



WATER AND SEWER BOARD REGULAR MEETING

January 10, 2024 - 6:30 AM

1st Floor Conference Room, 301 Walnut Street, Windsor, CO 80550

AGENDA

A. CALL TO ORDER

1. Roll Call
2. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration
3. Public Invited to be Heard

B. CONSENT CALENDAR

C. BOARD ACTION

1. Approve 11.08.2023 Board Meeting Minutes
2. Election of 2024 Board Officers
3. Cobb Lake Regional Water Treatment Authority Formation Agreement
4. Appointment of Ad Hoc Committee 2024

D. COMMUNICATIONS

E. ADJOURN

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.



Water and Sewer Board Regular Meeting

November 8, 2023 - 6:30 AM

1st Floor Conference Room, 301 Walnut Street, Windsor, CO
80550

MINUTES

A. CALL TO ORDER

BOARD CHAIRMAN BIELAWSKI CALLED THE MEETING TO ORDER AT 6:29 AM.

1.

Roll Call

Present:

Chairman

Vice Chair

Secretary

Greg Bielawski

Carlos Medina

Janene Willey

Milt Tokunaga

Gale McGaha Miller

Milton Geiger (absent)

Darell Zimbelman

Alternate

Alan Overton

Alternate

Alan MacGregor

Town Board Liaison

Ron Steinbach

Also Present:

Water Resources Manager

Leif Lesoing

Utility Billing Specialist

Erin Porter

2. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration

Board Chairman Bielawski proposed adding the recent Open Letter, and the new MS4 Brochure to the agenda.

3. Public Invited to be Heard

No public was present.

B. BOARD ACTION

1. Approve October 2023 Minutes

Board Member Zimbelman moved to approve the minutes from the 10.11.23 meeting, Board Vice Chairperson Medina seconded the motion. Motion carried unanimously.

2. Loveland and Windsor Water Lease

The City of Loveland agrees to lease the Town of Windsor 500 acre-feet of water, each year for 10 years. The Town will pay \$75,000 annually to Loveland, plus the then current non-agricultural rental rate for every acre-foot rented. The rate for 2023 was \$500 per acre-foot. The Town has worked up an agreement with the City of Loveland to lease 500 acre feet of water for 10 years, as a stop gap until NISP comes online. **Motion to approve by Carlos Medina, Second by Milt Tokunaga. Motion carried unanimously.**

C. COMMUNICATIONS

1. Ad Hoc Committee Update

The Ad Hoc Committee members will provide an update on programs thus far. Board Secretary Willey presented information regarding the upcoming schedule for the Ad Hoc Committee through May 2024.

2. Northern Water Fall Symposium November 15, 2023

There will be Board Members attending the Northern Fall Symposium.

3. Questions on NISP Presentation that was presented to Town Board.

On October 9, 2023, Northern Water staff gave a presentation to Windsor Town Board on NISP. The Board discussed the presentation on NISP that was made to the Town Board.

4. MS4 Brochure

Board Chairman

5. Open Letter

Chairman Bielawski presented information that came from an open letter from Windsor United

D. ADJOURN

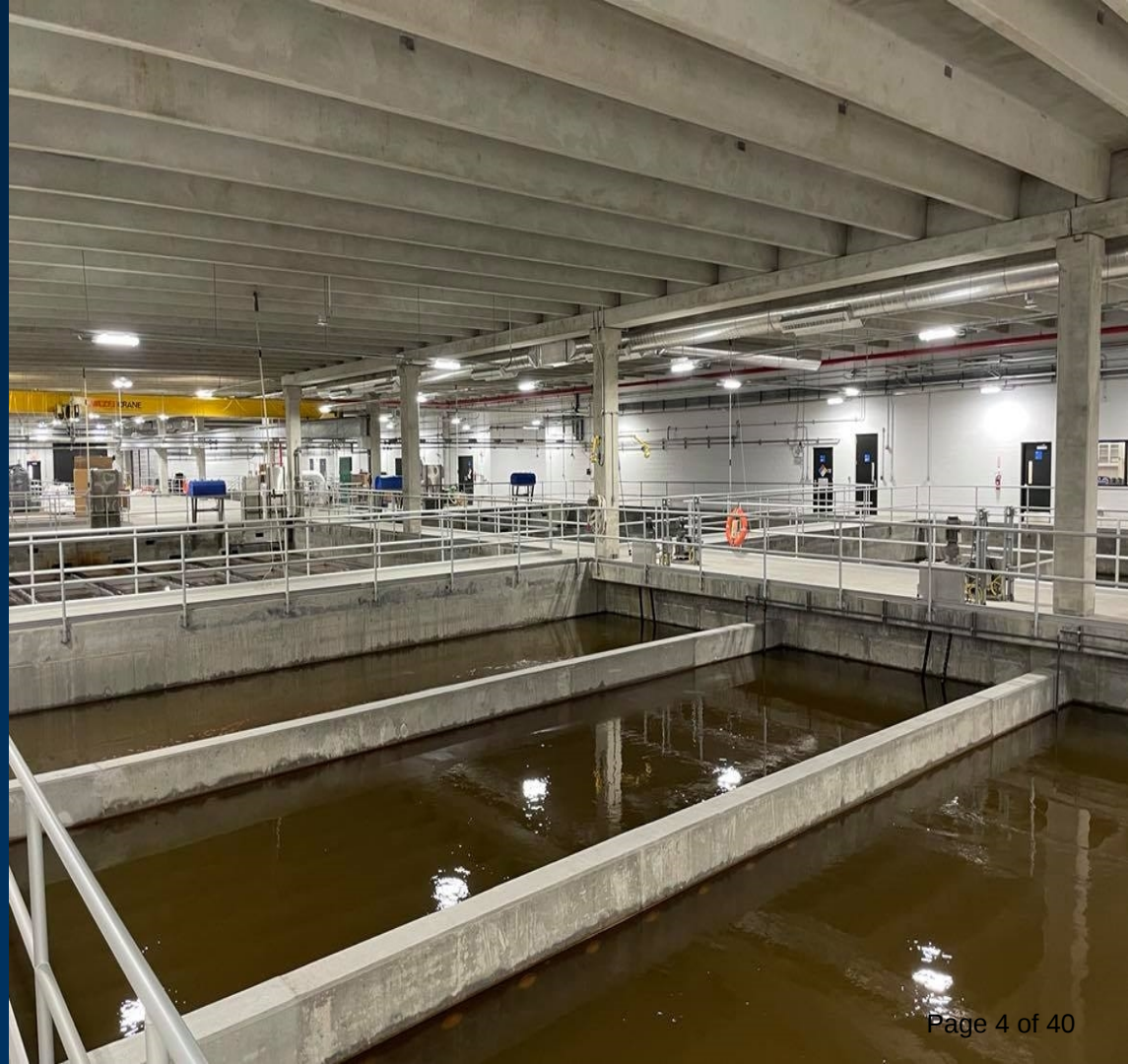
Motion to adjourn made by Gale McGaha Miller, Seconded by Carlos Medina. Motion carried unanimously. Meeting was adjourned at 7:28 AM.

Name, Title



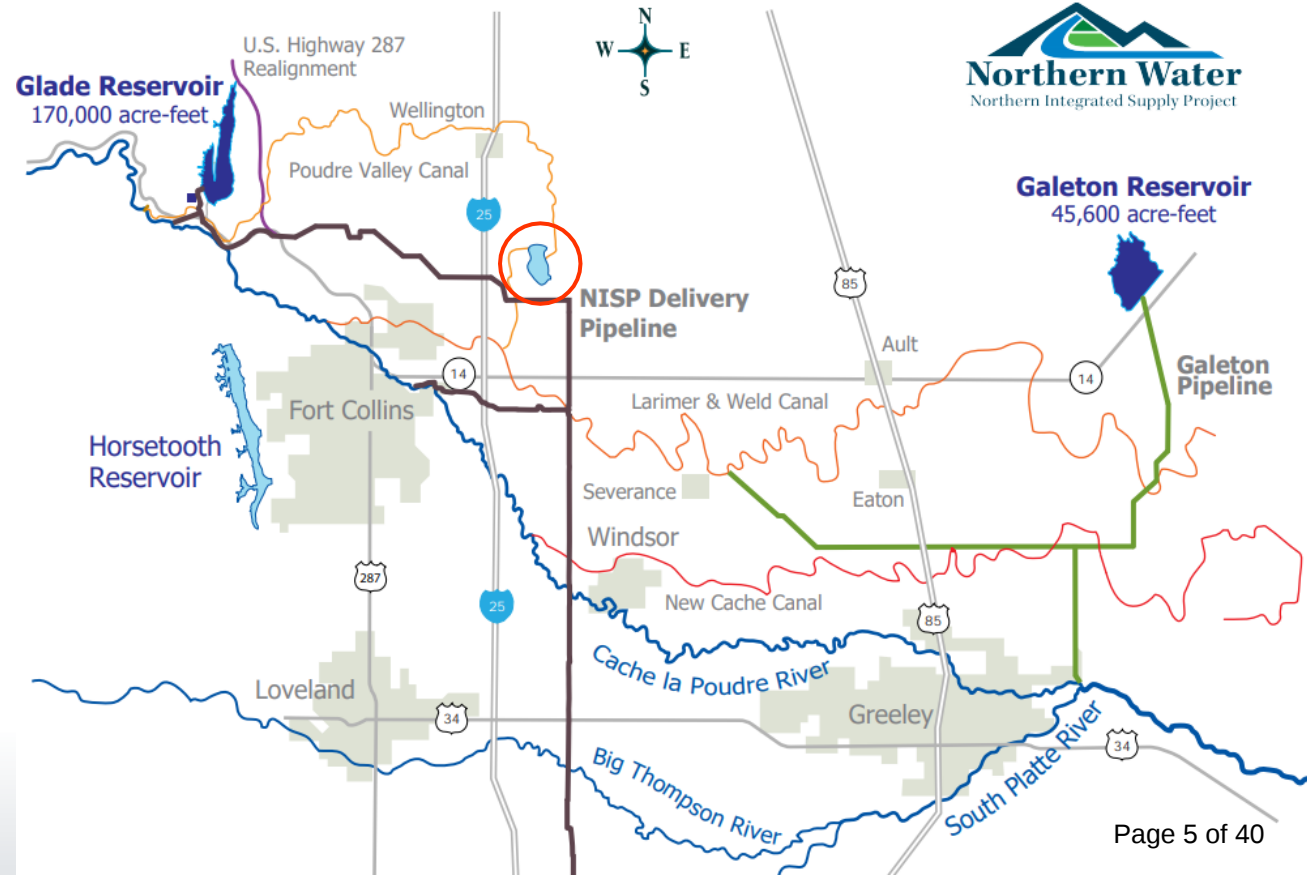
Cobb Lake Regional Water Treatment Authority Creation Agreement

Windsor Town Board Work Session
January 8, 2024



Northern Integrated Supply Project (NISP)

- 15 Participants
- 3,300 acre-feet yield
- \$175+ million cost
- State of Colorado issued Water Quality Certification
- Larimer County Board of Commissioners approved the county 1041 permit
- Record of Decision (ROD) 2023
- City of Fort Collins 1041?



Background

- Site studies between 2013 – 2017 regarding WTP.
 - 2017 - Four participants remained out of the 15 original.
 - 2020 - Participants purchased 140 acres for WTP.
- Ally Consulting selected in Oct 2022 to consult the participants in the creation of the authority



Involved Parties

Cobb Lake Regional Water Treatment Authority (CLRWTA)

Town of
Windsor

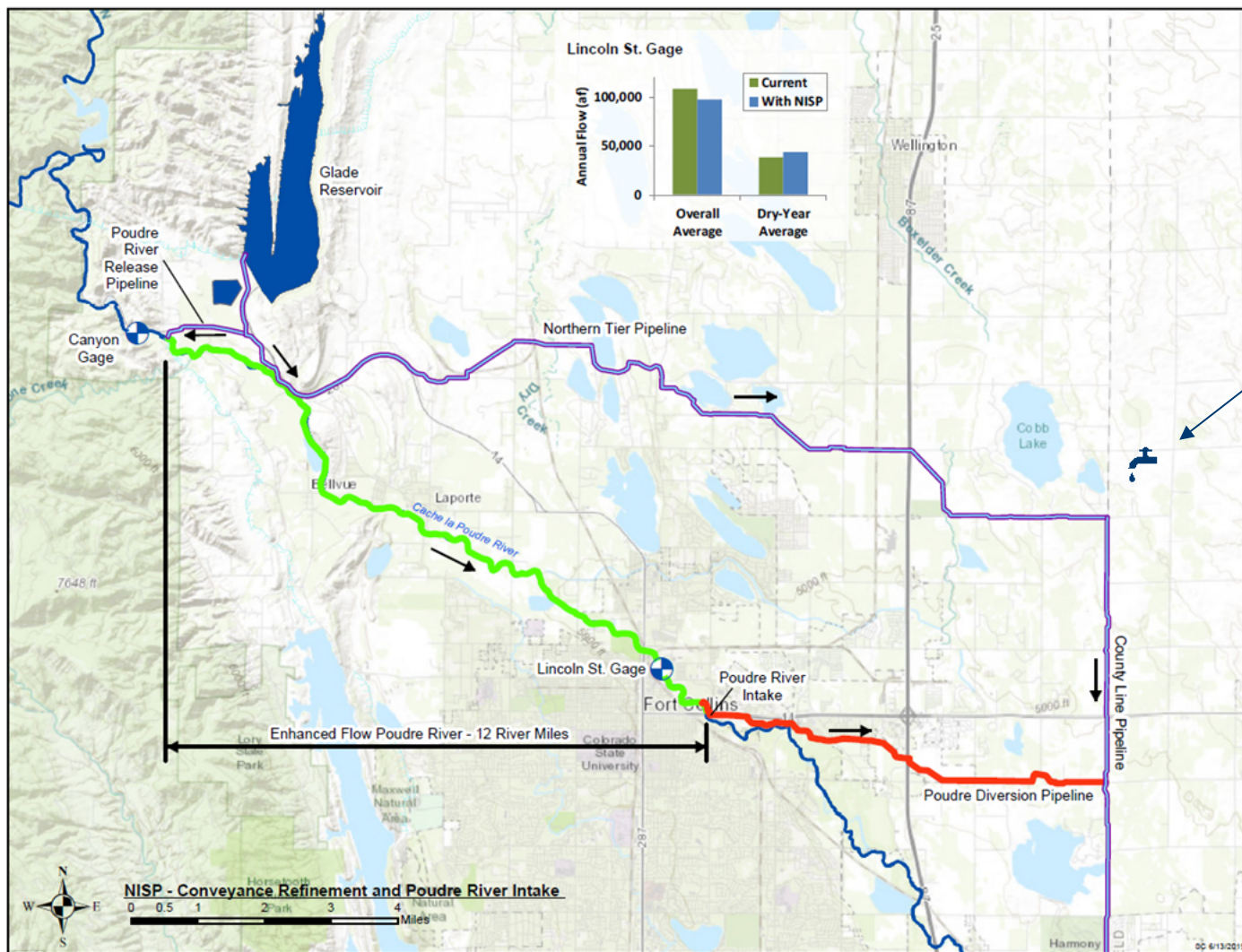


Fort Collins-
Loveland
Water
District

Town of
Severance

Town of
Eaton





Cobb Lake
Water
Treatment
Plant Site

Why a Formation Agreement?

- Colorado State Constitution encourages intergovernmental agreements for the joint and cooperative provision of public services.
- This collaboration will help foster an environment of partnership between water providers.
- Positive impact on economic development & growth needs of the region.

Authority Governance Structure

- The Authority will be a separate governmental entity
- The governing body of the Authority shall be comprised of a Director from each Party (Entity Directors).
- Entity Directors are currently identified as:
 - Eaton: Town Administrator, or designee.
 - Severance: Town Administrator, or designee.
 - Windsor: Town Manager, or designee.
 - Fort Collins-Loveland Water District: General Manager, or designee.

Authority Governance Structure (cont.)

- If the number of Parties/Entity Directors is an even number, an At-Large Director will be appointed on an annual rotating basis, to ensure the Authority Board of Directors is comprised of an odd number of persons.
- Unless otherwise specified, the At-Large Director shall be an employee of the appropriate Party that year.
- Term for an At-Large Director is one year.

Authority Governance Structure (cont.)

- Rotation schedule for At-Large Directors, as needed:
 - Year One: Town of Severance.
 - Year Two: Town of Windsor.
 - Year Three: Fort Collins-Loveland Water District.
 - Year Four: Town of Eaton.
- Vacancies of any Director position are to be filled by the applicable entity.
- Principal place of business: Windsor Town Hall.

Authority Meeting Structure

- Regular meetings of the Board of Directors shall be held no less than quarterly.
- Special meetings may be called, as needed.
- Meeting quorum requirement: majority of Directors must be present.
 - Directors may attend meeting in person, or by phone/video call, etc.
- All meetings of the Board of Directors shall be open to the public, excluding executive sessions and social gatherings.

Agreement Term

- This Agreement will become effective following the signing of Agreement by all involved Parties.
- Perpetual Agreement, until terminated.
 - Any Party may withdraw from the Agreement at the end of any fiscal year (no later than 180 days prior to end of fiscal year).

Outstanding Items & Next Steps

- Next meeting is January 9th.
 - Can the At-Large Director be an outside consultant or contractor?
- Bring Formation Agreement before Town Board for approval.
- Once the Authority is formed:
 - Conveyance of pro-rata interest of the parcel to the Authority (quit claim within 30 days).
 - Creation of bylaws.
 - Hiring legal counsel/general manager.
 - Finalize communications plan, logos, issuance of press release, etc.
- FCLWD will take the lead on design and building the WTP
 - The entities are still analyzing demands for Phase 1.
 - Windsor's PIF currently covers the cost of all new growth in the plant. Staff will review the PIF calculation annually to ensure cost recovery.

Thank you!



John Thornhill

Community Development Director

jthornhill@windsorgov.com

Leif Lesoing

Water Resources Administrator

llesoing@windsorgov.com

COBB LAKE REGIONAL WATER TREATMENT AUTHORITY CREATION AGREEMENT

THIS **COBB LAKE REGIONAL WATER TREATMENT AUTHORITY CREATION AGREEMENT** (“Agreement”) is made and entered into by and among the **TOWN OF EATON**, a statutory town and political subdivision of the County of Weld, State of Colorado, the **TOWN OF SEVERANCE**, a home rule municipality and political subdivision of the County of Weld, State of Colorado, the **TOWN OF WINDSOR**, a home rule municipality and political subdivision of the Counties of Larimer and Weld, State of Colorado, and the **FORT COLLINS-LOVELAND WATER DISTRICT**, a quasi-municipal corporation and political subdivision of the County of Larimer, State of Colorado (individually, “Party” and, collectively, the “Parties”).

RECITALS

A. The Parties are authorized to supply, and are supplying, water to their respective customers as permitted by statute for domestic and other public and private purposes.

B. The Parties own or expect to own allotment rights in the Northern Integrated Supply Project (“NISP”) and own other water rights that would benefit from shared infrastructure.

C. The Parties have been working cooperatively to develop infrastructure for the treatment and delivery of NISP water as well as other sources of water to their customers through a shared infrastructure project.

D. The Parties jointly own real property consisting of approximately 144 acres located in the West 1/2 Section 30, Township 8 North, Range 67 West of the 6th P.M., Weld County, Colorado, and generally depicted on **Exhibit A** attached hereto and incorporated herein by reference, and desire to convey such property to a water authority, as described herein, for the purpose of constructing, operating, and maintaining a water treatment facility to treat and deliver NISP and other sources of water to each of the Parties.

E. Article XIV, Section 18(2)(a) of the Constitution of the State of Colorado, Part 2, Article 1, Title 29, C.R.S., and Section 31-35-402, C.R.S., encourage and authorize intergovernmental agreements for the joint and cooperative provision of public services.

F. Section 29-1-204.2, C.R.S., authorizes the Parties to establish, by contract, a separate governmental entity, to be known as a water authority, to be used by the Parties to effect the development of water resources, systems, or facilities in whole or in part for the benefit of the inhabitants of the Parties or others.

G. Section 29-1-204.2(4) and (5), C.R.S., provide that a water authority shall be a political subdivision and a public corporation of the State of Colorado, separate from the parties to the contract and that it shall have the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate.

H. Section 29-1-204.2(6), C.R.S., provides that parties establishing a water authority may provide in the contract for payment to the separate governmental entity of funds from

proprietary revenues for services rendered by the entity, from proprietary revenues or other public funds as contributions to defray the cost of any purpose set forth in the agreement, and from proprietary revenues or other public funds as advances for any purpose subject to repayment by the entity.

I. The Parties, individually and collectively, find and declare that: (i) water is essential to the economy of the State of Colorado, Counties of Larimer and Weld, and the Parties; and (ii) the availability of treated water for municipal purposes will have a positive impact on the economic development of as well as the growth needs in the region.

J. Based upon the foregoing, the Parties desire to achieve the public benefits associated with the creation of a water authority, to jointly provide for water treatment and to enter into this Agreement to effectuate the same.

K. Upon creation of the water authority, the Parties anticipate and intend that the water authority shall interact, conduct business and contract with such Parties' water enterprises, respectively the Town of Eaton, Colorado, Water Enterprise, the Town of Severance, Colorado, Water Utility Enterprise, the Town of Windsor, Colorado, Water Utility Enterprise, and the Fort Collins-Loveland Water District, Water Activity Enterprise, which are all government-owned businesses within the meaning of Article X, § 20(2)(d) of the Colorado Constitution, organized pursuant to C.R.S. 37-45.1-101 et seq. As applicable given the context, the term "Party" as used herein shall mean and include the water enterprises.

AGREEMENT

NOW, THEREFORE, incorporating the Recitals herein, and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

I. Definitions. As used in this Agreement, the following terms shall have the following meanings:

A. Authority. Shall mean the Cobb Lake Regional Water Treatment Authority created by this Agreement.

B. Authority Obligations. Shall mean revenue bonds, notes or other financial obligations issued by the Authority payable from its Net Revenues or from any other available funds of the Authority.

C. Board of Directors. Shall mean the Board of Directors of the Authority.

D. CDPHE. Shall mean the Colorado Department of Public Health and Environment.

E. CGIA. Shall mean the Colorado Governmental Immunity Act, § 24-10-101 et seq., C.R.S., as from time to time amended.

F. District. Shall mean the Fort Collins-Loveland Water District, Water Activity Enterprise.

G. Debt Service Component. Shall mean that portion of rates and charges paid to the Authority by the Parties for Treated Water necessary for payment of Authority Obligations. Revenues associated with the Debt Service Component are a portion of the Net Revenues. Any Debt Service Component shall not be an operation and maintenance expense of the Parties and such Debt Service Component shall be paid from the Net Revenues of the Parties.

H. Director. Shall mean a member of the Board of Directors, whether an Entity Director or At-Large Director, as defined in Section IV.A.1.

I. Funding Obligations. Shall mean, with respect to Treatment Capacity Share that is transferred by a Party to one or more other Parties, the transferring Party's pro rata share of: (1) all costs and expenses of constructing and completing Treatment Facility Capital Improvements; (2) all Operation and Maintenance Expenses and any amounts required to be deposited into the Operation and Maintenance Fund and such other reserves as the Board may determine are required; (3) any fee, assessment or rate established by the Board to repay Authority Obligations; and (4) to the extent distinct, the Debt Service Component or the Authority Obligations. Funding Obligations may also consist of any fees or other financial obligations agreed upon between the transferring Party and the acquiring Party.

J. Gross Revenues. Shall mean all fees (including, but not limited to, user fees and plant investment fees), charges, and revenues directly or indirectly derived by the Authority for the services furnished by, or use of, the Treatment Facility, or any part thereof, or from the sale or provision of Treated Water and all other legal sources of revenue; provided however, that there shall be excluded from Gross Revenues: (i) moneys borrowed and used for providing Treatment Facility Capital Improvements; (ii) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same; (iii) any moneys received as grants or appropriations from the United States, the State of Colorado, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Treatment Facility Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the Treatment Facility, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom; and (iv) any revenue received from the Parties which constitutes the Debt Service Component.

K. Master Meter. Shall be the location where the Authority delivers Treated Water for delivery and distribution to each Party's System. Each Party will have a separate Master Meter. The Master Meters may be located on or off the Property.

L. Net Revenues. Shall mean the Gross Revenues remaining after the payment of the Operation and Maintenance Expenses.

M. Operation and Maintenance Expenses. Shall mean all reasonable and necessary expenses of the Authority, paid or accrued, for operating, maintaining, and repairing the

Treatment Facility, including, without limitation, legal and overhead expenses of the Authority related to the administration of the Treatment Facility and any Treatment Facility Improvements; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance or transfers for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Treatment Facility Capital Improvements, and charges for accumulation of reserves.

N. Operation and Maintenance Component. Shall mean that portion of rates and charges paid to the Authority by the Parties for Treated Water necessary for payment of Operation and Maintenance Expenses. Revenues associated with the Operation and Maintenance Component are a portion of the Gross Revenues.

O. Property. Shall mean the real property owned by the Parties described on **Exhibit A**.

P. Service Contract. Shall mean a separate contract between the Authority and each Party's respective water activity or utility enterprise, authorized by Section 29-1-203, C.R.S., addressing, among other matters, the terms and extent of the service provided by the Authority to such Party, the Treatment Capacity Share of such Party and the obligations of such Party for delivery of water supplies.

Q. System. Shall mean the water transmission and distribution lines (except for the portion of such lines located between the water treatment plant and the Master Meters), improvements, facilities, and delivery infrastructure of each Party. The System does not include the Treatment Facility or Treatment Facility Improvements.

R. TABOR. Shall mean Article X Section 20 of the Colorado Constitution.

S. Treated Water. Shall mean the potable water treated by the Treatment Facility or otherwise supplied by the Authority and intended primarily for domestic consumption.

T. Treatment Capacity. Shall mean the maximum flow rate of water that may be treated and delivered by the Treatment Facility, as designed, during a twenty-four (24) hour period of time during the usual and ordinary operation thereof, usually expressed in terms of millions of gallons of flow per day, as set forth in a permit issued by CDPHE, as the same may be amended or modified from time to time. Treatment Capacity may vary, from time to time, for various reasons including, but not limited to, changes in state or federal law, maintenance and repair of water delivery and treatment facilities, expansions to the Treatment Facility, poor raw water quality, operational changes or force majeure events.

U. Treatment Capacity Share. Shall mean the right to receipt and use of a pro rata quantity or share of the Treatment Capacity in the Treatment Facility, as may be modified from time to time, and granted by the Authority and allocated to a Party under a Service Contract.

V. Treatment Facility. Shall mean the water treatment plant to be constructed on the Property to effectuate the delivery of Treated Water to the Parties at the Master Meters, as may be expanded from time to time, together with the real property, easements, waterworks,

laterals, water reservoirs, water storage tanks and pump stations, water transmission or distribution lines located between the water treatment plant and the Master Meters, the Master Meters, improvements and other facilities, assets and property available for integration into the Treatment Facility, which will be used by the Authority to provide Water Treatment Services and deliver Treated Water to the Master Meters for delivery to each Party's System.

W. Treatment Facility Capital Improvements. Shall mean the Treatment Facility, future expansions of the Treatment Facility that increase Treatment Capacity, acquisition of easements, installation of water lines and other underground improvements, equipment and materials (other than ordinary repairs and replacements), and Treatment Facility Improvements, which are incorporated into the Treatment Facility.

X. Treatment Facility Improvements. Shall mean the installation, repair, replacement, rehabilitation, improvement or enhancement of the Treatment Facility or any part thereof.

Y. Water Activity or Water Activities. Shall have the meaning set forth in Section 37-45.1-102(3), C.R.S.

Z. Water Treatment Services. Shall mean the services provided by the Authority, as set forth in Section II.C. of this Agreement.

II. Creation of the Authority. The Parties hereby create a separate legal entity known as the Cobb Lake Regional Water Treatment Authority.

A. Nature of the Authority. The Authority is a separate governmental entity, political subdivision and a public corporation of the state, separate from the Parties, established pursuant to Section 29-1-204.2(4), C.R.S. The Authority shall have the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate. In carrying out its purposes, the Authority shall observe and comply with statutes and laws applicable to the Parties, including but not limited to Parts 1, 5, and 6 of Article 1, Title 29, C.R.S., regarding budget preparation, accounting, and auditing; Part 4 of Article 6, and Parts 2 and 3 of Article 72 as applicable to the Authority; and Article 10 of Title 24, C.R.S., regarding open meetings, open records, criminal justice records, and governmental immunity. The parties intend that the Authority not be considered a "district" subject to TABOR.

B. Principal Place of Business. The principal place of business of the Authority shall be 301 Walnut Street, Windsor, Colorado 80550, unless otherwise designated by the Board of Directors.

C. Authority Purposes and Services. The purpose of the Authority is to provide Water Treatment Services consisting of providing Treated Water to the Parties to be delivered at the Master Meters, or by exchange or other transmission agreement, including agreements with one or more of the Parties or third parties, if any, and with other suppliers and distributors of Treated Water, utilizing all powers associated enumerated in Section 29-1-204.2, C.R.S., necessary to provide such Treated Water.

D. Conveyance of Property to Authority. Within thirty (30) days of a written request by the Board of Directors, the Parties shall execute a quitclaim deed conveying title to the Property to the Authority.

III. Powers of Authority. To enable the Authority to carry out its functions and provide the services described hereinabove, the Authority shall have the following powers in addition to those powers provided in Section 29-1-204.2, C.R.S., as amended:

A. Supply Treated Water. To operate, maintain, and manage the Treatment Facility and provide Treated Water from the Treatment Facility and other sources to the Parties as provided herein.

B. Treatment Facilities. To acquire, construct, expand, manage, maintain, and/or operate water treatment facilities, works or improvements, and/or any interest therein for purposes of providing Treated Water to the Parties.

C. Property. To acquire, hold, lease, sell, or otherwise dispose of any real or personal property (except water rights) utilized for the purpose of water treatment. Notwithstanding the foregoing, the Authority may not sell, lease or dispose of the Treatment Facility without unanimous written consent of the Parties, unless such sale or disposition is for components of the Treatment Facility that are no longer needed to provide Treated Water to the Parties because of the improvement, expansion, or upgrade of the Treatment Facility.

D. Sue. To sue and be sued in its own name.

E. Seal. To have and use a corporate seal.

F. Adopt Bylaws, Rules and Regulations. To adopt and amend, by resolution, and enforce bylaws and rules and regulations respecting the exercise of its powers and the carrying out of its purpose.

G. Essential Powers. To exercise any other powers which are essential to the provision of Treated Water by the Authority to the Parties.

H. Employees, Agents and Contractors. To employ employees, engage agents and contractors and do and perform any acts and things authorized by Section 29-1-204.2, C.R.S., under, through, or by means of employees, agents, or contractors.

I. Site Rehabilitation. To provide for the rehabilitation of any surfaces adversely affected by the construction of water pipelines, facilities, or systems through the rehabilitation of plant cover, soil stability, and other measures appropriate to the subsequent beneficial use of such lands.

J. Indemnification. To justly indemnify property owners or others affected for any losses or damages incurred, including reasonable attorney fees, or that may subsequently be caused by or which result from actions of the Authority.

K. Exercise Parties' Powers to Provide Treated Water. To exercise any power lawfully authorized to each of the Parties for the provision of Treated Water by the Authority to the Parties, except as otherwise limited by this Agreement.

L. Receive Contributions. To receive contributions, gifts, bequests or other grants of cash, equipment or services for the Authority, the Parties or other entities, individuals, or political subdivisions.

M. Cooperate. To own, operate, and maintain real and personal property, including but not limited to facilities in common with others, and to conduct joint, partnership, or cooperative operations with others, excepting water rights.

N. Contracts. To enter into, make, and perform contracts of every kind, as authorized by law with other local governmental entities, the State of Colorado or any political subdivision thereof, the United States, or any political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

O. Funding Mechanisms. To develop funding mechanisms that provide for meeting the costs of constructing projects and other financial obligations related to the Treatment Facility, Treatment Facility Capital Improvements, or Treatment Facility Improvements, and to allow for individual Parties to determine how they meet their portion of those obligations, including participation in common funding.

IV. Governance.

A. Board of Directors. The governing body of the Authority shall be the Board of Directors, in which all administrative and legislative power of the Authority is vested.

1. Composition. The Board of Directors shall be comprised of one Director from each of the Parties ("Entity Directors") except as provided in subsection b. below.

a. Entity Directors. The Entity Directors shall be the chief administrative officer of each Party or such person's designee. Until additional parties are added, if at all, the Entity Directors shall be: (i) the Town Administrator, or such person's designee, for the Town of Eaton, (ii) the Town Administrator, or such person's designee, for the Town of Severance, (iii) the Town Manager, or such person's designee, for the Town of Windsor; and (iv) the General Manager, or such person's designee, for the Fort Collins-Loveland Water District.

b. At-Large Director. When the number of Parties to this Agreement constitutes an even number, to ensure that the Board of Directors is comprised of an odd number of persons, one Party, on an annual rotating basis, shall designate an additional Director, to be known as the "At-Large Director." Unless otherwise provided in the bylaws, the At-Large Director shall be an employee of any of the Parties. The term of the At-Large Director shall be for one (1) year, from January 1 of a given year to December 31 of such year, unless re-appointed by the next rotating Party, except that the first At-Large Director shall serve during the calendar year in which the Authority is created until the end of the following calendar year. The rotation schedule for selecting the At-Large Director shall be as follows:

Year one: Town of Severance
Year two: Town of Windsor
Year three: Fort Collins-Loveland Water District
Year four: Town of Eaton

The rotation schedule shall remain in the same order after year four.

Notwithstanding any other provision contained herein, any Party that has a zero percent (0%) Treatment Capacity Share shall not have the right to appoint an At-Large Director. If such Party's Treatment Capacity Share is modified to be greater than zero percent (0%), or if additional parties are added to this Agreement and their Treatment Capacity Share is greater than zero percent (0%), such Parties shall be included on the rotation schedule in the order in which they are added.

Each Party shall designate such Party's selection of an At-Large Director on or before December 1 of a given year for the following calendar year. If a Party does not designate an At-Large Director by such date, the then-existing At-Large Director shall be deemed appointed for an additional annual term and the Party to have made the appointment shall forfeit its right of selection for that particular year.

The At-Large Director may be removed by the appointing Party at any time during such person's term. The At-Large Director may also be removed, for good cause, during such person's term by the affirmative vote of the majority of all the Directors. The definition of "good cause" for removal shall be set forth in the bylaws. In case of removal, the Party who appointed the removed At-Large Director shall appoint a new At-Large Director to fill the position for the remainder of the term.

2. Decisions. Decisions of the Board of Directors shall be made at regular or special meetings, called upon notice, at which a quorum is present. Each Director shall be entitled to cast one vote on any matter that comes before the Board of Directors. Except as otherwise expressly provided herein or required by law, decisions of the Board of Directors shall be made by a majority of the Directors in attendance at the regular or special meeting.

3. Vacancies. Vacancies shall be filled by the governing body of each Party, as otherwise provided herein.

B. Meetings.

1. Regular Meetings. Regular meetings of the Board of Directors shall be set and revised, from time to time, by the Board of Directors, and shall be conducted not less than quarterly at the principal place of business of the Authority.

2. Special Meetings. Special meetings of the Board of Directors may be called and noticed as set forth in the bylaws.

3. Meeting Quorums. A quorum for the conduct of business at meetings of the Board of Directors shall require the presence of a majority of the Directors then in-office. Directors may attend meetings by telephone, video conference, or other electronic means, so long as he or she is able to reasonably hear any comments from the audience and

comments and discussion among other Directors and staff and is able to participate in the discussion.

4. Meeting Public. All meetings of the Board of Directors, other than executive sessions and social gatherings, shall be open to the public.

C. Duties of the Board of Directors. The duties of the Board of Directors shall be:

1. Governance. To govern the business and affairs of the Authority.

2. Powers. To exercise all powers of the Authority.

3. Policy. To set policy related to planning and future direction and expansion of the Authority.

4. Funds. To invest the funds of the Authority.

5. Finances. To govern the financial transactions of the Authority, including the receipt, custody, and disbursement of its funds, securities, and other assets.

6. Records. To keep records of the Authority's proceedings.

7. Bylaws. To adopt such bylaws as appropriate for the conduct of its business not in conflict herewith.

8. Statutory Compliance. To observe and comply with statutes and laws applicable to the Parties, including but not limited to Parts 1, 5, and 6 of Article 1, Title 29, C.R.S., regarding budget preparation, accounting, and auditing; Part 4 of Article 6, and Parts 2 and 3 of Article 72 as applicable to the Authority; and Article 10 of Title 24, C.R.S., regarding open meetings, open records, criminal justice records, and governmental immunity.

9. Authority Manager. To hire, supervise, and if warranted, discipline and terminate an Authority Manager, who may be designated by an alternate title, and who shall serve at the pleasure of the Board of Directors and oversee and manage all business and affairs of the Authority pursuant to the terms of this Agreement and the bylaws. The Authority Manager shall have such powers and responsibilities to manage the business and affairs of the Authority, as may be expressly delegated by the Board of Directors, including all aspects of hiring, managing, supervising, compensating, and terminating Authority employees, entering into contracts and expending funds. The Board of Directors may engage a consultant to perform the duties of the Authority Manager, if desired.

10. Attorney. To appoint or contract with an attorney for legal services. The attorney shall serve at the pleasure of the Board of Directors.

11. Auditor. To contract with an auditor for auditing services as needed. The auditor shall serve at the pleasure of the Directors.

D. Officers. The officers of the Authority shall be a Chair, Vice-Chair and Secretary, and such other officers and assistant officers as may be authorized by the Board of Directors, from time to time, to perform such duties as may be approved by the Board of Directors. The Chair and Vice-Chair shall be members of the Board of Directors. The Secretary of the Authority shall be the Authority Manager or his or her designee.

1. Appointments and Term of Office. The Directors shall elect the officers annually at the first meeting of each calendar year. Vacancies may be filled and new officers may be appointed at any meeting of the Board of Directors.

2. Removal. Any officer appointed by the Board of Directors may be removed by the Board of Directors, with cause, whenever, in the Board of Director's judgment, the best interests of the Authority will be served thereby.

3. Duties of Officers. In addition to duties designated by the Board of Directors, the duties of the officers shall include the following:

a. Chair. The Chair shall be a member of the Board of Directors and preside at all meetings of the Board of Directors and, except as otherwise delegated by the Board of Directors, shall execute all legal instruments of the Authority.

b. Vice-Chair. The Vice-Chair shall be a member of the Board of Directors and, in the absence of the Chair or in the event of the Chair's inability or refusal to act, shall perform the duties of the Chair and, when so acting, shall have all the powers of and be subject to all restrictions upon the Chair.

c. Secretary. The Secretary shall maintain the official records of the Authority, including this Agreement, bylaws, rules and regulations established by the Board of Directors, minutes of the meetings of the Board of Directors, and a register of the names and addresses of the Directors and officers. The Secretary shall issue notice of meetings and attest and affix the corporate seal to all documents of the Authority.

4. Bonds of Officers. Any officer, employee, or agent of the Authority charged with the responsibility for the custody of any of its funds or property shall give a bond in such sum and with such surety, if any, as the Board of Directors shall determine. The Board of Directors, at its discretion, may also require any other officer, agent or employee of the Authority to give a bond in such amount and with such surety as shall be determined. The cost of such bond shall be an expense of the Authority.

E. Execution of Contracts. Except as otherwise provided by law, the Board of Directors may authorize any Director, officer or employee to enter into any contract, or execute and deliver any instrument in the name and on behalf of the Authority.

F. Insurance. The Authority shall comply with all minimum insurance requirements of the Colorado Workers' Compensation Act. The Authority shall obtain and maintain general liability insurance coverage in amounts no less than the monetary limitations set forth in the CGIA, in addition to any other insurance policies deemed necessary by the Board of Directors.

G. Indemnification. Without waiving the protections, limitations, and requirements of the CGIA, and to the extent permitted by law:

1. Defense Costs. The Authority shall indemnify and defend each Director, officer, employee, agent and volunteer of the Authority, whether or not then in office, and such person's personal representatives, against any allegation, action, suit, or proceeding arising out of an act or omission of such person during the performance of such person's duties and within the scope of such person's appointment or employment, unless:

a. Outside Scope of Duties. It is determined by a court that the act or omission in question did not arise during the performance of such person's duties and within the scope of such person's appointment or employment, or that the act or omission of such person was willful and wanton (and if it is so determined, such person will be required to reimburse the Authority for its reasonable costs and reasonable attorney fees incurred in the defense of such person); or

b. Settlement without Consent. The person in question compromises or settles the claim without the consent of the Authority.

2. Settlement with Consent. The indemnification obligations set forth herein shall include costs and expenses reasonably paid, with the consent of the Authority, in settlement for the purpose of curtailing the cost of litigation.

3. Non-Exclusive Rights. The foregoing right of indemnification shall not be exclusive of other rights to which such person may be entitled as a matter of law or by agreement.

V. Financial Powers and Obligations.

A. Negotiable Instruments. All checks, drafts or other orders for payment of money shall be issued in the name of the Authority, and in such manner as, from time to time, shall be determined by the Board of Directors, except that all notes, bonds, or other evidence of indebtedness shall be issued by resolution of the Board of Directors.

B. Fix Fees, Rates and Charges. The Authority is authorized to fix, maintain, and revise fees, rates, and charges for the provision of Treated Water to the Parties as set forth in Section VI.E.

C. Financial Obligations.

1. Debts and Obligations. The Authority is authorized to incur debts, liabilities, or obligations payable solely from the revenues derived from the provision of Treated Water or from any other available funds of the Authority.

2. Authority to Issue Bonds. The Authority is authorized to issue Authority Obligations. The terms, conditions, and details of said Authority Obligations, which may be issued in the form of bonds, notes, and other obligations, the procedures related thereto, and the refunding thereof shall be set forth in the resolution authorizing said bonds, notes, or other

obligations and, as nearly as may be practicable, shall be substantially the same as those provided in Part 4 of Article 35 of Title 31, C.R.S., relating to water and sewer revenue bonds; except that the purposes for which the same may be issued shall not be so limited and except that said bonds, notes, and other obligations may be sold at public or private sale. Bonds, notes, or other obligations issued under this subsection shall not constitute an indebtedness of the Authority or the Parties within the meaning of any constitutional or statutory limitations or other provision. Each bond, note, or other obligation issued under this subsection shall recite in substance that said bond, note, or other obligation, including the interest thereon, is payable solely from the Net Revenues and other available funds of the Authority pledged for the payment thereof and that said bond, note, or other obligation does not constitute a debt of the Authority or the Parties within the meaning of any constitutional or statutory limitation or provision. Notwithstanding anything in this section to the contrary, such bonds, notes, and other obligations may be issued to mature at such times not beyond forty years from their respective issue dates, shall bear interest at such rates, and shall be sold at, above, or below the principal amount thereof, all as shall be determined by the Board of Directors.

3. Contract with Holders. The resolution, trust indenture, or other security agreement, under which any bonds, notes, or other obligations are issued, shall constitute a contract with the holders thereof, and may contain such provisions as shall be determined by the Board of Directors to be appropriate and necessary in connection with the issuance thereof and provide security for the payment thereof, including, without limitation, any mortgage or other security interest in any revenues, funds, rights, or properties of the Authority. The bonds, notes, and other obligations of the Authority and the income therefrom shall be exempt from taxation by the state, except for inheritance, estate, and transfer taxes.

4. Financial Obligations Not Obligations of the Parties. The bonds, notes, and other obligations of the Authority shall not be the debts, liabilities, or obligations of the Parties, either individually or severally.

5. Taxes. In no event shall the Authority have the power to levy or assess any tax which is subject to TABOR or to direct the Parties to exercise their taxing powers on behalf of the Authority.

D. Deposits. All funds of the Authority shall be deposited to the credit of the Authority, pursuant to law, in such bank or banks or other financial institutions as the Board of Directors may select. The Authority shall maintain separate funds, as set forth below, into which all revenues shall be deposited. The Authority shall have the discretion to establish other funds in addition to the funds identified below, but shall at all times maintain the funds as set forth below.

1. Gross Revenues Fund. The Authority shall deposit all income and amounts received from the operation of its system into the "Gross Revenues Fund."

2. Operation and Maintenance Fund. The Authority shall deposit, from time to time, into an "Operation and Maintenance Fund," moneys from the Gross Revenues Fund in amounts sufficient to cover Operation and Maintenance Expenses of the Authority.

3. Debt Service Fund. After the Authority has deposited revenues from the Operation and Maintenance Component into the Operation and Maintenance Fund, it shall deposit the Debt Service Component into the “Debt Service Fund.”

4. Other Funds. After the Authority has deposited the Operation and Maintenance Component in the Operation and Maintenance Fund and the Debt Service Component in the Debt Service Fund, any remaining Net Revenues may be deposited in any other funds established by the Authority.

VI. Obligation to Serve the Parties. The Authority shall be obligated to meet the Parties’ reasonable demands for delivering Treated Water to the Parties from supplies, including augmentation supplies, furnished to the Authority by the Parties at the location of the Treatment Facility, however, no Party shall be entitled to receive Treated Water from the Authority in excess of such Party’s Treatment Capacity Share at the time of delivery, unless: (i) otherwise agreed by the Board of Directors on the condition that the delivery of additional Treated Water will not be detrimental to the other Parties’ respective Treatment Capacity Share and no expansion or improvement to the Treatment Facility’s Treatment Capacity is required; or (ii) the Party seeking additional Treated Water enters into an agreement with another Party to receive a portion of such Party’s Treatment Capacity Share.

A. Design and Construction of Treatment Facility. The Treatment Facility may be constructed in multiple phases and may be expanded from time to time to meet the projected needs of each Party and effectuate the delivery of Treated Water to the Parties at the Master Meter(s). The design and construction plans for all applicable construction phases of the Treatment Facility shall be approved in advance by the Board of Directors.

B. Allocation of Treatment Capacity.

1. Generally. In each calendar year, the Board of Directors shall determine each Party’s Treatment Capacity Share for the subsequent calendar year and provide each Party with written notice thereof. Each Party shall be entitled to a Treatment Capacity Share that the Authority and the Party agree the Authority will allot to the Party during the applicable construction phase of the Treatment Facility through a Service Contract.

2. Payment of Pro Rata Share Funding Obligation. A Party shall not be entitled to use its Treatment Capacity Share until such time as it has paid to the Authority or is credited by the Authority as having paid, in the manner and times set forth in the Service Contract, all charges, fees, and/or assessments imposed by the Authority.

3. Amendment. A Party’s Treatment Capacity Share may be subject to amendment because additional capacity is available in the Treatment Facility without the Authority having to undertake an expansion to increase Treatment Capacity, through an expansion of the Treatment Facility, by agreement for the transfer of a Party’s Treatment Capacity Share, or for any other reason approved by the Board of Directors on the condition that the modification applies equally on a proportional basis to all Parties’ receiving Treated Water.

4. Delivery of Treated Water. Notwithstanding any other provision of this Agreement, the volume of Treated Water that the Authority is obligated to provide a Party shall not exceed the volume of raw water provided by such Party to the Authority for treatment. It is expressly agreed that such Party may not utilize the raw water inventory of any other Party without the prior written consent of such other Party.

C. Expansion, Improvement, or Additional Treated Water Supply. The Authority may desire or be obligated, in time, to expand or improve the Treatment Facility, or obtain additional Treated Water through contract with other treated water suppliers when reasonably necessary to: (i) meet a Party's Treatment Capacity Share allotment under a Service Contract; (ii) comply with applicable local, state and federal laws regarding water quality; (iii) as necessary to maintain appropriate levels of Treated Water service to the customers of each Party, taking into account the requirements of all Parties; or (iv) for other lawful reasons as may be set forth in the Service Contracts or determined to be appropriate by the Board of Directors. The Authority shall start planning for the design and construction of any expansion of the Treatment Facility at such time as the Authority is operating the Treatment Facility at 80% of Treatment Capacity. Any Party seeking a Treatment Capacity Share in a construction phase of the Treatment Facility shall be responsible for its pro rata share of the costs of such construction. Any expansion or improvement of the Treatment Facility shall comply with the permit issued by CDPHE for the Treatment Facility and may result in corresponding modifications of each Party's Treatment Capacity Share set forth in a Service Contract or amendment thereto.

D. Party Construction of Treatment Facility Capital Improvements. The Authority may contract with a Party to design and construct any phase of the Treatment Facility or portion of the Treatment Facility Capital Improvements on behalf of the Authority ("Constructing Party"). The Constructing Party shall be entitled to receive from the Authority reimbursement in an amount set forth in a separate contract between the Authority and such Party, which shall include, at a minimum, an amount equal to each participating Party's pro-rata share of the costs of Treatment Facility Capital Improvements; provided, however, that the Constructing Party may pay its pro-rata share of the costs of Treatment Facility Capital Improvements directly to the general contractor pursuant to a separate construction contract.

While the Authority and the Constructing Party may agree upon the terms of such separate contract at the time of execution, the Parties generally anticipate that:

1. The Constructing Party shall not own any portion of the Treatment Facility or, to the extent distinct, the Treatment Facility Capital Improvements at any time and, rather, shall construct the Treatment Facility Capital Improvements on behalf of the Authority; and

2. The Authority shall pay preconstruction costs to the Constructing Party prior to the Constructing Party's issuance of a notice of award of the construction contract to a contractor. The balance of the Authority's payment obligations shall be paid in equal installments commensurate with the progress payments made by the Constructing Party.

E. Establishment of Rates, Fees, and Charges. The Board of Directors shall establish rates, fees, and charges for delivery of Treated Water to the Parties to provide for all of

the costs associated with owning, operating, maintaining and improving the Treatment Facility and providing reasonable contingency and reserve funds. Any charge for Treatment Facility Capital Improvements, including, but not limited to, any Debt Service Component within the fees and charges for Treated Water, shall be imposed only on, and in proportion to the benefit received by, the Party or Parties benefitting from the associated cost based on such Party's Treatment Capacity Share. Any Party with a zero percent (0%) Treatment Capacity Share shall pay a charge established by the Board of Directors to offset reasonable fixed costs incurred by the Authority for maintenance of the Property and Treatment Facility. For the avoidance of doubt, the reasonable fixed costs shall be administrative in nature and not, among other potential costs, include flow-based or flow-related costs.

F. Delivery to the Treatment Facility. Except for development of transmission lines to deliver NISP water to the Treatment Facility, the Authority shall have no obligation to develop transmission or distribution systems to permit a Party to supply and deliver other sources of raw water to the Treatment Facility for treatment by the Authority.

G. Delivery from the Treatment Facility. The Authority shall deliver Treated Water to each Party's Master Meter. The Authority may own and operate transmission lines extending beyond the boundaries of the Property for the purpose of delivering Treated Water to the Master Meters. It will be the responsibility of each Party to provide transmission and distribution of Treated Water from such Party's Master Meter to such Party's System. The Authority shall have no obligation to develop transmission or distribution systems to supply Treated Water from the Parties' Master Meters to the Parties' respective Systems, nor to supply Treated Water to points other than at the Master Meters.

H. Limitation on Providing Treated Water to Other Entities. The Authority shall not be authorized to provide Water Treatment Services to any person or entity other than a Party. Notwithstanding, any person or entity wishing to receive Treated Water from the Authority may enter into an agreement or arrangements with any one of the Parties to receive all or a portion of such Party's Treatment Capacity Share, in which case the Authority shall have no direct relationship or obligation to such person or entity.

I. Master Planning. Each Party shall provide to the Authority annually, no later than March 1, its estimated peak demand for Treated Water for each of the subsequent ten (10) years. The Authority shall prepare and update, no less frequently than every three (3) years, a capital improvement and master plan to ensure the capability of the Authority to meet the Parties' reasonable demands for Treated Water to be delivered at the location of the Master Meters, including any reasonably necessary Treatment Facility Capital Improvements.

J. Water Quality. The Authority shall promulgate water quality standards for the intake of raw water and the delivery of Treated Water, except that the Authority shall be obligated to, at all times, accept the delivery of NISP water. The Authority shall ensure that all Treated Water delivered to the Parties meets all applicable local, state, and federal laws regarding water quality. Where applicable, the Authority may promulgate water quality standards, treatment standards, and discharge standards, which also may be set out in the Service Contracts.

K. Agreements for Supply and Transmission. The Authority may enter into agreements with other suppliers and distributors of raw water. To facilitate delivery of Treated Water, the Authority may enter into exchange, transmission, or supply agreements. The Authority shall honor any existing or future exchange, transmission, or supply agreements entered into by any of the Parties with other suppliers and distributors of raw water, so long as the role of the Authority is limited to providing Treated Water for the benefit of a Party at the location of the Master Meters.

L. Transfer of Treatment Capacity Share. A Party may transfer all or a portion of its Treatment Capacity Share from time to time to one or more other Parties, with or without Funding Obligations, in accordance with this Section IV.L. Such transfers shall be memorialized in a separate written agreement executed by the transferring and acquiring Parties (a “Transfer Agreement”). For the avoidance of doubt, nothing contained herein shall prohibit a Party from re-acquiring Treatment Capacity Share that it previously transferred to another Party, subject to the terms and conditions of the Transfer Agreement.

1. Transfer With Funding Obligations. In the case of a transfer with Funding Obligations, the Party acquiring all or a portion of another Party’s Treatment Capacity Share assumes, and the transferring Party shall be relieved of, the transferring Party’s pro rata share of the Funding Obligations associated with the Treatment Capacity Share being transferred, except as may otherwise be set forth in the Transfer Agreement.

2. Transfer Without Funding Obligations. In the case of a transfer without Funding Obligations, the Party acquiring all or a portion of another Party’s Treatment Capacity Share does not assume, and the transferring Party shall remain liable for, the transferring Party’s pro rata share of the Funding Obligations, except as may otherwise be set forth in the Transfer Agreement. While not a requirement, the Parties anticipate that a transfer without Funding Obligations may occur with respect to short-term transfers and re-transfers of Treatment Capacity Share.

3. Notice to the Board of Directors. A Party shall not be required to obtain approval of the Board of Directors to transfer its Treatment Capacity Share to one or more other Parties. The Party shall, however, provide written notice and a copy of the Transfer Agreement to the Board of Directors within thirty (30) days following the transfer.

4. Invalid Transfers. Any transfer of Treatment Capacity Share in contravention of this Section IV.L. shall be void and of no force or effect, and a Party’s rights and obligations under this Agreement shall not be affected by such invalid transfer.

VII. Service Contracts and Additional Parties.

A. Service Contracts. Each Party shall enter into a Service Contract within two (2) years after the establishment of the Authority, unless such time period is extended by the Board of Directors. The Service Contracts may be amended from time to time.

B. Additional Parties to Agreement. Additional governmental or quasi-municipal entities may be added to this Agreement as a party with the unanimous written consent

formally approved by the governing body of each Party. An entity added as a party shall enter into a Service Contract with the Authority to define the terms and extent of the service provided by the Authority to the new party and be subject to the terms and conditions required by the Authority. A new party may be assessed, in addition to other reasonable capacity-related fees required to allocate Treatment Capacity Share to such new party, a capital investment fee to cover its pro rata share of (i) the costs of those capital assets, including but not limited to the cost of the construction of the Treatment Facility, previously purchased or paid by the Authority or provided by the Parties for joint use by all Parties, (ii) the costs to expand or provide additional facilities or infrastructure, as needed, to accommodate new or incremental Treatment Capacity; or (iii) the costs of planned future improvements to the Treatment Facility.

C. Consent of the Parties. Whenever consent of the Parties is required as provided herein, such consent shall not be unreasonably withheld, conditioned or delayed.

VIII. Term, Termination and Withdrawal.

A. Term. This Agreement shall become effective on the date when the Agreement is executed by all the Parties. The term of this Agreement shall be perpetual and shall extend until terminated as provided herein.

B. Termination. Subject to subsection D. below, this Agreement may be terminated, and the Authority thus dissolved, only by the unanimous consent of all Parties to the Agreement at the time of termination, by resolution of the governing body of the Parties, except that if there are only two (2) members of the Authority, notice of withdrawal provided by either Party shall effectuate a termination as of the end of the fiscal year. Upon termination of this Agreement, all assets and property of the Authority shall be liquidated and distributed to the terminating Parties based on their then-current Treatment Capacity Share. Disposal of the assets and property of the Authority shall be in consideration of fair market value, as determined by agreement of the Parties or, if an agreement cannot be reached, by appraisal by a qualified appraiser selected by the Authority. If there are only two Parties and termination is brought about by notice of withdrawal provided by either Party, in case of dispute regarding selection of an appraiser, the two Parties shall each select one appraiser and the two selected appraisers shall select a third appraiser. Valuation shall be determined by the average valuation of the three appraisers.

C. Withdrawal of Parties. A Party may withdraw from this Agreement as of the end of any fiscal year by providing written notice authorized by resolution of the governing body of such Party, provided to the Board of Directors and each Party no later than one hundred eighty (180) days prior to the end of the fiscal year. A withdrawing Party with a Treatment Capacity Share greater than zero percent (0%) shall remain liable for any and all financial obligations incurred by such Party to or on behalf of the Authority, as of the effective date of the withdrawal. Withdrawal by any Party shall not cause termination of this Agreement, so long as there remains at least two (2) Parties that have not withdrawn. Dissolution of a Party shall be treated as a withdrawal. Upon withdrawal, a withdrawing Party shall forfeit all interest, right or title in or to any assets or equity of the Authority, unless the Board of Directors approves a specific agreement to the contrary, and the withdrawing Party's Treatment Capacity Share shall be reallocated amongst the remaining Parties in proportion to each remaining Party's Pro Rata Share

Funding Obligations. Such reallocations shall be memorialized in amendments to the affected Service Contracts.

D. No Termination if Outstanding Financial Obligations. This Agreement may not be rescinded or terminated so long as any Authority Obligations are outstanding, unless provision for full payment of such obligations has been made pursuant to the terms of such obligations.

IX. Dispute Resolution.

A. Negotiation. If any Party believes that the Authority is not meeting its obligation to serve Treated Water to that Party or has any other dispute with the Authority, such Party shall have the right to request a meeting with the Authority. Such Party shall provide written notice to the Authority, requesting a meeting within thirty (30) days thereafter to discuss the matter. Such Party and the Authority shall meet within said thirty (30) day period, unless the time period is extended by mutual agreement of the Party and Authority and negotiate in good faith.

B. Mediation. If the Party and the Authority are not able to reach an agreement regarding the Authority's obligation to serve the Party or other disputed issue, such Party may submit the matter to mediation. Unless otherwise agreed to by the Party and the Authority, the mediation shall occur at the Judicial Arbiter Group, Inc., a Colorado corporation, in Denver, Colorado. The Party and the Authority shall share equally in the cost of the mediation.

C. Legal Recourse. In the event the Party and the Authority are unable to arrive at an agreement regarding the Authority's obligation to serve the Party or such other disputed issue within sixty (60) days after the appointment of a mediator, then the Party shall have the right to pursue legal recourse in a court of competent jurisdiction or in such other forum as may be agreed upon between the Party and the Authority. The Party and the Authority shall each bear its own attorney's fees related to the legal proceeding.

X. Miscellaneous.

A. Notices. Any formal notice, demand, or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person, sent by registered or certified mail, postage prepaid, to the Parties at the addresses, as set forth on each signature page attached hereto, unless another address is certified to the Authority, or sent by electronic mail notification to the chief administrative officer of each party on the condition that the intended recipient acknowledges receipt of the electronic mail.

B. Governing Law and Venue. This Agreement and the interpretation thereof shall be governed by the laws of the State of Colorado. Venue for any claim, proceeding or action arising out of this Agreement shall be in the County of Weld, State of Colorado.

C. No Third-Party Beneficiaries. Nothing in this Agreement shall be deemed to create any third-party benefits or beneficiaries or create a right or cause of action for the enforcement of its terms, in any entity or person not a party to this Agreement, including any employees, volunteers, officers, or agents of the Parties.

D. Existing Agreements. This Agreement shall not terminate any existing agreement between any Party, except as expressly noted in this Agreement.

E. Assignments. Except as otherwise provided herein, no Party may assign its rights, title or interests in this Agreement without the unanimous written consent of all the Parties. In the event of an assignment, the governing body of the entity of the new party shall ratify the then-current terms of this Agreement, execute a Service Contract with the Authority, and cause an assignment of this Agreement to be executed.

F. Force Majeure. Except for payments due, no Party nor the Authority, shall be in default by reason of failure in performance of this Agreement if such failure arises out of causes beyond their reasonable control and without their fault or negligence, including acts of God, extreme weather, power failures, flooding, fire, epidemics, quarantine restrictions, and/or strike or civil disorder making it inadvisable or impossible for the Parties or the Authority to comply with this Agreement.

G. Severability. In the event that any of the terms, covenants, or conditions of this Agreement, or their application, shall be held invalid as to any person, corporation, or circumstance by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and such determination shall not affect or impair the validity or enforceability of any other provision, and the remaining provisions shall be interpreted and applied so far as possible to reflect the original intent and purpose of this Agreement.

H. Amendments. This Agreement may be amended only by written document approved by formal authority of the governing bodies of all of the Parties; provided, however, that such amendment shall not affect other obligations outstanding of the Authority unless provision for full payment of such obligations, by escrow or otherwise, has been made pursuant to such obligations.

I. Duplicate Originals; Electronic Signatures. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. The Parties consent to the use of electronic and .pdf signatures and agree that the transaction contemplated herein may be conducted electronically pursuant to the Uniform Electronic Transactions Act, § 24-71.3-101 *et seq.*, C.R.S.

J. Section Headings. The section headings in this Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of any part of this Agreement.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as follows:

Executed this ____ day of _____, 2024, by the Town of Eaton.

TOWN OF EATON

By:

Scott E. Moser, Mayor

Attest:

Margaret Jane Winter, Town Clerk

Town of Eaton
Attn: Town Administrator
224 1st Street
Eaton, CO 80534

Executed this ____ day of _____, 2024, by the Town of Severance.

TOWN OF SEVERANCE

By:

_____, Mayor

Attest:

_____, Town Clerk

Town of Severance
Attn: Town Manager

Severance, CO _____

Executed this ____ day of _____, 2024, by the Town of Windsor.

TOWN OF WINDSOR

By:

Paul Rennemeyer, Mayor

Attest:

Karen Frawley, Town Clerk

Town of Windsor
Attn: Town Manager
301 Walnut Street
Windsor, CO 80550

Executed this ____ day of _____, 2024, by the Fort Collins-Loveland Water District.

**FORT COLLINS-LOVELAND WATER
DISTRICT**

By:

James Borland, Chairman

Attest:

Chris Pletcher, Secretary

Fort Collins-Loveland Water District
Attn: General Manager
5150 Snead Drive
Fort Collins, CO 80525

EXHIBIT A
PROPERTY DESCRIPTION