

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

Held: Monday, the 8th day of February 2021, at 1:00 P.M.

Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Public Health and Environment and the threat posed by the COVID-19 coronavirus, and pursuant to Resolution No. 20201214-26 Declaration Emergency Procedures and Authorizing Teleconferencing for Regular and Special Meetings, the meeting was held via teleconferencing.

ATTENDANCE

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

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

Also present were: Alyson Scott, Esq., Alyson Scott Law, LLC, District general and water rights counsel; Jennifer Gruber Tanaka, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District special counsel; Zachary White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District special counsel (for a portion of the regular session); Kara Godbehere, Esq., Lyons Gaddis (for a portion of both the regular session and the executive session); Tim Goddard, Esq., Hasler, Fonfara, and Goddard, LLP (for a portion of the regular session); Eric Reckentine (for the regular session and a portion of the executive session), General Manager of the District; Leann Koons, Operations Manager (for the regular session and a portion of the executive session); Richard Raines, Water Resources Manager, Tri-Districts (for a portion of the regular session); Pamela Massero, P.E., Stantech (for a portion of both the regular session and the executive session); Paul Weiss, Williams & Weiss Consulting, LLC; Darin Pytlik, P.E., and Leslie Farnsworth, P.E., Providence Infrastructure Consultants; Butch White, Town of Ault; Jed Scott, Esq., Bell & Gould, Town of Ault; Todd Bean, customer; Barry Reider, customer and applicant; Kim Eberhart, customer and applicant; and Marcus James, association to District unknown.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order.

Declaration of Quorum and Confirmation of Director Qualifications

Ms. Tanaka noted that a quorum for the was present and that the directors had confirmed their qualification to serve.

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

Ms. Tanaka advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tanaka 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. Ms. Tanaka inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. All Directors reviewed the Agenda for the meeting and confirmed that they have no additional conflicts of interest in connection with any of the matters listed on the agenda.

Approval of Agenda

Mr. Reckentine presented the Board with the agenda for the meeting. Upon motion of Mr. Cockcroft, seconded by Mr. Stout, the Board unanimously approved the agenda with the following amendment(s): removal of item 4.d. concerning "approval of water tap relocation request for Mr. Hunt" based on recommendation and determination by Mr. Reckentine that this item concerns a line extension (not a water tap relocation request), which he stated does not require approval of the Board.

CONSENT AGENDA MATTERS

Mr. Reckentine presented the Board with the consent agenda items. Upon motion of Mr. Stout, seconded by Mr. Cockcroft, the Board unanimously took the following actions:

- a. Approved Board Meeting Minutes from Special Meeting held on January 11, 2021;
- b. Accepted Unaudited Financial Statements as of December 2020 and January 2021
- c. Approved Letter of Intent for Mr. Clay Keller;
- d. Approved Payment of Invoices as of February 8, 2020;
- e. Approved Right of Entry for Due Diligence Work for Proposed Tank 7 Location;
- f. Approved Amendment 32 to Master Services Agreement, Task Order 5, with Providence Infrastructure Concerning Allocation Increase;
- g. Approved M&M Tank Coating Company's Change Order 01 for Tank 1A Rehabilitation Project;
- h. Ratified Engagement Letter Agreement with Otis & Bedingfield, LLC, for Backflow Prevention and Cross Connection Control Legal Support (*Nunc Pro Tunc*);
- i. Ratified Engagement Agreement with BDO, LLC, for 2020

- Annual Audit (*Nunc Pro Tunc*)
- j. Ratified Stipulation with the North Poudre Irrigating Company in Case No. 19CW3059 concerning the River Bluffs Reservoir Conditional Storage Right (*Nunc Pro Tunc*);
- k. Ratified Stipulation with the Cache La Poudre Water Users Association in Case No. 19CW3059 concerning the River Bluffs Reservoir Conditional Storage Right (*Nunc Pro Tunc*);
- l. Adopted Amendment to Employee Manual as of February 2021 for Updates due to Statutory Changes; and
- m. Approved Design and Construction Review Standards.

WATER COURT MATTERS

Opposition to HF2M, Inc.’s Application in Case No. 20CW3208

Mr. Raines provided a summary of the application, and Mr. Raines, Mr. Reckentine, and Ms. Scott spoke to the bases for objecting to this application, which, *inter alia*, includes a claim to shares in the Water Supply & Storage Company. Upon motion of Mr. Cockcroft, seconded by Mr. Stout, the Board unanimously directed counsel to file a statement of opposition to the water court application.

EXCLUSIONS

Exclusions within the Town of Ault & Consideration of Resolution No. 20210208-01: Approving Exclusion of Certain Property Served by the Town of Ault from the District

Upon motion of Mr. Cockcroft, seconded by Mr. Buxman, the Board unanimously directed counsel Tim Goddard to process through District Court the exclusion of properties that are no longer served by the District within the Town of Ault, and adopted Resolution no. 20210208-01: Approving Exclusion of Certain Property Served by the Town of Ault from the District.

VARIANCE REQUESTS

Well Release and Tap Variance Request by Reider

Upon motion of Mr. Cockcroft, seconded by Mr. Stout, the Board unanimously approved Mr. Barry Reider’s variance request for a livestock only well and directed counsel to submit a letter of no opposition to the Division of Water Resources.

Well Release and Tap Variance Request by Heidenreich

Upon motion of Mr. Buxman, seconded by Mr. Stout, the Board unanimously denied Mr. and Ms. Jack and Pamela Heidenreich’s variance request for a domestic well.

Well Release and Tap Variance Request by Eberhart/Westyn

Upon motion of Mr. Cockcroft, seconded by Mr. Stout, the Board unanimously acknowledged Mr. Jamie Westyn and Ms. Kim Eberhart’s pre-existing, 1910 water right and well permit, noting that approval of a variance request is not required to use this water right and well, so long as use of the water right and well is

consistent with the 1910 water right and well permit, because the water right and well permit pre-date the formation of the District.

LETTER OF INTENT

Letter of Intent for S&L Limited Property

Upon motion of Mr. Cockcroft, seconded by Mr. Buxman, the Board, 3-2, approved the letter of intent for S&L Limited Property.

REPORTS

Loveland Ready Mix's Knox Pit Due Diligence Update

Pam Massero, P.E., of Stantech presented her report on the due diligence completed to date under the District's purchase agreement with Loveland Ready Mix for Knox Pit.

EXECUTIVE SESSION

Upon motion of Mr. Cockcroft seconded by Mr. Stout, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 2:27 P.M. for the purpose of discussing matters concerning the purchase and acquisition of the Knox Pit from Loveland Ready Mix; to determine positions relative to matters that are subject to negotiation related to water service agreements with municipalities; receiving legal advice concerning the above-noted purchase and acquisition, the above-noted water service agreements, and director districts and terms of office; and to discuss personnel matters involving all employees and for which no employees have requested an open meeting, pursuant to §§ 24-6-402(4)(a), (b), (e), and (f), 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.

Upon motion of Mr. Stout, seconded by Mr. Cockcroft the Board unanimously approved a 2.5% cost of living increase and a 2% performance increase for the District's manager.

Mr. Stille stated the Board is taking no action concerning Knox Pit, water service agreements with municipalities, or director districts and terms of office.

DISTRICT MANAGER'S REPORT

Mr. Reckentine presented his Management Report to the Board, and provided the information set forth in this section below.

Backflow Prevention and
Cross-Connection Control
Work Session of the Board
of Directors

Mr. Reckentine reported that the District would like to have a meeting with counsel, Board members, and consultants. The meeting date and time selected is February 17th at 2:00 p.m. Mr. Reckentine reported the District will provide notice of this public meeting in accordance with Colorado law.

HOP Final Project Costs

Mr. Reckentine reported that the District Horsetooth Project is complete, and that the actual project cost is one-third of the estimated project cost.

PUBLIC COMMENT

Mr. Butch White with the Town of Ault inquired about an amendment to its water services agreement with the District related to the dedication of the Huntman share in the Water Supply and Storage Company, and Mr. Reckentine and Ms. Scott provided a status update, including that the Town of Ault still needs to approve the dedication agreement provided to the Town.

No further public comments.

OTHER BUSINESS

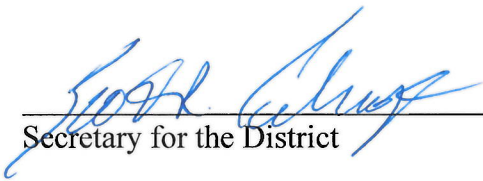
Next Meeting

The next regular meeting of the Board is scheduled for March 8, 2021, at 1:00 P.M.

ADJOURNMENT

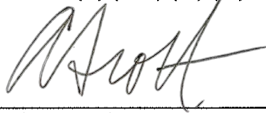
There being no further business to be conducted, the meeting was adjourned.

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 February 8, 2021, 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)(a), (b), (e), and (f), 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.



Alyson K. Scott
ALYSON SCOTT LAW, LLC
General Counsel to the District