

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

Held: Monday, the 9th day of August, 2021, at 1:00 P.M.

The meeting was conducted electronically.

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
Scott Cockroft, Secretary
Tad Stout, Assistant Secretary
Brad Cook, Assistant Secretary

Also present were: Eric Reckentine, General Manager of the District; Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Richard Raines, Water Resources Manager, Tri-Districts, Beorn Courtney, Element Engineering and Aly Scott, Aly Scott Law (for a portion of the meeting); Kara Godbehere, Esq., and Scott Holwick, Esq., Lyons Gaddis, District special water rights counsel (for a portion of the meeting); Casey Mahoney, and Darin Pytlik, Providence Infrastructure Consultants, District Engineers; Megan Graham, Slate Communications (for a portion of the meeting); George Oamek and Kevin Werbylo, Headwater Co. (for a portion of the meeting); Kris A. Pickett, JKP Consulting LLC (for a portion of the meeting representing Windance Development) and Corey Haley, 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

Mr. White advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. White reported that disclosures for those directors that provided WHITE BEAR ANKELE TANAKA & WALDRON with notice of potential or existing conflicts of interest, if any, were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. White inquired into whether members of the Board had any

additional disclosures of potential or existing conflicts of interest about any matters scheduled for discussion at the meeting. All directors reviewed the agenda for the meeting and confirmed that they have no additional conflicts of interest in connection with any of the matters listed on the agenda.

Approval of Agenda

Mr. Reckentine presented the Board with the agenda for the meeting. Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously approved the agenda as amended to remove move item 10 to after the Consent Agenda.

**CONSENT AGENDA
MATTERS**

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

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously took the following actions:

- a. Approval of Meeting Minutes from July 12, 2021 Board Meeting (enclosure)
- b. Acceptance of Unaudited July 2021 Financial Statements (enclosure)
- c. Approval of Payment of Invoices as of August 9, 2021
- d. Approval of Tri-Hydro Change Order 1 for GIS Services (enclosure)
- e. Approval of Element Consulting Change Order for WSSC 2021 Change Case (enclosure)
- f. Approval Stantec Consulting Services Inc, Longs Peak Farm Phase 1 Support (enclosure)
- g. Approval of Mr. Corey Haley Well Release Request (enclosure)
- h. Approval of Letters of Intent (enclosures)
 - a. Ames
 - a. GWIP LLC
 - b. Dierenfield
 - c. Dunnigan
 - d. Prior Family Trust
 - e. Kerst
 - f. Wagner
 - g. N Vision Custom Homes LLC Lot A
 - h. N Vision Custom Homes LLC Lot B

Request to Consider Agreement to Provide Master Meter Service to the WinDance Subdivision Town of Severance, Weld County, Colorado

Mr. Reckentine presented a request to the Board to consider allowing the proposed WinDance Subdivision in Severance, Colorado to serve as a master meter to the community. Metropolitan districts organized to serve the WinDance Subdivision are planned to own and operate their own non-potable water system, and are requesting to purchase water in bulk from the District to serve as a master meter. Following discussion, upon a motion from Mr. Buxman, seconded by Mr. Cockroft, the Board directed Mr. Reckentine to begin negotiating an agreement with

WinDance to serve as a master meter to the community. Directors Cockroft, Stille, and Buxmon voted yes, Director Cook voted no, and Director Stout abstained.

NWCWD Policies

Resolution No.
20210809-01:
Resolution Amending a
Well Release Permit
Policy

Mr. Reckentine presented the Board with Resolution No. 20210809-01: Resolution Amending a Well Release Permit Policy explaining that the amended policy corrects an error in language in the prior policy that allowed customers who have not yet purchased a tap to request well release permits from the District. The Policy was originally intended to apply only to customers who have already purchased a tap from the District in order to supplement water provided by the District tap for agricultural purposes.

Upon motion of Mr. Buxman, seconded by Mr. Cockroft, the Board unanimously adopted Resolution No. 20210809-01: Resolution Amending a Well Release Permit Policy.

Resolution No.
20210809-02:
Resolution Amending a
Policy Regarding
Approval of
Development
Documents

Mr. Reckentine presented the Board with Resolution No. 20210809-02: Resolution Amending a Policy Regarding Approval of Development Documents explaining that the amended policy incorporates language that better defines the process and order of events for the District's review and approval of development documents and agreements. This process was not previously defined in the policy.

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously adopted Resolution No. 20210809-02: Resolution Amending a Policy Regarding Approval of Development Documents.

Resolution No.
20210809-03:
Resolution Amending
Design Criteria

Mr. Reckentine presented the Board with Resolution No. 20210809-03: Resolution Amending Design Criteria explaining that the amended Design Criteria clarifies the construction plan review process by removing language that can be read to create alternative paths to construction document approvals from those that are intended by the District.

Upon motion of Mr. Cockroft, seconded by Mr. Stout, the Board unanimously adopted Resolution No. 20210809-0: Resolution Amending Design Criteria.

Resolution No.
20210809-04:
Designating the Location
of Meetings of the Board
of Directors

Mr. Reckentine and Mr. White presented the Board with Resolution No. 20210809-04: Resolution Designating the Location of Meetings of the Board of Directors explaining that the Resolution designates both a physical and virtual meeting location as the official location for meetings of the Board of Directors. The Resolution also acknowledges the State legislature's action to validate, ratify, and confirm actions taken by the Board before July

7, 2021, ratifies actions taken by the Board after July 7, 2021, and repeals Resolution No. 20201214-06: Declaring Emergency Procedures and Authorizing Teleconferencing for Regular and Special Meetings.

Upon motion of Mr. Cockroft, seconded by Mr. Stout, the Board unanimously adopted Resolution No. 20210809-04: Resolution Designating the Location of Meetings of the Board of Directors.

Resolution Statement of
Opposition United
Diligence Case No.
21CW3094

Mr. Richard Raines and Ms. Kara Godbehere presented a recommendation to file a statement of opposition to water court application 21CW3094 to find reasonable diligence for conditional water rights in Adams, Arapahoe, Denver, Douglas, Elbert, Morgan, and Weld Counties. The Board discussed impacts of the application to the District, including protecting the District's water rights in the Poudre River Basin, and the opportunity to learn additional information on the scope and impact of the conditional water rights. In addition, United Water and Sanitation District was an aggressive objector in the District's most recent WSSC changes of use case.

Upon motion of Mr. Buxman, seconded by Mr. Cockroft, the Board unanimously resolved to direct staff and special counsel to file a statement of opposition in Case No. 21CW3094 and to take steps necessary to protect the District's water rights and operations.

Education, Schedule, and
Preliminary Polling for
proposed 2022 NWCWD
Mill Levy Ballot Initiative

Ms. Megan Graham presented to the Board regarding the District's previous mill levy election campaign and opportunities for improvement. Ms. Graham suggested polling a representative segment of the District's voters to test how a mill levy question would be received at a 2022 election. Directors discussed the pros and cons of polling and the information that could be gained from polling responses. Ms. Graham discussed the need to educate electors, identify and reach out to stakeholders and key influencer groups, and collaborate with key community partners to ensure coordination and alignment of messaging.

Upon motion of Mr. Buxman, seconded by Mr. Stout, the Board unanimously approved up to \$25,000 for polling services, and requested Ms. Graham provide information to the Board about who will be asked to participate in polling by the District.

Headwaters Consulting Cost
of Service Study
Preliminary Draft

Mr. George Oamek presented an update to the Board regarding the status of the Cost of Service Rate Study. Mr. Reckentine advised the Board that Mr. Oamek is confirming prior cost of service models, and incorporating approximately 1,000 new taps into the model.

Mr. Oamek discussed the model using existing data, and discussed a need for a revised CIP. Mr. Oamek, Mr. Reckentine, and the Board discussed potential rate adjustments across customer classes. The Board directed Mr. Reckentine to include in water service agreements with municipalities language that allows the District to charge a return on assets, minus depreciation.

Mr. Oamek anticipates a draft of the Cost of Service Study to be presented at September meeting.

Water Service Agreements and Intergovernmental Agreements

Water Service
Agreement S&L Ltd
Livestock Facility, CR
25

Mr. Reckentine presented a Water Service Agreement with S&L Ltd Livestock Facility, CR 25 for consideration. Mr. Reckentine noted that the agreement includes language related to the applicant's use of an agricultural well to supplement water provided by the District's tap. The agreement clarifies that the District has the right, without recourse, to shut off or limit flow of the applicant's water usage exceeds the annual allotment.

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously approved the Water Service Agreement with S&L Ltd Livestock Facility, CR 25.

Approval of First
Amendment to Amended
and Restated Water
Service Agreement with
Town of Severance

Mr. Reckentine presented a First Amendment to Amended and Restate Water Service Agreement with the Town of Severance. Mr. Reckentine noted that the First Amendment was previously presented to and approved by the Board, and is coming back with comments from the Town of Severance. The Town of Severance requested that the amendment readdress flow rate issues and remove the revocation of the allocation of Plant Investment Fees to the new Master Meter #2 if a final agreement is not reached by end of year 2021.

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously denied the Town of Severance's requested changes to the First Amendment to Amended and Restated Water Service Agreement the Town of Severance.

Second Amendment to
Neukirch Specific
Performance Contract

Mr. Reckentine presented the Board with the Second Amendment to the Neukirch Specific Performance Contract noting that the District requested an additional 30 days to perform due diligence on the purchase of the water.

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously approved the Second Amendment.

SPABs Tank 7
Expansion Site Land
Acquisition

Mr. Reckentine presented the Board with an offer to acquire the SPABs Tank 7 Expansion Site land for \$40,000. Mr. Reckentine noted that the District previously offered \$30,000 for the acquisition, and SPABs countered with an offer of \$100,000. Following discussions, SPABs agreed to an offer of \$40,000.

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously approved the offer of \$40,000 to acquire the Tank 7 expansion site, and directed legal counsel to prepare a purchase agreement.

Intergovernmental
Agreement for the
Placement and
Maintenance of a Water
Service Line Ct Rd 72

Mr. Reckentine presented an Intergovernmental Agreement for the Operation and Maintenance of the District's 30 inch water service line along Ct. Rd. 72, where the District's easement will be encroached upon by the Town of Severance in servicing the Hidden Valley 6 subdivision. Mr. Reckentine explained that the agreement allows for the maintenance of water service line by the District underneath a public right-of-way easement owned by Severance, for the benefit of the residents of the Hidden Valley Metropolitan District.

Upon motion of Mr. Buxman, seconded by Mr. Cockroft, the Board approved the intergovernmental agreement. Director Stout abstained.

SCWTA Legal
Representation

Mr. Reckentine discussed with the Board an issue involving members of the Soldier Canyon Water Treatment Authority giving rise to a potential conflict of interest involving legal counsel to the Authority. Further discussion was deferred to Executive Session.

EXECUTIVE SESSION

Upon motion of Mr. Cockroft, 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 3:40 P.M. for the purpose of receiving legal advice and to determine positions relative to matters that are subject to negotiation related SCWTA legal representation pursuant to §§ 24-6-402(4)(b) and (e), C.R.S.

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

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

The Board reconvened in regular session at 4:02 P.M.

Upon motion of Mr. Stout, seconded by Mr. Buxman, the Board unanimously directed staff to draft a letter to the Soldier Canyon Water Treatment Authority requesting solicitation of independent legal counsel to the Authority in order to avoid situations where potential conflicts of interest may exist due to concurrent representation of the Authority and its members.

DISTRICT MANAGER'S REPORT

Mr. Reckentine presented his Management Report to the Board.

2021 CDPHE Sanitary Survey

Mr. Reckentine reported that the 2021 CDPHE sanitary survey is complete. There were three violations which were self-reported, and four deficiencies which have been cured. The violations will be noticed to the public.

Town of Ault Exclusions Complete

Mr. Reckentine reported that the Town of Ault exclusions are complete.

Northern Colorado Water Conservation District Indirect Cost Study and Recommendations

Mr. Reckentine reported to the Board regarding Norther Colorado Water Conservation District Indirect Cost Study

Next Board Meeting – Tuesday September 7, 2021

The Board discussed that the next meeting will be Tuesday, September 7, 2021 to accommodate staff schedules.

PUBLIC COMMENT

None.

OTHER BUSINESS

Lyons Gaddis Scope for WSSC Change Order Case

Mr. Reckentine presented a revised scope of work for Lyons Gaddis services related to the 2021 WSSC Change Case.

Upon motion by Mr. Cockroft, seconded by Mr. Stout, the Board unanimously approved the scope of work.

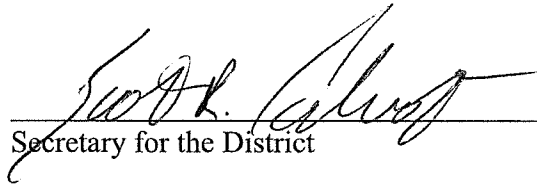
Soldier Canyon Water Treatment Plant Flow Test Results

Mr. Reckentine reported to the Board the results of the Soldier Canyon Water Treatment Plant flow test results.

ADJOURNMENT

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


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



Secretary for the District

Attorney Statement
Regarding Privileged Attorney-Client Communication

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that in my capacity as the attorney representing the North Weld County Water District (the “District”), I attended the Executive Session on July 12, 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