

1. Call to Order.

2. Confirmation of Disclosures of Conflicts of Interest

**North Weld County Water District
Notice of Special Meeting & Agenda – Board Meeting**

Monday, June 14, 2021 at 1:00 PM

32825 Co Rd 39, Lucerne, CO 80646

**DUE TO COVID-19 THE BOARD MEETING WILL BE OPEN TO THE PUBLIC BY
TELECONFERENCE**

To Join by Phone, Call: (303) 858-1802; pin 1102

- 1. Call to Order**
- 2. Confirmation of Disclosures of Conflicts of Interest**
- 3. Action: Approve June 14, 2021 NWCWD Board Meeting Agenda**
- 4. Action: Presentation and Acceptance of 2020 North Weld County Water District Annual Audit (enclosure)**
- 5. Financial Matters:**
 - a. Action: Consider Adoption of Resolution No. 20210614-01: Adopting Excess Water Usage Penalty Fee (enclosure)**
 - a. Headwater Consultants Penalty Rate Assessment Memo (enclosure)**
- 6. Action: Approve Consent Agenda Items (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)**
 - a. Approval of Meeting Minutes from April 12, 2021, Revised and May 10, 2021 Board Meeting (enclosure)**
 - b. Acceptance of Unaudited May 2021 Financial Statements (enclosure)**
 - c. Approval of Payment of Invoices as of June 14, 2021**
 - d. Ratification of Vermilyea Permanent Water Easement Agreements (Nunc Pro Tunc) (enclosures)**
 - e. Approval of Buxman Request to Re-Assign Water Allocations (enclosure)**
 - f. Ratification 90 Day Extension and Amendment to AGIG/ Landhuis Raw Water Dedication Agreement (enclosure) (Nunc Pro Tunc)**
 - g. Approval of Larimer County No. 2 One-year Carriage Agreement (enclosure)**
 - h. Approval of Letter Authorizing the Division 3/16 New Mercer Share Certificate Between Tri-Districts (enclosure)**

- i. **Approval Providence Infrastructure Consultants Work Order Task 5 Amendment and Contracting Redbot Consultants (enclosure)**
 - j. **Ratification of Bid Selection and Notice of Award Town of Severance Master Meter #2 (enclosure)**
 - k. **Approval of Letters of Intent (enclosures)**
 - a. **City of Greeley**
 - b. **Wiedeman**
 - c. **Everitt**
 - d. **Brinkman**
 - e. **Mika**
 - f. **Clayton Homes – 3 LOI's**

- 7. **Action: Consider Approval of Agricultural Well Release Request (enclosure)**
 - a. **Rothe**

- 8. **Action: Authorize Special Counsel to Enter into Statement of Opposition for Case 21-CW- 3056 Augmentation Flows Cache la Poudre River (enclosures)**

- 9. **Action: Consider Approval Water Service Agreements and Intergovernmental Agreements (Separate and Confidential) (enclosures)**
 - a. **Letter Agreement with Town of Severance for Installation of Master Meter #2 (enclosure)**
 - b. **Newt III Pipeline Intergovernmental Agreement with East Larimer County Water District (enclosure)**

- 10. **Report: American Infrastructure Act Risk and Resiliency Study Update**

- 11. **Executive Session: The Board reserves the right to enter into Executive Session for the following purposes:**
 - a. **Receiving legal advice and discussing matter subject to negotiation and strategy pursuant to § 24-6-402(4)(b) and (e), C.R.S., as it relates to American Infrastructure Act Risk and Resiliency Study Update and Amended and Restated Water Service Agreement with the Town of Windsor**

- 12. **District Manager's Report:**
 - a. **Covid Report for District**
 - b. **Thornton Litigation with Weld County USR Denial**
 - c. **Rule and Regulations Document Work sessions**
 - d. **Sanitary Survey**

13. Public Comment (3 Minute Time Limit; Items Not Otherwise on the Agenda)

14. Other Business

ADJOURN _____ P.M.



Report to the Board of Directors

NORTH WELD COUNTY WATER DISTRICT

Audit Wrap Up:
Year Ended **December 31, 2020**



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Contents

QUICK ACCESS TO THE FULL REPORT

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Client and is not intended and should not be used by anyone other than these specified parties.

Welcome

December 31, 2020

Board of Directors

North Weld County Water District

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We provided an overview of our plan for the audit of the financial statements of North Weld County Water District (the “District”) as of and for the year ended December 31, 2020, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

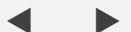
This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the District’s accounting practices and policies, management’s judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the District and look forward to meeting with you on June 14, 2021, to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

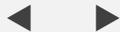
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Executive Summary

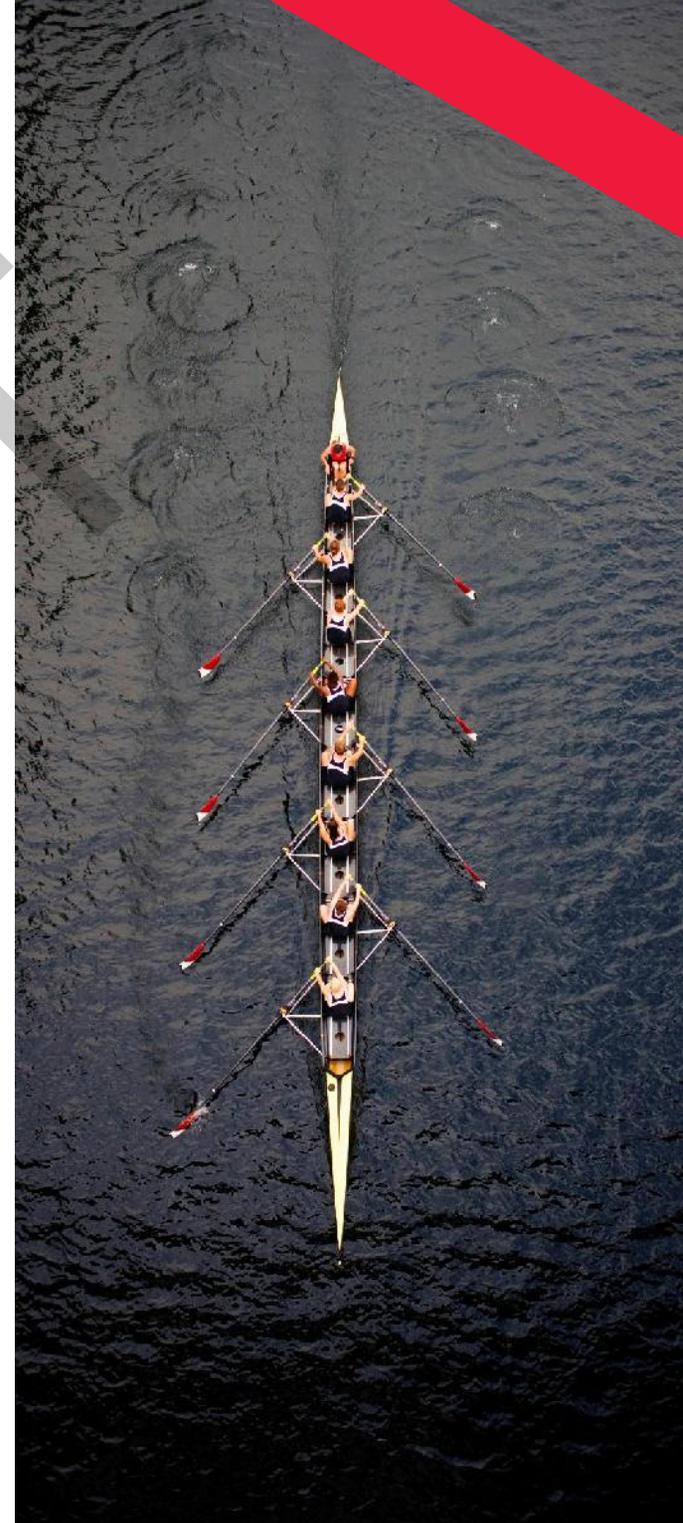
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Status of Our Audit

We have substantially completed our audit of the financial statements as of and for the year ended December 31, 2020. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We expect to issue an unmodified opinion(s) on the financial statements and release our report in May 2021.
- ▶ Our responsibility for other information in documents containing the District's audited financial statements (e.g., management's discussion and analysis and budgetary comparisons) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the District and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of District personnel throughout the course of our work.



Results of the Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the District's accounting practices, policies, and estimates:

The District's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- ▶ There were no changes in significant accounting policies and practices during 2020.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The District's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2020.

Results of the Audit

QUALITY OF THE DISTRICT'S FINANCIAL REPORTING

A discussion was held regarding the quality of the District's financial reporting, which included:



Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

Please refer to the schedule of corrected misstatements or Adjusting Journal Entries (“AJEs”).

Please refer to the schedule of uncorrected misstatements or Proposed Adjusting Journal Entries (“PAJEs”). We concur with management’s assessment that the effects of not recording such adjustments are, both individually and in the aggregate, immaterial to the financial statements taken as a whole, considering both qualitative and quantitative factors. None of the proposed adjustments could potentially cause future-period financial statement to be materially misstated.





Internal Control Over Financial Reporting

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Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the District's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Internal Control Over Financial Reporting

In conjunction with our audit of the financial statements, we noted the following:

► The following significant deficiencies were identified:

Significant Deficiencies	Comments
Unrecorded Liabilities	As part of our procedures over accounts payable, we identified some expenditures were not properly accrued in fiscal year 2020. To ensure the completeness of accounts payable, we recommend the District perform a search for unrecorded liabilities as part of the year-end closing process.

In conjunction with our audit of the financial statements, we noted no material weaknesses. However, material weaknesses may exist that have not been identified.



Additional Required Communications

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Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the District's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Point
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Significant findings and issues arising during the audit in connection with the District's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the District's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Point
If applicable, other matters significant to the oversight of the District's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the District's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.



Independence

Our engagement letter to you dated January 7, 2021, describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the District with respect to independence as agreed to by the District. Please refer to that letter for further information.

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**North Weld County Water
District**

**Financial Statements and
Supplementary Information**

For the Years Ended December 31, 2020 and
2019

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North Weld County Water District

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Basic Financial Statements

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North Weld County Water District

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Form of Organization

The North Weld County Water District (the “District”) is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes (“CRS”). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof which includes the power to levy taxes against property within the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The District’s significant accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s board, and either, a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

Basic Financial Statements

The District is a special-purpose government engaged only in business-type activities. As such, enterprise fund financial statements are presented.

Basis of Accounting

Proprietary funds, which include enterprise funds, are accounted on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement of Net Position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into amounts invested in capital assets, restricted for operations and maintenance reserves and bond proceeds, and unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

North Weld County Water District

Notes to Financial Statements

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Directors (the “Board”) in accordance with state statutes. The budget is prepared on a basis consistent with GAAP except that capital asset additions and principal payments are budgeted as expenditures and debt proceeds are budgeted as revenues.

The budget process timeline is as follows:

1. On or about October 15, the District staff submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at regular Board meetings to obtain taxpayer comments.
3. Prior to December 15, the budget is legally adopted by the Board.
4. Unused appropriations lapse at the end of each year.

The following is a summary if the original budget, total revisions, and revised budget for fiscal year 2020:

	Original Budget	Total Revisions	Revised Budget
Enterprise Fund	\$ 30,787,956	\$ 9,291,800	\$ 40,079,756

Cash and Cash Equivalents

The District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Short term investments, consisting of funds invested in a local government investment pool (Note 2) are considered to be cash equivalents and are measured at net asset value, which approximates fair value.

Receivables and Allowance for Doubtful Accounts

The District’s receivables are due from commercial and residential customers within the District service area. The District’s policy for collections is limited to the right to discontinue service and to place liens on property. The District had no allowance for doubtful accounts at December 31, 2020 and 2019.

Inventories

Inventories, consisting primarily of operating supplies for water meter repair and installation, have been valued at cost, using the first-in first-out method of accounting.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

North Weld County Water District

Notes to Financial Statements

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed.

Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Description	Estimated Lives
Facilities	40 years
Transmission and distribution system	10-100 years
Vehicles and field equipment	5-10 years
Other	5-20 years

Joint Venture

Prior to February 1, 2017, the District was a participant with East Larimer County Water District ("ELCO") and Ft. Collins/Loveland Water District ("FLWD") in a joint venture to operate Soldier Canyon Filter Plant (the "Plant"), the filter 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 Plant, and for capital improvements made at the Plant on a periodic basis. Major capital improvements to the Plant were funded by the individual districts independently and included in each of the district's capital assets. As such, the depreciation expense for these assets was also reflected in the financial statements of the District, ELCO and FLWD. The District's net investment and its share of the operating results of the Plant were reported in the accompanying Statements of Net Position, and Statements of Revenues, Expenses and Changes in Net Position.

On February 1, 2017, the District transferred all of the Filter Plant assets to a new entity, Solider Canyon Water Treatment Authority (the "Authority"). In exchange for the District's share of the Plant assets, the District received treatment capacity share of 16.238 MGD or 36.084%. The treatment capacity is considered an intangible asset with an indefinite life and is included in capital assets. Complete financial statements for the Authority may be obtained from the Authority's administrative office at 4424 LaPorte Avenue, Ft. Collins, Colorado 80521.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance costs, are recognized as an expense during the period of issuance. Prepaid insurance costs paid as part of debt issuance costs are reported as an asset and are amortized to interest expense over the life of the debt using the effective interest method.

Debt Related Deferrals

Premiums and discounts and losses on refunding are deferred and amortized to interest expense over the life of the debt using the effective interest method. The net premiums and discounts are presented as an adjustment to the face amount of the debt. Deferred losses on refunding are reflected as a deferred outflow of resources in the accompanying Statements of Net Position.

North Weld County Water District

Notes to Financial Statements

Accrued Compensated Absences Payable

Obligations associated with the District's vacation policy are recorded as a liability and expense when earned to the extent that such benefits vest to the employee. The amount of the accrued and unpaid balance due under this policy is considered a long-term liability.

The District has recorded a liability of \$286,943 and \$137,190 at December 31, 2020 and 2019, respectively.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports a deferred outflow of resources relating to the unamortized deferred loss on refunding bonds.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District does not report any deferred inflows of resources.

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation of these assets and related debt balances reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restriction imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the District which is not restricted for any project or other purpose. A deficit will require future funding.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed monthly on 30 day cycles. There was no significant unbilled revenue at December 31, 2020 and 2019.

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and non-operating items in the Statements of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

North Weld County Water District

Notes to Financial Statements

Capital Contributions

Contributions of cash, transmission lines and water rights to the District by developers, customers or by agreements with others are treated as capital contributions on the District's Statements of Revenues, Expenses and Changes in Net Position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Custodial Credit Risk - Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2020 and 2019, the District had deposits with a financial institution with a carrying amount of \$1,831,595 and \$13,985,289, respectively. The bank balances with the financial institution were \$2,000,330 and \$14,086,820, respectively, which of this amount \$250,000 was covered by federal depository insurance. The remaining balances of \$1,750,330 and \$13,836,820, respectively, were collateralized with securities held by the financial institutions' agents but not in the District's name ("PDPA").

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which special districts may invest which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

District policy is to hold investments until maturity.

North Weld County Water District

Notes to Financial Statements

Interest Rate Risk

The District does not have a formal written investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates; however, the District adheres to state statutes. Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase.

Local Government Investment Pools

At December 31, 2020 and 2019, the District had invested \$26,163,155 and \$30,819,891, respectively, in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

The District had cash and cash equivalents balances, including restricted cash and cash equivalents as follows:

<i>December 31,</i>	2020	2019
Cash on hand	\$ 200	\$ 200
Cash on deposit with financial institution	1,831,951	13,985,289
Local government investment pool	26,163,155	30,819,891
Total cash and cash equivalents	\$ 27,995,306	\$ 44,805,380

Cash and cash equivalents balances are reflected on the Statements of Net Position as follows:

<i>December 31,</i>	2020	2019
Cash and cash equivalents	\$ 19,682,160	\$ 24,627,975
Restricted cash and cash equivalents	8,313,146	20,177,405
Total cash and cash equivalents	\$ 27,995,306	\$ 44,805,380

3. Restricted Assets

Amounts shown as restricted assets have been restricted by bond indentures to be used for specified purposes. As of December 31, 2020 and 2019, the District had cash of \$8,313,146 and \$20,177,405 restricted for operations and maintenance and unspent bond proceeds.

North Weld County Water District

Notes to Financial Statements

4. Capital Assets

The following is a summary of capital asset activity for the year ended December 31, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land, easements, and water rights	\$ 68,720,254	\$ 18,372,627	\$ -	\$ 87,092,881
SCWTA Treatment Capacity	10,531,957	7,598,455	-	18,130,412
Construction in progress	848,018	61,974	(848,016)	61,976
Total capital assets, not being depreciated	80,100,229	26,033,056	(848,016)	105,285,269
Capital assets, being depreciated:				
Transmission and distribution system	71,951,498	5,869,267	-	77,820,765
Facilities	1,644,153	-	-	1,644,153
Vehicles and field equipment	2,045,242	89,292	-	2,134,534
Other	78,221	-	-	78,221
Total capital assets, being depreciated	75,719,114	5,958,559	-	81,677,673
Less accumulated depreciation for:				
Transmission and distribution system	(24,576,216)	(1,454,416)	-	(26,030,632)
Facilities	(403,126)	(41,104)	-	(444,230)
Vehicles and field equipment	(1,302,010)	(174,199)	-	(1,476,209)
Other	(75,903)	(3,296)	-	(79,199)
Total accumulated depreciation	(26,357,255)	(1,673,015)	-	(28,030,270)
Total capital assets, being depreciated, net	49,361,859	4,285,544	-	53,647,403
Capital assets, net	\$ 129,462,088	\$ 30,318,600	\$ (848,016)	\$ 158,932,672

North Weld County Water District

Notes to Financial Statements

The following is a summary of capital asset activity for the year ended December 31, 2019:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land, easements, and water rights	\$ 58,567,034	\$ 10,310,110	\$ (156,890)	\$ 68,720,254
SCWTA Treatment Capacity	7,566,396	2,965,561	-	10,531,957
Construction in progress	133,239	848,018	(133,239)	848,018
Total capital assets, not being depreciated	66,266,669	14,123,689	(290,129)	80,100,229
Capital assets, being depreciated:				
Transmission and distribution system	69,995,731	1,955,767	-	71,951,498
Facilities	1,644,153	-	-	1,644,153
Vehicles and field equipment	2,029,136	130,900	(114,794)	2,045,242
Other	78,221	-	-	78,221
Total capital assets, being depreciated	73,747,241	2,086,667	(114,794)	75,719,114
Less accumulated depreciation for:				
Transmission and distribution system	(23,176,688)	(1,399,528)	-	(24,576,216)
Facilities	(362,023)	(41,103)	-	(403,126)
Vehicles and field equipment	(1,256,026)	(160,778)	114,794	(1,302,010)
Other	(71,702)	(4,201)	-	(75,903)
Total accumulated depreciation	(24,866,439)	(1,605,610)	114,794	(26,357,255)
Total capital assets, being depreciated, net	48,880,802	481,057	-	49,361,859
Capital assets, net	\$ 115,147,471	\$ 14,604,746	\$ (290,129)	\$ 129,462,088

North Weld County Water District

Notes to Financial Statements

5. Long-Term Debt

A summary of the District's long-term debt as of December 31, 2020 and 2019, follows:

Source	2020	2019
<p>\$6,940,000 September 10, 2009, Colorado Water Resource and Power Development Agency ("CWRPDA") loan due in yearly installments of \$285,000 through 2015 with additional increases up until the date of maturity of August 1, 2029; interest at 2.50% to 4.55%. The loan was a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. The loan was paid in full using proceeds from the 2020 Water Enterprise Revenue Refunding loan. No deferred gain or loss was recorded as the amount was determined by management to be immaterial. Accrued interest at December 31, 2019 was \$74,720.</p>	\$ -	\$ 4,105,000
<p>\$13,440,000 Refunding Revenue Bonds, Series 2012 due in yearly installments of \$1,230,000 through 2015 with additional increases up until the date of maturity of November 1, 2023; interest at 2.0% to 5.0%. These bonds are a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$26,600 and \$34,912 at December 31, 2020 and 2019, respectively.</p>	4,560,000	5,985,000
<p>principal installments of \$460,000 in 2024 with additional increases up until the date of maturity in 2036; interest at 3.0% to 5.0%. These bonds are a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$80,800 at December 31, 2020 and 2019.</p>	16,160,000	16,160,000

North Weld County Water District

Notes to Financial Statements

\$3,850,000 Water Enterprise Revenue Refunding Loan, Series 2020 due in principal installments of \$400,000 in 2021 with additional increases up until the date of maturity in 2029; interest at 2.25%. These bonds are a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$5,053 at December 31, 2020.

	3,850,000	-
Totals	\$24,570,000	\$ 26,250,000

The annual requirements to amortize all debt outstanding as of December 31, 2020, are as follows:

Year Ending December 31,	Annual Maturities	Interest	Total Payment
2021	\$ 1,870,000	\$ 819,291	\$ 2,689,291
2022	1,915,000	775,575	2,690,575
2023	1,985,000	705,975	2,690,975
2024	875,000	618,000	1,493,000
2025	905,000	585,663	1,490,663
2026-2030	5,095,000	2,410,875	7,505,875
2031-2035	6,225,000	1,438,450	7,663,450
2036-2040	5,700,000	433,950	6,133,950
Totals	\$ 24,570,000	\$ 7,787,779	\$ 32,357,779

A summary of changes in debt for the year ended December 31, 2020 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2009 CWRPDA	\$ 4,105,000	\$ -	\$ 4,105,000	\$ -	\$ -
2012 refunding revenue bonds	5,985,000	-	1,425,000	4,560,000	1,470,000
2019 revenue bonds	16,160,000	-	-	16,160,000	-
2020 refunding revenue bonds	-	3,850,000	-	3,850,000	400,000
Compensated absences	137,190	239,738	89,985	286,943	-
Total	26,387,190	\$ 4,089,738	\$ 5,619,985	24,856,943	\$ 1,870,000
Current portion of long-term debt	(1,765,000)			(1,870,000)	
Net bond premiums	1,308,945			1,142,278	
Noncurrent portion of long-term debt	\$ 25,931,135			\$ 24,129,221	

North Weld County Water District

Notes to Financial Statements

A summary of changes in debt for the year ended December 31, 2019 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2009 CWRPDA	\$ 4,435,000	\$ -	\$ 330,000	\$ 4,105,000	\$ 340,000
2012 refunding revenue bonds	7,375,000	-	1,390,000	5,985,000	1,425,000
2019 revenue bonds	-	16,160,000	-	16,160,000	-
Compensated absences	104,105	103,207	70,122	137,190	-
Total	11,914,105	\$ 16,263,207	\$ 1,790,122	26,387,190	\$ 1,765,000
Current portion of long-term debt	(1,720,000)			(1,765,000)	
Net bond premiums	416,143			1,308,945	
Noncurrent portion of long-term debt	\$ 10,610,248			\$ 25,931,135	

6. Rate Maintenance

The District's loan agreement with the CWRPDA requires the District to establish, levy, and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to (1) meet the operation and maintenance expenses of the system, (2) to comply with all covenants in the loan resolution, and (3) pay at least 100% of the debt service on all indebtedness or 110% of such debt service if connection fees are included as a source of repayment.

As shown below, the District is in compliance with this requirement of the CWRPDA loan agreement for the year ended December 31, 2020:

Operating revenues	\$ 13,568,617
System connections fees (limited to 15% of revenue)	2,035,293
Total revenues as defined in loan agreement	15,603,910
Operation and maintenance expense (excluding depreciation expense)	(8,647,568)
Net revenue as defined in loan resolution	\$ 6,956,342
2020 principal due	\$ 1,425,000
2020 interest due	941,880
Subtotal	2,366,880
	x 110%
Required revenue as defined in loan resolution	\$ 2,603,568

The District's 2019 Water Enterprise Revenue Bonds require the District to establish, levy, and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to (1) meet the operation and maintenance expenses of the system, (2) to comply with all covenants in the loan resolution, and (3) pay at least 110% of the debt service on all indebtedness.

North Weld County Water District

Notes to Financial Statements

As shown below, the District is in compliance with this requirement of the 2019 Water Enterprise Revenue Bonds for the year ended December 31, 2020:

Operating revenues	\$	13,568,617
Operation and maintenance expense (excluding depreciation expense)		(8,647,568)
Net revenue as defined in loan resolution		\$ 4,921,049
2019 principal due	\$	1,425,000
2019 interest due		941,880
Subtotal		2,366,880
		x 110%
Required revenue as defined in loan resolution		\$ 2,603,568

7. Reconciliation of Budget Based Accounting to GAAP Financial Statements

The District prepares its annual budget on a non-GAAP basis of accounting. Below is the reconciliation from the budget basis of accounting to GAAP basis:

<i>For the years ended December 31,</i>	2020	2019
Excess of non-GAAP revenues over expenditures (budgetary basis)	\$ (15,489,354)	\$ 25,141,234
Adjustments required to reconcile:		
Non-GAAP revenues/expenditures:		
Bond principal	5,530,000	1,720,000
Debt proceeds	(3,850,000)	(16,160,000)
Capital asset acquisition	31,143,599	16,077,117
Net gain on disposed capital assets	-	300,156
GAAP revenue/expense - adjustments:		
Depreciation expense	(1,673,015)	(1,605,610)
Change in net position GAAP basis	\$ 15,661,230	\$ 25,472,897

8. Risk Management

The District is a member of the Colorado Special District Property and Liability Pool (“CSDPLP”). The District has joined together with other special districts in the State of Colorado. This is a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays annual contributions for its property and casualty insurance coverage. The intergovernmental agreement provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members’ claims in excess of specified self-insurance retention.

At December 31, 2019 (the most current audited financial statements) CSDPLP has total admitted assets of \$55,602,023, liabilities of \$33,163,342, and unassigned surplus of \$22,438,681. The liability amount includes no long-term debt. Total revenue for 2019 amounted to \$22,436,944, investment income of \$1,173,628 and total expenses were \$25,355,739 resulting in a net loss of \$1,745,167. The amount of the District’s share of these amounts is less than 1%.

North Weld County Water District

Notes to Financial Statements

9. Contingencies

The District is self-insured for property and liability insurance. As discussed in Note 8, the District is a member of the CSDPLP. CSDPLP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CSDPLP has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs.

The ultimate liability to the District resulting from claims not covered by CSDPLP is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the District.

10. Deferred Compensation Pension Plan

During 1993 the District established an Internal Revenue Code Section 457 deferred compensation plan which also provides for contributions from the employee and the employer. The District makes matching contributions of up to 3.0% of an employee's eligible salary. During 2020 and 2019, the District's contributions to this plan totaled \$64,698 and \$39,230, respectively.

11. TABOR Compliance

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District is an enterprise fund and has no TABOR revenues and therefore has not set aside any monies for emergencies as defined by TABOR.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

12. COVID-19 and CARES Act

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

North Weld County Water District

Notes to Financial Statements

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

On March 27, 2020, the "Coronavirus Aid, Relief, and Economic Security ("CARES") Act" was Signed into law. The Cares Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

The District continues to examine the impact that the CARES Act may have on the business. The CARES Act had minimal impact on the District for the Year ended December 31, 2020.

13. Colorado Local Budget Laws

Colorado local government budget laws state that a government may not expend any moneys in excess of the amount appropriated by resolution. Expenditures exceeded their appropriations by \$6,034,919, which may be a violation of Colorado local government budget laws.

14. Subsequent Events

The District evaluated subsequent events through June 14, 2021, the date these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure.

Supplementary Information

DRAFT

North Weld County Water District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

For the Years Ended December 31,

2020

2019

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)	Actual Amounts Budget Basis
	Original	Final			
Revenues					
Operating revenues:					
Metered sales	\$10,015,678	\$10,015,678	\$ 11,765,655	\$ 1,749,977	\$ 9,535,525
Surcharges	2,320,572	2,320,572	574,180	(1,746,392)	658,352
PI surcharge	2,016,256	2,016,256	965,510	(1,050,746)	827,597
Adjustments	(18,727)	(18,727)	(26,965)	(8,238)	(16,507)
Construction water	203,398	203,398	290,237	86,839	547,424
Total operating revenues	14,537,177	14,537,177	13,568,617	(968,560)	11,552,391
Non-operating revenue:					
Earnings on investments	131,164		143,264	143,264	523,814
Water lease and rental	36,934		72,092	72,092	21,567
Miscellaneous	104,169		51,021	51,021	86,276
Total non-operating revenues	272,267	-	266,377	266,377	631,657
Proceeds from issuance of debt	-	-	3,850,000	3,850,000	16,160,000
Contributions:					
Tap fees	468,180	468,180	2,478,123	2,009,943	1,606,125
Meter set fees	312,120	312,120	172,000	(140,120)	309,900
Water rights	3,200,000	3,200,000	8,224,718	5,024,718	17,937,145
Distance fees	166,464	166,464	926,730	760,266	694,825
Line extension reimbursement	520,200	520,200	1,138,756	618,556	1,125,090
Water storage	208,080	208,080	-	(208,080)	-
Miscellaneous	201,739	201,739	-	(201,739)	-
Total contributions	5,076,783	5,076,783	12,940,327	8,065,283	21,673,085
Total revenues	19,886,227	19,613,960	30,625,321	11,213,100	50,017,133
Expenditures					
Administrative:					
Personnel - Administrative	779,054	779,054	869,248	(90,194)	760,309
Payroll Taxes	103,520	103,520	134,522	(31,002)	118,243
Health Insurance	47,442	47,442	62,798	(15,356)	72,776
Office Utilities	350,615	350,615	191,466	159,149	187,502
Office Expense	191,017	191,017	240,736	(49,719)	220,989
Professional Fees	200,783	300,783	561,934	(261,151)	463,568
Miscellaneous	7,283	7,283	-	7,283	1,685
Total administrative	1,679,714	1,779,714	2,060,704	(280,990)	1,825,072

(Continued)

North Weld County Water District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

For the Years Ended December 31,	2020		2019		
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)	Actual Amounts Budget Basis
	Original	Final			
Distribution					
Water	2,481,305	2,481,305	2,486,270	(4,965)	1,632,002
Personnel operations	1,171,686	1,171,686	1,345,518	(173,832)	1,023,557
Operation and maintenance	619,920	619,920	1,309,889	(689,969)	1,131,765
Engineering	57,222	57,222	-	57,222	-
Electricity	172,186	172,186	185,597	(13,411)	147,779
Communications	2,081	2,081	20,814	(18,733)	1,501
Insurance	79,259	79,259	78,822	437	72,787
Miscellaneous	3,570	3,570	1,159,954	(1,156,384)	570,110
Total distribution	4,587,229	4,587,229	6,586,864	(1,999,635)	4,579,501
Debt service					
Interest expense	-	-	793,508	(793,508)	674,209
Principal paid	2,568,565	2,568,565	5,530,000	(2,961,435)	1,720,000
Total debt service	2,568,565	2,568,565	6,323,508	(3,754,943)	2,394,209
Capital improvements					
Soldier Canyon Filter Plant	6,739,750	6,739,750	7,598,455	(858,705)	2,965,561
Storage tanks	520,000	520,000	-	520,000	-
Pump stations	500,000	500,000	-	500,000	-
Equipment	25,700	25,700	89,292	(63,592)	130,900
System	7,246,998	7,246,998	5,021,251	2,225,747	1,955,767
Water rights, storage, infrastructure	6,740,000	15,931,800	18,272,316	(2,340,516)	10,209,799
Land and easements	180,000	180,000	100,311	79,689	100,311
Construction in progress	-	-	61,974	(61,974)	714,779
Total capital improvements	21,952,448	31,144,248	31,143,599	649	16,077,117
Total budgeted expenditures	30,787,956	40,079,756	46,114,675	(6,034,919)	24,875,899
Excess (deficiency) of budgeted revenues over budgeted expenditures	\$ (10,901,729)	\$ (20,465,796)	\$ (15,489,354)	\$ 5,178,181	\$ 25,141,234

See accompanying Independent Auditor's Report.

RESOLUTION NO. 20210614-01

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
NORTH WELD COUNTY WATER DISTRICT**

ADOPTING AN EXCESS WATER USAGE PENALTY FEE

WHEREAS, the North Weld County Water District (the “District”) was organized pursuant to §§ 32-1-101 *et seq.*, C.R.S. (the “Special District Act”), as amended, and is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the “Board”) is empowered with the management, control, and supervision of all the business and affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of Colorado for carrying on the business, objects, and affairs of the Board and the District; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the District is authorized to fix and impose fees, rates, tolls, penalties and charges for services or facilities furnished by the District which, until such fees, rates, tolls, penalties and charges are paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, on April 12, 2021, the Board adopted its Resolution No. 20210412-02 Adopting a Well Release Permit Policy (the “Well Release Policy”); and

WHEREAS, pursuant to the Well Release Policy, customers who have obtained a well release permit for agricultural purposes to supplement water provided by a District tap in lieu of purchasing additional water or plan investment allocations will be subject to a penalty fee for water or plant investment usage above the customer’s allotment (the “Excess Water Usage Penalty Fee”); and

WHEREAS, pursuant to §32-1-1001(2), C.R.S., the Board, as a governing body furnishing domestic water or sanitary sewer services directly to residents and property owners within or outside of the District, may fix or increase fees, rates, tolls, penalties or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least thirty (30) days after providing notice stating that the action is being considered and stating the date, time and place of the meeting at which the action is being considered; and

WHEREAS, pursuant to § 32-1-1001(2)(a)(III), C.R.S., on May 14, 2021, the Board provided the required thirty (30) days' notice to the residents and property owners within and outside of the District by posting the information on the official website of the District, a link to which is on the official website of the Division of Local Government; and

WHEREAS, on December 14, 2020, the Board adopted its Resolution 20201214-08: Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water Services and Facilities establishing a series of fees and charges (the "Fee Resolution"); and

WHEREAS, the Board desires to incorporate the Excess Water Usage Penalty Fee into the Fee Resolution; and

WHEREAS, the District finds that the Excess Water Usage Penalty Fee, as set forth in this Resolution, is reasonable and intended to deter excess water usage by customers with agricultural well release permits, and that imposition thereof is necessary and appropriate; and

WHEREAS, the Board finds that the adoption of the Excess Water Usage Penalty Fee is in the best interest of the public health, safety, and welfare within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

1. Adoption. The Board hereby adopts the Excess Water Usage Penalty Fee as set forth below:

Excess Water Usage Penalty Fee: \$18.00/1,000 gallons.

2. Incorporation into Fee Resolution: The Board hereby incorporates the Excess Water Usage Penalty Fee into the Fee Resolution and the Schedule of Fees and Charges attached thereto as Exhibit A.

3. Authorization. The Board hereby directs the District Manager, as may be necessary, to implement and otherwise oversee compliance with this Resolution.

4. Amendments. The District expressly reserves the right to amend, revise, redact, and/or repeal this Resolution in whole or in part, from time to time, in order to further the purpose of carrying on the business, objects, and affairs of the District.

5. Effective Date. This Resolution and Excess Water Usage Penalty shall be effective immediately and shall remain in full force and effect until such time as such processes is repealed by the Board.

6. Severability. If any term or provision of the Resolution are found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the Resolution as a whole but shall be severed from the Resolution, leaving the remaining terms or provisions in full force and effect.

[Remainder of the page intentionally left blank. Signature page to follow.]

ADOPTED THIS 14th DAY OF JUNE, 2021.

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

President

ATTEST:

Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

Signature page to Resolution Adopting An Excess Water Usage Penalty Fee



MEMORANDUM

TO: ERIC RECKENTINE, NWCWD
FROM: GEORGE OAMEK
DATE: JUNE 14, 2021
SUBJECT: PENALTY FEE FOR EXCESS WATER USE

In order to both recover actual costs and discourage excessive water use, the District would like to develop a penalty fee above the baseline water volume cost of \$3.88 per 1,000 gallons to be imposed on agricultural well permit holders or other water service agreements that include a penalty rate for excess water usage when their annual allocation is exceeded. This measure is intended to fairly represent the incremental, or marginal, cost to the District of acquiring additional firm water supply to ensure all customers can be served at all times without interruption.

Calculated Penalty Fee

Currently, the District's first and best option for water supply are C-BT units, whose average yield is about 0.70 acre-feet per acre. Recent purchases have been in the high \$50,000's to low \$60,000's range. At \$60,000 per unit, this equates to about \$85,700 per acre-foot.

Translating \$85,700 per acre-foot to dollars per 1,000 gallon requires amortizing and converting the annual cost to a 1,000 gallon basis. It is assumed that the per acre-foot cost is amortized over 20 years at a rate of 3.5%, which is consistent with terms of a long-term loan issued to the District by the Colorado Water and Power Development Authority in 2009.

- Using the above assumptions result in a penalty fee of \$18.51 per 1,000 gallons, intended to represent the District's actual cost of acquiring additional water, including financing charges.

Discussion

The magnitude of the above proposed penalty fee is high in both relative and absolute terms when compared to the current baseline volume rate, highlighting the current disproportionate cost of raw water in relation to other water services like treatment, storage, and distribution. It is not without precedent, however, at least for Front Range residential customers under water budget billing frameworks. Sterling Ranch, for instance, whose incremental cost for raw water is similar to the District's, imposes a surcharge ranging from \$10.00 to \$16.00 per 1,000 gallons for indoor usage above the household's water budget and up to \$26.00 per 1,000 gallons for excessive outdoor usage. However, a rate of similar magnitude for higher volume commercial water users has not yet been observed.

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

Held: Monday, the 12th day of April, 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 public participated 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 Cockroft, Secretary
Ron Buxman, Treasurer
Brad Cook, Assistant Secretary
Tad Stout, Assistant Secretary

Also present were: Eric Reckentine, General Manager of the District; Garrett Mick, Construction Manager; Jennifer Gruber Tanaka, Esq., and Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Alyson Scott, Esq., Alyson Scott Law, LLC, District special water rights counsel (for a portion of the meeting); John Kolanz, Esq., Otis & Bedingfield, LLC, District special environmental counsel (for a portion of the meeting); and Casey Mahoney, Lee Linden, and Dillon Cowing, Providence Infrastructure Consultants, District Engineers.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order.

Declaration of Quorum and Confirmation of Director Qualifications

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

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

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. Cockroft, seconded by Mr. Buxman, the Board unanimously approved the agenda as revised with the following amendment(s): removal of items 4.e.h, 7.b and c; and items 4.3.c and e to be subject to execution of the Letter of Intent with each applicant.

CONSENT AGENDA MATTERS

Mr. Reckentine presented the Board with the consent agenda items. Upon motion of Mr. Cockroft, seconded by Mr. Buxman, and the abstention of Mr. Cook, the Board approved item b, below. Upon motion of Mr. Cockroft, seconded by Mr. Buxman, and the abstention of Mr. Cook, the Board approved item f, below. Upon motion of Mr. Cook, seconded by Mr. Cockroft, the Board unanimously took the following actions on all items except b and f, below:

- a. Approved the Minutes from March 8, 2021 Board Meeting
- b. Approved the Minutes from March 17, 2021 Work Session Board Meeting
- c. Accepted the Unaudited March 2021 Financial Statements
- d. Approved the Payment of Invoices as of March 8, 2021
- e. Approved the Letters of Intent with the following:
 - a. Justin Romero
 - b. Jay & Shaun Basiliere
 - c. Earl Erbes, subject to execution by applicant
 - d. Chris Reilly
 - e. Jack Schneider, subject to execution by applicant
 - f. Noah Winick
 - g. Conestoga Developers Company LLC
 - h. REMOVED
- f. Approved the 1.5 Shares Water Supply and Storage Rental Agreements – Cook Farms LLC
- g. Approved the Leffler Permanent and Temporary Construction Easement Agreements
- h. Approved the Providence Infrastructure Amendment# 33 and#34
- i. Approved the ESRI License Agreement

- j. Approved the Knox Pit Water Storage Option Contract Amend and Extension Agreement
- k. Approved the Tank 1 Change Order Number 2 M&M Tank Coating Company
- l. Approved the Line 1 Replacement Project Change Order Number 2 Garney Construction

OPERATIONAL MATTERS

Adoption of Resolution No. 20210412-01: Adopting a Backflow Prevention and Cross-Connection Control Regulation

Mr. Kolanz reviewed the proposed backflow prevent and cross• connection control regulations with the Board. Mr. Reckentine presented the Board with Resolution No. 20210412-01: Adopting a Backflow Prevention and Cross-Connection Control Regulation for consideration. The Board noted that it understands it is a requirement for the Board to follow the regulations established by the Colorado Department of Public Health and Environment ("CDPHE") but noted that they are concerned with the process established by the CDPHE and the costs that will be incurred by users to comply with the policy. It was noted that a variance can be requested but the criteria will be required to be met in order to obtain a variance. Mr. Kolanz noted that the criteria are currently being developed for the Board to consider at the May meeting.

Upon motion of Mr. Stout, seconded by Mr. Cockroft, and with the abstention of Mr. Buxman, the Board adopted Resolution No. 20210412-01: Adopting a Backflow Prevention and Cross• Connection Control Regulation.

Adoption of Resolution No. 20210412-02: Establishing a Well Release Permit Policy

Mr. Reckentine and Mr. White presented the Board with Resolution No. 20210412-02: Establishing a Well Release Permit Policy for consideration. The Board requested that the policy be updated to include a hydraulic and capacity analysis, and a mandatory development review process if additional water dedication is required due to excess water usage by a customer with agricultural well release permit.

Upon motion of Mr. Stout, seconded by Mr. Cockroft, the Board unanimously adopted Resolution No. 20210412-02: Establishing a Well Release Permit Policy, subject to the addition of the 2 requested provisions.

Approve Dedication and Water Rights Purchase Agreements

1 Share WSSC Dedication Agreement for The Reserve Development

Mr. Reckentine and Ms. Scott presented the Board with a Dedication Agreement with The Reserve Development for 1 Share of WSSC water. Ms. Scott recommended approval by the Board.

District Reorganization and Request for Additional FTEs

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously approved the Dedication Agreement.

Mr. Reckentine reviewed with the Board a proposed reorganization chart for the District and noting his request for the Board's approval for 2 additional full-time employees due to the current needs and demands of the District. These additions would include 2 field crew maintenance persons. Currently staff are overloaded and projects are not able to be completed timely due to the current workloads. In addition, Mr. Reckentine would fit into the organizational change an engineer to run development reviews and project coordination with the District's outside engineers, Providence Infrastructure Consultants, and a lead man person to replace the one previously terminated which does not increase the number of employees. These hires would result in a 1.5% rate increase unless other projects are shifted around and reprioritized which would result in 0% rate increase.

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously approved and authorized the hiring of 2 additional full-time employees.

EXECUTIVE SESSION

None needed.

DISTRICT MANAGER'S REPORT

Mr. Reckentine presented his Management Report to the Board.

Legislative Update HB21-1008 and SB21-034

Mr. Reckentine reported that SB 21-34 died in committee and is no longer going forward this Session. Mr. Reckentine also reported that HB 21-1008 passed the House and is currently scheduled for hearing in the Senate Agriculture and Natural Resources Committee on April 15, 2021.

Mr. Stille noted that Proposition 16 for the Protection of Animals from Unnecessary Suffering and Exploitation should be monitored as if the dairies and ranches are shut down, the District may have an abundance of water. The Board noted the importance of keeping an eye on the Proposition.

Mr. Reckentine updated the Board on the National Waters gap fill program. The State did not like Federal Navigable Water Program and felt it was too lenient and is now proposing its own program to regulate water wetland issues. Mr. Reckentine noted that there are a lot of agricultural and ditch variances granted in the legislation which is good.

Update SCWTP Expansion
June 2021 Project
Completion Ribbon Cutting
Several Cases NWCWD
Employee Identity Theft
Reported to Authorities

Mr. Reckentine reported that the project should be complete in May with the ribbon cutting in June.

Mr. Reckentine reported that there have been several instances of identity theft all of which have been reported to the authorities.

Town of Ault Petitions for
Exclusion

Mr. Reckentine reported that the petitions for exclusion have been filed with the Court by Mr. Goddard.

PUBLIC COMMENT

None.

OTHER BUSINESS

Next Meeting

The next regular meeting of the Board is scheduled for May 10, 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

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

Held: Monday, the 10th day of May, 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 public participated 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
Ron Buxman, Treasurer
Brad Cook, Assistant Secretary
Tad Stout, Assistant Secretary

Also present were: Eric Reckentine, General Manager of the District; Garret Mick, District Construction Manager (for a portion of the meeting) Jennifer Gruber Tanaka, Esq., and Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Alyson Scott, Esq., Alyson Scott Law, LLC, District special water rights counsel (for a portion of the meeting); John Kolanz, Esq., Otis & Bedingfield, LLC, District special environmental counsel (for a portion of the meeting); Kara Godbehere, Esq., Lyons Gaddis, District special water rights counsel (for a portion of the meeting); and Casey Mahoney, Darin Pytlik, and Dillon Cowing, Providence Infrastructure Consultants, District Engineers; Paul Weiss, Williams & Weiss Consulting, LLC; George Oamek and Kevin Werbylo Headwaters Co.; and Todd Bean, customer.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order.

Declaration of Quorum and Confirmation of Director Qualifications

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

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

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. Stout, seconded by Mr. Buxman, the Board unanimously approved the agenda as amended to remove item 4.a.a under the Consent Agenda.

Excusal of Absence

The Board noted the absence of Mr. Cockroft. Upon motion of Mr. Stout, seconded by Mr. Buxman, the Board unanimously excused his absence.

**CONSENT AGENDA
MATTERS**

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

- a. Approved the Meeting Minutes from April 12, 2021 Board Meeting
- b. Accepted the Unaudited April 2021 Financial Statements
- c. Approved the Payment of Invoices as of May 10, 2021
- d. Approved the Letters of Intent:
 - a. REMOVED
 - b. Ernst
- e. Approved the Element Consultants Master Service Contract Scope Extension
- f. Approved the Providence Infrastructure Consultants Work Order Amendments
- g. Approved the Roy Line 1 Replacement Project Temporary Construction Easement Extension
- h. Approved the Transfer of Ownership of the Tap to Wolf Creek Dairy, LLC
- i. Ratified the Waiver Valuation with Spabb (*Nunc Pro Tunc*)
- j. Approved the Common Use Agreement with CDOT and Weld County for O Street Spur Project
- k. Approved the Line 1 Replacement Project Garney Construction Change Order Number 3
- l. Approved the Independent Contractor Agreement with Headwaters Co. for Cost of Service Study

**OPERATIONAL
MATTERS**

Amended Manual for
Control of Backflow and
Cross Connections

Mr. Kolanz, Mr. Pytlik, Mr. Cowing and Ms. Mahoney presented the Board with an Amended Cross-Connection Control Manual for review and consideration. Mr. Cowing reviewed the amendments made to the policy with the Board.

Upon motion of Mr. Stout, seconded by Mr. Buxman, the Board unanimously approved the Amended Cross-Connection Control Manual.

Resolution No. 20210510-
01: Resolution Adopting
Compound Tap Policy

Mr. Reckentine and Mr. White presented the Board with 20210510-01: Resolution Adopting Compound Tap Policy explaining that the current policy requires each structure to have a separate tap. It was noted that a request was made for a half tap for a second home constructed on the same property. Currently this is not permitted by the District's policies. The proposed policy allows the compound half tap and provides that if the half tap is permitted and the property is later sold, it would only have half a tap instead of a full tap and the purchaser would be required to be put on notice of the half tap. To address this, a deed restriction would be added to the property requiring that the half tap be converted to a full tap upon subdivision of the lot and sale of the lot.

Upon motion of Mr. Stout, seconded by Mr. Buxman, the Board unanimously adopted 20210510-01: Resolution Adopting Compound Tap Policy.

Agricultural Well Release
Request

Mr. Reckentine presented the Board with a request from Ms. Rothe for an agricultural well release noting that she applied for a water tap but she now wants to use the property for small livestock instead of for structures. A similar request was made for Mr. Rider and approved with the proper paperwork being complete. Mr. Reckentine recommended approval for small livestock use subject to receipt of the completed permit application.

Upon motion of Mr. Cook, seconded by Mr. Stout, the Board unanimously agreed to table a decision on this matter until Ms. Rothe completes the proper permit application.

Approve Dedication and
Water Rights Purchase
Agreements

S&L Livestock Ltd
Dedication Agreement

Mr. Reckentine, Ms. Godbehere, and Ms. Scott presented the Board with a Dedication Agreement for 9 C-BT units with S&L Livestock Ltd. Mr. Oamek addressed the penalty rate noting it

would be around \$15-\$20 per gallon if the usage exceeded that set forth in the agreement. Mr. Reckentine recommended that all water service agreements going forward include a demand cap in the agreement to avoid gaps in usage and available water. Mr. Reckentine noted that Mr. DeHaan has been advised of Mr. Reckentine's recommendation and that the proposed Water Service Agreement will be different from prior Water Service Agreements approved by the District and follow the new policy and requirements for well releases. Mr. Reckentine noted that Mr. DeHaan has agreed to the terms as set forth in the proposed agreement. After further discussion, Mr. Reckentine recommended approval of the Dedication Agreement by the Board subject to incorporation into the Water Service Agreement that the water demand cap be specified, that the District install a control device to monitor usage, and a provision regarding the imposition of a penalty fee if the amount is exceeded.

Upon motion of Mr. Stout, seconded by Mr. Buxman, with Mr. Cook voting no, the Board approved the Dedication Agreement, subject to the execution of the Water Service Agreement incorporating into the terms thereof a water demand cap, allowing the District to install a control device and agreeing to the imposition of a penalty fee if the amount is exceeded.

Specific Performance
Purchase Agreement for
2.375 Shares WSSC

Ms. Scott presented the Board with a Specific Performance Purchase Agreement for 2.375 Shares of WSSC water highlighting the salient terms thereof. The total purchase price is \$5,937,500 without a dry up covenant, and \$6,650,000 with a dry-up covenant. Mr. Reckentine stated that, assuming a yield of approximately 56 acre-feet, the price is below C-BT water. The anticipated yield will be determined during the due diligence period. Mr. Reckentine noted that if the District moves forward, a budget amendment will be necessary to account for the purchase price, but that the funds would come from other line items, which are not anticipated to occur in 2021. He further noted that there is no proposed rate increase as a result of this for 2021. The \$100,000 earnest money is due within three days of mutual execution of the contract. If the District determines within 60 days not to move forward, the District can get the earnest money back. After the 60 days, the earnest money would be retained by the seller.

Upon motion of Mr. Stout, seconded by Mr. Buxman, the Board unanimously approved the Specific Performance Purchase Agreement.

Water Service Agreements

Town of Severance
Master Meter #2
Variance Request

Mr. Reckentine reported that the Town is requesting that a separate agreement be entered into for proposed Master Meter #2. Mr. Reckentine requested that this matter be discussed in executive session.

Town of Ault Water
Dedication Agreement

The Town is requesting the dedication of 1 share of WSSC water with additional provisions. Mr. Reckentine requested that this matter be discussed in executive session.

City of Greeley, 2013
Intergovernmental
Agreement

Mr. Reckentine provided an update to the Board regarding the Intergovernmental Agreement with the City of Greeley noting the City is looking to add the Budweiser Annexation area to the City's Service Area and would add 4 additional master meters. The proposal is that the District would install the 4 meters, the City would pay for the costs. The City would provide the water, the District would treat the water, following an agreed upon rate. The District is calculating and the City would pay a depreciated value for the internal infrastructure in the new service area currently owned by the District. The City would be required to purchase plant investments for each of the meters. Negotiations are continuing with the City on the agreement.

EXECUTIVE SESSION

Upon motion of Mr. Stout, seconded by Mr. Buxman, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 2:42 P.M. for the purpose of receiving legal advice and to determine positions relative to matters that are subject to negotiation related to the Town of Severance Water Service Agreement for Master Meter #2 and the Town of Ault Water Dedication Agreement 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 executive session.

The Board reconvened in regular session at 3:45 P.M.

Upon motion of Mr. Buxman, seconded by Mr. Cook, with the abstention of Mr. Stout, the Board directed Mr. Reckentine to proceed as directed by the Board to proceed with an agreement that would allow for the installation of Master Meter #2 for the Town

along with the purchase of the associated additional Plant Investments to get the Town through the summer. However, the Town will be required to enter into an Amended and Restated Water Service Agreement with the District for the remaining Plant Investments needed to serve the Town and future development occurring within the Town going forward. The Board directed Mr. Reckentine that proposed absorption of developments within District's Service Area by the Town will not be considered as part of an Amended and Restated Water Service Agreement. The Board authorized Mr. Reckentine to award the master meter contract to the selected bidder and seek ratification of the award at the June 14, 2021 Board meeting.

Upon motion of Mr. Stout, seconded by Mr. Buxman, the Board unanimously directed Mr. Reckentine to proceed as directed by the Board to renegotiate the proposed Dedication Agreement and to include terms providing for reconveyance of the share to the Town and granting a right of first refusal to the District in the event the Town withdraws the dedication and seeks to sell the share on the open market in the Amended and Restated Water Service Agreement.

DISTRICT MANAGER'S REPORT

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| Mr. Reckentine presented his Management Report to the Board. |
| Mr. Reckentine reported that the ribbon cutting will be June 10, 2021, at noon. |
| Mr. Reckentine reported that to date the District has closed on 125 units of Colorado-Big Thompson water. |
| Mr. Reckentine reported that the Loveland Ready Mix Amend and Extend Agreement has been executed. |
| Mr. Reckentine reported that the District agreed to sign onto a letter to the Speaker of the Colorado House of Representatives opposing legislation proposed by Representative Weissman. Ms. Tanaka reported that Senate Bill 21-262 was introduced last week by MDEC and proposes more transparency for districts. |
| Mr. Reckentine noted that he intends to sign a Letter of Intent with Edward Jones for the Districts' 457 retirement plan to review the options available. |
| Mr. Reckentine noted that he will be meeting with a former employee of Greeley who will be starting a lobbyist firm for |

Sanitary Sewer

similarly situated districts for lobbyist support at the Capitol for legislation.

The sanitary survey is being scheduled. It will either be June 1st of July 1st.

PUBLIC COMMENT

Mr. Bean inquired into how the District can sell water to dairies through plant investment and water allocation surcharge rate reinvestments that are currently water under allocated when there are overages and when the District is short on water and has turned down service to other developments. Mr. Reckentine noted there is a drought gap identified by the District in its modeling for a six year critical drought. The District currently has a 2012 policy that addresses water allocation and surcharge reinvestment. The District does not want to allow purchases of more plant investments or water allocations where there are gaps without policies to address the gaps and to avoid these gaps from continuing in the future. It is being proposed that future water service agreements will have a demand cap to address this issue going forward with developers. The District will continue to work through these issues to course correct going forward to avoid a water shortage issue and to ensure that all customers are paying their required fees for their usage, including over usages that provide required system demand management.

Mr. Bean inquired into the backflow prevention policy whether notices will be provided to customers outlining the requirements to meet the policy. Mr. Reckentine confirmed notices will be sent.

OTHER BUSINESS

Town of Eaton Development and Water Service Agreement

Director Cook inquired about the Town of Eaton new development and effects on the District in relation to water supply and demand. Mr. Reckentine stated the Town of Eaton has a Water Service Agreement with the District. As stated in the agreement, the Town provides and temporarily transfers the Town water to the Solider Canyon Treatment Plant account of the District and the District treats this Town transfer water. The Town water supply is managed by the Town. The same as with plant investments. The Town is required to stay within its annual usage and peak hour flow limits and if the Town exceeds these limits based on new development demand, they are required to purchase additional plant investment from the District. Internal Town demand, water supply and development are not the responsibility of the District.

Next Meeting

The next regular meeting of the Board is scheduled for June 14, 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 May 10, 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)(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.

Jennifer Gruber Tanaka, Esq.
WHITE BEAR ANKELE TANAKA & WALDRON
General Counsel to the District

NORTH WELD COUNTY WATER DISTRICT

Balance Sheet

May 31, 2021

ASSETS

Current Assets

1014 - BANK OF COLORADO	\$	2,228,810.25
1015 - COLO TRUST - GENERAL		12,422,156.90
1017 - COLO TRUST- RRR		265,563.25
1019 - COLO TRUST - 2019 BOND		3,477,718.50
1030 - CASH DRAWER		200.00
1035 - CONTRA CASH RESERVE		(1,566,735.75)
1050 - CASH RESERVE (CWRPDA)		1,566,735.75
1100 - AR WATER (DRIP)		1,145,476.07
1105 - AR CONSTRUCTION METERS		28,996.06
1116 - ACCOUNTS RECEIVABLE		279,769.50
1230 - PREPAID INSURANCE		46,253.09
1300 - INVENTORY		1,209,004.38

Total Current Assets

21,103,948.00

Property and Equipment

1220 - LAND BUILDING SITE		541,875.18
1222 - CSU DRYING BEDS		28,612.00
1225 - LAND & EASEMENTS		2,428,711.65
1405 - WATER RIGHTS OWNED		79,042,488.94
1407 - WATER STORAGE		5,051,193.73
1415 - MACHINERY & EQUIPMENT		2,134,535.34
1416 - DEPREC - MACH & EQUIP		(1,476,208.76)
1420 - OFFICE EQUIPMENT		52,720.33
1421 - DEPREC - OFFICE EQUIP		(52,720.11)
1425 - PIPELINES		69,827,884.52
1426 - DEPREC - PIPELINES		(22,398,386.10)
1430 - STORAGE TANKS		2,181,317.66
1431 - DEPREC - STORAGE TANKS		(1,407,789.06)
1432 - MASTER METERS		287,352.04
1433 - DEPREC MASTER METERS		(15,663.10)
1435 - PUMP STATIONS		5,508,656.94
1436 - DEPREC - PUMP STATIONS		(2,207,438.00)
1437 - FILL STATION		15,555.00
1438 - DEPREC - FILL STATION		(2,333.25)
1440 - PAVING		25,500.20
1441 - DEPREC - PAVING		(25,499.80)
1445 - OFFICE BUILDING		1,644,152.98
1446 - DEPREC - BUILDING		(444,230.61)
1454 - CONSTRUCT IN PROGRESS		61,974.00

Total Property and Equipment

140,802,261.72

Other Assets

1457 - FILTER PLANT EQUITY		18,130,412.50
1464 - BOND INSURANCE		9,386.00
1466 - Bond Cst of Issue '19		225,086.55

Total Other Assets

18,364,885.05

Total Assets

\$ 180,271,094.77

LIABILITIES AND CAPITAL

Current Liabilities

2215 - ACCOUNTS PAYABLES	\$	70,746.87
2216 - CONST MTR DEPOSITS		80,300.00
2230 - ACCRUED WAGES		204,926.16

Unaudited - For Management Purposes Only

NORTH WELD COUNTY WATER DISTRICT
Balance Sheet
May 31, 2021

2231 - ACCRUED COMP ABSENCES	286,942.88	
2232 - ACCRUED INTEREST	130,461.00	
Total Current Liabilities		773,376.91
Long-Term Liabilities		
2220 - CURT PRT/ LONGTERM DEBT	5,000.00	
2221 - 2012 BONDS PAYABLE	4,560,000.00	
2222 - 2019 Bond Payable	16,160,000.00	
2223 - Bond Premium '19	925,852.30	
2224 - 2020 BOND PAYABLE	3,850,000.00	
2228 - NET PREM/DISCT '12 BOND	134,942.00	
2229 - PREMIUM ON 2009A LOAN	81,484.00	
Total Long-Term Liabilities		25,717,278.30
Total Liabilities		26,490,655.21
Capital		
2800 - RETAINED EARNINGS	162,437,726.27	
Net Income	(8,657,286.71)	
Total Capital		153,780,439.56
Total Liabilities & Capital	\$	180,271,094.77

NORTH WELD COUNTY WATER DISTRICT
INCOME STATEMENT
DETAIL
FOR THE FIVE MONTHS ENDING MAY 31, 2021

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
REVENUES					
3110 - METERED SALES	\$ 841,335.84	\$ 3,829,363.28	\$ 10,606,809.00	6,777,445.72	36.10
3111 - WATER ALLOC SURCHARGE	172,738.00	712,138.00	2,428,647.00	1,716,509.00	29.32
3112 - PLANT INVEST SURCHARGE	188,343.55	627,719.10	2,110,159.00	1,482,439.90	29.75
3113 - ADJUSTMENTS	(8,541.52)	(20,711.36)	(19,102.00)	1,609.36	108.43
3140 - CONST METER USAGE	13,485.55	43,563.09	201,630.00	158,066.91	21.61
3141 - CONSTR METER RENTAL	1,020.00	4,820.00	5,306.00	486.00	90.84
3142 - CONSTRUCT METER REPAIR	0.00	2,714.33	531.00	(2,183.33)	511.17
OPERATING	1,208,381.42	5,199,606.44	15,333,980.00	10,134,373.56	33.91
3210 INTEREST-COTRUST-GENERAL	70.19	2,283.45	130,384.00	128,100.55	1.75
3220 - PORT PARTONAGE AGFINITY	0.00	861.25	796.00	(65.25)	108.20
NON OPERATING	70.19	3,144.70	131,180.00	128,035.30	2.40
3310 - TAP (PI) FEES	9,500.00	995,125.00	2,500,000.00	1,504,875.00	39.81
3311 - DISTANCE FEES	3,300.00	178,725.00	169,793.00	(8,932.00)	105.26
3312 - WATER (ALLOCATION) FEE	0.00	1,392,000.00	600,000.00	(792,000.00)	232.00
3314 - INSTALLATION FEES	0.00	369,850.00	318,362.00	(51,488.00)	116.17
3315 - METER RELOCATION FEE	0.00	0.00	1,592.00	1,592.00	0.00
3316 - LINE EXTENSION FEE	0.00	0.00	530,604.00	530,604.00	0.00
3320 - NON-POTABLE TAP FEE	0.00	87,000.80	47,754.00	(39,246.80)	182.19
3321 - NON-POTABLE INSTALL	0.00	24,000.00	21,224.00	(2,776.00)	113.08
3330 - COMMITMENT LETTER FEE	70.00	670.00	796.00	126.00	84.17
3331 - REVIEW FEE	280.00	2,680.00	2,653.00	(27.00)	101.02
3340 - INSPECTION FEE	0.00	0.00	131,754.00	131,754.00	0.00
NEW SERVICE	13,150.00	3,050,050.80	4,324,532.00	1,274,481.20	70.53
3410 - WATER RENTAL	51,600.00	51,600.00	37,673.00	(13,927.00)	136.97
3415 - WSSC RETURN FLOW RENTAL	0.00	1,593.00	0.00	(1,593.00)	0.00
AG WATER	51,600.00	53,193.00	37,673.00	(15,520.00)	141.20
3510 - CAR TIME	0.00	0.00	9,551.00	9,551.00	0.00
3520 - TRANSFER FEES	1,350.00	5,800.00	5,306.00	(494.00)	109.31
3530 - RISE TOWER RENT	500.00	2,500.00	7,747.00	5,247.00	32.27
3540 - SAFETY GRANT (CSD)	0.00	0.00	11,673.00	11,673.00	0.00
MISCELLANEOUS	1,850.00	8,300.00	34,277.00	25,977.00	24.21
3600 - FARM INCOME	0.00	0.00	(9,020.00)	(9,020.00)	0.00
3610 - MINERAL/OIL/GAS RIGHTS	0.00	(193.75)	(62,424.00)	(62,230.25)	0.31
3640 - EQUIPMENT/VEHICLE SALE	0.00	0.00	(531.00)	(531.00)	0.00
FARM INCOME	0.00	193.75	71,975.00	71,781.25	0.27
DEBT PROCEEDS	0.00	0.00	0.00	0.00	0.00

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT
INCOME STATEMENT
DETAIL
FOR THE FIVE MONTHS ENDING MAY 31, 2021

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
TOTAL REVENUES	1,275,051.61	8,314,488.69	19,933,617.00	11,619,128.31	41.71
OPERATING EXPENSE					
4110 - POTABLE WATER	172,620.96	700,206.92	2,235,096.73	1,534,889.81	31.33
4120 - RENTAL WATER	(7,500.00)	(14,250.00)	0.00	14,250.00	0.00
4130 - CARRYOVER	0.00	0.00	87,696.11	87,696.11	0.00
4140 - WINTER WATER	0.00	0.00	5,412.16	5,412.16	0.00
4150 - ASSESSMENTS	7,350.00	443,878.16	1,415,649.26	971,771.10	31.36
4160 - RULE 11 FEES	0.00	0.00	62,514.70	62,514.70	0.00
4170 - WATER QUALITY - TESTING	2,006.00	4,966.50	5,953.38	986.88	83.42
WATER	(174,476.96)	(1,134,801.58)	(3,812,322.34)	(2,677,520.76)	29.77
4210 - SALARIES, FIELD	66,266.52	353,968.39	753,102.36	399,133.97	47.00
4220 - SALARIES, ENGINEERING	6,088.58	31,323.46	223,908.04	192,584.58	13.99
4240 - INSURANCE HEALTH	17,700.27	97,380.50	184,148.30	86,767.80	52.88
4250 - RETIREMENT	6,223.48	30,150.02	80,249.89	50,099.87	37.57
4260 - AWARDS	0.00	0.00	1,292.27	1,292.27	0.00
4270 - UNIFORMS	2,239.28	2,168.96	6,500.00	4,331.04	33.37
4280 - MISCELLANEOUS	0.00	0.00	1,076.89	1,076.89	0.00
4290 - CAR TIME	0.00	0.00	9,692.02	9,692.02	0.00
PERSONNEL OPERATIONS	(98,518.13)	(514,991.33)	(1,259,969.77)	(744,978.44)	40.87
4410 - FIELD	4,830.22	27,913.18	0.00	(27,913.18)	0.00
4411 - UNCC LOCATES	2,316.60	5,706.36	14,899.36	9,193.00	38.30
4412 - FARM PROPERTIES	0.00	0.00	2,653.02	2,653.02	0.00
4413 - SITE MAINTENANCE ANNUAL	0.00	0.00	5,476.67	5,476.67	0.00
4414 - CONSTRUCTION METER	0.00	3,747.16	0.00	(3,747.16)	0.00
4415 - WATER LINES (REPAIRS)	0.00	46,555.90	50,000.00	3,444.10	93.11
4416 - APPURTENANCE(REPAIR)	920.00	4,303.39	0.00	(4,303.39)	0.00
4417 - METER SETTING	6,558.85	281,554.62	106,121.00	(175,433.62)	265.31
4418 - MASTER METERS	2,475.00	2,889.02	156,060.00	153,170.98	1.85
4419 - SERVICE WORK	735.00	53,245.27	0.00	(53,245.27)	0.00
4420 - STORAGE TANKS (O & M)	1,550.00	89,580.75	19,101.74	(70,479.01)	468.97
4430 - PUMP STATIONS (O & M)	15,230.37	15,687.62	10,179.60	(5,508.02)	154.11
4435 - CHLORINE STATION	1,324.72	2,148.47	5,202.00	3,053.53	41.30
4440 - EQUIPMENT	14,602.83	32,563.15	41,505.72	8,942.57	78.45
4445 - SCADA EQUIPMENT	0.00	0.00	5,306.04	5,306.04	0.00
4446 - LOCATING EQUIPMENT	848.78	7,584.34	5,306.04	(2,278.30)	142.94
4447 - GPS EQUIPMENT	0.00	5,770.50	25,468.99	19,698.49	22.66
METER READING EQUIPMENT	0.00	328.00	0.00	(328.00)	0.00
4450 - SHOP/YARD	3,732.51	12,982.69	26,530.20	13,547.51	48.94
4460 - VEHICLES	7,600.70	45,638.72	80,261.52	34,622.80	56.86
4470 - SAFETY	2,165.86	7,420.94	62,840.16	55,419.22	11.81
4480 - CONTROL VAULTS	0.00	0.00	28,090.80	28,090.80	0.00
4490 - MAPPING EXPENSE	5,960.75	21,524.65	38,415.73	16,891.08	56.03
OPERATION & MAINTENANCE	(70,852.19)	(667,144.73)	(683,418.59)	(16,273.86)	97.62

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT
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	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
4500 - ENGINEERING	0.00	0.00	58,366.44	58,366.44	0.00
ENGINEERING	0.00	0.00	(58,366.44)	(58,366.44)	0.00
4600 - ELECTRICITY	7,503.18	50,247.96	0.00	(50,247.96)	0.00
4610 - PRV'S	0.00	0.00	4,244.83	4,244.83	0.00
4620 - STORAGE TANKS	0.00	0.00	5,306.04	5,306.04	0.00
4630 - PUMP STATIONS	3,073.08	15,320.09	159,181.20	143,861.11	9.62
4640 - METER VAULTS	0.00	0.00	3,714.23	3,714.23	0.00
4650 - FILL STATION	0.00	0.00	3,183.62	3,183.62	0.00
ELECTRICITY	(10,576.26)	(65,568.05)	(175,629.92)	(110,061.87)	37.33
4700 - COMMUNICATIONS	125.38	844.05	2,122.42	1,278.37	39.77
4790 - GPS ANTENNA LEASE SCWT	100.00	500.00	0.00	(500.00)	0.00
COMMUNICATIONS	(225.38)	(1,344.05)	(2,122.42)	(778.37)	63.33
4810 - GENERAL	3,685.00	18,425.00	39,939.62	21,514.62	46.13
4820 - AUTO	1,418.58	7,956.91	7,203.48	(753.43)	110.46
4830 - WORKER'S COMP	1,504.00	12,744.00	33,700.78	20,956.78	37.82
INSURANCE	(6,607.58)	(39,125.91)	(80,843.88)	(41,717.97)	48.40
4930 - BAD DEBT EXPENSE	0.00	0.00	3,641.40	3,641.40	0.00
MISCELLANEOUS	0.00	0.00	(3,641.40)	(3,641.40)	0.00
TOTAL OPERATING EXPENSES	361,256.50	2,422,975.65	6,076,314.76	3,653,339.11	39.88
ADMINISTRATIVE EXPENSE					
5110 - OFFICE	12,202.02	72,980.47	177,087.86	104,107.39	41.21
5120 - ADMINISTRATIVE	16,493.52	80,988.14	179,315.55	98,327.41	45.17
5130 - CUSTOMER	24,371.21	123,981.24	431,166.30	307,185.06	28.75
5140 - MISC LABOR (ELECTION)	0.00	0.00	11,903.30	11,903.30	0.00
5150 - DIRECTORS' FEES	0.00	0.00	9,739.06	9,739.06	0.00
SALARIES	53,066.75	277,949.85	809,212.07	531,262.22	34.35
5210 - FICA	9,547.30	51,217.51	100,814.76	49,597.25	50.80
5220 - UNEMPLOYMENT	0.00	1,658.76	4,775.44	3,116.68	34.74
PAYROLL TAXES	9,547.30	52,876.27	105,590.20	52,713.93	50.08
5310 - ADMIN HEALTH INSURANCE	6,274.53	27,767.36	48,391.08	20,623.72	57.38
HEALTH INSURANCE	6,274.53	27,767.36	48,391.08	20,623.72	57.38
5400 - OFFICE UTILITIES	436.44	1,727.52	0.00	(1,727.52)	0.00
5401 - ELECTRICITY	0.00	2,182.77	26,530.20	24,347.43	8.23
5402 - PROPANE	952.20	4,646.02	0.00	(4,646.02)	0.00

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	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
5403 - TELEPHONE	3,930.31	9,805.81	21,224.16	11,418.35	46.20
5404 - CELL PHONE SERVICE	3,171.40	8,335.22	0.00	(8,335.22)	0.00
5405 - CELL PHONE ACCESSORIES	0.00	0.00	2,653.02	2,653.02	0.00
5406 - OFFICE CLEANING SERVICE	1,700.00	7,140.00	0.00	(7,140.00)	0.00
5410 - OFFICE EQUIPMENT	0.00	406.46	0.00	(406.46)	0.00
5413 - FURNITURE	0.00	0.00	2,653.02	2,653.02	0.00
5440 - COMPUTER	0.00	0.00	137,957.04	137,957.04	0.00
5441 - COMPUTER SUPPORT	4,666.00	25,744.34	63,672.48	37,928.14	40.43
5442 - HARDWARE (COMPUTERS)	0.00	6,710.93	42,448.32	35,737.39	15.81
5443 - SOFTWARE	159.96	1,031.02	5,306.04	4,275.02	19.43
5444 - LICENSES (ANNUAL)	10,000.00	23,185.15	26,530.20	3,345.05	87.39
5445 - SENSUS METER SUPPORT	0.00	0.00	2,122.42	2,122.42	0.00
5449 - INTERNET/EMAIL	0.00	0.00	21,224.16	21,224.16	0.00
OFFICE UTILITIES	25,016.31	90,915.24	352,321.06	261,405.82	25.80
5510 - OFFICE EXPENSES	14,121.02	64,922.48	168,307.59	103,385.11	38.57
5520 - POSTAGE	0.00	1,117.05	3,183.62	2,066.57	35.09
5530 - BANK / CREDIT CARD FEES	2,362.51	12,268.95	5,306.04	(6,962.91)	231.23
5540 - BUILDING MAINTENANCE	1,406.34	3,437.37	1,061.21	(2,376.16)	323.91
5550 - PUBLICATIONS	0.00	0.00	530.60	530.60	0.00
5560 - PRINTING	0.00	0.00	2,653.02	2,653.02	0.00
5580 - DUES & REGISTRATION	120.00	2,042.50	3,183.62	1,141.12	64.16
5590 - TRAINING	0.00	330.00	8,489.66	8,159.66	3.89
OFFICE EXPENSE	18,009.87	84,118.35	192,715.36	108,597.01	43.65
5610 - LEGAL	48,021.58	158,477.23	153,000.00	(5,477.23)	103.58
5620 - ACCOUNTING	950.00	23,775.00	25,500.00	1,725.00	93.24
5626 - RECORDING FEES	(58.00)	237.00	0.00	(237.00)	0.00
5630 - WATER TRANSFER FEES	47.80	4,072.80	0.00	(4,072.80)	0.00
5650 - CONSULTANT FEES	1,725.00	29,307.00	10,200.00	(19,107.00)	287.32
5660 - MEMBERSHIP FEES	0.00	14,717.40	8,670.00	(6,047.40)	169.75
5680 - LAND ACQUISITION	6,977.48	26,557.93	0.00	(26,557.93)	0.00
PROFESSIONAL FEES	57,663.86	257,144.36	197,370.00	(59,774.36)	130.29
5900 - MISCELLANEOUS	0.00	0.00	7,428.46	7,428.46	0.00
MISCELLANEOUS	0.00	0.00	7,428.46	7,428.46	0.00
TOTAL ADMINISTRATIVE EXPENSE	169,578.62	790,771.43	1,713,028.23	922,256.80	46.16
CAPITAL IMPROVEMENTS					
6120 - IMPROVEMENT	0.00	118,388.18	0.00	(118,388.18)	0.00
6140 - FILTER EXPANSION	454,311.12	3,269,215.45	1,851,984.00	(1,417,231.45)	176.53
SOLDIER CANYON	454,311.12	3,387,603.63	1,851,984.00	(1,535,619.63)	182.92
6200 - STORAGE TANKS	0.00	0.00	3,832,000.00	3,832,000.00	0.00

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NORTH WELD COUNTY WATER DISTRICT
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	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
STORAGE TANKS	0.00	0.00	3,832,000.00	3,832,000.00	0.00
6300 - PUMP STATIONS	0.00	13,949.35	0.00	(13,949.35)	0.00
PUMP STATIONS	0.00	13,949.35	0.00	(13,949.35)	0.00
6410 - VEHICLES	0.00	69,847.70	6,410.00	(63,437.70)	1,089.67
6420 - TRENCH BOX	0.00	0.00	6,420.00	6,420.00	0.00
6430 - BACKHOES	0.00	0.00	6,430.00	6,430.00	0.00
6440 - OTHER EQUIPMENT	0.00	0.00	6,440.00	6,440.00	0.00
EQUIPMENT	0.00	69,847.70	25,700.00	(44,147.70)	271.78
6505 - ENGINEERING	126,466.91	388,649.61	0.00	(388,649.61)	0.00
6510 - WATER LINES	0.00	1,781,250.75	6,848,768.00	5,067,517.25	26.01
6515 - METER UPGRADES	0.00	0.00	26,530.00	26,530.00	0.00
SYSTEM	126,466.91	2,169,900.36	6,875,298.00	4,705,397.64	31.56
6610 - WATER RESOURCE MANAGER	0.00	462.00	0.00	(462.00)	0.00
6615 - GRAVEL PITS	0.00	10,734.48	650,000.00	639,265.52	1.65
6620 - WATER RIGHTS	100,000.00	7,225,000.00	11,500,000.00	4,275,000.00	62.83
6630 - LEGAL (WRM)	10,678.33	77,022.27	60,000.00	(17,022.27)	128.37
6640 - STORAGE	0.00	12,256.81	0.00	(12,256.81)	0.00
WATER RIGHTS	110,678.33	7,325,475.56	12,210,000.00	4,884,524.44	60.00
6710 - EASEMENTS	0.00	21,671.86	75,000.00	53,328.14	28.90
6720 - LAND	0.00	0.00	100,000.00	100,000.00	0.00
6730 - SURVEYING	2,553.00	14,102.00	5,000.00	(9,102.00)	282.04
LAND/EASEMENTS	2,553.00	35,773.86	180,000.00	144,226.14	19.87
BUILDING/PAVING	0.00	0.00	0.00	0.00	0.00
OFFICE EQUIPMENT/MISC	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL IMPROVEMENTS	694,009.36	13,002,550.46	24,974,982.00	11,972,431.54	52.06
BONDS					
BOND ISSUE	0.00	0.00	0.00	0.00	0.00
INTEREST	0.00	0.00	0.00	0.00	0.00
7250 - PLANT EXPANSION	0.00	0.00	1,231,000.00	1,231,000.00	0.00
7290 - 2012R NW 1054	0.00	91,725.00	1,470,000.00	1,378,275.00	6.24
7292 - TRANSFER TO ENTERPRISE	0.00	34,028.13	0.00	(34,028.13)	0.00

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INCOME STATEMENT
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FOR THE FIVE MONTHS ENDING MAY 31, 2021

	CURRENT MONTH	YTD	BUDGET	+ OR - BUDGET	% BUDGET
7295 - 2019 BOND - NORT519WERB	0.00	279,300.00	0.00	(279,300.00)	0.00
PRINCIPLE	0.00	405,053.13	2,701,000.00	2,295,946.87	15.00
INTEREST EXPENSE OTHER	0.00	0.00	0.00	0.00	0.00
TOTAL BONDS	0.00	(405,053.13)	(2,701,000.00)	(2,295,946.87)	15.00
DEPRECIATION & AMORT EXPENSES					
DEPRECIATION & AMORT EXPENSE	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,275,051.61	8,314,488.69	19,933,617.00	11,619,128.31	41.71
TOTAL EXPENSES	1,224,844.48	16,971,775.40	35,465,324.99	18,493,549.59	47.85
PROFIT/LOSS	50,207.13	(8,657,286.71)	(15,531,707.99)	(6,874,421.28)	55.74

FOR MANAGEMENT PURPOSES ONLY

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of May 31, 2021
1014 - 1014 - BANK OF COLORADO
Bank Statement Date: May 31, 2021

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance		2,458,233.61
Add: Cash Receipts		738.00
Less: Cash Disbursements		(1,037,739.68)
Add (Less) Other		807,578.32
Ending GL Balance		<u>2,228,810.25</u>
Ending Bank Balance		<u>2,262,484.90</u>
Add back deposits in transit		
Total deposits in transit		
(Less) outstanding checks		
	Jun 18, 2020	14244 (67.14)
	Jun 18, 2020	14246 (22.38)
	Jul 29, 2020	14343 (100.71)
	Sep 11, 2020	14495 (44.76)
	Oct 6, 2020	14550 (88.00)
	Oct 19, 2020	14624 (1,100.00)
	Oct 19, 2020	14627 (1,100.00)
	Oct 19, 2020	14643 (1,100.00)
	Oct 19, 2020	14644 (1,100.00)
	Oct 19, 2020	14651 (1,100.00)
	Oct 19, 2020	14653 (1,100.00)
	Oct 20, 2020	14677 (76.80)
	Oct 20, 2020	14680 (203.38)
	Oct 23, 2020	14702 (22.38)
	Oct 23, 2020	14704 (26.11)
	Oct 23, 2020	14708 (216.56)
	Oct 28, 2020	14719 (100.00)
	Nov 18, 2020	14779 (545.52)
	Nov 24, 2020	14793 (330.00)
	Dec 22, 2020	14879 (25.00)
	Dec 22, 2020	14888 (85.79)
	Jan 6, 2021	14924 (44.00)
	Feb 9, 2021	15024 (235.22)
	Feb 9, 2021	15025 (107.39)
	Feb 17, 2021	15057 (178.14)
	Feb 19, 2021	15073 (7.00)
	Mar 23, 2021	15197 (46.56)
	Apr 5, 2021	15222 (988.62)
	Apr 20, 2021	15269 (2,094.00)
	Apr 23, 2021	15287 (7.90)
	Apr 23, 2021	15293 (23.28)
	Apr 23, 2021	15295 (23.28)
	May 6, 2021	15308 (920.00)
	May 14, 2021	15334 (427.44)
	May 14, 2021	15350 (46.56)
	May 14, 2021	15351 (1,091.29)
	May 14, 2021	15353 (729.89)
	May 20, 2021	15359 (10,000.00)
	May 20, 2021	15360 (950.00)
	May 20, 2021	15361 (174.75)
	May 20, 2021	15362 (577.00)
	May 20, 2021	15363 (52.98)
	May 20, 2021	15364 (2,137.65)
	May 20, 2021	15365 (125.38)
	May 20, 2021	15366 (1,000.00)
	May 24, 2021	15367 (1,100.00)
	May 26, 2021	15368 (94.84)
	May 26, 2021	15369 (291.82)

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of May 31, 2021
1014 - 1014 - BANK OF COLORADO
Bank Statement Date: May 31, 2021

Filter Criteria includes: Report is printed in Detail Format.

	May 26, 2021	15370	(3,100.21)	
	May 26, 2021	15371	(23.28)	
	May 26, 2021	15372	(120.00)	
	May 26, 2021	15373	(25.00)	
	May 26, 2021	15374	(27.16)	
	May 26, 2021	15375	(51.97)	
	May 26, 2021	15376	(164.00)	
	May 26, 2021	15377	(43.98)	
	May 26, 2021	15378	(31.04)	
	May 26, 2021	15379	(13.44)	
	May 26, 2021	15380	(361.14)	
	May 26, 2021	15381	(1,535.82)	
	May 26, 2021	15382	(52.51)	
	May 26, 2021	15383	(3,352.74)	
	May 26, 2021	15384	(26.72)	
	May 28, 2021	15385	(28.00)	
Total outstanding checks				(40,986.53)
Add (Less) Other				
	May 27, 2021	CC0527	373.87	
	May 28, 2021	CC0528	3,283.70	
	May 29, 2021	CC0529	548.39	
	May 30, 2021	CC0530	599.72	
	May 31, 2021	CC0531	1,767.35	
	May 27, 2021	CCIH0519	122.06	
	May 28, 2021	CCIH0520	535.61	
	May 28, 2021	MARS0519	81.18	
Total other				7,311.88
Unreconciled difference				0.00
Ending GL Balance				2,228,810.25

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of May 31, 2021
1015 - 1015 - COLO TRUST - GENERAL
Bank Statement Date: May 31, 2021

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	11,967,791.38
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	<u>454,365.52</u>
Ending GL Balance	<u>12,422,156.90</u>
Ending Bank Balance	12,422,156.90
Add back deposits in transit	_____
Total deposits in transit	
(Less) outstanding checks	_____
Total outstanding checks	
Add (Less) Other	_____
Total other	
Unreconciled difference	<u>0.00</u>
Ending GL Balance	<u><u>12,422,156.90</u></u>

NORTH WELD COUNTY WATER DISTRICT
Account Reconciliation
As of May 31, 2021
1019 - 1019 - COLO TRUST - 2019 BOND
Bank Statement Date: May 31, 2021

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	3,932,013.83
Add: Cash Receipts	
Less: Cash Disbursements	
Add (Less) Other	<u>(454,295.33)</u>
Ending GL Balance	<u>3,477,718.50</u>
Ending Bank Balance	3,477,718.50
Add back deposits in transit	_____
Total deposits in transit	
(Less) outstanding checks	_____
Total outstanding checks	
Add (Less) Other	_____
Total other	
Unreconciled difference	<u>0.00</u>
Ending GL Balance	<u><u>3,477,718.50</u></u>

PERMANENT WATER EASEMENT AGREEMENT

(North Weld County Water District)

THIS PERMANENT WATER EASEMENT AGREEMENT (“Agreement”) is made this 21st day of May, 2021, by and between Scott L. Vermilyea and Nancy M. Vermilyea, whose address is 35520 County Road 43, Eaton, CO 80615 (individually or jointly, as applicable, “Grantor”), and NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 32825 Weld CR 39, Lucerne, Colorado 80646 (the “District”).

1. Grantor’s Property. Grantor is the owner of that certain parcel of real property located in Weld County, Colorado, which is legally described on Exhibit A attached hereto and made a part hereof (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 the District 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 the District, its successors and assigns, a perpetual easement (the “Easement”) in, on, under, over, across and upon the real property legally described on Exhibit B-1 and depicted upon Exhibit B-2 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, reconstructing, using, operating, maintaining, inspecting, repairing, altering, removing, and replacing one (1) pre-existing buried water pipelines, in whole or in part, and all necessary subsurface and surface appurtenances for the transportation of water and the operation and control of water facilities (the “Improvements”) including; supporting pipeline located within the Easement Area across 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 Improvements on the Easement Area.

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

- (a) The right of ingress to and egress from the Easement Area over, across and upon the Property by means of any roads and lanes now or hereafter located thereon;
- (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; and
- (c) The right to grade the Easement Area as determined by the District to be reasonably necessary or advisable for the proper use thereof for the purposes set forth in Section 3 above.
- (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.
- (e) The District shall have the right to use so much of the adjoining premises of the Grantor, its successors or assigns, during surveying, construction, reconstruction, use, maintenance, repair, replacement and/or removal of the Improvements as may be reasonably required; 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 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 assignee's or licensee's use of the Easement Area.

5. The District's Obligations. In connection with the District's use of the Easement Area, the District shall:

- (a) Insofar as practicable, 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) Insofar as practicable, restore the surface of the ground to its condition prior to installation, construction, maintenance, alteration, or replacement of the

Improvements and appurtenances thereto;

- (c) Insofar as practicable, 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 Improvements within the Easement Area;
- (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 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 the District;
- (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 the District;

- (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 the District; provided, however, the written consent of the 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 Weld 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 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 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.
- (i)

[remainder of page intentionally left blank]

THE DISTRICT:

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

By Gene Stille, President
Gene Stille, President

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this 21st day of May, 2021, by Gene Stille, as President, of NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado.

WITNESS my hand and official seal.

My commission expires: 08/29/2022

Colleen McGehee

Notary Public

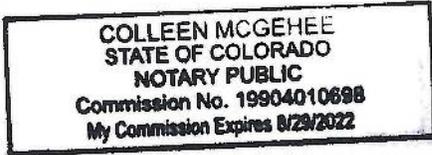


EXHIBIT A

Legal Description of Grantor's Property

Lot B of Recorded Exemption No. 0803-02-2 RECX14-0050, recorded at Reception No. 4066177, records of Weld County Clerk and Recorder, situate in the Northwest Quarter (NW ¼) of Section Two (2), Township Six North (T.6N.), Range Sixty-five West (R.65W.) of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado.

EXHIBIT B-1

PROPERTY DESCRIPTION

Those parcels of land being part of Lot B of Recorded Exemption No. 0803-03-2 RECX14-0050, recorded at Reception No. 4066177, records of Weld County Clerk and Recorder, situate in the Northwest Quarter (NW 1/4) of Section Two (3), Township Six North (T.6N.), Range Sixty-five West (R.65W.) of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado, being more particularly described as follows:

PARCEL 1

A strip of land, 30.00 feet in width, the sidelines of which being 15.00 feet each side of the following described centerline:

COMMENCING at the North Quarter corner of said Section 3 and assuming the North line of said Northwest Quarter (NW1/4) of said Section 3 as bearing North 88°51'43" West with all bearings contained herein relative thereto;

THENCE North 88°51'43" West along the North line of said Northwest Quarter of Section 3 a distance of 451.10 feet, said point being also on the North line of Lot D of Recorded Exemption No. 0803-03-2 RECX14-0050;

THENCE leaving said North line South 04°30'34" West a distance of 54.92 feet;

THENCE South 76°53'39" East a distance of 8.70 feet to a Point of Curvature (PC);

THENCE along the arc of a curve concave to the Southwest a distance of 71.17 feet, a Radius of 70.00 feet, a Delta of 58°15'11", and is subtended by a Chord bearing South 47°46'03" East a distance of 68.14 feet to a Point of Tangency (PT);

THENCE South 18°38'28" East a distance of 180.88 feet;

THENCE South 14°33'14" East a distance of 9.98 feet to its intersection with a line parallel with and distant 15.00 feet Westerly, as measured at right angles, from the Easterly line of said Lot D;

THENCE along said parallel line the following Five (5) courses:

South 10°28'00" East a distance of 55.16 feet;

South 25°55'43" East a distance of 63.97 feet;

South 14°02'57" East a distance of 74.65 feet;

South 22°34'00" East a distance of 76.40 feet;

South 33°47'33" East a distance of 10.51 feet;

THENCE leaving said parallel line South 26°34'07" East a distance of 202.29 feet;

THENCE South 25°16'28" East a distance of 113.87 feet;

THENCE South 20°32'32" East a distance of 100.11 feet;

THENCE South 18°12'55" East a distance of 114.54 feet;

THENCE South 06°46'30" East a distance of 117.14 feet;

THENCE South 00°02'10" West a distance of 576.80 feet to its intersection with the Northerly line of said Lot B of Recorded Exemption No. 0803-03-2 RECX14-0050, said point being the **POINT OF BEGINNING**;

THENCE leaving said North line of Lot B South 00°02'10" West a distance of 269.58 feet

THENCE South 02°36'05" West a distance of 151.67 feet to a Point hereinafter called Point "A";

THENCE South 02°36'05" West a distance of 110.72 feet;

THENCE South 00°00'52" West a distance of 113.80 feet;

THENCE South 01°18'48" West a distance of 81.40 feet to its intersection with the Southerly line of said Lot B, said point being the **POINT OF TERMINATION**;

It is the intent of this description that the sidelines of said parcel be lengthened or shortened to intersect at the North line of said Lot B at the Point of Beginning and the South line of said Lot B at the Point of Termination.

PARCEL 2

A strip of land, 20.00 feet in width, the sidelines of which being 10.00 feet each side of the following described centerline:

BEGINNING at the above referenced in Parcel 1 Point "A";

THENCE North 89°31'48" West a distance of 49.67 feet to the **POINT OF TERMINATION**;

It is the intent of this description that the sidelines of said parcel be lengthened or shortened to intersect at the West line of the above described Parcel 1 at its East end and at a line perpendicular to the herein described centerline at the Point of Termination.

Said described Parcels 1 and 2 contains a total of 22,508 sq. ft. or 0.517 acres, more or less and is subject to any existing easements and rights of ways of record or as now existing on said described parcel of land.

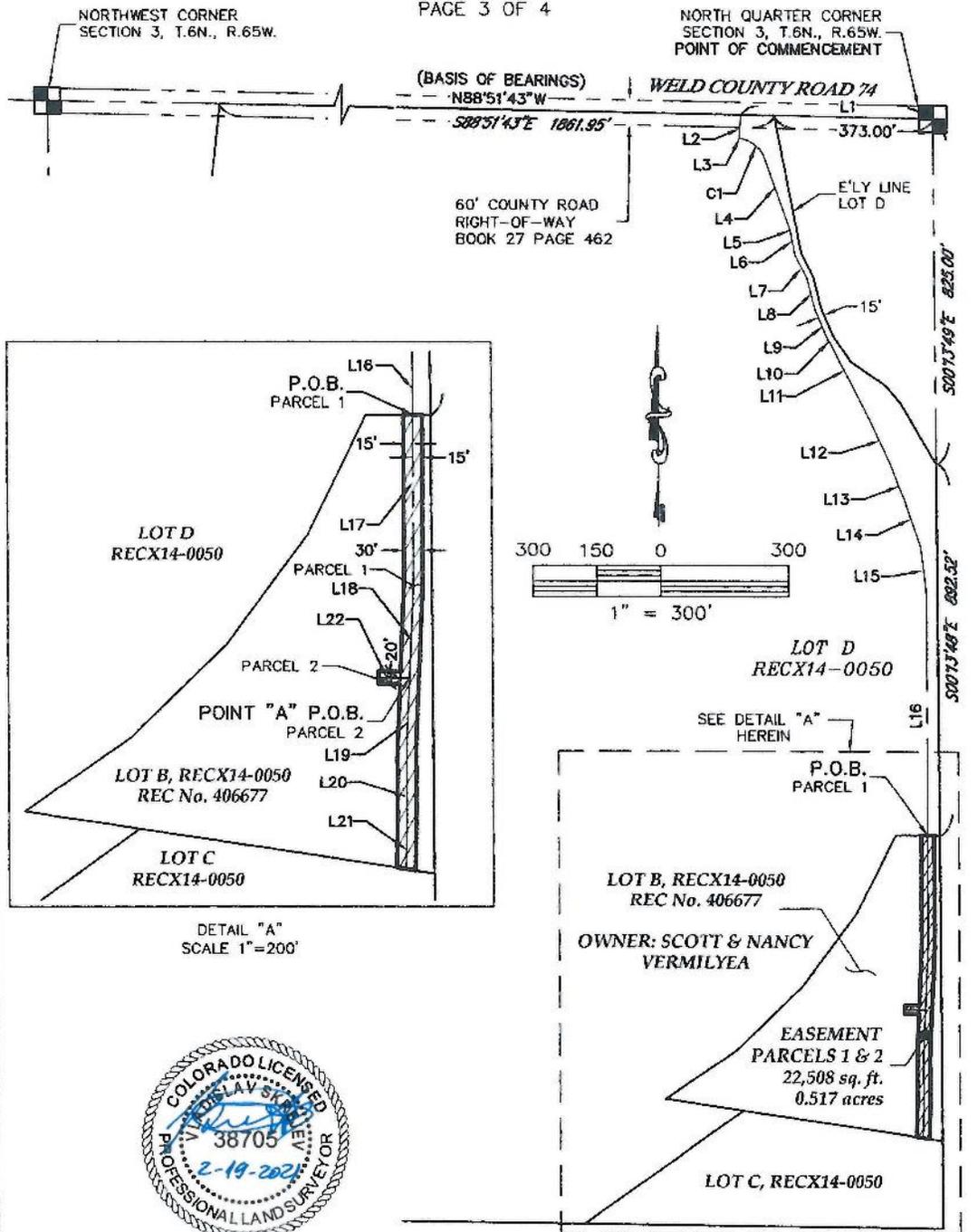
SURVEYORS STATEMENT

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



Vladislav D. Skrejev- On Behalf Of King Surveyors
Colorado Licensed Professional Land Surveyor #38705

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



DETAIL "A"
SCALE 1"=200'



Vladislav D. Skrejev - On Behalf Of King Surveyors
Colorado Licensed Professional
Land Surveyor #38705

NOTE: This exhibit drawing is not intended to be a monumented land survey. Its sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)



KING SURVEYORS

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

PROJECT NO: 20180437

DATE: 2/17/21

CLIENT: NWCWD

DWG: 20180437-ESMT-VERMILYEA-LOT B

DRAWN: DD CHECKED: CDP

CURVE TABLE

CURVE	LENGTH	RADIUS	DELTA	CHORD	CH BEARING
C1	71.17'	70.00'	58°15'11"	68.14'	S47°46'03"E

LINE TABLE

LINE	BEARING	LENGTH
L1	N88°51'44"W	451.10'
L2	S04°30'34"W	54.92'
L3	S76°53'39"E	8.70'
L4	S18°38'28"E	180.88'
L5	S14°33'14"E	9.98'
L6	S10°28'00"E	55.16'
L7	S25°55'43"E	63.97'
L8	S14°02'57"E	74.65'
L9	S22°34'00"E	76.40'
L10	S33°47'33"E	10.51'
L11	S26°34'07"E	202.29'

LINE TABLE

LINE	BEARING	LENGTH
L12	S25°16'28"E	113.87'
L13	S20°32'32"E	100.11'
L14	S18°12'55"E	114.54'
L15	S06°46'30"E	117.14'
L16	S00°02'10"W	576.80'
L17	S00°02'10"W	269.58'
L18	S02°36'05"W	151.67'
L19	S02°36'05"W	110.72'
L20	S00°00'52"W	113.80'
L21	S01°18'48"W	81.40'
L22	N89°31'48"W	49.67'



Vladislav D. Skrejev - On Behalf Of King Surveyors
Colorado Licensed Professional
Land Surveyor #38705

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KING SURVEYORS

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

PROJECT NO: 20180437

DATE: 2/17/21

CLIENT: NWCWD

DWG: 20180437-ESMT-VERMILYEA-LOT B

DRAWN: DD CHECKED: CDP

PERMANENT WATER EASEMENT AGREEMENT
(North Weld County Water District)

THIS PERMANENT WATER EASEMENT AGREEMENT (“Agreement”) is made this 21st day of May, 2021, by and between Julius E. Lauck and Nancy M. Vermilyea, whose address is 35510 County Road 43, Eaton, CO 80615 (individually or jointly, as applicable, “Grantor”), and NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 32825 Weld CR 39, Lucerne, Colorado 80646 (the “District”).

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- (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 Improvements on the Easement Area.

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

- (a) The right of ingress to and egress from the Easement Area over, across and upon the Property by means of any roads and lanes now or hereafter located thereon;
- (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; and
- (c) The right to grade the Easement Area as determined by the District to be reasonably necessary or advisable for the proper use thereof for the purposes set forth in Section 3 above.
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5. The District's Obligations. In connection with the District's use of the Easement Area, the District shall:

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Improvements and appurtenances thereto;

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- (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 the District;
- (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 the District;

- (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 the District; provided, however, the written consent of the 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 Weld 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 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 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.
- (i)

[remainder of page intentionally left blank]

EXHIBIT A

Legal Description of Grantor's Property

Lot C of Recorded Exemption No. 0803-02-2 RECX14-0050, recorded at Reception No. 4066177, records of Weld County Clerk and Recorder, situate in the Northwest Quarter (NW ¼) of Section Three (3), Township Six North (T.6N.), Range Sixty-five West (R.65W.) of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado.

EXHIBIT B-1

PROPERTY DESCRIPTION

A strip of land, 30.00 feet in width being part of Lot C of Recorded Exemption No. 0803-03-2 RECX14-0050, recorded at Reception No.4066177, records of Weld County Clerk and Recorder, situate in the Northwest Quarter (NW 1/4) of Section Two (3), Township Six North (T.6N.), Range Sixty-five West (R.65W.) of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado, the sidelines of which being 15.00 feet each side of the following described centerline:

COMMENCING at the North Quarter corner of said Section 3 and assuming the North line of said Northwest Quarter (NW1/4) of said Section 3 as bearing North 88°51'43" West with all bearings contained herein relative thereto;

THENCE North 88°51'43" West along the North line of said Northwest Quarter of Section 3 a distance of 451.10 feet, said point being also on the North line of Lot D of Recorded Exemption No. 0803-03-2 RECX14-0050;

THENCE leaving said North line South 04°30'34" West a distance of 54.92 feet;

THENCE South 76°53'39" East a distance of 8.70 feet to a Point of Curvature (PC);

THENCE along the arc of a curve concave to the Southwest a distance of 71.17 feet, a Radius of 70.00 feet, a Delta of 58°15'11", and is subtended by a Chord bearing South 47°46'03" East a distance of 68.14 feet to a Point of Tangency (PT);

THENCE South 18°38'28" East a distance of 180.88 feet;

THENCE South 14°33'14" East a distance of 9.98 feet to its intersection with a line parallel with and distant 15.00 feet Westerly, as measured at right angles, from the Easterly line of said Lot D;

THENCE along said parallel line the following Five (5) courses:

South 10°28'00" East a distance of 55.16 feet;

South 25°55'43" East a distance of 63.97 feet;

South 14°02'57" East a distance of 74.65 feet;

South 22°34'00" East a distance of 76.40 feet;

South 33°47'33" East a distance of 10.51 feet;

THENCE leaving said parallel line South 26°34'07" East a distance of 202.29 feet;

THENCE South 25°16'28" East a distance of 113.87 feet;

THENCE South 20°32'32" East a distance of 100.11 feet;

THENCE South 18°12'55" East a distance of 114.54 feet;

THENCE South 06°46'30" East a distance of 117.14 feet;

THENCE South 00°02'10" West a distance of 846.38 feet;

THENCE South 02°36'05" West a distance of 262.39 feet

THENCE South 00°00'52" West a distance of 113.80 feet;

THENCE South 01°18'48" West a distance of 81.40 feet to its intersection with the Northerly line of said Lot C of Recorded Exemption No. 0803-03-2 RECX14-0050, said point being the **POINT OF BEGINNING**;

THENCE leaving said Northerly line of Lot C South 01°18'48" West a distance of 28.39 feet to the **POINT OF TERMINATION**;

It is the intent of this description that the sidelines of said parcel be lengthened or shortened to intersect at the North line of said Lot C at the Point of Beginning and at a line perpendicular to the herein described centerline at the Point of Termination.

Said described parcel of land contains a total of 852 sq. ft. or 0.020 acres, more or less and is subject to any existing easements and rights of ways of record or as now existing on said described parcel of land.

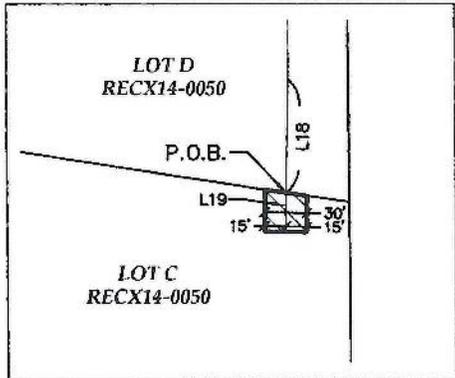
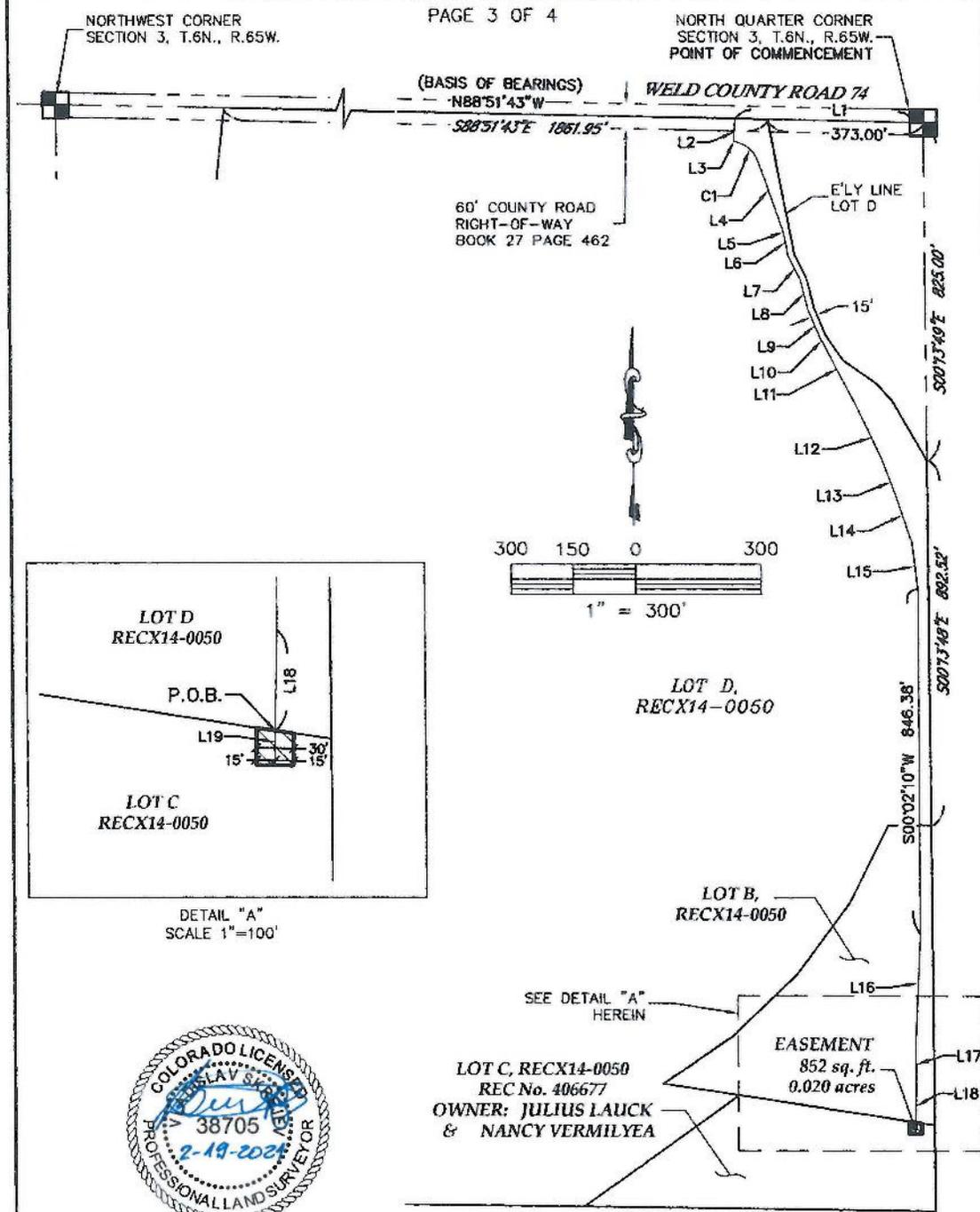
SURVEYORS STATEMENT

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



Vladislav D. Skrejev- On Behalf Of King Surveyors
Colorado Licensed Professional Land Surveyor #38705

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



Vladislav D. Skrejev - On Behalf Of King Surveyors
Colorado Licensed Professional
Land Surveyor #38705

NOTE: This exhibit drawing is not intended to be a monumented land survey. Its sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)



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

PROJECT NO: 20180437
DATE: 2/19/21
CLIENT: NWCWD
DWG: 20180437-ESMT-VERMILYEA-LOT C
DRAWN: DD CHECKED: CDP

CURVE TABLE

CURVE	LENGTH	RADIUS	DELTA	CHORD	CH BEARING
C1	71.17'	70.00'	58°15'11"	68.14'	S47°46'03"E

LINE TABLE

LINE	BEARING	LENGTH
L1	N88°51'43"W	451.10'
L2	S04°30'34"W	54.92'
L3	S76°53'39"E	8.70'
L4	S18°38'28"E	180.88'
L5	S14°33'14"E	9.98'
L6	S10°28'00"E	55.16'
L7	S25°55'43"E	63.97'
L8	S14°02'57"E	74.65'
L9	S22°34'00"E	76.40'
L10	S33°47'33"E	10.51'
L11	S26°34'07"E	202.29'

LINE TABLE

LINE	BEARING	LENGTH
L12	S25°16'28"E	113.87'
L13	S20°32'32"E	100.11'
L14	S18°12'55"E	114.54'
L15	S06°46'30"E	117.14'
L16	S02°36'05"W	262.39'
L17	S00°00'52"W	113.80'
L18	S01°18'48"W	81.40'
L19	S01°18'48"W	28.39'



Vladislav D. Skrejev – On Behalf Of King Surveyors
Colorado Licensed Professional
Land Surveyor #38705

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PROJECT NO: 20180437
DATE: 2/19/21
CLIENT: NWCWD
DWG: 20180437-ESMT-VERMILYEA-LOT C
DRAWN: DD CHECKED: CDP

PERMANENT WATER EASEMENT AGREEMENT
(North Weld County Water District)

THIS PERMANENT WATER EASEMENT AGREEMENT (“Agreement”) is made this 21st day of May, 2021, by and between Scott L. Vermilyea and Nancy M. Vermilyea, whose address is 35520 County Road 43, Eaton, CO 80615 (individually or jointly, as applicable, “Grantor”), and NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 32825 Weld CR 39, Lucerne, Colorado 80646 (the “District”).

1. Grantor’s Property. Grantor is the owner of that certain parcel of real property located in Weld County, Colorado, which is legally described on Exhibit A attached hereto and made a part hereof (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 the District 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 the District, its successors and assigns, a perpetual easement (the “Easement”) in, on, under, over, across and upon the real property legally described on Exhibit B-1 and depicted upon Exhibit B-2 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, reconstructing, using, operating, maintaining, inspecting, repairing, altering, removing, and replacing one (1) pre-existing buried water pipelines, in whole or in part, and all necessary subsurface and surface appurtenances for the transportation of water and the operation and control of water facilities (the “Improvements”), including; supporting pipeline located within the Easement Area across 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 Improvements on the Easement Area.

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

- (a) The right of ingress to and egress from the Easement Area over, across and upon the Property by means of any roads and lanes now or hereafter located thereon;
- (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; and
- (c) The right to grade the Easement Area as determined by the District to be reasonably necessary or advisable for the proper use thereof for the purposes set forth in Section 3 above.
- (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.
- (e) The District shall have the right to use so much of the adjoining premises of the Grantor, its successors or assigns, during surveying, construction, reconstruction, use, maintenance, repair, replacement and/or removal of the Improvements as may be reasonably required; 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 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 assignee's or licensee's use of the Easement Area.

5. The District's Obligations. In connection with the District's use of the Easement Area, the District shall:

- (a) Insofar as practicable, bury all 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) Insofar as practicable, restore the surface of the ground to its condition prior to installation, construction, maintenance, alteration, or replacement of the

Improvements and appurtenances thereto;

- (c) Insofar as practicable, 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 Improvements within the Easement Area;
- (d) Pay Grantor the fair market value for any growing crops, livestock and other items which are damaged by the District's activities 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 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 the District;
- (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 the District;

- (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 the District; provided, however, the written consent of the 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
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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.
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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.

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- (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 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 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.
- (i)

[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:

Scott L. Vermilyea

Nancy M. Vermilyea

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this 14th day of May, 2021, by Scott L. Vermilyea.

WITNESS my hand and official seal.

My commission expires: 10-21-2024



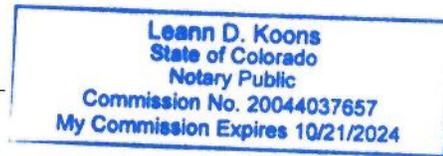
Leann D. Koons
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this 14th day of May, 2021, by Nancy M. Vermilyea.

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Leann D. Koons
Notary Public

EXHIBIT A

Legal Description of Grantor's Property

Lot D of Recorded Exemption No. 0803-02-2 RECX14-0050, recorded at Reception No. 4066177, records of Weld County Clerk and Recorder, situate in the Northwest Quarter (NW ¼) of Section Three (3), Township Six North (T.6N.), Range Sixty-five West (R.65W.) of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado.

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PROPERTY DESCRIPTION

A strip of land, 30.00 feet in width being part of Lot D of Recorded Exemption No. 0803-03-2 RECX14-0050, recorded at Reception No. 4066177, records of Weld County Clerk and Recorder, situate in the Northwest Quarter (NW 1/4) of Section Two (3), Township Six North (T.6N.), Range Sixty-five West (R.65W.) of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado, the sidelines of which being 15.00 feet each side of the following described centerline:

COMMENCING at the North Quarter corner of said Section 3 and assuming the North line of said Northwest Quarter (NW1/4) of said Section 3 as bearing North 88°51'43" West with all bearings contained herein relative thereto;

THENCE North 88°51'43" West along the North line of said Northwest Quarter of Section 3 a distance of 451.10 feet, said point being also on the North line of said Lot D of Recorded Exemption No. 0803-03-2 RECX14-0050, said point being also the **POINT OF BEGINNING**;

THENCE leaving said North line South 04°30'34" West a distance of 54.92 feet;

THENCE South 76°53'39" East a distance of 8.70 feet to a Point of Curvature (PC);

THENCE along the arc of a curve concave to the Southwest a distance of 71.17 feet, a Radius of 70.00 feet, a Delta of 58°15'11", and is subtended by a Chord bearing South 47°46'03" East a distance of 68.14 feet to a Point of Tangency (PT);

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THENCE South 06°46'30" East a distance of 117.14 feet;

THENCE South 00°02'10" West a distance of 576.80 feet to its intersection with the Southerly line of said Lot D, said point being the **POINT OF TERMINATION**;

It is the intent of this description that the sidelines of said parcel be lengthened or shortened to intersect at the North line of said Lot D at the Point of Beginning and at the South line of said Lot D at the Point of Termination.

Said described parcel of land contains a total of 54,933 sq. ft. or 1.261 acres, more or less and is subject to any existing easements and rights of ways of record or as now existing on said described parcel of land.

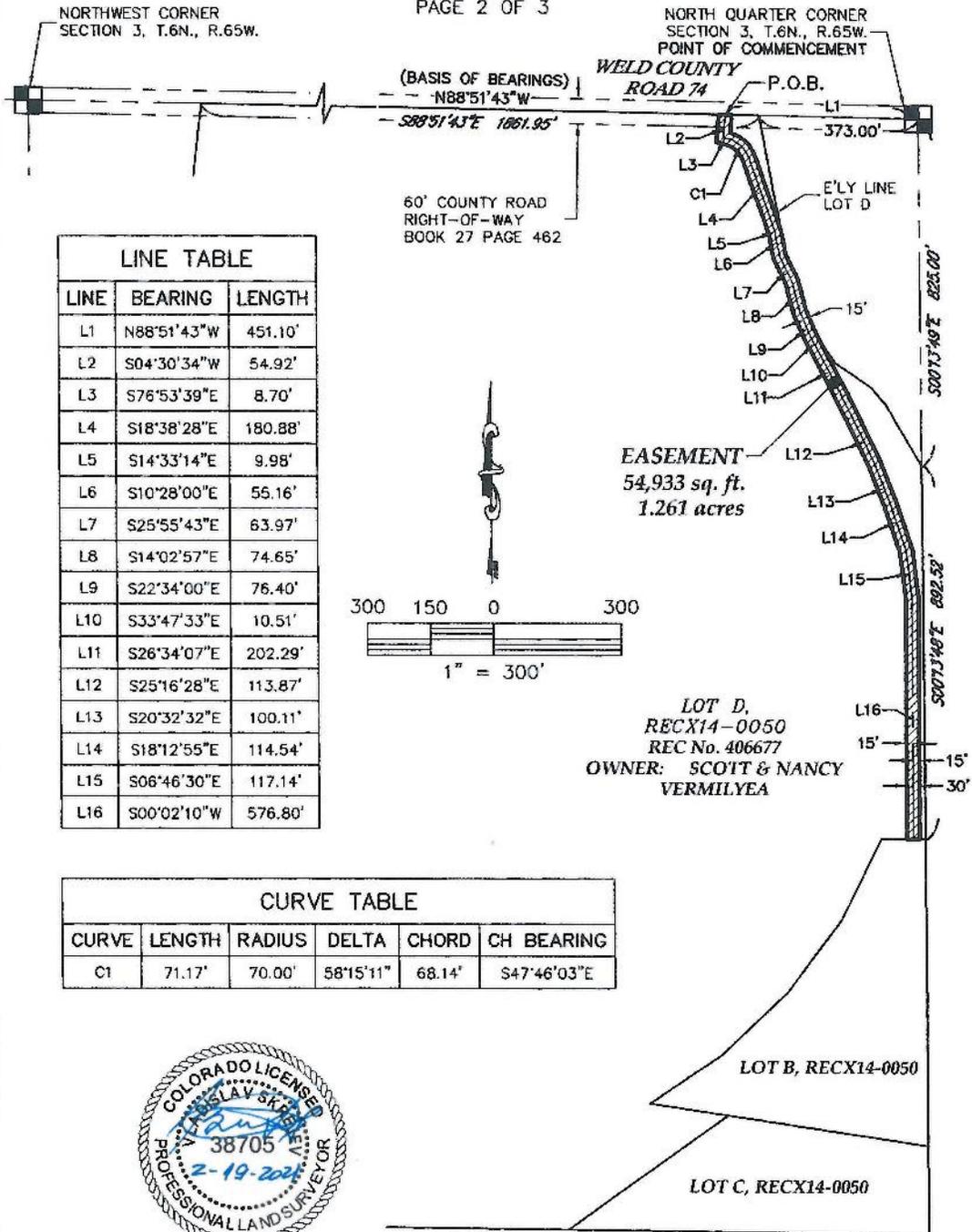
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Vladislav D. Skrejev- On Behalf Of King Surveyors
Colorado Licensed Professional Land Surveyor #38705

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LINE TABLE		
LINE	BEARING	LENGTH
L1	N88°51'43"W	451.10'
L2	S04°30'34"W	54.92'
L3	S76°53'39"E	8.70'
L4	S18°38'28"E	180.88'
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CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHORD	CH BEARING
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KING SURVEYORS
650 E. Garden Drive | Windsor, Colorado 80550
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email: contact@KingSurveyors.com

PROJECT NO: 20180437
DATE: 2/19/21
CLIENT: NWCWD
DWG: 20180437-ESMT-VERMILYEA-LOT D
DRAWN: DD CHECKED: CDP

Buxman Request to Re-Assign Allocation

Don Buxman requested in writing that 1 Allocation of Water and Plant Investment be re-assigned from Premise 86, 14441 CR 66, to a new Premise Number for Lot 5 of Buxman Estates, 32402 Sunshine Lane.

Premise 86 currently has 12 Water Allocations and 25 Plant Investment Allocations. This transfer would reduce the Water Allocation to 11 and Plant Investment Allocation to 24. The account historically exceeds both the Water and Plant Investment Allocation annually.

Both Premises are/would be located in the Greeley Annexation area and subject to the WSA terms.

Minutes from June 25, 2007 and July 9, 2007 are attached.

Motion from July 9, 2007 states: A motion was made and seconded to allow three Plant Investments and three Raw Waters to be temporarily transferred from Buxman Estates PUD to Meter #86, Buxman Dairy, until such time as a lot in the subdivision is sold and requires a meter to be set. All fees and charges are to be paid before movements of these PIF's and Water. The motion carried.

If approved, Mr. Buxman would need to pay the Meter Set Fee of \$1,750 and complete the tap purchase paperwork.

To: North Weld County Water District

From: Harold and Don Buxman

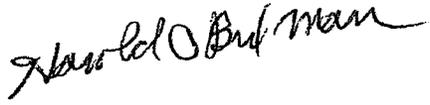
May 11, 2021

We request to have one Plant investment fee and one raw water to be transferred back from Buxman Dairy to Lot 5 of Buxman Estates PUD.

Lot 5 now has an address of 32402 Sunshine Lane and the owner is Donald Buxman.

Thank you,

Harold Buxman

A handwritten signature in black ink that reads "Harold Buxman". The signature is written in a cursive style with a large, looped initial "H".

Don Buxman

A handwritten signature in black ink that reads "Don Buxman". The signature is written in a cursive style with a large, looped initial "D".

North Weld County Water District
June 25, 2007
1:00 p.m.

Present:

Chuck Achziger
Ralph Prior
John Johnson
Nels Nelson
CE Buck Rinehart
Don Posselt
Alan Overton

Also Present:

Shawn Hoff, Tri-District WRM
Jeff Couch with Serenity View PUD

The minutes of the last meeting, June 11, 2007, were approved as written.

- A motion was made and seconded to pay the bills. The motion carried.

OLD BUSINESS:

Easement Re-Alignment through Pinnacle Park

- 1) Rick Pickard of TEC is doing a good job of getting revised easements presented and signed.
- A motion was made and seconded to sign an easement with Bart and Stephanie Morrison of 16321 Hwy 392, for a temporary construction easement for construction of a 12" waterline. The easement is in the S ½ of the SW ¼ of Section 14, Township 6 North, Range 66 West, of the 6th P.M. The motion carried.
- 2) Discussion on the deliberate destruction of a water line in an easement on property owned by Kurt Overturf by Kurt Overturf.

Water Issues – Shawn Hoff

- 1) Sportsman's Lodge, in the Poudre Canyon, still has an outstanding water lease agreement with the District for 1.6 AF of water @ \$350 a year for three years, then a 10% increase per year. Shawn has a couple of small changes to take back to them.
- 2) Timnath Reservoir shares purchases are still being pursued.
- 3) NCWA augmentation is in the hands of NCWA attorneys.

NEW BUSINESS:

Construction

The bids for the 12" Waterline Project – WCR 27 & Hwy 392 and the 16" Waterline Project – Saddler Offsite from Tank #7 were reviewed.

- A motion was made and seconded to accept the low bid from GLH Construction for the 16" Waterline Project – Saddler Offsite from Tank #7 for the bid price of \$286,451.48. (Copies enclosed.) The motion carried.
- A motion was made and seconded to accept the low bid from Brannan Construction Company for the 12" Waterline Project – Hwy 392 & WCR 27 for the bid price of \$136,135.40. (Copies enclosed.) The motion carried.

Subdivisions – Discussion on the Following;

- 1) Mackey Circle PUD
 - A motion was made and seconded to sign a "Water Service Agreement" with Gary Mackey of Mackey Circle PUD. The motion carried.
- 2) Lawley Estates PUD
 - A motion was made and seconded to sign a "Water Service Agreement" with Mark and Sherry Lawley of Lawley Estates, PUD. The motion carried.
- 3) Coyote Run, PUD
 - A motion was made and seconded to sign a "First Amendment to Water Service Agreement" with Mark Zigray of Coyote Run, PUD. The motion carried.

- 4) Saddler PUD
 - A motion was made and seconded to sign a "First Amendment to Water Service Agreement" with Bridle Hill Development, LLC, for Saddler PUD. The motion carried.
 - A motion was made and seconded to sign a "Non-Potable Water Service Agreement" with Bridle Hill Development, LLC, for Saddler PUD. The motion carried.
- 5) Buxman Estates PUD
Tabled until the July 9th Board Meeting.

Easements – discussion on the following;

- 1) J. Bruce Douglas Associates, LLLP, of 7382 WCR 84, Fort Collins, CO 80524
 - A motion was made and seconded to sign an "Easement" with J. Bruce Douglas Associates, LLLP for Lot B, Recorded Exemption No. 0705-08-2-RE3958, Reception No. 3259727 in Weld County, located in the N ½ Section 8, Township 7 North, Range 67 West of the 6th P.M., County Weld, State of Colorado. The motion carried.
- 2) Bart and Stephanie Morrison for 12" Waterline Project along Hwy 392 in Pinnacle Park.
 - A motion was made and seconded to sign an "Easement" with Bart and Stephanie Morrison whose address is 16321 Hwy 392, Greeley, CO 80631 and which easement is through the same property for the construction of a 12" waterline. The motion carried.

Well Release Request

A letter was received from Russ Herrel, 417 Ridgewood Court, Fort Collins, CO 80524 for a "Well Release Letter" from the District for Lot B, RE-4335 which is west of WCR 33 along an unused WCR 80 corridor, 2500 feet from WCR 33. District policy allows for an automatic Release Letter if the cost meets the threshold of two times the Raw Water Fee plus Raw Water Storage Fee plus Plant Investment Fee which would be a total of \$39,000. The estimated cost to serve this property with water line installation is \$35,500; therefore a Board decision is necessary.

- A motion was made and seconded to grant a "Well Release Letter" to Russ Herrel for a property 2500 feet west of WCR 33 along the unused corridor for WCR 80 which is Lot B of RE-4335. The motion carried.

Meeting adjourned at 3:40 p.m.



John Johnson, Secretary

North Weld County Water District
July 9, 2007
1:00 p.m.

Present:
Chuck Achziger
Ralph Prior
John Johnson
Nels Nelson
Don Posselt
Alan Overton

Excused Absence:
CE Buck Rinehart

Also Present:
Shawn Hoff, Tri-District WRM

The minutes of the last meeting, June 25, 2007, were approved as written.

- A motion was made and seconded to pay the bills and approve the financial statement. The motion carried.

OLD BUSINESS:

Buxman Estates PUD – Tabled from June 25, 2007 Meeting

Upon further reflection, the Board was not against Harold and Don Buxman moving the three remaining PIF's and three Raw Waters of the original four purchased for Buxman Estates PUD, to Meter # 86 the Buxman Dairy in the same Section, Township and Range as Buxman Estates. The three PIF's and Water have not been set as meters and will be allowed to be returned to the Subdivision when lots sell, upon payment of any fees and charges payable.

- A motion was made and seconded to allow three Plant Investments and three Raw Waters to be temporarily transferred from Buxman Estates PUD to Meter # 86, Buxman Dairy, until such time as a lot in the subdivision is sold and requires a meter to be set. All fees and charges are to be paid before movements of these PIF's and Water. The motion carried.

Tinnath Reservoir Shares – Shawn Hoff
A contract should be drawn July 23, 2007;
Due diligence period until August 14, 2007;
Closing will be August 15, 2007 or after.

NEW BUSINESS:

Subdivisions

Wildwing – Boxelder Sanitation District

Requested the purchase of a ½ tap for a sewer lift station at Wildwing.

- A motion was made and seconded to allow a ½ tap to be purchased and set for a Boxelder Sewer Lift Station at Wildwing Subdivision. The motion carried.
- A motion made and seconded to sign a Water Service Agreement with Peace Haven Estates, NW¼ of Section 10, Township 7 North, Range 67 West, County of Weld. The motion carried.
- A motion was made and seconded to sign a Water Service Agreement with Tranquility Estates, N½ of Section 10, Township 7 North, Range 67 West, County of Weld. The motion carried.
- A motion made and seconded to sign a Water Service Agreement with Prairie Hollow Estates, NE¼ of Section 10, Township 7 North, Range 67 West, County of Weld. The motion carried.

Easements;

- A motion made and seconded to sign the following easements;
 - 1) Sandra Krienke – SW¼ of Section 14, Township 6 North, Range 66 West
 - 2) Joan H. Frantz – S½ of Section 5, Township 7 North, Range 67 West
 - 3) Eugene R. and Betty J. Windsheimer – SE¼ of Section 14, Township 6 North, Range 55 West – Permanent and Temporary
 - 4) Karne K. Lohmann Living Trust – S½ SW¼ of Section 14, Township 6 North, Range 66 West
 - 5) Daniel L. and Penny A. Andrews – S½ SW¼ of Section 14, Township 6 North, Range 66 West
 - 6) Jon Kevin Spooner – S½ SW¼ of Section 14, Township 6 North, Range 66 West
 - 7) Sharon A. Pickrell – S½ SW¼ of Section 14, Township 6 North, Range 66 West
 - 8) Anthony William Scott – S½ SW¼ of Section 14, Township 6 North, Range 66 West
 - 9) James M. and Jill J. Nester – S½ SW¼ of Section 14, Township 6 North, Range 66 West
 - 10) Chris King and Mark Davisson – S½ SW¼ of Section 14, Township 6 North, Range 66 West
 - 11) City of Thornton – SE¼ of Section 14, Township 7 North, Range 66 West

Miscellaneous

New telephone system

Install new telephone system as a budget item.

Meeting adjourned at 4:05 p.m.


John Johnson, Secretary

**AMENDMENT TO RAW WATER DEDICATION AGREEMENT
(Hidden Valley Farm Subdivision, 6th Filing)**

This Amendment to Raw Water Dedication Agreement (the “**Amended Agreement**”) is made and entered into this 1 day of JUNE 2021, by and between **AGIG, LLC**, a Colorado limited liability company, with a mailing address of 3282 Rock Park Drive, Fort Collins, Colorado 80528 (the “**Grantor**”); Lorson North Land Corp, a Colorado corporation, with a mailing address of 212 N. Wahsatch Avenue, Suite 301, Colorado Springs, Colorado 80903, and Caleb Development, LLC, a Colorado limited liability company, with a mailing address of 212 N. Wahsatch Avenue, Suite 301, Colorado Springs, Colorado 80903 (collectively, the “**Developer**”); and the **North Weld County Water District**, with a mailing address of P.O. Box 56, Lucerne, Colorado 80646 (the “**District**”). The Grantor, the Developer, and the District are collectively referred to herein as the “**Parties**.”

RECITALS

WHEREAS, the District exists pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating and maintaining certain public facilities and improvements for itself, its residents and users;

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District;

WHEREAS, the Parties entered into a Raw Water Dedication Agreement on March 8, 2021 (the “**Agreement**”), providing for, upon certain terms and conditions set forth therein, the dedication of water to the District in exchange for a Water Service Agreement benefiting the Developer;

WHEREAS, the Agreement established a “Dedication Date” of June 6, 2021 (or 90 days after March 8, 2021, when the Agreement was mutually executed by the Parties);

WHEREAS, the Parties desire to enter into this Amended Agreement to extend the Dedication Date set forth in the Agreement to allow the Parties more time to negotiate the Water Service Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. **Amendment of Agreement.** The terms and conditions set forth in the Agreement are only altered to the extent expressly set forth herein; otherwise the Agreement remains in full force and effect.

2. **Dedication Date.** For purposes of the Agreement, the Dedication Date is ninety (90) days after the execution of this Amended Agreement by the Parties ("**Dedication Date**").

3. **Governing Law.**

a. *Venue.* Venue for all actions arising from this Amended Agreement shall be in the District Court in Weld County. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise.

b. *Choice of Law.* Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

4. **Governmental Immunity.** Nothing in this Amended Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

5. **Severability.** If any portion of this Amended Agreement is declared by any court of competent jurisdiction to be invalid, void or unenforceable, such decision shall not affect the validity of any other portion of this Amended Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Amended Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

6. **Binding Effect.** This Amended Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, administrators, successors and assigns.

7. **No Third-Party Beneficiaries.** It is expressly understood and agreed that enforcement of the terms and conditions of this Amended Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Amended Agreement shall give or allow any such claim or right of action by any other third party on such Amended Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Amended Agreement shall be deemed to be an incidental beneficiary only.

8. **Headings.** Paragraph headings used herein are for convenience of reference and shall in no way define, limit, or prescribe the scope or intent of any provision under this Amended Agreement.

9. Negotiated Provisions. This Amended Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each party has contributed to the preparation of this Amended Agreement.

10. Legal Advice. All Parties are hereby advised to seek competent tax and/ or legal advice regarding this transaction.

11. Entire Agreement. This document represents the complete contract and option of the Parties, and no oral modification shall be recognized. Any amendments or additions shall be made in writing signed by the Parties.

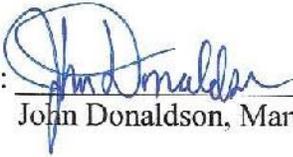
12. Notice of Acceptance; Counterparts. A copy of this Amended Agreement may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete copy between the Parties. Facsimile (fax) or e-mailed copies of original documents containing signatures of the Parties shall be valid and binding upon the Parties.

IN WITNESS WHEREOF, the Parties have executed this Amended Agreement on the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Amended Agreement.

[Remainder of Page Intentionally Blank. Signature Pages Follow]

Grantor:

AGIG, LLC,
a Colorado limited liability company

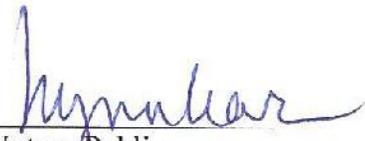
By:  5/28/21
John Donaldson, Manager Date

STATE OF COLORADO)
COUNTY OF Larimer) ss

The foregoing was acknowledged before me this 28th day of May 2021
by John Donaldson as Manager of AGIG, LLC.

WITNESS my hand and official seal.

My commission expires: 02/05/2023


Notary Public

**LYNN LEAR
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20034004234
MY COMMISSION EXPIRES 02/05/2023**

District:

**NORTH WELD COUNTY WATER DISTRICT,
A SPECIAL DISTRICT CREATED AND
AUTHORIZED BY C.R.S. 32-1-101 ET SEQ.**

By: James Stille, President 6-1-21
District President Date

Attest: Colleen McIlwee, Office Manager

District Date 6/1/2021

Seal:

TRI-DISTRICTS

East Larimer County ~ Fort Collins Loveland ~ North Weld County Water Districts

To: Eric Reckentine, North Weld District Manager

From: Tri-Districts Water Resources and Scott Holwick

Date: June 14, 2021

Re: **2021 Excess Capacity Agreement with the Larimer County Canal No. 2**

Issue

- North Weld and the other two Districts utilize a one-year Excess Capacity Agreement with the Larimer County Canal No. 2 to fill the Overland Trail Reservoirs during the irrigation season. The 2021 version of the agreement is ready for execution by each of the Districts.

Background

- North Weld and the other Districts have used one-year Excess Capacity Agreements with the Larimer County Canal No. 2 for the last six years starting in 2015.
- Currently, the Larimer No. 2 provides the only method to use gravity to fill the Overland Trail Reservoirs.
- The Tri-Districts coordinate its diversions with the Company's Superintendent and operate only when the Company is also operating.
- Diversions normally occur between mid-May and July 4 with an optional period of diversions in September and October which is determined by the Company.
- The rate per acre-foot increased from \$9 to \$10 per acre-foot.
- The legal fees remained the same at \$250.
- The term of the agreement is May 1, 2021 to October 31, 2021.

Recommendation

Water Resources staff and legal counsel recommend approval and execution of the Excess Capacity Agreement between Larimer County Canal No. 2 and the Tri-Districts.

**EXCESS CAPACITY AGREEMENT
LARIMER COUNTY CANAL NO. 2 IRRIGATING COMPANY
AND
TRI-DISTRICTS**

THIS AGREEMENT entered into this ____ day of _____, 2021, is made by and between LARIMER COUNTY CANAL NO. 2 IRRIGATING COMPANY, a Colorado mutual ditch corporation (hereinafter “Company”), and 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”) (collectively ELCO, Fort-Collins Loveland and North Weld are referred to hereinafter as the “Tri-Districts”). Company and Tri-Districts 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 desire to use the Ditch to convey water supplies that they are entitled to divert and use pursuant to an appropriation (whether decreed or undecreed), lease, and/or contract (“Tri-Districts’ Water”) from the Ditch’s point of diversion on the Cache la Poudre River to a headgate on the Ditch to deliver the Tri-Districts’ Water into the Overland Trail Reservoirs; and

WHEREAS, the parties desire to enter into this Agreement allowing Tri-Districts 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, to meet its or their 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, 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 Grantee 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 Grantee’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.
- 2.2. **“Company System Water”** means waters that have historically been carried in the Company 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 Company 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 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 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 the 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.

- 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 based.
- 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 or non-Company stockholders, subject to the terms and conditions of this Agreement and Company policy.
3. Consent. Company hereby consents to Tri-Districts use of Residual Excess Capacity, as defined herein, pursuant to the terms, conditions and provisions recited in this Agreement. Tri-Districts right to utilize its 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.
4. Terms and Conditions of Tri-Districts Use of Residual Excess Capacity. Tri-Districts use of Residual Excess Capacity granted herein is subordinate to use by Company for operational obligations, and when necessary Tri-Districts may be reduced accordingly. In the event such a reduction in Tri-Districts use of its Residual Excess Capacity is necessary, Company agrees to provide reasonable notice to Tri-Districts. At times when Tri-Districts desires to utilize Residual Excess Capacity, Tri-Districts shall submit the specific details of its 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 Excess Capacity Policy and also subject to the following:
- 4.1. “Tri-Districts 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, Tri-Districts Water may be assessed for evaporation, seepage and similar “shrink” associated with the water that Tri-Districts divert and carry as part of its Residual Excess Capacity.
- 4.2. Tri-Districts 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 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 Tri-Districts and the Company agree are reasonable and directly related to Tri-Districts’ Residual Excess Capacity. The nature and amount of compensation shall be subject to mutual agreement of the parties.

- 4.4. Tri-Districts right to utilize Residual Excess Capacity is 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 may utilize available Residual Excess Capacity for the delivery of Tri-Districts Water.
- 4.5. Tri-Districts recognize and agree that Stockholders shall have a first and preferential right to utilize Residual Excess Capacity prior to Tri-Districts, subject to the terms of this Agreement and the Company Excess Capacity Policy.
- 4.6. 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 understands and agrees that after stockholders' rights to utilize Residual Excess Capacity have been satisfied, and the Company determines that there remains available Residual Excess Capacity, Tri-Districts may utilize Residual Excess Capacity, and Tri-Districts and each other non-stockholder's allocation of such remaining Residual Excess Capacity will be determined by the proportion of the number of such non-stockholders who are then desiring to use Residual Excess Capacity.

5. Term and Payment.

- 5.1. The Term of this agreement shall be from May 1, 2021 to October 31, 2021.
 - 5.2. The carriage fee for Tri-Districts utilization of Residual Excess Capacity shall be \$10.00 per acre foot up to an amount not exceed 800 acre feet. The minimal charge for any amount up to 100 acre feet is \$1,000.00. Tri-District shall pay Company the minimum fee of \$1,00.00 upon execution of this Agreement and the remaining amount shall be paid on or before November 13, 2021. Unless curtailment or termination occurs as described in this Agreement, the amount paid is non-refundable.
 - 5.3. 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. Legal fees shall be limited to \$250.00 and are due and payable upon execution of this Agreement. The Company does not anticipate engineering fees at this time. Administration and operation fees in an annual amount not to exceed \$2500.00 shall be paid on or before November 13, 2021.
 - 5.4. Tri-Districts will secure the proper approval and provide the appropriate decrees and/or authorization and documentation for Tri-Districts Water to be carried in the ditch. Tri-Districts will provide all measuring devices for proper tracking and accounting for Tri-Districts Water delivered from ditch.
6. No Modification of the Company Ditch. Tri-Districts may not construct facilities on or in, or operate or modify the Company 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 approval may be withheld or denied in the sole and

absolute discretion of the Board. Company, and not Tri-Districts, shall operate the Company Ditch to effectuate Tri-Districts utilization of its Residual Excess Capacity granted herein.

7. Indemnification. Tri-Districts 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 right to utilize Residual Excess Capacity granted herein, then to the extent permitted and limited by Colorado law Tri-Districts 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 may directly defend such suit or suits. Nothing in this paragraph shall be interpreted to require Tri-Districts to indemnify Company, its Board of Directors, officers and employees for damage or injury caused by the negligence of Company in the operation, maintenance or repair of any ditch, reservoir, or other structure owned, controlled or operated by Company.
8. No Warranties or Representations. Company does not warrant or represent that the Company 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 such rights as it is in Company's power to grant, to allow for Tri-Districts 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 Company Ditch for Tri-Districts use is affected, and in such event, 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 the amount of the payment proportionate to the amount of water not carried.
10. Articles, Bylaws and Policies. Tri-Districts 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 party. Company and Tri-Districts 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 and Tri-Districts.
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 an original, and all of which taken together shall constitute the agreement of the parties.

[remainder of this page intentionally left blank]

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 the Tri-Districts has, by the authority of its Board of Directors, caused this Agreement to be executed by its President and attested by its Secretary.

THE LARIMER COUNTY CANAL NO. 2 IRRIGATING COMPANY,
a Colorado mutual ditch corporation

By: _____
Holly Jo Roseberry, President

ATTEST:

[Print Name]

THE TRI-DISTRICTS:

EAST LARIMER COUNTY WATER DISTRICT

By: _____

ATTEST:

[Print name]

NORTH WELD COUNTY WATER DISTRICT

By: _____

ATTEST:

[Print name]

FORT COLLINS - LOVELAND
WATER DISTRICT

By: _____

ATTEST:

[Print name]

June 15, 2021

Ms. Melissa Buick
New Mercer Ditch Company
207 Windflower Way
Severance, CO 80550

Re: Divide New Mercer Certificate No. 2637

Dear Ms. Buick,

North Weld and the other two Districts jointly own New Mercer Ditch Company Certificate No. 2637. The North Weld Board of Directors passed a motion on June 14, 2021 to divide the existing certificate to remove North Weld's ownership. North Weld requests that the New Mercer Ditch Company create a new Certificate representing its ownership of 1/16th share (0.0625) into a separate certificate. A completed stock assignment form is attached.

Thank you for assistance with this request. Please contact me at (970)-356-3020 if you have questions.

Sincerely,

Eric Reckentine
District Manager

TRI-DISTRICTS

East Larimer County ~ Fort Collins Loveland ~ North Weld County Water Districts

To: Eric Reckentine, North Weld District Manager

From: Tri-Districts Water Resources and Scott Holwick

Date: June 14, 2021

Re: **New Mercer Certificate No. 2637**

Issue

- North Weld and the other two Districts jointly own 3/16 of a New Mercer Ditch share represented by Certificate No. 2637. North Weld needs to divide its ownership prior to the other two Districts filing a water court application.

Background

- The three Districts jointly own 3/16 of a New Mercer Ditch Company share that was acquired in November 2011.
- ELCO and FCLWD plan to file a water court application later this year.
- The Ditch Company will divide one joint certificate into three individual certificates.
- The total cost is \$750. (\$250 per certificate.)
- North Weld needs to divide this certificate into its individual ownership of 1/16 (0.625) share.
- North Weld will participate in the Catlin Bylaw Agreement with the other two Districts.

Recommendation

Water Resources staff and legal counsel recommend submitting a request to the New Mercer Ditch Company to divide the 3/16 share into a stand-alone 1/16th share certificate representing its ownership.

Motion

Motion to direct the District Manager to request division of North Weld's interest in Certificate No. 2637 to a new certificate.