

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

Held: Monday, the 8<sup>th</sup> day of August, 2022, at 8:30 A.M.

*The meeting was conducted via teleconference.*

**ATTENDANCE**

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

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

Also present were Eric Reckentine, General Manager of the District; Zachary P. White, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, District general counsel; Garrett Mick, North Weld County Water District; Jason Simmons, Hilltop Securities, George Oamek, Headwater Corp; Kim Newcomer, Slate Communications; Scott Holwick, Lyons Gaddis, Special Water Counsel; Richard Raines, Water Resources; Jamie Cotter, Spencer Fane, Special Counsel (for a portion of the meeting); and Members of the public.

**ADMINISTRATIVE MATTERS**

Call to Order

The meeting was called to order at 8:35 A.M.

Declaration of Quorum and Confirmation of Director Qualifications

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

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

Mr. White advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. White reported that disclosures for those directors that provided WHITE BEAR ANKELE TANAKA & WALDRON with notice of potential or existing conflicts of interest, if any, were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. White inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest about any matters scheduled for discussion at the meeting. Mr. Stout reminded the Board about his prior serves on the Board of the Town of Severance and advised the Board that he would abstain from all matters related to the Town of Severance.

Director Pettinger disclosed a conflict of interest with respect to Consent Agenda Item 5H and indicated he would abstain. All directors reviewed the agenda for the meeting and confirmed that they have no additional conflicts of interest in connection with any of the matters listed on the agenda.

Approval of Agenda

Mr. Reckentine presented the Board with the agenda for the meeting. Upon motion of Mr. Buxman, seconded by Mr. Cockroft, the Board unanimously approved the agenda as amended to include a discussion by the Manager about Tank 1B.

**PUBLIC COMMENT**

Mr. Casey DeHaan addressed the Board regarding recent changes in District policies and to clear up misconceptions about input from dairies about new rate structures. Mr. DeHaan presented to the Board information about water usage and costs.

Mr. Todd Bean addresses the Board about water rate structures and historical use of surcharge fees.

**CONSENT AGENDA MATTERS**

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

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

- a. Minutes from July 11, 2022, Regular Meeting
- b. Minutes from July 26, 2022 Special Meeting
- c. Approve Invoices through August 8, 2022
- d. Larimer & Weld Ditch Crossing Agreements – Eaton Pipeline
- e. Anderson Easement Acquisition – Eaton Pipeline
- f. NEWT III – Scope of Work for Professional Services Ditesco Engineering
- g. Bond Fee Disclosure Letter from White Bear Ankele Tanaka & Waldron
- i. Stantec SCWTP 65 MGD Treatment Study

Upon motion of Mr. Cockroft, seconded by Mr. Buxman, the Board approved the following, with Director Pettinger Abstaining:

- h. Matthew Pettinger Tap Relocation – Line Extension

**BOND ISSUANCE**

Update re Bond Issuance  
Rating Agency Presentation

Mr. Simmons and Mr. Reckentine presented the results of the Rating Agency Presentation and informed the Board that the District received an AA rating.

Mr. Simmons updated the Board regarding the remaining timeline to sell and close the bonds should the Board approve the transaction. He indicated the Offering Statement would be posted on August 9 with a competitive sale scheduled for August 17. Closing is scheduled to occur on August 31.

Consider Adoption of a Resolution Authorizing the Issuance and Sale of its Water Enterprise Revenue Bonds, Series 2022 in the estimated aggregate principal amount of up to \$38,000,000 (which amount is subject to increase or decrease as determined by the Board, or as otherwise permitted by such resolution), authorizing the use of the Preliminary Offering Statement, and approving a Paying Agent Agreement, Continuing Disclosure Certificate, and other related documents.

Mr. Simmons presented the Resolution Authorizing the Issuance and Sale of Water Enterprise Bonds, Series 2022 and discussed the authorizations made under the Resolution. The Board discussed the parameters for sale of the bonds included in the Resolution. Following discussion, upon a motion by Mr. Cockroft, seconded by Mr. Buxman, the Board unanimously adopted the Resolution Authorizing the Issuance and Sale of its Water Enterprise Revenue Bonds, Series, 2022 in the aggregate principal amount of up to \$38,000,000, and authorized the execution of such documents as may be necessary to effectuate the issuance and sale of the Bonds.

**Consider Approval of Cost of Service Study**

Mill Levy and Mill Levy Survey

Rate of Return

Mr. Oamek presented the draft Cost of Service Study results included in the meeting packet and discussed different revenue scenarios the Board may consider, including mill levy, water rate increase, or a combination thereof. Ms. Newcomber discussed with the Board the process for polling the public regarding the imposition of a mill levy to offset costs. Following discussion, upon a motion of Mr. Cockroft, Seconded by Mr. Buxman, the Board accepted the draft Cost of Service Study and authorized Mr. Reckentine to begin discussing the Cost of Service Study with municipal customers. It is anticipated that the Cost of Service Study will be formally approved once it is discussed with municipal customers.

**November 2022 Election**

Discussion re Coordination of Election with Larimer and Weld County

Mr. White discussed with the Board the opportunity to coordinate the election with Weld and Larimer Counties, or to conduct an independent mail ballot election on its own. The Board discussed the pros and cons of the two options and was in favor of coordination with the two counties. Ms. Newcomber discussed with the Board the timing to receive polling results, and the Board determined to schedule a meeting for August 29, 2022 to review the results and make a final determination about whether to

proceed with the November 2022 election. The Board directed polling regarding 5 mills.

Consider Approval of Intergovernmental Agreement for Conduct of Coordinated Elections with The Board of County Commissioners of Weld County

Mr. White presented an Intergovernmental Agreement for Conduct of Coordinated Elections with Weld County. Following discussion, upon a motion by Mr. Cockroft, seconded by Mr. Buxman, the Board approved the IGA with Weld County subject to the Board calling the November 2022 election at the August 29, 2022 special meeting.

Consider Approval of Intergovernmental Agreement for 2022 General Election with Larimer County Clerk and Recorder

Mr. White presented an Intergovernmental Agreement for 2022 General Election with Larimer County. Following discussion, upon a motion by Mr. Cockroft, seconded by Mr. Buxman, the Board approved the IGA with Larimer County subject to the Board calling the November 2022 election at the August 29, 2022 special meeting.

## **WATER TAP SALE MATTERS**

Update Regarding Water Taps

Mr. Reckentine noted that to date 110 taps have been sold year-to-date, and tap sales are slowing down.

Update Regarding Town of Severance Meeting

Mr. Reckentine updated the Board regarding a meeting that occurred with two members of the Severance Board, and two members of the District Board. The two boards expressed a desire work cooperatively.

Consider Town of Severance Retail Rate Adjustment

Mr. Reckentine reminded the Board about provisions of the Water Service Agreement with the Town of Severance (the "Town") that requires a certain amount of water storage by the Town. If the Town does not have adequate water storage, the District can remove the Town's wholesale discount.

Town of Severance Mayor Fries addressed the Board and indicated the Town's willingness to play by the rules of the water service agreement and accept the adjusted retail rate. He asked the Board to defer payment of the increased rate until January 1, 2023 to allow the Town to properly budget for the increased rate, said otherwise, the Town is willing to pay five months of increased rate amount in a lump sum in January 1, 2023.

The Board discussed the request from Mayor Fries and expressed a desire to treat all customers the same. The Board considered whether they would allow individual commercial customers to defer payment of rates or surcharges.

Following discussion, upon a motion by Mr. Cockroft, seconded by Mr. Pettinger, the Board voted to increase the Town's retail rate by 25%, effective immediately.

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

Overland Ponds Storage Reservoir

Consider Approval of Larimer # 2 Carriage Agreement

Mr. Reckentine and Mr. Raines presented to the Board the Larimer #2 Carriage Agreement. Following discussion, upon a motion by Mr. Cockroft, Seconded by Mr. Cook, the Board approved the Larimer #2 Carriage Agreement.

Consider Approval of Intergovernmental Agreement with City of Greeley for Annual Maintenance Cost Sharing

Mr. Reckentine presented to the Board the ICA with the City of Greeley for Annual Maintenance Cost Sharing. Following discussion, upon a motion by Mr. Cockroft, Seconded by Mr. Cook, the Board approved the IGA with the City of Greeley.

Update Saddler Ridge PUD

Ms. Cotter joined the meeting to advise the Board regarding the status of the Saddler Ridge PUD.

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

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 for the purpose of receiving legal advice related to the Saddler Ridge PUD 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.

Mr. White recused himself from discussion due to a conflict of interest related to the Saddler Ridge PUD. Ms. Cotter advised the Board.

Following discussion, the Board reconvened in regular session. No action was taken.

DISTRICT MANAGER'S

## REPORT

- a. Colorado River Report – Northern Water Presentation Mr. Reckentine reported that Northern Water will be invited to come speak to the Board regarding the Colorado River Report
- b. Eaton Pipeline Project Phase 2 Bid – Bids August 23 Mr. Reckentine reported to the Board that the project is out for bid.
- c. County Road 74/35 Project Bid Mr. Reckentine reported that the project is out for bid.
- d. SDA Conference and Dinner Mr. Reckentine reminded the Board about the upcoming SDA conference and those directors who wish to attend will work with Mr. Reckentine make reservations.
- e. BPC Extension Letters Mr. Reckentine advised the Board that the CDPHE is not expected to grant extension letters.
- f. Wildwing non-potable  
i. Cross connections  
ii. Raw water Mr. Reckentine updated the Board regarding illegal cross connections that have been discovered and letters regarding these connections have been sent.
- g. Tank 1B leak Mr. Reckentine advised the Board that there is a leak in Tank 1B and staff is looking for the cause. Once the cause is determined, a plan to address the leak will be formulated.

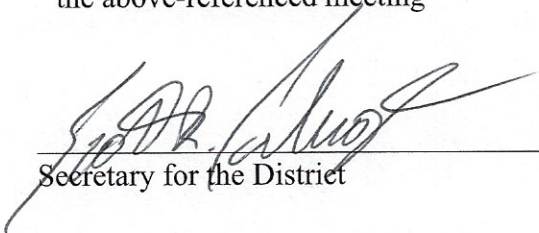
## OTHER BUSINESS

None.

## ADJOURNMENT

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

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

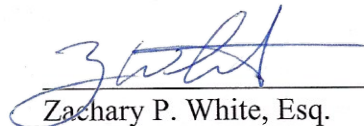


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Secretary for the District

Attorney Statement  
Regarding Privileged Attorney-Client Communication

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

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