spring of 2023 and complete by early to mid-2024

According to the route study, the Districts selected the Larimer and Weld Canal Corridor (C-5) option to permit, design, and construct. The District's selection was based on Corridor C-5 having the highest potential to meet the District goals which include properly managing cost, reducing public impacts, avoiding or mitigating impacts to natural and cultural resources, and the ability to implement the project on a schedule that allows the Districts to meet their future water supply obligations. The pipeline is approximately 28,300 feet in length (5.4 miles) and is planned to be 42" welded steel pipe or ductile iron.

The services provided under this contract are generally expected to include project management, budget and schedule control, contract management, oversight and coordination with the design engineers and CMaR contractor. Coordination with all stakeholders and permitting management work are also expected. Lastly, we are anticipating detailed coordination with District staff throughout the design, permitting and construction process.

Task 1: Design and Permitting Management

- During this phase Ditesco will provide overall program and project management including budget management through creation and management of cost control worksheets. We will work to understand the overall budget for design, permitting, land acquisition and construction. Then, monitor the budget to these roll-up categories. Further, our team will work with the CMaR contractor to ensure proper cost estimating through the design phase and at specific deliverable milestones (typically 30, 60 and 90-100% complete drawings).
- We will create an overall program schedule to guide the NEWT 3 pipeline design and permitting efforts.
- On a monthly or more regular frequency we will create progress and budget reports to update the Districts on project progress.
- We will manage all design phases providing direction to the design team and the CMaR contractor. We will engage District staff on a regular basis to gain input to design and operational design decisions.
- We will hold bi-weekly design coordination meetings with the design consultants and District staff to ensure design schedules are maintained and required permitting submittals are met. We will maintain meeting minutes and action items for design team use. We will engage the CMaR contractor to attend these meetings as needed.
- We will assist in the creation and review of a risk register that outlines various design and construction risks.
- Our team will provide design review for 30, 60, and 90% complete plans providing constructability and design improvement comments.
- We will work with the CMaR contractor and engineering design consultants to package project elements in such a way that project delivery is phased appropriately for schedule and budget considerations. Early procurement packages may be needed to order pipe earlier to meet the desired schedule.

- Ditesco staff will work with District staff to ensure turnouts are designed appropriately and all metering and SCADA communications are taken into account. This work will endeavor to meet the District's operational needs along the corridor, at the Summitview Pump Station and ELCO metering/North Weld Tank location at WCR 13.
- Ditesco will work with District staff to ensure the budget and scope of the overall project is maintained.
- Our team will oversee and manage all permitting for the project including 1041 with both the City of Fort Collins and Larimer County; environmental clearances; floodplain use; Corp of Engineer's Nationwide program, railway crossing and right of way permitting.
- We will oversee and manage all land and easement acquisition through West States Land. This will include corridor mapping, appraisals, offers, negotiations and closings as necessary.
- Ditesco will develop both CMAr preconstruction and construction contracts for the Districts use. This is expected to be a professional services agreement for preconstruction and EJCDC documents for construction.
- We will work with the design team to develop a bid schedule that can be reasonably priced, verified and used throughout the construction management phase. We would expect this contract to be based on the CMAr delivery model, but unit price based.
- Ditesco staff will work with the design consultant to obtain the necessary geotechnical information for pipeline construction considerations and design issues such as augured/jacked bores, tunnels or other trenchless alternatives that may be needed at river, ditch or roadway crossings.

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.

Task 3 – Construction Management

- The scope of services for management of the construction phase, including on-site inspection, will be prepared at a later date, closer to the time of construction.

Deliverables

- Deliverables will include full project documentation presented electronically including: transmittals, reports, meeting notes, drawings and other relevant information produced throughout the design phase. All documents will also be provided in an electronic form on external drives for the Districts use.

Schedule

The anticipated schedule for the design phase of NEWT3 is:

Design and Permitting Phase: August 2022 through spring 2023

Fee Estimate

Total: **\$248,289.00**

Work will be billed at the time and material rates shown in Exhibit B, not to exceed. All reimbursable expenses will be billed at direct cost, without markup, including subconsultants.

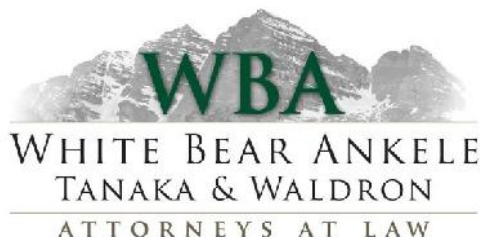
Exhibit B

Ditesco 2022 Rates

Role	Rate
Principal:	\$158.00 - \$185.00 per hour
Senior Project Manager:	\$123.00 - \$152.00 per hour
Project Manager	\$118.00 - \$135.00 per hour
Project Engineer:	\$115.00 - \$130.00 per hour
Engineer:	\$95.00 - \$122.00 per hour
Senior Construction Manager:	\$120.00 - \$148.00 per hour
Construction Manager/Resident Engineer:	\$97.00 - \$128.00 per hour
Inspector:	\$75.00 - \$124.00 per hour
CAD Design	\$69.00 - \$90.00 per hour
GIS Technician:	\$72.00 - \$118.00 per hour
Administrative:	\$58.00 - \$71.00 per hour
Reimbursable Expenses	
Mileage Reimbursement:	IRS Rate
Daily Truck Rate (if needed):	\$105.00 per day
Subconsultant Markup*:	None
All other costs at direct expense*	
Terms	30 days net

A	B	C	D	E	F	
Design Phase/Task Description	Person/Role				Task Total	Notes
	Keith Meyer Principal (hrs)	Bill Renz Project Manager (hrs)	Project Engineer CAD Designer (hrs)	Leslie Bratner Admin (hrs)		
	\$185	\$152	\$115	\$68		
Task 1: Design and Permitting Management					\$242,644	
2.3 Contract Management - Design						
- Bi-Weekly Progress Meetings	16	24	0	24	\$8,240	assume meetings virtual or in Fort Collins area
- Weekly Engineer Coordination and Follow Up	292	97	0	0	\$68,720	routine coordination
- Budget Management/Cost Control Reports	16	12	0	0	\$4,784	cost control worksheet/program budget
- Schedule Control	16	8	0	0	\$4,176	P6 project schedule to manage design and construction
- District Staff Coordination/Meetings	97	49	0	0	\$25,369	internal SCFP staff meetings; board meetings; tech committee
- Risk Register	6	8	0	0	\$2,326	
- Contract Management (consultants)	8	16	0	16	\$5,000	
1.08 Review Plans/Specs/Cost Models						
- 30% Design	15	8	0	0	\$3,991	plan review/comments
- 60% Design	20	15	0	0	\$5,980	plan review/comments
- 90% Design	30	20	0	0	\$8,590	plan review/comments
1.09 Permitting						
- Land Acquisition (20 parcels)	40	80	0	0	\$19,560	
- 1041 Process	45	25	0	0	\$12,125	
- Floodplain Use	4	8	8	0	\$2,876	
- Corp of Engineers Nationwide	10	8	12	0	\$4,446	
- Environmental	4	10	4	0	\$2,720	
- Railway	12	6	20	0	\$5,432	
- Right of way	2	4	4	0	\$1,438	
1.10 Bid Assistance						
- Contract (Precon and EJCDC) Establishment	20	18	16	4	\$8,548	CMaR selection
- Coordination with CMaR	97	20	0	0	\$21,022	weekly coordination with CMaR contractor
- CMaR Cost Review	30	60	10	0	\$15,820	weekly coordination with CMaR contractor
Task 2: Preconstruction						
1.05 Site Investigation	0	15	80	0	\$11,480	
Design and Permitting Phase Subtotal	780	511	154	44		
% Job Assignment	0.61	0.40	0.12	0.03		
Cost	\$144,300	\$77,642	\$17,710	\$2,992		
Reimbursable Costs (mileage, etc)					\$5,645	
Total Cost					\$248,289	

WILLIAM P. ANKELE, JR.
JENNIFER GRUBER TANAKA
CLINT C. WALDRON
KRISTIN BOWERS TOMPKINS
ROBERT G. ROGERS
BLAIR M. DICKHONER
GEORGE M. ROWLEY



OF COUNSEL:
KRISTEN D. BEAR
K. SEAN ALLEN
TRISHA K. HARRIS
ZACHARY P. WHITE
HEATHER L. HARTUNG
MEGAN J. MURPHY

EVE M. G. VELASCO
AUDREY G. JOHNSON
CAREY S. SMITH V
ERIN K. STUTZ
JON L. WAGNER
NELSON G. DUNFORD

August 8, 2022

North Weld County Water District
32825 County Road 39
Lucerne, Colorado 80646

Re: Special Disclosure of Costs for Legal Services in Connection with Bonds

Dear Board of Directors:

White Bear Ankele Tanaka & Waldron (“**WBA**”) currently serves as general counsel to North Weld County Water District (the “**District**”) pursuant to an engagement letter dated March 8, 2021 that defines the scope of WBA’s engagement for general counsel legal services (the “**Engagement**”). The Engagement states that fees for our services are paid monthly based on hours of service provided and other factors set forth in the Engagement. The purpose of this letter is to confirm the terms of a special fee arrangement regarding WBA’s work in connection with the expected issuance by the District of its Water Enterprise Revenue Bonds, in the estimated principal aggregate amount of up to \$38,000,000 (the “**Series 2022 Bonds**” and/or the “**Transaction**”). This letter is also intended to describe the roles of WBA and various other professionals expected to be involved in the Transaction. Due to the nature of this type of Transaction, fees for all professionals are usually paid at closing; however, our Engagement provides for monthly billing and payment, followed, typically, by reimbursement to the District for our fees from closing proceeds. This letter discloses a special billing arrangement for our fees to provide a measure of certainty to the District regarding the costs of the Transaction. Other than as specifically noted herein, this letter is not intended to alter any of the provisions of the Engagement.

The effort to close the Transaction may involve the work of several professionals outside the Firm including: (i) a financial advisor (“**Financial Advisor**”) who will be engaged by the District to structure and then market the Transaction and (ii) a bond lawyer who will be engaged by the District to assist with structuring the Transaction and issue various opinions necessary to close the Transaction, including a tax exempt opinion (“**Bond Counsel**”); and (iii) disclosure counsel who will be engaged by the District to prepare the necessary documents to describe the Transaction and disclose the potential risks thereof to purchasers (“**Disclosure Counsel**”). These

professional firms are generally referred to herein as the “**Professionals**”. Our role as general counsel will be to participate with the Professionals in documenting the Transaction as to which we will render a general counsel opinion to various parties regarding the status of the District and other matters surrounding the Transaction.

All of the Professionals will be paid out of proceeds of the Transaction on terms set forth in their individual engagements, which means they are paid by the District. Their duties to the District will be set forth in their individual engagement agreements and will run directly to the District and not to WBA.

In connection with these Professional engagements, it is important to understand that WBA’s role in the Transaction is limited to matters specifically set forth in our legal opinion, the anticipated form of which is attached hereto (the “**Opinion**”). If the risk or structure of the Transaction changes materially from what we anticipate at this time, resulting in changes to our Opinion which may increase the scope of our services or risk, we will advise the District and it may be necessary for us to increase our fees (as set forth below) for these services.

It is also important for the District to understand, and agree, that WBA is not engaged to oversee the efforts, work product, advice or opinions of the other Professionals. We will perform the work necessary to render our Opinion and will be sufficiently involved in the Transaction to keep the Board of Directors apprised of the status of the efforts of the other Professionals. We read their work to assure our familiarity with their documents but we do not review their work for completeness or accuracy. They are engaged because their services fall outside the scope of our expertise. Accordingly, by proceeding with the Transaction, the District acknowledges that it will rely solely on such Professionals as to the advice they render to the District and the content of their written materials, and the District further acknowledges that WBA is not the guarantor of their work. Should the District have any questions or concerns regarding the work of other Professionals, those questions should be directed to us so we can make sure they are addressed by the correct party.

As compensation for WBA's services as general counsel in connection with the approval, issuance and closing of the Transaction, the District shall pay the Firm a fee of \$80,000 for the Transaction from closing proceeds. The purpose of the fee is to compensate us for our time and expertise in connection with attempting to achieve a closing of the Transaction, and for risks we incur in connection with the issuance of our Opinion. Accordingly, we will NOT include time and materials billings to the District as part of our routine monthly general counsel invoices; rather, a “**Bond Transaction Legal Services Invoice**” will be provided to the District at or near the closing of the Transaction and shall be due at the time of closing. If the anticipated structure of the Bonds changes significantly, we may propose an increase in the fee if warranted by the change, and the above-proposed fee is nonbinding with respect to an issuance of the Bonds in accordance with a structure varying materially from the structure described above. In addition to the above-referenced fee, there shall be due and payable on a monthly basis all out of pocket expenses incurred or paid by the Firm on behalf of the District in connection with the Transaction. Please note that if the District directs that work on the Transaction cease prior to closing, or in the event the Transaction does not close for any reason within 90 days of the date of this letter, we may opt to provide a standard invoice to you for actual time and expenses incurred, which will be due in

accordance with our standard Engagement, in lieu of the Bond Transaction Legal Services Invoice referenced above.

We appreciate the opportunity to continue to provide legal services to the District. Should you have any questions regarding this matter, please do not hesitate to call us.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON

North Weld County Water District Acknowledgment

By: _____
Signature

Printed Name: _____

Position: _____

Date: _____

Enclosure:

Form of General Counsel Opinion

§ _____
**NORTH WELD COUNTY WATER DISTRICT
(LARIMER AND WELD COUNTIES, COLORADO)
WATER ENTERPRISE REVENUE BONDS, SERIES 2022a
(the “Bonds”)**

Ladies and Gentlemen:

We have acted as general counsel to the North Weld County Water District, Larimer and Weld Counties, Colorado (the “**District**”) in connection with the issuance by the District of the Bonds. We are not counsel for individual directors of the District. The opinions stated herein are given in our limited capacity as legal counsel to the District for general matters. Further, neither our firm nor any of its attorneys or employees have been employed, contracted, or otherwise retained as a “municipal advisor” to the District as such term is defined in 15 U.S.C. 78o-4(e)(4), as amended by the Dodd/Frank Act (the “**Act**”), or any rules promulgated by the Securities and Exchange Commission under the Act. Any comments or advice provided by our firm regarding the issuance of securities by the District have been solely of a “traditional legal nature”, as recognized under the Act.

As to questions of fact material to our opinion, we have relied specifically upon the certified proceedings of the District relating to the authorization, issuance and delivery of the Bonds and certifications or other representations of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Whenever our opinion with respect to the existence or absence of facts is indicated to be based on our knowledge, it shall mean that, during the course of our representation as described above, no information has come to our attention which has given us actual knowledge contrary to the existence or absence of such facts. We have not undertaken any independent investigation to determine the existence or absence of such facts, nor have we undertaken any such investigation with respect to facts certified by anyone, and no inference as to our knowledge of the existence or absence of such facts may be drawn from our representation of the District.

In connection herewith, we have assumed, without independent verification or investigation as to the same: (a) the genuineness and authenticity of all documents submitted to us as originals; (b) the conformity of the originals to all photocopies provided to us in connection with rendering this opinion; (c) that the signatures of persons signing all documents in connection with which this opinion is rendered are genuine and are authorized by the entity on whose behalf such persons have signed; provided, however, that no such assumptions as to genuineness and authorization are made as to signatures on behalf of the District; (d) that all parties to the documents reviewed by us have full power and authority and have obtained all consents and/or approvals necessary to execute, deliver and perform thereunder, provided however that no such assumptions are made as to the District regarding necessary consents and/or approvals in connection with execution, delivery, and performance of the Financing Documents, as defined below; and (e) that all such documents have been duly authorized by all necessary corporate officers, have been duly executed by such parties, and have been duly delivered by such parties;

provided, however, that no such assumptions are made as to the District's execution and delivery of any Financing Documents.

The Bonds are being issued pursuant to a Resolution Authorizing the Issuance of the Bonds adopted by the Board of Directors of the District (the "**Board**") at a regular/special meeting held on August 8, 2022 (the "**Authorizing Resolution**"). Capitalized words and phrases not otherwise defined herein shall have the meanings assigned in the Authorizing Resolution.

As general counsel to the District, we have reviewed the following documents:

- A. Those portions of the Preliminary Official Statement dated _____, 2022 and the Official Statement dated _____, 2022 (collectively, the "**Disclosure Document**") titled: "THE DISTRICT—INTRODUCTION", "THE DISTRICT" and "LEGAL MATTERS";
- B. The Authorizing Resolution;
- C. The Paying Agent and Registrar Agreement, dated as of _____, 2022;
- D. The Bonds, dated as of the closing date; and
- E. The Continuing Disclosure Certificate, dated as of _____, 2022.

The documents described in paragraphs B through E, above, are hereafter referred to as the "**Financing Documents**."

Based on the foregoing, and except as otherwise qualified and limited herein and expressly qualified by paragraphs 11 through 14, inclusive, we are of the opinion that:

1. The District is a duly organized and existing quasi-municipal corporation and political subdivision of the State of Colorado.
2. We have not received any notice from the State Division of Local Government (the "**Division**") concerning the intent by the Division to certify the District dissolved pursuant to § 32-1-710, C.R.S., and the officers or directors of the District have not advised us of receipt of same. Nothing has come to our attention which would lead us to believe that there are any grounds for dissolution of the District under such statute.
3. The District is not required by law to amend the Service Plan to effectuate the execution and performance of its obligations under the Financing Documents.
4. To the best of our knowledge, based upon the oral representations and affirmations provided to us by individuals serving on the Board, and without any other independent investigation or inquiry by us, for the period from the date of adoption and approval of the Authorizing Resolution to and including the date hereof, such individuals are qualified to serve as directors and officers of the District and have been duly elected or appointed.

5. The District has taken the procedural steps necessary to adopt the Authorizing Resolution in material compliance with the procedural rules of the District and the requirements of Colorado law, and the Authorizing Resolution remains in full force and effect as the date hereof.

6. The Financing Documents have been duly authorized, executed, and delivered on behalf of the District.

7. To the best of our knowledge, and except as otherwise set forth in the Disclosure Document, there is no action, suit, or proceeding pending in which the District is a party, nor is there any inquiry or investigation pending against the District by any governmental agency, public agency, or authority which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the Financing Documents.

8. To the best of our knowledge, the issuance, execution, and delivery of the Bonds by the District, and the execution and delivery of the Financing Documents and the performance by the District of its obligations with respect thereto, will not result in a violation of any applicable judgment, order or decree of any authority of the State of Colorado, and will not result in a breach of, or constitute a default under, any agreement or instrument to which the District is a party or by which the District is bound.

9. To the best of our knowledge, no additional or further approval, consent, or authorization of any governmental, public agency, or authority not already obtained is required by the District in connection with the issuance of the Bonds, or entering into and performing its obligations under the Financing Documents.

10. We assisted the District in the review of portions of the Disclosure Document. We have not been engaged as disclosure counsel by the District in connection with preparation of the Disclosure Document nor by any other participant involved with the issuance of the Bonds, and have not undertaken to provide counsel in regard to the contents of the Disclosure Document and/or the disclosure or nondisclosure of matters addressed therein except as set forth in the sections of the Disclosure Document entitled: "THE DISTRICT--INTRODUCTION", "THE DISTRICT", and "LEGAL MATTERS" (together, the "**Covered Sections**"). We have generally reviewed the Covered Sections, but have not reviewed other sections of the Disclosure Document, whether or not such other sections are cross-referenced in the Covered Sections. In the course of these activities, and without further independent investigation, we are not aware that the Covered Sections of the Disclosure Document (except for the financial statements, projections and other financial and statistical information included in the Covered Sections, as to which we express no opinion) contained or contain (in the case of the Preliminary Limited Offering Memorandum, as of its date, and in the case of the Limited Offering Memorandum, as of its date and the date hereof, respectively) any untrue statement of a material fact or omitted or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

This letter contains opinions of our firm which are, in their entirety, subject to and qualified generally as set forth therein, and are expressly qualified by the following paragraphs 11 through 14:

11. The obligations of the District with respect to the Loan, Financing Documents, and other documents and agreements referred to or contained therein or herein may all be affected in the future by:

(a) Provisions of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally;

(b) Compliance or non-compliance by the directors of the District with laws contained in § 18-8-308, C.R.S., and under §§24-18-101, *et seq.*, C.R.S., regarding disclosure of potential conflicts of interest; provided, however, that we have advised the directors of the requirements of such laws and we are aware that each of the directors of the District have filed potential conflict of interest disclosure forms, if applicable, in connection with the transactions and agreements contemplated herein;

(c) Rights to indemnification and contribution which may be limited by applicable law and equitable principles;

(d) The unenforceability under certain circumstances of provisions imposing penalties, forfeiture, late payment charges or an increase in interest rate upon delinquency in payment or the occurrence of an event of default;

(e) General principles of equity now or hereafter in effect, including, without limitation, concepts of mutuality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(f) The exercise by the United States of America of the powers delegated to it by the federal constitution;

(g) The reasonable and necessary exercise in certain exceptional situations of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving an important public purpose; and

(h) The exercise of judicial discretion and interpretation.

12. We do not practice law in the areas of federal or state income taxation. Accordingly, we express no opinion as to the federal or state tax consequences associated with the issuance of the Bonds or with regard to execution and delivery of any of the Financing Documents.

13. The opinions expressed herein are based solely upon Colorado and applicable federal law as of the date hereof. In providing this opinion, we expressly rely on §1-1-105.5, C.R.S. and §32-1-808, C.R.S.

14. We express no opinion as to: (a) the financial ability of the District to perform its obligations under the Financing Documents; (b) the validity or enforceability of the Bonds or the Financing Documents; (c) the accuracy of any TABOR allocation made in connection with the issuance; or (d) the financial condition of the District or the sufficiency of the security provided for payment of the debt service on the Bonds.

Our only client in the transaction to which this opinion relates is the District. None of the other addressees to this letter have been or are currently clients of our firm. The inclusion of the additional addressees to this opinion shall not establish an attorney-client relationship between such addressee and our firm.

This letter and the opinions expressed herein are limited to the use of the addressees as set forth above, and may not be relied upon by other parties, and may be relied upon only as stated herein. The opinions set forth herein supersede any and all previous understandings, representations, statements, opinions, etc., provided by our firm, whether oral or written, and whether such previous understandings, representations, statements, or opinions were made to the addressees herein, or otherwise, in relation to the Bonds. We express no opinion as to matters not specifically set forth herein and no opinion may be inferred or implied beyond the matters expressly stated in this letter, subject to all assumptions, limitations, exceptions and qualifications contained herein. Further, the opinions expressed herein are based only on the laws in effect and the facts in existence as of the date hereof and in all respects are subject to and may be limited by future legislation, developing case law, and any change in facts occurring after the date of this letter. We expressly undertake no responsibility or duty to inform any party, whether addressees hereof or not, as to any change in fact, circumstance or law occurring after the date hereof which may affect or alter any of the opinions, statements or information set forth above. This letter and the opinions expressed herein may not be quoted, reproduced, circulated or referred to in whole or in part without our express written consent except in the transcript of proceedings prepared in connection with issuance of the Bonds.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON

Matt Pettinger Tap Relocation/Line Extension





Stantec Consulting Services Inc.

1560 Broadway, Suite 1800
Denver CO 80202-6000

August 4, 2022

Attention: Eric Reckentine
North Weld Water District
P.O Box 56
32825 Weld County Road 39
Lucerne, CO 80646

Dear Mr. Reckentine,

Reference: Soldier Canyon Filter Plant 65 MGD Expansion Feasibility Study

As requested, Stantec is pleased to submit the following Letter Proposal to provide engineering services to North Weld Water District (District) for the above referenced project.

We appreciate the opportunity to continue to work with the District. Should you have any questions or need additional information, please do not hesitate to contact me.

Regards,

Stantec Consulting Services Inc.

Shelley Trujillo PE
Principal
Phone: 303.291.2128
Shelley.trujillo@stantec.com

Attachment: Scope of Services Proposal

c.

ENGINEERING SERVICES

FOR SOLDIER CANYON FILTER PLANT

65 MGD EXPANSION FEASIBILITY STUDY PROJECT

SCOPE OF WORK

General: This Scope of Work describes the services to be provided under the DESIGN SERVICES AGREEMENT for the Soldier Canyon Filter Plant 65 MGD Expansion Feasibility Study Project between the North Weld Water District (DISTRICT) and Stantec Consulting Services, Inc. (ENGINEER). ENGINEER shall mean "Stantec Consulting Services, Inc., its Parent company and its affiliates and subsidiaries."

The scope is divided into Hourly Rate tasks and subtasks, which describe the required work for the management and evaluation of the Soldier Canyon Filter Plant 65 MGD Expansion Feasibility Study Project. The period of performance is through January 31, 2022. Project schedule dates are provided based on estimated task completion dates (Attachment 1). The work will be invoiced monthly based on the Hourly Rate / Fee Schedule (Attachment 2). The total estimated fee for this SOW is provided in the Project Work Breakdown Structure (Attachment 3).

Assumptions:

- Estimate includes expenses at cost and mileage is charged based on IRS Rate.
- The DISTRICT will review the draft Technical Memorandum and provide comments within 15 working days.
- Field testing is not included in the scope.
- All reports, technical memoranda, PIP, QMP, invoices, and permitting documents shall be delivered electronically.
- ENGINEER shall be entitled to reasonably rely upon the information and data provided by the DISTRICT or obtained from generally acceptable sources within the industry without independent verification except to the extent such verification is expressly included in the Scope of Services.
- ENGINEER will perform independent quality control/assurance reviews in accordance with the QA/QC plan for each deliverable, prior to submission. The quality control reviews are included with each task.

TASK 1 – DATA ACQUISITION AND ANALYSIS

Objective: Request and review previous data to support the study tasks and conduct a site visit.

DISTRICT Input: Communicate and provide feedback and direction to the project team. Attend kick-off meeting. Provide requested information to ENGINEER for further review and analysis.

Task Activities/Deliverables:

- 1) ENGINEER will conduct a Project Kickoff meeting to review the scope of work (SOW), Schedule (milestones and deliverables), and set project expectations and goals. It is assumed this meeting will be held virtually and last 1-hour in duration. The meeting is intended to enhance communications and assist with identifying individual objectives, goals, and areas of concern for the DISTRICT. ENGINEER will have in attendance a maximum of three people.
- 2) ENGINEER will prepare a detailed Request for Information (RFI) for the data that would support the study tasks. Once received, the information will be reviewed, and critical data gaps identified. ENGINEER will acquire, review, and summarize information for all the previous work related to this project. At a minimum, the following items will be requested and reviewed:
 - a) Chemical dosing data and online analyzer trending report for 2020 through present

- b) Source water flow data for 2020 through present
 - c) Horsetooth Reservoir water quality monitoring plan
 - d) Raw water quality from 2020 to the present which include but limited to pH, turbidity, temperature, TOC (total organic carbon), total hardness, alkalinity, and total dissolved solids
- 3) ENGINEER (up to 3 staff) will conduct a tour of the Solider Canyon Filter Plant, discuss operations with plant staff, solicit feedback on the current performance of the plant, and better understand the potential ability of the plant to treat at a higher capacity. Site duration is estimated as full-day.

Task 2 – Treatment Process Capacity Evaluation

Objective: The ENGINEER shall analyze the process units to determine the feasibility to increase the overall plant production to 65 mgd while continuing to comply with all regulatory and safety requirements and meeting the DISTRICT'S finished water quality goals.

Assumptions:

- 1) Evaluation will be a desktop analysis and no onsite testing will be performed.
- 2) Hydraulic analysis will include running one scenario at the 65 mgd capacity using the HADES model developed as part of the SCFP 60 MGD expansion project.

Task Activities/Deliverables:

- 1) ENGINEER will assess capacity of each treatment process components and provide recommendations for improvements for each process area for expansion to 65 mgd, including:
 - Hydraulics
 - Pretreatment (PAC)
 - Coagulation/Flocculation/Sedimentation
 - Filtration
 - Disinfection
 - Solids Handling
 - Raw and Finished Pumping
- 2) ENGINEER will conduct one (1) two- (2-) hour workshop with key DISTRICT staff to review findings and present identified alternatives for each process unit. ENGINEER will have up to three (3) staff in attendance and workshop to be held in-person at DISTRICT'S offices.

Deliverables:

- Workshop agenda and deliverables

Task 3 – Final Technical Memorandum

Task Activities/Deliverables:

- 1) ENGINEER will prepare and submit a draft TM that describes the following:
 - Summary of Existing Conditions
 - Feasibility Capacity Analysis for Each Process Unit
 - Pretreatment (PAC)
 - Coagulation/Flocculation/Sedimentation

- Filtration
 - Disinfection
 - Solids Handling
 - Operational Impacts of Capacity Increase
 - Recommendations
- 2) ENGINEER will conduct one (1) two- (2-) hour workshop with key DISTRICT staff to present the study findings. ENGINEER will have up to three (3) staff in attendance and workshop to be held in-person at District's offices.

Deliverables:

- Draft technical memorandum
- Final technical memorandum, incorporating DISTRICT comments
- Workshop agenda and deliverables

Task 4 – Project Management and Coordination

Objective: Provide for the initiation, overall management, and successful project completion of the Soldier Canyon Filter Plant 65 MGD Expansion Feasibility Study Project.

DISTRICT Input: Communicate and provide feedback and direction to the project team. Attend progress meetings. Provide project management forms employed by DISTRICT in electronic format.

Task Activities/Deliverables:

- 1) ENGINEER will prepare project setup documentation including contract, safety forms, project management plan. ENGINEER will retain and file project documents, meeting notes, site visit notes, workshop notes, and pertinent administrative files in electronic format using Microsoft Teams.
- 2) ENGINEER will facilitate up to three (3) project meetings with DISTRICT staff. It is assumed that all project meetings will be virtual as a Microsoft Teams meetings, 30-minutes in duration, and attended by one ENGINEER representative.
 - a) Prepare and coordinate distribution of meeting agendas and meeting notes.
- 3) ENGINEER will prepare and submit monthly progress reports to the DISTRICT with the monthly invoice and will include:
 - a) Summary of activities completed during the previous billing period.
 - b) Monthly invoice.

ATTACHMENT 1

PROJECT SCHEDULE

WBS Code	Task Name	Start Date	End Date	Duration (days)	Net Working Day																												
						2022-09-02	2022-09-09	2022-09-16	2022-09-23	2022-09-30	2022-10-07	2022-10-14	2022-10-21	2022-10-28	2022-11-04	2022-11-11	2022-11-18	2022-11-25	2022-12-02	2022-12-09	2022-12-16	2022-12-23	2022-12-30	2023-01-06	2023-01-13	2023-01-20	2023-01-27	2023-02-03					
1	Data Acquisition and Analysis	2022-09-01	2022-09-26	26	18																												
1.1	Data Acquisition and Analysis	2022-09-01	2022-09-26	26	18																												
1.1.1	Kickoff Meeting	2022-09-07	2022-09-07	1	1																												
1.1.2	Data Request and Review	2022-09-08	2022-09-23	16	12																												
1.1.3	Site Visit	2022-09-28	2022-09-28	1	1																												
2	Treatment Capacity Evaluation	2022-09-01	2022-11-14	75	53																												
2.1	Treatment Capacity Evaluation	2022-09-01	2022-11-14	75	53																												
2.1.1	Hydraulics	2022-09-29	2022-11-14	47	33																												
2.1.2	Pretreatment	2022-09-29	2022-11-14	47	33																												
2.1.3	Coagulation/Flocculation/Sedimentation	2022-09-29	2022-11-14	47	33																												
2.1.4	Filtration	2022-09-29	2022-11-14	47	33																												
2.1.5	Disinfection	2022-09-29	2022-11-14	47	33																												
2.1.6	Solids Handling	2022-09-29	2022-11-14	47	33																												
2.1.7	Workshop	2022-09-29	2022-11-14	47	33																												
3	Final Technical Memorandum	2022-11-25	2023-01-23	60	42																												
3.1	Final TM	2022-11-25	2023-01-23	60	42																												
3.1.1	Draft	2022-11-25	2022-12-07	13	9																												
3.1.2	Final	2022-12-20	2023-01-10	22	16																												
3.1.3	Workshop	2023-01-22	2023-01-23	2	1																												
4	Project Management	2022-09-01	2023-01-23	145	103																												
4.1	Project Management	2022-09-01	2023-01-23	145	103																												
4.1.1	Project setup documentation	2022-09-01	2023-01-23	145	103																												
4.1.2	General Coordination	2022-09-01	2023-01-23	145	103																												
4.1.3	Progress Reports	2022-09-01	2023-01-23	145	103																												

ATTACHMENT 2

HOURLY RATE / FEE SCHEDULE

**NORTH WELD WATER DISTRICT
STANTEC RATE STRUCTURE**

Labor Category/Job Title	Billing Level	Hourly Rate^{1,2}
Administrator Assistant	6	\$120
Senior Administrator	7	\$124
Staff Professional	8	\$135
Project Professional	9	\$135
Associate Professional	10	\$149
Senior Professional	11	\$153
Associate Engineer/Designer	12	\$163
Project Associate Engineer/Designer	13	\$175
Senior Associate Engineer/Designer	14	\$191
Program Manager/Supervisory Professional	15	\$215
Principal Professional	16	\$227
Senior Principal	17	\$248
Vehicle Mileage³		
		IRS Rate
Travel Related Costs⁴		
		At Cost
Project Related Printing/Reproduction⁵		
		At Cost
Office Related Consumable Supplies⁶		
		At cost
Mark-up on Subconsultants/Outside Professional Services		
		5%

¹ Hourly rates include salary, overhead, and profit. Rates are effective through December 31, 2022. Rates may be adjusted each year.

² Any overtime for non-salaried/ non-exempt personnel that has been approved in advance by the City shall be billed at 1.5 times the standard hourly rate with no additional markup. Overtime for exempt salaried personnel shall be billed at the standard hourly rate identified in the above noted fully burdened rate structure.

³ Vehicle mileage shall be billed at current IRS audit rate at time of service performance.

⁴ Travel related items such as car rental, hotel, and per-diem shall be billed at cost with "No additional markup."

⁵ Project related printing and reproduction services shall be billed at cost with "No additional markup."

⁶ Office related consumable supplies (e.g., copies, printing, faxes, telephone, courier, etc.) shall be billed at cost with "No additional markup."

ATTACHMENT 3

PROJECT WORK BREAKDOWN STRUCTURE



FEE ESTIMATE - Soldier Canyon Filter Plant 65 MGD Expansion Feasibility Study

Name	Project Manager	Project Technical Lead	Process Support	Process Lead	Technical Advisor	Direct Costs
Project Billing Rate	\$191.00	\$227.00	\$191.00	\$191.00	\$248.00	\$1.00
Total Units (T&M)	50.00	56.00	64.00	60.00	14.00	540.00
Total Fee (T&M)	\$9,550.00	\$12,712.00	\$12,224.00	\$11,460.00	\$3,472.00	\$540.00

WBS Code	Task Name	Units						
1	Data Acquisition and Analysis							
1.1	Data Acquisition and Analysis	4.00	14.00	16.00	12.00			180.00
2	Treatment Capacity Evaluation							
2.1	Treatment Capacity Evaluation	14.00	26.00	20.00	28.00	10.00		180.00
3	Final Technical Memorandum							
3.1	Final TM	14.00	8.00	28.00	20.00	4.00		180.00
4	Project Management							
4.1	Project Management	18.00	8.00					

Task Type	Hours	Labor	Expense	Subs	Total
Time & Material	46.00	\$9,290.00	\$180.00	\$0.00	\$9,470.00
Time & Material	46.00	\$9,290.00	\$180.00	\$0.00	\$9,470.00
Time & Material	98.00	\$20,224.00	\$180.00	\$0.00	\$20,404.00
Time & Material	98.00	\$20,224.00	\$180.00	\$0.00	\$20,404.00
Time & Material	74.00	\$14,650.00	\$180.00	\$0.00	\$14,830.00
Time & Material	74.00	\$14,650.00	\$180.00	\$0.00	\$14,830.00
Time & Material	26.00	\$5,254.00	\$0.00	\$0.00	\$5,254.00
Time & Material	26.00	\$5,254.00	\$0.00	\$0.00	\$5,254.00
Total	244.00	\$49,418.00	\$540.00	\$0.00	\$49,958.00

NOTICE OF BOND SALE

\$ _____*

NORTH WELD COUNTY WATER DISTRICT LARIMER AND WELD COUNTIES, COLORADO WATER ENTERPRISE REVENUE BONDS SERIES 2022

PUBLIC NOTICE IS HEREBY GIVEN that electronic bids will be received for the purchase of the North Weld County Water District (Larimer and Weld Counties, Colorado) Water Enterprise Revenue Bonds, Series 2022 (the “2022 Bonds”), more particularly described below. As more fully described in the Preliminary Official Statement, dated on or about August __, 2022 (the “Preliminary Official Statement”), North Weld County Water District, Larimer and Weld Counties, Colorado (the “District”), is causing the 2022 Bonds to be offered and issued pursuant to the Bond Resolution of the District adopted on August 8, 2022 (the “Resolution”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Resolution.

Bids for the purchase of the 2022 Bonds must be submitted by means of the i-Deal Parity electronic bidding system (“PARITY”). No other method of submitting bids will be accepted. The use of PARITY shall be at the bidder’s risk and expense, and none of the District, its Municipal Advisor or Bond Counsel shall have any liability with respect thereto. Electronic bids via PARITY must be submitted in accordance with PARITY’s Rules of Participation, as well as the provisions of this Notice of Bond Sale. To the extent that provisions of this Notice of Bond Sale conflict with PARITY’s Rules of Participation or any instruction or directions set forth by PARITY, the provisions of this Notice of Bond Sale shall control. The date and time for submitting bids will be as follows:

Bid Date: August 17, 2022

Bid Time: Between 11:00 a.m. and 11:30 a.m. Eastern Time (Between 9:00 a.m. and 9:30 a.m. Mountain Time)

Submit Bid to: PARITY electronic bidding system as set forth in “TERMS OF SALE—Submission of Bids”

Delivery Date: August 31, 2022

Information relating to the District and the 2022 Bonds may be obtained from the District’s Municipal Advisor, Hilltop Securities Inc., Attention: Jason Simmons, 8055 E. Tufts Avenue, Suite 500, Denver, Colorado 80237, (tel: (303) 771-0217; e-mail: Jason.Simmons@hilltopsecurities.com).

Neither the District, the Paying Agent, the Municipal Advisor, nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the PARITY time stamp will govern the receipt of all electronic bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their bid will be submitted prior to the termination of the bond sale. All bids will be deemed to incorporate the provisions of this Notice of Bond Sale.

* Preliminary, subject to adjustment as set forth herein.

This Notice of Bond Sale and the information set forth herein are not to be treated as a complete disclosure of all relevant information with respect to the 2022 Bonds. The information set forth herein is subject, in all respects, to a more complete description of the 2022 Bonds and the security therefor set forth in the Preliminary Official Statement.

BOND DETAILS

Terms. The North Weld County Water District, Larimer and Weld Counties, Colorado, Water Enterprise Revenue Bonds, Series 2022 will be issued in the aggregate principal amount set forth in the caption of this Notice of Bond Sale, and will be dated the date of delivery. The proceeds of the 2022 Bonds are being used to fund certain capital improvements for the District and the costs of issuing the 2022 Bonds. Interest on the 2022 Bonds will be payable on each May 1 and November 1, commencing on May 1, 2023. The 2022 Bonds will mature on November 1 in each of the designated amounts and years as follows:

[Remainder of page intentionally left blank]

Maturity Schedule*

Maturity Date (November 1)	Principal Amount
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* Preliminary, subject to adjustment as set forth in “TERMS OF SALE—Adjustment of Principal Amount and of Maturities After Determination of Best Bid” herein.

The 2022 Bonds will be issued in registered form, in denominations of \$5,000 or integral multiples thereof. The 2022 Bonds will be issued in book-entry form utilizing the services of The Depository Trust Company, New York, New York (“DTC”) as securities depository.

Adjustment of Aggregate Principal Amount and of Maturities After Determination of Best Bid. The aggregate principal amount and the principal amount of each maturity of the 2022 Bonds described above are subject to adjustment by the District, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by the time of award of the 2022 Bonds to the successful bidder, and will not reduce or increase the aggregate principal amount of the 2022 Bonds by more than 25% in total principal amount. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

By submitting its bid, each bidder agrees to purchase the 2022 Bonds in such adjusted principal amounts and to modify the purchase price for the 2022 Bonds to reflect such adjusted principal amounts. The bidder further agrees that the interest rates for the various maturities as designated by the bidder in its bid will apply to any adjusted principal amounts designated by the District for such maturities.

Amendment of Notice. The date and time of the sale may be changed at the discretion of the District, and the District also reserves the right to make other changes to the provisions of this Notice of Bond Sale prior to the date and time of the sale; any such changes may be posted through PARITY. Prospective bidders are advised to check for such PARITY postings prior to the stated sale time.

Interest Rates and Limitations. Interest from the date of delivery of the 2022 Bonds will be payable on May 1, 2023, and semiannually thereafter on November 1 and May 1 in each year, as calculated based on a 360-day year of twelve 30-day months.

Only one interest rate shall be specified for any one maturity of the 2022 Bonds.

Each interest rate specified must be stated in a multiple of 1/8 or 1/20 of 1 percent per annum.

The maximum differential between the lowest and highest interest rates permitted for the issue is three percent (3.0%) (*i.e.*, if the lowest rate is 2.0%, the highest rate may not exceed 5%).

A zero rate is not permitted. No supplemental or “B” interest shall be allowed.

Purchase Price. The purchase price bid shall not be less than 100% of the par amount of the 2022 Bonds, nor will any net discount or commission be allowed or paid on the sale of the 2022 Bonds.

Optional Redemption. The 2022 Bonds maturing on and after November 1, 2023 are callable for redemption at the option of the District, in whole or in part in such order of maturities as the District shall determine and by lot within a maturity, on November 1, 2022 and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

Term Bonds; Mandatory Sinking Fund Redemption. A bidder may request that any 2022 Bonds be aggregated to form one or more term bonds. Any such term bond will be subject to mandatory sinking fund redemption in the same amounts and on the same dates as the 2022 Bonds would have matured if they were not included in a term bond. 2022 Bonds redeemed pursuant to mandatory sinking fund redemption will be redeemed at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the manner as otherwise provided in the Resolution. Any election to designate 2022 Bonds as being included in a term bond must be made at the time the prospective bidder submits a bid for the 2022 Bonds via PARITY. See “TERMS OF SALE—Submission of Bids.”

Security. The 2022 Bonds will be payable from, and will constitute an irrevocable (but not necessarily an exclusive) lien on the Net Pledged Revenues (hereinafter defined) of the District’s water system (the “System”) and moneys on deposit in the Bond Fund and the Reserve Fund established and continued by the Resolution. Net Pledged Revenues of the System means the gross revenues derived from the operation and use of the System as may be designated after the deduction of the operation and maintenance expenses as more fully described in the Resolution and the Preliminary Official Statement with respect to the 2022 Bonds. Reference is made to the Preliminary Official Statement for a more complete description of the security for the 2022 Bonds.

Rating. Standard & Poor’s Rating Group has assigned the 2022 Bonds a municipal bond rating of “_____.” See “RATING” in the Preliminary Official Statement.

Authorization. The 2022 Bonds are authorized to be issued by the Constitution of the State of Colorado, the laws of the State of Colorado, the Resolution and the Supplemental Public Securities Act.

TERMS OF SALE

Submission of Bids. A prospective bidder must electronically submit a bid for the 2022 Bonds via PARITY. Bids may be submitted electronically via PARITY in accordance with this Notice of Bond Sale, until [9:30] a.m. Mountain Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. For further information about PARITY, potential bidders may contact the District’s Municipal Advisor, Hilltop Securities, Attention: Jason Simmons, 8055 E. Tufts Avenue, Suite 500, Denver, Colorado 80237 (telephone: (303) 771-0217; e-mail: Jason.Simmons@hilltopsecurities.com, or PARITY at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 404 8153; Fax (212) 849 5021).

Bidding Parameters. Bidders are required to submit unconditional bids specifying the rate of interest and premium, if any, at which the bidder will purchase all and not less than all of the 2022 Bonds.

Bids Constitute an Irrevocable Offer. Each bid submitted through PARITY shall be deemed an irrevocable offer to purchase the 2022 Bonds on the terms provided in this Notice of Bond Sale and shall be binding upon the bidder.

Basis of Award. The 2022 Bonds will be sold to the bidder offering to purchase the 2022 Bonds at the lowest true interest cost (“TIC”). The actuarial yield on the 2022 Bonds using the TIC method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the 2022 Bonds as of the delivery date of the 2022 Bonds (*i.e.*, September __, 2022), produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year composed of twelve 30-day months and a semi-annual interval for compounding.

The winning bid will be indicated on PARITY and the auction results, as posted on such website, will be subject to verification by the District and the Municipal Advisor. The District and the Municipal Advisor will verify the auction results immediately following the close of the bidding period and notice of confirmation by the District and the Municipal Advisor of the winning bidder will be made by a posting on PARITY under the “Results” link.

If two or more bids have the same TIC, the first bid submitted, as determined by reference to the time stamp displayed on PARITY, shall be deemed to be the leading bid.

Sale Reservations. The District reserves the right (a) to reject any and all bids for any 2022 Bonds, (b) to reoffer any 2022 Bonds for public or negotiated sale and (c) to waive any irregularity or informality in any bid.

Good Faith Deposit. A good faith deposit will not be required in connection with the submission of a bid for the 2022 Bonds. The winning bidder will be required to wire \$350,000 to the District as bid security by 1:00 p.m. Mountain Time on August 17, 2022. The District will provide wire instructions to the winning bidder. The bid security will be retained by the District and: (a) will be applied, without allowance for interest, against the purchase price when the 2022 Bonds are delivered to and paid for by such winning bidder; (b) will be retained by the District as liquidated damages if the bidder defaults with respect to the bid; or (c) will be returned to the bidder if the 2022 Bonds are not issued by the District for any reason which does not constitute a default by the bidder.

Manner and Time of Delivery. The 2022 Bonds will be delivered to DTC for the account of the winning bidder at the expense of the District on September __, 2022 or such later date as the District and the winning bidder may agree. The winning bidder will not be required to accept delivery of the 2022 Bonds if they are not tendered for delivery by the District on September __, 2022, or such later date as the District and the winning bidder may agree; provided that delivery of any 2022 Bonds is conditioned upon the receipt by the District of a certificate as to their issue price. See “—Establishment of Issue Price” below. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the District.

Establishment of Issue Price

(a) The winning bidder shall assist the District in establishing the issue price of the 2022 Bonds and shall execute and deliver to the District at closing an “issue price” or similar certificate setting forth the reasonably expected Initial Offering Price (as defined herein) to the Public (as defined herein) or the sales price or prices of the 2022 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as APPENDIX A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under this Notice of Bond Sale to establish the issue price of the 2022 Bonds may be taken on behalf of the District by the Municipal Advisor. At the

written request of the District, Bond Counsel or the Municipal Advisor (including via e-mail), any notice or report to be provided to the District under this Notice of Bond Sale shall be provided to, as applicable pursuant to such written request, the District, Bond Counsel, or the Municipal Advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.1481(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the 2022 Bonds) will apply to the initial sale of the 2022 Bonds (the “Competitive Sale Requirements”) because:

(1) the District shall disseminate this Notice of Bond Sale to potential Underwriters (as defined herein) in a manner that is reasonably designed to reach potential Underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the District anticipates receiving bids from at least three bidders with established industry reputations for underwriting new issuances of municipal bonds; and

(4) the District anticipates awarding the sale of the 2022 Bonds to the bidder who submits a firm offer to purchase the 2022 Bonds at the lowest interest cost, as set forth in this Notice of Bond Sale.

The District shall take all reasonable steps that are appropriate so that the initial sale of the 2022 Bonds to the Public will satisfy the Competitive Sale Requirements. Any bid submitted pursuant to this Notice of Bond Sale shall be considered a firm offer for the purchase of the 2022 Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the winning bidder. The District may determine to treat (i) the first price at which 10% of a maturity of the 2022 Bonds (the “10% Test”) is sold to the Public as the issue price of that maturity and/or (ii) the Initial Offering Price to the Public as of the Sale Date (as defined herein) of any maturity of the 2022 Bonds as the issue price of that maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis. The District intends to apply the Hold-the-Offering-Price Rule if the Competitive Sale Requirements are not satisfied but may, in its discretion, apply the 10% Test if necessary. The winning bidder shall advise the District if any maturity of the 2022 Bonds satisfies the 10% Test as of the date and time of the award of the 2022 Bonds. The District (or the Municipal Advisor) shall promptly advise the prospective winning bidder, at or before the time of award of the 2022 Bonds, which maturities of the 2022 Bonds shall be subject to the 10% Test or shall be subject to the Hold the-Offering-Price Rule. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the 2022 Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the 2022 Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that the Underwriter(s) have offered or will offer the 2022 Bonds to the Public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the bidder and (ii) agree, on behalf of the Underwriter(s) participating in the purchase of the 2022 Bonds, that the Underwriter(s) will neither offer nor sell unsold 2022 Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Underwriter(s) have sold at least 10% of that maturity of the 2022 Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The winning bidder shall promptly advise the District or the Municipal Advisor when the Underwriter(s) have sold 10% of that maturity of the 2022 Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(e) If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the 2022 Bonds, the winning bidder agrees to promptly report to the District the prices at which the unsold 2022 Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% Test has been satisfied as to the 2022 Bonds of that maturity or until all 2022 Bonds of that maturity have been sold.

(f) The District acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in any agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2022 Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2022 Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the 2022 Bonds.

(g) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2022 Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold 2022 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the 2022 Bonds of that maturity or all 2022 Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires; and (ii) any agreement among underwriters relating to the initial sale of the 2022 Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2022 Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold 2022 Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the 2022 Bonds of that maturity or all 2022 Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

(h) Sales of any 2022 Bonds to any person that is a Related Party (as defined herein) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Bond Sale. Further, for purposes of this Notice of Bond Sale:

(i) “Public” means any person other than an Underwriter or a Related Party,

(ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the 2022 Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2022 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2022 Bonds to the Public),

(iii) a purchaser of any of the 2022 Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “Sale Date” means the date that the 2022 Bonds are awarded by the District to the winning bidder.

Failure to provide the reoffering prices and yields, and to certify the same in a form satisfactory to Bond Counsel, may result in cancellation of the sale and/or forfeiture of the winning bidder’s good faith deposit.

Official Statement. The Preliminary Official Statement, dated on or about August __, 2022, and the information contained therein has been deemed final by the District as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”) with permitted omissions, but is subject to change without notice and to completion or amendment in the Final Official Statement in final form (the “Final Official Statement” or the “Official Statement”). The Notice of Bond Sale and the Preliminary Official Statement may be viewed and downloaded at _____ and at www.i-dealprospectus.com or a physical copy may be obtained by contacting the District’s Municipal Advisor. See “—Information” below.

The District, at its expense, will make available to the winning bidder, within seven (7) business days after the award of the sale of the 2022 Bonds, up to 10 physical copies of the Final Official Statement, and additional copies of the Final Official Statement may be provided at the winning bidder’s expense. The winning bidder must cooperate in providing the information required to complete the Final Official Statement. The District will also provide the Final Official Statement to the winning bidder in electronic form.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure Undertaking. Pursuant to Rule 15c2-12, the District has covenanted to provide, in a timely manner, to the municipal securities information repository at <http://emma.msrb.org> notice of the occurrence of specified events and to provide certain financial

information on an annual basis as more fully set forth in the Preliminary Official Statement. Reference is made to the Preliminary Official Statement for a more complete description of the District's continuing disclosure obligations.

State Securities Laws. The District has taken no action to qualify the offer or sale of the 2022 Bonds under the securities laws of any state. Should any such qualification be necessary, the District agrees to cooperate with the winning bidder in such matters, provided that the District reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

CUSIP Numbers. CUSIP numbers will be issued and printed on the 2022 Bonds. Any error or omission in printing such numbers on the 2022 Bonds will not constitute cause for the winning bidder to refuse delivery of any 2022 Bond. All expenses in relation to obtaining the CUSIP numbers and printing of the CUSIP numbers on the 2022 Bonds shall be paid for by the winning bidder.

Legal Opinion, 2022 Bonds and Transcript. The validity and enforceability of the 2022 Bonds will be approved by the District's Bond Counsel:

Sherman & Howard L.L.C.
675 Fifteenth Street
Suite 2300
Denver, Colorado 80202
(303) 297-2900
FAX: (303) 298-0940
www.shermanhoward.com

The purchaser of the 2022 Bonds will receive a certified transcript of legal proceedings which will include, among other items:

(a) a certificate of the District to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;

(b) a certificate executed by officials of the District to the effect that there is no litigation pending or, to their knowledge, threatened affecting the validity of the 2022 Bonds as of the date of their delivery;

(c) a certificate of the District to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the 2022 Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(d) the letter dated the date of the delivery of the 2022 Bonds, of Sherman & Howard L.L.C., Special Counsel to the District, addressed to the District but not to the purchaser of the 2022 Bonds, to the effect that although they have made no independent investigation or verification of the correctness and completeness of the information included in the Official Statement, nothing that came to their attention in rendering legal services in connection with the preparation of the Official Statement causes them to believe that the Official Statement (excepting financial, demographic, economic and statistical information, any forecasts, estimates and assumptions, and any expressions of opinion, as to which they will express no belief), as of its date, contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) the opinion of Sherman & Howard LLC, Bond Counsel, in substantially the form set forth as Appendix D to the Preliminary Official Statement.

Right to Modify or Amend Notice of Bond Sale. The District reserves the right to modify or amend this Notice of Bond Sale and the Bid Form, prior to the bid date. If any modifications occur, supplemental information with respect to the 2022 Bonds will be communicated by posting on the PARITY website not later than 3:00 p.m. Mountain Time on the day preceding the day on which proposals may be submitted, and bidders shall bid upon the 2022 Bonds based upon the terms thereof set forth in this Notice of Bond Sale, as so modified by such supplemental information.

Postponement of Sale. The District reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on PARITY prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the 2022 Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the 2022 Bonds in conformity in all respects with the provision of this Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on PARITY at the time the sale date and time are announced.

By order of the Board of Directors of the District, dated this ___ day of August, 2022.

By /s/ Tad Stout
President, North Weld County Water District

By /s/ Eric Reckentine
General Manager, North Weld County Water District

APPENDIX A

FORM OF ISSUE PRICE CERTIFICATE

\$ _____*

**NORTH WELD COUNTY WATER DISTRICT
LARIMER AND WELD COUNTIES, COLORADO
WATER ENTERPRISE REVENUE BONDS
SERIES 2022**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Series 2022 Bonds”) by the North Weld County Water District, Larimer and Weld Counties, Colorado (the “District”), [Sections 1 and 2 and schedules to be adjusted in execution version as necessary if all of the requirements of a “competitive sale” are not satisfied.]

1. Reasonably Expected Initial Offering Price.

(a) As of [THE SALE DATE], the reasonably expected initial offering prices of the Series 2022 Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2022 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2022 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2022 Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2022 Bonds.

2. Defined Terms.

(a) “Maturity” means Series 2022 Bonds with the same credit and payment terms. Series 2022 Bonds with different maturity dates, or Series 2022 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2022 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including

* Preliminary, subject to change.

specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Series 2022 Bonds, and by Sherman & Howard LLC in connection with rendering its opinion that the interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Series 2022 Bonds.

IN WITNESS WHEREOF, the undersigned, on behalf of [SHORT NAME OF UNDERWRITER], has set his or her hand as of the date first written above.

[UNDERWRITER]

By: _____

Name: _____

Title: _____

PAYING AGENT AND REGISTRAR AGREEMENT

THIS PAYING AGENT AND REGISTRAR AGREEMENT dated as of this ___ day of September, 2022 (the “Agreement”) is by and between North Weld County Water District, in the Counties of Larimer and Weld, State of Colorado (the “Issuer”) and Computershare Trust Company N.A., as paying agent and registrar (the “Bank”).

RECITALS OF THE ISSUER

WHEREAS, the governing body of the Issuer adopted a resolution on August 8, 2022 (the “Resolution”) authorizing and providing for the issuance of its Water Enterprise Revenue Bonds, Series 2022, in the aggregate principal amount of \$_____ (the “Bonds”), such Bonds to be issued in fully registered form, without coupons.

WHEREAS, the Issuer has delivered a true and correct copy of the Resolution to the Bank;

WHEREAS, the Bonds are scheduled to be delivered to the initial purchasers of the Bonds on or about September __, 2022;

WHEREAS, all things necessary to make the Bonds the valid obligation of the Issuer, in accordance with its terms, will be taken upon the issuance and delivery thereof;

WHEREAS, the Issuer has requested that the Bank serve as Paying Agent of the Issuer in paying the principal, premium (if any) and interest on the Bonds in accordance with the terms thereof and that the Bank act as Registrar for the Bonds;

WHEREAS, the Bank has agreed to act as Paying Agent and Registrar for the Bonds; and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Agreement, and all things necessary to make this Agreement the valid and binding agreement of the Issuer, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

APPOINTMENT OF BANK AS PAYING AGENT, REGISTRAR AND DEPOSITORY

Section 1.01. Appointment.

The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Bonds. As Paying Agent for the Bonds, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Bonds as the same become due and payable to the registered owners thereof, pursuant to the terms of this Agreement and the Resolution.

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds. As Registrar, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the

ownership of the Bonds and the transfer and exchange thereof pursuant to the terms of this Agreement and the Resolution.

The Bank hereby accepts such appointments and agrees to serve as the Paying Agent and Registrar for the Bonds.

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent and Registrar, the Issuer agrees to pay the Bank the fees and amounts set forth in Exhibit A attached hereto for the first year of this Agreement and, thereafter, in accordance with the Bank's fee schedule in effect when such services are performed. In addition, the Issuer agrees to reimburse the Bank for all reasonable expenses, disbursements and advances incurred or made by the Bank in connection with this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO

DEFINITIONS

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Bond means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Bond which has become accelerated pursuant to the terms of the Bond.

"Bank Office" means the corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Bond Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Bonds.

"Holder" and Bondholder" each means the Person in whose name a Bond is registered in the Bond Register.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock Issuer, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Resolution).

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Resolution.

“Stated Maturity” means the date specified in the Resolution the principal of a Bond is scheduled to be due and payable.

Section 2.02. Other Definitions.

The terms “Bank,” “Issuer,” and “Bonds (Bond)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar/Depository” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of and premium (if any), on each Bond at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Bond to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Bond when due, by computing the amount of interest to be paid each Holder and preparing and sending payment, on each payment date, to the Holders of the Bonds (or their Predecessor Bonds) on the respective record date, to the address appearing on the Bond Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of, premium (if any), and interest on the Bonds on the dates specified in the Resolution. Moneys shall be deposited with the Bank for the Bonds not less than (a) five Business Days prior to each interest payment date and each maturity or mandatory Redemption Date in immediately available amounts sufficient to pay the Bond Requirements then becoming due on the Outstanding Bonds and are to be deposited by the District with the Bank hereby created and established with the Paying Agent in an account designated “North Weld County Water District Principal and Interest Payment Account.”

There is hereby created and established with the Paying Agent an account to be designated “North Weld County Water District Costs of Issuance Fund” (the “Costs of Issuance Fund”). Into such fund shall be deposited the proceeds of the Bonds which shall be used to pay costs of issuance and expenses incurred as a result of the issuance of the Bonds. The Paying Agent is hereby directed to pay the costs of issuance to the parties and in the amounts listed in a copy of the closing

memorandum upon presentation of an invoice from each party for the amount listed. Moneys held as part of the Costs of Issuance Fund shall remain uninvested. Any amounts remaining in the Costs of Issuance Fund 90 days after closing shall be transferred to the District subject to written confirmation from the District to the Paying Agent that all costs of issuance have been paid.

ARTICLE FOUR

REGISTRAR

Section 4.01. Bond Register – Transfers and Exchanges.

The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Bond Register”) for recording the names and addresses of the Holders of the Bonds, the transfer, exchange, and replacement of the Bonds, and the payment of the principal of, premium (if any) and interest on the Bonds to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Bonds shall be noted in the Bond Register.

Every Bond surrendered to the Bank for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Paying Agent, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing. The Bank may request any supporting documentation it feels necessary to effect a registration, transfer or exchange of the Bonds. To the extent possible and under reasonable circumstances, the Bank agrees that, in connection with an exchange or transfer of Bonds, the exchange or transfer will be completed and new Bonds mailed to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Bonds to be canceled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar, and delivery of any supporting documentation as referred to above.

Section 4.02. Bonds.

At any time when the Bonds are not subject to a book-entry-only system of registration and transfer, the Issuer shall provide an adequate inventory of printed Bonds to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Bonds will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Bonds in safekeeping.

Section 4.03. Form of Bond Register.

The Bank as Registrar will maintain the Bond Register in accordance with the Bank’s general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain the Bond Register in any form other than those currently available and used by the Bank at the time. The Bond Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Bondholders.

The Bank will provide a copy of the information contained in the Bond Register to the Issuer upon request and upon payment of any applicable fee. The Issuer may also inspect the information contained in the Bond Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form. The Bank will not release or disclose the contents of the Bond Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena, court order or as otherwise required by law. Upon receipt of a subpoena or court order or other request and prior to the release or disclosure of the contents of the Bond Register, the Bank will, unless prohibited by law from doing so, notify the Issuer so that the Issuer may contest the subpoena or court order or other request or such release or disclosure of the contents of the Bond Register.

Section 4.05. Canceled Bonds.

The Bank will, at such intervals as it determines, cancel and destroy, pursuant to the Securities Exchange Act of 1934, all Bonds in lieu of which or in exchange for which other Bonds have been issued, or which have been paid. The Paying Agent shall retain and destroy canceled and matured Bonds upon expiration of the appropriate retention period.

Section 4.06. Mutilated, Destroyed, Lost or Stolen Bonds.

The Issuer hereby instructs the Bank, subject to the applicable provisions of the Resolution, to deliver and issue Bonds in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds as long as the same does not result in an over-issuance. In case any Bond shall be mutilated, destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and in substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Bond and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, destroyed, lost or stolen.

Section 4.07. Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from an authorized representative of the Issuer, furnish the Issuer information as to the Bonds it has paid pursuant to Section 3.01, Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 4.01, and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds pursuant to Section 4.06.

ARTICLE FIVE

THE BANK

Section 5.01. Duties of Paying Agent.

The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile transmission of the closing memorandum.

Notwithstanding any other provision contained herein, the Bank is acting solely as agent of the Issuer and does not assume any obligation or relationship with any Holder.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank shall have no liability or responsibility for any statement made by the Issuer or any other person in connection with the issuance of the Bonds, or for the use or application of any money received by the Issuer in connection with the Bonds.

(b) The Bank may rely upon any instructions provided to it by the Issuer, or upon any advice or instructions provided to it by bond counsel or its own counsel (including its own in-house counsel), in connection with its duties and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with such instructions or advice. The Bank shall be entitled to rely upon and shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(e) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(f) The Bank shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement, and no covenant or obligation shall be implied in this Agreement against the Bank.

(g) The Bank shall use its best efforts to perform its obligations hereunder, including the timely taking of action as required hereunder, provided, however, that the Bank shall not be

liable for its failure to meet such deadlines, except such failure as shall result from its gross negligence or willful misconduct.

(h) The Bank shall not be liable for any loss or damage, including reasonable counsel fees and expenses, resulting from its actions or omissions to act hereunder, except for any loss or damage primarily caused by its own gross negligence or willful misconduct. IN NO EVENT SHALL THE BANK BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS), EVEN IF THE BANK HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH LOSS OR DAMAGE AND REGARDLESS OF THE FORM OF ACTION.

Section 5.03. Recitals of Issuer.

The recitals contained herein with respect to the Issuer and the recitals in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness. The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Bond, or any other Person for any amount due on any Bond from its own funds.

Section 5.04. May Hold Bonds.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar/Depository, or any other agent.

Section 5.05. Moneys Held by Bank.

The Bank shall be under no duty or obligation to invest any funds deposited with it by the Issuer in its capacity as Paying Agent and will not be required to pay any interest on such funds. Any unclaimed funds held by the Bank will be escheated in accordance with applicable law.

Section 5.06. Indemnification.

The Issuer agrees to indemnify the Bank, to the extent permitted by law, (including its directors, officers and employees) for, and hold it harmless against, any loss, liability or expense incurred without gross negligence or willful misconduct on its part arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. The foregoing indemnities in this paragraph shall survive the resignation or removal of the Paying Agent/Registrar and the termination of this Agreement.

Section 5.07. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where either the Bank Office or the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail,

return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to interplead all of the assets held hereunder into a court of competent jurisdiction to determine the rights of any Person claiming any interest herein.

Section 5.08. Depository Trust Issuer Services.

In the event the Bonds are otherwise qualified and accepted for “Depository Trust Issuer” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements,” effective from time to time, which establish requirements for bonds to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.09. Tax Reporting.

To the extent required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated and pertaining thereto, it shall be the duty of the Bank, on behalf of the Issuer, to report to the Holders and the Internal Revenue Service (i) the amount of “reportable payments,” if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Bonds and (ii) the amount of interest or amount treated as interest on the Bonds and required to be included in gross income of the Holder.

ARTICLE SIX

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer shall bind its successors and assigns. Any corporation or association into which the Bank may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent/Registrar/Depository hereunder and vested with all of the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 6.06. Severability.

In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors and permitted assigns hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar/Depository and if any conflict exists between this Agreement and the Resolution, the Resolution shall govern.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination.

This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Bonds to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Bonds of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Bonds.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Bond Register (or a copy thereof) together with other pertinent books and records relating to the Bonds, to the successor Paying Agent/Registrar designated and appointed by the

Issuer. The provisions of Section 1.02 and Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Colorado.

Section 6.12. Force Majeure.

In no event shall the Bank be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Bank's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Agreement, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond the Bank's control whether or not of the same class or kind as specifically named above.

[The remainder of the page is intentionally left blank.]

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

**NORTH WELD COUNTY WATER DISTRICT,
IN THE COUNTIES OF LARIMER AND
WELD, STATE OF COLORADO**

By: _____
Printed Name:
Title:

Attn: Eric Reckentine, District Manager
32825 County Road 39
Lucerne, Colorado 80646

COMPUTERSHARE TRUST COMPANY, N.A.

By: _____
Printed Name: _____
Title: Vice President

600 S. 4th Street, 7th Floor
Minneapolis, Minnesota 55415

EXHIBIT A

**BANK FEE SCHEDULE FOR
PAYING AGENT AND REGISTRAR SERVICES FEE PROPOSAL TO
NORTH WELD COUNTY WATER DISTRICT, COLORADO**

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST __, 2022

**NEW ISSUE
BOOK-ENTRY ONLY**

RATING: S&P: “__”

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2022 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2022 Bonds (the “Tax Code”) and interest on the 2022 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. In the opinion of Bond Counsel, the Bonds and the income therefrom are exempt from taxation by the State of Colorado, except inheritance, estate, and transfer taxes.

\$ _____*
**North Weld County Water District
Larimer and Weld Counties, Colorado
Water Enterprise Revenue Bonds
Series 2022**

Dated: Date of Delivery

Due: November 1, as shown herein

The North Weld County Water District, Larimer and Weld Counties, Colorado, Water Enterprise Revenue Bonds, Series 2022 (the “2022 Bonds”) are issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. The 2022 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), securities depository for the 2022 Bonds. Purchases of the 2022 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2022 Bonds. See “THE 2022 BONDS– Book-Entry Only System.” The 2022 Bonds bear interest at the rates set forth below, payable on May 1, 2023, and semiannually thereafter on each May 1 and November 1, to and including the maturity dates shown on the inside cover page, by check or draft mailed to the registered owner of the 2022 Bonds, initially Cede & Co. The principal of the 2022 Bonds will be payable upon presentation and surrender at Computershare Trust Company, N.A., Denver, Colorado, or its successor as the Paying Agent for the 2022 Bonds. See “THE 2022 BONDS.”

The maturity schedules for the 2022 Bonds appear on the inside cover page of this Official Statement.

Certain of the 2022 Bonds are subject to redemption prior to maturity at the option of the District as described in “THE 2022 BONDS – Prior Redemption – Optional Redemption.”

The 2022 Bonds are being issued by the District to (i) fund certain capital improvements for the District as further described herein; and (ii) pay the costs of issuing the 2022 Bonds. See “SOURCES AND USES OF FUNDS.”

The 2022 Bonds are special, limited obligations of the District payable solely from the Net Pledged Revenues (defined herein) derived by the District from the operation of its water system. The 2022 Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues on a parity with and any parity lien bonds issued in the future. See “SECURITY FOR THE BONDS.” **The 2022 Bonds do not constitute a general obligation of the District. Owners of the 2022 Bonds may not look to any other funds or accounts other than those specifically pledged by the District to the payment of the 2022 Bonds.**

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision, giving particular attention to the section entitled “CERTAIN RISK FACTORS.”

The 2022 Bonds are offered when, as, and if issued by the District subject to the approval of legality of the Bonds by Sherman & Howard L.L.C., Denver, Colorado, Bond Counsel, and the satisfaction of certain other conditions. Sherman & Howard L.L.C. also has acted as special counsel to the District in connection with the Official Statement. Certain legal matters will be passed upon for the District by its general counsel, White Bear Ankele Tanaka & Waldron, Centennial, Colorado. Hilltop Securities Inc., Denver, Colorado is acting as municipal advisor to the District in connection with the offering and issuance of the 2022 Bonds. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about September __, 2022.*

This Official Statement is dated _____, 2022.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE*
(CUSIP© 6-digit issuer number: _____)

\$ _____*

**North Weld County Water District
Larimer and Weld Counties, Colorado
Water Enterprise Revenue Bonds
Series 2022**

<u>Maturing (November 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP©</u>
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* Preliminary, subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the 2022 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2022 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the District. The District maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2022 Bonds.

The information set forth in this Official Statement has been obtained from the District, from the sources referenced throughout this Official Statement and from other sources believed to be reliable. No representation or warranty is made by the District, however, as to the accuracy or completeness of information received from parties other than the District. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2022 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the 2022 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2022 Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The 2022 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

**NORTH WELD COUNTY WATER DISTRICT
LARIMER AND WELD COUNTIES, COLORADO**

BOARD OF DIRECTORS

Tad Stout, President
Scott Cockroft, Secretary
Ron Buxman, Treasurer
Brad Cook, Assistant Secretary
Matthew Pettinger, Assistant Secretary

DISTRICT ADMINISTRATION

Eric Reckentine, District Manager

GENERAL COUNSEL

White Bear Ankele Tanaka & Waldron
Centennial, Colorado

REGISTRAR, PAYING AGENT

Computershare Trust Company, N.A.
Denver, Colorado

BOND AND SPECIAL COUNSEL

Sherman & Howard L.L.C.
Denver, Colorado

MUNICIPAL ADVISOR TO THE DISTRICT

Hilltop Securities Inc.
Denver, Colorado

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OFFICIAL STATEMENT

\$ _____*

**North Weld County Water District
Larimer and Weld Counties, Colorado
Water Enterprise Revenue Bonds
Series 2022**

INTRODUCTION

General

This Official Statement, which includes the cover page, the inside cover page and the appendices, is furnished by the North Weld County Water District (the “District”), in Larimer and Weld Counties (the “Counties”), a quasi-municipal corporation and political subdivision of the State of Colorado (the “State”), to provide information about the District and its \$ _____* Water Enterprise Revenue Bonds, Series 2022 (the “2022 Bonds”). The 2022 Bonds will be issued pursuant to a resolution (“the 2022 Bond Resolution”) adopted by the Board of Directors of the District (the “Board”) on August 8, 2022. See Appendix B – Summary of Certain Provisions of the Bond Resolution.

The offering of the 2022 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2022 Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein, including the section entitled “CERTAIN RISK FACTORS.” Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page, the inside cover page and the appendices, is unauthorized. Unless otherwise provided, capitalized terms used herein are defined in Appendix B hereto.

The District

The District is a quasi-municipal corporation and a political subdivision of the State created in 1962 by order and decree of the District Court in and for Weld County, Colorado (pursuant to Title 32, Article 1, C.R.S.), for the purpose of providing water services for the inhabitants of the District. The District provides for the distribution of water for domestic, commercial and industrial uses to customers within the District and the maintenance, repair and replacement of all mains, hydrants, valves and service facilities owned by the District. The District’s service area encompasses approximately 325 square miles of commercial, agricultural and residential land within Larimer and Weld Counties with the largest portion of the service area, approximately 95%, being located in Weld County. The District provides water to individual customers within unincorporated portions of Weld County and Larimer County and the towns of Gill, Galeton, and Lucerne through individual meters. Pursuant to various water service contracts, the District also provides water on a bulk basis to the towns of Ault, Eaton, Nunn, Pierce, Severance, and Windsor through master meters. In addition, the District also provides bulk water service to the Northern Colorado Water Association, a nonprofit association serving individual customers in the area around Wellington, Colorado. The District estimates that its 2022 population to be approximately 17,000 people. The District currently serves 6,127 residential, commercial, industrial water taps. See “THE DISTRICT – General Description.”

* Preliminary, subject to change.

Purpose

The 2022 Bonds are being issued by the District to (i) fund certain capital improvements; and (ii) pay the costs of issuing the 2022 Bonds. See “SOURCES AND USES OF FUNDS.”

Security

General. The 2022 Bonds are special, limited obligations of the District. The principal of, interest on and premium, if any, on the 2022 Bonds is payable solely from the Net Pledged Revenues. The Bond Resolution defines “Net Pledged Revenues” as the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses of the System.

The Bond Resolution defines “Gross Pledged Revenues” to mean all fees (including but not limited to user fees and plant investment fees), charges and revenues directly or indirectly derived by the District for the services furnished by, or use of, the System, or any part thereof, including all income attributable to any future dispositions of property or rights related contracts, settlements, or judgments held or obtained in connection with the System or its operations; provided however, that there shall be excluded from Gross Pledged Revenues (a) moneys borrowed and used for providing Capital Improvements, (b) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same, and (c) any moneys received as grants or appropriations from the United States, the State of Colorado, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

The Bond Resolution defines “Operation and Maintenance Expenses” to mean all reasonable and necessary current expenses of the District, paid or accrued, for operating, maintaining, and repairing the System, including without limitation legal and overhead expenses of the District directly related to the administration of the System; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance or transfers for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued to provide Capital Improvements, and charges for accumulation of reserves.

Special, Limited Obligations. The 2022 Bonds do not constitute a general obligation of the District. Owners of the 2022 Bonds may not look to any other funds or accounts other than those specifically pledged by the District to the payment of the 2022 Bonds. The 2022 Bonds do not constitute a debt or indebtedness of the Counties or the State.

Lien Priority. Upon issuance, the 2022 Bonds will constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues on a parity with the lien thereon of \$23,100,000 outstanding principal amount of outstanding obligations, comprised of: (1) the District’s Water Enterprise Revenue Refunding Bonds, Series 2012, currently outstanding in the aggregate principal amount of \$3,090,000 (the “2012 Bonds”); (2) the District’s Water Enterprise Revenue Bonds, Series 2019, currently outstanding in the aggregate principal amount of \$16,160,000 (the “2019 Bonds”) and (3) the District’s Water Enterprise Revenue Refunding Bond, Series 2020, currently outstanding in the aggregate principal amount of \$3,450,000 (the “2020 Bond,” and together with the 2012 Bonds and 2019 Bonds, the “Prior Parity Obligations”).

Upon the satisfaction of certain conditions set forth in the Bond Resolution, the District may issue additional obligations that have a lien on the Net Pledged Revenues on a parity with the lien thereon of the 2022 Bonds (“Additional Parity Lien Bonds”). The 2020 Bond, the 2019 Bonds, the 2012 Bonds and any Additional Parity Lien Bonds are sometimes referred to herein as “Parity Lien Bonds.” See “SECURITY FOR THE BONDS – Additional Parity Lien Bonds.” The District currently has no plans to issue Additional Parity Lien Bonds within the next several years but reserves the right to do so at any time upon the satisfaction of all legal requirements.

No Reserve Fund. The 2022 Bonds are not secured by a separate reserve fund.

The 2022 Bonds; Prior Redemption

The 2022 Bonds are issued solely as fully registered bonds in the denomination of \$5,000, or any integral multiple thereof. The 2022 Bonds initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), the securities depository for the 2022 Bonds. Purchases of the 2022 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2022 Bonds. See “THE 2022 Bonds – Book-Entry Only System.” The 2022 Bonds are dated as of the date of delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the 2022 Bonds is described in “THE 2022 Bonds – Payment of Principal and Interest; Record Date.”

Certain of the 2022 Bonds are subject to redemption prior to maturity at the option of the District as described in “THE 2022 Bonds – Prior Redemption – Optional Redemption.”

Authority for Issuance

The 2022 Bonds will be issued pursuant to the constitution and laws of the State, including: Title 32, Article 1; Colorado Revised Statutes (“C.R.S.”) (the “Special District Act”); Title 37, Article 45.1, C.R.S., Title 31, Article 35, Part 4, C.R.S.; and the Supplemental Public Securities Act, Title 11, Article 57, Part 2, C.R.S.; and pursuant to the Bond Resolution.

COVID 19

In response to the COVID-19 pandemic, the Board authorized enrollment into the State CoWARN system which allows for labor, supplies and equipment to be shared between water and wastewater providers during an emergency situation such as the COVID-19 emergency. Additionally, the District identified and implemented business continuity measures aimed at critical operations, personnel, and equipment. The District has been meeting regularly with its partners to review and ensure continuity of operations from entities vital to the mission of providing a safe, potable water supply. Based on current information, the impact of the COVID-19 pandemic on the District is expected to be minimal.

Professionals

Sherman & Howard L.L.C., Denver, Colorado, has acted as Bond Counsel in connection with the execution and delivery of the 2022 Bonds and has also acted as special counsel to the District in connection with the preparation of this Official Statement. The fees of Sherman & Howard L.L.C. will be paid only at closing from the proceeds of the 2022 Bonds. Certain legal matters will be passed on for the District by its general counsel, White Bear Ankele Tanaka & Waldron, Centennial, Colorado. Computershare Trust Company, N.A., will act as the registrar and paying agent for the 2022 Bonds (the “Registrar” and “Paying Agent”). Hilltop Securities Inc., Denver, Colorado is acting as Municipal Advisor to the District in

connection with the offering and issuance of the 2022 Bonds. BDO USA, LLP, independent certified public accountants, Greeley, Colorado, has audited the basic financial statements of the District attached hereto as Appendix A. See “INDEPENDENT AUDITORS.”

Tax Status

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2022 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2022 Bonds (the “Tax Code”) and interest on the 2022 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. In the opinion of Bond Counsel, the Bonds and the income therefrom are exempt from taxation by the State of Colorado, except inheritance, estate, and transfer taxes.

Continuing Disclosure Undertakings

The District will execute a certificate (the “Continuing Disclosure Certificate”) at the time of the closing for the Bonds. The Continuing Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds and the District covenants in the Bond Resolution to comply with its terms. The Continuing Disclosure Certificate will provide that so long as the Bonds remain outstanding, the District will annually provide certain financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) at its Electronic Municipal Market Access system (“EMMA,” currently available at <http://emma.msrb.org>). Notices of material events are to be filed by or on behalf of the District with the MSRB via EMMA. The form of the Continuing Disclosure Certificate is attached hereto as Appendix E. With the exception of the failure of the District to timely file a notice on EMMA regarding the refunding of the District’s 2009 Colorado Water Resources and Power Development Authority loan with the proceeds of the 2020 Bond, the District has not failed to materially comply with any prior undertakings entered into pursuant to the Rule.

Forward-Looking Statements

This Official Statement, particularly (but not limited to) the information contained under the headings “CERTAIN RISK FACTORS,” “SOURCES AND USES OF FUNDS” “SYSTEM FINANCIAL INFORMATION – Budget Summaries and Comparisons,” and “SYSTEM FINANCIAL INFORMATION – Chief Financial Officer’s Summary of Material Trends” contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of Net Pledged Revenues to pay debt service on the 2022 Bonds.

Additional Information

This introduction is only a brief summary of the provisions of the 2022 Bonds and the Bond Resolution; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the 2022 Bonds, the Bond Resolution, the District and the Project are included in this Official Statement. All references herein to the 2022 Bonds, the Bond Resolution and other documents are

qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change.*

Additional information and copies of the documents referred to herein are available from the District:

North Weld County Water District
Attn: Eric Reckentine, District Manager
32825 CR 39 - P.O. Box 56
Lucerne, Colorado 80646
(970) 356-3020

CERTAIN RISK FACTORS

The purchase of the 2022 Bonds involves special risks and the 2022 Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the 2022 Bonds and could affect the market price of the 2022 Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the 2022 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

Limited Obligations

General. The 2022 Bonds constitute special, limited obligations of the District. The principal of and interest on the 2022 Bonds are payable solely from and secured by an irrevocable pledge of the Net Pledged Revenues derived by the District from the operation of the System, together with certain interest income and other amounts as provided in the Bond Resolution. The 2022 Bonds constitute an irrevocable pledge of the Net Pledged Revenues on a parity with the lien thereon of any the Parity Bonds and Additional Parity Bonds. See “SECURITY FOR THE 2022 BONDS.” **The 2022 Bonds do not constitute a general obligation of the District. Owners of the 2022 Bonds may not look to any funds or accounts of the District other than those specifically pledged to the payment of the 2022 Bonds.**

The ability of the District to meet its payment obligations under the Bond Resolution will depend upon the ability of the System to generate sufficient Gross Pledged Revenues to meet such obligations, the System’s operating expenses, debt service on other debt or obligations, extraordinary costs or expenses that may occur and other costs and expenses. Accordingly, investors should be aware that future revenues and expenses of the District will be subject to conditions that may differ materially from current conditions to an extent that cannot be determined at this time.

No Mortgage Secures the 2022 Bonds. The payment of the 2022 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except for the Net Pledged Revenues and other moneys pledged for the payment of the Bond Requirements of the 2022 Bonds. No property of the District, subject to such exception, shall be liable to be forfeited or taken in payment of the 2022 Bonds. See “SECURITY FOR THE BONDS – Limited Obligations.”

Factors That May Cause Insufficiency of Expected Revenues

The generation of Net Pledged Revenues is dependent upon several factors outside the District’s control, such as the economy, collections of water service charges and plant investment fees, continued

growth (or lack thereof) and changes in law. It is impossible to predict whether current economic conditions will continue or worsen or to predict how future conditions will affect the operation of the System or the District's finances in general. The following factors, among others, may impact the generation of Net Pledged Revenues in the future.

General. Payment of the 2022 Bonds is dependent upon the generation of sufficient Net Pledged Revenues of the System. If the System becomes inoperable due to damage, destruction, environmental restriction or for any other reason, if the District should lack raw water or lack treatable water due to contamination, lack of adequate supply to serve existing customers, drought or for any other reason, if the District has inadequate storage or transmission facilities, if the District is unable to increase rates and charges for any reason or if the District incurs unanticipated expenses or reduced revenues due to power rate increases or for any other reason, the District may be unable to generate adequate revenues from the System to pay debt service on the 2022 Bonds.

Water Quality and Environmental Requirements. The System is subject to numerous federal and State regulatory requirements. Those regulations are subject to change at any time. Public drinking water systems like the System are regulated by the Environmental Protection Agency; the Colorado Department of Public Health and Environment (the "State Department of Health") has the authority to enforce drinking water quality standards. Water quality standards imposed by the federal government or the State may affect the water available to the District. Further, implementation of those standards or enforcement by the State Department of Health could result in increased costs associated with the District's water treatment, storage or distribution operations or require significant capital expenditures. In addition, failure to comply with regulatory changes, or the inability to comply with them in a timely manner could cause portions of the System to become unavailable. Any disruption of service or increases in costs would reduce the amount of Net Pledged Revenues available to pay debt service on the 2022 Bonds, subject to the requirement that the District must subsequently raise rates if necessary to satisfy the rate maintenance covenants in the Bond Resolution. See "SECURITY FOR THE BONDS – Rate Maintenance Covenants."

In operating the System, the District also may be subject to various environmental regulations which could subject the District to increased operating costs or capital expenditures. Such risks include the use of hazardous materials in the water treatment process and the disposal of such materials, the occurrence of upstream events that could cause contamination of the District's water sources, or other factors. Such increased costs could reduce the amount of Net Pledged Revenues available to pay debt service on the 2022 Bonds.

Drought. Periodically, the State experiences drought conditions. As described in "SYSTEM – Water Conservation Plan," the District currently is operating under an established conservation plan. Certain actions recommended by that plan could reduce the amount of water treated and sold by the District and therefore could reduce Net Pledged Revenues. Although the District may increase rates and charges without restriction in response to lower usage (and may be required to do so to satisfy the rate maintenance covenants of the Bond Resolution), it is not possible to predict at this time whether any rate increases can or will be implemented in time to pay debt service on the 2022 Bonds in any given fiscal year.

Delay in Enforcement of Liens. The District is entitled by statute to certify delinquent fees and charges to the Larimer or Weld County Treasurer, as appropriate, to be collected in the same manner as property taxes. See "SYSTEM FINANCIAL INFORMATION – Billing and Collection." The Larimer or Weld County Treasurer currently accept such certifications only once per year on December 15 and December 1, respectively, and any such fees would be due as property taxes the following spring. Accordingly, this collection process can result in significant delays in collections.

The District also has the statutory authority to enforce payment of its rates and charges through the foreclosure of liens on the real property of delinquent ratepayers. However, foreclosure of real property liens is a time-consuming and burdensome remedy. The delays involved in foreclosure could substantially delay the collection of rates and charges by the District. In addition, proceeds realized from the sale of real property, if any, may not be sufficient to cover the delinquent rates and charges after the payment of any senior liens on the property.

Constitutional Limitations on Enterprises. The District has concluded that its System presently qualifies as an “enterprise” under TABOR. If the District’s water operations should fail at some time in the future to qualify as an enterprise for purposes of TABOR, the System would become subject to the limitations of TABOR, including, without limitation, the spending limits contained in TABOR. See “LEGAL MATTERS – Certain Constitutional Limitations.” If the District fails to maintain the enterprise status of the System, that event will not adversely affect the validity or enforceability of the 2022 Bonds, but may affect the District’s ability to collect Net Pledged Revenues in an amount sufficient to pay debt service.

Additional Parity Lien Securities

Upon issuance, the 2022 Bonds will have a lien on the Net Pledged Revenues on a parity with the 2012 Bonds, the 2019 Bonds and the 2020 Bond. In addition, under the Bond Resolution, the District is permitted to incur other obligations payable on a parity with the lien of the 2022 Bonds, the 2020 Bond, the 2019 Bonds and the 2012 Bonds. See “SECURITY FOR THE BONDS – Additional Bonds.” Debt service on the 2022 Bonds, the 2020 Bond, the 2019 Bonds, the 2012 Bonds and all Additional Parity Bonds will be payable from Net Pledged Revenues on a pro-rata basis. Accordingly, to the extent that future obligations are issued on a parity with the lien of the 2022 Bonds, the security for the 2022 Bonds may be diluted. See “SECURITY FOR THE BONDS – History of Net Pledged Revenues and Pro-Forma Debt Service Coverage.”

Bankruptcy and Foreclosure; Other Federal Issues

The ability and willingness of an owner or operator of property to remit water rates and charges in a timely manner may be adversely affected by the filing of a bankruptcy proceeding by the owner. The ability to collect delinquent water service charges using foreclosure and sale for non-payment of taxes may be forestalled or delayed by bankruptcy, reorganization, insolvency, or other similar proceedings of the owner of a property. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings, perhaps for an extended period. Delays in the exercise of remedies could result in the collection of Net Pledged Revenues in amounts that may be insufficient to pay debt service on the 2022 Bonds when due.

A federal tax lien or other federal lien could exist in the future which could have a lien upon the Net Pledged Revenues which, pursuant to federal law, is prior to the lien thereon of the Bond Resolutions. The District is unaware of the current existence of such a lien or circumstances which could give rise to such a lien, but it is possible that such a lien could arise in the future.

Changes in Law

Various Colorado constitutional provisions, laws and regulations apply to the operation of the System and the operation and finances of the District. Various federal laws and regulations also apply to the operation of the System. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District or the operation of the System in the future.

Limitations on Remedies Available to Owners of 2022 Bonds

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2022 Bonds in the event of a default in the payment of the principal of or interest on the 2022 Bonds. Consequently, remedies available to the owners of the 2022 Bonds may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2022 Bonds and the obligations incurred by the District in issuing the 2022 Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal constitution; the power of the federal government to impose liens in certain situations, which could result in a federal lien on the Net Pledged Revenues which is superior to the lien thereon of the 2022 Bonds; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2022 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the applicable Bond Resolution on behalf of the Owners of the 2022 Bonds, and therefore the Owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

Secondary Market

There is no guarantee that a secondary market for the 2022 Bonds will be maintained. Thus, prospective investors should be prepared to hold their 2022 Bonds to maturity.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds of the 2022 Bonds are expected to be applied in the following manner:

Sources and Uses of Funds – 2022 Bonds

<u>Sources</u>	<u>Amount</u>
Par amount of Bonds.....	\$ _____ *
Plus: reoffering premium on Bonds	
Other available funds	_____
Total.....	
<u>Uses</u>	
The Project	
Costs of issuance (including underwriting discount)	_____
Total	

Source: The Municipal Advisor.

The Project

General. The net proceeds of the 2022 Bonds are to be used to fund certain capital improvements for the District, including but not limited to construction of Phase III of the North Weld County Water District, East Larimer County Water District, Water Transmission line (“NEWT”). See “THE SYSTEM—NEWT.”

THE 2022 BONDS

General Description

The 2022 Bonds are special, limited obligations of the District, will be dated the date of delivery and will mature and bear interest as shown on the inside cover page of this Official Statement. The 2022 Bonds will be issued in fully registered form and initially will be registered in the name of “Cede & Co.,” as nominee for DTC. Purchases by beneficial owners of the 2022 Bonds (“Beneficial Owners”) are to be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof. Payments to Beneficial Owners are to be made as described below in “Book-Entry Only System” and in Appendix C hereto.

For a complete statement of the details and conditions of the 2022 Bonds, reference is made to the Bond Resolution and Sale Certificate (defined in Appendix B hereto) for the 2022 Bonds, a copy of which are available from the sources listed in “INTRODUCTION – Additional Information.”

Payment of Principal and Interest; Record Date

Interest on the 2022 Bonds (calculated based on a 360-day year consisting of twelve 30-day months) is payable semiannually on May 1 and November 1, commencing May 1, 2023. Interest on the 2022 Bonds is payable to the registered owner thereof (the “Owner”) by the Paying Agent on or before the

* Preliminary, subject to change.

interest payment date (or if such day is not a business day, on the next succeeding business day), at the address appearing on the registration records kept by the Paying Agent at the close of business on the fifteenth day of the calendar month (whether or not a Business Day) next preceding an interest payment date (the “Record Date”). Any interest not timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a special record date (the “Special Record Date”) for the payment of any such defaulted interest. The Special Record Date and the date fixed for payment of the defaulted interest shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest and notice of the Special Record Date and the date fixed for payment of the defaulted interest will be given to the Owners (as shown on the registration books on a date selected by the Paying Agent) not less than ten days prior to the Special Record Date by first class mail. The Paying Agent may make payments of interest on any 2019 Bond by any alternative means as may be mutually agreed to between the Owner of such 2019 Bond and the Paying Agent. The principal of and premium, if any, on the 2022 Bonds will be payable upon presentation and surrender at the principal corporate trust office of the Paying Agent. If any 2019 Bond is not paid upon presentation and surrender at maturity or upon prior redemption, interest shall continue at its stated rate per annum until the principal is paid in full. All such payments will be made in lawful money in the United States of America.

Notwithstanding the foregoing, payments of the principal of and interest on the 2022 Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the Registered Owner of the 2022 Bonds. Disbursement of such payments to DTC’s Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and the Indirect Participants, as more fully described herein. See “Book-Entry Only System” below.

Prior Redemption

Optional Redemption. The 2022 Bonds maturing on and before November 1, 2022, are not subject to redemption prior to maturity. The 2022 Bonds maturing on and after November 1, 2023, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on November 1, 2022, or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

Notwithstanding the foregoing, the 2022 Bonds may not be redeemed as described above unless all Policy Costs, if any, due and owing at the time to the Surety Provider have been paid. See Appendix B – Summary of Certain Provisions of the Bond Resolution.

No Partial Optional Redemption After Default. If there shall have occurred and is continuing an Event of Default under either Bond Resolution, of which an officer of the Paying Agent has actual knowledge, there shall be no optional redemption of less than all of the applicable series of 2022 Bonds then Outstanding. See Appendix B – Summary of Certain Provisions of the Bond Resolution – Events of Default and Remedies.

Mandatory Sinking Fund Redemption. At the option of the winning bidder, certain of the 2022 Bonds also may be subject to mandatory sinking fund redemption.

Notice of Redemption. Notice of optional or mandatory redemption shall be given by the Paying Agent in the name of the District by sending a copy of such notice by first-class, postage prepaid mail, not more than sixty nor less than thirty days prior to the Redemption Date to each Owner at his address as it last appears on the registration books kept by the Paying Agent; but neither failure to give such notice nor

any defect therein shall affect the redemption of any 2022 Bonds. Such notice shall identify the 2022 Bonds to be so redeemed (if less than all are to be redeemed) and the Redemption Date, and shall further state that on such Redemption Date there will become due and payable upon the 2022 Bonds so to be redeemed, at the principal office of the Paying Agent, the principal amount thereof, accrued interest to the Redemption Date, and the stipulated premium, if any, and that from and after such date interest will cease to accrue.

Notice having been given in the manner described above, the 2022 Bonds so called for redemption shall become due and payable on the Redemption Date so designated; and upon presentation thereof at the principal office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption. No further interest shall accrue on the principal of any such 2019 Bond called for redemption from and after the Redemption Date, provided sufficient funds are deposited with the Paying Agent and available on the Redemption Date.

Notwithstanding the foregoing provisions, any notice of redemption shall either (a) contain a statement that the redemption is conditioned upon the receipt by the Paying Agent on or before the Redemption Date of funds sufficient to pay the redemption price of the 2022 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Owners of the 2022 Bonds called for redemption in the same manner as the original redemption notice was mailed, or (b) be given only if funds sufficient to pay the redemption price of the 2022 Bonds so called for redemption are on deposit with the Paying Agent in the applicable fund or account.

Tax Covenants

In the Bond Resolution, the District covenants for the benefit of the registered owners of the 2022 Bonds that it will not take any action or omit to take any action with respect to the 2022 Bonds, the proceeds thereof, any other funds of the District or any facilities financed or refinanced with the proceeds of the 2022 Bonds if such action or omission (a) would cause the interest on the 2022 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (b) would cause interest on the 2022 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, or (c) would cause interest on the 2022 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present State law. In furtherance of this covenant, the District agrees to comply with the procedures set forth in the Tax Compliance Certificate for the 2022 Bonds. As applied to the 2022 Bonds, the foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2022 Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code and Colorado law have been met.

Book-Entry Only System

The 2022 Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the 2022 Bonds. The ownership of one fully registered 2022 Bond as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C – Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2022 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE 2022 Bonds WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

None of the District, the Paying Agent or the Registrar will have any responsibility or obligation to DTC’s Participants or Indirect Participants (defined herein), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the 2022 Bonds as further described in Appendix C to this Official Statement.

DEBT SERVICE REQUIREMENTS

Set forth below is a summary of the estimated annual debt service requirements for the 2022 Bonds and the combined annual debt service payable on the Prior Parity Obligations.

Debt Service Requirements*(1)

<u>Year</u>	<u>2022 Bonds</u>			<u>Debt Service on the Prior Parity Obligations</u>	<u>Total</u>
	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>		
2023				\$2,690,975	
2024				1,493,000	
2025				1,490,663	
2026				1,497,100	
2027				1,491,813	
2028				1,495,300	
2029				1,492,663	
2030				1,529,000	
2031				1,534,400	
2032				1,532,800	
2033				1,531,500	
2034				1,534,150	
2035				1,530,600	
2036				1,531,000	
2037				1,535,200	
2038				1,533,050	
2039				1,534,700	
2040				--	
2041				--	
2042				--	
	Total \$ _____			\$26,977,913	

Source: The Municipal Advisor.

* Preliminary, subject to change.

SECURITY FOR THE BONDS

Limited Obligations

The 2022 Bonds are special, limited obligations of the District. The 2022 Bonds do not constitute a general obligation of the District nor do they constitute a lien on any properties owned by or located within the boundaries of the District other than the Net Pledged Revenues. The owners of the 2022 Bonds may not look to any funds of the District (other than Net Pledged Revenues or other funds or accounts specifically pledged by the District) for payment of the 2022 Bonds. Therefore, the security for the punctual payment of the debt service on the 2022 Bonds is dependent upon the generation of Net Pledged Revenues in an amount sufficient to meet those requirements.

Pledge of Net Pledged Revenues of the System

The 2022 Bonds are secured by and constitute an irrevocable lien (but not necessarily an exclusive lien) on the Net Pledged Revenues. The District is permitted to issue Additional Parity Bonds. See “Additional Bonds” below. The 2022 Bonds are payable from the Bond Fund or other funds and accounts established in the Bond Resolution (except the Rebate Fund).

Rate Maintenance Covenants

Rate Maintenance Covenant Required by the Bond Resolution. The District covenants in the Bond Resolution to charge against users of the System, including the District such fees, rates and other charges so that the Gross Pledged Revenues shall be adequate to meet the requirements of the Bond Resolution. Such charges pertaining to the System shall be at least sufficient so that the Gross Pledged Revenues annually are sufficient to pay in each Fiscal Year: (a) an amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year, (b) an amount equal to 110% of both the principal and interest on the 2022 Bonds and any Parity Lien Bonds then Outstanding (including the 2012 Bonds, the 2019 Bonds and the 2020 Bonds) payable from the Net Pledged Revenues in that Fiscal Year (excluding the reserves therefor), and (c) any amounts required to pay all Policy Costs, if any, due and owing and all sums, if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable therefrom.

History of Net Pledged Revenues and Pro-Forma Debt Service Coverage

The following table sets forth a history of the Net Pledged Revenues for the past five calendar years, the actual Principal and Interest Requirements payable each fiscal year on the Parity Bonds outstanding during such fiscal year; the Combined Maximum Annual Principal and Interest Requirements payable on the 2022 Bonds, the 2020 Bond, the 2019 Bonds and the 2012 Bonds (\$_____ * occurring in 20__*), the actual debt service coverage and the pro-forma debt service coverage computed based upon a comparison of historical Net Pledged Revenues to the Combined Maximum Annual Principal and Interest Requirements in each year. *Investors should be aware that collections of Net Pledged Revenues may not continue at the levels stated below, and the coverage factors in future years may not remain at the historical levels indicated.* See “CERTAIN RISK FACTORS.” Additional information about the Net Pledged Revenues can be found in “SYSTEM FINANCIAL INFORMATION.”

History of Net Pledged Revenues and Pro-Forma Debt Service Coverage*

<u>Fiscal Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022⁽¹⁾</u>
<u>Gross Pledged Revenues</u>						
Operating Revenues	\$9,370,793	\$10,723,613	\$11,552,391	\$13,568,617	\$16,463,770	\$16,433,340
Non-Operating Revenues ⁽²⁾	606,619	211,176	631,657	266,377	397,074	184,909
Total Gross Revenues	9,977,412	10,934,789	12,184,048	13,834,994	16,860,844	16,618,249
Operation and Maintenance Expenses ⁽³⁾	8,002,216	7,887,267	6,404,573	8,647,568	8,920,138	8,951,359
Tap/Connection Fees ⁽⁴⁾	11,314,487	13,184,967	21,673,085	12,940,327	6,641,282	2,157,808
Net Pledged Revenues	13,289,683	16,232,489	27,452,560	18,127,753	14,581,988	9,824,698
Actual Debt Service	2,168,765	2,165,465	2,441,552	2,773,547	2,698,675	2,690,575
Actual Coverage	6.12	7.49	11.24	6.53	5.40	3.65
Estimated Combined Maximum Annual Debt Service ⁽⁴⁾	4,521,425	4,521,425	4,521,425	4,521,425	4,521,425	4,521,425
Pro-Forma Coverage	2.94	3.59	6.07	4.01	3.23	2.17

(1) Budgeted.

(2) Includes interest earnings and certain miscellaneous income. Does not include unrealized gains or losses on investments or donor restricted grants.

(3) This figure includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization of bond issue costs, interest paid on outstanding bonds, and gains or losses from sale of investments.

(4) See “SYSTEM FINANCIAL INFORMATION – Customer Rates and Charges – Tap Fees.”

(5) Represents the estimated Combined Maximum Annual Principal and Interest Requirements taking into account the 2022 Bonds. See “DEBT SERVICE REQUIREMENTS.”

Sources: Derived from the District’s audited financial statements for fiscal years 2017=2021, and budgeted information provided by the District for 2022.

Flow of Funds

So long as any of the 2022 Bonds are Outstanding as to any Bond Requirements related to the 2022 Bonds, the 2020 Bond, the 2019 Bonds, the 2012 Bonds or any Parity Bonds, the entire Gross Pledged Revenues, upon their receipt from time to time by the District, shall be set aside and credited immediately to the special and separate account hereby created and to be known as the “North Weld County Water District, Water Enterprise Revenue Bonds, Gross Income Fund” (the “Income Fund”). Payments shall be made from the Income Fund in the following order of priority:

* Preliminary, subject to change.

(1) Operation and Maintenance Expenses. First, as a first charge on the Income Fund, from time to time there shall continue to be held therein moneys sufficient to pay Operation and Maintenance Expenses, as they become due and payable, and thereupon they shall be promptly paid. Any surplus remaining in the Income Fund at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses shall be used for other purposes of the Income Fund as provided below.

(2) Bond Fund Payments. Second, from any remaining Net Pledged Revenues, there shall be credited, concurrently with amounts required to meet the Bond Requirements with respect to any Outstanding Parity Bonds, to the special and separate account hereby created and to be known as the “North Weld County Water District, Larimer and Weld Counties, Colorado, Water Enterprise Revenue Bonds, Series 2022, Bond Fund,” the following amounts:

(A) Interest Payments. Monthly to such Bond Fund, commencing on the first day of the month immediately succeeding the delivery of any of the respective 2022 Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the 2022 Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the respective Outstanding 2022 Bonds on the next succeeding interest payment date.

(B) Principal Payments. Monthly to such Bond Fund, commencing on the first day of the month immediately succeeding the delivery of any of the respective 2022 Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the respective 2022 Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal and redemption premium, if any, due and payable on the respective Outstanding 2022 Bonds on the next succeeding principal payment date.

If prior to any interest payment date or principal payment date, there has been accumulated in such Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subsection (A) or (B) (whichever is applicable) above may be appropriately reduced; but the required annual amounts again shall be so credited to such account commencing on such interest payment date or principal payment date.

The moneys credited to such Bond Fund shall be used to pay the Bond Requirements of the 2022 Bonds then Outstanding, as such Bond Requirements become due. No interest or principal shall be paid on any 2022 Bonds owned by or on behalf of the District.

(3) Termination of Deposits. No payment need be made into the Bond Fund for the 2022 Bonds if the amount in the Bond Fund total a sum at least sufficient so that all of the 2022 Bonds Outstanding are deemed to have been paid pursuant to the Bond Resolution (see Appendix B – Summary of Certain Provisions of the Bond Resolution – Defeasance), in which case moneys therein (taking into account the known minimum gain from any investment if such moneys in Investment Securities from the time of any such investment or deposit shall be needed for such payment which will not be designated for transfer to the Rebate Fund) shall be used (together with any such gain from such investments) solely to pay the Bond Requirements of the Outstanding 2022 Bonds as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Net Pledged Revenues or otherwise pertaining to the System may be used to make required payments into the Rebate Fund or in any other lawful manner determined by the Board.

(4) Rebate Fund. Fourth, concurrently with any payments required to be made pursuant to any Parity Bond Resolutions with respect to any rebate funds established thereby, there shall be concurrently

deposited into the Rebate Fund moneys in the amounts and at the times specified in the Tax Compliance Certificate for the 2022 Bonds so as to enable the District to comply with its tax covenant for the 2022 Bonds (see “THE 2022 BONDS – Tax Covenants”). Amounts on deposit in the Rebate Fund for the 2022 Bonds shall not be subject to the lien and pledge of the Bond Resolution to the extent that such amounts are required to be paid to the United States Treasury. For a further discussion of the use of moneys on deposit in the Rebate Fund for the 2022 Bonds, see Appendix B – Summary of Certain Provisions of the Bond Resolution – Rebate Fund.

(5) Payment of Subordinate Securities. Fifth, and subject to the above provisions but subsequent to the payments required by the above provisions, any moneys remaining in the Income Fund may be used by the District for the payment of Bond Requirements of subordinate securities, including reasonable reserves for such subordinate securities and for rebate of amounts to the United States Treasury with respect to such subordinate securities.

(6) Use of Remaining Revenues. After the above payments are made, any remaining Net Pledged Revenues in the Income Fund shall be used, firstly, for any one or any combination of reasonably necessary purposes and in the Board’s discretion relating to the operation, improvement or debt management of the System and, secondly, to the extent of any remaining surplus, for any one or any combination of lawful purposes as the Board may from time to time conclusively determine.

Additional Bonds

Conditions Imposed by Bond Resolution: The Bond Resolution authorize the issuance of Additional Parity Lien Bonds (having a lien on the Net Pledged Revenues on a parity with the 2022 Bonds) provided the following requirements have been complied with:

A. At the time of the adoption of the resolution authorizing the issuance of the additional securities, the District shall not be in default in making any payments described in “Flow of Funds” above, including any payments of Policy Costs.

B. The Net Pledged Revenues derived in any consecutive twelve month period within the eighteen months immediately preceding the date of issuance of the additional Parity Bonds shall be not less than 110% of the Combined Maximum Principal and Interest Requirements of the Outstanding 2022 Bonds, any Outstanding Parity Bonds and the Parity Bonds proposed to be issued and 100% of the Policy Costs then due and owing, if any, except as otherwise expressly provided below.

In any computation under paragraph B above, the amount of the Gross Pledged Revenues for the applicable period shall be decreased and may be increased by the amount of loss or gain conservatively estimated by an Independent Accountant, Independent Engineer or the District Manager, as the case may be, which results from any changes which became effective not less than 60 days prior to the last day of the period for which Gross Pledged Revenues are determined in any schedule of fees, rates and other charges constituting Gross Pledged Revenues based on the number of users during the applicable period as if such modified schedule of fees, rates and other charges shall have been in effect during such entire time period. However, the Gross Pledged Revenues need not be decreased by the amount of any such estimated loss to the extent the Independent Accountant, the Independent Engineer or the District Manager estimates the loss is temporary in nature or will be offset within a reasonable temporary period by an increase in revenues or a reduction in Operation and Maintenance Expenses not otherwise included in the calculations under this section, and estimates any loss under this sentence will not at any time materially and adversely affect the District’s apparent ability to comply with the Rate Maintenance Covenant (described in “Rate Maintenance Covenant” above) without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

The annual Bond Requirements (including as such a requirement the amount of any prior redemption premiums due on any Redemption Date) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any Trust Bank, including the known minimum yield from any investment in Federal Securities and any bank deposits, including any certificate of deposit.

In determining whether or not additional Parity Bonds may be issued as aforesaid, consideration shall be given to any probable increase (but not reduction) in the Operation and Maintenance Expenses of the Water System as estimated by the District Manager that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional securities; but the District Manager may reduce any such increase in Operation and Maintenance Expenses by the amount of any increase in revenues or any reduction in Operation and Maintenance Expenses resulting from the Capital Improvements to which such expenditure relates and not otherwise included in the calculations under this Section of the Bond Resolution, if the District Manager also opines that any such increase in revenues or reduction in any increase in Operation and Maintenance Expenses will not materially and adversely affect the District's apparent ability to comply with the Rate Maintenance Covenant without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

A written certificate or written opinion by the District Manager that such annual revenues, when adjusted as provided above, are sufficient to pay the amounts required by paragraph B above, shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and deliver additional securities on a parity with the 2022 Bonds.

The proceeds of any Additional Parity Bonds shall be used only to finance Capital Improvements or to refund other securities payable from Net Pledged Revenues, regardless of the priority or the lien of such securities on Net Pledged Revenues.

Notwithstanding the foregoing, the District may issue refunding obligations payable from the Net Pledged Revenues without compliance with the requirements described in the prior paragraph, provided that the debt service payments on such refunding obligations do not exceed the debt service payments on the refunded obligations on any interest payment date.

THE DISTRICT

General Description

North Weld County Water District (the "District") is a quasi-municipal corporation and a political subdivision of the State of Colorado created in 1962 by order and decree of the District Court in and for Weld County, Colorado (pursuant to Title 32, Article 1, C.R.S.), for the purpose of providing water services for the inhabitants of the District. The District provides for the distribution of water for domestic, commercial and industrial uses to customers within the District and the maintenance, repair and replacement of all mains, hydrants, valves and service facilities owned by the District.

Service Area. The District's service area encompasses approximately 325 square miles in Larimer and Weld Counties with the largest portion of the service area, approximately 95%, being located in Weld County. The District provides water to individual customers within unincorporated portions of Weld County and Larimer County and the towns of Gill, Galetton, and Lucerne, and, pursuant to various water service contracts, the District also provides water on a bulk basis to the towns of Ault, Eaton, Nunn, Pierce, Severance, and Windsor. In addition, the District also provides bulk water service to the Northern Colorado

Water Association, a nonprofit association serving individual customers in the area around Wellington, Colorado.

District Powers

District operations and administration are controlled by the Board of Directors. The rights, powers, privileges, authorities, functions and duties of the District are established by the constitution and laws of the State of Colorado in general and Title 32, Article 1, Colorado Revised Statutes (the “Special District Act”), in particular. Under the authority granted by the Special District Act, the District has the power to enter into contracts and agreements; to sue and be sued; to incur indebtedness and issue bonds; to refund any bonds of the District without an election; to fix rates, tolls, or charges for services, programs, or facilities furnished by the District, and to pledge such revenues for the payment of any indebtedness of the District; to adopt and enforce regulations promulgated by the Board; to cause the levy and collection of ad valorem property taxes; to acquire, dispose of, and encumber real and personal property, and any interest in real property, including leases and easements; to have the management, control, and supervision of all the business affairs of the District, and the construction, installation, operation, and maintenance of the District improvements; and to exercise the power of eminent domain for the condemnation of private property for public use.

Inclusions, Exclusions, Consolidation and Dissolution

Inclusion of Property. The Special District Act provides that the boundaries of a special district may be altered by the inclusion of additional real property under certain circumstances. After its inclusion, the included property is subject to all of the taxes and charges imposed by the special district and shall be liable for its proportionate share of existing bonded indebtedness of the special district. Numerous properties have been included within the District’s boundaries since its organization in 1962 as a result of petitions filed by property owners in accordance with the Special District Act.

Exclusion of Property. The Special District Act provides that the boundaries of a special district also may be altered by the exclusion of real property under certain circumstances. After its exclusion, the excluded property is no longer subject to the special district’s operating mill levy and is not subject to any debt service mill levy for new debt issued by the special district. The excluded property, however, remains subject to the special district’s debt service mill levy for that proportion of the special district’s outstanding indebtedness and the interest thereon existing immediately prior to the effective date of the exclusion order. Certain properties have been excluded from the District’s boundaries since its organization in 1962 as a result of petitions filed by property owners in accordance with the Special District Act.

Consolidation with Other Districts. Two or more special districts may consolidate into a single district upon the approval of the District Court and of the electors of each of the consolidating special districts. The District Court order approving the consolidation can provide that the consolidated district assumes the debt of the districts being consolidated. If so, separate voter authorization of the debt assumption is required. If such authorization is not obtained, then the territory of the prior district will continue to be solely obligated for the debt after the consolidation. At the present time, no consolidations with other districts are pending or expected.

Dissolution of the District. The Special District Act allows a special district board of directors to file a dissolution petition with the District Court. The District Court must approve the petition if the special district’s plan for dissolution meets certain requirements, generally regarding the continued provision of services to residents and the payment of outstanding debt. Dissolution must also be approved by the special district’s voters. If the special district has debt outstanding, the district may continue to exist for only the limited purpose of levying its debt service mill levy and discharging the indebtedness.

Governing Body

The District is currently governed by a five-member Board, and has established Director Districts pursuant to Section 32-1-902.7(11), C.R.S. The members must be eligible electors of the District and the Director District they represent as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. Vacancies on the Board are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. Pursuant to statute, with certain exceptions, no nonjudicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval.

The directors hold regular meetings and special meetings as needed. Each director is entitled to one vote on all questions before the applicable Board when a quorum is present. Current directors may receive a maximum compensation of \$1,600 per year, not to exceed \$100 per meeting attended. With the exception of this compensation, directors may not receive compensation from the District as employees of the District. The present directors, their positions on the Board, and principal occupations are as follows:

<u>Name</u>	<u>Title</u>	<u>Principal Occupation</u>	<u>Length of Service</u>	<u>Term Expires</u>
Tad Stout	President	Consultant	1.3 Years	May 2023
Scott Cockcroft	Secretary	Dairy Farmer	5 Years	May 2025
Ron Buxman	Treasurer	Dairy Farmer	5 Years	May 2023
Brad Cook	Assistant Secretary	Farmer	3 Years	May 2023
Matthew Pettinger	Assistant Secretary	Rancher	0.3 Years	May 2025

Additionally, Colorado statutes require a director to disqualify himself or herself from voting on any issue in which he or she has a conflict of interest unless the Director has disclosed the conflict in a certificate filed with the Secretary of State and with the Board of Directors of the District at least 72 hours in advance of any meeting of which the conflict may arise.

Administration

The Board of Directors is responsible for the overall management and administration of the affairs of the District. The District currently has 23 full-time employees, including Eric Reckentine, the District Manager.

The District Manager is responsible for the management and administration of the District's ongoing business affairs and operations. Eric Reckentine was appointed to the position of District Manager in August 2017 and is responsible for the administration, business affairs, operations and finance of the District. Mr. Reckentine also serves as President of the Soldier Canyon Water Treatment Authority Board of Directors, on the Tri-Districts Water Resource Steering Committee and is on the Board of Directors for the Good Lateral Ditch Company. Prior to his role at the District, Mr. Reckentine was the Deputy Director of Water Resources for the City of Greeley responsible for Greeley's raw water management and resource planning, the City's water rights portfolio, and federal permitting projects. Prior to working for Greeley, Mr. Reckentine was Resource and General Manager for an international mining company responsible of the operational and financial management of several business units, and the development of acquisition and divestment strategies. He obtained an MBA from Colorado State University and has a B.S. in Geological Sciences from the State University of New York.

In addition to its regular employees, the District retains the services of White Bear Ankele Tanaka & Waldron, Centennial, Colorado, as its general counsel.

Employees; Benefits and Pension Matters

Employees. The District currently employs 23 full-time employees, all of which are devoted to the administration and operation of the System. None of the District's employees are members of a labor union or collective bargaining group. According to the District Manager, the state of employee relations is good.

Benefits. The District has mandatory insurance for all full-time employees consisting of health insurance, life insurance and long-term disability insurance towards which the District contributes \$1,000 a month. The District also offers voluntary vision and voluntary dental insurance to its employees. Employees must pay insurance costs that exceed the District contribution of \$1,000 through payroll deductions. Worker's compensation in case of injury is also a part of the District's insurance coverage.

The District provides vacation time which amounts to 10 days for a full-time employee with one year to five years of service and up to 30 days for an employee with over 20 years of service. An employee receives 11.5 holidays a year which includes a half day for Good Friday.

Flex time and sick leave are also granted by the District. Flex time is five days a year that can be used for any purpose. Sick leave is earned at a rate of 1.5 days per month worked and can accumulate up to a maximum of 480 hours. To receive sick leave a physician must sign off on the nature of the illness.

Pension Matters. Employees may participate in a special district 457(b) deferred income plan if they so choose. The District contributes a matching amount of \$275 per employee.

Insurance Coverage

The Board acts to protect the District against various risks of loss related to torts, thefts, damage or destruction of assets, errors or omissions, injuries to employees and acts of God. Currently, the District maintains public entity liability insurance (including general liability, employee benefits administrator liability, public officials liability, employment practices liability, no-fault water backup, uninsured motorist and auto and hired auto liability coverage), property coverage, equipment breakdown/boiler and machinery coverage, and comprehensive crime coverage. These coverages have various limits and deductibles and are effective through January 1, 2023. The District provides such coverage through the Colorado Special Districts Property and Liability Pool (the "pool"), an organization created by intergovernmental agreement to provide certain insurance coverage to members. See Note 8 in the audited financial statements attached hereto as Appendix A for a more detailed description of the pool. The District also maintains workers compensation insurance in accordance with State law. In the opinion of the District Manager, the District's insurance policies provide it with adequate insurance protection.

Intergovernmental and Other Agreements

Town Water Service Agreements. The District is party to wholesale water service agreements (the "Water Service Agreements") with the Towns of Windsor, Eaton, Severance, Pierce, Nun, and Ault. These Water Service Agreements are take-or-pay agreements that remain in effect on a perpetual basis unless terminated as set forth in the respective agreements.

According to the District, with the exception of those agreements discussed elsewhere in this Official Statement, the District is not a party to any contract or agreement which would have a material impact on the Net Pledged Revenues or the transactions contemplated for the Bond Resolution.

Growth Moratorium

On September 29, 2021, in response to proposed permitting regulations in the City of Fort Collins and Larimer County related to critical infrastructure projects intended to meet the current and future service demands on the District's water system, including NEWT, and in order to allow the District to understand the impact of the proposed permitting regulations on the District, the Board imposed a moratorium on all tap sales and plant investments until October 25, 2021 (the "Moratorium"). On October 25, 2021, it was reported that the City of Fort Collins' proposed permitting regulations would not impact the District's planned NEWT project, but the issues with Larimer County's proposed permitting regulations had not been resolved and required further discussion. The Board extended the Moratorium to December 13, 2021, allowing additional time for negotiation with Larimer County, and the Board directed staff to start to develop policies related to tap sales criteria based on results from ongoing hydraulic model verification work.

During the Moratorium, the District continued to work to verify its hydraulic model to understand the current and future capacity of the District's water infrastructure, and to discuss with potential partners solutions to capacity issues found as part of the District's efforts to verify its hydraulic model. On December 13, 2021, the Board determined to extend the Moratorium again until May 9, 2022. In January 2022, District staff determined that the District's water system has sufficient capacity to allow for the sale of limited tap sales. Based on recommendations from District staff and analysis of the District's water system capacity, on February 14, 2022 the Board determined to partially lift the Moratorium and allow for limited tap sales and adopted a tap sale criteria policy. Finally, on March 11, 2022, the Board adopted an amended tap sale criteria policy and determined to sell taps and plant investments to all customers with existing water service agreements and to customers who have already dedicated water to the District.

FINANCIAL INFORMATION AND DEBT STRUCTURE

Prospective investors should be aware that the 2022 Bonds constitute special, limited obligations of the District payable solely from, and secured by an irrevocable lien (although not necessarily an exclusive lien) on, the Net Pledged Revenues of the System. See “SECURITY FOR THE BONDS” and “CERTAIN RISK FACTORS.” The information in this section is provided for informational purposes only and does not indicate that any of the sources of revenue described herein are pledged to the payment of the 2022 Bonds.

Sources of District Revenue

The District’s revenues are derived from the operation of the System. All such revenues are applied to System operations and maintenance and capital expenditures. The expenditures of certain revenue, or portions thereof, may be subject to restricted uses. A detailed description of the revenue pledged to the payment of debt service on the 2022 Bonds is provided in “SECURITY FOR THE BONDS.”

Budget Process

The District is required by law to adopt an annual budget setting forth all proposed expenditures for the administration, operation, and maintenance of all offices, departments, boards, commissions, and institutions of the District. The budget must show the actual or estimated deficits from prior years, all debt redemptions and interest charges during the budget year, and all expenditures for capital projects to be undertaken or executed during the budget year. It must also set forth the anticipated income and other means of financing the proposed expenditures for the ensuing fiscal year, which coincides with the calendar year. The District prepares its budget on a calendar year basis as required by Title 29, Article 1, Part 1, C.R.S.

Each fall, the Board must propose a budget for the ensuing budget year and cause to be published a notice that such proposed budget is open for inspection by the public. Prior to adoption, any elector of the District may register his or her objections to the proposed budget. The District must adopt its budget by December 31. After adoption of the budget, the Board must enact a corresponding appropriation resolution before the beginning of the fiscal year. If the District fails to file a certified copy of its budget by the following January 31 with the Colorado Division of Local Government in the Department of Local Affairs, the division may authorize the County Treasurer to prohibit release of the District’s tax revenues and other moneys held by the County Treasurer until the District files its budget.

In general, the District cannot expend money for any of the purposes set out in the appropriation resolution in excess of the amount appropriated. However, in the case of an emergency or some contingency which was not reasonably foreseeable, the Board may authorize the expenditure of funds in excess of the budget by adopting a resolution. If the District receives revenues which were unanticipated at the time of adoption of the budget, the Board may authorize the expenditure of such revenues by adopting a supplemental budget after notice and hearing.

The Board of Directors adopted the District’s 2022 budget and appropriation resolution on December 13, 2021 and filed it in a timely manner as described above. For 2022, the District has budgeted \$18,848,570 in revenue (including operating revenue of \$16,433,340) and beginning fund balance of \$174,605,378 and \$38,805,347 of expenses (including \$7,134,738 of operating expenses).

Financial Statements

According to Title 29, Article 1, Part 6, C.R.S., the Board is required to have the financial statements of the District audited annually. The audited financial statements must be filed with the Board by June 30 of each year and with the State Auditor 30 days later. If the District fails to file its audit report with the State Auditor, the State Auditor may, after notice to the District, authorize the County Treasurer to prohibit release of the District's tax revenues and other moneys held by the County Treasurer until the District files the audit report. The District's 2021 audit will be filed with the State Auditor before July 31, 2022.

The District's audited basic financial statements for the fiscal years ended December 31, 2021 and 2020 are attached as Appendix A to this Official Statement. Those financial statements represent the most recent audited financial statements of the District.

District Debt Structure – Required Elections

TABOR requires that, except for refinancing at a lower interest rate and obligations issued by “enterprises” as defined in TABOR, the District must obtain voter approval in advance for the creation of any direct or indirect District debt or multiple-fiscal year obligation. The District operates the System as an enterprise under TABOR, and therefore may issue the 2022 Bonds without voter approval. See “LEGAL MATTERS – Certain Constitutional Limitations” for a more detailed discussion of TABOR.

General Obligation Debt

General. “Debt” or “indebtedness” as used in this Official Statement means, generally, obligations backed by the full faith and credit of the District and secured by the unlimited power of the District to levy ad valorem property taxes for the payment of bonds and interest thereon. Debt refers only to principal amounts and not to the interest to become due thereon. Debt does not include revenue obligations; debt that has been refinanced; obligations arising upon a contingency; and obligations which do not extend beyond the fiscal year in which incurred.

Statutory Debt Limit. The District is subject to a statutory debt limitation established pursuant to Section 32-1-1101(6), C.R.S. This limitation provides that, with certain exceptions listed below, the total principal amount of general obligation debt issued by a special district after 1991 shall not at the time of issuance exceed the greater of \$2 million or 50% of the special district's assessed valuation.

Exceptions from the debt limitation statute include obligations which are: rated in certain rating categories; determined by the board of the special district to be necessary to construct improvements ordered by a federal or state regulatory agency for public health or environmental reasons; secured by a letter of credit issued by certain qualified financial institutions; or issued to financial institutions or institutional investors. Special districts are also permitted to issue general obligation debt payable from a limited mill levy not exceeding fifty mills.

General Obligation Bonds Outstanding. The District has no general obligation debt, nor does the District plan to issue any general obligation debt in the future.

Authorized but Unissued Debt. The District currently has no unissued voter authorization for general obligation debt. Future general obligation debt by the District would first require voter approval.

Revenue Obligations

The District also has the authority to issue revenue obligations payable from the net revenue of District facilities, to enter into obligations which do not extend beyond the current fiscal year, and to incur certain other obligations. Upon issuance of the 2022 Bonds, the 2012 Bonds, the 2019 Bonds and the 2020 Bonds, the 2022 Bonds will constitute the District's only outstanding revenue obligations. The District does not presently expect to issue additional revenue obligations (*i.e.*, Additional Parity Bonds) in the next five years to finance any other capital project of the District, but it reserves the right to issue Additional Parity Bonds should the need arise in the future.

After issuance of the 2022 Bonds, the District will have outstanding \$_____ in revenue obligations payable from water system revenues. These obligations and the amounts outstanding are shown below.

<u>Outstanding Obligation</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>	<u>Year of Final Maturity</u>
2012 Bonds	\$13,440,000	\$3,090,000	2023
2019 Bonds	16,160,000	16,160,000	2039
2020 Bonds	3,850,000	3,450,000	2029
2022 Bonds	_____*	_____*	2042*
Total	\$_____*	\$_____*	

Source: District audited financial statements for the year ended December 31, 2021.

Other Financial Obligations

The District currently has no other long-term financial obligations.

Short Term Borrowing

The District may borrow funds which must mature before the close of the fiscal year in which the money is borrowed, in anticipation of the collection of taxes or other revenues. No short-term borrowing has been requested or authorized in the last five years, nor does the District anticipate any short-term borrowing in the next several years.

THE SYSTEM

General and Service Area

The District is a quasi-municipal corporation and a political subdivision of the State of Colorado created in 1962 by order and decree of the District Court in and for Weld County, Colorado (pursuant to Title 32, Article 1, C.R.S.), for the purpose of providing water services for the inhabitants of the District. The District provides for the distribution of water for domestic, commercial and industrial uses to customers within the District and the maintenance, repair and replacement of all mains, hydrants, valves and service facilities owned by the District. An adequate water supply is essential to the District's ability to provide water service to its users and to generate the revenues necessary to meet the debt service payments on its previous loans.

The District's service area encompasses approximately 325 square miles in Larimer and Weld Counties with the largest portion of the service area, approximately 95%, being located in Weld County. The District provides water to individual customers within unincorporated portions of Weld County and

* Preliminary, subject to change.

Larimer County and the towns of Gill, Galeton, and Lucerne, and, pursuant to various water service contracts, the District also provides water on a bulk basis to the towns of Ault, Eaton, Nunn, Pierce, Severance, and Windsor. In addition, the District also provides bulk water service to the Northern Colorado Water Association, a nonprofit association serving individual customers in the area around Wellington, Colorado. As Greeley and Fort Collins have expanded into the District's boundaries, the District provides water service to a few small developments within those cities' boundaries. The District also provides potable water to the remaining Weld and Larimer County residents and businesses within its boundaries but not served within the above-named Towns and providers

As of January 1, 2022, the District had committed to serve subdivision developers to provide service to approximately 20,000 single-family equivalent dwelling units ("EDUs"). The subdivisions are expected to be built in phases and some may not be built. Current line sizes could limit service to some of those areas; however, the District intends to remedy those limitations with the installation of larger lines over the next 10 years. Those lines are expected to be paid for out of the Plant Investment portion of the Tap Fee. See "— SYSTEM FINANCIAL INFORMATION – Tap Fees" and "— Capital Plans" hereafter.

The District currently owns rights to water purchased over the past five decades which yield an average of 11,629 acre-feet per year. Said water rights include 835 shares of the common stock of North Poudre Irrigation Company which yield an average 1,880 acre feet; 14.5 shares of the common stock of Water Supply & Storage Company which yield an average of 770 acre feet per year; 4,900 units of the waters of the Northern Colorado Water Conservancy District (Colorado Big Thompson Project) which yield an average of 3,920 acre feet per year; and stock in other various irrigation companies. The total of which yield an average of 4,592 acre-feet per year with an additional 1,441-acre feet of non-potable supplies being provided by the District. The District had required individual tap applicants to pay a "cash-in-lieu of" fee for raw water. In 2018, 2019 and 2020, the District modified the raw water policy. The District requires applicants requiring greater than one acre-feet of water supply to provide 100% of the required water demand in raw water dedication. Generally, the District's contracts with municipal customers require those customers to provide the District with sufficient raw water rights to meet their treatment and delivery needs (ownership of the water rights remains with the wholesale customers).

The Transmission System

Most of the District's potable water is delivered through the Colorado-Big Thompson Project ("CBT") from the Colorado River. The water supply comes through the CBT system into Horsetooth Reservoir and is delivered directly to the District's water treatment plant, which is located just east of the reservoir at the Soldier Canyon Dam. Some of the District's potable water is delivered from the Poudre River through the Pleasant Valley Pipeline (the "PVP") to the Solider Canyon Filter Plant ("SCFP"). SCFP has a current capacity of 50 million gallons per day ("MGD") and underwent major expansion and upgrading from 1995 to 2003 and is currently in design to upgrade the plant to 15 MGD from 2019 to 2022.

The District owns and operates a water distribution network of over 730 miles of pipeline and associated facilities. The pipelines are well maintained with approximately 15 breaks per year. The District continues to expand within its service area, and between 2019 and 2022, the District added over 900 taps and approximately 10 miles of additional waterlines.

The original pipeline from the SCFP to the District's first tank site was constructed of reinforced concrete steel cylinder pipe and was installed between 1962 and 1963. Portions of this pipeline have been replaced with ductile iron pipe and one pump station has been added. The majority of the distribution pipes that have been installed in the District over the last 25 years have been made of PVC and some ductile iron. As mentioned earlier, the District maintains over 730 miles of pipeline and delivers water to eight pressure zones. The system losses through the District's distribution system are estimated to be an average of 7.0%

from 2010 to 2021. The system maintenance program includes annual flushing of water lines, periodic valve maintenance, and prompt leak repair. Due to the expansiveness of their service area, the District frequently reminds its customers to be on the lookout for water on the ground surface, as this can indicate distribution system water leaks. The eight pressure zones in the District cover different portions of the service area and maintain adequate pressure, fire flows, and enough storage to provide for one-24-hour period of peak delivery.

The District has ten potable water storage tanks throughout its system to provide a reliable supply to its constituents. In addition, all the master meter Towns have one or more water tanks. The District also has a Supervisory Control and Data Acquisition (SCADA) system that measures the pressure throughout the system as well as tank levels and other essential data. The District is also anticipating the expansion of several subdivisions to its service area, especially those areas near the communities of Severance, Eaton, Windsor, and Timnath.

The District inspects and maintains its pump stations, storage tanks, fire hydrants and valves on a regular schedule. The District also maintains digital maps of its transmission and distribution systems showing all water lines and related appurtenances. This same information is available to all District personnel in the field. The District reports that most of its facilities are in good condition. Distribution lines that are in poor condition are regularly replaced. Many water lines installed for new developments are oversized to improve the reliability and circulation of the existing distribution system.

Soldier Canyon Filter Plant

The Agreement. Prior to February 1, 2017, the District was a participant with East Larimer County Water District (“ELCO”) and Ft. Collins/Loveland Water District (“FLWD”) (collectively, the Parties) in a joint venture to operate SCFP, the water treatment plant from which the District, ELCO and FLWD purchase 100% of their water. Each district was charged for their respective share of the water purchased from the SCFP, and for capital improvements made at the SCFP on a periodic basis. Major capital improvements to the SCFP were funded by the individual districts independently. The Parties have previously entered into numerous contractual agreements and cooperative arrangements to jointly provide for the construction, operation, maintenance, and expansion of the SCFP, such agreements including but not limited to the Intergovernmental Agreement, dated March 29, 1990, the Amended Intergovernmental Agreement, dated December 1995, the First Addendum To Amended Intergovernmental Agreement, dated April 21, 1998, and the Second Addendum To Amended Intergovernmental Agreement, dated September 20, 2005

On February 1, 2017, the District entered into the Soldier Canyon Water Treatment Authority Agreement (the “SCFP Agreement”) and transferred all the SCFP assets to a new entity, Solider Canyon Water Treatment Authority (the “Authority”). In exchange for the District’s share of the SCFP assets, the District received treatment capacity share of 16.238 MGD or 36.084%. The SCFP Agreement supersedes all previous intergovernmental agreements between the Parties.

The Authority is a separate governmental entity, political subdivision and a public corporation of the State, separate from the Parties pursuant to Section 29-1-204.2(4), C.R.S. The Authority has the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate and is governed by a six-person governing board with two permanent seats held by the District. The governing board establishes rates, fees, and charges for delivery of treated water to the Parties, to provide for all the costs associated with owning, operating, maintaining and improving the SCFP and providing reasonable contingency and reserve funds. In addition, the Authority is authorized to issue Authority obligations or debt. All revenue for water activities provided by the Authority, including rates, fees, tolls, charges, payments for services from the Authority, and all other income collected, used, and expended for purposes,

as determined by the Authority's governing board in accordance with and as set forth in the fiscal budget of the Authority

Treatment Technology. Raw water from Horsetooth Reservoir is delivered to the SCFP for treatment prior to delivery to the District customers. The SCFP has a design capacity of 60 MGD. The average day demand of District customers is currently 12.5 MGD. The peak day demand recorded on July 12, 2022 was 14.55 MGD. The SCFP is a conventional water treatment facility utilizing conventional treatment technology. The treatment process steps include coagulation, flocculation, sedimentation, filtration and disinfection. The SCFP consistently exceeds all State and Environmental Protection Agency Safe Drinking Water regulatory requirements. The SCFP consistently produces some of the highest quality water in the State. Filtered water turbidity averages under 0.02 nephelometric turbidity units ("NTU"). The allowable maximum contaminant level for turbidity is currently 1.0 NTU, 50 times greater than the turbidity of water produced at the SCFP. The SCFP is efficient to operate, requiring only one operator per shift to run the highly automated facility. The SCFP operates 24 hours a day all year.

During the coagulation/flocculation process, polymers and alum are added to create dense particles known as "floc." This part of the process binds up viruses and pathogens with the coagulants, as well as common contaminants that could be harmful to humans. The SCFP has four multi-stage flocculation basins with variable speed mechanical mixing. Each basin is capable of treating 15 MGD.

The sedimentation process slows down the velocity of the water and allows the dense floc particles to settle to the bottom of the sedimentation basin. The sedimentation basins are equipped with tube or plate settlers. These devices are used to prevent short circuiting of water flows throughout the basins as well as help remove any light floc particles. The SCFP has four basins equipped with Lamella plate settlers and two sedimentation basins equipped with tube settlers. The settled floc particles, known as sludge, are removed for disposal by sludge collectors in the bottom of the basins. All six sedimentation basins are equipped with sludge removal systems. The total combined sedimentation treatment capacity is 50 MGD.

The filtration process removes the light floc that does not settle in the sedimentation basins. The SCFP has 20 dual media filters. The filter media is 33 inches of anthracite on top of 12 inches of support sand. Leopold under-drains support the filtering media and help with backwashing media. When a filter becomes plugged with floc particles, the media is backwashed with potable water to remove trapped solids. All filters are equipped with surface wash and air scour systems to enhance filter cleaning. Each filter is capable of treating 2.5 MGD.

NEWT

Proceeds from prior bond issues, together with other available funds, were used for: (a) the construction of Phase I and Phase II of the North Weld County Water District, East Larimer County Water District, Water Transmission line ("NEWT") and (b) the construction of a pipeline from Pump Station #6, a suction pipeline to Pump Station #4, an outfall pipeline from Tank #5 to WCR 64, and two distribution mains from Tank #1. Construction of NEWT Phase I was completed August 2, 2010 and construction of Phase II was completed December 2011. Proceeds from the 2022 Bonds, together with other available funds, are expected to be used for the construction of Phase III of NEWT consisting of 5.5 miles of 42-inch transmission line to County Line Road, 2 miles of pipeline to the Tank 1 site in Weld County, the addition of an approximately 1-million gallon tank (Tank 1C) and Tank 1 site, additional pipe-in upgrades from Tank 1 and additional infrastructure throughout the District. Pipelines for Pump Stations #6 and #4 and

Tanks #5 and #1 are expected to increase the service capabilities from these particular systems. Construction of NEWT Phase III is expected to be completed by summer of 2024.

As a result of increased growth and an increase in water demands, the District and ELCO executed an Intergovernmental Agreement dated May 2021 (the “NEWT III IGA”), providing for the joint design, construction and operation of the NEWT that will convey water from the SCFP to the District and ELCO distribution systems. As set forth in the NEWT IGA, each district will own, and was responsible for the payment of, 50% of all Acquisition Costs and Design and Planning Services (as defined therein) and its respective Pro Rata Share of the Project Construction Costs based on each district’s Pro Rata Share of the pipeline capacity. The initial Pro Rata Share for each district was 70% to the District and 30% to ELCO; subject to change as provided in the NEWT IGA.

Water Supply

Most of the water treated at the SCFP comes directly out of Horsetooth Reservoir through an outlet in the Soldier Canyon dam. At this time, approximately 12% of the water treated at the SCFP originates in the Poudre River. Poudre River water is delivered to the SCFP through the PVP, an eight-mile-long raw water transmission line that also serves water treatment plants owned by the City of Fort Collins and the City of Greeley. The percentage of Poudre River water treated and delivered to District customers is expected to increase in the future. By 2030, it is expected that equal amounts of Horsetooth Reservoir and Poudre River water will be treated at the SCFP.

Horsetooth Reservoir is part of the CBT project, the largest transmountain diversion in the State. Horsetooth Reservoir and the Pleasant Valley Pipeline are both administered by the Northern Colorado Water Conservancy District (“NCWCD”). NCWCD oversees the delivery of water from the CBT Project for agricultural, municipal and industrial uses to almost 1.5 million acres of northeastern Colorado.

The water supplies for the District include trans-basin and native water rights. The trans-basin sources include CBT, Water Supply & Storage Company and the Divide Canal company, which divert water from the Colorado and Laramie River Basins. Some of the non-potable water sources owned by the District are exchanged to agricultural irrigators for the use of their CBT water, which is then in turn used for municipal and industrial deliveries to District customers.

The transmission mains consist of a 24” RCC Pipeline 12 miles in length running from the filter plant to “Cactus Hill” Tank (aka Tank 1) located at Hwy 14 & 257. This 24” RCC Pipeline was constructed in 1963 and is still in good condition. Additional transmission facilities include the 1-25 Pumping Station which houses two 125 HP pumps and a 250 HP pumps boosting the capacity of the 24” RCC Pipeline to a maximum capacity of 10 MGD. The District also has connection to the City of Fort Collins and ELCO and utilizes their extra transmission capacities. Such connections along with the Summitview pumping station owned by the District will allow delivery of another 11 MGD. Additionally, the District has joined ELCO in the construction of a 42” diameter transmission main and completed the installation of 23,000 feet through the center of Fort Collins and NEWT Phases I and II. Of this pipeline the District has 70% ownership and is estimated to deliver an addition 24 MGD maximum capacity once fully constructed and pressurized.

The delivery or distribution system includes 10 treated storage tanks with a capacity of 9.2 MGD, six pumping stations, 16 control valve stations and 10 flow control master meters, 2,724 isolation valves and 939 fire hydrants. Water lines range from 2” to 48” in diameter and are manufactured from plastic (PVC), ductile iron and Transite and provide water to eight different pressure zones.

In December 1998, on behalf of its three owner districts, the SCFP submitted a filing for a direct flow decree from the Cache La Poudre River for delivery through the PVP. Preliminary estimates prepared by water resources engineers indicated an average of approximately 1,851-acre feet per year of unappropriated water could be available for diversion by the SCFP. Most of this unappropriated water would only be available in years of higher than average runoff. High runoff years usually result in CBT deliveries being reduced to 0.50 acre-feet per unit. Utilization of a direct flow decree from the Poudre River during high runoff years will compensate for reductions in CBT deliveries.

Completion of the PVP has allowed the District to utilize senior water rights owned by irrigation companies established in the late 1800s. Colorado water law and policy allows and encourages changes of water use as long as other water users are not injured. Along with the other owners of the SCFP, the District has begun to acquire (mainly through developer dedications) and transfer additional senior water rights on the Poudre River to secure a long-term supply of raw water.

The District’s water engineers have calculated future demands in the District’s Revised Water Conservation Plan. Most of the District’s future water supply will be obtained through developer dedications. The District does not accept cash-in-lieu of water rights from developers. This policy relieves the District and its customers from much of the risk and responsibility associated with competing on the open market for water rights needed to serve future developments. New developments are required to supply enough water to meet demands during droughts that are expected to occur once every fifty years.

Many new developments within the District’s service area are occurring on farms that have historically used Poudre River water for irrigation. The District anticipates accepting those native water rights in partial satisfaction of its development requirements. Because the District accepts native supplies to satisfy its raw water dedication requirements, very little CBT water may be dedicated to the District in the future.

District management believes that its existing water rights, together with planned annual purchases of water rights and receipt of water rights from new customers, are sufficient to service its present customers, standby taps which have been sold but not activated, and commitments for water which have been made to developers within the District.

Capital Plans

The five-year Capital Improvement Plan (“CIP”) for the period 2022 through 2026 is driven by the growth within the District and Northern Colorado. The CIP for this report represents \$92,849,459 of capital improvements split into the following years, categories and amounts for each category:

North Weld County Water District Capital Improvement Plan

<u>Project/Year</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
Lines, Meters, Pump Stations	\$22,010,000	\$29,685,000	\$17,385,000	\$12,160,000	\$6,512,734	\$87,752,734
Water Resources	6,360,000	4,885,000	4,785,000	4,560,000	4,760,000	23,350,000
Land Easements	180,000	180,000	180,000	180,000	180,000	900,000
TOTAL	\$28,550,000	\$34,750,000	\$22,350,000	\$16,900,000	\$11,452,734	\$114,002,734

Source: The District.

With the exception of approximately \$__ million dollars from net proceeds of the 2022 Bonds, the District expects to finance the capital improvements indicated above through District revenues on a “pay as you go” basis and not through additional revenue bonds or borrowings.

Water Conservation Plan

The District has had a Water Conservation Plan (the “Plan”) in place since 2009 and has submitted a 2019 update to the Plan. The primary purpose of the plan is to reduce or eliminate waste and increase efficiency in the ways water is used throughout the System. To date, the District developed several conservation programs pursuant to the Plan, including 1) installing distribution system meters to identify leaks; 2) customer meter replacements; recycling water filter plant backwash; 3) posting smarter watering guidelines on the District website; and 4) offering residential water conservation kits. A copy of the Plan may be reviewed on the District’s website.

SYSTEM FINANCIAL INFORMATION

Customer Rates and Charges

The District’s primary rates and charges are discussed below. These charges apply to all classes of customers. User charges are billed according to customer classification and usage. Each customer is subject to a minimum monthly charge, which begins when the meter is set.

Service Charges. Service charges are utilized to meet the operation and maintenance expenses of the System. Other than wholesale customers, customers generally are charged based on metered usage. The District’s average monthly residential water rate for 2021 is \$23.28. For 2022, the District’s monthly water service charge for non-wholesale customers is as follows.

\$24.90 – Base Fee Residential (For 0-6,000 Gallons)
 \$4.15/1,000 Gallons – If over 6,000 Gallons per Month

Tap Fees and Capital Contributions. The District charges tap fees and capital contributions to recover costs of system acquisition, construction and expansion. Such fees and contributions are one-time charges which must be paid by a new customer before the meter will be installed and the account is considered active. The total fees and contributions include (a) a plant investment fee in the amount of \$17,650, (b) a cash-in-lieu for raw water in the amount of \$62,500, (c) a distance fee in the amount of \$300 per mile, (d) a meter pit installation fee in the amount of \$1,850 and (e) a line extension fee in an amount calculated at the time of permit depending on the length and type of line extension. Effective July 1, 2018, a storage fee is no longer a requirement.

Commercial and industrial taps are sold dependent upon use and flows required by the customer. Fees can be adjusted by the Board depending on the size of the meter, the amount of water transferred to the District, lot size, and irrigation uses. The following table sets forth a history of tap fee and capital contribution revenue collected by the District.

Historical District Capital Contributions

	2015	2016	2017	2018	2019	2020	2021
Tap fees	\$1,083,775	\$1,226,375	\$2,044,625	\$2,372,113	\$1,606,125	\$2,478,123	\$1,790,750
Meter set fees	25,500	27,000	78,300	267,000	309,900	172,000	206,075
Reimbursement for water rights	3,704,900	4,946,950	6,989,500	8,589,350	17,937,145	8,224,718	3,495,026
Distance fees	622,077	553,125	951,975	952,275	694,825	926,730	359,400
Reimbursement for line extension	483,797	976,814	816,837	864,229	1,125,090	1,138,756	785,031
Water storage	180,270	401,030	433,250	140,000	--	--	--
Miscellaneous	--	--	--	--	--	--	5,000
Total	\$6,100,319	\$8,131,294	\$11,314,487	\$13,184,967	\$21,673,085	\$12,940,327	\$6,641,282

Conservation Charge. A Plant Investment surcharge of \$3.95/1,000 gallons and a Water Surcharge of \$6.00/1,000 gallons are charged to customers using any water over their account's allocation.

In 2010, the District made Conservation Blue Taps available to customers purchasing a new tap. A Conservation Blue Tap allows the customer to purchase a tap and not pay the plant investment fee nor pay the distance fee. These taps are automatically in the plant investment surcharge as soon as usage occurs. With the purchase of Conservation Blue Taps, the number of plant investments have decreased while water class allocations have increased.

Effective August 13, 2018, Conservation Blue Taps are only available to certain pending subdivisions that have already received conditional or final approval from the District. Plats for such subdivisions were recorded on or before August 13, 2019 and the taps, including payment or transfer of water, as applicable, shall be purchased on or before August 13, 2023. With the Elimination of Conservation Blue Taps, the number of plant investments have and are expected by the District to continue increasing, but at a slower rate than water class allocations through 2023 (approved subdivisions). After 2023, plant investments and water class allocations are expected by the District to level out.

Other Charges

The District assesses a charge of \$6.00/1,000 gallons for usage in excess of a customer's Annual Allotment (*i.e.*, the amount of raw water rights provided to the District at the time of construction). The District also assesses a service charge of varying amounts to customers who have District personnel respond to maintenance or repair problems that are not the responsibility of the District and a delinquency charge for customers who fail to pay bills by the due date. Finally, the District charges tap connection fees which reflect the cost of time and materials for the actual connection of a tap to the System.

Also, when an account's year to date usage exceeds the Plant Investment Allotment (*i.e.*, number of equivalent taps multiplied by the yearly allotment of plant investment allowed per tap), a Plant Investment Surcharge will be assessed. This surcharge is tiered based on usage above the Plant Investment Allotment of \$3.95/1,000 gallons.

Rate increases are formally presented to the Board each October and generally adopted by the Board at a meeting in December. Towns and other interested parties are invited to attend all Board meetings, including meetings in which rates, fees, tolls and charges are set. The District has experienced limited resistance or opposition to rate increases in the past.

Customer Information

The District currently provides water service to 6,127 taps, 89% of which are standard domestic taps. All water service is metered and read electronically. The District does not serve any accounts located outside of its boundaries. In addition to providing service to individual accounts, the District provides water service to the Towns of Windsor, Eaton, Severance, Pierce, Nunn and Ault and the Northern Colorado Water Association pursuant to Water Service Agreements. The Water Service Agreements are take-or-pay agreements that remain in effect on a perpetual basis unless terminated as set forth in the respective agreements. The Towns must provide notification ten years in advance if they would like to terminate their Water Service Agreements.

The Towns may acquire additional treatment and distribution capacity through the sale of plant investments from the District to the Towns. The Towns are required to make written requests to the District. The District has thirty days to determine in its sole discretion whether it is willing to provide such additional potable water service.

The following table sets forth a history of the District's number of customers as well as total water usage:

<u>Customer Information</u>			
<u>Year</u>	<u>Number of Accounts</u>	<u>Percent Increase</u>	<u>Total Water Usage (k/gal)</u>
2015	3,988	3.9	2,519,010
2016	4,146	3.8	2,699,067
2017	4,498	7.8	2,799,170
2018	4,687	4.0	3,099,340
2019	5,215	11.2	3,067,830
2020	5,720	8.8	3,473,197
2021	6,024	5.0	3,451,109

Source: The District.

The following table sets forth the District's water sales, by category, for the 12 months from January 1, 2021 through December 31, 2021. The typical residential monthly consumption of water in the winter is 8,000 gallons and in the summer is 30,000 gallons.

<u>Historical Water Sales by Category</u>				
<u>Category</u>	<u>Annual Usage (Thousand Gallons)</u>	<u>Percent of Total Usage</u>	<u>Total Revenue</u>	<u>Percent of Total Revenue</u>
Residence Only	15,427	0.5%	\$73,557	0.4%
Standard	584,111	16.9	2,498,466	15.2
Standard ½	41,801	1.2	236,249	1.4
Standard ¾	8,475	0.2	42,924	0.3
Flow Control	143,708	4.2	427,258	2.6
Commercial	1,160,790	33.6	4,510,177	27.5
Municipal	1,283,936	37.2	3,736,533	22.8
Conservation Blue	134,894	3.9	631,983	3.9
Fire Meters	215	0.0	4,500	0.0
Non-Potable Meters	77,752	2.3	116,629	0.7
Unset Meters	0	0.0	4,469	0.0
Adjustments	0	0.0	(10,657)	0.0
Surcharges (PI)	0	0.0	2,170,293	13.2
Surcharges (W)	0	0.0	1,949,876	11.9
Total	<u>3,451,109</u>	<u>100%</u>	<u>\$16,391,962</u>	<u>100%</u>

The following table sets forth the largest customers of the System for the twelve months from January 1, 2021 through December 31, 2021. No other customer of the system accounted for more than 3% of revenues during that period.

<u>Largest Customers of the System</u>				
<u>Customer</u>	<u>Water Usage x 1,000</u>		<u>Revenue</u>	
	<u>Gallons</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>

Town of Windsor	560,127	16.1%	\$1,629,969	9.9%
Town of Eaton	285,496	8.2	830,793	5.1
Town of Severance	227,812	6.6	662,932	4.0
John Johnson	139,076	4.0	894,983	5.5
Aurora Organic Farms	126,250	3.6	904,905	5.5
High Plains Dairy LLC	119,941	3.5	802,368	4.9
Town of Ault	101,630	2.9	295,743	1.8
Wolf Creek Dairy	91,604	2.6	473,593	2.9
Acre Farms LLLP	85,202	2.5	600,847	3.7
Great Western Dairy	<u>83,922</u>	<u>2.4</u>	<u>519,515</u>	<u>3.2</u>
Total	<u>1,821,369</u>	<u>52.4%</u>	<u>\$7,615,675</u>	<u>46.5%</u>

(1) Based on total gallons used of 3,451,109.

(2) Based on total revenues of \$16,391,962, which is slightly less than the revenues received from service charges in the 2021 audit due to a difference in how bill generation and payment is reflected in the District's system.

Billing

The District reads meters on a monthly basis. Bills are prepared and mailed prior to the last day of each month. Payment is due by the fifteenth of the following month. Accounts are considered delinquent after 60 days without payment; at that time a delinquent notice is mailed to the customer and the owner if the customer is a tenant. If an account is 90 days past due, a "Subject to Shut Off" notice is sent to the customer or the owner if the customer is a tenant. One day prior to shut off, the customer is advised by a phone call that payment must be received, or the water service will be shut off. All shut off fees and unpaid charges must be paid prior to restoration of water service. In certain situations, arrangements can be made for partial payments.

Section 32-1-1001(1)(j), C.R.S., provides that until paid, all fees, rates, tolls, penalties, or charges imposed for connection to or use of the System shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by State law for the foreclosure of mechanics' liens. The District's policy provides that the foreclosure follows the meter rather than the individual customer. As a result, the new owner of the property is responsible for bringing the account up to date prior to activation of service.

Budget Summaries and Comparisons

The following tables set forth a comparison of the budgets for the District as compared to actual results for 2020 and 2021 (unaudited) and the 2022 Budget. These tables are presented in budgetary format and are not intended to comply with Generally Accepted Accounting Principles ("GAAP"). For example, the table does not include beginning fund balances (which also are available for expenditure in each year) or ending fund balances. See the table in the section entitled "History of Revenues, Expenses and Changes in Fund Net Assets" for beginning and ending fund balances in the General Fund.

In the course of formulating its budget and adjusting its rates and charges for services within the District, the District has made certain assumptions regarding continued growth in demand within its service area. Numerous factors over time, including business activity, commercial development activity, interest rates and the success of the tourism industry generally, among others, may affect the District's assumptions concerning demand and growth.

Budget Summary and Comparison – Budgetary Basis

	2020		2021		2022 ⁽¹⁾
	Final Budget	Actual	Final Budget	Estimated	Final Budget
BEGINNING FUND BALANCE					
REVENUES					
Operating	\$14,537,177	\$13,568,617	\$15,333,980	\$16,860,844	\$16,433,340
Non-Operating	272,267	266,377	275,105	88,034	184,009
New Service	5,076,783	12,940,327	4,324,533	6,641,282	2,157,808
Debt Proceeds	--	3,850,000	--	--	38,000,000
TOTAL REVENUE	<u>\$19,613,960</u>	<u>\$30,625,321</u>	<u>\$19,933,618</u>	<u>\$23,590,160</u>	<u>\$56,848,570</u>
TOTAL REVENUE AND BEGINNING BALANCE					
EXPENDITURES					
Operating	\$4,587,229	\$6,586,864	\$6,076,315	\$7,094,729	\$7,134,738
Administrative	1,779,714	2,060,704	1,713,028	1,825,409	1,816,621
Capital Improvements	31,144,248	31,143,599	24,974,982	16,443,741	26,615,700
Bonds	2,568,565	6,323,508	2,701,000	2,559,673	3,238,288
Miscellaneous	--	--	476,700	476,700	477,288
TOTAL EXPENDITURES	<u>\$40,079,756</u>	<u>\$46,114,675</u>	<u>\$35,465,326</u>	<u>\$27,923,552</u>	<u>\$38,805,347</u>
Revenues/Balance Over (Under) Expenditures	<u>(\$20,645,796)</u>	<u>(\$15,489,354)</u>	<u>(\$15,531,708)</u>	<u>(\$4,333,392)</u>	<u>\$18,043,223</u>

Source: The District's 2020 and 2021 audited financial statements; the District for 2020, 2021 and 2022 budget information.

History of Revenues, Expenses and Changes in Net Position

Set forth in the following table is a five-year comparative statement of revenues, expenses and changes in net position for the General Fund. The information in this table is presented in accordance with GAAP. The information in this table should be read together with the District's audited financial statements for the years ended December 31, 2020 and 2021, and the accompanying notes, which are included as Appendix A, attached hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION – Additional Information."

Five-Year History of Statements of Revenues, Expenses and changes in Net Position

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Operating Revenues</u>					
Water Service Revenues	\$9,370,793	\$10,723,613	\$11,552,391	\$13,568,617	\$16,860,844
Operating Expenses Admin	1,710,107	1,596,997	1,825,072	2,060,704	1,825,409
Operational Distribution	6,292,109	6,290,270	4,579,501	6,586,864	7,094,729
Depreciation Amortization	1,512,521	1,566,277	1,605,610	1,673,015	1,817,695
Loss from Capital Assets	--	--	--	--	--
Total Operating Expenses	<u>\$9,514,737</u>	<u>\$9,453,544</u>	<u>\$8,010,183</u>	<u>\$10,320,583</u>	<u>\$10,737,833</u>
Net Operating Income	-\$143,944	\$1,270,069	\$3,542,208	\$3,248,034	\$6,123,011
<u>Other Income (Expenses)</u>					
Interest Income	\$85,803	\$152,552	\$523,814	\$143,264	\$2,997
Miscellaneous	520,816	58,624	107,843	123,113	85,037
Gain on Sale of Fixed Assets	-6,965	--	300,156	--	--
Joint Venture Income (Loss)	--	--	--	--	--
Interest Expense	(437,801)	(686,386)	(674,209)	(793,508)	(689,673)
Loss on Bond Refunding	--	--	--	--	--
Net Non-Operating Rev (Expense)	161,853	(175,210)	257,604	(527,131)	(601,639)
Net Income Before Contributions	17,909	1,094,859	3,799,812	2,720,903	5,521,372
Capital Contributions	\$11,314,487	\$13,184,967	\$21,673,085	\$12,940,327	\$6,641,282
Net Income (Loss)	\$11,332,396	\$14,279,826	\$25,472,897	\$15,661,230	\$12,162,654
Net Assets at Beginning of Year	<u>\$95,696,375</u>	<u>\$107,028,771</u>	<u>\$121,308,597</u>	<u>\$146,781,494</u>	<u>\$162,442,724</u>
Net Assets at End of Year	<u>\$107,028,771</u>	<u>\$121,308,597</u>	<u>\$146,781,494</u>	<u>\$162,442,724</u>	<u>\$174,605,378</u>

Source: The District's audited Financial Statements for the years ended December 31, 2017 through 2021.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the Counties of Weld and Larimer (“the Counties”). This portion of the Official Statement is intended only to provide prospective investors with general information regarding the District’s community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

Population and Age Distribution

Population. The following table sets forth the respective populations of the Counties and the State for the time periods shown.

<u>Population</u>						
Year	Weld County	Percent Change	Larimer County	Percent Change	Colorado	Percent Change
1980	123,438	--	149,184	--	2,889,735	--
1990	131,821	6.8%	186,136	24.8%	3,294,394	14.0%
2000	180,926	37.3	251,494	35.1	4,301,261	30.6
2010	252,825	39.7	299,630	19.1	5,029,196	16.9
2020	328,981	30.1	359,066	19.8	5,773,714	14.8

Sources: United States Department of Commerce, Bureau of Census.

Age Distribution. The following table sets forth a comparative age distribution profile for the Counties, the State and the nation as of January 1, 2022.

<u>Age Distribution</u>				
Age	Weld County	Larimer County	Colorado	United States
0-17	25.6%	19.1%	21.5%	22.0%
18-24	9.3	12.7	9.2	9.3
25-34	14.3	15.3	15.1	13.5
35-44	14.3	12.9	14.0	12.8
45-54	12.0	11.0	12.3	12.2
55-64	11.1	11.5	12.1	12.7
65-74	8.4	10.9	9.8	10.4
75 and Older	5.0	6.6	6.0	7.1

Source: @Claritas, LLC 2022.

Income

The following table sets forth annual per capita personal income levels for the Counties, the State and the nation.

Annual Per Capita Personal Income

<u>Year⁽¹⁾</u>	<u>Weld County</u>	<u>Larimer County</u>	<u>Colorado</u>	<u>United States</u>
2016	\$43,869	\$48,252	\$52,390	\$49,613
2017	44,550	51,410	55,294	51,573
2018	47,884	53,836	58,471	53,817
2019	48,923	55,935	61,087	55,724
2020	52,054	58,725	64,034	59,147
2021	n/a	n/a	69,016	63,444

(1) County figures posted November 2021; state and national figures posted March 2022. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

The following two tables reflect the Median Household Effective Buying Income (“EBI”), and also the percentage of households by EBI groups. EBI is defined as “money income” (defined below) less personal tax and nontax payments. “Money income” is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal federal, state and local income taxes, personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as “disposable” or “after-tax” income.

Median Household Effective Buying Income⁽¹⁾

<u>Year⁽²⁾</u>	<u>Weld County</u>	<u>Larimer County</u>	<u>Colorado</u>	<u>United States</u>
2018	\$62,329	\$58,137	\$57,732	\$50,620
2019	57,819	58,861	59,227	52,468
2020	60,064	63,040	62,340	54,686
2021	64,651	65,156	64,415	56,093
2022	75,624	72,693	73,494	63,680

(1) The difference between consecutive years is not an estimate of change from one year to the next; combinations of data are used each year to identify the estimated mean of income from which the median is computed.

(2) Annual estimates are snapshots of effective buying income for the date of January 1 of next year.

Source: Claritas, ©2018-2021 by Environics Analytics (EA); and @Claritas, LLC 2022.

Percent of Households by Effective Buying Income Groups – 2022 Estimates⁽¹⁾

<u>Effective Buying Income Group</u>	<u>Weld County</u>	<u>Larimer County</u>	<u>Colorado</u>	<u>United States</u>
Under \$24,999	11.4%	13.5%	12.3%	16.3%
\$25,000 - 49,999	19.7	19.4	20.3	22.8
\$50,000 - 74,999	18.5	18.7	18.4	18.8
\$75,000 - 99,999	17.1	16.1	15.8	14.5
\$100,000 - 124,999	13.1	11.2	11.5	9.7
\$125,000 - 149,999	7.6	6.6	6.6	5.5
\$150,000 – 199,999	7.2	7.2	7.1	5.7
\$200,000 - more	5.4	7.3	8.0	6.7

(1) Estimates are snapshots of income groups on January 1, 2022.

Source: Claritas, © 2019 Environics Analytics (EA).

Employment

The following table sets forth information on employment within the Counties, the State and the nation for the period indicated.

Labor Force and Percent Unemployed

<u>Year</u>	<u>Weld County⁽¹⁾</u>		<u>Larimer County⁽¹⁾</u>		<u>Colorado⁽¹⁾</u>		<u>United States⁽¹⁾</u>
	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Percent Unemployed</u>
2017	156,367	2.5%	193,515	2.3%	2,963,790	2.6%	4.4%
2018	163,409	2.8	199,314	2.6	3,049,640	3.0	3.9
2019	167,882	2.4	203,074	2.2	3,100,598	2.6	3.7
2020	164,840	6.6	201,273	6.0	3,081,271	6.9	8.1
2021	165,660	5.7	206,492	4.7	3,156,110	5.4	5.3
<u>Month of May</u>							
2021	164,668	6.0%	206,043	4.8%	3,133,677	5.7%	5.5%
2022 ⁽²⁾	168,784	3.3	211,663	2.6	3,221,916	3.0	3.4

(1) Figures are not seasonally adjusted and are subject to change.

(2) Preliminary data.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Colorado Areas Labor Force Data and U.S. Department of Labor, Bureau of Statistics.

The following table sets forth the number of individuals employed within selected Weld County industries which are covered by unemployment insurance. In 2021, the largest employment sector in Weld County was government (comprising approximately 15.0% of the county’s work force), followed, in order, by manufacturing; construction; retail trade; and health care and social assistance. For the twelve-month period ended December 31, 2021, total average employment in Weld County decreased by (0.2)% as compared to the same twelve-month period ending December 31, 2020, and total average weekly wages increased 2.9% during the same time period.

Average Number of Employees within Selected Industries Weld County

<u>Industry</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Agriculture, Forestry, Fishing, Hunting	4,059	4,065	4,264	4,243	4,223
Mining	6,812	8,620	8,728	5,728	4,693
Utilities	366	387	411	438	453
Construction	10,416	11,326	12,664	11,337	11,108
Manufacturing	13,298	13,637	14,282	13,803	13,165
Wholesale Trade	4,136	4,258	4,421	4,272	4,277
Retail Trade	10,222	10,312	10,488	10,610	10,838
Transportation & Warehousing	3,479	3,758	3,895	3,603	3,667
Information	723	701	675	540	535
Finance & Insurance	2,897	2,840	2,786	2,863	2,817
Real Estate, Rental & Leasing	1,442	1,408	1,438	1,359	1,337
Professional & Technical Services	2,680	2,848	3,180	3,321	3,559
Management of Companies/Enterprises	1,594	1,753	1,871	1,929	1,830
Administrative & Waste Services	5,804	5,961	5,899	5,726	5,774
Educational Services	590	651	753	738	781
Health Care & Social Assistance	9,246	9,533	9,612	9,513	9,817
Arts, Entertainment & Recreation	1,087	944	962	802	969
Accommodation & Food Services	8,151	8,530	8,837	7,724	8,439
Other Services	2,744	2,651	2,783	2,593	2,752
Non-classifiable	n/a ⁽¹⁾	4	n/a ⁽¹⁾	n/a ⁽¹⁾	13
Government	<u>15,483</u>	<u>15,943</u>	<u>16,416</u>	<u>15,933</u>	<u>16,015</u>
Total ⁽²⁾	<u>105,229</u>	<u>110,129</u>	<u>114,367</u>	<u>107,080</u>	<u>107,063</u>

(1) Due to confidentiality, figures were not released.

(2) Figures may not equal totals when added, due to the rounding of averages or the inclusion in the total figure of employees that were not disclosed in individual classifications.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

The following table sets forth the number of individuals employed within selected Larimer County industries which are covered by unemployment insurance. In 2021, the largest employment sector in Larimer County was government (comprising approximately 21.3% of the County’s work force), followed, in order, by retail trade; accommodation and food services; health care and social assistance; and manufacturing. For the twelve-month period ended December 31, 2021, total average employment in Larimer County increased 4.4% as compared to the same period ending December 31, 2020 and total average weekly wages increased 4.5% during the same time period.

Average Number of Employees within Selected Industries – Larimer County

<u>Industry</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Agriculture, Forestry, Fishing, Hunting	843	854	988	946	926
Mining	497	507	559	487	448
Utilities	255	265	270	279	289
Construction	10,699	11,127	11,258	11,092	11,553
Manufacturing	13,731	14,371	14,632	13,973	14,547
Wholesale Trade	4,653	4,829	5,178	5,152	5,329
Retail Trade	19,067	19,359	19,370	18,480	19,573
Transportation & Warehousing	2,830	2,854	2,884	3,279	3,738
Information	2,832	3,021	3,348	3,052	2,790
Finance & Insurance	3,707	3,605	3,410	3,367	3,437
Real Estate, Rental & Leasing	2,901	3,014	3,128	3,046	3,191
Professional & Technical Services	10,871	10,647	10,818	11,171	11,593
Management of Companies/Enterprises	865	882	1,017	1,030	1,122
Administrative & Waste Services	8,579	8,666	8,557	7,915	7,785
Educational Services	1,570	1,848	1,871	1,638	1,751
Health Care & Social Assistance	15,357	16,061	16,625	16,201	16,734
Arts, Entertainment & Recreation	2,650	2,718	2,878	2,221	2,570
Accommodation & Food Services	18,630	19,130	19,235	15,251	17,191
Other Services	4,584	4,733	5,028	4,681	4,938
Non-classifiable	7	24	21	31	27
Government	<u>32,626</u>	<u>33,759</u>	<u>34,725</u>	<u>34,499</u>	<u>35,146</u>
Total ⁽¹⁾	<u>157,754</u>	<u>162,274</u>	<u>165,799</u>	<u>157,790</u>	<u>164,680</u>

(1) Figures may not calculate due to the rounding of averages.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

Major Employers

The following two tables set forth a selection of the largest employers in Weld and Larimer Counties. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employers in the Counties.

Major Private Employers in Weld County

<u>Employer</u>	<u>Product or Service</u>	<u>Estimated Numbers of Employees⁽¹⁾</u>
JBS USA & Affiliates	Beef processing/corporate office	6,000
Banner Health: No. Colorado Medical Ctr.	Healthcare	3,560
Vestas	Wind turbine manufacturing	2,710
UCHealth	Healthcare	1,060
State Farm Insurance Companies	Insurance	950
Colorado Premium Foods (K2D)	Food manufacturing	550
Leprino Foods	Cheese & dairy foods manufacturing	540
McLane Company, Inc.	Food distribution	460
J. M. Smucker Company	Food manufacturing	450
Carestream Health Inc.	Medical & dental imaging	450

(1) Revised June 2021.

Source: Development Research Partners as posted by Metro Denver Economic Development Corporation.

Major Private Employers in Larimer County

<u>Employer</u>	<u>Product or Service</u>	<u>Estimated Number of Employees⁽¹⁾</u>
UCHealth: Poudre Valley Hospital	Healthcare	6,860
Columbine Health Systems	Healthcare	1,670
Broadcom Inc.	Semiconductor components	1,500
Banner Health: McKee Medical Center	Healthcare	1,500
Hewlett Packard	Technology product design	1,280
Woodward Inc.	Speed controls	1,250
Hach Company	Analytical instruments	880
Qualfon	Customer care center	800
Tolmar, Inc.	Pharmaceuticals	780
Nutrien	Fertilizer & micronutrient products	740

(1) Revised June 2021.

Source: Development Research Partners as posted by Metro Denver Economic Development Corporation.

Retail Sales

The following table sets forth annual retail sales for the Counties and the State.

<u>Retails Sales</u>						
(In thousands of dollars)						
Year	Weld County	Percent Change	Larimer County	Percent Change	Colorado	Percent Change
2017	\$11,113,079	--	\$10,769,971	--	\$194,641,958	--
2018	12,167,650	9.5%	11,343,271	5.3%	206,121,045	5.9%
2019	13,251,205	8.9	12,432,024	9.6	224,618,938	9.0
2020	12,951,377	(2.3)	13,370,801	7.6	228,812,220	1.9
2021	14,711,836	13.6	15,112,749	13.0	268,328,759	17.3
2022 ⁽¹⁾	3,744,240	--	3,673,257	--	67,675,075	--

(1) As of March 31, 2022.

Source: Colorado Department of Revenue, *Retail Sales Report*, 2017-2022.

Housing and Foreclosure Activity

The following two tables set forth the number of estimated housing units located in each County and the number of foreclosures filed in each County during the time period shown.

History of Housing Units and Foreclosures – Weld County

Year	Estimated Housing Units	Estimated Occupied Housing Units	Estimated Vacant Housing Units	Foreclosures Filed ⁽¹⁾	Foreclosure Percent Change
2017	109,489	106,112	3,377	362	--
2018	113,019	108,954	4,065	375	3.6%
2019	116,937	111,787	5,150	334	(10.9)
2020	121,007	114,808	6,199	116 ⁽²⁾	(65.3)
2021	n/a	n/a	n/a	61 ⁽²⁾	(47.4)
2022	n/a	n/a	n/a	257 ⁽³⁾	--

(1) Represents the number of foreclosures filed and does not take into account foreclosures which were filed and subsequently redeemed or withdrawn.

(2) The Colorado Division of Housing has advised that, due to a variety of legal restrictions and voluntary decisions by lenders related primarily to COVID-19, the 2020-21 data for foreclosure activity may not accurately reflect the foreclosure activity that would have occurred during 2020-21 absent those restrictions and decisions.

(3) Filings as of May 31, 2022, which compares to a total of 18 Weld County filings and 21 Larimer County filings in the same period in 2021.

History of Housing Units and Foreclosures – Larimer County

Year	Estimated Housing Units	Estimated Occupied Housing Units	Estimated Vacant Housing Units	Foreclosures Filed ⁽¹⁾	Foreclosure Percent Change
2017	149,794	138,325	11,469	236	--
2018	152,984	140,992	11,992	190	(19.5)%
2019	156,745	143,552	13,193	202	6.3
2020	159,447	144,516	14,931	82 ⁽²⁾	(59.4)
2021	n/a	n/a	n/a	56 ⁽²⁾	(31.7)
2022	n/a	n/a	n/a	70 ⁽³⁾	--

- (1) Vacant housing units are computed by subtracting total households from total housing units.
- (2) Represents the number of foreclosures filed and does not take into account foreclosures which were filed and subsequently redeemed or withdrawn.
- (3) The Colorado Division of Housing has advised that, due to a variety of legal restrictions and voluntary decisions by lenders related primarily to COVID-19, the 2020-21 data for foreclosure activity may not accurately reflect the foreclosure activity that would have occurred during 2020-21 absent those restrictions and decisions.

Sources: Colorado State Dept. of Local Affairs, State Demography Office, *Municipal Population and Housing Timeseries 2010 to 2020 Spreadsheet*, <https://demography.dola.colorado.gov/assets/html/housing.html>; and Colorado Division of Housing (Foreclosure data 2017-2021), and Public Trustee Offices of the Counties (Foreclosure Searches 2021-2022).

TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2022 Bonds is excluded from gross income under federal income tax laws pursuant to the Tax Code and interest on the 2022 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. Under the laws of the State in effect as of the date of delivery of the 2022 Bonds, interest on the Bonds is exempt from taxation by the State, except inheritance, estate and transfer taxes.

The Tax Code imposes several requirements which must be met with respect to the 2022 Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations), Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the 2022 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2022 Bonds; (b) limitations on the extent to which proceeds of the 2022 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2022 Bonds above the yield on the 2022 Bonds to be paid to the United States Treasury. The District will covenant and represent in the Bond Resolution that it will take all steps to comply with the requirements of the Tax Code and Colorado law (in effect on the date of delivery of the 2022 Bonds) to the extent necessary to maintain the exclusion of interest on the applicable series of 2022 Bonds from gross income and alternative minimum taxable income under such federal income tax laws and Colorado laws. Bond Counsel’s opinion as to the exclusion of interest on the 2022 Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the 2022 Bonds to be included in gross income, alternative minimum taxable income, or both, from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the District and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2022 Bonds. Owners of the 2022 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Under section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2022 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the 2022 Bonds were sold at a premium, representing a difference between the original offering price of those 2022 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such 2022 Bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the 2022 Bonds from gross income, alternative minimum taxable income and taxation by the State of Colorado as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the 2022 Bonds. Owners of the 2022 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2022 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2022 Bonds, the exclusion of interest on the 2022 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2022 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2022 Bonds. Owners of the 2022 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2022 Bonds. If an audit is commenced, the market value of the 2022 Bonds may be adversely affected. Under current audit procedures, the Service will treat the District as the taxpayer and the Owners may have no right to participate in such procedures. The District has covenanted in the Bond Resolution not to take any action that would cause the interest on the applicable series of 2022 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District or Bond or Special Counsel is responsible for paying or reimbursing any Registered Owner or Beneficial Owner for any audit or litigation costs relating to the 2022 Bonds.

LEGAL MATTERS

Litigation

There is no litigation now pending which questions the validity of the 2022 Bonds or any proceedings the District has taken with respect to the issuance or sale thereof or which would affect the District's ability to pay the 2022 Bonds from the sources pledged therefore.

The District's general counsel is expected to render an opinion on the date of issuance of the 2022 Bonds stating that, to the best of its actual knowledge, there is no action, suit, or proceeding pending in which the District is a party, nor is there any inquiry or investigation pending against the District by any governmental agency, public agency, or authority which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the documents related to the issuance of the 2022 Bonds.

Sovereign Immunity

The Colorado Governmental Immunity Act, Article 10 of Title 24, C.R.S. (the "Immunity Act"), provides that public entities and their employees acting within the course and scope of their employment are immune from liability for tort claims under State law based on the principle of sovereign immunity, except for those specifically identified events or occurrences defined in the Immunity Act. Whenever recovery is permitted, the Immunity Act also generally limits the maximum amount that may be recovered. For incidents occurring prior to July 1, 2013, the limits are \$150,000 for injury to one person in a single occurrence and an aggregate of \$600,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of \$150,000; for incidents occurring on and after January 1, 2013, but before January 1, 2018, the maximum amounts that may be recovered under the Immunity Act are \$350,000 for injury to one person in a single occurrence and an aggregate of \$990,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of \$350,000; and for incidents occurring on and after January 1, 2018, but before January 1, 2022, the maximum amounts that may be recovered under the Immunity Act are \$387,000 for injury to one person in a single occurrence and an aggregate of \$1,093,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of \$387,000. These limits are subject to adjustment on January 1, 2022, and every four years thereafter based on the percentage change in the Consumer Price Index for Denver-Boulder-Greeley, or its successor index. In individual cases the General Assembly may authorize the recovery from the State of amounts in excess of these limits by legislative action initiated either directly by the General Assembly or upon recommendation of the State Claims Board. The Immunity Act does not limit recovery against an employee who is acting outside the course and scope of his/her employment. The Immunity Act specifies the sources from which judgments against public entities may be collected and provides that public entities are not liable for punitive or exemplary damages. The Immunity Act does not prohibit claims in Colorado state court against public entities or their employees based on contract and may not prohibit such claims based on other common law theories. However, the Immunity Act does bar certain federal actions or claims against the State or State employees sued in their official capacities under federal statutes when such actions are brought in state court. The Eleventh Amendment to the U.S. constitution bars certain federal actions or claims against the State or its employees sued in their official capacities under federal statutes when such actions are brought in federal court.

Approval of Certain Legal Proceedings

An approving opinion of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with the 2022 Bonds. A form of the Bond Counsel opinion is attached to this Official Statement as Appendix D. The opinions will include a statement that the obligations of the District are subject to the reasonable

exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the federal constitution, including bankruptcy. Sherman & Howard L.L.C., Denver, Colorado, has also acted as Special Counsel to the District in connection with this Official Statement. Certain matters will be passed upon for the District by the District's General Counsel.

Certain Constitutional Limitations

General. In 1992, the voters of Colorado approved TABOR, a constitutional amendment which is codified as Article X, Section 20, of the State constitution. In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the District ("local governments"), but does not apply to "enterprises," defined as government owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption. Additional litigation may be commenced in the future seeking further interpretation of TABOR. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government's spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service on bonds can be paid without regard to any spending limits, assuming revenues are available to do so.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The District has budgeted emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase-out requirements) to

reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

Enterprise Status. The District has determined that the System is currently an enterprise; however, TABOR contemplates that enterprise status can change over time. Because the 2022 Bonds are issued by the District as an enterprise, voter approval for the issuance of the 2022 Bonds is not required under TABOR, and the remaining terms of TABOR do not apply to the operation of the System.

If the System ever ceases to be an enterprise, the System's spending and revenues would become subject to the limitations of TABOR, unless the District obtains voter approval to be exempted from such limitations. Assuming such voter approval is not obtained, the applicability of the spending and revenue limitations upon the System could restrict the District's ability to spend its revenues in excess of such limitations absent voter approval. The effect of any future application of the limitations of TABOR would depend on the District's overall spending and revenues at that time. Even if the System ceases to have enterprise status, the rate covenant and the lien on Net Pledged Revenues provided for in the Bond Resolution will continue to secure the payment of debt service on the 2022 Bonds.

Police Power

The obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal constitution, including bankruptcy.

RATING

Standard & Poor's Rating Group ("S&P") is expected to assign the 2022 Bonds the Rating set forth on the cover page of this Official Statement. An explanation of the significance of the rating may be obtained from S&P at 55 Water Street, New York, New York 10041.

Such rating reflects only the views of S&P, and there is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2022 Bonds. Other than its responsibilities under the Disclosure Certificates, the District has not undertaken any responsibility to bring to the attention of the owners of the 2022 Bonds any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

INDEPENDENT AUDITORS

The basic financial statements of the District for the fiscal years ended December 31, 2020 and 2021, included in this Official Statement as Appendix A, have been audited by BDO USA, LLP, independent certified public accountants, Greeley, Colorado, to the extent and for the period indicated in their report thereon.

MUNICIPAL ADVISOR

Hilltop Securities Inc., Denver, Colorado is serving as Municipal Advisor to the District with respect to the sale of the Bonds. The Municipal Advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Bonds. The Municipal Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in the Official Statement and

the appendices hereto. Fees of the Municipal Advisor with regard to the issuance of the 2022 Bonds are contingent upon the issuance and delivery of the 2022 Bonds.

PUBLIC SALE

The District expects to sell the 2022 Bonds at public sale on August 30, 2022.

OFFICIAL STATEMENT CERTIFICATION

The preparation of this Official Statement and its distribution have been authorized by the Board. This Official Statement is hereby duly approved by the Board as of the date on the cover page hereof.

NORTH WELD COUNTY WATER
DISTRICT

By: _____
Chairman of the Board and President

APPENDIX A

**AUDITED BASIC FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR
ENDED DECEMBER 31, 2021 AND 2020**

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

This Appendix B sets forth certain definitions used in the Bond Resolution and summaries of certain provisions of the Bond Resolution. These summaries do not purport to be definitive summaries of all of the provisions of the Bond Resolution; these summaries are qualified in their entirety by the provisions of the Bond Resolution. Reference must be made to the actual and complete provisions of the Bond Resolution for a complete recital of their respective terms. Copies of the Bond Resolution may be obtained from the sources listed in “INTRODUCTION – Additional Information.”

Certain Definitions

The following are definitions of certain terms as used in the Bond Resolution:

“acquire” or “acquisition” means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contract, or other acquisition, or any combination thereof, of any properties pertaining to the System, or an interest therein, or any other properties designated in the Bond Resolution.

“Bond Counsel” means Sherman & Howard L.L.C. or such other attorney or a firm of attorneys, designated by the District and satisfactory to the Paying Agent of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Fund” means the separate special funds designated as the “North Weld County Water District, Larimer and Weld Counties, Colorado, Water Enterprise Revenue Bonds, Series 2022, Bond Fund” created pursuant to Section 605 of the Bond Resolution.

“Bond Requirements” means the principal of, any prior redemption premiums due in connection with, and the interest on the 2022 Bonds, any Parity Bonds, or other securities payable from the Net Pledged Revenues and heretofore or hereafter issued, if any, or such part of such securities as may be designated.

“Business Day” means a day of the year, other than a Saturday or Sunday, other than a day on which commercial banks located in the city in which the principal corporate trust office of the Paying Agent is located are required or authorized to remain closed and other than a day on which the New York Stock Exchange is closed.

“Code” means the Internal Revenue Code of 1986, as amended to the date of delivery of the 2022 Bonds, and the regulations promulgated thereunder.

“Combined Maximum Annual Principal and Interest Requirements” means the largest sum of the principal of and interest on the 2022 Bonds and any Outstanding Parity Bonds, excluding any securities the principal of which is payable within less than one year from the date on which issued, to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any 2019 Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later (but excluding any reserve requirement to secure such payments unless otherwise expressly provided). The word “principal,” as used in the preceding sentence, means for all purposes of this paragraph, the principal which must be paid to security Owners, whether on

stated maturity dates or on mandatory Redemption Dates, or otherwise. Any such computation shall be adjusted for all purposes in the same manner as is provided in Section 803 of the Bond Resolution (“Issuance of Additional Parity Bonds”).

“Commercial Bank” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation (or any successors thereto) and of the Federal Reserve System, which has a capital and surplus of \$10,000,000 or more, and which is located within the United States of America.

“Cost of the Project” or any phrase of similar import, means, in addition to the usual connotations thereof, the cost of acquisition and equipment of the Improvements to the System for the District constituting the Project, or any part thereof, and of all or any property, rights, easements, privileges, agreements and franchises deemed by the District to be necessary or useful and convenient therefor or in connection therewith, including, without limitation:

(a) Engineering and inspection costs and legal expenses, costs of financial, professional and other estimates and advice,

(b) Contingencies, any administrative, operating and other expenses of the District before and during such acquisition and equipment, and additionally during a period of not exceeding one year after the completion thereof, as is estimated and determined by the Board in this Resolution or any other instrument pertaining to any bonds or other securities or in any contract with any municipality, or otherwise,

(c) items of expense payable or reimbursable directly or indirectly by the District and other costs incurred by the District, all related to the authorization, sale and issuance of the Bonds or otherwise pursuant to this Resolution, which costs and items of expense shall include, but not be limited to, underwriters’ compensation, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software related to the Bonds, filing and recording fees, travel expenses incurred by the District in relation to such issuance of Bonds or otherwise pursuant to this Resolution, premiums of the Insurer and Surety Provider, initial fees and charges of the Registrar and the Paying Agent, legal fees and charges, consultants’ fees, accountants’ fees, costs of bond ratings, fees and charges for execution, transportation and safekeeping of the Bonds, and accrued interest paid in connection with the purchase of any Investment Securities with the proceeds of Bonds,

(d) All such other expenses as may be necessary or incidental to the financing, acquisition, equipment and completion of the improvement to the System or any part thereof, and the placing of the same in operation,

(e) Such provision or reserves for working capital, operation, maintenance or replacement expenses, or for payment or security of principal of or interest on any securities during or after such acquisition and equipment as the District herein determines, including any premiums for any Qualified Surety Bond in the Bond Fund as all or a part of the Required Reserve,

(f) Any costs of funding and redeeming any Outstanding debentures, warrants and notes of the District issued for the Project, or any part thereof,

(g) Reimbursements to the District or to any municipality or other person of any moneys theretofore expended for the purposes of the Project but only temporarily advanced therefor or to any municipality or other public body or to the federal government of any moneys advanced temporarily and

theretofore expended for or in connection with the System, a portion of which costs is defrayed and is to be defrayed with the proceeds of bonds or other securities of the District, and

(h) The cost and expense of acquiring by purchase or condemnation of such lands, property rights, rights-of-way, easements and other interests in lands as may be deemed necessary or convenient for the construction and operation of the Project, including abstracts of title and title insurance, and options and partial payments thereupon, and the amount of any damages incident to or consequent upon such acquisition.

The “cost of an Improvement Project” includes the costs designated in this definition, incurred or to be incurred in connection with such Improvement Project.

“Events of Default” means the events stated in Section 1003 of the Bond Resolution. See “Events of Default and Remedies” below.

“Existing Parity Obligations” means, collectively, the 2009 Loan and the 2012 Bonds.

“Federal Government” means the United States of America and any agency, instrumentality or corporation thereof.

“Federal Securities” means bills, certificates of indebtedness, notes, or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the calendar year or any other 12 month period hereafter selected by the District as its fiscal year.

“Gross Pledged Revenues” means all fees (including but not limited to user fees and plant investment fees), charges and revenues directly or indirectly derived by the District for the services furnished by, or use of, the System, or any part thereof, including all income attributable to any future dispositions of property or rights related contracts, settlements, or judgments held or obtained in connection with the System or its operations; provided however, that there shall be excluded from Gross Revenue (a) moneys borrowed and used for providing Capital Improvements, (b) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same, and (c) any moneys received as grants or appropriations from the United States, the State of Colorado, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

“Improvement Project” means the construction, installation and other acquisition of Improvements to the System, including, without limitation, any water treatment plant, water treatment works, force mains, water lines, pumping plants or stations, and appurtenances useful or convenient for the interception, transportation, treatment, purification and disposal of water and all necessary lands, interests in land, easements and water rights and any other cost of an Improvement Project, as authorized by the Act; and an Improvement Project may be referred to as such, or as “constructing, installing and otherwise acquiring Improvements to the System,” or words of similar import.

“Income Fund” means the special fund designated as the “North Weld County Water District, Larimer and Weld Counties, Colorado, Water Enterprise Revenue Bonds, Gross Income Fund” created pursuant to the Bond Resolution.

“Independent Accountant” means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State:

- (a) Who is, in fact, independent and not under the domination of the District;
- (b) Who does not have any substantial interest, direct or indirect, with the District, and
- (c) Who is not connected with the District as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the District.

“Independent Engineer” means an individual, firm or corporation engaged in the engineering profession of recognized good standing and having specific experience in respect of business and properties of a character similar to those of the System, which individual, firm or corporation has no substantial interest, direct or indirect, in the District and in the case of an individual, is not a member of the Board, or an officer or employee of the District, and in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the Board or an officer or employee of the District.

“Insurance Agreement” means the agreement entered into between the District and the Surety Provider.

“Investment Securities” means any securities or other obligations permitted as investments of moneys of the District under the laws of the State.

“Net Pledged Revenues” means the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses of the System.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the District, paid or accrued, for operating, maintaining, and repairing the System, including without limitation legal and overhead expenses of the District directly related to the administration of the System; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance or transfers for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued to provide Capital Improvements, and charges for accumulation of reserves.

“Outstanding” when used with reference to the 2022 Bonds, the Parity Bonds, or any other designated securities and as of any particular date means all the 2022 Bonds, the Parity Bonds, or any such other securities payable from the Net Pledged Revenues or otherwise pertaining to the System, as the case may be, in any manner theretofore and thereupon being executed and delivered:

- (a) Except any 2019 Bond, Parity Bonds, or other security canceled by the District, by any paying agent, or otherwise on the District’s behalf, at or before such date;
- (b) Except any 2019 Bond, Parity Bond, or other security deemed to be paid as provided in the Bond Resolution with respect to defeasance or any similar provision of the resolution authorizing the issuance of such other security; and

(c) Except any 2019 Bond, Parity Bond, or other security in lieu of or in substitution for which another 2012 Bond or other security shall have been executed and delivered pursuant to the Bond Resolution or the resolution authorizing the issuance of such other security.

“Owner” means the registered owner of any designated 2019 Bond, Parity Bond, or other designated security.

“Parity Bonds” means the Existing Parity Obligations, and any securities hereafter issued payable from and having an irrevocable lien upon the Net Pledged Revenues on a parity with the Bonds.

“Parity Bond Resolutions” means the resolution authorizing the 2009 Loan Agreement, the 2012 Bond Resolution, and any resolutions or agreements hereafter entered into by the District with respect to Parity Bonds and, without duplication, any resolutions hereafter adopted by the Board authorizing the issuance of Parity Bonds.

“Person” means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the District), partnership, limited liability company, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

“President” means the Chairman of the Board of Directors and President of the District.

“Project” means the Improvement Project financed or to be financed with the proceeds of the Bonds.

“Project Fund” means the special fund designated as the “North Weld County Water District, Larimer and Weld Counties, Colorado, Water Enterprise Revenue Bonds, Series 2022, Project Fund” created pursuant to Section 501 hereof.

“Purchaser” means the manager of the original purchasing account for the Bonds, as determined by the District Manager based on competitive bids received at the public sale of the Bonds as provided herein.

“Rebate Fund” means the separate special funds designated as the “North Weld County Water District, Larimer and Weld Counties, Colorado, Water Enterprise Revenue Bonds, Series 2022, Rebate Fund” created pursuant to Section 609 of the Bond Resolution.

“Redemption Date” means the date fixed for the redemption prior to their respective maturities of any 2022 Bonds or other designated securities payable from Net Pledged Revenues in any notice of prior redemption or otherwise fixed and designated by the District.

“Sale Certificate” means the sale certificate of the District relating the 2022 Bonds issued pursuant to the Supplemental Public Securities Act and described in the Bond Resolution.

“Subordinate Securities” means securities payable from the Net Pledged Revenues subordinate and junior to the lien thereon of the 2022 Bonds and any Parity Bonds.

“Supplemental Public Securities Act” means Part 2 of Article 57 of Title 11, C.R.S., as amended.

“System” means all of the District’s water facilities now owned or hereafter acquired, whether situated within or without the boundaries of the District.

“Tax Compliance Certificate” means the separate Federal Tax Exemption Certificate executed by the District in connection with the initial issuance and delivery of the 2022 Bonds.

“Trust Bank” means a Commercial Bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

Pledge Securing Bonds

Subject only to the right of the District to cause amounts to be withdrawn and paid on account of Operation and Maintenance Expenses of the System, the Gross Pledged Revenues and other than moneys and securities held in the Rebate Funds to the extent such amounts are required to be paid to the United States, all moneys and securities paid or to be paid to or held or to be held in any fund or account under the Bond Resolution are pledged to secure the payment of the Bond Requirements of the Outstanding 2022 Bonds and to secure the obligations of the District to pay Policy Costs. The pledge of the Net Pledged Revenues to secure the payment of the Bond Requirements of the Outstanding 2022 Bonds is on a parity with the pledge of the Net Pledged Revenues for, and lien thereon of any Outstanding Parity Bonds issued in compliance with the provisions of the Bond Resolution. The pledge of the Net Pledged Revenues to secure the payment of the Policy Costs is subordinate only to the pledge to pay the Bond Requirements with respect to the 2022 Bonds and any Parity Bonds. This pledge shall be valid and binding from and after the date of the delivery of the 2022 Bonds, and the moneys as received by the District and pledged by the Bond Resolution shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge and the obligation to perform the contractual provisions made in the Bond Resolution shall have priority over any or all other obligations and liabilities of the District except any Outstanding Parity Bonds and any Policy Costs as provided in the Bond Resolution. The lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District (except as otherwise provided in the Bond Resolution) irrespective of whether such parties have notice thereof.

Special Obligations

All of the Bond Requirements of the 2022 Bonds shall be payable and collectible solely out of the Net Pledged Revenues, which revenues are so pledged; the Owner or Owners of the 2022 Bonds and the Surety Provider may not look to any general or other fund for the payment of such Bond Requirements, except the designated special funds pledged therefor; the 2022 Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional, or statutory provision or limitation; and the 2022 Bonds shall not be considered or held to be general obligations of the District but shall constitute its special obligations. No statutory or constitutional provision enacted after the issuance of the 2022 Bonds shall in any manner be construed as limiting or impairing the obligation of the District to comply with the provisions of the Bond Resolution or to pay the Bond Requirements of the 2022 Bonds as provided in the Bond Resolution.

No Pledge of Property

The payment of the 2022 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except for the Net Pledged Revenues and other moneys pledged for the payment of the Bond Requirements of the 2022 Bonds. No property of the District, subject to such exception, shall be liable to be forfeited or taken in payment of the 2022 Bonds.

Lien Status; Equality of Lien

The 2022 Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues. The Policy Costs constitute an irrevocable and subordinate lien (but not necessarily an exclusive subordinate lien) upon the Net Pledged Revenues.

The Bonds and any Parity Bonds hereafter authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance of the Bonds and any other such Parity Bonds, it being the intention of the Board that there shall be no priority among the Bonds and any such Parity Bonds regardless of the fact that they may be actually issued and delivered at different times, except that (a) moneys in the Bond Fund and Reserve Fund shall secure only the Bonds and the moneys in any acquisition, bond, reserve or similar funds established for Parity Bonds shall secure only such Parity Bonds and (b) Parity Bonds may have a lien on Net Pledged Revenues on a parity with the lien thereon of the Bonds even if no reserve fund is established for such Parity Bonds or a reserve fund is established but with a different requirement as to the amount of moneys (or the value of a reserve fund insurance policy with respect to such Parity Bonds) required to be on deposit therein or the manner in which such reserve fund is funded or the period of time over which such reserve fund is funded or additional or separate revenues are also pledged to such Parity Bonds.

The District shall cause amounts on deposit in the Rebate Fund for the 2022 Bonds to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Tax Compliance Certificate.

Investment of Funds

Investment of Moneys. Any moneys in the Income Fund, Project Fund, Bond Fund, Reserve Fund and Rebate Fund not needed for immediate use shall be invested or reinvested by the District Manager in Investment Securities. All such investments shall (a) either be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or (b) mature not later than the estimated date or respective dates on which the proceeds are to be expended as estimated by the District Manager at the time of such investment or reinvestment; provided that (1) Investment Securities credited to the Reserve Fund for the 2022 Bonds shall not mature later than ten years from the date of such investment or reinvestment, and (2) collateral securities of any Investment Securities may have a maturity of more than five years from the date of purchase thereof. For the purpose of any such investment or reinvestment, Investment Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Accounting for Investments. The Investment Securities so purchased as an investment or reinvestment of moneys in any such account hereunder shall be deemed at all times to be a part of the account. Any interest or other gain from any investments and reinvestments of moneys accounted for in the Income Fund, the Project Fund, the Bond Fund and the Rebate Funds shall be credited to such account, and any loss resulting from any such investments or reinvestments of moneys accounted for in the Income Fund, the Project Fund, the Bond Fund, the Reserve Fund and the Rebate Fund shall be charged or debited to such Fund.

No loss or profit in any account on any investments or reinvestments in Investment Securities shall be deemed to take place as a result of market fluctuations of the Investment Securities prior to the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided or for rebate purposes, as described in the Tax Compliance Certificate for the 2022 Bonds, Investment Securities shall be valued at the cost thereof (including any amount paid as

accrued interest at the time of purchase of the obligation); provided that any time or demand deposits shall be valued at the amounts deposited, in each case exclusive of any accrued interest or any other gain to the District until such gain is realized by the presentation of matured coupons for payment or otherwise.

Redemption or Sale of Investment Securities. The District Manager shall present for redemption or sale on the prevailing market at the best price obtainable any Investment Securities so purchased as an investment or reinvestment of moneys in the account whenever it shall be necessary in order to provide moneys to meet any withdrawal, payment or transfer from such account. Neither the District Manager nor any other officer or employee of the District shall be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with the Bond Resolution.

Refunding Bonds

The District may issue any refunding securities payable from Net Pledged Revenues to refund any Outstanding 2022 Bonds, Parity Bonds or any subordinate securities, with such details as the Board may by resolution provide so long as there is no impairment of any contractual obligation imposed upon the District by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding securities of any one or more issues; but so long as the 2022 Bonds, or any part thereof, are Outstanding, refunding securities payable from Net Pledged Revenues may be issued on a parity with the unrefunded 2022 Bonds of such series only if:

A. Prior Consent. The District first receives the consent of the Owner or Owners of the unrefunded portion of the 2022 Bonds of such series; or

B. Requirements Not Increased. The Combined Maximum Annual Principal and Interest Requirements for the 2022 Bonds and Parity Bonds Outstanding immediately after the issuance of the refunding securities is not greater than the Combined Maximum Annual Principal and Interest Requirements for all 2022 Bonds and Parity Bonds Outstanding immediately prior to the issuance of the refunding securities and the lien of any refunding Parity Bonds on the Net Pledged Revenues is not raised to a higher priority than the lien thereon of any securities thereby refunded; or

C. Earnings Test. The refunding securities are issued in compliance with the earnings test set forth under “SECURITY FOR THE BONDS – Additional Bonds – Parity Bonds.”

Certain Protective Covenants

The Bond Resolution contains numerous covenants; these covenants include, but are not limited to, the following:

Performance of Duties. The District, acting by and through the Board or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Gross Pledged Revenues and the System required by the constitution and laws of the State and the various resolutions of the District, including, without limitation, the making and collection of reasonable and sufficient fees, rates and other charges for services rendered or furnished by or the use of the System, as provided in the Bond Resolution, and the proper segregation of the proceeds of the 2022 Bonds and of any securities hereafter authorized and the Gross Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Contractual Obligations. The District shall perform all contractual obligations undertaken by it under any agreements relating to the 2022 Bonds, the Gross Pledged Revenues, the Project, or the System, or any combination thereof, with any other Persons.

Further Assurances. At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Gross Pledged Revenues and other moneys and funds or accounts pledged or assigned by the Bond Resolution, or intended so to be, or which the District may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of the Bond Resolution and to comply with any instrument of the District amendatory thereof, or supplemental thereto. The District, acting by and through the Board, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Gross Pledged Revenues and other moneys and funds or accounts pledged under the Bond Resolution and all the rights of every Owner of any 2019 Bond thereunder against all claims and demands of all Persons whomsoever.

Conditions Precedent. Upon the date of issuance of the 2022 Bonds, all conditions, acts and things required by the Federal or State constitutions, the Water Activity Act, the Supplemental Public Securities Act, the Bond Resolution, or any other applicable law to exist, to have happened and to have been performed precedent to or in the issuance of the 2022 Bonds shall exist, have happened, and have been performed; and the 2022 Bonds, together with all other obligations of the District, shall not contravene any debt or other limitation prescribed by the State constitution.

Efficient Operation and Maintenance. The District shall at all times operate the System properly and in a sound and economical manner; and the District shall maintain, preserve and keep the same properly or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the District in connection with the maintenance, repair and operation of the System shall be reasonable and proper.

Rules, Regulations and Other Details. The District, acting by and through the Board, shall establish and enforce reasonable rules and regulations governing the operation, use and services of the System. The District shall observe and perform all of the terms and conditions contained in the Bond Resolution, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or to the District, except for any period during which the same are being contested in good faith by proper legal proceedings.

Payment of Governmental Charges. The District shall pay or cause to be paid all taxes and assessments or other governmental charges, if any, lawfully levied or assessed upon or in respect of the System, or upon any part thereof, or upon any portion of the Gross Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any governmental authority relative to the System or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The District shall not create or suffer to be created any lien upon the System, or any part thereof, or upon the Gross Pledged Revenues, except the pledge and lien created by the Bond Resolution for the payment of the Bond Requirements of the 2022 Bonds and except as otherwise permitted in the Bond Resolution. The District shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System, or any part thereof, or the Gross Pledged Revenues; but the District is not required to pay or cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Protection of Security. The District, the officers, agents and employees of the District, and the Board shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the 2022 Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues or any Policy Costs relating thereto according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any Owner of any 2019 Bond or other security payable from Net Pledged Revenues or any Policy Costs relating thereto might be prejudicially and materially impaired or diminished.

Corporate Existence. The District shall maintain its corporate identity and existence so long as any of the 2022 Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the District and is obligated by law to operate and maintain the System and to fix and collect the Gross Pledged Revenues without adversely and materially affecting at any time the privileges and rights of any Owner of any Outstanding 2019 Bond.

Disposal of System Prohibited. Except for the use of the System and services pertaining thereto in the normal course of business, or as provided in the paragraph below, neither all nor a substantial part of the System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of, until all the 2022 Bonds have been paid in full, as to all Bond Requirements, or unless provision has been made therefor, or until the 2022 Bonds have otherwise been redeemed, including, without limitation, the termination of the pledge as authorized in the Bond Resolution; and the District shall not dispose of its title to the System or to any useful part thereof, including any property necessary to the operation and use of the System and the lands and interests in lands comprising the sites of the System.

Disposal of Unnecessary Property. The District at any time and from time to time may sell, exchange, lease or otherwise dispose of any property constituting a part of the System and not useful in the construction, reconstruction or operation thereof, or which shall cease to be necessary for the efficient operation of the System, or which shall have been replaced by other property of at least equal value. Any proceeds of any such sale, exchange, lease or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, shall be deposited by the District in the Income Fund or into a special book account for the betterment, enlargement, extension, other improvement and equipment of the System, or any combination thereof, as the Board may determine, provided that any proceeds of any such lease received shall be deposited by the District as Gross Pledged Revenues in the Income Fund.

Competing System. So long as any of the 2022 Bonds are Outstanding, the District shall not grant any franchise or license to any competing facilities so that the Gross Pledged Revenues shall not be sufficient to satisfy the covenant set forth under “SECURITY FOR THE BONDS – Rate Maintenance Covenants.”

Loss From Condemnation. If any part of the System is taken by the exercise of the power of eminent domain, the amount of any award received by the District as a result of such taking shall be paid into the Income Fund or into a capital improvement account pertaining to the System for the purposes thereof, or, applied to the redemption of the Outstanding 2022 Bonds and any Outstanding Parity Bonds relating thereto, all as the District may determine.

Employment of Management Engineers. If the District defaults in paying the Bond Requirements of the 2022 Bonds, the Parity Bonds, and any other securities or Policy Costs relating thereto payable from the Gross Pledged Revenues promptly as the same fall due, or an Event of Default has occurred and is continuing, or if the Net Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of the Outstanding 2022 Bonds, Parity Bonds, and any other securities (including all reserves

therefor specified in the authorizing proceedings, including, without limitation, the Bond Resolution) or Policy Costs relating thereto payable from the Net Pledged Revenues in that Fiscal Year, the District shall retain a firm of competent management engineers skilled in the operation of such facilities to assist the management of the System so long as such default continues or so long as the Net Pledged Revenues are less than the amount described in this paragraph.

Reasonable and Adequate Charges. While the 2022 Bonds remain Outstanding and unpaid, the fees, rates and other charges due to the District for the use of or otherwise pertaining to and services rendered by the System to the District, to its inhabitants and to all other users within and without the boundaries of the District shall be reasonable and just, taking into account and consideration public interests and needs, the cost and value of the System, the Operation and Maintenance Expenses thereof, and the amounts necessary to meet the Bond Requirements of all 2022 Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues, including, without limitation, reserves and any replacement accounts therefor.

Limitations Upon Free Service. No free service or facilities shall be furnished by the System, except that the District shall not be required to pay for any use by the District of any facilities of the System for District purposes or for fire protection purposes. If the District chooses, in its sole discretion, to pay for its use of the System, all the income so derived from the District shall be deemed to be income derived from the operation of the System, to be used and to be accounted for in the same manner as any other income derived from the operation of the System.

Levy of Charges. The District shall forthwith and in any event prior to the delivery of any of the 2022 Bonds, fix, establish and levy the fees, rates and other charges which are required by the covenant described under “SECURITY FOR THE BONDS – Rate Maintenance Covenants,” if such action is necessary therefor. No reduction in any initial or existing rate schedule for the System may be made:

A. Proper Application. Unless the District has fully complied with the provisions of the Bond Resolution relating to the administration and accounting for pledged revenues for at least the full Fiscal Year immediately preceding such reduction of the initial or any other existing rate schedule; and

B. Sufficient Revenues. Unless the audit required by the Independent Accountant by the Bond Resolution for the full Fiscal Year immediately preceding such reduction discloses that the estimated revenues resulting from the proposed rate schedule for the System, after the schedule’s proposed reduction, shall be at least sufficient to produce the amounts required by the covenant described under “SECURITY FOR THE BONDS – Rate Maintenance Covenants.”

Collection of Charges. The District shall cause all fees, rates and other charges pertaining to the System to be collected as soon as is reasonable, shall reasonably prescribe and enforce rules and regulations or impose contractual obligations for the payment of such charges, and for the use of the System, and shall provide methods of collection and penalties, to the end that the Gross Pledged Revenues shall be adequate to meet the requirements of the Bond Resolution and any other resolutions supplemental thereto.

Insurance and Reconstruction. Except to the extent of any self-insurance, the District shall at all times maintain with responsible insurers fire and extended coverage insurance, worker’s compensation insurance, public liability insurance and all such other insurance as is customarily maintained with respect to utilities of like character against loss of or damage to the System and against loss of revenues and against public and other liability to the extent reasonably necessary to protect the interests of the District and of each Owner of a 2019 Bond. If any useful part of the System shall be damaged or destroyed, the District shall, as expeditiously as may be possible, commence and diligently proceed with the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such insurance shall be

payable to the District and (except for proceeds of any use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Income Fund by the District as revenues derived from the operation of the System. If the costs of such repair and replacement of the damaged property exceed the proceeds of such insurance available for the payment of the same, moneys in the Income Fund shall be used to the extent necessary for such purposes, as described under "SECURITY FOR THE BONDS – Flow of Funds – Use of Remaining Revenues."

Defeasance

If, when the 2022 Bonds shall be paid in accordance with their terms (or payment of such 2022 Bonds has been provided for in the manner set forth in the following paragraph), then the Bond Resolution and all rights granted thereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding 2019 Bond shall prior to the maturity or Redemption Date thereof be deemed to have been provided for within the meaning and with the effect expressed in the Bond Resolution if (a) in case said 2019 Bond is to be redeemed on any date prior to its maturity, the District shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give notice of redemption of such 2019 Bond on a Redemption Date pursuant to the provisions set forth under "THE BONDS – Prior Redemption – Notice of Redemption," (b) there shall have been deposited with the Paying Agent or a Trust Bank either moneys in an amount which shall be sufficient, and/or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or Trust Bank at the same time, shall be sufficient to pay when due the Bond Requirements due and to become due on said 2019 Bond on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event said 2019 Bond is not by its terms subject to redemption within the next sixty days, the District shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to the provisions set forth under "THE BONDS – Prior Redemption – Notice of Redemption," a notice to the Owner of such 2019 Bond that the deposit required by (b) above has been made with the Paying Agent or Trust Bank and that payment of said 2019 Bond has been provided for in accordance with the Bond Resolution and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the 2019 Bond Requirements of said 2019 Bond. Neither such securities nor moneys deposited with the Paying Agent or Trust Bank for defeasance or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Requirements of said 2019 Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other Trust Bank, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the Bond Requirements to become due on said 2019 Bond on or prior to such Redemption Date or maturity date thereof, as the case may be. At such time as payment of a 2019 Bond has been provided for as aforesaid, such 2019 Bond shall no longer be secured by or entitled to the benefits of the Bond Resolution, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other Trust Bank.

Upon compliance with the foregoing provisions with respect to all 2022 Bonds then Outstanding, the Bond Resolution may be discharged but the liability of the District in respect of the 2022 Bonds of such series shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other Commercial Bank as provided above.

Events of Default and Remedies

Events of Default. Each of the following events is an “Event of Default” pursuant to the Bond Resolution:

A. Nonpayment of Principal. Payment of the principal of any of the 2022 Bonds is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on any of the 2022 Bonds is not made when the same becomes due and payable;

C. Cross Defaults. The occurrence and continuance of an “event of default,” as defined in any Parity Bond Resolution;

D. Failure to Reconstruct. The District unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the System which is destroyed or damaged and is not promptly repaired or replaced (whether such failure promptly to repair the same is due to impracticability of such repair or replacement or is due to a lack of moneys therefor or for any other reason), but it shall not be an Event of Default if such reconstruction is not essential to the efficient operation of the System;

E. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the District appointing a receiver or receivers for the System or for the Gross Pledged Revenues and any other moneys subject to the lien to secure the payment of the 2022 Bonds, or if an order or decree having been entered without the consent or acquiescence of the District is not vacated or discharged or stayed on appeal within 60 days after entry;

F. Default of Any Provision. The District defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the 2022 Bonds or in the Bond Resolution on its part to be performed (other than with respect to the Continuing Disclosure Certificate for the 2022 Bonds), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District specifying the failure and requiring that it be remedied, which notice may be given by the Paying Agent in its discretion” below, shall be given by the Paying Agent at the written request of the Owners of not less than 25% in aggregate principal amount of 2022 Bonds then Outstanding.

Remedies for Defaults. Upon the happening and continuance of any Event of Default, the Owner or Owners of not less than 25% in aggregate principal amount of the 2022 Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the District and its agents, officers and employees to protect and to enforce the rights of any Owner of such 2022 Bonds under the Bond Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in the Bond Resolution or in an award of execution of any power therein granted for the enforcement of any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any such 2019 Bond, or to require the District to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the 2022 Bonds.

Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of such Owners under the Bond Resolution, the consent to any such appointment being expressly granted by the District, may enter and may take possession of the System, may operate and maintain the same, may prescribe fees, rates and other charges, and may collect, receive and apply all Gross Pledged Revenues arising after the appointment of such receiver in the same manner as the District itself might do.

Rights and Privileges Cumulative. The failure of any Owner of any Outstanding 2019 Bond to proceed in any manner provided in the Bond Resolution shall not relieve the District, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such Owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof.

Duties upon Defaults. Upon the happening of any Event of Default, the District shall do and perform all proper acts on behalf of and for the Owners of 2022 Bonds to protect and to preserve the security created for the payment of the 2022 Bonds and to insure the payment of the Bond Requirements promptly as the same become due. While any Event of Default exists, except to the extent it may be unlawful to do so, all Gross Pledged Revenues shall be paid into the Bond Fund for both series of 2022 Bonds and into bond or similar funds established for any Parity Bonds then Outstanding, pro rata based upon the aggregate principal amount of the 2022 Bonds and Parity Bonds then Outstanding. If the District fails or refuses to proceed as provided above, the Owner or Owners of not less than 25% in aggregate principal amount of the 2022 Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of such 2022 Bonds, and to that end any such Owners of the Outstanding 2022 Bonds shall be subrogated to all rights of the District under any agreement, lease or other contract involving the System or the Gross Pledged Revenues entered into prior to the effective date of the Bond Resolution or thereafter while any of the 2022 Bonds are Outstanding.

Amendment of the Bond Resolution

Amendments Requiring Consent of Owners. Except as hereafter provided, the Bond Resolution may be amended or supplemented by resolutions adopted by the Board in accordance with law, without receipt by the District of any additional consideration, the Owners of not less than 66% in aggregate principal amount of the 2022 Bonds Outstanding at the time of the adoption of such amendatory or supplemental resolution excluding any 2022 Bonds which may then be held or owned for the account of the District. Notwithstanding the foregoing, no such resolution shall permit:

(1) Changing Payment. A change in the maturity, terms of redemption or interest payment of any Outstanding 2019 Bond of such series; or

(2) Reducing Return. A reduction in the principal amount of any 2019 Bond of such series or the rate of interest thereon, without the consent of the Owner of such 2019 Bond; or

(3) Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by the Bond Resolution; or

(4) Modifying Any Bond. A reduction of the principal amount or percentages or otherwise affecting the description of 2022 Bonds of such series the consent of the Owners of which is required for any such modification or amendment; or

(5) Priorities Between Bonds. The establishment of priorities as between 2022 Bonds of such series issued and Outstanding; or

(6) Modification of Less Than All the Bonds. The modification of or otherwise affecting the rights of the Owners of less than all of the Outstanding 2022 Bonds of such series.

Amendments Not Requiring Consent of Owners. Notwithstanding the foregoing, the Bond Resolution and the rights and obligations of the District and of the Owners of the Bonds may also be modified or amended at any time, but without the consent of any Owners of the 2022 Bonds, but only to the extent permitted by law and only for any or all of the following purposes:

(1) to add to the covenants and agreements of the District in the Bond Resolution other covenants and agreements thereafter to be observed;

(2) to subject to the covenants and agreements of the District in the Bond Resolution additional System revenues, to be defined and treated as Gross Pledged Revenues, for the purpose of providing additional security for the 2022 Bonds and any Parity Bonds;

(3) in connection with the provision of a Reserve Fund Insurance Policy subsequent to the issuance of the 2022 Bonds;

(4) to provide for the appointment of a new Paying Agent; or

(5) to make such provisions for the purpose of curing any ambiguity or of curing or correcting any formal defect or omission in the Bond Resolution, or in regard to questions arising under the Bond Resolution, as the District may deem necessary or desirable, and which shall not adversely affect the interests of the Owners of the 2022 Bonds.

Notice of Amendment. Whenever the Board proposes to amend or modify either Bond Resolution, it shall cause notice of the proposed amendment to be mailed to Owners of all Outstanding 2022 Bonds of such series at their addresses as the same last appear on the registration records maintained by the Paying Agent. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file with the District Manager for public inspection. Notice of the proposed amendment, together with a copy of the proposed amendatory resolution, shall be delivered to the Rating Agencies then maintaining a rating on such 2022 Bonds at least 15 days in advance of the adoption of the amendment.

Time for Amendment. If the resolution is required to be consented to by the Owners of the 2022 Bonds of such series, whenever at any time within one year from the date of the giving of such notice there shall be filed with the District Manager an instrument or instruments executed by the Owners of at least 66% in aggregate principal amount of such 2022 Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory resolution described in such notice and shall specifically consent to and approve the adoption of such resolution, the Board may adopt such amendatory resolution and such resolution shall become effective. If the resolution is not required to be consented to by the Owners of such 2022 Bonds, the amendatory resolution may be adopted by the Board at any time.

Binding Consent to Amendment. If the Owners of not less than 66% in aggregate principal amount of the 2022 Bonds of such series Outstanding at the time of the adoption of such amendatory resolution requiring consent of the Owners of such 2022 Bonds, or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as provided in the Bond Resolution, no Owner of any such 2019 Bond, whether or not such Owner shall have consented to or shall have revoked any consent, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the District from taking any action pursuant to the provisions thereof.

Time Consent Binding. Any consent given by the Owner of a 2019 Bond pursuant to the provisions of Article XI of the Bond Resolution shall be irrevocable for a period of 6 months from the date of the giving of the notice above provided for and shall be conclusive and binding upon all future Owners of the same 2019 Bond during such period. Such consent may be revoked at any time after 6 months from the date of such giving of such notice by the Owner who gave such consent or by a successor in title by filing notice of such revocation with the District Manager, but such revocation shall not be effective if the Owners of not less than 66% in aggregate principal amount of the 2022 Bonds of such series Outstanding, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation as provided in the Bond Resolution.

Unanimous Consent. Notwithstanding the foregoing, the terms and provisions of the Bond Resolution or of any resolution amendatory thereof or supplemental thereto and the rights and the obligations of the District and of the Owners of the 2022 Bonds thereunder may be modified or amended in any respect upon the adoption by the District and upon the filing with the District Manager of a resolution to that effect and with the consent of the Owners of all the then Outstanding 2022 Bonds of such series, such consent to be given as provided in the Bond Resolution, and no notice to Owners such 2022 Bonds shall be required, nor shall the time of consent be limited except as may be provided in such consent.

Exclusion of District's Bonds. At the time of any consent or of other action taken as described above, the District shall furnish to the District Manager a certificate of the District Manager, upon which the District may rely, describing all 2022 Bonds to be excluded for the purpose of consent or of other action or of any calculation of Outstanding 2022 Bonds, and the District shall not be entitled with respect to such 2022 Bonds to give any consent or to take any other action provided for above.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity and interest rate of the Bonds, in the aggregate principal amount of such maturity and interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2022 Bonds, except in the event that use of the book-entry system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of 2022 Bonds may wish to ascertain that the nominee holding the 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2022 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2022 Bonds will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2022 Bonds at any time by giving reasonable notice to the District or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF BOND COUNSEL OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

NORTH WELD COUNTY WATER DISTRICT
LARIMER AND WELD COUNTIES, COLORADO

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the North Weld County Water District, Larimer and Weld Counties, Colorado (the “Issuer”) in connection with the issuance of its Water Enterprise Revenue Bonds, Series 2022, in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are being issued pursuant to the resolution of the Subdistrict adopted on August 8, 2022(the “Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligations” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with Rule 15c2-12.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

a. The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the Issuer's fiscal year ending December 31, 2022, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

b. If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall file or cause to be filed with the MSRB a notice in substantially the form attached as Exhibit "A."

c. The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(2) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the type of information identified in Exhibit "B" hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

a. Principal and interest payment delinquencies;

- b. Non-payment related defaults, *if material*;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers or their failure to perform;
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- g. Modifications to rights of bondholders, *if material*;
- h. Bond calls, *if material*, and tender offers;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the Bonds, *if material*;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;*
- m. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- o. incurrence of a Financial Obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- p. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

* For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: September __, 2022.

NORTH WELD COUNTY WATER DISTRICT,
LARIMER AND WELD COUNTIES, COLORADO

By: _____
Chairman of the Board of Directors and President

EXHIBIT "A"

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: North Weld County Water District, Larimer and Weld Counties, Colorado

Name of Bond Issue: Water Enterprise Revenue Bonds, Series 2022, dated as of September __, 2022, in the aggregate principal amount of \$_____.

CUSIP:

Date of Issuance: September __, 2022

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 931 of the Resolution, adopted on August 8, 2022, and the Continuing Disclosure Certificate executed on September __, 2022, by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: September __, _____

NORTH WELD COUNTY WATER DISTRICT,
LARIMER AND WELD COUNTIES, COLORADO

By: _____
Title: _____

EXHIBIT “B”

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(See Page iv to this Official Statement)

RESOLUTION

A RESOLUTION OF NORTH WELD COUNTY WATER DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF WATER ENTERPRISE REVENUE BONDS, SERIES 2022 FOR THE PURPOSE OF FUNDING CAPITAL PROJECTS, PROVIDING FOR THE SOURCES OF PAYMENT OF THE SERIES 2022 BONDS, AND PROVIDING OTHER DETAILS CONCERNING THE 2022 BONDS AND THE SYSTEM.

WHEREAS, North Weld County Water District (the “District”) is a quasi-municipal corporation and political subdivision of the State of Colorado (the “State”) duly organized and existing under the Constitution and laws of the State, in particular Title 32, Article 1, C.R.S. (the “Act”); and

WHEREAS, the members of the Board of Directors of the District (the “Board”) have been duly elected or appointed and qualified; and

WHEREAS, the District currently owns and operates a water system (the “System” as further described below) for the benefit of the inhabitants of the District; and

WHEREAS, by resolution of the Board previously adopted on October 11, 1993, the Board has determined that the System constitutes an enterprise pursuant to Article X, Section 20 of the Colorado Constitution (“TABOR”) and Title 37, Article 45.1, C.R.S. (the “Water Enterprise Act”); and

WHEREAS, the District is authorized by Article X, Section 20 of the Colorado Constitution, Section 32-1-1101(1)(d) of the Act, the Water Enterprise Act and Part 4 of Article 35 of Title 31, C.R.S., to issue revenue bonds authorized by action of the Board without the approval of the electors of the District, such bonds to be issued in the manner provided in Part 4 of Article 35 of Title 31, C.R.S.; and

WHEREAS, Section 32-1-1101(1)(j), C.R.S., authorizes the District to establish fees and charges for services, programs, or facilities furnished by the District and to pledge such revenue for payment of obligations of the District; and

WHEREAS, the District has heretofore issued its Water Enterprise Revenue Refunding Bonds, Series 2012 (the “2012 Bonds”); and

WHEREAS, the District has heretofore issued its Water Enterprise Revenue Bonds, Series 2019 (the “2019 Bonds”); and

WHEREAS, the District has heretofore issued its Water Enterprise Revenue Refunding Bond, Series 2020 (the “2020 Bonds”); and

WHEREAS, the District is not delinquent in the payment of any of the principal of or interest on the 2012 Bonds, the 2019 Bonds or the 2020 Bond (collectively, the “Existing Parity Obligations”); and

WHEREAS, the Existing Parity Obligations are each secured by a pledge of the Net Pledged Revenues (as defined below) of the System; and

WHEREAS, the Board hereby determines that the interest of the District and the public interest and necessity require the acquisition, construction and improvement of certain capital projects (collectively, the “Project”) which serve a valid governmental purpose and are necessary, expedient and in the best interests of the District and its customers and constituents; and

WHEREAS, the District intends to issue its “Water Enterprise Revenue Bonds, Series 2022” (the “Bonds”) on a parity with the Existing Parity Obligations to defray in part the cost of the Project; and

WHEREAS, except for the Existing Parity Obligations, the District has not pledged nor in any way hypothecated revenues derived and to be derived directly or indirectly from the operation of the System to the payment of any securities or for any other purpose (excluding securities which have heretofore been redeemed in full, as to all principal, premium, if any, and interest, or are otherwise not outstanding) and with the result that the Net Pledged Revenues may now be pledged lawfully and irrevocably for the payment of the Bonds on a parity with the Existing Parity Obligations, and they may be made payable from the Net Pledged Revenues; and

WHEREAS, the Board has determined that the Bonds are to be sold based upon competitive bids received by the District upon due notice, that if advantageous and favorable to the District to provide for flexibility in the timing of such sale in order to maximize the likelihood of marketing the Bonds when market conditions are favorable, and that, accordingly, the public interest will be served by delegating to the District Manager the power and authority to determine the date and time of the public sale of the Bonds; and

WHEREAS, pursuant to Section 11-57-203, Colorado Revised Statutes, as amended, the District desires to delegate to any of the members of the Board and the District Manager the independent power to accept the proposal to purchase the Bonds and to determine the rate of interest on the Bonds, the price at which the Bonds will be sold, the aggregate principal amount of the Bonds to be issued and the amount of principal maturing, or subject to mandatory redemption, in any particular year; and

WHEREAS, the Board has determined and does hereby declare:

- A. In order to meet the present and future needs of the District, it is necessary to issue the Bonds in order to fund the Project;
- B. The Bonds shall be issued for the Project;
- C. Net Pledged Revenues shall be pledged to the payment of the Bonds on a parity with the Existing Parity Obligations; and
- E. All action preliminary to the authorization of the issuance of the Bonds has been taken.

WHEREAS, there are on file with the District the forms of the following documents: (i) the form of the Paying Agent and Registrar Agreement; (ii) the form of a Preliminary Official Statement; (iii) the Letter of Representations; (iv) the form of the Continuing Disclosure Certificate; and (v) the form of the Notice of Bond Sale relating to the Bonds; and

WHEREAS, it is necessary to provide for the form of the Bonds, the Bond details, the payment of the Bonds, and other provisions relating to the authorization, issuance, and sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTH WELD COUNTY WATER DISTRICT:

ARTICLE I

DEFINITIONS, INTERPRETATION, RATIFICATION AND EFFECTIVE DATE

Section 101. Meanings and Construction.

A. Definitions. The terms in this Section for all purposes of this Resolution and of any resolution amendatory hereof or supplemental hereto, or relating hereto, and of any other resolution or any other document pertaining hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

“acquire” or “acquisition” means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contract, or other acquisition, or any combination thereof, of any properties pertaining to the System, or an interest therein, or any other properties herein designated.

“Board” means the Board of Directors of the District.

“Bond Counsel” means Sherman & Howard L.L.C. or such other attorney or a firm of attorneys, designated by the District of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Fund” means the special fund designated as the “North Weld County Water District, Water Enterprise Revenue Bonds, Series 2022, Bond Fund” created pursuant to Section 605 hereof.

“Bond Requirements” means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, any Parity Bonds, or other securities payable from the Net Pledged Revenues and heretofore or hereafter issued, if any, or such part of such securities as may be designated.

“Bonds” means those securities issued hereunder and designated as the “North Weld County Water District, Larimer and Weld Counties, Colorado, Water Enterprise Revenue Bonds, Series 2022.”

“Book-entry form” or “book-entry system” means, with respect to the Bonds, a form or system, as applicable, under which physical Bond certificates in fully registered form are registered only in the name of The Depository Trust Company or its nominee as Owner, with the physical Bond certificates “immobilized” in the custody of The Depository Trust Company. The book-entry system maintained by and the responsibility of The Depository Trust Company and not maintained by or the responsibility of the District or the Paying Agent is the record that identifies, and records the transfer of the interests of, the owners of book-entry interests in the Bonds.

“Business Day” means a day of the year, other than a Saturday or Sunday, other than a day on which commercial banks located in the city in which the principal corporate trust office of the Paying Agent is located are required or authorized to remain closed and other than a day on which the New York Stock Exchange is closed.

“Closing Date” means the date of delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and the regulations promulgated thereunder.

“Combined Maximum Annual Principal and Interest Requirements” means the largest sum of the principal of and interest on the Bonds and any Outstanding Parity Bonds, excluding any securities the principal of which is payable within less than one year from the date on which issued, to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later (but excluding any reserve requirement to secure such payments unless otherwise expressly provided). The word “principal,” as used in the preceding sentence, means for all purposes of this paragraph, the principal which must be paid to security Owners, whether on stated maturity dates or on mandatory Redemption Dates, or otherwise. Any such computation shall be adjusted for all purposes in the same manner as is provided in Section 803 hereof.

“Commercial Bank” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation (or any successors thereto) and of the Federal Reserve System, which has a capital and surplus of \$10,000,000 or more, and which is located within the United States of America.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate for the Bonds executed by the District executed by the District in connection with the issuance of the Bonds, which constitutes an undertaking pursuant to Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission.

“Cost of the Project” or any phrase of similar import, means, in addition to the usual connotations thereof, the cost of acquisition and equipment of the Improvements to the System for the District constituting the Project, or any part thereof, and of all or any property,

rights, easements, privileges, agreements and franchises deemed by the District to be necessary or useful and convenient therefor or in connection therewith, including, without limitation:

(a) Engineering and inspection costs and legal expenses, costs of financial, professional and other estimates and advice,

(b) Contingencies, any administrative, operating and other expenses of the District before and during such acquisition and equipment, and additionally during a period of not exceeding one year after the completion thereof, as is estimated and determined by the Board in this Resolution or any other instrument pertaining to any bonds or other securities or in any contract with any municipality, or otherwise,

(c) items of expense payable or reimbursable directly or indirectly by the District and other costs incurred by the District, all related to the authorization, sale and issuance of the Bonds or otherwise pursuant to this Resolution, which costs and items of expense shall include, but not be limited to, underwriters' compensation, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software related to the Bonds, filing and recording fees, travel expenses incurred by the District in relation to such issuance of Bonds or otherwise pursuant to this Resolution, initial fees and charges of the Registrar and the Paying Agent, legal fees and charges, consultants' fees, accountants' fees, costs of bond ratings, fees and charges for execution, transportation and safekeeping of the Bonds, and accrued interest paid in connection with the purchase of any Investment Securities with the proceeds of Bonds,

(d) All such other expenses as may be necessary or incidental to the financing, acquisition, equipment and completion of the improvement to the System or any part thereof, and the placing of the same in operation,

(e) Such provision or reserves for working capital, operation, maintenance or replacement expenses, or for payment or security of principal of or interest on any securities during or after such acquisition and equipment as the District herein determines,

(f) Any costs of funding and redeeming any Outstanding debentures, warrants and notes of the District issued for the Project, or any part thereof,

(g) Reimbursements to the District or to any municipality or other person of any moneys theretofore expended for the purposes of the Project but only temporarily advanced therefor or to any municipality of other public body or to the federal government of any moneys advanced temporarily and theretofore expended for or in connection with the System, a portion of which costs is defrayed and is to be defrayed with the proceeds of bonds or other securities of the District, and

(h) The cost and expense of acquiring by purchase or condemnation of such lands, property rights, rights-of-way, easements and other interests in lands as may be deemed necessary or convenient for the construction and operation of the Project, including abstracts of title and title insurance, and options and partial payments thereupon, and the amount of any damages incident to or consequent upon such acquisition.

The “cost of an Improvement Project” includes the costs designated in this definition, incurred or to be incurred in connection with such Improvement Project.

“C.R.S.” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“District” means the North Weld County Water District, a quasi-municipal corporation and political subdivision of the State.

“District Manager” means the District Manager of the District.

“Events of Default” means the events stated in Section 1003 hereof.

“Existing Parity Obligations” means, collectively, the 2012 Bonds, the 2019 Bonds and the 2020 Bond.

“Federal Government” means the United States of America and any agency, instrumentality or corporation thereof.

“Federal Securities” means bills, certificates of indebtedness, notes, or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the calendar year or any other 12-month period hereafter selected by the District as its fiscal year.

“Gross Pledged Revenues” means all fees (including but not limited to user fees and plant investment fees), charges and revenues directly or indirectly derived by the District for the services furnished by, or use of, the System, or any part thereof, including all income attributable to any future dispositions of property or rights related contracts, settlements, or judgments held or obtained in connection with the System or its operations; provided however, that there shall be excluded from Gross Revenue (a) moneys borrowed and used for providing Capital Improvements, (b) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same, and (c) any moneys received as grants or appropriations from the United States, the State of Colorado, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

“Improvement Project” means the construction, installation and other acquisition of Improvements to the System, including, without limitation, any water treatment plant, water treatment works, force mains, water lines, pumping plants or stations, and appurtenances useful or convenient for the interception, transportation, treatment, purification and disposal of water and all necessary lands, interests in land, easements and water rights and any other cost of an Improvement Project, as authorized by the Act; and an Improvement Project may

be referred to as such, or as “constructing, installing and otherwise acquiring Improvements to the System,” or words of similar import.

“Improvements” means the facilities constructed, installed and otherwise acquired by an Improvement Project.

“Income Fund” means the special fund designated as the “North Weld County Water District, Water Enterprise Revenue Bonds, Gross Income Fund” created pursuant to Section 602 of the 2012 Bond Resolution and authorized to be continued herein.

“Independent Accountant” means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State:

- (a) Who is, in fact, independent and not under the domination of the District;
- (b) Who does not have any substantial interest, direct or indirect, with the District, and
- (c) Who is not connected with the District as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the District.

“Independent Engineer” means an individual, firm or corporation engaged in the engineering profession of recognized good standing and having specific experience in respect of business and properties of a character similar to those of the System, which individual, firm or corporation has no substantial interest, direct or indirect, in the District and in the case of an individual, is not a member of the Board, or an officer or employee of the District, and in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the Board or an officer or employee of the District.

“Investment Securities” means any securities or other obligations permitted as investments of moneys of the District under the laws of the State.

“Letter of Representations” means the Blanket Issuer Letter of Representations from the District to The Depository Trust Company in connection with the issuance of the Bonds in a book-entry system, as supplemented and amended from time to time.

“Moody’s” means Moody’s Investor Services, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“Net Pledged Revenues” means the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses of the System.

“Official Notice of Bond Sale” means the Official Notice of Bond Sale to be prepared and distributed by the District in connection with the sale of the 2022 Bonds.

“Official Statement” means the Official Statement delivered in connection with the original issuance and sale of the Bonds.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the District, paid or accrued, for operating, maintaining, and repairing the System, including without limitation legal and overhead expenses of the District directly related to the administration of the System; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance or transfers for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued to provide Capital Improvements, and charges for accumulation of reserves.

“Outstanding” when used with reference to the Bonds, the Parity Bonds, or any other designated securities and as of any particular date means all the Bonds, the Parity Bonds, or any such other securities payable from the Net Pledged Revenues or otherwise pertaining to the System, as the case may be, in any manner theretofore and thereupon being executed and delivered:

(a) Except any Bond or other security canceled by the District, by any paying agent, or otherwise on the District’s behalf, at or before such date;

(b) Except any Bond or other security deemed to be paid as provided in Section 1301 hereof or any similar provision of the resolution authorizing the issuance of such other security; and

(c) Except any Bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered pursuant to Sections 306, 307 or 1108 hereof or any similar provisions of the resolution authorizing the issuance of such other security.

“Owner” means the registered owner of any designated Bond or other designated security.

“Parity Bonds” means the Existing Parity Obligations, and any securities hereafter issued payable from and having an irrevocable lien upon the Net Pledged Revenues on a parity with the Bonds.

“Parity Bond Resolutions” means the resolution authorizing the 2012 Bond Resolution, the 2019 Bond Resolution, the 2020 Bond Resolution and any resolutions or agreements hereafter entered into by the District with respect to Parity Bonds and, without duplication, any resolutions hereafter adopted by the Board authorizing the issuance of Parity Bonds.

“Paying Agent” means Computershare Trust Company N.A. in Denver, Colorado and being an agent of the District for the payment of the Bond Requirements due in connection with the Bonds, the registrar for the Bonds and for other administration of moneys pertaining to the Bonds, and includes any successor Commercial Bank as paying agent.

“Paying Agent Agreement” means the agreement between the District and the Paying Agent.

“Person” means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the District), partnership, limited liability company, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

“Preliminary Official Statement” means the Preliminary Official Statement delivered in connection with the original issuance and sale of the Bonds.

“President” means the Chairman of the Board of Directors and President of the District.

“Project” means the Improvement Project financed or to be financed with the proceeds of the Bonds.

“Project Fund” means the special fund designated as the “North Weld County Water District, Water Enterprise Revenue Bonds, Series 2022, Project Fund” created pursuant to Section 501 hereof.

“Purchaser” means the initial issuer of the Bonds, as determined by the District Manager based on competitive bids received at the public sale of the Bonds as provided herein.

“Rating Agency” means each nationally recognized securities rating agency then maintaining a rating on the Bonds and initially means Standard & Poor’s.

“Rebate Fund” means the special fund designated as the “North Weld County Water District, Water Enterprise Revenue Bonds, Series 2022, Rebate Fund” created pursuant to Section 609 hereof.

“Record Date” means the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

“Redemption Date” means the date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from Net Pledged Revenues in any notice of prior redemption or otherwise fixed and designated by the District.

“Resolution” means this resolution of the District, which provides for the issuance and delivery of the Bonds.

“Sale Certificate” means the sale certificate of the District relating to the Bonds issued pursuant to the Supplemental Public Securities Act and described in Section 213 hereof.

“Special Record Date” means a special date fixed by the Paying Agent to determine the names and addresses of Owners of the Bonds for the purpose of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 302 hereof.

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a corporation organized and existing under the laws of the State of New York, its successors and its assigns.

“State” means the State of Colorado.

“Subordinate Securities” means securities payable from the Net Pledged Revenues subordinate and junior to the lien thereon of the Bonds and any Parity Bonds.

“Supplemental Public Securities Act” means Part 2 of Article 57 of Title 11, C.R.S., as amended.

“System” means all of the District’s water facilities now owned or hereafter acquired and used in the treatment, distribution and operation of a potable water system, whether situated within or without the boundaries of the District.

“Tax Compliance Certificate” means the Federal Tax Exemption Certificate executed by the District in connection with the initial issuance and delivery of the Bonds.

“Term Bonds” means Bonds that are payable on or before their specified maturing dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“Trust Bank” means a Commercial Bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

“2012 Bond Resolution” means the bond resolution of the District that authorized the issuance of the 2012 Bonds.

“2012 Bonds” means the Water Enterprise Revenue Refunding Bonds, Series 2012 issued by the District.

“2019 Bond Resolution” means the bond resolution of the District that authorized the issuance of the 2019 Bonds.

“2019 Bonds” means the Water Enterprise Revenue Bonds, Series 2019 issued by the District.

“2020 Bond Resolution” means the bond resolution of the District that authorized the issuance of the 2020 Bond.

“2020 Bond” means the Water Enterprise Revenue Refunding Bond, Series 2020 issued by the District.

B. District-Held Securities. Any securities payable from any Net Pledged Revenues held by the District shall not be deemed to be Outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for any other purpose herein.

Section 102. Parties Interested Herein. Nothing herein expressed or implied confers any right, remedy or claim upon any Person, other than the District, the Board, the Paying Agent, the Owners of the Bonds and the Owners of any Parity Bonds or other securities payable from the Net Pledged Revenues when reference is expressly made thereto. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Board, the Paying Agent, the Owners of the Bonds and the Owners of any such other securities in the event of such a reference.

Section 103. Ratification; Approval of Documents. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board, the officers of the District and otherwise taken by the District directed toward the Project and the sale and delivery of the Bonds for such purposes, be, and the same hereby is, ratified, approved and confirmed.

Section 104. Repealer. All bylaws, orders, resolutions or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any such bylaw, order or resolution, or part thereof, heretofore repealed. All rules of the Board, if any, which might prevent the final passage and adoption of this Resolution as an emergency measure at this meeting of the Board be, and the same hereby are, suspended.

Section 105. Severability. If any section, subsection, paragraph, clause or other provision of this Resolution for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Resolution.

Section 106. Resolution Irrepealable. After any of the Bonds are issued, this Resolution shall constitute an irrevocable contract between the District and the Owner or Owners of the Bonds and this Resolution shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled, and discharged, except as herein otherwise provided.

Section 107. Conclusive Recitals. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Bonds shall contain a recital that they are issued pursuant to the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value. In addition, pursuant to Title 37, Article 45.1 C.R.S., Title 31, Article 35, Part 4, C.R.S., Title 32 Article 1, C.R.S., and Title 11, Article 57, Part 2, C.R.S., such recital shall conclusively impart full compliance with all the provisions of such statutes, and Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Section 108. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the District in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Resolution, shall be commenced more than thirty days after the authorization of the Bonds.

ARTICLE II

DETERMINATION OF THE DISTRICT'S AUTHORITY AND OBLIGATIONS; APPROVAL OF RELATED DOCUMENTS; AND ELECTION TO APPLY SUPPLEMENTAL PUBLIC SECURITIES ACT TO THE BONDS

Section 201. Authorization. In accordance with the Constitution of the State of Colorado; the Supplemental Public Securities Act; Title 32, Article 1, C.R.S.; Title 31, Article 35, Part 4, C.R.S.; Title 37, Article 45.1, C.R.S., the provisions of this Resolution; and all other laws of the State thereunto enabling, the District hereby authorizes the Bonds to be issued in the principal amount approved by the any member of the Board or the District Manager in the Sale Certificate, subject to the parameters and restrictions contained in this Resolution, for the purpose of: (i) paying the Cost of the Project; and (ii) paying issuance and other costs in connection with the Bonds; and the District pledges irrevocably, but not necessarily exclusively, the Net Pledged Revenues to the payment of the Bond Requirements of the Bonds.

Section 202. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of the Owners of any and all of the Outstanding Bonds and any Outstanding Parity Bonds heretofore or hereafter authorized and issued, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of such securities over any other thereof, except as otherwise expressly provided in or pursuant to this Resolution.

Section 203. Special Obligations. All of the Bond Requirements of the Bonds shall be payable and collectible solely out of the Net Pledged Revenues, which revenues are so pledged; the Owner or Owners of the Bonds may not look to any general or other fund for the payment of such Bond Requirements, except the herein designated special funds pledged therefor; the Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional, or statutory provision or limitation; and the Bonds shall not be considered or held to be general obligations of the District but shall constitute its special obligations. No statutory or constitutional provision enacted after the issuance of the Bonds shall in any manner be construed as limiting or impairing the obligation of the District to comply with the provisions of this Resolution or to pay the Bond Requirements of the Bonds as herein provided.

Section 204. Character of Agreement. None of the covenants, agreements, representations and warranties contained herein or in the Bonds shall ever impose or shall be construed as imposing any liability, obligation or charge against the District (except the special funds pledged therefor), or against its general credit, or as payable out of its general fund or out of any funds derived from taxation or out of any other revenue source (other than those pledged therefor).

Section 205. No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except for the Net Pledged Revenues and other moneys pledged for the payment of the Bond Requirements of the Bonds. No property of the District, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 206. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Resolution or any other resolution pertaining hereto, against any individual member of the Board or any officer, employee or other agent of the District, past, present or future, either directly or indirectly through the Board, or the District, or otherwise, whether by virtue of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as part of the consideration of their issuance specially waived and released.

Section 207. Authorization of the Project. The Board, on behalf of the District, does hereby determine to undertake the Project, which is hereby authorized, and the proceeds of the Bonds shall be used therefor.

Section 208. Enterprise Status. The Board, on behalf of the District, hereby confirms its determination that the System shall be an “enterprise” for the purposes of Article X, Section 20 of the State Constitution and Title 37 Article 45.1, C.R.S. In particular, the System shall be owned by the District and shall have the power to issue revenue bonds in the manner and payable from the sources set forth in this Resolution.

Section 209. Sale of Bonds. The Bonds shall be sold by competitive sale to the Purchaser. Pursuant to the Supplemental Public Securities Act, the Board hereby delegates to any member of the Board or the District Manager the authority to execute the proposal submitted by the Purchaser and to execute the Sale Certificate confirming the bond details set forth in Section 213. The Official Notice of Bond Sale is hereby approved in substantially the form presented at this meeting of the Board, provided that the Official Notice of Bond Sale may be completed, corrected or revised as deemed necessary by the District Manager or by Bond Counsel in order to carry out the purposes of this Resolution. The District Manager is hereby authorized and directed to cause the Official Notice of Bond Sale to be distributed to prospective bidders.

Section 210. Official Statement. The preparation and use of the Preliminary Official Statement and of the final Official Statement are hereby authorized. The District Manager is hereby authorized to approve, on behalf of the District, the Official Statement. The execution of the Official Statement by the President or the District Manager shall be conclusively deemed to evidence the approval of the form and contents thereof by the District.

Section 211. Paying Agent Agreement. The Board hereby determines to approve the Paying Agent Agreement. If the Paying Agent appointed thereunder shall resign, or if the District shall determine to remove the Paying Agent, then the District may appoint a successor Paying Agent, upon notice mailed to each owner of any Bond at his address last shown on the registration records maintained by the Paying Agent. No resignation or dismissal of the Paying Agent may take effect until a successor has been appointed and has accepted the duties of the Paying Agent. Every such successor Paying Agent shall be a Commercial Bank.

Section 212. Other Related Documents. The forms, terms and provisions of, and the performance by the District of its obligations under the Preliminary Official Statement, the Paying Agent Agreement, and the Continuing Disclosure Certificate are hereby approved, and the President and the Secretary are hereby authorized and directed to execute each of such documents on behalf of and in the name of the District, and to deliver each of such documents, in substantially the form on file with the Secretary, with such changes as are not inconsistent herewith. The execution of any instrument by the appropriate officers of the District herein authorized shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms hereof.

Section 213. Election to Apply Supplemental Public Securities Act to the Bonds. Pursuant to Section 11-57-204 of the Supplemental Public Securities Act, a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Public Securities Act. The Board hereby elects to apply all of the provisions of the Supplemental Public Securities Act to the Bonds. Pursuant to Section 11-57-205 of the Supplemental Public Securities Act, the Board hereby delegates to any member of the Board or the District Manager the independent authority to make the following determinations with respect to the Bonds, subject to the parameters and restrictions contained in this Resolution, without any requirement that the Board approve such determinations:

- (i) Winning Bidder. Determine and accept the winning bid for the Bonds.
- (ii) Interest Rate. The total interest cost to be borne by the Bonds which shall not exceed 5.0% per annum.
- (iii) Purchase Price. The price at which the Bonds will be sold to the Purchaser which shall not be less than 100% of the aggregate principal amount of the Bonds.
- (iv) Principal Amount. The aggregate principal amount of the Bonds, provided that such principal amount shall not exceed \$38,000,000.
- (v) Maturity Schedule. The amount of principal of the Bonds maturing, or subject to mandatory sinking fund redemption, in any particular year; to be not more than \$2,800,000 annually, and the total repayment cost shall not exceed \$58,000,000.
- (vi) Term of the Bonds. The Bonds shall not mature later than November 1, 2042.
- (vii) Bond Insurance. Determine whether the Bonds should be secured by bond insurance and the terms of any bond insurance policy.

Such determinations shall be evidenced by the Sale Certificate signed by any member of the Board or the District Manager dated and delivered on or prior to the Closing Date, which shall not be more than one year from the date of adoption of this Resolution.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301. Bond Details.

A. Basic Provisions. The Bonds shall be issued in fully registered form (*i.e.* registered as to payment of both principal and interest), in denominations of \$5,000 or any integral multiple thereof. The Bonds shall be lettered “R” and shall be numbered separately from 1 upward. The Bonds shall be dated as of the date of their delivery. The Bonds shall mature on November 1, in the years and amounts and subject to prior redemption as set forth herein and in the Sale Certificate. The Bonds shall bear interest from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from their date until their respective maturities (or prior redemption) at the rates set forth in the Sale Certificate. No interest shall accrue on any Bonds owned by or on behalf of the District. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on each May 1 and November 1, commencing on the date provided in the Sale Certificate.

B. Payment of Bonds. The principal of each Bond shall be payable at the principal corporate trust office of the Paying Agent, or at such other office as the Paying Agent directs in writing to the Owners of the Bonds, or at the principal office of its successor, upon presentation and surrender of the Bond. Payment of interest on any Bond shall be made to the Owner thereof by the Paying Agent on or before each interest payment date, (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to such Owner at his or her address as it appears on the registration records kept by the Paying Agent on the Record Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of such defaulted interest shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners not less than ten days prior to the Special Record Date by first-class mail to each such Owner as shown on the Paying Agent’s registration books on a date selected by the Paying Agent, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent. If any Bond is not paid upon its presentation and surrender at or after its maturity or prior redemption, interest shall continue at its stated rate per annum until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

Section 302. Execution of Bonds. The Bonds shall be executed in the name of the District by the manual or facsimile signature of the President, shall be sealed with the corporate seal of the District or a facsimile thereof thereunto affixed, imprinted, engraved or otherwise reproduced and shall be attested by the manual or facsimile signature of the Secretary. Any Bond may be signed (manually or by facsimile), sealed or attested on behalf of the District by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office. The

President and the Secretary may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears on any of the Bonds. Before the execution of any Bond, the President and the Secretary shall each file with the Colorado Secretary of State his or her manual signature certified by him or her under oath.

Section 303. Authentication Certificate. The authentication certificate upon the Bonds shall be substantially in the form and tenor provided in the form of the Bonds attached to this Resolution as **Exhibit A**. No Bond shall be secured hereby or entitled to the benefit hereof, nor shall any Bond be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Paying Agent and such certificate of the Paying Agent upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Paying Agent, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds.

Section 304. Registration and Payment. The Paying Agent shall keep or cause to be kept sufficient records for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said records, Bonds as herein provided. Except as provided in Section 306 hereof, the Person in whose name any Bond shall be registered on the registration records kept by the Paying Agent shall be deemed and regarded as the absolute owner thereof for the purpose of making payment of the Bond Requirements thereof and for all other purposes; and payment of or on account of the Bond Requirements of any Bond shall be made only to the Owner thereof or his or her legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid. The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.

Section 305. Transfer and Exchange. Any Bond may be transferred upon the records required to be kept pursuant to the provisions of Section 304 hereof by the Person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Whenever any Bond or Bonds shall be surrendered for transfer, the Paying Agent shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount and of the same maturity and interest rate and of any authorized denominations. The Bonds may be exchanged by the Paying Agent for a like aggregate principal amount of Bonds of the same maturity and interest rate and of other authorized denominations. The execution by the District of any Bond of any denomination shall constitute full and due authorization of such denomination and the Paying Agent shall thereby be authorized to authenticate and deliver such Bond.

The Paying Agent shall not be required to transfer or exchange (a) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day such

notice is mailed, or (b) any Bond so selected for redemption in whole or in part after the mailing of notice calling such Bond or any portion thereof for prior redemption except the unredeemed portion of Bonds being redeemed in part.

The Paying Agent shall require the payment by any Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of preparing each new Bond upon each exchange or transfer and any other expenses of the District or the Paying Agent incurred in connection therewith.

The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.

Section 306. Bond Replacement. Upon receipt by the District and the Paying Agent of evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to them, and in the case of a mutilated Bond upon surrender and cancellation of the Bond, (a) the District shall execute and the Paying Agent shall authenticate and deliver a new Bond of the same date, interest rate and denomination in lieu of such lost, stolen, destroyed or mutilated Bond, or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the District may pay such Bond. Any such new Bond shall bear a number not previously assigned. The applicant for any such new Bond may be required to pay all expenses and charges of the District and of the Paying Agent in connection with the issuance of such Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 307. Custodial Deposit.

A. Depository. Notwithstanding any contrary provision of this Resolution, the Bonds initially shall be evidenced by one Bond of the same maturity and interest rate in denominations equal to the aggregate principal amount of the Bonds of the same maturity and interest rate. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of The Depository Trust Company or a successor or new depository institution under clause (1) or this clause (2) of this paragraph A, or a determination by the Board that The Depository Trust Company or such successor or a new depository institution is no longer able to carry out its functions, and the designation by the Board of another depository institution acceptable to the Board and to the depository then holding the

Bonds, which new depository must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor new depository institution; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository institution under clause (1) above or designation of a new depository institution pursuant to clause (2) above, or a determination of the Board that The Depository Trust Company or such successor or depository institution is no longer able to carry out its functions, and the failure by the Board, after reasonable investigation, to locate another depository institution under clause (2) to carry out such depository institution functions.

B. Successor. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) or (2) of paragraph A hereof, upon receipt of the outstanding Bonds by the Paying Agent together with written instructions for transfer satisfactory to the Paying Agent, a new Bond for each maturity and interest rate of the Bonds then outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of paragraph A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of paragraph A hereof, and upon receipt of the outstanding Bonds by the Paying Agent, together with written instructions for transfer satisfactory to the Paying Agent, new Bonds shall be issued in authorized denominations as provided in and subject to the limitations of Sections 301, 304, and 305 hereof, registered in the names of such Persons, as are requested in such written transfer instructions; however, the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. Absolute Owner. The Board and the Paying Agent shall be entitled to treat the Owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Board and the Paying Agent shall have no responsibility for transmitting payments or notices to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to paragraph A hereof. The Paying Agent shall have no liability or responsibility with respect to accuracy of records of DTC, consents given or action taken by DTC or selection of Bonds for redemption.

D. Payment. The Board and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of paragraph A hereof in effectuating payment of the principal amount of the Bonds upon maturity or prior redemption by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Redemption. Upon any partial redemption of any maturity and interest rate of the Bonds, Cede & Co. (or its successor) in its discretion may request the District to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment. The records of the Paying Agent shall govern in

the case of any dispute as to the amount of any partial prepayment made to Cede & Co. (or its successor).

Section 308. Bond Cancellation. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled and destroyed by the Paying Agent.

Section 309. Bond Form. Subject to the provisions of this Resolution, each Bond shall be in substantially the form attached hereto as **Exhibit A**, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Resolution, be consistent with this Resolution or be necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

ARTICLE IV

REDEMPTION

Section 401. Optional Redemption. The Bonds maturing on and before November 1, 2022 are not subject to redemption prior to maturity. The Bonds maturing on and after November 1, 2023 will be subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on November 1, 2022, or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

Section 402. Mandatory Sinking Fund Redemption. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before the thirtieth day prior to each such sinking fund payment date, the Paying Agent shall proceed to call the Term Bonds, if any, as provided in the Sale Certificate (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next November 1, and give notice of such call without further instruction or notice from the District.

At its option, to be exercised on or before the sixtieth day next preceding each such sinking fund Redemption Date, the District may (a) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the maturity and interest rate subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Paying Agent at the principal amount thereof against the obligation of the District on such sinking fund date and such sinking fund obligation will be accordingly reduced.

The District will on or before the sixtieth day next preceding each sinking fund Redemption Date furnish the Paying Agent with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be availed with respect to such sinking fund payment. Failure of the District to deliver such certificate shall not affect the Paying Agent's duty to give notice of sinking fund redemption as provided in this paragraph.

Section 403. Partial Redemption. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Paying Agent shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

Section 404. Notice of Prior Redemption. Notice of optional or mandatory redemption shall be given by the Paying Agent in the name of the District by sending a copy of such notice by first-class, postage prepaid mail, not more than sixty nor less than thirty days prior to the Redemption Date to each Owner at his address as it last appears on the registration books kept by the Paying Agent; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Such notice shall identify the Bonds to be so redeemed (if less than all are to be redeemed) and the Redemption Date, and shall further state that on such Redemption Date there will become and be due and payable upon each Bond so to be redeemed, at the principal office of the Paying Agent, the principal amount thereof, accrued interest to the Redemption Date, and the stipulated premium, if any, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption shall become due and payable on the Redemption Date so designated; and upon presentation thereof at the principal office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption. No further interest shall accrue on the principal of any such Bond called for redemption from and after the Redemption Date, provided sufficient funds are deposited with the Paying Agent and available on the Redemption Date.

Notwithstanding the provisions of this Section, any notice of redemption shall either (a) contain a statement that the redemption is conditioned upon the receipt by the Paying Agent on or before the Redemption Date of funds sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed, or (b) be given only if funds sufficient to pay the redemption price of the Bonds so called for redemption are on deposit with the Paying Agent in the applicable fund or account.

Section 405. Bonds Owned by the District. Bonds owned by or on behalf of the District shall not be subject to redemption. At any time the District may surrender any Bonds owned by or on behalf of the District to the Paying Agent, which shall promptly cancel such Bonds.

Section 406. No Partial Redemption After Default. Anything in this Resolution to the contrary notwithstanding, if there shall have occurred and is continuing an Event of Default hereunder of which an officer of the Paying Agent has actual knowledge, there shall be no redemption of less than all of the Bonds at the time Outstanding (other than pursuant to Section 402 hereof).

ARTICLE V

USE OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Disposition of Bond Proceeds. The net proceeds derived from the sale of the Bonds (including any original issue premium but net of underwriting and any original issue discount), upon the receipt thereof, shall be deposited in the special and separate account hereby created hereby and to be known as the “North Weld County Water District, Water Enterprise Revenue Bonds, Series 2022, Project Fund.” Money’s deposited into the Project Fund shall be used to pay the Costs of the Project (including paying any costs of issuance of the Bonds).

Section 502. Deposit of Money for Project. All moneys received and held by the District for the Project from all sources shall be credited to the Project Fund, including the portion of the proceeds of the Bonds accounted for therein pursuant to Section 501 hereof, except as herein otherwise provided.

Section 503. Application of Project Fund. The moneys in the Project Fund, except as herein otherwise expressly provided, shall be used and paid out solely for the Project as provided in Section 506 hereof.

Section 504. Certification Upon Project’s Completion. When the Project is completed in accordance with relevant plans and specifications, and when all amounts due therefor, including all proper incidental expenses, are paid, the District shall file in the District’s records a certificate so stating. Except for the retention in the Project Fund of any moneys designated in the certificate of the District to be reserved therein, the District thereupon shall cause all moneys remaining in the Project Fund to be transferred to the Bond Fund, for use as provided in Article VI hereof. Upon the payment of all costs payable therefrom and upon the termination of such accounts, the District shall cause all money remaining in the Project Fund, if any, to be transferred to the Bond Fund, for use as provided in Article VI hereof; and the Project Fund shall thereupon be terminated. Nothing herein:

A. **Periodic Transfers.** Prevents the officers of the District from causing to be transferred from the Project Fund to the Bond Fund at any time before the termination of the Project Fund any moneys which the District Manager determines will not be necessary for the Project; nor

B. **Limitations upon Transfers.** Requires the transfer to the Bond Fund or the Income Fund of any surplus moneys (other than bond proceeds) received as grants, appropriations or gifts the use of which moneys is limited by the grantor or donor to the construction of capital improvements or otherwise so that such surplus moneys (other than bond proceeds) may not be properly transferred to the Bond Fund or the Revenue Fund under the terms of such grants, appropriations or gifts.

Section 505. Transfers from the Project Fund. Except as provided in Section 504 hereof, moneys shall be withdrawn from the Project Fund only as provided in Section 506 hereof.

Section 506. Payments from the Project Fund. The District shall, during and upon completion of the Project, continue to make payments from the Project Fund in addition to those made pursuant to Section 505 hereof, in the amounts, at the times, in the manner and on the other terms and conditions set forth in this Section 506. In connection with each such payment, the District shall maintain a record, stating in respect of each payment to be made (1) the name of the firm, corporation or other Person to whom payment is due, (2) the amount to be paid, and (3) in reasonable detail the purpose for which the obligation was incurred.

Section 507. Purchaser Not Responsible. The validity of the Bonds is not dependent upon nor affected by the validity or regularity of any proceedings relating to the application of the Bond proceeds. The Purchaser and any subsequent Owners of any of the Bonds are not responsible for the application or disposal by the District or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

ARTICLE VI

ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 601. Pledge Securing Bonds. The Net Pledged Revenues and, subject to the right of the District to cause amounts to be withdrawn to pay the Cost of the Project as provided herein and other than moneys and securities held in the Rebate Fund to the extent such amounts are required to be paid to the United States, all moneys and securities paid or to be paid to or held or to be held in any account under this Article or under Section 501 hereof are hereby pledged to secure the payment of the Bond Requirements of the Outstanding Bonds. The pledge of the Net Pledged Revenues to secure the payment of the Bond Requirements of the Outstanding Bonds is on a parity with the pledge of the Net Pledged Revenues for, and lien thereon of any Outstanding Parity Bonds hereafter issued in compliance with the provisions of Article VIII hereof. This pledge shall be valid and binding from and after the date of the delivery of the Bonds, and the moneys as received by the District and hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the District except any Outstanding Parity Bonds heretofore or hereafter authorized. The lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 602. Income Fund Deposits. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements related to the Bonds and the Parity Bonds, the entire Gross Pledged Revenues, upon their receipt from time to time by the District, shall be set aside and credited immediately to the special and separate account heretofore created by the City and known as the “North Weld County Water District, Water Enterprise Revenue Bonds, Gross Income Fund.”

Section 603. Administration of Income Fund. So long as any of the Bonds and any Parity Bonds shall be Outstanding, as to any Bond Requirements related to the Bonds, the

following payments shall be made from the Income Fund, as provided in Sections 604 through 610 hereof.

Section 604. Operation and Maintenance Expenses. First, as a first charge on the Income Fund, from time to time there shall continue to be held therein moneys sufficient to pay Operation and Maintenance Expenses, as they become due and payable, and thereupon they shall be promptly paid. Any surplus remaining in the Income Fund at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses shall be used for other purposes of the Income Fund as herein provided.

Section 605. Bond Fund Payments. Second, from any remaining Net Pledged Revenues, there shall be credited, concurrently with amounts required to meet the Bond Requirements with respect to any Outstanding Parity Bonds, to the special and separate account hereby created and to be known as the “North Weld County Water District, Water Enterprise Revenue Bonds, Series 2022, Bond Fund,” the following amounts:

A. **Interest Payments.** Monthly to the Bond Fund, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the Outstanding Bonds on the next succeeding interest payment date.

B. **Principal Payments.** Monthly to the Bond Fund, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal and redemption premium, if any, due and payable on the Outstanding Bonds on the next succeeding principal payment date.

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in paragraph A or B (whichever is applicable) of this Section 605 may be appropriately reduced; but the required annual amounts again shall be so credited to such account commencing on such interest payment date or principal payment date.

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds then Outstanding, as such Bond Requirements become due, except as provided in Sections 607 and 1301 hereof. No interest or principal shall be paid on any Bonds owned by or on behalf of the District.

Section 606. No Reserve Fund. The Bonds are not secured by a reserve fund.

Section 607. Termination of Deposits. No payment need be made into the Bond Fund if the amount in the Bond Fund total a sum at least sufficient so that all Bonds Outstanding are deemed to have been paid pursuant to Section 1301 hereof, in which case moneys therein (taking into account the known minimum gain from any investment if such moneys in Investment

Securities from the time of any such investment or deposit shall be needed for such payment which will not be designated for transfer to the Rebate Fund) shall be used (together with any such gain from such investments) solely to pay the Bond Requirements of the Outstanding Bonds as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Net Pledged Revenues or otherwise pertaining to the System may be used to make required payments into the Rebate Fund or in any other lawful manner determined by the Board.

Section 608. Rebate Fund. Fourth, concurrently with any payments required to be made pursuant to any Parity Bond Resolutions with respect to any rebate funds established thereby, there shall be deposited into the special and separate account hereby created hereby and to be known as the “North Weld County Water District, Water Enterprise Revenue Bonds, Series 2022, Rebate Fund” moneys in the amounts and at the times specified in the Tax Compliance Certificate so as to enable the District to comply with Section 930 hereof. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of this Resolution to the extent that such amounts are required to be paid to the United States Treasury. The District shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Tax Compliance Certificate.

If the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, the District shall transfer moneys in the amount of the insufficiency to the Rebate Fund from the Bond Fund. Upon receipt by the District of an opinion of Bond Counsel to the effect that the amount in the Rebate Fund is in excess of the amount required to be contained therein, such excess may be transferred to the Income Fund.

Section 609. Payment of Subordinate Securities. Sixth, and subject to the provisions hereinabove in this Article, but subsequent to the payments required by Sections 604, 605, 606, and 609 hereof, any moneys remaining in the Income Fund may be used by the District for the payment of Bond Requirements of subordinate securities, including reasonable reserves for such subordinate securities and for rebate of amounts to the United States Treasury with respect to such subordinate securities.

Section 610. Use of Remaining Revenues. After the payments hereinabove required to be made by Sections 602 through 610 hereof are made, any remaining Net Pledged Revenues in the Income Fund shall be used, firstly, for any one or any combination of reasonably necessary purposes and in the Board’s discretion relating to the operation, improvement or debt management of the System and, second, to the extent of any remaining surplus, for any one or any combination of lawful purposes as the Board may from time to time conclusively determine.

ARTICLE VII

GENERAL ADMINISTRATION

Section 701. Administration of Accounts. The special accounts designated in Articles V and VI hereof shall be administered as provided in this Article (but not any account under Section 1301 hereof .

Section 702. Places and Times of Deposits. Except as hereinafter provided, each of such special accounts shall be maintained by the District as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor. The moneys accounted for in such special book accounts may be in one or more bank accounts in one or more Commercial Banks. Each such bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall not be a Business Day, then such payment shall be made on or before the next preceding Business Day. Moneys shall be deposited with the Paying Agent for the Bonds not less than (a) three Business Days prior to each interest payment date and each maturity or mandatory Redemption Date, if funds are delivered by wire transfer, or (b) five Business Days prior to each payment date if funds are delivered by another method of payment, in immediately available amounts sufficient to pay the Bond Requirements then becoming due on the Outstanding Bonds.

Section 703. Investment of Moneys. Any moneys in the Income Fund, Project Fund, Bond Fund and Rebate Fund and not needed for immediate use shall be invested or reinvested by the District Manager in Investment Securities. All such investments shall (a) either be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or (b) mature not later than the estimated date or respective dates on which the proceeds are to be expended as estimated by the District Manager at the time of such investment or reinvestment. For the purpose of any such investment or reinvestment, Investment Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 704. Accounting for Investments. The Investment Securities so purchased as an investment or reinvestment of moneys in any such account hereunder shall be deemed at all times to be a part of the account. Any interest or other gain from any investments and reinvestments of moneys accounted for in the Income Fund, the Project Fund, the Bond Fund, and the Rebate Fund shall be credited to such account, and any loss resulting from any such investments or reinvestments of moneys accounted for in the Income Fund, the Project Fund, the Bond Fund and the Rebate Fund shall be charged or debited to such Fund.

No loss or profit in any account on any investments or reinvestments in Investment Securities shall be deemed to take place as a result of market fluctuations of the Investment Securities prior to the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided or for rebate purposes, as described in the Tax Compliance Certificate, Investment Securities shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligation); provided that any time or demand deposits shall be valued at the amounts deposited, in each case exclusive of any accrued interest or any other gain to the District until such gain is realized by the presentation of matured coupons for payment or otherwise.

Section 705. Redemption or Sale of Investment Securities. The District Manager shall present for redemption or sale on the prevailing market at the best price obtainable any Investment Securities so purchased as an investment or reinvestment of moneys in the account

whenever it shall be necessary in order to provide moneys to meet any withdrawal, payment or transfer from such account. Neither the District Manager nor any other officer or employee of the District shall be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Resolution.

Section 706. Character of Funds. The moneys in any account designated in Articles V and VI hereof shall consist either of lawful money of the United States or Investment Securities, or both such money and such Investment Securities. Moneys deposited in a demand or time deposit account in a bank or savings and loan association, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 707. Payment of Bond Requirements. The moneys credited to any fund or account designated in Article VI hereof for the payment of the Bond Requirements of any Bonds shall be used without requisition, voucher, warrant, further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements of any Bonds payable from such fund or account as such amounts are due, except to the extent any other moneys are available therefor.

ARTICLE VIII

SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 801. Lien on Bonds. The Bonds constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the Net Pledged Revenues on a parity with the lien thereon of the Parity Bonds.

Section 802. Equality of Bonds. The Bonds and any Parity Bonds hereafter authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance of the Bonds and any other such Parity Bonds, it being the intention of the Board that there shall be no priority among the Bonds and any such Parity Bonds regardless of the fact that they may be actually issued and delivered at different times, except that (a) moneys in the Project Fund and the Bond Fund shall secure only the Bonds and the moneys in any acquisition, bond, reserve or similar funds established for Parity Bonds shall secure only such Parity Bonds and (b) Parity Bonds may have a lien on Net Pledged Revenues on a parity with the lien thereon of the Bonds even if no reserve fund is established for such Parity Bonds or a reserve fund is established but with a different requirement as to the amount of moneys (or the value of a reserve fund insurance policy with respect to such Parity Bonds) required to be on deposit therein or the manner in which such reserve fund is funded or the period of time over which such reserve fund is funded or additional or separate revenues are also pledged to such Parity Bonds.

Section 803. Issuance of Additional Parity Bonds. Nothing herein prevents the issuance by the District of additional securities payable from the Net Pledged Revenues and constituting a lien thereon on a parity with, but not prior nor superior to, the lien thereon of the Bonds; but before any such additional Parity Bonds, except as provided in Section 808 hereof, are authorized or actually issued:

A. Absence of Default. At the time of the adoption of the resolution authorizing the issuance of the additional securities, the District shall not be in default in making any payments required by Article VI hereof.

B. Historic Earnings Test. The Net Pledged Revenues derived in any consecutive twelve month period within the eighteen months immediately preceding the date of issuance of the additional Parity Bonds shall be not less than 110% of the Combined Maximum Annual Principal and Interest Requirements of the Outstanding Bonds, any Outstanding Parity Bonds and the Parity Bonds proposed to be issued, except as hereinafter otherwise expressly provided.

C. Adjustment of Gross Pledged Revenues. In any computation under paragraph B of this Section, the amount of the Gross Pledged Revenues for the applicable period shall be decreased and may be increased by the amount of loss or gain conservatively estimated by an Independent Accountant, Independent Engineer or the District Manager, as the case may be, which results from any changes, which became effective not less than 60 days prior to the last day of the period for which Gross Pledged Revenues are determined, in any schedule of fees, rates and other charges constituting Gross Pledged Revenues based on the number of users during the applicable period as if such modified schedule of fees, rates and other charges shall have been in effect during such entire time period. However, the Gross Pledged Revenues need not be decreased by the amount of any such estimated loss to the extent the Independent Accountant, the Independent Engineer or the District Manager estimates the loss is temporary in nature or will be offset within a reasonable temporary period by an increase in revenues or a reduction in Operation and Maintenance Expenses not otherwise included in the calculations under this Section, and estimates any loss under this sentence will not at any time materially and adversely affect the District's apparent ability to comply with the rate maintenance covenant stated in Section 921 hereof without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

D. Reduction of Annual Requirements. The respective annual Bond Requirements (including as such a requirement the amount of any prior redemption premiums due on any Redemption Date) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any Trust Bank, including the known minimum yield from any investment in Federal Securities and any bank deposits, including any certificate of deposit.

E. Consideration of Additional Expenses. In determining whether or not additional Parity Bonds may be issued as aforesaid, consideration shall be given to any probable increase (but not reduction) in the Operation and Maintenance Expenses of the System as estimated by the District Manager that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional securities; but the District Manager may reduce any such increase in Operation and Maintenance Expenses by the amount of any increase in revenues or any reduction in Operation and Maintenance Expenses resulting from the Capital Improvements to which such expenditure relates and not otherwise included in the calculations under this Section, if the District Manager also opines that any such increase in revenues or reduction in any increase in Operation and Maintenance Expenses will not materially and adversely affect the District's apparent ability to comply with the rate maintenance covenant stated in Section 921 hereof without

modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

Section 804. Certification of Revenues. A written certificate or written opinion by the District Manager under Section 803B that such annual revenues, when adjusted as hereinabove provided in paragraphs C, D, and E of Section 803 hereof, are sufficient to pay such amounts, as provided in paragraph B of Section 803 hereof, shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and deliver additional securities on a parity with the Bonds.

Section 805. Subordinate Securities Permitted. Nothing herein prevents the District from issuing additional securities payable from the Net Pledged Revenues and having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

Section 806. Superior Securities Prohibited. Nothing herein permits the District to issue additional securities payable from the Net Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the Bonds.

Section 807. Use of Proceeds. The proceeds of any Parity Bonds or other securities payable from any Net Pledged Revenues shall be used only to finance Capital Improvements or to refund all or any portion of the Bonds, Parity Bonds, or other securities payable from Net Pledged Revenues, regardless of the priority or the lien of such securities on Net Pledged Revenues.

Section 808. Issuance of Refunding Securities. The District may issue any refunding securities payable from Net Pledged Revenues to refund any Outstanding Bonds, Parity Bonds or any subordinate securities hereafter issued, with such details as the Board may by resolution provide so long as there is no impairment of any contractual obligation imposed upon the District by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding securities of any one or more issues; but so long as the Bonds, or any part thereof, are Outstanding, refunding securities payable from Net Pledged Revenues may be issued on a parity with the unrefunded Bonds only if:

A. Prior Consent. The District first receives the consent of the Owner or Owners of the unrefunded portion of the Bonds; or

B. Requirements Not Increased. The Combined Maximum Annual Principal and Interest Requirements for the Bonds and Parity Bonds Outstanding immediately after the issuance of the refunding securities is not greater than the Combined Maximum Annual Principal and Interest Requirements for all Bonds and Parity Bonds Outstanding immediately prior to the issuance of the refunding securities and the lien of any refunding Parity Bonds on the Net Pledged Revenues is not raised to a higher priority than the lien thereon of any securities thereby refunded; or

C. Earnings Test. The refunding securities are issued in compliance with Section 803B hereof.

ARTICLE IX

PROTECTIVE COVENANTS

Section 901. General. The District hereby covenants and agrees with the Owners of the Bonds and makes provisions which shall be a part of its contract with such Owners to the effect and with the purpose set forth in the following Sections of this Article.

Section 902. Performance of Duties. The District, acting by and through the Board or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Gross Pledged Revenues and the System required by the Constitution and laws of the State and the various resolutions of the District, including, without limitation, the making and collection of reasonable and sufficient fees, rates and other charges for services rendered or furnished by or the use of the System, as herein provided, and the proper segregation of the proceeds of the Bonds and of any securities hereafter authorized and the Gross Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 903. Contractual Obligations. The District shall perform all contractual obligations undertaken by it under any agreements relating to the Bonds, the Gross Pledged Revenues, the Project, or the System, or any combination thereof, with any other Persons.

Section 904. Further Assurances. At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Gross Pledged Revenues and other moneys and accounts hereby pledged or assigned, or intended so to be, or which the District may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Resolution and to comply with any instrument of the District amendatory thereof, or supplemental thereto. The District, acting by and through the Board, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Gross Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every Owner of any Bond hereunder against all claims and demands of all Persons whomsoever.

Section 905. Conditions Precedent. Upon the date of issuance of the Bonds, all conditions, acts and things required by the Federal or State Constitution, the Water Activity Act, the Supplemental Public Securities Act, this Resolution, or any other applicable law to exist, to have happened and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the District, shall not contravene any debt or other limitation prescribed by the State Constitution.

Section 906. Efficient Operation and Maintenance. The District shall at all times operate the System properly and in a sound and economical manner; and the District shall maintain, preserve and keep the same properly or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper

repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the District in connection with the maintenance, repair and operation of the System shall be reasonable and proper.

Section 907. Rules, Regulations and Other Details. The District, acting by and through the Board, shall establish and enforce reasonable rules and regulations governing the operation, use and services of the System. The District shall observe and perform all of the terms and conditions contained in this Resolution, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or to the District, except for any period during which the same are being contested in good faith by proper legal proceedings.

Section 908. Payment of Governmental Charges. The District shall pay or cause to be paid all taxes and assessments or other governmental charges, if any, lawfully levied or assessed upon or in respect of the System, or upon any part thereof, or upon any portion of the Gross Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any governmental authority relative to the System or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The District shall not create or suffer to be created any lien upon the System, or any part thereof, or upon the Gross Pledged Revenues, except the pledge and lien created by this Resolution for the payment of the Bond Requirements of the Bonds and except as herein otherwise permitted. The District shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System, or any part thereof, or the Gross Pledged Revenues; but nothing herein requires the District to pay or cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 909. Protection of Security. The District, the officers, agents and employees of the District, and the Board shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues relating thereto according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any Owner of any Bond or other security payable from Net Pledged Revenues relating thereto might be prejudicially and materially impaired or diminished.

Section 910. Prompt Payment of Bonds. The District shall promptly pay the Bond Requirements of the Bonds at the places, on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

Section 911. Use of Funds. The Funds described herein shall be used solely and only for the purposes described herein.

Section 912. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the System, or any part thereof, or on or against the Gross Pledged Revenues on a parity with or superior to the lien thereon of the Bonds.

Section 913. Corporate Existence. The District shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the District and is obligated by law to operate and maintain the System and to fix and collect the Gross Pledged Revenues as herein provided without adversely and materially affecting at any time the privileges and rights of any Owner of any Outstanding Bond.

Section 914. Disposal of System Prohibited. Except for the use of the System and services pertaining thereto in the normal course of business, or as provided in Section 915 hereof, neither all nor a substantial part of the System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of, until all the Bonds have been paid in full, as to all Bond Requirements, or unless provision has been made therefor, or until the Bonds have otherwise been redeemed, including, without limitation, the termination of the pledge as herein authorized; and the District shall not dispose of its title to the System or to any useful part thereof, including any property necessary to the operation and use of the System and the lands and interests in lands comprising the sites of the System.

Section 915. Disposal of Unnecessary Property. The District at any time and from time to time may sell, exchange, lease or otherwise dispose of any property constituting a part of the System and not useful in the construction, reconstruction or operation thereof, or which shall cease to be necessary for the efficient operation of the System, or which shall have been replaced by other property of at least equal value. Any proceeds of any such sale, exchange, lease or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, shall be deposited by the District in the Income Fund or into a special book account for the betterment, enlargement, extension, other improvement and equipment of the System, or any combination thereof, as the Board may determine, provided that any proceeds of any such lease received shall be deposited by the District as Gross Pledged Revenues in the Income Fund.

Section 916. Competing System. So long as any of the Bonds are Outstanding, the District shall not grant any franchise or license to any competing facilities so that the Gross Pledged Revenues shall not be sufficient to satisfy the covenant in Section 921 hereof.

Section 917. Loss From Condemnation. If any part of the System is taken by the exercise of the power of eminent domain, the amount of any award received by the District as a result of such taking shall be paid into the Income Fund or into a capital improvement account pertaining to the System for the purposes thereof, or, applied to the redemption of the Outstanding Bonds and any Outstanding Parity Bonds relating thereto, all as the District may determine.

Section 918. Employment of Management Engineers. If the District defaults in paying the Bond Requirements of the Bonds, the Parity Bonds, and any other securities relating thereto payable from the Gross Pledged Revenues promptly as the same fall due, or an Event of

Default has occurred and is continuing, or if the Net Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of the Outstanding Bonds, Parity Bonds, and any other securities (including all reserves therefor specified in the authorizing proceedings, including, without limitation, this Resolution) or policy costs relating thereto payable from the Net Pledged Revenues in that Fiscal Year, the District shall retain a firm of competent management engineers skilled in the operation of such facilities to assist the management of the System so long as such default continues or so long as the Net Pledged Revenues are less than the amount hereinabove designated in this Section.

Section 919. Budgets. The Board and officials of the District shall annually and at such other times as may be provided by law prepare and adopt a budget pertaining to the System.

Section 920. Reasonable and Adequate Charges. While the Bonds remain Outstanding and unpaid, the fees, rates and other charges due to the District for the use of or otherwise pertaining to and services rendered by the System to the District, to its inhabitants and to all other users within and without the boundaries of the District shall be reasonable and just, taking into account and consideration public interests and needs, the cost and value of the System, the Operation and Maintenance Expenses thereof, and the amounts necessary to meet the Bond Requirements of all Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues, including, without limitation, reserves and any replacement accounts therefor.

Section 921. Adequacy and Applicability of Charges. There shall be charged against users of service pertaining to and users of the System, including the District, except as provided by Section 922 hereof, such fees, rates and other charges so that the Gross Pledged Revenues shall be adequate to meet the requirements of this and the preceding Sections hereof. Such charges pertaining to the System shall be at least sufficient so that the Gross Pledged Revenues annually are sufficient to pay in each Fiscal Year:

A. Operation and Maintenance Expenses. An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year,

B. Principal and Interest. An amount equal to 110% of both the principal and interest on the Bonds and any Parity Bonds then Outstanding payable from the Net Pledged Revenues in that Fiscal Year (excluding the reserves therefor); and

C. Deficiencies. Any amounts required to pay sums, if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable therefrom.

Section 922. Limitations Upon Free Service. No free service or facilities shall be furnished by the System, except that the District shall not be required to pay for any use by the District of any facilities of the System for District purposes or for fire protection purposes. If the District chooses, in its sole discretion, to pay for its use of the System, all the income so derived from the District shall be deemed to be income derived from the operation of the System, to be used and to be accounted for in the same manner as any other income derived from the operation of the System.

Section 923. Levy of Charges. The District shall forthwith and in any event prior to the delivery of any of the Bonds, fix, establish and levy the fees, rates and other charges which are required by Section 921 of this Resolution, if such action is necessary therefor. No reduction in any initial or existing rate schedule for the System may be made:

A. Proper Application. Unless the District has fully complied with the provisions of Article VI of this Resolution for at least the full Fiscal Year immediately preceding such reduction of the initial or any other existing rate schedule; and

B. Sufficient Revenues. Unless the audit required by the Independent Accountant by Section 927 hereof for the full Fiscal Year immediately preceding such reduction discloses that the estimated revenues resulting from the proposed rate schedule for the System, after the schedule's proposed reduction, shall be at least sufficient to produce the amounts required by Section 921 hereof.

Section 924. Collection of Charges. The District shall cause all fees, rates and other charges pertaining to the System to be collected as soon as is reasonable, shall reasonably prescribe and enforce rules and regulations or impose contractual obligations for the payment of such charges, and for the use of the System, and shall provide methods of collection and penalties, to the end that the Gross Pledged Revenues shall be adequate to meet the requirements of this Resolution and any other resolution supplemental thereto.

Section 925. Procedure for Collecting Charges. All bills for water services and all other services or facilities furnished or served by or through the System shall be rendered to customers on a regularly established basis. The fees, rates and other charges due shall be collected in a lawful manner, including, without limitation, discontinuance of service.

Section 926. Maintenance of Records. So long as any of the Bonds and any Parity Bonds payable from the Gross Pledged Revenues remain Outstanding, proper books of record and account shall be kept by the District, separate and apart from all other records and accounts.

Section 927. Audits Required. The District, within 180 days following the close of each Fiscal Year, shall order an audit for the Fiscal Year of such books and accounts to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each account pertaining to the System and the Gross Pledged Revenues.

Section 928. Accounting Principles. System records and accounts, and audits thereof, shall be currently kept and made, as nearly as practicable, in accordance with the then generally accepted accounting principles, methods and terminology followed and construed for utility operations comparable to the System, except as may be otherwise provided herein or required by applicable law or regulation or by contractual obligation existing on the effective date of this Resolution.

Section 929. Insurance and Reconstruction. Except to the extent of any self-insurance, the District shall at all times maintain with responsible insurers fire and extended coverage insurance, worker's compensation insurance, public liability insurance and all such other insurance as is customarily maintained with respect to utilities of like character against loss of or

damage to the System and against loss of revenues and against public and other liability to the extent reasonably necessary to protect the interests of the District and of each Owner of a Bond. If any useful part of the System shall be damaged or destroyed, the District shall, as expeditiously as may be possible, commence and diligently proceed with the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such insurance shall be payable to the District and (except for proceeds of any use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Income Fund by the District as revenues derived from the operation of the System. If the costs of such repair and replacement of the damaged property exceed the proceeds of such insurance available for the payment of the same, moneys in the Income Fund shall be used to the extent necessary for such purposes, as permitted by Section 610 hereof.

Section 930. Federal Income Tax Exemption. The District covenants for the benefit of the Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (a) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (b) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (c) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present State law. In furtherance of this covenant, the District agrees to comply with the procedures set forth in the Tax Compliance Certificate. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Code and Colorado law have been met.

Section 931. Continuing Disclosure. The District shall comply with the provisions of the Continuing Disclosure Certificate. Any failure by the District to perform in accordance with this Section shall not constitute an Event of Default under this Resolution, and the rights and remedies provided by this Resolution upon the occurrence of an Event of Default shall not apply to any such failure. The Paying Agent shall not have any power or duty to enforce this Section. No Owner of a Bond shall be entitled to damages for the District's non-compliance with its obligations under this Section; however, the Owners of the Bonds may enforce specific performance of the obligations contained in this Section by any judicial proceeding available.

ARTICLE X

PRIVILEGES, RIGHTS AND REMEDIES

Section 1001. Owners' Remedies. Each Owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Resolution, and as otherwise provided or permitted by law or in equity or by any statutes, except as provided in Sections 202 through 206 and 1201 hereof, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Gross Pledged Revenues and the proceeds of the Bonds.

Section 1002. Right to Enforce Payment. Nothing in this Article affects or impairs the right of any Owner of any Bond to enforce the payment of the Bond Requirements due in connection with his or her Bond or the obligation of the District to pay the Bond Requirements of each Bond to the Owner thereof at the time and the place expressed in the Bond.

Section 1003. Events of Default. Each of the following events is hereby declared an “Event of Default”:

A. Nonpayment of Principal. Payment of the principal of any of the Bonds is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on any of the Bonds is not made when the same becomes due and payable;

C. Cross Defaults. The occurrence and continuance of an “event of default,” as defined in any Parity Bond Resolution;

D. Failure to Reconstruct. The District unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the System which is destroyed or damaged and is not promptly repaired or replaced (whether such failure promptly to repair the same is due to impracticability of such repair or replacement or is due to a lack of moneys therefor or for any other reason), but it shall not be an Event of Default if such reconstruction is not essential to the efficient operation of the System;

E. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the District appointing a receiver or receivers for the System or for the Gross Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the District is not vacated or discharged or stayed on appeal within 60 days after entry;

F. Default of Any Provision. The District defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Resolution on its part to be performed (other than Section 931 hereof), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District specifying the failure and requiring that it be remedied, which notice may be given by the Paying Agent in its discretion and, except as provided in Section 1201 hereof, shall be given by the Paying Agent at the written request of the Owners of not less than 25 percent in aggregate principal amount of Bonds then Outstanding.

Section 1004. Remedies for Defaults. Except as provided in Section 1201 hereof, upon the happening and continuance of any Event of Default, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the District and its agents, officers and employees to protect and to enforce the rights of any Owner of Bonds under this Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of

any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Bond, or to require the District to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the Bonds.

Section 1005. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of such Owners hereunder, the consent to any such appointment being hereby expressly granted by the District, may enter and may take possession of the System, may operate and maintain the same, may prescribe fees, rates and other charges, and may collect, receive and apply all Gross Pledged Revenues arising after the appointment of such receiver in the same manner as the District itself might do.

Section 1006. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Bond to proceed in any manner herein provided shall not relieve the District, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such Owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof.

Section 1007. Duties upon Defaults. Upon the happening of any Event of Default, the District shall do and perform all proper acts on behalf of and for the Owners of Bonds to protect and to preserve the security created for the payment of the Bonds and to insure the payment of the Bond Requirements promptly as the same become due. While any Event of Default exists, except to the extent it may be unlawful to do so, all Gross Pledged Revenues shall be paid into the Bond Fund and into bond or similar funds established for any Parity Bonds then Outstanding, pro rata based upon the aggregate principal amount of the Bonds and Parity Bonds then Outstanding. Except as provided in Section 1201 hereof, if the District fails or refuses to proceed as in this Section provided, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as hereinabove provided, and to that end any such Owners of the Outstanding Bonds shall be subrogated to all rights of the District under any agreement, lease or other contract involving the System or the Gross Pledged Revenues entered into prior to the effective date of this Resolution or thereafter while any of the Bonds are Outstanding.

ARTICLE XI

AMENDMENT OF RESOLUTION

Section 1101. Privilege of Amendments.

A. Except as hereafter provided, this Resolution may be amended or supplemented by resolutions adopted by the Board in accordance with law, without receipt by the

District of any additional consideration, subject to Section 1201 hereof, the Owners of not less than 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental resolution excluding, pursuant to Section 101 B hereof, any Bonds which may then be held or owned for the account of the District. Notwithstanding the foregoing, no such resolution shall permit:

(1) Changing Payment. A change in the maturity, terms of redemption or interest payment of any Outstanding Bond; or

(2) Reducing Return. A reduction in the principal amount of any Bond or the rate of interest thereon, without the consent of the Owner of the Bond; or

(3) Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Resolution; or

(4) Modifying Any Bond. A reduction of the principal amount or percentages or otherwise affecting the description of Bonds the consent of the Owners of which is required for any such modification or amendment; or

(5) Priorities Between Bonds. The establishment of priorities as between Bonds issued and Outstanding; or

(6) Modification of Less Than All the Bonds. The modification of or otherwise affecting the rights of the Owners of less than all of the Outstanding Bonds.

B. Notwithstanding the foregoing provisions of this Section, this Resolution and the rights and obligations of the District and of the Owners of the Bonds may also be modified or amended at any time, but without the consent of any Owners of the Bonds, but only to the extent permitted by law and only for any or all of the following purposes:

(1) to add to the covenants and agreements of the District in this Resolution contained other covenants and agreements thereafter to be observed;

(2) to subject to the covenants and agreements of the District in this Resolution additional System revenues, to be defined and treated as Gross Pledged Revenues, for the purpose of providing additional security for the Bonds and any Parity Bonds;

(3) to provide for the appointment of a new Paying Agent; or

(4) to make such provisions for the purpose of curing any ambiguity or of curing or correcting any formal defect or omission in this Resolution, or in regard to questions arising under this Resolution, as the District may deem necessary or desirable, and which shall not adversely affect the interests of the Owners of the Bonds.

Section 1102. Notice of Amendment. Whenever the Board proposes to amend or modify this Resolution under the provisions of this Article, it shall cause notice of the proposed amendment to be mailed to Owners of all Outstanding Bonds at their addresses as the same last appear on the registration records maintained by the Paying Agent. Such notice shall briefly set

forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file with the District Manager for public inspection. Notice of the proposed amendment, together with a copy of the proposed amendatory resolution, shall be delivered to the Rating Agencies then maintaining a rating on the Bonds at least 15 days in advance of the adoption of the amendment.

Section 1103. Time for Amendment. If the resolution is required to be consented to by the Owners of the Bonds, whenever at any time within one year from the date of the giving of such notice there shall be filed with the District Manager an instrument or instruments executed by the Owners of at least 66% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory resolution described in such notice and shall specifically consent to and approve the adoption of such resolution, the Board may adopt such amendatory resolution and such resolution shall become effective. If the resolution is not required to be consented to by the Owners of the Bonds, the amendatory resolution may be adopted by the Board at any time.

Section 1104. Binding Consent to Amendment. If the Owners of not less than 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory resolution requiring consent of the Owners of the Bonds, or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein provided, no Owner of any Bond, whether or not such Owner shall have consented to or shall have revoked any consent as in this Article provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the District from taking any action pursuant to the provisions thereof.

Section 1105. Time Consent Binding. Any consent given by the Owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the giving of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after 6 months from the date of such giving of such notice by the Owner who gave such consent or by a successor in title by filing notice of such revocation with the District Manager, but such revocation shall not be effective if the Owners of not less than 66% in aggregate principal amount of the Bonds Outstanding as in this Article provided, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

Section 1106. Unanimous Consent. Notwithstanding anything in the foregoing provisions of this Article, the terms and provisions of this Resolution or of any resolution amendatory thereof or supplemental thereto and the rights and the obligations of the District and of the Owners of the Bonds thereunder may be modified or amended in any respect upon the adoption by the District and upon the filing with the District Manager of a resolution to that effect and with the consent of the Owners of all the then Outstanding Bonds, such consent to be given as provided in Section 1103 hereof; and no notice to Owners of Bonds shall be required as provided in Section 1102 hereof, nor shall the time of consent be limited except as may be provided in such consent.

Section 1107. Exclusion of District's Bonds. At the time of any consent or of other action taken under this Article, the District shall furnish to the District Manager a certificate of the District Manager, upon which the District may rely, describing all Bonds to be excluded for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for in this Article, and the District shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, as provided in Section 101 B hereof.

Section 1108. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the Board as to such action; and after the approval of such notation, then upon demand of the Owner of any Bond Outstanding and upon presentation of his or her Bond for that purpose at the principal office of the Paying Agent, suitable notation shall be made on such Bond by the Paying Agent as to any such action. If the Board so determines, new Bonds, so modified as in the opinion of the Board conform to such action, shall be prepared, executed, authenticated and delivered; and upon demand of the Owner of any Bond then Outstanding, shall be exchanged without cost to such Owner for Bonds then Outstanding upon surrender of such Bonds.

Section 1109. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing such instrument, and the date of his or her holding the same may be proved as provided by Section 1303 hereof.

Section 1110. Copies of Supplemental Resolutions to Rating Agencies. Copies of any supplemental or amendatory resolution shall be sent by the District to the Rating Agencies at least 10 days prior to the effective date thereof.

ARTICLE XII

MISCELLANEOUS

Section 1201. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this Resolution and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or Redemption Date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the District shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 404 hereof, notice of redemption of such Bond on said Redemption Date, such notice to be given in accordance with the provisions of Section 404 hereof, (b) there shall have been deposited with the Paying Agent or a Trust Bank either moneys in an amount which shall be sufficient, and/or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or Trust Bank at the

same time, shall be sufficient to pay when due the Bond Requirements due and to become due on said Bond on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the District shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 404 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or Trust Bank and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Bond Requirements of said Bond. Neither such securities nor moneys deposited with the Paying Agent or Trust Bank pursuant to this Section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Requirements of said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other Trust Bank, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the Bond Requirements to become due on said Bond on or prior to such Redemption Date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Resolution, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other Trust Bank.

The release of the obligations of the District under this Section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this Section with respect to all Bonds then Outstanding, this Resolution may be discharged in accordance with the provisions of this Section but the liability of the District in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other Trust Bank as provided in this Section.

Section 1202. Delegated Powers. The officers, employees and agents of the District be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limitation:

A. Final Certificates. the execution of such certificates as may be reasonably required by the Purchaser, including the Continuing Disclosure Certificate;

B. Paying Agent Agreement. the execution and delivery of an agreement with the Paying Agent necessary or desirable to evidence the acceptance by the Paying Agent of its duties hereunder; and

C. Official Statement. the execution and delivery of the final Official Statement.

Section 1203. Evidence of Bond Owners. Any request, consent or other instrument which this Resolution may require or may permit to be signed and to be executed by the Owners of any Bonds may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such Owner in person or by his or her attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Resolution (except as otherwise herein expressly provided) if made in the following manner:

A. **Proof of Execution.** The fact and the date of the execution by any Owner of any Bonds or his or her attorney of such instrument may be established by a certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the District Manager, or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, that the individual signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. **Proof of Holdings.** The amount of Bonds held by any Person and the numbers, date and other identification thereof, together with the date of his or her holding the Bonds, shall be proved by the registration records maintained by the Paying Agent.

Section 1204. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the District, the Paying Agent and the Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Paying Agent and the Owners of the Bonds.

Section 1205. Notices. Except as otherwise may be provided in this Resolution, all notices, certificates, requests or other communications pursuant to this Resolution shall be in writing and shall be sufficiently given and shall be deemed given by personal delivery or when mailed by first class mail, and either delivered or addressed as follows:

If to the District at:

North Weld County Water District
Attn: Eric Reckentine, District Manager
32825 County Road 39
Lucerne, Colorado 80646
Telephone: (970) 356-3020.

If to the Paying Agent at:

Computershare Trust Company N.A.
Corporate Trust
MAC N9300-060
Attn: Paying Agent Services
600 S. 4th Street, 6th Floor
Minneapolis, Minnesota 55415
Telephone: (720) 256-6031
Facsimile: (855) 579-4534

Any of the foregoing Persons may, by notice given hereunder to each of the other Persons, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 1206. Additional Notices to Rating Agencies. The Paying Agent hereby agrees that if at any time (a) the District shall redeem any portion of the Bonds Outstanding prior to maturity, but excluding redemptions pursuant to Section 402 hereof, (b) the District shall provide for the payment of any portion of the Bonds pursuant to Section 1301 hereof, (c) a successor Paying Agent is appointed hereunder, or (d) any supplement to this Resolution shall become effective or any Person shall waive any provision of this Resolution, then, in each case, the Paying Agent shall give notice to each Rating Agency.

Section 1207. Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any rights, as provided in this Resolution, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Resolution, and no interest shall accrue for the period after such nominal date.

ADOPTED AND APPROVED this August __, 2022.

Chairman of the Board of Directors and
President of the District

(SEAL)

Attest:

Secretary of the District

EXHIBIT A

(FORM OF BOND)

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the District or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTIES OF LARIMER AND WELD

**NORTH WELD COUNTY WATER DISTRICT
LARIMER AND WELD COUNTIES, COLORADO
WATER ENTERPRISE REVENUE BOND
SERIES 2022**

No. R- _____ \$ _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED AS OF</u>	<u>CUSIP</u>
_____ %	_____, 20__	Date of Delivery	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The North Weld County Water District (the “District”), in the Counties of Larimer and Weld, and State of Colorado (the “State”), for value received, hereby promises to pay to the registered owner specified above, or registered assigns, upon the presentation and surrender of this bond, solely from the special funds provided therefor, as hereinafter set forth, the principal amount set forth above on the maturity date specified above (unless this bond shall have been called for prior redemption, in which case on the Redemption Date) and to pay solely from such special funds interest hereon at the interest rate per annum specified above, payable semiannually on May 1 and November 1 in each year, beginning on May 1, 2023, until the principal amount is paid or payment has been provided for, as described in a resolution adopted by the Board of Directors of the District on August 8, 2022 (the “Resolution”). This is one of an authorized series of bonds issued under the Resolution (the “Bonds”). The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Resolution. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Resolution. This Bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Resolution.

Reference is made to the Resolution and to all Resolutions supplemental thereto, with respect to the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, rights, duties and obligations of the District, the Paying Agent, the rights of the Owners of the Bonds, the events of defaults and remedies, the circumstances under which any Bond is no longer Outstanding, the issuance of additional bonds and the terms on which such additional bonds may be issued under and secured by the Resolution, the ability to amend the Resolution, and to all the provisions of which the Owner hereof by the acceptance of this Bond assents.

THE BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF COLORADO, AND PURSUANT TO THE RESOLUTION. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE DISTRICT, SECURED BY THE NET PLEDGED REVENUES. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE DISTRICT, THE STATE NOR ANY OF THE POLITICAL SUBDIVISIONS THEREOF IS LIABLE THEREFOR. NEITHER THE MEMBERS OF THE BOARD OF DIRECTORS OF THE DISTRICT NOR ANY PERSONS EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE FOR THIS BOND.

It is certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the District in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution of the State, and with the Resolution and any resolutions supplemental thereto; and that this Bond does not contravene any Constitutional or statutory limitation.

It is also certified, recited, and warranted that the Bonds are issued under the authority of Title 32, Article 1, C.R.S.; Title 31, Article 35, Part 4, C.R.S., Title 37, Article 45.1, C.R.S., the Resolution, and the Supplemental Public Securities Act. It is the intention of the District, as expressed in the Resolution, that pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value; and pursuant to Section 31-35-413, C.R.S., such recital shall conclusively impart full compliance with all the provisions of such statute and Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been duly executed by the Paying Agent.

IN WITNESS WHEREOF, the District has caused this Bond to be signed and executed in its name and upon its behalf with the facsimile signature of its President, has caused the facsimile of the seal of the District to be affixed hereon and has caused this Bond to be signed, executed and attested with the facsimile signature of its Secretary, all as of the date specified above.

By _____ (For Facsimile Signature)
Chairman of the Board and President of the District

(FACSIMILE SEAL)

Attest:

(For Facsimile Signature)
District Secretary

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Resolution.

COMPUTERSHARE TRUST COMPANY, N.A.,
as Paying Agent

By _____
Authorized Signatory

Date of Authentication and Registration: _____

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ to transfer the within Bond on the records kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed by an eligible guarantor institution as defined in 17 CFR § 240.17 Ad-15(a)(2).

Signature Guaranteed:

Signature must be guaranteed by a member of a Medallion Signature Program.

Address of Transferee:

Social Security or other tax identification number of transferee:

(END OF FORM OF ASSIGNMENT)

(FORM OF PREPAYMENT PANEL)

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid in accordance with the terms of the Resolution.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of DTC</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(END OF FORM OF PREPAYMENT PANEL)

(END OF FORM OF BOND)

STATE OF COLORADO)
)
 COUNTIES OF LARIMER) SS.
 AND WELD)
)
 NORTH WELD COUNTY)
 WATER DISTRICT)

I, Scott Cockcroft, the Secretary of the North Weld County Water District (the “District”), do hereby certify that:

1. The foregoing pages are a true, correct, and complete copy of a resolution adopted by the Board of Directors of the District (the “Board”) at a regular meeting of the Board on August 8, 2022 (the “Resolution”).

2. The Resolution was duly moved and seconded and was adopted at the meeting on August 8, 2022, by an affirmative vote of a majority of the members of the Board as follows:

Name	“Yes”	“No”	Absent	Abstain
Tad Stout, President				
Scott Cockcroft, Secretary				
Ron Buxman, Treasurer				
Brad Cook, Assistant Secretary				
Brad Cook, Assistant Secretary				

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the Chairman of the Board and President, sealed with the District seal, attested by the Secretary and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

6. Notice of the meeting of August 8, 2022, in the form attached hereto as Exhibit A was posted in at least three public places within the limits of the District, and, in addition, such notice was posted in the office of the Larimer and Weld Counties Clerk and Recorder not less than three (3) days prior to the meeting in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said District this August __, 2022.

Secretary

(SEAL)

Exhibit “A” to Secretary’s Certificate

(Attach Notice of Meeting)

Cost of Service Study Updates

George Oamek, Honey Creek Resources, Inc.

March 8, 2022

Since the June Meeting

- Potential additional component to towns' rates
- Rate of Return on District assets used by the town
- Acknowledges financial risk District takes to serve wholesale customers
- Common practice for wholesale customers

Rate of Return (on District assets used by the towns)

- Acknowledges financial risk and return associated with providing wholesale service
- Common practice for “outside” wholesale customers
- A rate of return in the 4% - 6% range charged against the book value of the share of assets used by the wholesale customer, such as transmission lines, pump stations, storage facilities
 - However, the towns have paid for some of the assets through PI fees

Rate of Return, how much revenue is at stake?

- Book value of an asset is its original cost less accumulated depreciation to date
- Through 2021, the District's assets have an original value of \$200 million and a book value of \$190 million, including water rights
- Subtract water rights and other assets from which the towns receive no benefit and the remaining book value is \$73 million
- The towns' peak demands account for 36% of total this investment, corresponding to \$26 million.
- Towns' contribution to PI fees, less depreciation to date is approximately \$10 million, leaving a remainder of \$16 million to which the District is entitled to a rate of return

Rate of Return, how much is at stake?

- At a book value of \$16 million, a 5% rate of return translates to about \$800,000 per year
- Based on anticipated 2023 usage, this would increase the charge to the towns by about \$0.60 per 1,000 gal
- If charged and collected, how would this revenue be used?
 1. Capital reserves, capital projects, or
 2. Relief for current ratepayers

Rate of Return revenues

- If ROR revenues are applied to capital projects
 - At \$800,000/year, could be leveraged to about \$10-\$12 million in near term projects (depending on financing terms)
- If applied for exclusively for rate relief for District customers, one possible scenario

	Current charge (\$/1,000 gal)	Cost of service baseline (\$/1,000 gal)	Cost of service with ROR revenue relief
Residential	\$4.15	\$6.16	\$5.50
Commercial, industrial	\$4.15	\$4.45	\$4.20
Towns, average	\$3.11	\$3.72	\$4.32

Potential mill levy

- 5 mill levy was defeated in 2020
- How future mill levy revenues could be applied
 - Accelerate capital projects
 - Provide relief for current ratepayers
- District has over \$100 million in needed projects currently queued to accommodate growth, aging infrastructure, and reliability
 - Based on more recent demand estimates, the backlog is likely higher
 - Over 10 years to finance and construct without additional revenues or revenue sources
- 5 mill, 7 mill, and 10 mill levies have been examined

Impact of a various mill levies

	Current conditions	5 mills	7 mills	10 mills
Impact to a home valued at \$450,000		\$160/year \$13.33/month	\$225/year \$18.67/month	\$320/year \$26.67/month
Impact to irrigated farmland		\$1.00 - \$2.00/acre	\$1.50 - \$2.50/acre	\$2.00 – \$3.75/acre

What if 3 mills are used for rate relief and the remainder to accelerate needed projects?

	Current conditions (\$/1,000 gal)	5 mills	7 mills	10 mills
Cost of service proposal, plus 3 mills for rate relief	Residential: \$6.16 Comm/Indus: \$4.45 Towns: \$3.72	Residential: \$4.75 Comm/Indus: \$4.15 Towns: \$3.72		
Remaining funds for capital projects		\$2 million annual; \$25 - \$30 million leveraged	\$4 million annual; \$50 – \$60 million leveraged	\$7 million annual; \$100 million leveraged
Projects that could be accelerated		Tank 1C NEWT III – NW only 42” line from County Line to Tank 1	Additional needed projects: NEWT III pump station Water rights Interconnect with Greeley Tank 1 line upgrade Eaton pipeline Meter upgrades Security and reliability measures	

What if 2 mills are used for rate relief and the remainder to accelerate needed projects?

	Current conditions (\$/1,000 gal)	5 mills	7 mills	10 mills
Cost of service proposal, plus 3 mills for rate relief	Residential: \$6.16 Comm/Indus: \$4.45 Towns: \$3.72	Residential: \$5.23 Comm/Indus: \$4.15 Towns: \$3.72		
Remaining funds for capital projects		\$3 million annual; \$40 million leveraged	\$5 million annual; \$65 million leveraged	\$8 million annual; \$115 million leveraged
Projects that could be accelerated		Tank 1C NEWT III – NW only 42" line from County Line to Tank 1	Additional needed projects: NEWT III pump station Water rights Interconnect with Greeley Tank 1 line upgrade Eaton pipeline Meter upgrades Security and reliability measures	

	Current conditions	5 mills	7 mills	10 mills
Impact to \$450,000 single family residence		\$160/year \$13.33/mo.	\$225/year \$18.67/mo.	\$320 \$26.67/mo.
Impact to irrigated cropland (\$/acre)		\$1.00-\$2.00/acre	\$1.50-\$2.50/acre	\$2.00-\$3.75/acre
Current water rates	\$4.15/1,000 gal for all customers	Dedicating 3 mills per year ensures that District rates only need to increase with inflation through 2030; towns would pay cost-of-service		
With 3 mills being used for rate relief:				
Cost of service proposal, plus using 3 mills for rate relief	Residential: \$6.16 Comm/Indus: \$4.45 Towns: \$3.72	Residential: \$4.75 Comm/Indus: \$4.15 Towns: \$3.72		
Remaining funds for capital projects		\$2 million annual; \$26 million leveraged	\$4 million annual; \$52 million leveraged	\$7 million annual; \$91 million leveraged
Projects that could be accelerated				
With 2 mills being used for rate relief:				
Cost of service proposal, plus using 2 mills for rate relief	Residential: \$6.16 Comm/Indus: \$4.45 Towns: \$3.72	Residential: \$5.23 Comm/Indus: \$4.15 Towns: \$3.72		
Remaining funds for capital projects		\$3 million annual; \$39 million leveraged	\$5 million annual; \$65 million leveraged	\$8 million annual; \$104 million leveraged
Projects that could be accelerated				

Memorandum of Intergovernmental Agreement
For Conduct of Coordinated Elections

North Weld County Water District, hereinafter referred to as “Jurisdiction,” does hereby agree and contract with the Board of County Commissioners of the County of Weld, hereinafter referred to as “Commissioners,” and the Weld County Clerk and Recorder, hereinafter referred to as “County Clerk,” concerning the administration of the November 8, 2022, General Election conducted pursuant to the Uniform Election Code of 1992 as amended (hereinafter “Code”), and the rules and regulations promulgated thereunder, found at 8 C.C.R. 1505-1, and Title 32, C.R.S. This Agreement is not intended to address or modify statutory provisions regarding voter registration, nor to address or modify the County Clerk’s duties thereunder.

WHEREAS, the Jurisdiction desires to conduct an election pursuant to its statutory authority or to have certain items placed on the ballot at an election pursuant to its statutory authority, such election to occur via mail ballot on November 8, 2022; and

WHEREAS, the Jurisdiction agrees to conduct a Coordinated Election with the County Clerk acting as the Coordinated Election Official; and

WHEREAS, the County Clerk is the “Coordinated Election Official,” pursuant to C.R.S. § 1-7-116, C.R.S., and is to perform certain election services in consideration of performances by the Jurisdiction of the obligations herein below set forth; and

WHEREAS, such agreements are authorized by statute at C.R.S. §§ 1-1-111(3), 1-7-116, and 29-1-203, et seq.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

1. The Jurisdiction is a special district which encompasses territory within Weld County and _____ County. This Agreement shall be construed to apply only to that portion of the Jurisdiction within Weld County.
2. Term of Agreement: This Agreement is intended only to deal with the conduct of the November 8, 2022, General Election.
3. The Jurisdiction agrees to perform the following tasks and activities:
 - a. To do all tasks required by law of designated election officials concerning self-nomination and acceptance forms or letters as set forth in 1-13.5-303, C.R.S., any applicable provisions of Title 1, Article IV, Parts 8 and 9, C.R.S., and § 1-4-501, C.R.S.
 - b. Establish order of names and questions for Jurisdiction’s portion of the ballot and submit to the County Clerk in final form. The ballot content, including a list of candidates, ballot title, and text, must be certified to the County Clerk no later than 60 days before the election, pursuant to C.R.S. §1-5-203(3)(a). The Jurisdiction must provide a Spanish (US) translation of the ballot title and text for the County to provide a Spanish language sample ballot and a Spanish language in-person ballot pursuant to § 1-5-906 and 1-5-907, C.R.S. The translation services selected by the Jurisdiction must be screened and tested for proficiency in both written English and Spanish with affiliation or accreditation by a nationally recognized association of translators or have credentials or certifications that are comparable to or exceed the standards used by a nationally recognized association of translators, and must produce translations that are linguistically accurate, culturally appropriate, and technically consistent with the original documents. The

Memorandum of Intergovernmental Agreement
For Conduct of Coordinated Elections

County Clerk will require the certification of translation be turned in with the ballot content.

- c. Accept written comments for and against ballot issues pursuant to §§ 1-7-901, C.R.S., and Colorado Constitution Article 10, Section 20(3)(b)(v). Comments to be accepted must be filed by noon on the Friday before the 45th day before the election. Preparation of summaries of written comments shall be done by the Jurisdiction but only to the extent required pursuant to § 1-7-903(3), C.R.S. The full text of any required ballot issue notices must be transmitted to and received by the County Clerk no later than 43 days prior to the election pursuant to § 1-7-904, C.R.S. No portion of this Subsection 3(c) shall require the County Clerk to prepare summaries regarding the Jurisdiction's ballot issues.
- d. Collect, prepare, and submit all information required to give notice pursuant to Colorado Constitution Article 10, Section 20(3)(b), the Taxpayer's Bill of Rights. Such information must be received by the County Clerk no less than 43 days prior to the election to give the County Clerk sufficient time to circulate the information to voters. Special Districts shall be solely responsible for circulating the notice required to property owners that reside out of Weld County pursuant to Colorado Constitution Article 10, Section 20(3)(b), the Taxpayer's Bill of Rights.
- e. Pay the sum of \$1.25 per registered elector eligible to vote in the Jurisdiction's election as of November 8, 2022, with a \$200 minimum, within 30 days of billing, regardless of whether or not the election is actually held. If the Jurisdiction cancels the election before its Section 20, Article 10, the Taxpayer's Bill of Rights, notices are due to the County, and prior to the County Clerk incurring any expenses for the printing of the ballots, the Jurisdiction shall not be obligated for any expenses under this Subsection 3(e). The Jurisdiction shall also be responsible for costs of recounts pursuant to §§ 1-10.5-107 or 1-11-215, C.R.S., except for costs collected from an "interested party" pursuant to § 1-10.5-106 which shall be collected by the entity conducting the recount.
- f. Designate an "election official" who shall act as the primary liaison between the Jurisdiction and the County Clerk and who will have primary responsibility for the conduct of election procedures to be handled by the Jurisdiction hereunder.
- g. Mail ballot issue notices pursuant to § 1-7-906(2) for active registered electors who do not reside within the county or counties where the political subdivision is located.
- h. Carry out all action necessary for cancellation of an election including notice pursuant to § 1-5-208, C.R.S., and pay any costs incurred by the County Clerk within 30 days of receipt of an invoice setting forth the costs of the canceled election pursuant to § 1-5-208(5), C.R.S.
- i. In order to ensure property owners are accurately represented in special district elections, Weld County will provide Jurisdiction with a list of registered UOCAVA voters. Jurisdiction shall compare said list of registered UOCAVA voters with the district's list of property owners and provide Weld County with a list of property owners that are eligible to vote within the special district but who are not registered voters within the special district by September 21st. Jurisdiction must provide the voter's ID number on the list of property owners returned to Weld County. Weld County will mail such UOCAVA property owner(s) a ballot by September 24th.

Memorandum of Intergovernmental Agreement
For Conduct of Coordinated Elections

- j. In order to ensure that property owners are accurately represented in special district elections, Weld County will provide Jurisdiction with a list of the voters registered within the special district. Jurisdiction shall compare said list of registered voters with the district's list of property owners and provide Weld County with a list of property owners that are eligible to vote within the special district but who are not registered voters within the special district by September 28th. Jurisdiction must provide the voter's ID number on the list of property owners returned to Weld County. Weld County will mail such property owner(s) a ballot by October 17th. Weld County will charge the \$1.25 for each property owner ballot mailed in addition to any charges specified in above Section 3(e).
- k. Jurisdiction shall verify as being accurate the list of registered elector's names and addresses previously forwarded to the Jurisdiction by the Weld County Clerk and Recorder's Office. By signing this Agreement, Jurisdiction certifies that the list of registered elector's names and addresses has been reviewed by the Jurisdiction and is accurate. The Jurisdiction will promptly notify Adam Gonzales, the Weld County Election Manager (see contact information in 5(h)), of any changes to the information contained in said list.
- l. By September **9th**, Jurisdiction shall notify all candidates to call the Election Office at 970-400-3109 to leave a voice mail on how to pronounce the candidate's name for the audio ballot.

4. The County Clerk Agrees to perform the following tasks and activities:

- a. Except as otherwise expressly provided for in this Agreement, to act as the Coordinated Election Official for the conduct of the election for the Jurisdiction for all matters in the Code which require action by the Coordinated Election Official.
- b. Circulate the Taxpayer's Bill of Rights notice pursuant to Colorado Constitution Article 10, Section 20 to only those active eligible electors residing within the special district. Jurisdiction shall be solely responsible for circulating Taxpayer's Bill of Rights notice required to property owners that reside out of Weld County.
- c. Circulate general Ballot Issues notices pursuant to §§ 1-7-905 and 1-7-906(1), C.R.S. and publish and post notice, as directed in § 1-5-205, C.R.S.
- d. Designate the statutory required number of drop boxes during the election cycle. Designate not less than the statutory requirement of voter service and polling centers for early voting and election day.
- e. After Election Day, bill Jurisdiction for number of registered electors within the Jurisdiction as of Election Day; identify the members of the Board of Canvassers eligible for receiving a fee; and bill the Jurisdiction for the fees.
- f. Designate an employee of the Weld County Clerk and Recorder's Office, Election Division to act as a primary liaison or contact between the County Clerk and the Jurisdiction (see contact information in 5(h)).

Memorandum of Intergovernmental Agreement
For Conduct of Coordinated Elections

- g. The County Clerk shall appoint, and train election judges and this power shall be delegated by the Jurisdiction to the County Clerk, to the extent required or allowed by law.
- h. Select and appoint a Board of Canvassers to canvass the votes, provided that the Jurisdiction, at its option, may designate one of its members and one eligible elector from the jurisdiction to assist the County Clerk in the survey of the returns for that Jurisdiction. If the Jurisdiction desires to appoint one of its members and an eligible elector to assist, it shall make such appointments, and shall notify the County Clerk in writing of such appointments not later than 15 days prior to the election. The County Clerk shall receive and canvass all votes, and shall certify the results in the time and manner provided and required by the Code. The County Clerk shall perform all recounts required by the Code.

5. Additional Provisions

- a. Time of the Essence.

Time is of the essence in this Agreement. The statutory time frames of the Code shall apply to the completion of the tasks required by this Agreement.

- b. Conflict of Agreement with Law.

This Agreement shall be interpreted to be consistent with the Code, Title 32, C.R.S., and the Colorado Election Rules contained in 8 C.C.R. 1505-1. Should there be an irreconcilable conflict between the statutes, this Agreement and the Colorado Election Rules, the statutes shall first prevail, then this Agreement and lastly the Colorado Election Rules.

- c. Right of Termination.

If Jurisdiction fails to accomplish its obligations, County is relieved of any further obligation under this agreement. Jurisdiction is fully responsible for any actions that result from its failure to meet its obligations.

- d. Liquidated Damages.

In the event that a Court of competent jurisdiction finds that the election for the Jurisdiction was void or otherwise fatally defective as a result of the sole negligence or failure of the County Clerk to perform in accordance with this Agreement or laws applicable thereto, then the County Clerk shall, as liquidated damage, not as a penalty, refund all payments made, pursuant to Subsection 3(e) of this Agreement and shall, if requested by the Jurisdiction, conduct the next Coordinated Election which may include any election made necessary by a defect in the election conducted pursuant to this Agreement with no fee assessed to the Jurisdiction. This remedy shall be the sole and exclusive remedy for damages available to the Jurisdiction under this Agreement.

Memorandum of Intergovernmental Agreement
For Conduct of Coordinated Elections

e. No Waiver of Privileges or Immunities.

No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act §§ 24-10-101 et seq., as applicable now or hereafter amended, or any other applicable privileges or immunities held by the parties to this Agreement.

f. No Third Party Beneficiary Enforcement.

It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the undersigned parties and nothing in this Agreement shall give or allow any claim or right of action whatsoever by any other person not included in this Agreement. It is the express intention of the undersigned parties that any entity other than the undersigned parties receiving services or benefits under this Agreement shall be an incidental beneficiary only.

g. Entire Agreement, Modification, Waiver of Breach.

This Agreement contains the entire Agreement and understanding between the parties to this Agreement and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written. No modification, amendment, novation, renewal, or other alteration of or to this Agreement and any attached exhibits shall be deemed valid or of any force or effect whatsoever, unless mutually agreed upon in writing by the undersigned parties. No breach of any term, provision, or clause of this Agreement shall be deemed waived or excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party hereto, or waiver of, a breach by any other party, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other, or subsequent, breach.

Memorandum of Intergovernmental Agreement
For Conduct of Coordinated Elections

h. Notice provided for in this Agreement shall be given by the Jurisdiction to the primary liaison designated according to section 4.f. above:

Adam Gonzales
Phone: (970) 400-3178
Fax: (970) 304-6566
Email: agonzales@weldgov.com
Address: PO Box 459, Greeley, CO 80632

Notice provided for in this Agreement shall be given to the Jurisdiction election official referred to in 3(f) of this Agreement by phone:

Designated Election Official for Jurisdiction: _____
Phone: _____
After hour phone number: _____
Additional Contact Information:
Fax: _____
E-mail: _____
Address: _____
_____.

DATED this _____ day of _____, 2022.

WELD COUNTY CLERK AND RECORDER

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF WELD COUNTY

Carly Koppes, Clerk and Recorder

Scott James, Chair

APPROVED AS TO FORM:

ATTEST: _____
Clerk to the Board of County Commissioners

County Attorney

Deputy Clerk to the Board

North Weld County Water District
APPROVED AS TO FORM:

ATTEST:

Attorney for Jurisdiction (Signature)

Designated Election Official for Jurisdiction
(Signature)

LARIMER COUNTY | CLERK AND RECORDER | Angela Myers

200 West Oak Street, Suite 5100, P.O. Box 1547, Fort Collins, Colorado 80522, vote.larimer.gov

July 29, 2022

North Weld County Water District
Attention: Ashley Frisbie
2154 E Commons Ave #2000
Centennial, CO 80122

Dear Ms. Frisbie:

Enclosed you will find two copies of the Intergovernmental Agreement (IGA) for the November 8, 2022 General Election. Please sign both copies as Entity for North Weld County Water District and return both copies to the Elections Department, Attention: IGA Team, P.O. Box 1547, Fort Collins, CO 80522.

Please complete the enclosed Larimer County Ballot Preparation sheet for the Candidate Races and/or Questions & Issues as appropriate to the anticipated ballot content and return to our office as soon as possible.

The General Election ballot is expected to be of considerable length, therefore, we are requesting that each question be limited to 250 words or less as stated in the IGA, page 9, Article IV, A and Elections Costs, #6 Entity shall pay any additional or unique election costs resulting from Entity delays and/or special preparations or cancellations relating to Entity's participation in Election. Special preparations can include, but are not limited to:

- Ballot addendums
- Affidavits
- Ballot language length exceeding 250 words
- Multiple page ballot

We would greatly appreciate a "draft" copy of your races(s) and/or questions(s)/issue(s) as soon as possible. Please provide the draft electronically. Mark it as a draft copy.

Please note that Exhibit A in the IGA is an ESTIMATE of billing and may not reflect all entities participating in the 2022 General Election.

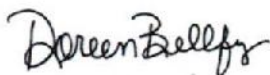
** It is imperative that you review this Exhibit for the Estimated Election cost of your Entity's portion.

We must receive your final certification of ballot content by 5:00 p.m. on September 9, 2022 pursuant to C.R.S. §1-5-203(3)(a).

If you have any questions or concerns, please contact Doreen Bellfy, Elections Director at (970) 498-7941, at your convenience.

We look forward to working with you and completing a successful election year in Larimer County.

Sincerely,
ANGELA MYERS
CLERK & RECORDER



Doreen Bellfy
Elections Director

Enclosures



INTERGOVERNMENTAL AGREEMENT FOR 2022 GENERAL ELECTION

This Intergovernmental Agreement ("Agreement") is entered into by and between the Larimer County Clerk and Recorder ("County Clerk") and the North Weld County Water District ("Entity"). Agreement is made effective upon the signature of Entity and County Clerk.

WITNESSETH

WHEREAS, County Clerk and Entity are authorized to conduct elections as provided by law; and

WHEREAS, County Clerk will conduct Election as a "Mail Ballot Election," as such term is defined in the Uniform Election Code of 1992, C.R.S. Title 1, as amended ("Code") and the current Colorado Secretary of State Election Rules, as amended ("Rules"); and

WHEREAS, Entity has certain ballot race(s), ballot question(s) and/or ballot issue(s) to present to its eligible electors and desires to coordinate with County Clerk; and

WHEREAS, pursuant to C.R.S. §1-7-116(2), as amended, County Clerk and Entity shall enter into an agreement for the administration of their respective duties concerning the conduct of the General Election to be held on November 8, 2022, ("Election"), and said agreement must be executed no less than 70 days prior to the Election which is August 30, 2022.

NOW, THEREFORE, for and in consideration of the promises herein contained, the sufficiency of which is hereby acknowledged, County Clerk and Entity agree as follows:

ARTICLE I PURPOSE AND GENERAL MATTERS

A. Goal.

The purpose of Agreement is to set forth the respective tasks in order to conduct Election and to allocate the cost thereof.

B. Coordinated Election Official.

County Clerk shall act as the Coordinated Election Official ("CEO") in accordance with Code and Rules and shall conduct Election for Entity.

County Clerk designates Doreen Bellfy, whose telephone number is 970.498.7941, cell is 970.237.0096, email is dbellfy@larimer.org, and fax is 970.498.7847, to act as the primary liaison ("Contact Officer") between County Clerk and Entity. Contact Officer shall act under the authority of County Clerk and shall have primary responsibility for the coordination of Election with Entity.

C. Designated Election Official.

Entity designates _____ as its Designated Election Official ("DEO"), whose phone is _____, cell is _____, email is _____ and fax is _____, to act as the primary liaison between Entity and Contact Officer. DEO shall have primary responsibility for Election procedures to be handled by Entity. DEO shall act in accordance with Code and Rules. DEO shall be readily available and accessible during regular business hours, and at other times when notified by Contact Officer in advance, for the purposes of consultation and decision-making on behalf of Entity. In addition, DEO is responsible for receiving and timely responding to inquiries made by its voters or others interested in Entity's election.

D. Jurisdictional Limitation.

Entity encompasses territory within Larimer County, Colorado. Agreement shall be construed to apply only to that area of Entity situated within Larimer County.

E. Term.

The term of Agreement shall be through December 31, 2022 and shall apply only to Election.

**ARTICLE II
DUTIES OF COUNTY CLERK**

A. Voter Registration.

Supervise, administer, and provide necessary facilities and forms for all regular voter registration sites.

B. Ballot Preparation.

1. Lay out the text of the ballot in a format that complies with Code and Rules. **In accordance with Colorado Secretary of State Rule 4.5.1(b), County Clerk requires that each ballot question and ballot issue be not more than 250 words. Additional costs incurred for ballot language length exceeding 250 words are referenced in Article IV(A)(6).**
2. Assign the letter and/or number of Entity's ballot question(s) or ballot issue(s) which will appear on the ballot and provide this assignment to Entity.

Sign on the line provided below to indicate acknowledgement.

_____ ENTITY SIGNATURE



3. Provide ballot printing layouts and text for Entity's review and signature. If Entity fails to provide approval by the required deadline, the content is to be considered approved.
4. Certify the ballot content to the printer(s).
5. Contract for ballots.

C. Voter Lists.

Upon request of Entity, create and certify a list of registered voters containing the names and addresses of each elector registered to vote in Entity.

D. Property Owners.

Only applicable to Elections conducted under titles where owning property in the political subdivision is a requirement for voting in the election.

1. Provide mail ballot packets to all eligible property owners who are registered to vote at the eligible property address.
2. Mail affidavits to all property owners within Entity as stipulated in the "Duties of Entity", Article III(G). Each eligible elector who resides outside Entity, but is registered to vote in the State of Colorado, must complete, sign and return the affidavit to County Clerk. Those electors that reside on the property will not be required to complete the affidavit.

3. Provide mail ballot packets to all eligible property owners who do not reside on the property but are registered electors of the State of Colorado, upon receipt and verification of a signed affidavit.

E. Election Judges.

Appoint and compensate a sufficient number of election judges to conduct Election.

F. Mail Ballot.

1. Mail ballot packets to every active registered elector and conduct Election in accordance with C.R.S. Title 1, Article 7.5.
2. Establish drop boxes in accordance with C.R.S. §1-5-102.9(5) for the purposes of allowing electors to drop-off their completed mail ballots.

G. Voter Service and Polling Center ("VSPC") sites.

1. Establish VSPC sites in accordance with C.R.S. §1-5-102.9, coordinate the location and operation of the VSPC sites, and conduct all accessibility site surveys.
2. Obtain and provide all ballots, forms, equipment and supplies necessary for mail and accessible voting.
3. Obtain and provide all ballots, forms, equipment and supplies necessary to verify and issue ballots to property owners who are registered to vote in the State of Colorado but who do not reside in Entity. *Only applicable to Elections conducted under titles where owning property in the political subdivision is a requirement for voting in Election.*
4. Provide all necessary Election personnel to conduct Election.

H. Voting Jurisdiction.

Pursuant to C.R.S. §1-5-303 and subject to Entity providing the information referenced in Article III(C)(1), County Clerk shall provide an Address Library Report from the Statewide Colorado Voter Registration and Election database ("Address Library Report") no later than August 15, 2022, which will list the street addresses located in both Entity and Larimer County according to the statewide voter registration system. In order to create Address Library Report, County Clerk must first receive from Entity the information referenced in Article III(C)(1).

I. Election Day Preparation.

1. Provide, no later than twenty days before Election, notice by publication of a mail ballot election. Such notice shall satisfy the publication requirement for all entities participating in Election pursuant to C.R.S. §1-5-205(1.4).
2. Prepare and conduct pre-election logic and accuracy testing in accordance with C.R.S. §1-7-509 and Rules.
3. Provide necessary electronic voting equipment together with personnel and related computer equipment for pre-election logic and accuracy testing and Election Day needs.
4. Prepare and conduct a risk-limiting audit in accordance with C.R.S. §1-7-515 and Rules.

J. TABOR Notice.

1. Coordinate the printing and labeling of the TABOR notice and mail it to all registered voters within Entity not less than thirty days prior to Election in compliance with Article X, Section 20 of the Colorado Constitution and any applicable Code and Rules.
2. Charge Entity for all expenses associated with printing, labeling, and mailing (postage) for the TABOR notice. Said expenses shall be prorated among all Entities participating in the TABOR notice. Such proration shall be based, in part, upon the number of addresses where one or more active registered voters of Entity reside.
3. Determine the least cost method for mailing the TABOR notice and address the TABOR notice to "All Registered Voters" at each address in Larimer County where one or more active registered voters of Entity reside.
4. Nothing herein shall preclude County Clerk from sending the TABOR notice of Entity to persons in addition to the electors of Entity if such sending arises from County Clerk's efforts to mail the TABOR notice at the least cost.

K. Counting Ballots.

1. Conduct and oversee the ballot counting process and report the results by entity.
2. Establish backup procedures and backup sites for ballot counting should counting equipment and/or building facilities fail. In such event, counting procedures will be moved to a predetermined site.

L. Certifying Results.

1. Appoint, instruct, and oversee the Board of Canvassers.
2. Certify the results of Entity's Election within the time required by law and provide Entity with a copy of all Election statements and certificates required under Code and Rule.
3. Conduct a recount (if called for) in accordance with Code and Rule.

M. Recordkeeping.

1. Retain all Election records as required by C.R.S. § 1-7-802.
2. Keep an accurate account of all Election costs.

N. No Expansion of Duties.

Nothing contained in Agreement is intended to expand the duties of County Clerk beyond those set forth in Code or Rules.

**ARTICLE III
DUTIES OF ENTITY**

A. Authority.

Provide County Clerk with a copy of the ordinance or resolution stating that Entity will participate in Election in accordance with the terms and conditions of Agreement. The ordinance or resolution shall further authorize the presiding officer of Entity or other designated person to execute Agreement.

B. Call and Notice.

Publish all notices relative to Election which Entity is required to provide pursuant to Code, Rules, Entity's Charter and any other statute, rule, or regulation.

C. Voting Jurisdiction – Certifying Entity Address Boundaries.

1. If Entity is not already identified by a tax authority code in the County Assessor's records, Entity must:
 - Provide County Clerk with a legal description, map and listing of street addresses located within Entity in Larimer County, no later than 5:00 p.m. on August 8, 2022.
 - This information must be provided to County Clerk in Microsoft Excel.
 - Certify the accuracy of such information.
2. If Entity has annexed any properties into Entity since January 1, 2022, Entity must:
 - Provide County Clerk with a legal description, map and listing of street addresses for all properties annexed into Entity in Larimer County, no later than 5:00 p.m. on August 8, 2022.
 - This information must be provided to County Clerk in Microsoft Excel.
 - Certify the accuracy of such information.
3. Review all information in Address Library Report referenced in Article II(H) and ensure that Address Library Report is an accurate representation of the streets contained within Entity's legal boundaries.
4. Indicate on Address Library Report Sign-Off Form ("Sign-Off Form") whether any changes are needed, or whether Address Library Report is complete and accurate.
 - If Entity requests any changes to Address Library Report on Sign-Off Form, County Clerk will make the requested changes and return the amended Address Library Report to Entity along with a second Sign-Off Form, no later than 5:00 p.m. on August 26, 2022.
5. Return the final certified Sign-Off Form to County Clerk, no later than 5:00 p.m. on August 30, 2022.

D. Petitions, Preparation and Verification.

Perform all responsibilities required to certify any candidate, initiative petition, question, or issue to the ballot.

E. Ballot Preparation.

1. Determine whether a ballot race, ballot question, or ballot issue is properly placed before the voters.
2. Prepare a list of candidates and the ballot title and text for each ballot question and ballot issue. **County Clerk requires that each ballot question and ballot issue be not more than 250 words in accordance with Colorado Secretary of State Rule 4.5.1(b). Additional costs incurred for ballot language length exceeding 250 words are referenced in Article IV(A)(6).**

Each ballot issue or ballot question submitted shall be followed by the words "yes/for" and "no/against".

Sign on the line provided below to indicate acknowledgement:

ENTITY SIGNATURE



3. Provide a certified copy of the ballot content [race(s), question(s) and issue(s)] to County Clerk no later than 5:00 p.m. on September 9, 2022, pursuant to C.R.S. § 1-5-203(3)(a). Entity must provide certified ballot content as an email attachment to elections@co.larimer.co.us.

The ballot content must be certified exactly in the order in which it is to be printed on the ballot pages and sample ballots in the following format:

File Format: Microsoft Word (.doc or .docx)
Font Type: Arial
Font Size: 8 point
Justification: Left
All Margins: 0.5 inches

The certified list of ballot race(s), ballot question(s) and/or ballot issue(s) submitted by Entity shall be final.

4. Proofread and approve Entity's ballot content for printing immediately upon receipt from County Clerk. Entity must provide an email address and designate a person to be available for proofing and approving ballot content for printing.

Due to time constraints, Entity must provide contact information for someone who is available from 8:00 a.m. to 7:00 p.m. from September 9, 2022 until September 19, 2022, or until final approval of printing of ballots has been reached. County Clerk agrees to keep all contact personnel informed of ballot printing status. Entity has designated _____, whose phone is _____, cell is _____, email is _____ and fax is _____.

Once approval has been received, County Clerk will not make any changes to the ballot content. If Entity fails to provide approval by the required deadline, the content will be considered approved.

5. Ensure that Entity's certified candidates file all Campaign and Political Finance forms required by the Colorado Secretary of State Rules Concerning Campaign and Political Finance online at <http://tracer.sos.colorado.gov>.

6. Provide (or ensure that Entity's certified candidates provide) an audio pronunciation of all candidates' names as they have been certified to County Clerk, no later than 5:00 p.m. on September 9, 2022. See Exhibit B for details.

Sign on the line provided below to indicate acknowledgement.

ENTITY SIGNATURE



7. Defend and resolve at Entity's sole expense all challenges relative to the ballot race(s), ballot question(s) and/or ballot issue(s) as certified to County Clerk for inclusion in Election.

F. Election Participation.

If requested by County Clerk, provide person(s) to participate and assist in Election process. The person(s) provided by Entity must be registered to vote in Larimer County.

G. Property Owners.

Only applicable to Elections conducted under titles where owning property in the political subdivision is a requirement for voting in Election.

1. Notify and provide information and materials to property owners regarding the location(s) which an eligible elector may vote at any VSPC site.
2. Obtain a list of Entity's property owners from the County Assessor's office in accordance with C.R.S. § 1-5-304. Property owners listed in the County Assessor's property records may not be eligible electors of Entity. Entity must review and verify the eligibility of property owners to receive ballots regarding Entity's Ballot Issue(s).

Entity must provide an initial list of eligible electors who are registered to vote in Colorado and own property within Entity to County Clerk, no later than September 29, 2022, and must provide a final list of eligible electors who are registered to vote in Colorado and own property within Entity to County Clerk, no later than October 19, 2022. The list must be in Excel (.xls/.xlsx) format and must include the following columns:

- Owner Name
- Property Address
- Property Parcel Number
- Mailing Address
- Mailing City
- Mailing State
- Mailing Zip

Each property owner must be listed as a separate entry. Exclude property owners who are already registered to vote within Entity.

Exclude Trusts, LLC, Corporations and Entities if ineligible to vote – *consult legal counsel.*

H. TABOR Notice.

1. Prepare the language for the TABOR notice [for any ballot issue(s) that require a TABOR notice] in compliance with Article X, Section 20 of the Colorado Constitution and any pertinent Code and Rules.

Entity shall be solely responsible for timely providing to County Clerk a complete TABOR notice. County Clerk shall in no way be responsible for Entity's compliance with TABOR or the accuracy or sufficiency of any TABOR notice.

2. Receive written comments relating to ballot issue(s) and summarize such comments, as required by TABOR.
3. Certify and submit all TABOR notice content, including pro and con summaries and fiscal information, to County Clerk no later than 5:00 p.m. on September 26, 2022, pursuant to C.R.S. § 1-7-904. Such notice shall be provided to County Clerk as an email attachment to elections@co.larimer.co.us in the following format:

File Format: Microsoft Word (.doc/docx)

Font Type: Arial

Font Size: 8 point

Justification: Left

All Margins: 0.5 inches

Entity shall be solely responsible for the preparation, accuracy and contents of its TABOR notice(s). The certified TABOR notice, including all text, summary of comments and fiscal information shall be final. County Clerk may correct any spelling, grammar or formatting errors identified in Entity's certified TABOR notice, so long as those corrections do not change or otherwise impact the meaning of Entity's TABOR notice content.

4. Proofread and approve Entity's TABOR notice content for printing. Due to time constraints, Entity must provide an email address and designate a person to be available for proofing and approving TABOR notice content for printing from 8:00 a.m. to 7:00 p.m. from September 26, 2022 until September 30, 2022, or until final approval of the TABOR notice has been reached. County Clerk agrees to keep all contact personnel informed of TABOR notice printing status. Entity has designated _____, whose phone is _____, cell is _____, email is _____ and fax is _____.

Once approval has been received, County Clerk will not make any changes to the TABOR notice content. If Entity fails to provide approval by the required deadline, the content will be considered approved.

5. Mail the TABOR notice to each address of one or more active registered electors who own property but who do not reside within Entity in accordance with C.R.S. § 1-7-906(2).

I. Cancellation of Election by Entity.

If Entity resolves not to participate in Election, Entity must immediately deliver to Contact Officer written notice that it is withdrawing one or more ballot questions or ballot issues; provided, however that Entity may not cancel after the 25th day prior to Election, October 14, 2022, pursuant to C.R.S. § 1-5-208(2).

Entity must reimburse County Clerk for the actual expenses incurred in preparing for Election. If cancellation occurs after the certification deadline, full election costs may be incurred. Entity must publish all notices relative to Election which Entity is required to provide pursuant to Code, Rules, Entity's Charter and any other statute, rule or regulation.

**ARTICLE IV
COSTS**

A. Election Costs.

The minimum fee for election services is \$650.00.

1. Entity's proportional share of costs shall be based on County expenditures relative to Election and the **number of eligible electors per Entity**, in accordance with C.R.S. §1-7-116(2)(b). Costs include, but are not limited to:

- Supplies
- Printing
- Postage
- Legal notices
- Temporary labor
- Other expenses attributable to County Clerk's administration of Election for Entity

Entity shall be charged its **prorated** share of Election costs for any software programs used to count voted ballots as well as pre-election and post-election maintenance and on-site technical support.

2. Entity affirms that it has sufficient funds available in its approved budget to pay its prorated Election expenses.
3. If it is determined that counting must be moved to an established backup site, Entity shall be charged its prorated share.
4. The cost of any recount(s) will be charged to Entity, or if more than one Entity is involved in the recount, the cost will be prorated among the Entities participating in the recount.
5. Upon receipt of the invoice, pay to County Clerk within thirty days costs in an amount determined in accordance with the formula set forth on Exhibit A Cost Estimate. At the time of the mailing of Agreement, a preliminary Exhibit A Cost Estimate will be provided (with State of Colorado and Larimer County participation included in the estimate). A final Exhibit A Cost Estimate will be provided once all Entities have been certified to the ballot.
6. **Entity shall pay any additional or unique election costs resulting from Entity delays and/or special preparations or cancellations relating to Entity's participation in Election. Special preparations can include, but are not limited to: Ranked Choice Voting, ballot addendums, affidavits, ballot language length exceeding 250 words or multiple page ballot.**

B. TABOR Costs.

The minimum fee for TABOR services is \$350.00.

Entity shall pay a prorated amount for the costs to coordinate, label and print the TABOR notice, and for the mailing of such notice. Such proration to be based, in part, on addresses where one or more active registered electors of Entity reside.

C. Invoice.

County Clerk shall submit to Entity an invoice for all costs incurred under Agreement and Entity shall remit to County Clerk the total due upon receipt. Any amount not paid within 30 days after receipt

will be subject to an interest charge at the lesser of 1 ½% per month or the highest rate permitted under law.

ARTICLE V MISCELLANEOUS

A. Entire Agreement.

Agreement and its Exhibits constitute the entire agreement between County Clerk and Entity as to the subject matter hereof and supersede all prior or current agreements, proposals, negotiations, understandings, representations and all other communications, both oral and written.

B. Liability and Immunity.

County Clerk and Entity agree to be responsible for its own acts and omissions, and those of its officers, agents and employees, to the extent required by law, subject to and without waiving the notice requirements, immunities, rights, benefits, defenses, limitations, and protections available under the Colorado Governmental Immunity Act as currently written or hereafter amended.

In the event a court of competent jurisdiction finds Election for Entity was void or otherwise fatally defective as a result of the sole breach or failure of County Clerk to perform in accordance with Agreement or laws applicable to Election, Entity shall be entitled to recover expenses or losses caused by such breach or failure up to the maximum amount paid by Entity to County Clerk under this Agreement. County Clerk shall in no event be liable for any expenses, damages or losses in excess of the amounts paid under this Agreement. This remedy shall be the sole and exclusive remedy for the breach available to Entity.

C. Conflict of Agreement with Law, Impairment.

Should any provision of Agreement be determined by a court of competent jurisdiction to be unconstitutional or otherwise null and void, it is the intent of County Clerk and Entity hereto that the remaining provisions of Agreement shall be of full force and effect.

D. Time of Essence.

Time is of the essence in the performance of Agreement. The time requirements of Code and Rules shall apply to completion of required tasks.

E. No Third Party Beneficiaries.

Enforcement of the terms and conditions of Agreement and all rights of action relating to such enforcement shall be strictly reserved to County Clerk and Entity, and nothing contained herein shall give or allow any such claim or right of action by any other person or Entity.

F. Governing Law; Jurisdiction & Venue.

Agreement, the interpretation thereof, and the rights of County Clerk and Entity under it will be governed by, and construed in accordance with, the laws of the State of Colorado. The courts of the State of Colorado shall have sole and exclusive jurisdiction of any disputes or litigation arising under Agreement. Venue for any and all legal actions arising shall lie in the District Court in and for the County of Larimer, State of Colorado.

G. Headings.

The section headings in Agreement are for reference only and shall not affect the interpretation or meaning of any provision of Agreement.

H. Severability.

If any provision of Agreement is declared by a court of competent jurisdiction to be invalid, void or unenforceable, such provision shall be deemed to be severable, and all other provisions of Agreement shall remain fully enforceable, and Agreement shall be interpreted in all respects as if such provision were omitted.

I. Amendments/Modifications.

Amendments or strikethroughs to this Agreement are not allowed without written consent of both parties.

IN WITNESS WHEREOF, the parties hereto have executed Agreement to be effective upon the date signed by both parties.

COUNTY CLERK

ANGELA MYERS
LARIMER COUNTY, COLORADO
CLERK AND RECORDER

Date

ENTITY

Name of Entity

Date

BY:

Printed Name of Authorized Representative
Signing on behalf of Entity

Signature of Authorized Representative

Title of Authorized Representative

TEMPLATE APPROVED AS TO FORM

DATE: 6-27-22



COUNTY ATTORNEY

Entity phone number

LARIMER COUNTY
 NOVEMBER 8, 2022 - GENERAL ELECTION
 COST PRORATION SUMMARY **ESTIMATED** COSTS (with State of Colorado and Larimer County Participation)
 No Larimer County TABOR
 EXHIBIT A - 05/11/2022

PARTICIPATING JURISDICTION	ELECTION	TABOR	TABOR COSTS				ELECTION COSTS				TOTAL
			NUMBER OF HOUSEHOLDS MAILED	COST SUBJECT TO MINIMUM CHARGE \$350 \$65,800	% OF TOTAL HOUSEHOLDS FOR GENERAL COST PRORATION	BALANCE OF COSTS X % OF HOUSEHOLDS INCL. MIN	NUMBER OF REGISTERED VOTERS	COST SUBJECT TO MINIMUM CHARGE \$650 \$1,652,730	% OF TOTAL REGISTERED VOTERS FOR GENERAL COST PRORATION	BALANCE OF COSTS X % OF REG VOTERS INCL. MIN & SOS	TOTAL ELECTION COST PER PARTICIPANT
State of Colorado (Active voters @ .80 ea.)	YES	NA		NA		NA	252,445	NA	NA	\$201,956.00	\$201,956.00
Larimer County	YES	NO	131,845	\$0.00	0.00000%	\$0.00	252,445	NA	45.51659%	\$659,159.25	\$659,159.25
City of Fort Collins	YES	YES	58,850	NA	36.72639%	\$23,651.80	108,673	NA	19.59407%	\$283,756.12	\$307,407.91
City of Loveland	YES	YES	30,014	NA	18.73077%	\$12,062.62	55,695	NA	10.04197%	\$145,425.24	\$157,487.86
Town of Wellington	YES	YES	3,827	NA	2.38831%	\$1,538.07	7,294	NA	1.31513%	\$19,045.37	\$20,583.44
Thompson R2-J School District	YES	YES	49,743	NA	31.04300%	\$19,991.69	95,968	NA	17.30332%	\$250,582.09	\$270,573.78
Estes Valley Fire Protection District	YES	YES	4,139	NA	2.58302%	\$1,663.46	7,388	NA	1.33208%	\$19,290.81	\$20,954.27
Poudre Valley Fire Protection District	YES	YES	13,666	NA	8.52851%	\$5,492.36	27,159	NA	4.89685%	\$70,914.88	\$76,407.24
Poudre Canyon Fire Protection District	YES	YES	198	\$350.00	0.00000%	\$350.00	360	\$650	0.00000%	\$650.00	\$1,000.00
LC Eagle Crest PID #74	YES	YES	29	\$350.00	0.00000%	\$350.00	64	\$650	0.00000%	\$650.00	\$1,000.00
Storm Mountain PID #55	YES	YES	232	\$350.00	0.00000%	\$350.00	394	\$650	0.00000%	\$650.00	\$1,000.00
Mountain Range Shadows PID #34	YES	YES	254	\$350.00	0.00000%	\$350.00	461	\$650	0.00000%	\$650.00	\$1,000.00
TOTAL			292,797	\$1,400.00	100%	\$65,800.00	555,901	\$2,600	100.00000%	\$1,652,729.75	\$1,718,529.75
<p>PLEASE NOTE: THIS IS AN ESTIMATION BASED ON ENTITIES THAT MAY OR MAY NOT PARTICIPATE IN THE 2022 GENERAL ELECTION</p>			<p>Cost subject to minimum charge (\$65,800 cost to print/mail Tabor) less the total of all minimum charges to entities (\$1,400) X percentage of total households for general cost proration for your district.</p>				<p>Cost subject to minimum charge (\$1,652,730) less the total balance of cost subject to minimum charge (\$2,600) less the total elections costs of State of Colorado (\$201,956.00) X percentage of total registered voters for general costs proration for your district.</p>				

EXHIBIT B AUDIO

In accordance with Rule 4.6.2, all candidates shall provide an audio recording of their name to County Clerk no later than the last day upon which Entity certifies the ballot content (September 9, 2022), pursuant to C.R.S. §1-5-203(3)(a).

It is the responsibility of Entity to ensure an audio pronunciation is provided for each candidate as it is certified to County Clerk. The purpose of the audio recording is to be compliant with disability and accessibility laws providing voting equipment pursuant to C.R.S. §1-5-704.

To be in compliance with Code and Rule, County Clerk's office is providing a voice mailbox at **970.498.7946** that candidates are required to call to provide the correct pronunciation of their name.

Upon calling the voice mailbox, they will receive instructions on recording their information, as well as options for listening, deleting, re-recording and saving their message. **Please inform candidates within your district of the necessity of recording the correct pronunciation of their name.**

County Clerk's office will contact Entity if pronunciation guidelines on any ballot race(s), ballot question(s) and/or ballot issue(s) are needed.

Please contact County Clerk's office at 970.498.7820 if you have any questions or need additional information.

INTERGOVERNMENTAL AGREEMENT FOR 2022 GENERAL ELECTION

This Intergovernmental Agreement ("Agreement") is entered into by and between the Larimer County Clerk and Recorder ("County Clerk") and the North Weld County Water District ("Entity"). Agreement is made effective upon the signature of Entity and County Clerk.

WITNESSETH

WHEREAS, County Clerk and Entity are authorized to conduct elections as provided by law; and

WHEREAS, County Clerk will conduct Election as a "Mail Ballot Election," as such term is defined in the Uniform Election Code of 1992, C.R.S. Title 1, as amended ("Code") and the current Colorado Secretary of State Election Rules, as amended ("Rules"); and

WHEREAS, Entity has certain ballot race(s), ballot question(s) and/or ballot issue(s) to present to its eligible electors and desires to coordinate with County Clerk; and

WHEREAS, pursuant to C.R.S. §1-7-116(2), as amended, County Clerk and Entity shall enter into an agreement for the administration of their respective duties concerning the conduct of the General Election to be held on November 8, 2022, ("Election"), and said agreement must be executed no less than 70 days prior to the Election which is August 30, 2022.

NOW, THEREFORE, for and in consideration of the promises herein contained, the sufficiency of which is hereby acknowledged, County Clerk and Entity agree as follows:

ARTICLE I PURPOSE AND GENERAL MATTERS

A. Goal.

The purpose of Agreement is to set forth the respective tasks in order to conduct Election and to allocate the cost thereof.

B. Coordinated Election Official.

County Clerk shall act as the Coordinated Election Official ("CEO") in accordance with Code and Rules and shall conduct Election for Entity.

County Clerk designates Doreen Bellfy, whose telephone number is 970.498.7941, cell is 970.237.0096, email is dbellfy@larimer.org, and fax is 970.498.7847, to act as the primary liaison ("Contact Officer") between County Clerk and Entity. Contact Officer shall act under the authority of County Clerk and shall have primary responsibility for the coordination of Election with Entity.

C. Designated Election Official.

Entity designates _____ as its Designated Election Official ("DEO"), whose phone is _____, cell is _____, email is _____ and fax is _____, to act as the primary liaison between Entity and Contact Officer. DEO shall have primary responsibility for Election procedures to be handled by Entity. DEO shall act in accordance with Code and Rules. DEO shall be readily available and accessible during regular business hours, and at other times when notified by Contact Officer in advance, for the purposes of consultation and decision-making on behalf of Entity. In addition, DEO is responsible for receiving and timely responding to inquiries made by its voters or others interested in Entity's election.

D. Jurisdictional Limitation.

Entity encompasses territory within Larimer County, Colorado. Agreement shall be construed to apply only to that area of Entity situated within Larimer County.

E. Term.

The term of Agreement shall be through December 31, 2022 and shall apply only to Election.

**ARTICLE II
DUTIES OF COUNTY CLERK**

A. Voter Registration.

Supervise, administer, and provide necessary facilities and forms for all regular voter registration sites.

B. Ballot Preparation.

1. Lay out the text of the ballot in a format that complies with Code and Rules. **In accordance with Colorado Secretary of State Rule 4.5.1(b), County Clerk requires that each ballot question and ballot issue be not more than 250 words. Additional costs incurred for ballot language length exceeding 250 words are referenced in Article IV(A)(6).**
2. Assign the letter and/or number of Entity's ballot question(s) or ballot issue(s) which will appear on the ballot and provide this assignment to Entity.

Sign on the line provided below to indicate acknowledgement.

_____ ENTITY SIGNATURE



3. Provide ballot printing layouts and text for Entity's review and signature. If Entity fails to provide approval by the required deadline, the content is to be considered approved.
4. Certify the ballot content to the printer(s).
5. Contract for ballots.

C. Voter Lists.

Upon request of Entity, create and certify a list of registered voters containing the names and addresses of each elector registered to vote in Entity.

D. Property Owners.

Only applicable to Elections conducted under titles where owning property in the political subdivision is a requirement for voting in the election.

1. Provide mail ballot packets to all eligible property owners who are registered to vote at the eligible property address.
2. Mail affidavits to all property owners within Entity as stipulated in the "Duties of Entity", Article III(G). Each eligible elector who resides outside Entity, but is registered to vote in the State of Colorado, must complete, sign and return the affidavit to County Clerk. Those electors that reside on the property will not be required to complete the affidavit.

3. Provide mail ballot packets to all eligible property owners who do not reside on the property but are registered electors of the State of Colorado, upon receipt and verification of a signed affidavit.

E. Election Judges.

Appoint and compensate a sufficient number of election judges to conduct Election.

F. Mail Ballot.

1. Mail ballot packets to every active registered elector and conduct Election in accordance with C.R.S. Title 1, Article 7.5.
2. Establish drop boxes in accordance with C.R.S. §1-5-102.9(5) for the purposes of allowing electors to drop-off their completed mail ballots.

G. Voter Service and Polling Center ("VSPC") sites.

1. Establish VSPC sites in accordance with C.R.S. §1-5-102.9, coordinate the location and operation of the VSPC sites, and conduct all accessibility site surveys.
2. Obtain and provide all ballots, forms, equipment and supplies necessary for mail and accessible voting.
3. Obtain and provide all ballots, forms, equipment and supplies necessary to verify and issue ballots to property owners who are registered to vote in the State of Colorado but who do not reside in Entity. *Only applicable to Elections conducted under titles where owning property in the political subdivision is a requirement for voting in Election.*
4. Provide all necessary Election personnel to conduct Election.

H. Voting Jurisdiction.

Pursuant to C.R.S. §1-5-303 and subject to Entity providing the information referenced in Article III(C)(1), County Clerk shall provide an Address Library Report from the Statewide Colorado Voter Registration and Election database ("Address Library Report") no later than August 15, 2022, which will list the street addresses located in both Entity and Larimer County according to the statewide voter registration system. In order to create Address Library Report, County Clerk must first receive from Entity the information referenced in Article III(C)(1).

I. Election Day Preparation.

1. Provide, no later than twenty days before Election, notice by publication of a mail ballot election. Such notice shall satisfy the publication requirement for all entities participating in Election pursuant to C.R.S. §1-5-205(1.4).
2. Prepare and conduct pre-election logic and accuracy testing in accordance with C.R.S. §1-7-509 and Rules.
3. Provide necessary electronic voting equipment together with personnel and related computer equipment for pre-election logic and accuracy testing and Election Day needs.
4. Prepare and conduct a risk-limiting audit in accordance with C.R.S. §1-7-515 and Rules.

J. TABOR Notice.

1. Coordinate the printing and labeling of the TABOR notice and mail it to all registered voters within Entity not less than thirty days prior to Election in compliance with Article X, Section 20 of the Colorado Constitution and any applicable Code and Rules.
2. Charge Entity for all expenses associated with printing, labeling, and mailing (postage) for the TABOR notice. Said expenses shall be prorated among all Entities participating in the TABOR notice. Such proration shall be based, in part, upon the number of addresses where one or more active registered voters of Entity reside.
3. Determine the least cost method for mailing the TABOR notice and address the TABOR notice to "All Registered Voters" at each address in Larimer County where one or more active registered voters of Entity reside.
4. Nothing herein shall preclude County Clerk from sending the TABOR notice of Entity to persons in addition to the electors of Entity if such sending arises from County Clerk's efforts to mail the TABOR notice at the least cost.

K. Counting Ballots.

1. Conduct and oversee the ballot counting process and report the results by entity.
2. Establish backup procedures and backup sites for ballot counting should counting equipment and/or building facilities fail. In such event, counting procedures will be moved to a predetermined site.

L. Certifying Results.

1. Appoint, instruct, and oversee the Board of Canvassers.
2. Certify the results of Entity's Election within the time required by law and provide Entity with a copy of all Election statements and certificates required under Code and Rule.
3. Conduct a recount (if called for) in accordance with Code and Rule.

M. Recordkeeping.

1. Retain all Election records as required by C.R.S. §1-7-802.
2. Keep an accurate account of all Election costs.

N. No Expansion of Duties.

Nothing contained in Agreement is intended to expand the duties of County Clerk beyond those set forth in Code or Rules.

**ARTICLE III
DUTIES OF ENTITY**

A. Authority.

Provide County Clerk with a copy of the ordinance or resolution stating that Entity will participate in Election in accordance with the terms and conditions of Agreement. The ordinance or resolution shall further authorize the presiding officer of Entity or other designated person to execute Agreement.

B. Call and Notice.

Publish all notices relative to Election which Entity is required to provide pursuant to Code, Rules, Entity's Charter and any other statute, rule, or regulation.

C. Voting Jurisdiction – Certifying Entity Address Boundaries.

1. If Entity is not already identified by a tax authority code in the County Assessor's records, Entity must:
 - Provide County Clerk with a legal description, map and listing of street addresses located within Entity in Larimer County, no later than 5:00 p.m. on August 8, 2022.
 - This information must be provided to County Clerk in Microsoft Excel.
 - Certify the accuracy of such information.
2. If Entity has annexed any properties into Entity since January 1, 2022, Entity must:
 - Provide County Clerk with a legal description, map and listing of street addresses for all properties annexed into Entity in Larimer County, no later than 5:00 p.m. on August 8, 2022.
 - This information must be provided to County Clerk in Microsoft Excel.
 - Certify the accuracy of such information.
3. Review all information in Address Library Report referenced in Article II(H) and ensure that Address Library Report is an accurate representation of the streets contained within Entity's legal boundaries.
4. Indicate on Address Library Report Sign-Off Form ("Sign-Off Form") whether any changes are needed, or whether Address Library Report is complete and accurate.
 - If Entity requests any changes to Address Library Report on Sign-Off Form, County Clerk will make the requested changes and return the amended Address Library Report to Entity along with a second Sign-Off Form, no later than 5:00 p.m. on August 26, 2022.
5. Return the final certified Sign-Off Form to County Clerk, no later than 5:00 p.m. on August 30, 2022.

D. Petitions, Preparation and Verification.

Perform all responsibilities required to certify any candidate, initiative petition, question, or issue to the ballot.

E. Ballot Preparation.

1. Determine whether a ballot race, ballot question, or ballot issue is properly placed before the voters.
2. Prepare a list of candidates and the ballot title and text for each ballot question and ballot issue. **County Clerk requires that each ballot question and ballot issue be not more than 250 words in accordance with Colorado Secretary of State Rule 4.5.1(b). Additional costs incurred for ballot language length exceeding 250 words are referenced in Article IV(A)(6).**

Each ballot issue or ballot question submitted shall be followed by the words "yes/for" and "no/against".

Sign on the line provided below to indicate acknowledgement:

ENTITY SIGNATURE



3. Provide a certified copy of the ballot content [race(s), question(s) and issue(s)] to County Clerk no later than 5:00 p.m. on September 9, 2022, pursuant to C.R.S. §1-5-203(3)(a). Entity must provide certified ballot content as an email attachment to elections@co.larimer.co.us.

The ballot content must be certified exactly in the order in which it is to be printed on the ballot pages and sample ballots in the following format:

File Format: Microsoft Word (.doc or .docx)
Font Type: Arial
Font Size: 8 point
Justification: Left
All Margins: 0.5 inches

The certified list of ballot race(s), ballot question(s) and/or ballot issue(s) submitted by Entity shall be final.

4. Proofread and approve Entity's ballot content for printing immediately upon receipt from County Clerk. Entity must provide an email address and designate a person to be available for proofing and approving ballot content for printing.

Due to time constraints, Entity must provide contact information for someone who is available from 8:00 a.m. to 7:00 p.m. from September 9, 2022 until September 19, 2022, or until final approval of printing of ballots has been reached. County Clerk agrees to keep all contact personnel informed of ballot printing status. Entity has designated _____, whose phone is _____, cell is _____, email is _____ and fax is _____.

Once approval has been received, County Clerk will not make any changes to the ballot content. If Entity fails to provide approval by the required deadline, the content will be considered approved.

5. Ensure that Entity's certified candidates file all Campaign and Political Finance forms required by the Colorado Secretary of State Rules Concerning Campaign and Political Finance online at <http://tracer.sos.colorado.gov>.

6. Provide (or ensure that Entity's certified candidates provide) an audio pronunciation of all candidates' names as they have been certified to County Clerk, no later than 5:00 p.m. on September 9, 2022. See Exhibit B for details.

Sign on the line provided below to indicate acknowledgement.

ENTITY SIGNATURE



7. Defend and resolve at Entity's sole expense all challenges relative to the ballot race(s), ballot question(s) and/or ballot issue(s) as certified to County Clerk for inclusion in Election.

F. Election Participation.

If requested by County Clerk, provide person(s) to participate and assist in Election process. The person(s) provided by Entity must be registered to vote in Larimer County.

G. Property Owners.

Only applicable to Elections conducted under titles where owning property in the political subdivision is a requirement for voting in Election.

1. Notify and provide information and materials to property owners regarding the location(s) which an eligible elector may vote at any VSPC site.
2. Obtain a list of Entity's property owners from the County Assessor's office in accordance with C.R.S. §1-5-304. Property owners listed in the County Assessor's property records may not be eligible electors of Entity. Entity must review and verify the eligibility of property owners to receive ballots regarding Entity's Ballot Issue(s).

Entity must provide an initial list of eligible electors who are registered to vote in Colorado and own property within Entity to County Clerk, no later than September 29, 2022, and must provide a final list of eligible electors who are registered to vote in Colorado and own property within Entity to County Clerk, no later than October 19, 2022. The list must be in Excel (.xls/.xlsx) format and must include the following columns:

- Owner Name
- Property Address
- Property Parcel Number
- Mailing Address
- Mailing City
- Mailing State
- Mailing Zip

Each property owner must be listed as a separate entry. Exclude property owners who are already registered to vote within Entity.

Exclude Trusts, LLC, Corporations and Entities if ineligible to vote – *consult legal counsel.*

H. TABOR Notice.

1. Prepare the language for the TABOR notice [for any ballot issue(s) that require a TABOR notice] in compliance with Article X, Section 20 of the Colorado Constitution and any pertinent Code and Rules.

Entity shall be solely responsible for timely providing to County Clerk a complete TABOR notice. County Clerk shall in no way be responsible for Entity's compliance with TABOR or the accuracy or sufficiency of any TABOR notice.

2. Receive written comments relating to ballot issue(s) and summarize such comments, as required by TABOR.
3. Certify and submit all TABOR notice content, including pro and con summaries and fiscal information, to County Clerk no later than 5:00 p.m. on September 26, 2022, pursuant to C.R.S. §1-7-904. Such notice shall be provided to County Clerk as an email attachment to elections@co.larimer.co.us in the following format:

File Format: Microsoft Word (.doc/docx)

Font Type: Arial

Font Size: 8 point

Justification: Left

All Margins: 0.5 inches

Entity shall be solely responsible for the preparation, accuracy and contents of its TABOR notice(s). The certified TABOR notice, including all text, summary of comments and fiscal information shall be final. County Clerk may correct any spelling, grammar or formatting errors identified in Entity's certified TABOR notice, so long as those corrections do not change or otherwise impact the meaning of Entity's TABOR notice content.

4. Proofread and approve Entity's TABOR notice content for printing. Due to time constraints, Entity must provide an email address and designate a person to be available for proofing and approving TABOR notice content for printing from 8:00 a.m. to 7:00 p.m. from September 26, 2022 until September 30, 2022, or until final approval of the TABOR notice has been reached. County Clerk agrees to keep all contact personnel informed of TABOR notice printing status. Entity has designated _____, whose phone is _____, cell is _____, email is _____ and fax is _____.

Once approval has been received, County Clerk will not make any changes to the TABOR notice content. If Entity fails to provide approval by the required deadline, the content will be considered approved.

5. Mail the TABOR notice to each address of one or more active registered electors who own property but who do not reside within Entity in accordance with C.R.S. §1-7-906(2).

I. Cancellation of Election by Entity.

If Entity resolves not to participate in Election, Entity must immediately deliver to Contact Officer written notice that it is withdrawing one or more ballot questions or ballot issues; provided, however that Entity may not cancel after the 25th day prior to Election, October 14, 2022, pursuant to C.R.S. §1-5-208(2).

Entity must reimburse County Clerk for the actual expenses incurred in preparing for Election. If cancellation occurs after the certification deadline, full election costs may be incurred. Entity must publish all notices relative to Election which Entity is required to provide pursuant to Code, Rules, Entity's Charter and any other statute, rule or regulation.

**ARTICLE IV
COSTS**

A. Election Costs.

The minimum fee for election services is \$650.00.

1. Entity's proportional share of costs shall be based on County expenditures relative to Election and the **number of eligible electors per Entity**, in accordance with C.R.S. §1-7-116(2)(b). Costs include, but are not limited to:

- Supplies
- Printing
- Postage
- Legal notices
- Temporary labor
- Other expenses attributable to County Clerk's administration of Election for Entity

Entity shall be charged its **prorated** share of Election costs for any software programs used to count voted ballots as well as pre-election and post-election maintenance and on-site technical support.

2. Entity affirms that it has sufficient funds available in its approved budget to pay its prorated Election expenses.
3. If it is determined that counting must be moved to an established backup site, Entity shall be charged its prorated share.
4. The cost of any recount(s) will be charged to Entity, or if more than one Entity is involved in the recount, the cost will be prorated among the Entities participating in the recount.
5. Upon receipt of the invoice, pay to County Clerk within thirty days costs in an amount determined in accordance with the formula set forth on Exhibit A Cost Estimate. At the time of the mailing of Agreement, a preliminary Exhibit A Cost Estimate will be provided (with State of Colorado and Larimer County participation included in the estimate). A final Exhibit A Cost Estimate will be provided once all Entities have been certified to the ballot.
6. **Entity shall pay any additional or unique election costs resulting from Entity delays and/or special preparations or cancellations relating to Entity's participation in Election. Special preparations can include, but are not limited to: Ranked Choice Voting, ballot addendums, affidavits, ballot language length exceeding 250 words or multiple page ballot.**

B. TABOR Costs.

The minimum fee for TABOR services is \$350.00.

Entity shall pay a prorated amount for the costs to coordinate, label and print the TABOR notice, and for the mailing of such notice. Such proration to be based, in part, on addresses where one or more active registered electors of Entity reside.

C. Invoice.

County Clerk shall submit to Entity an invoice for all costs incurred under Agreement and Entity shall remit to County Clerk the total due upon receipt. Any amount not paid within 30 days after receipt

will be subject to an interest charge at the lesser of 1 ½% per month or the highest rate permitted under law.

ARTICLE V MISCELLANEOUS

A. Entire Agreement.

Agreement and its Exhibits constitute the entire agreement between County Clerk and Entity as to the subject matter hereof and supersede all prior or current agreements, proposals, negotiations, understandings, representations and all other communications, both oral and written.

B. Liability and Immunity.

County Clerk and Entity agree to be responsible for its own acts and omissions, and those of its officers, agents and employees, to the extent required by law, subject to and without waiving the notice requirements, immunities, rights, benefits, defenses, limitations, and protections available under the Colorado Governmental Immunity Act as currently written or hereafter amended.

In the event a court of competent jurisdiction finds Election for Entity was void or otherwise fatally defective as a result of the sole breach or failure of County Clerk to perform in accordance with Agreement or laws applicable to Election, Entity shall be entitled to recover expenses or losses caused by such breach or failure up to the maximum amount paid by Entity to County Clerk under this Agreement. County Clerk shall in no event be liable for any expenses, damages or losses in excess of the amounts paid under this Agreement. This remedy shall be the sole and exclusive remedy for the breach available to Entity.

C. Conflict of Agreement with Law, Impairment.

Should any provision of Agreement be determined by a court of competent jurisdiction to be unconstitutional or otherwise null and void, it is the intent of County Clerk and Entity hereto that the remaining provisions of Agreement shall be of full force and effect.

D. Time of Essence.

Time is of the essence in the performance of Agreement. The time requirements of Code and Rules shall apply to completion of required tasks.

E. No Third Party Beneficiaries.

Enforcement of the terms and conditions of Agreement and all rights of action relating to such enforcement shall be strictly reserved to County Clerk and Entity, and nothing contained herein shall give or allow any such claim or right of action by any other person or Entity.

F. Governing Law; Jurisdiction & Venue.

Agreement, the interpretation thereof, and the rights of County Clerk and Entity under it will be governed by, and construed in accordance with, the laws of the State of Colorado. The courts of the State of Colorado shall have sole and exclusive jurisdiction of any disputes or litigation arising under Agreement. Venue for any and all legal actions arising shall lie in the District Court in and for the County of Larimer, State of Colorado.

G. Headings.

The section headings in Agreement are for reference only and shall not affect the interpretation or meaning of any provision of Agreement.

H. Severability.

If any provision of Agreement is declared by a court of competent jurisdiction to be invalid, void or unenforceable, such provision shall be deemed to be severable, and all other provisions of Agreement shall remain fully enforceable, and Agreement shall be interpreted in all respects as if such provision were omitted.

I. Amendments/Modifications.

Amendments or strikethroughs to this Agreement are not allowed without written consent of both parties.

IN WITNESS WHEREOF, the parties hereto have executed Agreement to be effective upon the date signed by both parties.

COUNTY CLERK

ANGELA MYERS
LARIMER COUNTY, COLORADO
CLERK AND RECORDER

Date

ENTITY

Name of Entity


Date

BY:

Printed Name of Authorized Representative
Signing on behalf of Entity

Signature of Authorized Representative

Title of Authorized Representative

TEMPLATE APPROVED AS TO FORM
DATE: 6-27-22


COUNTY ATTORNEY

Entity phone number

LARIMER COUNTY
 NOVEMBER 8, 2022 - GENERAL ELECTION
 COST PRORATION SUMMARY **ESTIMATED** COSTS (with State of Colorado and Larimer County Participation)
 No Larimer County TABOR
 EXHIBIT A - 05/11/2022

PARTICIPATING JURISDICTION	ELECTION	TABOR	TABOR COSTS				ELECTION COSTS				TOTAL
			NUMBER OF HOUSEHOLDS MAILED	COST SUBJECT TO MINIMUM CHARGE \$350	% OF TOTAL HOUSEHOLDS FOR GENERAL COST PRORATION	BALANCE OF COSTS X % OF HOUSEHOLDS INCL. MIN	NUMBER OF REGISTERED VOTERS	COST SUBJECT TO MINIMUM CHARGE \$650	% OF TOTAL REGISTERED VOTERS FOR GENERAL COST PRORATION	BALANCE OF COSTS X % OF REG VOTERS INCL. MIN & SOS	TOTAL ELECTION COST PER PARTICIPANT
				\$65,800				\$1,652,730			
State of Colorado (Active voters @ .80 ea.)	YES	NA		NA		NA	252,445	NA	NA	\$201,956.00	\$201,956.00
Larimer County	YES	NO	131,845	\$0.00	0.00000%	\$0.00	252,445	NA	45.51659%	\$659,159.25	\$659,159.25
City of Fort Collins	YES	YES	58,850	NA	36.72639%	\$23,651.80	108,673	NA	19.59407%	\$283,756.12	\$307,407.91
City of Loveland	YES	YES	30,014	NA	18.73077%	\$12,062.62	55,695	NA	10.04197%	\$145,425.24	\$157,487.86
Town of Wellington	YES	YES	3,827	NA	2.38831%	\$1,538.07	7,294	NA	1.31513%	\$19,045.37	\$20,583.44
Thompson R2-J School District	YES	YES	49,743	NA	31.04300%	\$19,991.69	95,968	NA	17.30332%	\$250,582.09	\$270,573.78
Estes Valley Fire Protection District	YES	YES	4,139	NA	2.58302%	\$1,663.46	7,388	NA	1.33208%	\$19,290.81	\$20,954.27
Poudre Valley Fire Protection District	YES	YES	13,666	NA	8.52851%	\$5,492.36	27,159	NA	4.89685%	\$70,914.88	\$76,407.24
Poudre Canyon Fire Protection District	YES	YES	198	\$350.00	0.00000%	\$350.00	360	\$650	0.00000%	\$650.00	\$1,000.00
LC Eagle Crest PID #74	YES	YES	29	\$350.00	0.00000%	\$350.00	64	\$650	0.00000%	\$650.00	\$1,000.00
Storm Mountain PID #55	YES	YES	232	\$350.00	0.00000%	\$350.00	394	\$650	0.00000%	\$650.00	\$1,000.00
Mountain Range Shadows PID #34	YES	YES	254	\$350.00	0.00000%	\$350.00	461	\$650	0.00000%	\$650.00	\$1,000.00
TOTAL			292,797	\$1,400.00	100%	\$65,800.00	555,901	\$2,600	100.00000%	\$1,652,729.75	\$1,718,529.75
PLEASE NOTE: THIS IS AN ESTIMATION BASED ON ENTITIES THAT MAY OR MAY NOT PARTICIPATE IN THE 2022 GENERAL ELECTION			Cost subject to minimum charge (\$65,800 cost to print/mail Tabor) less the total of all minimum charges to entities (\$1,400) X percentage of total households for general cost proration for your district.				Cost subject to minimum charge (\$1,652,730) less the total balance of cost subject to minimum charge (\$2,600) less the total elections costs of State of Colorado (\$201,956.00) X percentage of total registered voters for general costs proration for your district.				

EXHIBIT B
AUDIO

In accordance with Rule 4.6.2, all candidates shall provide an audio recording of their name to County Clerk no later than the last day upon which Entity certifies the ballot content (September 9, 2022), pursuant to C.R.S. § 1-5-203(3)(a).

It is the responsibility of Entity to ensure an audio pronunciation is provided for each candidate as it is certified to County Clerk. The purpose of the audio recording is to be compliant with disability and accessibility laws providing voting equipment pursuant to C.R.S. § 1-5-704.

To be in compliance with Code and Rule, County Clerk's office is providing a voice mailbox at **970.498.7946** that candidates are required to call to provide the correct pronunciation of their name.

Upon calling the voice mailbox, they will receive instructions on recording their information, as well as options for listening, deleting, re-recording and saving their message. **Please inform candidates within your district of the necessity of recording the correct pronunciation of their name.**

County Clerk's office will contact Entity if pronunciation guidelines on any ballot race(s), ballot question(s) and/or ballot issue(s) are needed.

Please contact County Clerk's office at 970.498.7820 if you have any questions or need additional information.

Larimer County Clerk and Recorder

November 8, 2022 General Election

While this timeline may not include all significant dates, some key dates are identified for your reference.



DEADLINES:

July 29:	Last day for Entity to notify the clerk of intent to participate in the November Election. (No later than 100 days before Election.)	C.R.S. §1-7-116(5)
As soon as possible:	Entity to complete and return Race/Issue Memo - what does the Entity anticipate will be on the ballot? (Internal document County Clerk will send once letter of intent is received from Entity.)	Larimer County Policy
Week of August 1:	County Clerk to mail Intergovernmental Agreement (IGA) to Entity.	Larimer County Policy
August 15:	County Clerk to provide an Address Library Report to the Entity.	IGA Article II(H)
August 30 or sooner:	Deadline for Entity to submit to County Clerk "Larimer County Ballot Preparation" questionnaire. (Internal document County Clerk will send with the IGA.)	Larimer County Policy
August 30 or sooner:	Last day for Entity to submit to County Clerk a Resolution or Ordinance authorizing the County Clerk to conduct its election.	IGA Article III(A)
August 30:	Last day for Entity to certify Address Library Report to County Clerk.	IGA Article III(C)(5)
August 30:	Last day for IGA to be signed by Entity and returned to the County Clerk. (No later than 70 days before the Election.)	C.R.S. §1-7-116(2)
September 9:	Deadline for Entity to record audio pronunciation of candidate names to (970) 498-7946. (Applicable only if Entity has candidate races.)	IGA Exhibit B
September 9:	Last day for Entity to certify the ballot order content and title to the County Clerk. (No later than 60 days before the Election.)	C.R.S. §1-5-203(3)(a)
September 26:	Last day for Entity to deliver the full text of any required ballot issue notices to the County Clerk. (No later than 43 days before the election.)	C.R.S. §1-7-904
September 29:	Entity to obtain an initial list of eligible electors who are registered to vote in Colorado and own property within the district to the County Clerk. <i>Format: Excel (.xls/.xlsx) format. Each property owner must be listed as a separate entry. Trusts, LLC, Corporations and Entities are not considered eligible electors under Title 32. Separate columns with the following information: Owner Name, Property Address, Mailing Address, Mailing City, Mailing State, Mailing Zip.</i> (No later than 40 days before the Election.)	C.R.S. §1-5-304 IGA Article III(G)(2)
October 14:	Deadline for Entity to cancel Election. (No later than 25 days before the Election.)	C.R.S. §1-5-208(2)
October 19:	Entity to provide a final list of eligible electors who are registered to vote in Colorado and own property within the district to the County Clerk no later than October 19, 2022. (A supplemental list of voters who have become eligible since initial list was submitted.) <i>Format: Excel (.xls/.xlsx) format. Each property owner must be listed as a separate entry. Trusts, LLC, Corporations and Entities are not considered eligible electors under Title 32. Separate columns with the following information: Owner Name, Property Address, Mailing Address, Mailing City, Mailing State, Mailing Zip.</i> (No later than 20 days before the Election.)	C.R.S. §1-5-304 IGA Article III(G)(2)
November 8:	Election Day 7 a.m. to 7 p.m.	C.R.S. §1-1-104(17)

CONTACTS:

Clerk and Recorder
Angela Myers
 (970) 498-7852
amyers@larimer.org

Elections Director
Doreen Bellfy
 (970) 498-7941
dbellfy@larimer.org

Ballot Certification
Yolanda Vugts
 (970) 498-7929
yvugts@larimer.org

Voter Registration/Mail Ballots
Grace Norris
 (970) 498-7923
gnorris@larimer.org

LARIMER COUNTY BALLOT PREPARATION

CANDIDATE RACES

GENERAL INFORMATION

Name of Entity _____

Entity's Designated Election Official (DEO) _____

DEO Address _____

DEO Phone # _____ DEO Fax # _____

DEO E-mail _____

Attorney Name/Address (if applicable) _____

Attorney Phone # _____ Attorney Fax # _____

Attorney E-mail _____

DEFINITIONS

Voted on at Large – Eligible voters within the District vote as a whole on this candidate race.

Voted on by District – Only voters within a subset of the District (i.e. a Council District or Ward) are eligible to vote on this candidate race.

BALLOT INFORMATION

COMPLETE A SECTION FOR **EACH** CANDIDATE RACE YOU INTEND TO PLACE ON THE NOVEMBER 8, 2022 GENERAL ELECTION BALLOT.

CANDIDATE RACE TITLE: _____
(Required)

VOTED ON AT LARGE OR BY DISTRICT? _____
(Choose One)

IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? _____
(Yes or No)

IF YES, PLEASE LIST ADDITIONAL COUNTY(IES): _____

CANDIDATE RACE TITLE: _____
(Required)

VOTED ON AT LARGE OR BY DISTRICT? _____
(Choose One)

IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? _____
(Yes or No)

IF YES, PLEASE LIST ADDITIONAL COUNTY(IES): _____

CANDIDATE RACE TITLE: _____
(Required)

VOTED ON AT LARGE OR BY DISTRICT? _____
(Choose One)

IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? _____
(Yes or No)

IF YES, PLEASE LIST ADDITIONAL COUNTY(IES): _____

NAME OF ENTITY _____

CANDIDATE RACE TITLE: _____
(Required)
VOTED ON AT LARGE OR BY DISTRICT? _____
(Choose One)
IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? _____
(Yes or No)
IF YES, PLEASE LIST ADDITIONAL COUNTY(IES): _____

CANDIDATE RACE TITLE: _____
(Required)
VOTED ON AT LARGE OR BY DISTRICT? _____
(Choose One)
IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? _____
(Yes or No)
IF YES, PLEASE LIST ADDITIONAL COUNTY(IES): _____

CANDIDATE RACE TITLE: _____
(Required)
VOTED ON AT LARGE OR BY DISTRICT? _____
(Choose One)
IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? _____
(Yes or No)
IF YES, PLEASE LIST ADDITIONAL COUNTY(IES): _____

CANDIDATE RACE TITLE: _____
(Required)
VOTED ON AT LARGE OR BY DISTRICT? _____
(Choose One)
IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? _____
(Yes or No)
IF YES, PLEASE LIST ADDITIONAL COUNTY(IES): _____

LARIMER COUNTY BALLOT PREPARATION QUESTIONS & ISSUES

GENERAL INFORMATION

Name of Entity _____

Entity's Designated Election Official (DEO) _____

DEO Address _____

DEO Phone # _____ DEO Fax # _____

DEO E-mail _____

Attorney Name/Address (if applicable) _____

Attorney Phone # _____ Attorney Fax # _____

Attorney E-mail _____

DEFINITIONS

- Entity – Governing body authorized to certify ballot content.
- Ballot question – Proposes a change that will not involve money or taxes. **Example:** Do you prefer carnations or roses?
- Ballot issue – Proposes a change that will involve money and/or taxes and requires a TABOR Notice. **Example:** SHALL THE TAX RATE BE RAISED TO 2% FOR THE NEXT 2 YEARS?
- Ballot title – A brief statement that fairly and accurately represents the true intent and meaning of the proposed text of the ballot question or ballot issue.
- Initiative – A ballot question or issue submitted by the people by petition.
- Referred measure – A ballot question or issue referred by the Entity.

BALLOT INFORMATION

COMPLETE A SECTION FOR **EACH** BALLOT TITLE YOU INTEND TO PLACE ON THE NOVEMBER 8, 2022 GENERAL ELECTION BALLOT.

BALLOT TITLE: _____

QUESTION OR ISSUE? ^(Required) _____

REFERRED OR INITIATIVE? ^(Choose One) _____

VOTED ON AT LARGE OR BY DISTRICT? ^(Choose One) _____

TABOR NOTICE REQUIRED? ^(Yes or No) _____

IF YES, SHOULD WE CONTACT THE DEO OR ATTORNEY? _____

IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? ^(Yes or No) _____

IF YES, LIST ADDITIONAL COUNTY(IES): _____

NAME OF ENTITY _____

BALLOT TITLE: _____
QUESTION OR ISSUE? ^(Required) _____
REFERRED OR INITIATIVE? ^(Choose One) _____
VOTED ON AT LARGE OR BY DISTRICT? ^(Choose One) _____
TABOR NOTICE REQUIRED? ^(Choose One) _____
IF YES, SHOULD WE CONTACT THE DEO OR ATTORNEY? ^(Yes or No) _____
IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? ^(Yes or No) _____
IF YES, LIST ADDITIONAL COUNTY(IES): _____

BALLOT TITLE: _____
QUESTION OR ISSUE? ^(Required) _____
REFERRED OR INITIATIVE? ^(Choose One) _____
VOTED ON AT LARGE OR BY DISTRICT? ^(Choose One) _____
TABOR NOTICE REQUIRED? ^(Choose One) _____
IF YES, SHOULD WE CONTACT THE DEO OR ATTORNEY? ^(Yes or No) _____
IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? ^(Yes or No) _____
IF YES, LIST ADDITIONAL COUNTY(IES): _____

BALLOT TITLE: _____
QUESTION OR ISSUE? ^(Required) _____
REFERRED OR INITIATIVE? ^(Choose One) _____
VOTED ON AT LARGE OR BY DISTRICT? ^(Choose One) _____
TABOR NOTICE REQUIRED? ^(Choose One) _____
IF YES, SHOULD WE CONTACT THE DEO OR ATTORNEY? ^(Yes or No) _____
IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? ^(Yes or No) _____
IF YES, LIST ADDITIONAL COUNTY(IES): _____

BALLOT TITLE: _____
QUESTION OR ISSUE? ^(Required) _____
REFERRED OR INITIATIVE? ^(Choose One) _____
VOTED ON AT LARGE OR BY DISTRICT? ^(Choose One) _____
TABOR NOTICE REQUIRED? ^(Choose One) _____
IF YES, SHOULD WE CONTACT THE DEO OR ATTORNEY? ^(Yes or No) _____
IS YOUR DISTRICT IN ANY COUNTY(IES) OTHER THAN LARIMER COUNTY? ^(Yes or No) _____
IF YES, LIST ADDITIONAL COUNTY(IES): _____

Town Customer Storage Requirement Evaluation

NWCWD
5/20/2022

PRELIMINARY FOR REVIEW

Town	Historical Demands											Old Agreement Date (Note 3)	New Agreement Date (Note 4)	System Storage, MG				Amount Over/Under (-) Max Day, MG	Compliance With New Criteria?
	Year	Avg. Day (Note 1)		Max. Day (Note 2)			Peak Hour (Note 2)			Tank 1	Tank 2			Tank 3	Total				
		gpm	MGD	Date	gpm	MGD	PF	Date	gpm							MGD	PF		
Windsor	2018	855	1.23	6/29/2018	1,687	2.43	1.97	7/11/2018	1,761	2.54	2.06					2.57			
	2019	944	1.36	7/30/2019	2,032	2.93	2.15	7/29/2019	2,153	3.10	2.28					2.07			
	2020	1,138	1.64	6/15/2020	2,213	3.19	1.94	6/17/2020	3,307	4.76	2.90					1.81			
	2021	1,066	1.53	7/21/2021	1,987	2.86	1.87	8/30/2021	2,689	3.87	2.53	8/12/2013		2.00	3.00	5.00	2.14	Yes	
Eaton	2018	541	0.78	7/9/2018	1,392	2.00	2.57	6/4/2018	1,584	2.28	2.93					2.00			
	2019	520	0.75	8/26/2019	1,413	2.04	2.72	8/25/2019	2,000	2.88	3.85					1.96			
	2020	561	0.81	7/6/2020	1,397	2.01	2.49	6/12/2020	1,779	2.56	3.17					1.99			
	2021	543	0.78	6/14/2021	1,270	1.83	2.35	6/21/2021	1,467	2.11	2.71	10/17/2019		1.50	2.50	4.00	2.17	Yes	
Severance	2018	325	0.47	6/11/2018	957	1.38	2.95	6/11/2018	1,035	1.49	3.19					-0.38			
	2019	310	0.45	8/26/2019	779	1.12	2.51	8/31/2019	1,106	1.59	3.57					-0.12			
	2020	411	0.59	7/12/2020	877	1.26	2.13	8/17/2020	1,115	1.61	2.71					-0.26			
	2021	433	0.62	6/16/2021	872	1.26	2.03	6/14/2021	1,178	1.70	2.74	3/15/2019		0.50	0.50	1.00	-0.26	No	
Ault	2018	154	0.22	6/10/2018	408	0.59	2.65	8/4/2018	499	0.72	3.24					-0.09			
	2019	162	0.23	7/18/2019	429	0.62	2.64	8/1/2019	489	0.70	3.01					-0.12			
	2020	196	0.28	6/16/2020	437	0.63	2.23	8/4/2020	491	0.71	2.51					-0.13			
	2021	193	0.28	6/12/2021	409	0.59	2.10	6/17/2021	561	0.81	2.88	6/25/2001		0.50		0.50	-0.09	No	
Pierce	2018	90	0.13	6/14/2018	186	0.27	2.06	6/4/2018	215	0.31	2.51					0.13			
	2019	85	0.12	7/19/2019	176	0.25	2.07	6/4/2019	219	0.32	2.51					0.15			
	2020	96	0.14	7/5/2020	205	0.30	2.15	6/7/2020	214	0.31	2.51					0.10			
	2021	92	0.13	6/17/2021	200	0.29	2.22	7/5/2021	218	0.31	2.41	10/29/2001		0.20	0.20	0.40	0.11	Yes	
Northern Colorado Water Association	2018	71	0.10	6/10/2018	184	0.27	2.60	7/12/2018	261	0.38	3.69					0.18			
	2019	66	0.10	8/1/2019	181	0.26	2.73	8/26/2019	228	0.33	3.44					0.19			
	2020	80	0.11	7/6/2020	208	0.30	2.61	8/13/2020	234	0.34	2.94					0.15			
	2021	74	0.11	6/23/2021	223	0.32	2.92	7/19/2021	279	0.40	3.65	7/31/2002		0.05	0.15	0.25	0.45	0.13	Yes
Nunn	2018	35	0.05	6/11/2018	79	0.11	2.27	7/13/2018	92	0.13	2.66					0.07			
	2019	35	0.05	8/26/2019	86	0.12	2.43	7/2/2019	129	0.19	3.67					0.06			
	2020	42	0.06	6/6/2020	96	0.14	2.28	6/5/2020	115	0.17	2.72					0.04			
	2021	41	0.06	6/28/2021	79	0.11	1.93	6/10/2021	86	0.12	2.11	8/1/2000		0.18		0.18	0.07	Yes	

Notes:

1. Average Day flows are based on NWCWD billing data.
2. Max. Day and Peak Hour flows are based on NWCWD SCADA data.
3. Old agreements do not have a minimum storage volume requirement for the Towns. The dates of these agreements are when Town's system requirements were last stated.
4. New agreements have a minimum storage volume requirement of at least the previous water years maximum day volume.

Larimer No2 Carriage Agreement Financial Analysis

What does it cost us now?

2020-2022 Overland Ponds Inflow Pumping Summary	Volume Pumped in (af)	Cost
2020 Pumping	112.5	\$ 40,650
2021 Pumping	884	\$ 225,000
2022 Treiber A bank repair (from pumping)		\$ 32,785
2022 Pumping (estimated)		\$ 227,000
Total 3-Year Cost:		\$ 525,435
Total 15-year Cost:		\$ 2,627,175
Annualized Cost:		\$ 175,145

What will it cost us annually with the Larimer No2 Carriage Agreement in place using 2021 operations as the example?

2021 Operational Comparison with Larimer No2 Agreement	Annualized Cost	Notes
Larimer No2 Agreement 884	\$ 9,724	\$11 per af; assumes 2021 volume
Larimer No2 Agreement Admin charge (max)	\$ 2,500	Maximum admin charge
Larimer No2 Fee (\$100,000 / 15 / 2)	\$ 3,333	Greeley pays half, cost distributed over 15 years (agreement term)
Larimer No2 Headgate/channel upgrade cost	\$ 26,667	Tri-Districts pays 100% of cost, Greeley defers, distributed over 15 yrs
Total Annualized Cost	\$ 42,224	
Total 15-year Cost:	\$ 633,360	

Savings using Larimer No2 over agreement term	\$ 1,993,815	15-years (compared to same term pumping)
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Return on Investment / Break Even Analysis

Option 1: Larimer No2 Ditch Upgrades

Total 15-year Cost	\$ 633,360	includes ditch lining, clear/grub and headwall replacement
Total Investment	\$ 633,360	
Annualized Cost	\$ 42,224	
Break Even Time to Compared to Pumping	3.6	years

Option 2: Larimer No2 Ditch Upgrades w/o headwall/diversion

Total 15-year Cost	\$ 1,283,360	includes ditch lining, clear/grub no headwall replacement; some pumping
Total Investment	\$ 1,283,360	
Annualized Cost	\$ 85,557	
Break Even Time to Compared to Pumping	7.3	years

Option 3: No upgrades to Larimer No2; continued pumping

Total 15-year Cost	\$ 2,627,175	no capital investment, continue operational pumping cost
Total Investment	\$ 2,627,175	
Annualized Cost	\$ 175,145	highest annualized cost

**EXCESS CAPACITY AGREEMENT
LARIMER COUNTY CANAL NO. 2 IRRIGATING COMPANY
AND
THE TRI-DISTRICTS AND GREELEY**

THIS AGREEMENT entered into this ____ day of August, 2022, is made by and between LARIMER COUNTY CANAL NO. 2 IRRIGATING COMPANY, a Colorado mutual ditch corporation (hereinafter “Company”), and the EAST LARIMER COUNTY WATER DISTRICT (hereinafter “ELCO), the FORT COLLINS - LOVELAND WATER DISTRICT (hereinafter “Fort Collins-Loveland”) and the NORTH WELD COUNTY WATER DISTRICT (hereinafter “North Weld”), each a quasi-municipal corporation and political subdivision of the State of Colorado (collectively ELCO, Fort Collins-Loveland and North Weld are referred to hereinafter as “Tri-Districts”), and the City of Greeley, a home rule municipality, acting by and through its Water Enterprise (“Greeley”). Company, Tri-Districts, and Greeley are sometimes referred to herein as the “parties” collectively, and “party” individually.

RECITALS

WHEREAS, Company is the owner and operator of that certain irrigation system commonly known as the Larimer County Canal No 2 Ditch (“Ditch”) which takes its supply of water from the Cache la Poudre River at a point located near the south section line of the SW ¼ of Section 29 and the north section line of the NW ¼ of Section 32, Township 8 North, 69 West, 6th P.M., in Larimer County, Colorado; and

WHEREAS, Tri-Districts and Greeley desire to use the Ditch to convey water supplies that they are entitled to divert and use pursuant to appropriations (whether decreed or undecreed), leases, and/or contracts (“Tri-Districts’ Water” and “Greeley’s Water”) from the Ditch’s point of diversion on the Cache la Poudre River to a headgate on the Ditch to deliver Tri-Districts’ and Greeley’s Water into the Overland Trail Reservoirs; and

WHEREAS, any rights the Company grants to Tri-Districts and Greeley to utilize capacity pursuant to this Agreement are subject to the priority system described in the: (1) *Easement Agreement*, dated December 18, 2015, recorded with the Larimer County Clerk and Recorder at Reception No. 20150085207 on December 18, 2015; and (2) the *Easement Agreement*, dated December 18, 2015, recorded with the Larimer County Clerk and Recorder at Reception No. 20150085208 on December 18, 2015 (together, “Fort Collins Agreements”); and

WHEREAS, any rights to use capacity in the Ditch granted under this Agreement are subordinate to the rights of the City of Fort Collins to use capacity in the Ditch pursuant to the Fort Collins Agreements; and

WHEREAS, the parties desire to enter into this Agreement allowing Tri-Districts and Greeley to utilize capacity in the Ditch consistent with this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Use of Capacity in the Larimer County Canal No. 2 Ditch. The parties recognize that from time to time capacity may be available in all or a portion of the Ditch that is not then needed by Company, its stockholders, or pursuant to other agreements, including the Fort Collins Agreements, or to meet Company's operational obligations. As described in this Agreement, Company is granting the right to utilize capacity in the Ditch for conveyance of water available to Tri-Districts and Greeley, pursuant to and under the terms and conditions prescribed by this Agreement.

2. Definitions. The following terms are defined for purposes of this Agreement:
 - 2.1. **"Company Water"** means waters that derive from the exercise of water rights including but not limited to: (i) diversions to the Ditch under Ditch Priority #57 with an adjudication date of April 11, 1882 and an appropriation date of April 1, 1873, originally decreed for direct irrigation; (ii) water carried by Company by arrangement with and for the benefit of the Warren Lake Reservoir Company pursuant to existing priorities for storage as follows: (a) Ditch Priority #76 for five hundred fifty (550) acre-feet with an adjudication date of April 11, 1882 and an appropriation date of April 15, 1875; (b) Reservoir Priority #31 for one thousand five hundred forty-five (1,545) acre-feet with an adjudication date of December 9, 1904 and an appropriation date of January 10, 1893; and (c) Reservoir Priority #100 for eight hundred eighteen (818) acre-feet with an adjudication date of April 22, 1922 and an appropriation date of July 27, 1908, totaling two thousand nine hundred thirteen (2,913) acre-feet with no right of refill; (iii) the Company's historical deliveries of water during the irrigation season pursuant to contractual or leased rights to water available from the Colorado-Big Thompson Project, or pursuant to exchanges listed in the Decree in Case No. W-8086-75, Water Division No. 1, entered on March 24, 1978; and (iv) water historically carried for the benefit of the owner(s) of the John R. Brown Ditch pursuant to Ditch Priority #14 with an adjudication date of April 11, 1882 and an appropriation date of May 1, 1865, decreed for direct irrigation at a flow rate of three and five-tenths (3.5) cubic feet per second, and any other water the Company deems, in its sole discretion, in the best interest of the Company and its stockholders. For purposes of this Agreement, Company Water includes any waters later acquired by the Company. Company Water is First Priority Water is described in the Fort Collins Agreements.

 - 2.2. **"Company System Water"** means waters that have historically been carried in the Ditch by the Company and/or its stockholders, including but not limited to Company Water. Company System Water shall also include water not historically diverted in the Ditch, whether owned by stockholders or non-stockholders that the Board of Directors determines, in its sole discretion, is in the best interests of the Company to run in the Ditch

 - 2.3. **"New Waters"** means all water whether owned by stockholders or non-stockholders of Company, or river water (free river) which are not classified as Company System Water, including but not

limited to any water diverted and delivered for the benefit of Tri-Districts and Greeley as provided for herein.

- 2.4. **“Stockholder Capacity”** is the then existing capacity above what is needed by the Company to divert, transport or store Company System Water, i.e. at any given time, the difference between the maximum physical safe capacity of any structure of the Company (as determined by the Board of Directors) and the volume of water diverted, transported or stored through or in said structure for the Company’s operational obligations, which include the diversion and delivery of Company Water, and any existing obligations of the Company to deliver water pursuant to agreements in existence prior to the date of execution of this Agreement. Stockholder Capacity shall be determined by the Board of Directors as frequently as is necessary in the Board’s discretion. The Board may also revise this determination in its discretion as necessary to protect the Company, its stockholders, and its infrastructure and surrounding properties and structures from damage. Stockholder Capacity is Second Priority in the priority system described in the Fort Collins Agreements.
 - 2.5. **“Stockholder Capacity Entitlement”** shall mean a stockholder’s allocation of capacity for delivery of Company System Water that may be utilized only through agreement with the Company, plus or minus canal shrink, provided there is capacity in the canal. If there is insufficient capacity for stockholders then requesting and having consent of the Company for use of their stockholder capacity entitlement, then each stockholder’s capacity entitlement is reduced on a pro-rata basis.
 - 2.6. **“Residual Excess Capacity”** means capacity over and above Stockholder Capacity Entitlement then being used by stockholders for purposes of taking delivery of Company System Water, the use of which may only be granted by the Company pursuant to written agreements with Company stockholders or third parties (not Company stockholders), subject to the terms and conditions of this Agreement and Company policy. Residual Excess Capacity is Third Priority in the priority system described in the Fort Collins Agreements.
 - 2.7. **“Irrigation Season” and “Off-Season”**. “Irrigation season” is that period when the Company is diverting Company Water pursuant to their original decreed priorities and “Off-Season” represents all other periods, with said diversions of Company Water being in the sole discretion of the Company.
3. Consent. Company hereby consents to Tri-Districts’ and Greeley’s use of Residual Excess Capacity, as defined herein, pursuant to the terms, conditions and provisions recited in this Agreement. Tri-Districts’ and Greeley’s right to utilize Residual Excess Capacity as provided herein is independent of the right, if any, to use capacity by virtue of any shares of stock now owned or in the future owned by Tri-Districts or Greeley. The Company agrees that the Tri-Districts’ and Greeley’s rights for use of Residual Excess Capacity as described in this Agreement shall be the first priority right for said Residual Excess Capacity in relation to any subsequent rights the Company may grant to others (Company stockholders or third parties) for Residual Excess Capacity.
 4. Terms and Conditions of Tri-Districts; and Greeley’s Use of Residual Excess Capacity. Tri-Districts’ and Greeley’s use of Residual Excess Capacity granted herein is subordinate to use by the City of Fort

Collins under the Fort Collins Agreements and use by Company for operational obligations described in Sections 2.1-2.5 of this Agreement, and when necessary Tri-Districts' and Greeley's use may be reduced accordingly. In the event such a reduction in Tri-Districts' or Greeley's use of its Residual Excess Capacity is necessary, Company agrees to provide reasonable notice to Tri-Districts and Greeley. At times when Tri-Districts or Greeley desire to utilize Residual Excess Capacity, Tri-Districts and Greeley shall submit the specific details of their respective desired use (including the point of inflow, source and amount of water, timing, release, point of delivery, and other relevant information reasonably requested by the Company) and request review and approval from the Company, which request shall be timely considered, and approval shall not be unreasonably withheld so long as such request is consistent with this Agreement and the Company articles, bylaws and policies, and also subject to the following:

- 4.1. "Tri-Districts' Water" and "Greeley's Water" shall be the water diverted at the Company river headgate less any transportation losses. In addition to transportation loss prior to diversion at the Company headgate to be assessed, if at all, by the Water Commissioner for District No. 3, Tri-Districts' Water and Greeley's Water may be assessed for reasonable evaporation, seepage and similar "shrink" losses associated with the water that Tri-Districts or Greeley divert and carry as part of their respective Residual Excess Capacity. Transportation losses, evaporation, seepage and shrink will be as reasonably determined by the Company.
- 4.2. Tri-Districts' and Greeley's use of capacity under its Residual Excess Capacity will be allowed only if such uses would in no way be detrimental to the Company or its stockholders.
- 4.3. Tri-Districts' and Greeley's use of capacity under its Residual Excess Capacity, for both irrigation season carriage and for carriage in the off-season, as each such period is further defined herein, shall be limited to an amount not exceed 4,600 acre feet and a rate of no more than 25 c.f.s. at the river headgate.
- 4.4. Tri-Districts and Greeley shall make prompt payment to the Company for any additional operations, maintenance and other costs associated with use of its Residual Excess Capacity, which are specifically identified by the Company and which the parties agree are reasonable and directly related to Tri-Districts' or Greeley's Excess Capacity Entitlement. The nature and amount of compensation shall be subject to mutual agreement of the parties.
- 4.5. Tri-Districts' and Greeley's rights to utilize Residual Excess Capacity are subordinate to the first and preferential right of the Company and its stockholders to utilize Stockholder Capacity Entitlement and Residual Excess Capacity. Once such rights to capacity are satisfied, Tri-Districts and Greeley may utilize available Residual Excess Capacity for the delivery of Tri-Districts' Water and Greeley's Water.
- 4.6. Tri-Districts and Greeley recognize and agree that Stockholders shall have a first and preferential right to utilize Residual Excess Capacity prior to Tri-Districts and Greeley, subject to the terms of this Agreement and Company policy.
- 4.7. The Company shall determine, in its sole discretion, the amount of Stockholder Capacity entitlement and Residual Excess Capacity that is available at any given time. Tri-Districts and

Greeley understand and agree that their rights for use of Residual Excess Capacity shall be a first priority right for said Residual Excess Capacity in relation to any subsequent rights the Company may grant to others (Company stockholders or third parties) for Residual Excess Capacity. Off-season carriage is that period when the the Company is not running water for stockholders during the irrigation season. The availability of Residual Excess Capacity for off-season carriage is determined in the sole and absolute discretion of the Company.

5. Term and Payment.

- 5.1. The Term of this agreement shall be from June 1, 2022 to December 31, 2036, and shall be automatically renewed for two subsequent fifteen-year terms unless Company provides written notice to Tri-Districts and Greeley not less than ninety (90) days prior to the expiration of the then-current Term citing the reason(s) for such termination and providing Tri-Districts and/or Greeley with the opportunity to meet collectively or separately with the Company's Board of Directors within thirty (30) days of receipt of such notice and to conduct good faith negotiations for a revised Agreement
- 5.2. The carriage fee for Tri-Districts' and Greeley's utilization of Residual Excess Capacity for 2022 shall be \$11.00 per acre foot for irrigation season carriage, and \$21.00 per acre foot for carriage during the off-season pursuant to the limitations described in this Agreement ("Annual Fee"). The minimal annual charge for any amount up to 100 acre feet is \$1,100.00 (annual per acre foot fee multiplied by 100 acre feet). Tri-Districts and Greeley shall pay Company the minimum fee annually on or before January 1 of each year of this Agreement and the remaining amount shall be paid on or before November 13th of each year. Unless curtailment or termination occurs as described in this Agreement, the amount paid is non-refundable. The Annual Fee shall be increased by fifty cents (\$.50) every year and the minimal annual charge shall be increased in the same ratio as described herein.
- 5.3. At execution of this Agreement, the Tri-Districts and Greeley shall pay a one-time fee of \$100,000.00 as compensation separate and apart from assessments required from all stockholders of the Company during the term of this Agreement. The compensation described herein is non-refundable, not contingent upon any renewal described in this Agreement, and may be used by the Company in their complete and sole discretion.
- 5.4. Additional charges will be assessed as necessary for administration, operation, legal review, engineering review, and any other charges incurred by the Company related to this Agreement. Tri-Districts and Greeley shall pay a minimum annual fee for administration and operation fees in the amount of \$500.00 for irrigation season carriage, and a minimal fee of \$1,000.00 for off-season carriage, with an annual amount not to exceed \$2,500.00 for irrigation season carriage and a maximum annual fee of \$5,000.00 for off-season carriage, all to be paid on or before November 13th of each year. The minimum annual fees will increase by the amount of twenty-five percent (25%) every fifteen years and the maximum amounts adjusted accordingly.
- 5.5. Tri-Districts and Greeley will secure the proper approval and provide the appropriate decrees and/or authorization and documentation for Tri-Districts' Water and Greeley's Water to be carried

in the ditch. Tri-Districts and Greeley will provide all measuring devices for proper tracking and accounting for Tri-Districts' Water and Greeley's Water delivered from ditch.

6. No Modification of the Ditch. After execution of this Agreement, the Tri-Districts and Greeley anticipate submitting to the Company for its approval plans to improve the turn-out structure to the Overland Trails Pond system. The Company agrees to review such plans in a timely manner. For any other improvements sought by the Tri-Districts and Greeley that are not related to the turn-out structure improvement, the Tri-Districts and Greeley agree that they may not construct facilities on or in, or operate or modify the Ditch, its headgate, or any other reservoir, ditch, facility or other structure or property owned, controlled or operated by Company, unless the written approval of Company's Board of Directors is obtained. Such other approval(s) may be withheld or denied in the sole and absolute discretion of the Board. Company, and not Tri-Districts or Greeley, shall operate the Ditch to effectuate Tri-Districts' and Greeley's utilization of its Residual Excess Capacity granted herein.
7. Indemnification. Tri-Districts and Greeley agree that in the event there is any lawsuit or claim brought by Company stockholders or third parties against Company or its Board of Directors, officers and employees arising from or related to the diversions, storage, deliveries or use of water under Tri-Districts' and Greeley's right to utilize Residual Excess Capacity granted herein, then to the extent permitted and limited by Colorado law Tri-Districts and Greeley shall hold harmless, indemnify and defend Company, its directors, officers and employees for the cost and defense of said suit and/or any claim for damages relating thereto. If agreed upon by Company and Tri-Districts in writing, Tri-Districts and Greeley may directly defend such suit or suits. Nothing in this paragraph shall be interpreted to require Tri-Districts or Greeley to indemnify or defend Company, its Board of Directors, officers and employees for damage or injury caused by (i) the negligence of Company in the operation, maintenance or repair of any ditch, reservoir, or other structure owned, controlled or operated by Company or (ii) the breach of any third-party agreement by Company or its Board of Directors, officers, and employees.
8. No Warranties or Representations. Company does not warrant or represent that the Ditch and/or its appurtenances is or are owned in fee simple title, but rather may exist by grant of right of way, easement or prescriptive use. The intent of Company is to grant Tri-Districts and Greeley such rights as it is in Company's power to grant, to allow for Tri-Districts' and Greeley's use as described in this Agreement, insofar as Company is legally authorized to allow it. Company makes no warranties or representations as to the quality of water delivered or diverted pursuant to this Agreement.
9. Irresistible Force. Company shall not be liable or responsible for any delay or failure to perform under this Agreement due to conditions or events of irresistible force. Irresistible force shall mean any delay or failure of a party to perform its obligations under this Agreement caused by events beyond Company's reasonable control, including, without limitation, acts of God, terrorism, explosion, vandalism, flood, earthquakes and tornadoes. For purposes of this Agreement, Irresistible Force shall also include a material alteration in the historical operations of Company with respect to carriage, such that carriage of water through the Ditch for Tri-Districts' or Greeley's use is affected, and in such event, and upon written notice to Tri-Districts and Greeley, Company's obligations pursuant to this Agreement shall be suspended or curtailed for such time and to the extent as necessary, or this Agreement may be terminated at the option of Company. In the event Company fails to carry the water pursuant to this Agreement as described in this paragraph, Company shall reimburse to Tri-

Districts and Greeley the amount of the payment proportionate to the amount of water not carried, limited to those fees collected under Section 5.2 of this Agreement.

10. Articles, Bylaws and Policies. Tri-Districts and Greeley acknowledge that the diversion, delivery and use of water at any particular time must be in accordance with the then existing Articles of Incorporation, Bylaws, policies, and rules and regulations of Company.
11. No Modification of Agreements. The parties intend that this Agreement is not to supersede or modify any previous agreements or stipulations that Company has entered into with stockholders or others. Therefore, it shall not be so construed, interpreted, or enforced even if its language would have such a result. This Agreement and the diversion and/or delivery of water authorized hereunder are subject to all previous agreements and stipulations entered into by Company, and all operational obligations arising therefrom.
12. Assignment. This Agreement, or any part thereof, may not be assigned by one party unless it has obtained the written consent of the other parties. Company, Tri-Districts, and Greeley recognize that the rights, obligations and performance under this Agreement are unique and specific to the parties. This Agreement is binding upon the successors of Company, Tri-Districts, and Greeley.
13. Survival. If any cause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws or decrees effective during the term of this Agreement, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby.
14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed and original, and all of which taken together shall constitute the agreement of the parties. This Agreement, including all component parts, may be executed and delivered by electronic signature by any of the parties and all parties consent to the use of electronic signatures.
15. Governmental Immunity. Tri-Districts and Greeley are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, defenses, or protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et seq., as amended from time to time.

IN WITNESS WHEREOF, The Larimer County Canal No. 2 Irrigating Company has, by the authority of its Board of Directors, caused this Agreement to be executed by its President and attested by its Secretary, and each of the Tri-Districts has, by the authority of each of their respective Boards of Directors, caused this Agreement to be executed by their respective Presidents and attested by their respective Secretaries, and Greeley, acting by an through its Water Enterprise has, by authority of its Water and Sewer Board, caused this Agreement to be executed by the Director of Water and City Attorney.

[The rest of this page left intentionally blank]

THE CITY OF GREELEY, a home rule municipality, acting by and through its Water Enterprise

By: _____
Sean Chambers, Director of Water and Sewer

APPROVED AS TO FORM:

By: _____
Doug Marek, City Attorney



August 3, 2022

RE: Letter of Understanding Regarding Maintenance of the Overland Ponds Gravel Pits

This Letter of Understanding between the East Larimer County Water District, Fort Collins-Loveland Water District, and North Weld County Water District (together the “Tri-Districts”) and the City of Greeley (“Greeley” and collectively the “Parties”) documents the understanding between the Parties for future maintenance activities for the Overland Ponds Gravel Pits (“Ponds”) near Laporte, CO.

Commencing in 2022, Greeley will assume all general maintenance of the Ponds and surrounding property owned by the Parties. Maintenance activities include, but are not limited to, mowing, brush and tree removal, erosion repair, and weed control. Greeley will also provide all coordination for Colorado Division of Reclamation, Mining and Safety annual inspections and corrective actions. Activities that exceed the scope of general maintenance such as large-scale reclamation or emergency repair projects will be contracted separately by the Tri-Districts upon mutual agreement by Parties. Greeley will provide regular updates to and solicit input from the Tri-Districts on maintenance activities at quarterly Steering Committee meetings. At each 4th Quarter Steering Committee meeting, Greeley will present an annual maintenance plan and estimate of maintenance costs for the coming year for Steering Committee approval.

The Parties agree to share maintenance costs among the parties according to the percentage ownership of the Ponds, which is currently 50% Greeley and 50% Tri-Districts. The Tri-Districts agree to reimburse Greeley their percentage of maintenance costs as follows. At the 4th Quarter Steering Committee meeting of each year, Greeley shall provide an accounting of all maintenance costs incurred from the preceding year including along with receipts for material purchases and equipment rentals. The Tri-Districts will reimburse Greeley their percentage of the prior year’s maintenance costs within 45 days of the 4th Quarter Steering Committee meeting.

Maintenance costs will include Greeley’s labor and equipment. Equipment rates shall be actual rental costs, or 50% of rental costs if Greeley-owned equipment is used. Greeley-owned equipment will be used whenever possible to minimize rental charges. Greeley shall first seek Tri-Districts approval for any purchase of equipment or materials more than \$3,000 that will be used exclusively for Pond maintenance.

The estimated *maximum* 2022 maintenance cost is \$28,309 as provided in the enclosed labor and equipment tables.

{Signatures on next page}



Agreed to:

Sean Chambers
Director
Greeley Water & Sewer Department

Mike Scheid
General Manager,
East Larimer County Water District

Chris Pletcher
General Manager
Fort Collins-Loveland Water District

Eric Reckentine
General Manager
North Weld County Water District

CC:

Randy Gustafson, City of Greeley
Richard Reins, Soldier Canyon
Keith Meyers, Ditesco
Bill Schenderlein, Blue Earth Solutions
Leah Hubbard, City of Greeley

Enclosures:

2022 Maximum Labor and Equipment Costs



Colorado River Update

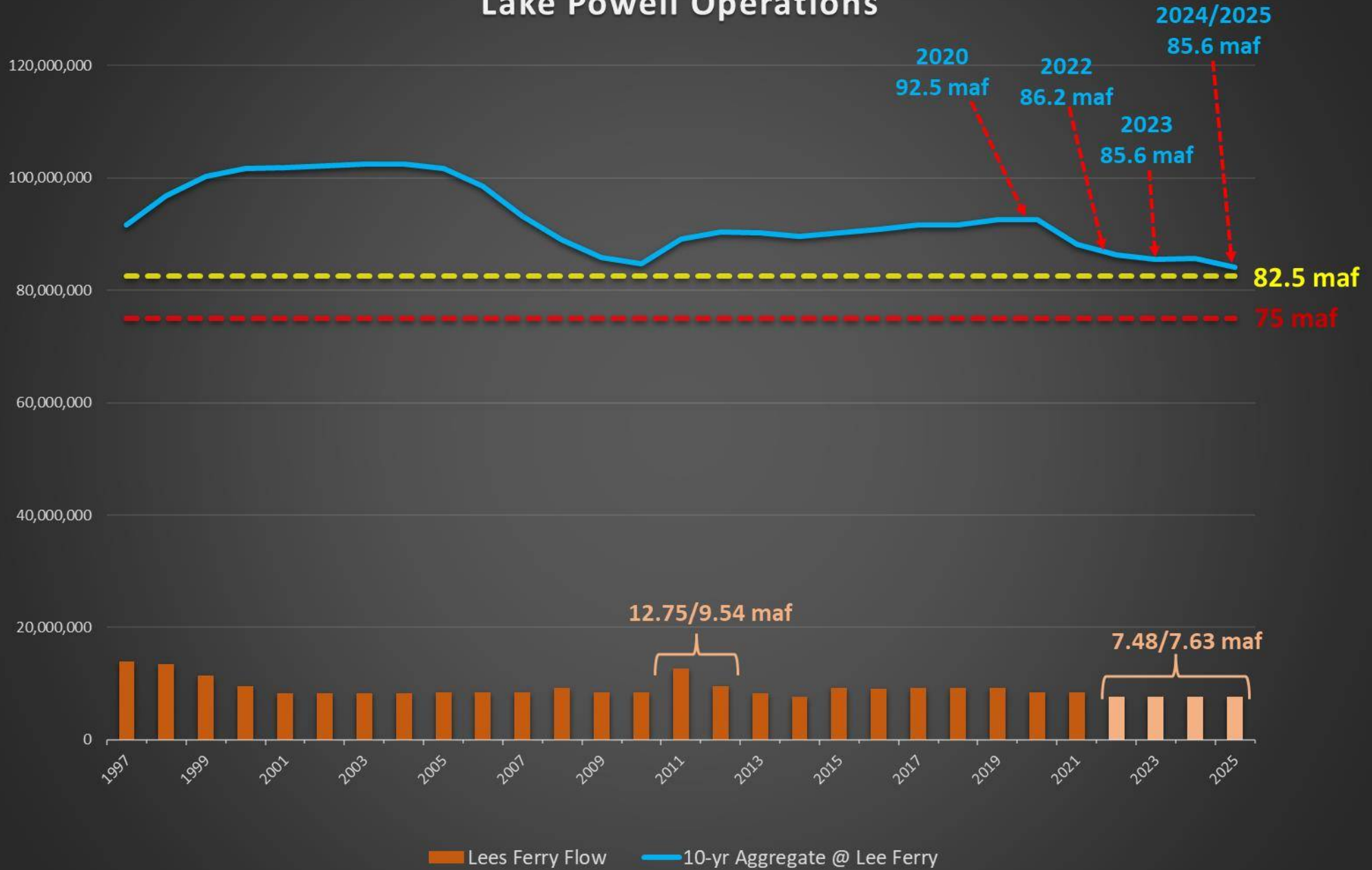
July 2022

Recent Headlines

Colorado River states need to drastically cut down their water usage ASAP, or the federal government will step in

Touton: On the Colorado River, we need to cut an additional 2 to 4 million acre feet of use. Now.

Lake Powell Operations



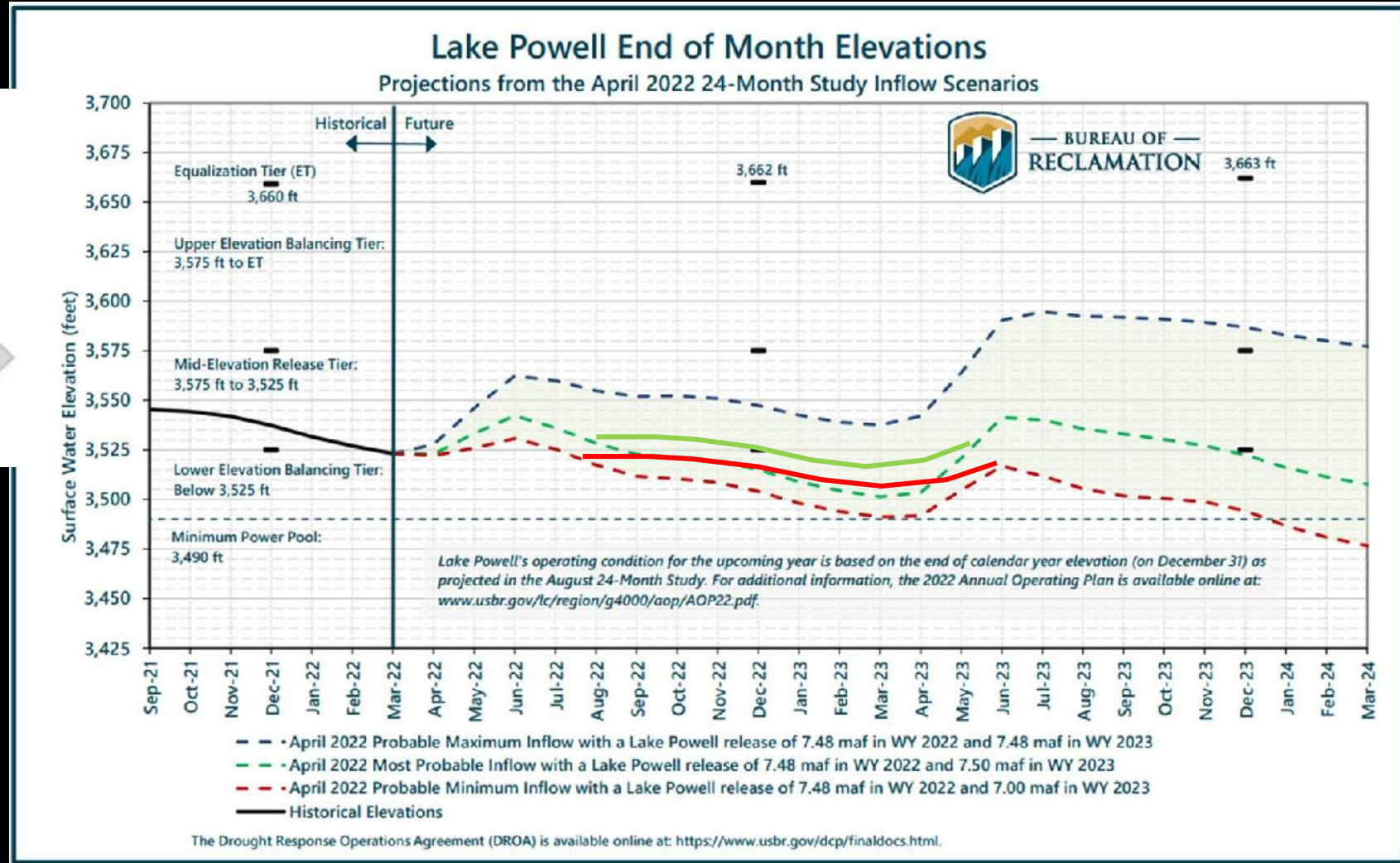
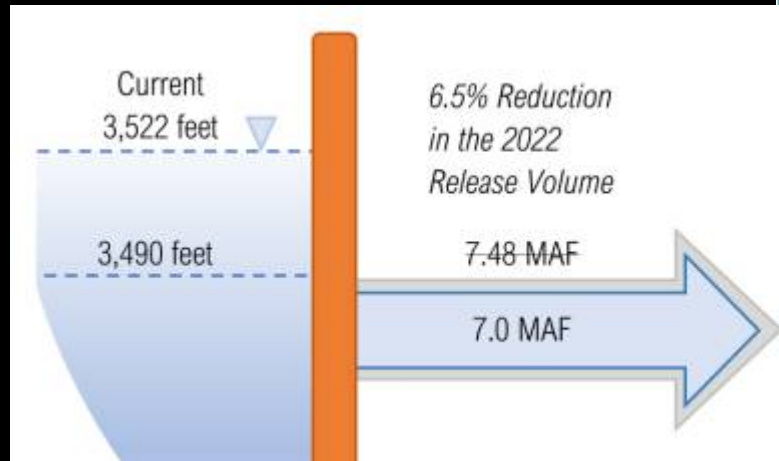
2007 IGs, Minute 323, Lower Basin DCP and Binational Water Scarcity Plan

Lake Mead Elevation (feet msl)	2007 Interim Guidelines Shortages		Minute 323 Delivery Reductions	Total Combined Reductions	DCP Water Savings Contributions			Binational Water Scarcity Contingency Plan Savings	Combined Volumes by Country US: (2007 Interim Guidelines Shortages + DCP Contributions) Mexico: (Minute 323 Delivery Reductions + Binational Water Scarcity Contingency Plan Savings)					Total Combined Volumes
	AZ	NV	Mexico	Lower Basin States + Mexico	AZ	NV	CA	Mexico	AZ Total	NV Total	CA Total	Lower Basin States Total	Mexico Total	Lower Basin States + Mexico
1,090 - 1,075	0	0	0	0	192	8	0	41	192	8	0	200	41	241
1,075 - 1,050	320	13	50	383	192	8	0	30	512	21	0	533	80	613
1,050 - 1,045	400	17	70	487	192	8	0	34	592	25	0	617	104	721
1,045 - 1,040	400	17	70	487	240	10	200	76	640	27	200	867	146	1,013
1,040 - 1,035	400	17	70	487	240	10	250	84	640	27	250	917	154	1,071
1,035 - 1,030	400	17	70	487	240	10	300	92	640	27	300	967	162	1,129
1,030 - 1,025	400	17	70	487	240	10	350	101	640	27	350	1,017	171	1,188
<1,025	480	20	125	625	240	10	350	150	720	30	350	1,100	275	1,375

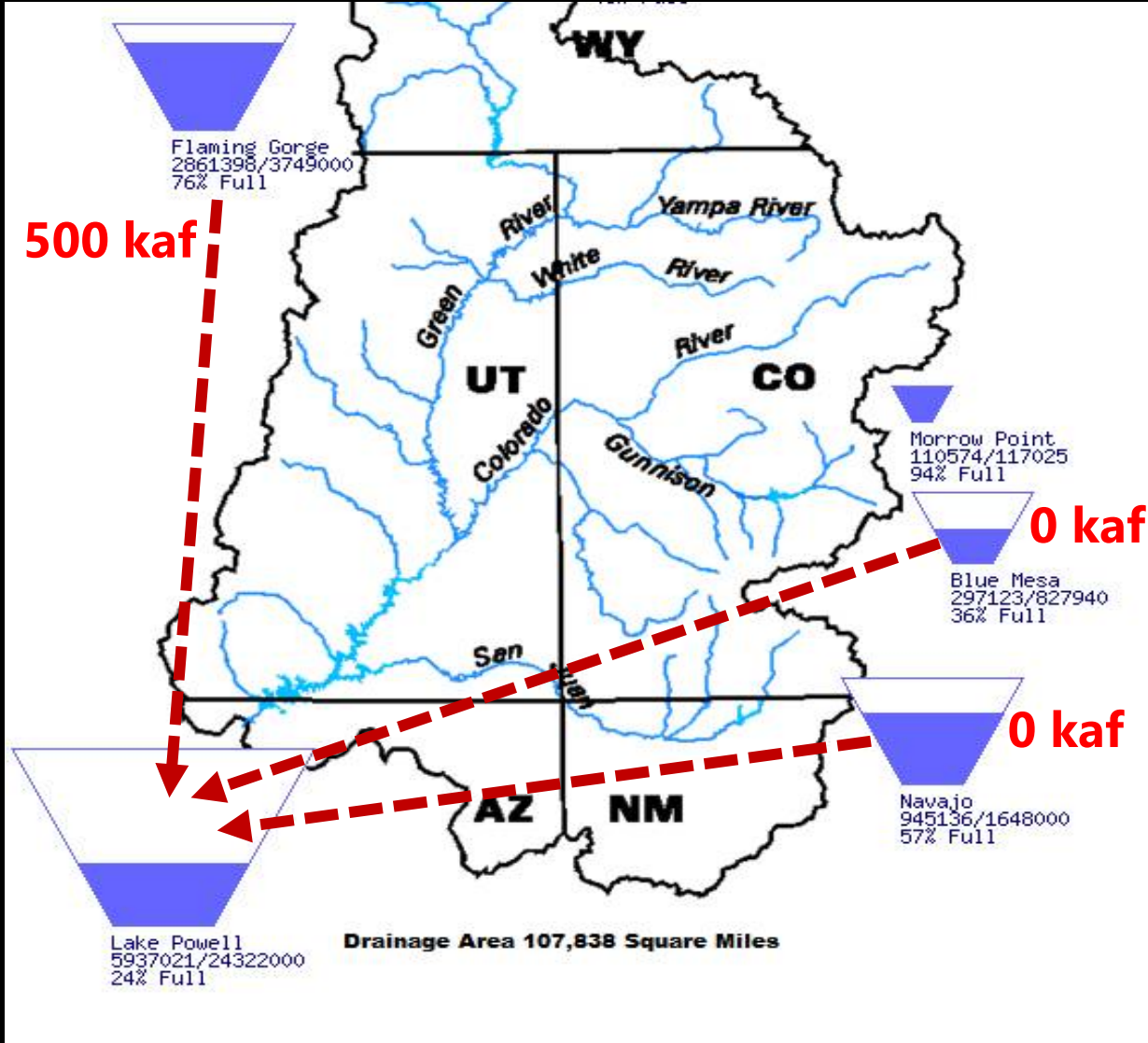
Lake Mead
Jan 1, 2022
1,065.8



2022 Operations



DROA – Drought Response Ops Agreement



2021 DROA Releases

Flaming Gorge = 125 kaf
Blue Mesa = 36 kaf
Navajo = 0 kaf

Total = 161 kaf

2022 DROA Releases

Flaming Gorge = 500 kaf
Blue Mesa = 0 kaf
Navajo = 0 kaf

Total = 500 kaf

Potential Impacts to Operating Determinations

Lake Powell			Lake Mead		
Elevation (feet)	Operation According to the Interim Guidelines	Live Storage (maf) ¹	Elevation (feet)	Operation According to the Interim Guidelines	Live Storage (maf) ¹
3,700	Equalization Tier Equalize, avoid spills or release 8.23 maf	24.3	1,220	Flood Control Surplus or Quantified Surplus Condition Deliver > 7.5 maf	25.9
3,660 (2022)	Upper Elevation Balancing Tier ³ Release 8.23 maf; if Lake Mead < 1,075 feet, balance contents with a min/max release of 7.0 and 9.0 maf	18.5 maf (2022)	1,200 (approx.) ²	Domestic Surplus or ICS Surplus Condition Deliver > 7.5 maf	22.9 (approx.) ²
3,575	Mid-Elevation Release Tier Release 7.48 maf; if Lake Mead < 1,025 feet, release 8.23 maf	9.5	1,145	Normal or ICS Surplus Condition Deliver ≥ 7.5 maf	15.9
3,525		5.9	1,105		11.9
3,524		5.8 maf	1,075		9.4
3,514	Lower Elevation Balancing Tier Balance contents with a min/max release of 7.0 and 9.5 maf	5.3 maf	1,050	Shortage Condition Deliver 7.167 ⁴ maf	7.6 maf
			1,050		7.5
			1,042	Shortage Condition Deliver 7.083 ⁵ maf	7.1 maf
			1,025		5.8
3,490		4.0	1,000	Shortage Condition Deliver 7.0 ⁶ maf Further measures may be undertaken ⁷	4.3
3,370		0	895		0

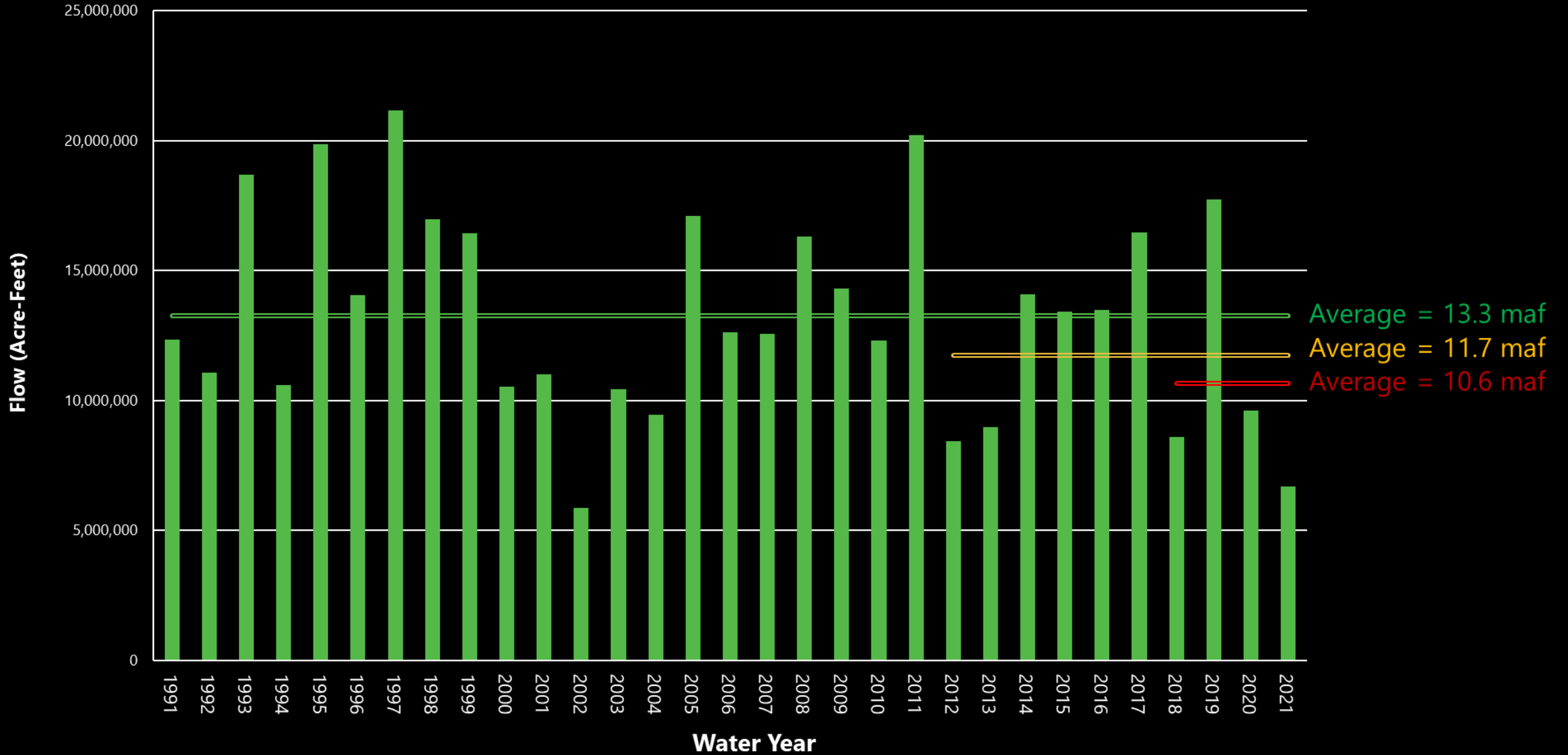
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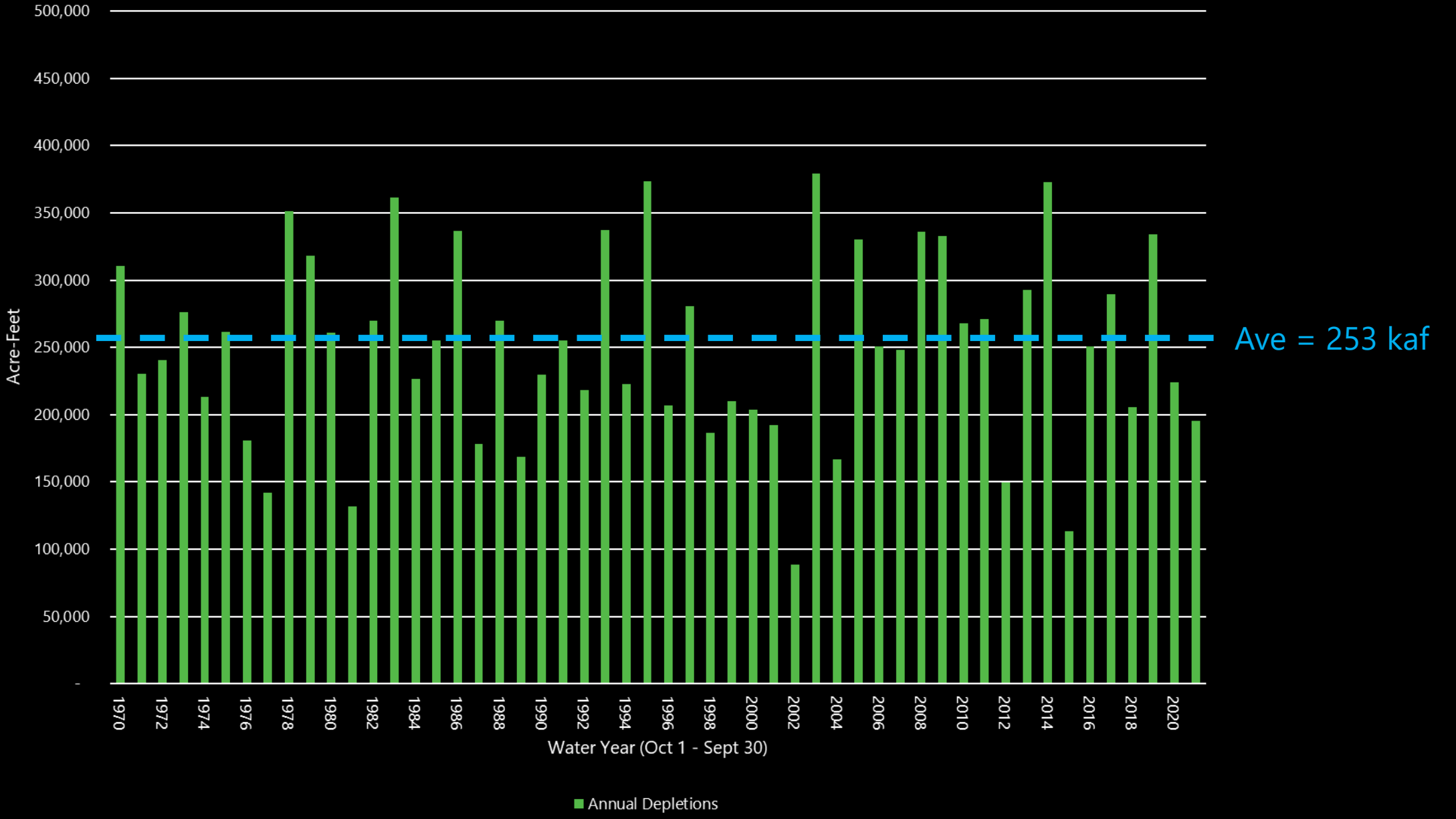
Lake Mead Jan 1, 2023 Projection 1,050'

1,042'

Colorado River Natural Flow



Northern Water Colorado River Depletions



Basin Depletion Trends 2019 - 2022

- Depletions:

Mainstem Lower Basin + Mexico Depletions =

Mead CU +
Mead Releases +
Mead Evaporation

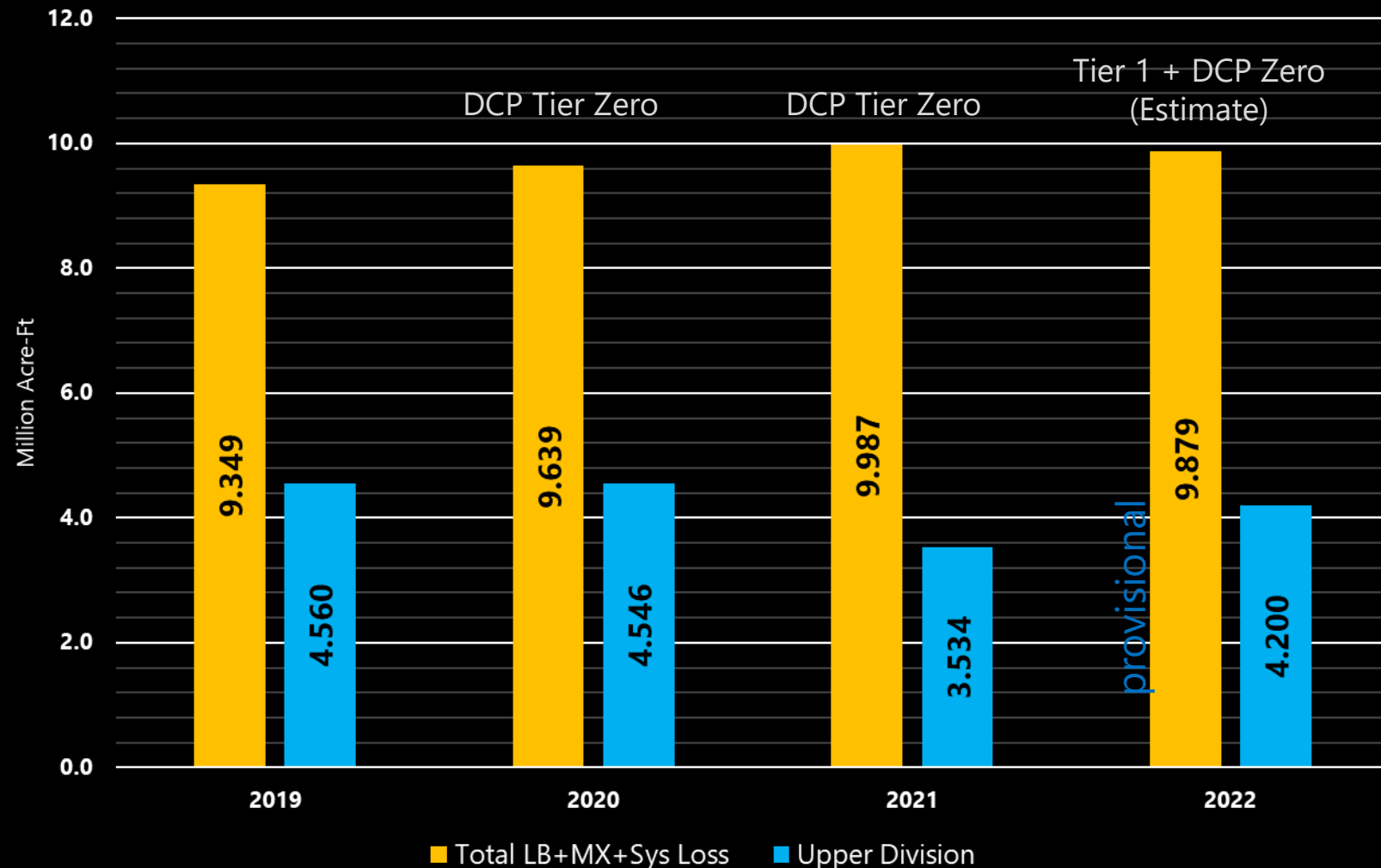
Upper Basin Depletions =

Upper Basin Uses +
CRSPA Evaporation

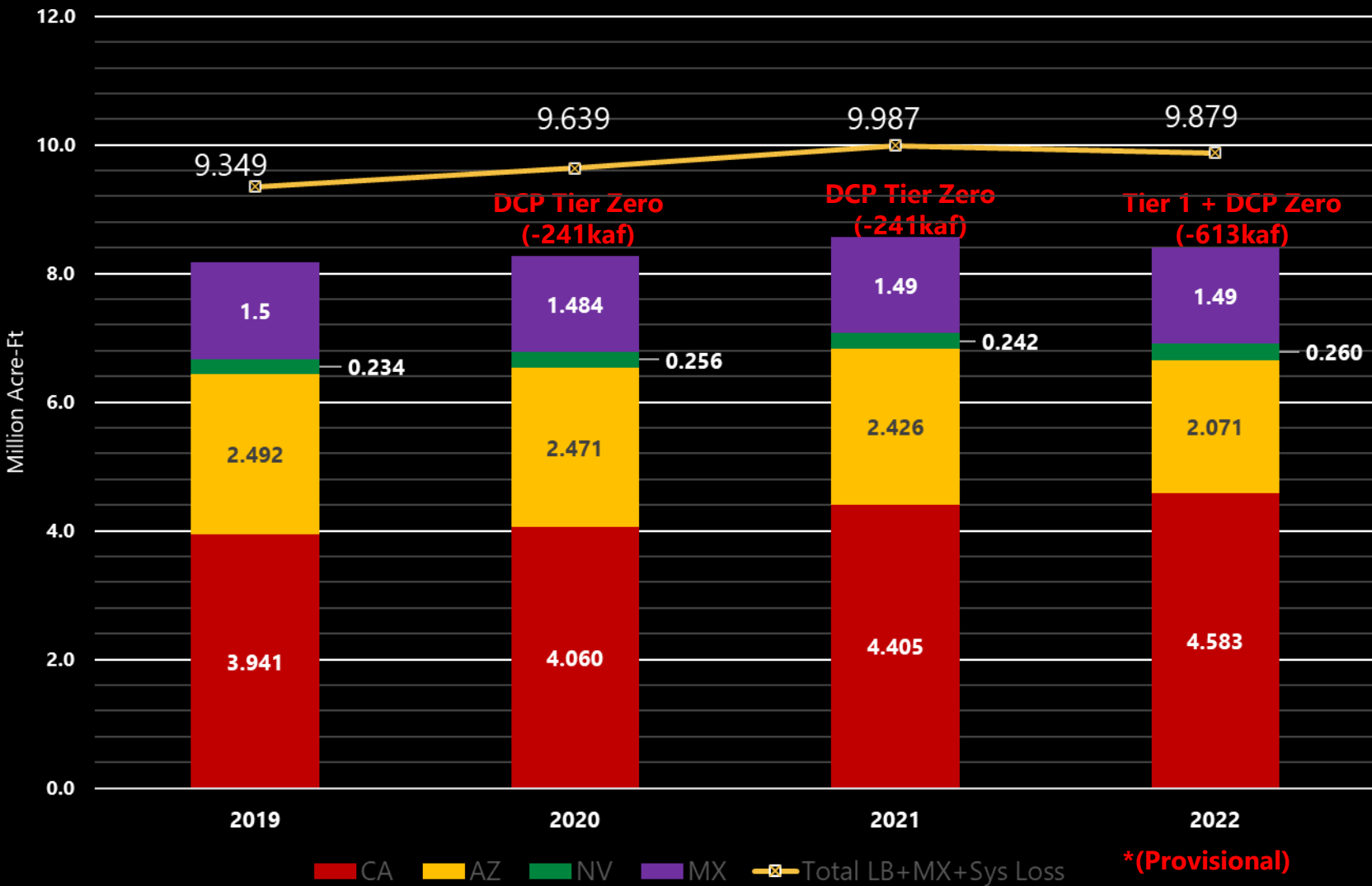
- Trends:

- Increasing Lower Basin uses 2019 – 2021, despite significant conservation and contributions
- Lower Basin uses out of synch with hydrology, relying on storage and Lake Powell releases
- Significant reductions in Upper Basin reflecting impacts of drought

Colorado River Basin Use



Lower Basin Depletion Trends 2019 - 2022



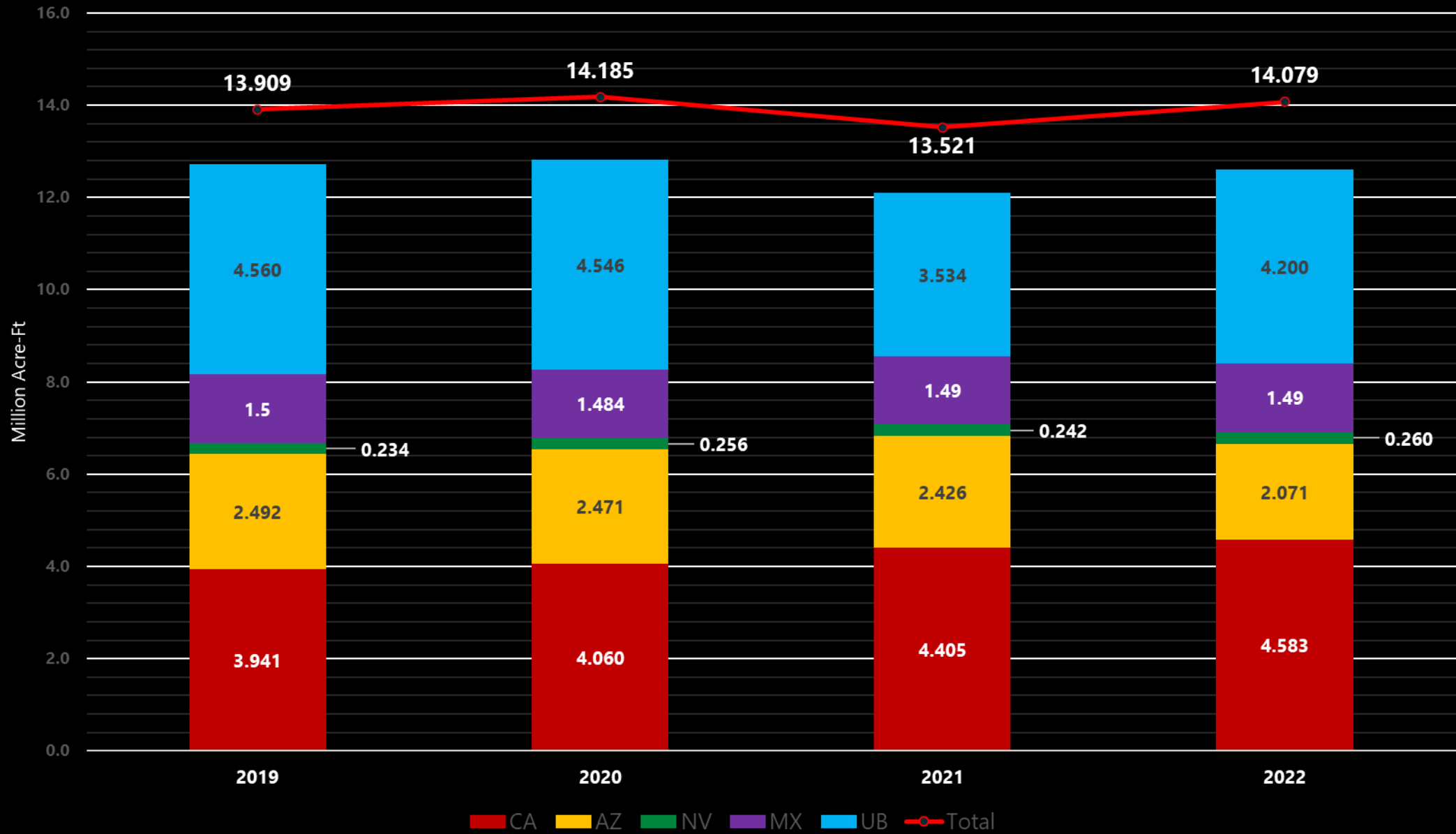
2022 Allocation with Reductions:

CA 4.4 maf - 0 = 4.4 maf
 AZ 2.8 maf - 512 kaf = 2.288 maf
 NV 300 kaf - 21 kaf = 0.279 maf
 MX 1.5 maf - 80 kaf = 1.42 maf

Total 8,387 maf
 - 500 kaf
 7.887 maf

*(Provisional)

Colorado River Basin Use



Colorado River Natural Flow





Questions & Discussion





UPPER COLORADO RIVER COMMISSION

50 S. 600 E. Ste #100 • Salt Lake City, UT 84102 • 801-531-1150 • www.ucrccommission.com

July 18, 2022

Ms. Camille Touton
Bureau of Reclamation
1849 C Street NW
Washington DC 20240

Upper Division States 5 Point Plan for Additional Actions to Protect Colorado Storage Project Initial Units:

Dear Commissioner Touton,

The Upper Division States of Colorado, New Mexico, Utah, and Wyoming, through the Upper Colorado River Commission (UCRC), are writing in response to your request that the Colorado River Basin States take additional actions in response to the continuing drought and depleted system storage. During your testimony to the Senate Natural Resources Committee on June 14, 2022, you asked the Basin States to develop plans to provide an additional 2-4 million acre-feet (MAF) of water in 2023 to protect critical elevations at Lake Powell and Lake Mead. You also indicated that, absent such plans being developed by mid-August, the Bureau of Reclamation is prepared to take unilateral action under its existing authority to protect the system.

The Upper Division States recognize that bringing the system into balance will require collaboration and efforts from all Basin States and water use sectors. Accordingly, we stand ready to participate in and support efforts, across the Basin, to address the continuing dry hydrology and depleted storage conditions. However, the options the Upper Division States have available to protect critical reservoir elevations are limited. The Upper Basin is naturally limited to the shrinking supply of the river, and previous drought response actions are depleting upstream storage by 661,000 acre-feet. Our water users already suffer chronic shortages under current conditions resulting in uncompensated priority administration, which includes cuts to numerous present perfected rights in each of our states.

In order to proactively support critical infrastructure and resources related to the Colorado River Storage Project Act Initial Units, we have developed a 5 Point Plan. We intend to implement the 5 Point Plan to the extent it is effective, in conjunction with plans developed for the Lower Basin. The components of the 5 Point Plan are as follows:

- (1) Seek amendment and reauthorization of the System Conservation Pilot Project legislation originally enacted in 2014. The amendment will provide for extension of the authorization and reporting periods to September 30, 2026, and September 30, 2027, respectively, and seek funding to support the program in the Upper Basin. Upon obtaining reauthorization, the necessary funding, and finalizing any required agreements, we intend to reactivate the program in the Upper Basin in 2023.
- (2) Commence development of a 2023 Drought Response Operations Plan (2023 Plan) in August 2022 with finalization in April 2023 consistent with the Drought Response Operations Plan Framework (Framework). A 2023 Plan must meet all the requirements of the Drought Response Operations

Agreement and the Framework. These requirements include, but are not limited to, determining the effectiveness of any potential releases from upstream Initial Units to protect critical elevations at Glen Canyon Dam, and ensuring that the benefits provided to Glen Canyon Dam facilities and operations are preserved.

- (3) Consider an Upper Basin Demand Management program as interstate and intrastate investigations are completed.
- (4) Implement, in cooperation with Reclamation, the Bipartisan Infrastructure Law for Upper Basin Drought Contingency Plan funding to accelerate enhanced measurement, monitoring, and reporting infrastructure to improve water management tools across the Upper Division States.
- (5) Continue strict water management and administration within the available annual water supply in the Upper Division States, including implementation and expansion of intrastate water conservation programs and regulation and enforcement under the doctrine of prior appropriation.

The challenges in the Colorado River Basin affect us all and require collaboration across the entire Basin. We request your support as we advance our 5 Point Plan, including for federal legislation to reauthorize the System Conservation Pilot Program and for funding to support the Plan through September 2026.

Reclamation data shows that Lower Basin and Mexico depletions are more than double the depletions in the Upper Basin. Therefore, additional efforts to protect critical reservoir elevations must include significant actions focused downstream of Lake Powell. Otherwise, the effectiveness of our 5 Point Plan will be limited.

We look forward to working with you on this critical effort while also developing sustainable long-term solutions to address the challenges we face in the Colorado River Basin.

Sincerely,



Charles Cullom
Executive Director
Upper Colorado River Commission

Cc Rebecca Mitchell, Upper Colorado River Commissioner, Colorado
Estevan Lopez, Upper Colorado River Commissioner, New Mexico
Gene Shawcroft, Upper Colorado River Commissioner, Utah
Brandon Gebhart, Upper Colorado River Commissioner, Wyoming
Tom Buschatzke, Director, Arizona Department of Water Resources
Peter Nelson, Chairman, Colorado River Board of California
John Entsminger, General Manager, Southern Nevada Water Authority
Tanya Trujillo, Assistant Secretary of Water and Science, Department of the Interior



BACKFLOW COMPLIANCE

Dear Customer,

We are writing to inform you the District is aware of cross-connections at several property locations between non-potable irrigation lines and potable drinking water service lines. This is a violation of Regulation (CDPHE REG. 11.39) issued by the Colorado Department of Public Health and Environment and the District's Cross-Connection Policy to help protect citizens' health and safety. Cross-connections can lead to a back pressure or siphonage event that may allow contaminant or disease-causing organisms to enter the drinking water, which can cause diarrhea, nausea, cramps, and associated headaches.

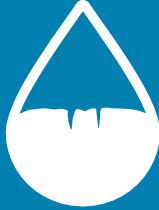
If you have connected your irrigation system to the District's potable water service, you must remove the connection immediately. This issue does not apply to all residents, but to customers who are non-compliant with the Regulation and Policy. Additional correspondence will be sent related to actions required by the customer and potential penalties. Inspectors will be coming out to your property to ensure there are no cross-connections. If you do not remove the cross-connection(s), the District will be required to shut off your water per CDPHE REG. 11.39(3)(C)(i). This is a necessary action to protect all of our customers' health and safety.

It's Everyone's Responsibility to Protect Our Drinking Water.

QUESTIONS?

Please contact North Weld County Water District at 970-356-3020 or water@nwcwd.org.





IT'S EVERYONE'S RESPONSIBILITY TO PROTECT OUR DRINKING WATER.

For more information about backflow prevention, cross-connection contamination, the state's drinking water regulations, and service providers that can assist with installation and maintenance, please visit www.nwcwd.org.

PRSRT STD
ECRWS
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PAID
EDDM RETAIL



BACKFLOW COMPLIANCE

Dear Customer,

We are writing to remind you to install a “reduced pressure zone” assembly on your water system within 5 feet of your meter in order to prevent backflow and cross-connection contamination.

This requirement is the result of a regulation (CDPHE REG. 11.39) issued by the Colorado Department of Public Health and Environment to help protect citizens’ health and safety.

You received final notification in May for the June 1st installation deadline mandated by CDPHE. We have reached out to CDPHE requesting an extension to give additional time to install your assembly, but it is not guaranteed. CDPHE requires NWCWD to shut off water supply to customers that do not comply with the requirement. As we wait for approval, you should install the assembly and have it tested immediately, or risk potential water shutoff.

It’s Everyone’s Responsibility to Protect Our Drinking Water.

For information about approved contractors, backflow prevention, cross-connection contamination, the state’s drinking water regulations, and service providers that can assist with installation and maintenance, please visit www.nwcwd.org.

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