

WATER & SEWER BOARD AGENDA

Wednesday, January 15, 2020
2:00 p.m.

GREELEY CITY CENTER

1001 11TH Avenue

Greeley, CO 80631

1. Roll Call: _____ Chairman Harold Evans _____ Vice Chairman Mick Todd
 _____ Mr. Bob Ruyle _____ Mr. Fred Otis
 _____ Mr. Joe Murphy _____ Mr. Tony Miller
 _____ Mr. Manuel Sisneros _____ Mayor John Gates
 _____ Mr. Roy Otto _____ Mrs. Renee Wheeler
2. Approval of Minutes
3. Approval of and/or Additions to Agenda

Consent Agenda

The Consent Agenda is a meeting management tool to allow the Board to handle several routine items with one action.

The Board or staff may request an item to be “pulled” off the Consent Agenda and considered separately under the next agenda item in the order they were listed.

End of Consent Agenda

4. Any Pulled Items from Consent Agenda
5. Welcome New Employees
6. Election of Officers
7. Water Court Update
8. Executive Session
 - Matters Related to Potential Acquisition of Water Storage
 - Matters Related to Alm Farm
9. Purchase and Sale Agreement for Alm Farm
10. Legal Report



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact Shannon Metcalf at 970-350-9818.

11. Director's Report

12. Such Other Business That May Be Brought Before the Board and Added to This Agenda by Motion of the Board



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact Shannon Metcalf at 970-350-9818.

**City of Greeley
Water and Sewer Board
Minutes of December 18, 2019
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:01 p.m. on Wednesday, December 18, 2019.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Robert Ruyle, Fred Otis, Tony Miller, Manny Sisneros, and Roy Otto

Water and Sewer Department Staff:

Director Sean Chambers, Deputy Director Water Resources Adam Jokerst, Deputy Director of Operations Nina Cudahy, Utility Finance Manager Erik Dial, Chief Engineer Adam Prior, Water Resources Manager Jen Petrzela, Water Resources Planning Manager Kelen Dowdy, Water Resource Admin. I Leah Hubbard, Water Resource Admin. II Cole Gustafson, Water Resource Analyst Alex Tennant, and Senior Administrative Assistant Ettie Arnold

Legal Counsel:

Counsel to Water & Sewer Board Attorney Carolyn Burr, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Aaron Goldman, Environmental and Water Resources Attorney Dan Biwer

Guests:

Craig Stith Great Western Industrial Park, Cheri Wit-Brown Habitat Humanity

2. Approval of Minutes

Mr. Otis moved, seconded by Mr. Ruyle, to approve the November 20, 2019 Water and Sewer Board meeting minutes as corrected. The motion carried 6-0.

3. Approval of and/or Additions to Agenda

There were no changes or additions to the agenda.

Consent Agenda

4. Ratify Purchase and Sale Agreement for the Thayer Farm

The Water and Sewer Board previously authorized an agreement for the purchase and sale of 129 +/- acres of irrigated farmland, along with 3 shares of Larimer and Weld Irrigation Company and 4 shares of Windsor Reservoir and Canal Company. Under Article 6 of the agreement, the closing is conditioned on the Water and Sewer Board's appropriation of funds and ratification of the agreement after diligence. Staff has completed due diligence on the property, including the water rights. Based on its findings, staff is recommending that the Water and Sewer Board ratify the agreement.

Recommended action: ratification of the agreement and delegation of authority to the Director to close on the property.

End of Consent Agenda

Mr. Otis moved, seconded by Mr. Ruyle, to approve the items on Consent Agenda and their respective recommended actions. The motion carried 6-0.

Water Resource Admin. II Cole Gustafson left the meeting at 2:05 p.m.

Finance Director Renee Wheeler joined the meeting at 2:10 p.m.

Water Conservation Manager Ruth Quade joined the meeting at 2:14 p.m.

5. Pulled Consent Agenda Items

There were no items were pulled for discussion.

6. Welcome New Employees

Mr. Chambers provided an introduction of new Water and Sewer Department employees starting this month.

7. CIP Report – 2nd and 3rd Quarter Updates

Mr. Prior presented an update regarding 10 complete, 51 current and 41 future CIP projects and their status and expenditures.

Cheri Wit-Brown left the meeting at 2:43 p.m.

Nina Cudahy left the meeting at 2:54 p.m.

8. Adopt Irrigation Water Rental Policy

Ms. Petrzelka presented an overview on the current water rental policy for agriculture and projected changes to be adopted ensuring program efficiency.

Vice Chairman Todd moved, seconded by Mr. Miller, to adopt the Agriculture Water Rental policy. The motion carried 6-0.

9. Review and Recommend to City Council an Ordinance Amending Section 14.08.160 of the Greeley Municipal Code (Watering Restrictions)

Ms. Quade and Ms. Petrzelka presented data regarding water usage by single-family residential customers on water budget rates, and recommended amending the Municipal Code to remove days-of-week watering restrictions and extend non-watering hours to 10 a.m. to 6 p.m. for these customers during periods of adequate water supply. A draft of the recommended Code change was presented.

Vice Chairman Todd moved, seconded by Mr. Ruyle, to recommend that City Council adopt an ordinance amending section 14.08.160 of the Greeley Municipal Code as presented. The motion carried 6-0.

Kelen Dowdy left the meeting at 2:59 p.m.
Bob Ruyle left the meeting at 3:01 p.m.

10. Sanitary Survey Update

Mrs. Cudahy provided an update on the survey and findings. Bellvue and Boyd Lake show completed reports with no major findings. Reservoirs and Backflow Prevention anticipate one major finding each and will file public notifications as well as remediation.

11. Adopt Resolution Concerning 2020 Water and Sewer Rates, Fees, and Charges

Mr. Dial presented information regarding the enclosed 2020 rate resolution. 2020 will be the fourth year of the water budget rate structure for residential customers. Plant investment fees are updated annually for water and sewer and are included in the rate resolution. The new cash-in-lieu price will take effect on March 1, 2020.

Vice Chairman Todd moved, seconded by Mr. Sisneros, to adopt the enclosed resolution concerning 2020 water and sewer rates, fees and charges. The motion carried 5-0.

12. Approve Outside Water Service Agreement (Windsor Renewal I, LLC)

Staff is requesting the Water and Sewer Board approve an agreement for outside-of-city water service with Windsor Renewal I, LLC, the current owner of property contained within the Great Western Industrial Park.

Mr. Miller moved, seconded by Mr. Sisneros, to approve the outside water service agreement. The motion carried 5-0.

Ruth Quade left the meeting at 3:15 p.m.

Craig Stith left the meeting at 3:21 p.m.

Adam Prior, Alex Tennant and Leah Hubbard left the meeting at 3:26 p.m.

13. Legal Report

Carolyn Burr of Welborn, Sullivan, Meck & Tooley provided this month's legal report to the Board.

1. **Statements of Opposition:** Based on review of the October, 2019 Water Court Resume, staff and water counsel recommend that the Board authorize filing a statement of opposition in the following cases:
 - a. Case Number: **19CW3199** - Application by Northern Colorado Water Conservancy District for diligence on its South Platte Water Conservation Project. This project includes Galeton, intakes on the Platte and Poudre Rivers and Riverside Canal, pumping stations and forebay reservoirs. The overall project impact is about 80,000 acre feet of water. We recommend that the Greeley Water & Sewer Board file a statement of opposition to monitor the development of the large project, which has implications for Greeley's operations on the Platte and Poudre rivers.
 - b. Case No. **19CW3200** – Application by 30 Mile Ranch, LLC for nontributary water in the unconfined Upper Laramie aquifer underlying 7,293 acres in Weld County. We recommend that the Greeley Water & Sewer Board file a statement of opposition to this case in order to evaluate the nontributary claims.
 - c. Case No. **19CW3208** – Application by Central and GMS for diligence on their Plumb Ditch Exchange (50 cfs) and Nissen Pump Station Exchange (25 cfs). We recommend that the Greeley Water & Sewer Board file a statement of opposition in this case to monitor development of these large exchange rights which operate in the reach of Greeley's around the horn exchanges.
2. Vice Chairman Todd made a motion, seconded by Mr. Miller, that the Board authorize the filing of a statement of opposition in Case Nos. 19CW3199, 19CW3200 and 19CW3208, and for staff and legal counsel to seek resolution of

issues raised by these cases consistent with Water and Sewer Board Resolution No. 3 (2015). The motion carried 5-0.

14. Executive Session

Vice Chairman Todd moved, seconded by Mr. Miller, to hold an executive session to address the following matters, as provided by C.R.S. § 24-6-402(4)(a), (b) and (e) and Greeley Municipal Code § 2.04.020(a) (1), (2) and (5):

1. To receive advice from their attorney and determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators on matters related to potential acquisition of water storage.

The motion carried 5-0.

Present during the executive session were:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Manual Sisneros, Tony Miller, Renee Wheeler, Roy Otto, Director Sean Chambers, Deputy Director Water Resources Adam Jokerst, Deputy Director of Operations Nina Cudahy, Utility Finance Manager Erik Dial, Water Resources Operations Manager Jennifer Petrzelka, Counsel to Water and Sewer Board Carolyn Burr, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Aaron Goldman, Environmental and Water Resources Attorney Dan Biwer, and Senior Administrative Assistant Ettie Arnold

This executive session was authorized by Subsections (a),(b) and (e) of Section 24-6-402(4) of the Colorado Revised Statutes, and Subsections (1), (2) and (5) of Section 2.04.020 (a) of the Greeley Municipal Code.

The Executive Session ended at 3:26 p.m. and the regular meeting resumed.

15. Director's Report

Mr. Chambers reported on the following items:

- Municipal Water Resiliency and Sharing Bill
- CWP Tech Update
- Poudre River Forum

16. Such Other Business That May be Brought before the Board and Added to This Agenda by Motion of the Board

There were no additional items brought before the Board and added to the agenda.

Chairman Evans adjourned the meeting at 4:07 p.m.

Harold Evans, Chairman

Ettie Arnold, Senior Administrative Assistant

WATER & SEWER BOARD AGENDA JANUARY 15, 2020

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 5

TITLE: WELCOME NEW EMPLOYEES

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

Staff to introduce and welcome new full-time employees starting employment in January within the department.

- Kenneth Wallace, Civil Engineer I – start date 12/12/2019

Welcome New Employees

Kenneth Wallace

Civil Engineer I

Start Date: 1/9/2020

MS, Environmental Engineering

University of Colorado at Boulder



WATER & SEWER BOARD AGENDA JANUARY 15, 2020

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 6

TITLE: ACTION: ELECTION OF OFFICERS

RECOMMENDATION: APPROVE 2020 OFFICERS

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA JANUARY 15, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 7

TITLE: WATER COURT UPDATE – Q4

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

This item intends to update the Board on the current status of Greeley's Water Court cases including statements of opposition and cases where Greeley is the applicant or will soon be filing an application for change of water rights, as well as a summary of the Water Resources Division's legal costs.



Water & Sewer Department

MEMORANDUM

TO: Greeley Water & Sewer Board

FROM: Jen Petrzeka, Water Rights Manager/Water Resources Operations Manager

DATE: January 6, 2020

RE: 4th Quarter Water Court Cases Update

This memorandum is a review of the Water and Sewer Department's legal activities from October of 2019 through December of 2019. The review includes an update on Greeley's current Water Court cases and a summary of the Water Resources Division's legal expenses.

STATEMENTS OF OPPOSITION

Since the last update in October, Greeley has filed seven statements of opposition and stipulated in two cases. Therefore, the current number of pending Water Court cases where Greeley is an opposer is 23.

Statements of Opposition filed:

- 19CW3157 (Coulson Excavating Company)
- 19CW3165 (Northern diligence for Grey Mountain)
- 19CW3169 (CLPWUA diligence for Grey Mountain)
- 19CW3181 (Thornton diligence)
- 19CW3199 (Northern SPWCP diligence)
- 19CW3208 (Central and GMS Diligence)
- 19CW3200 (30 Mile Ranch)

GREELEY AS APPLICANT

A summary of Greeley's pending Water Court cases where Greeley is the applicant is as follows:

17CW3020 (Leprino)

Greeley and Leprino Foods, Inc. ("Leprino") filed an application for quantification of reusable return flows and appropriative rights of substitution and exchange on February 2017. Statements of Opposition were filed by fifteen parties. Of those parties, all have stipulated except for the Central Colorado Water Conservancy District. This case is now on a trial track with a trial set for

SERVING OUR COMMUNITY • IT'S A TRADITION

We promise to preserve and improve the quality of life for Greeley through timely, courteous and cost-effective service.

July 2020. Due to differences in legal opinion Greeley and Leprino filed a motion for Determination of Question of Law on November 4th. Briefing is complete on this motion and we expect the court to issue a ruling within the next two months. Central's expert disclosures are due March 2nd.

19CW3164 (Linn Grove Diligence, Case No. 11CW60)

On August 28, 2019, Greeley filed an application for a finding of reasonable diligence for the conditional groundwater rights, conditional storage rights, and conditional exchanges decreed to operate in conjunction with the plan for augmentation in Case Number 11CW60. These water rights are decreed for irrigation and other related uses at Linn Grove Cemetery. In this application, Greeley is also seeking a determination that certain of the water rights should be made partially absolute, in the amount of 36.9 gpm for the groundwater right decreed to Well B, 0.05 acre-feet of storage in Linn Grove Pond No. 1, and 5.6 acre-feet of storage in Linn Grove Pond No. 2. The rights decreed in 11CW60 not made absolute will remain conditional. A statement of opposition was filed by the Cache la Poudre Water Users Association and Greeley circulated a draft decree on January 10th.

19CW3191 (Equalizer diligence, Case No. 05CW326)

On September 30, 2019 Greeley filed its application for a finding of reasonable diligence for conditional surface rights and right of exchange, including storage, of its Lower Equalizer rights decreed in Case No. 05CW326. No absolute claims are being made in this application and all rights remain conditional. No statements of opposition were filed, however, a motion to intervene was filed and approved by Central.

19CW3239 (Overland Ponds Diligence, Case No. 00CW251)

On December 20th, 2019 Greeley filed its application for a finding of reasonable diligence to make a conditional water right partially absolute, for a finding of reasonable diligence, and to continue conditional water rights concerns the conditional water storage right and conditional appropriative rights of exchanges decreed in Case No. 00CW251. In this application, Greeley and the Tri-districts are claiming 18.6 cfs diversion rate and 283.58 acre-feet of storage absolute. Statements of opposition are due February 29, 2020.

LEGAL & ENGINEERING EXPENSES:

The Water Resource Division's outside legal and engineering expenses through December of 2019 totaled \$569,061 which is 98% of the \$579,725 total spent in 2018 (see summary table on following page).

2019 Water Resources Legal and Engineering Costs

<u>1st quarter</u>	
Legal	\$39,757
Engineering	\$18,564
<i>Total</i>	<i>\$58,320</i>
<u>2nd quarter</u>	
Legal	\$56,819
Engineering	\$32,570
<i>Total</i>	<i>\$89,389</i>
<u>3rd quarter</u>	
Legal	\$184,348
Engineering	\$76,990
<i>Total</i>	<i>\$261,338</i>
<u>4th quarter</u>	
Legal	\$78,814
Engineering	\$81,200
<i>Total</i>	<i>\$160,014</i>
<i>Annual Total</i>	<i>\$569,061</i>

Water Court Cases Update

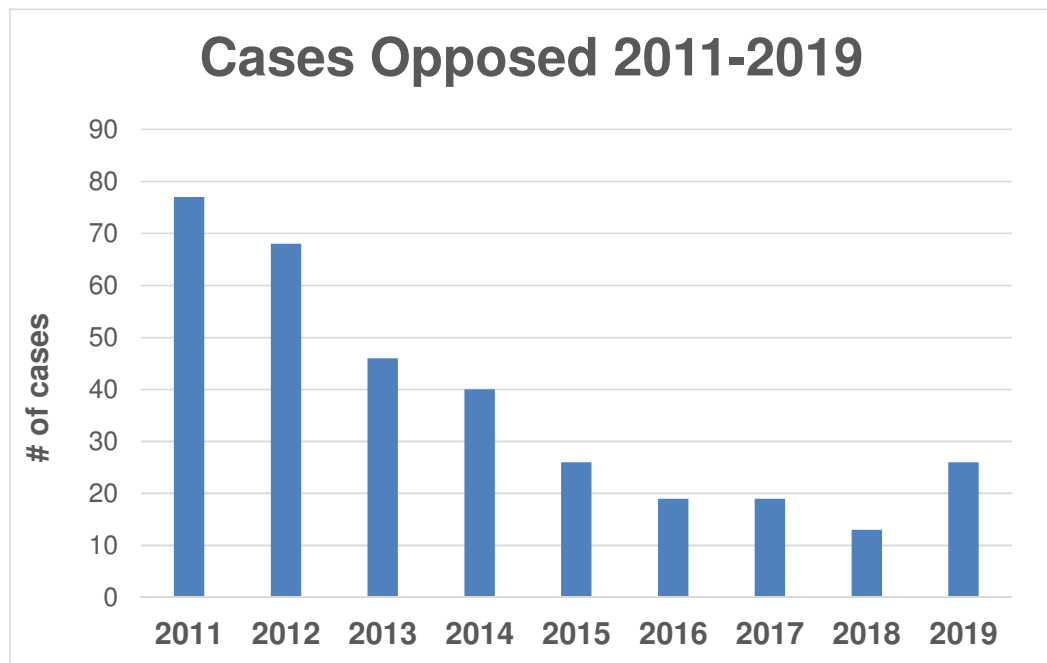
Jen Petrzelka, Water Resources Operations Manager

January 15th, 2020



Statements of Opposition

- Since October filed 7 SOO, stipulated to 2 cases
- Number of cases Greeley is an opposer: 26
- Double the cases at the end of 2018



Greeley as Applicant

- ***Leprino (17CW3020)***
 - Quantification of reusable dairy bi-product water and appropriative rights of substitution and exchange
 - 14 opposers, 1 entry of appearance
 - 13 opposers stipulated
 - Trial set for July 2020
 - Filed Motion for Determination of Law in November
 - Central's expert disclosures due March 2nd.



Greeley as Applicant

Linn Grove Cemetery Diligence (19CW3164)

- Filed application on August 28
- Conditional groundwater rights, storage rights and exchange rights
- Seeking absolute claims for:
 - 36.9 gpm pumping rate decreed to Well B
 - 0.05 acre-feet storage into Linn Grove Pond No. 1
 - 5.6 acre-feet storage into Linn Grove Pond No.2
- 1 Opposer (Cache la Poudre Water Users Association)
- Circulated decree January 10th



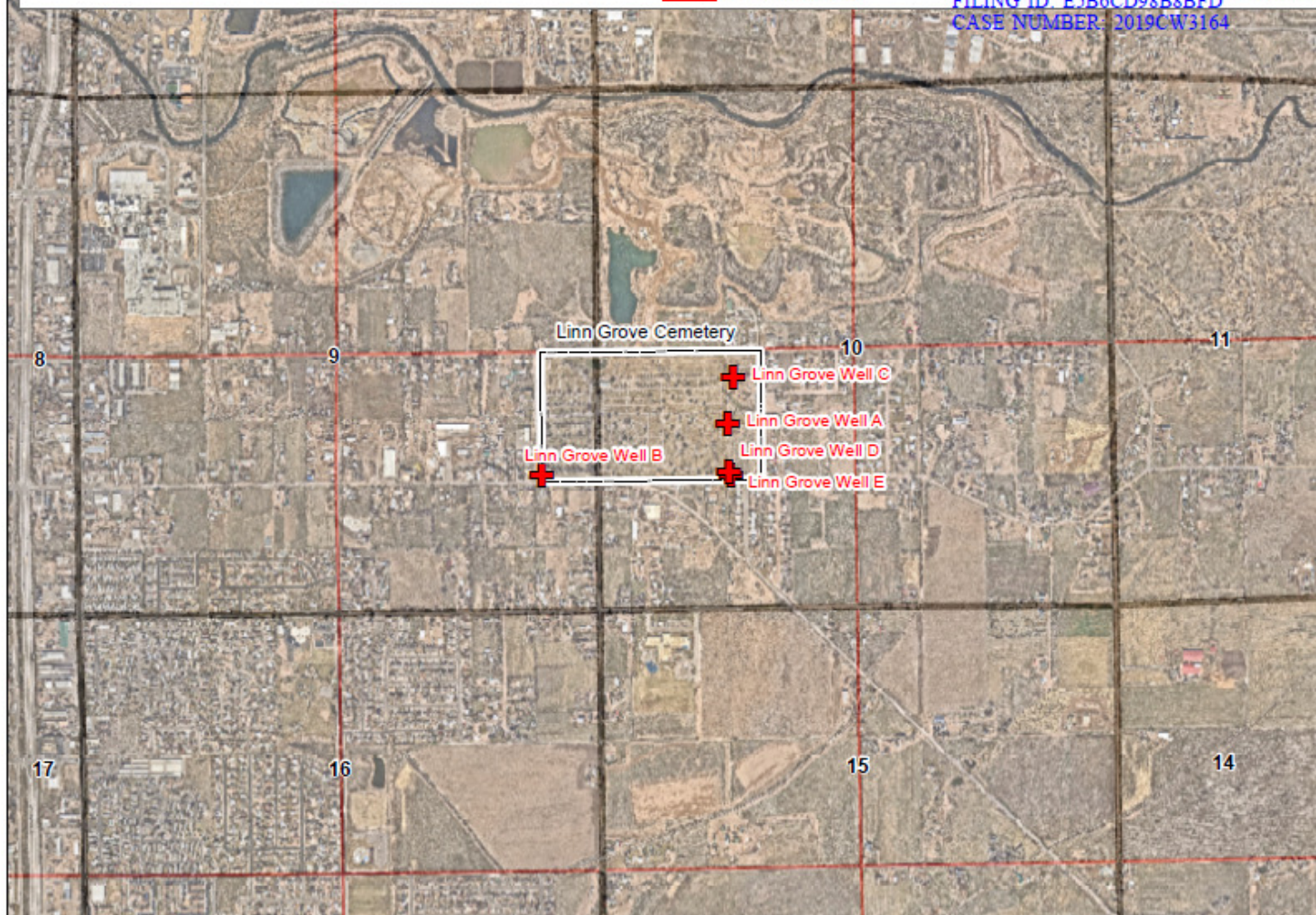


Linn Grove Cemetery
Locations in Township 5N, Range 65W

- 11CW60 Wells
- Sections
- Quarter Sections

0 1,500 3,000 Feet

DATE FILED: August 28, 2019 2:42 PM
FILING ID: E5B6CD98B8BFD
CASE NUMBER: 2019CW3164

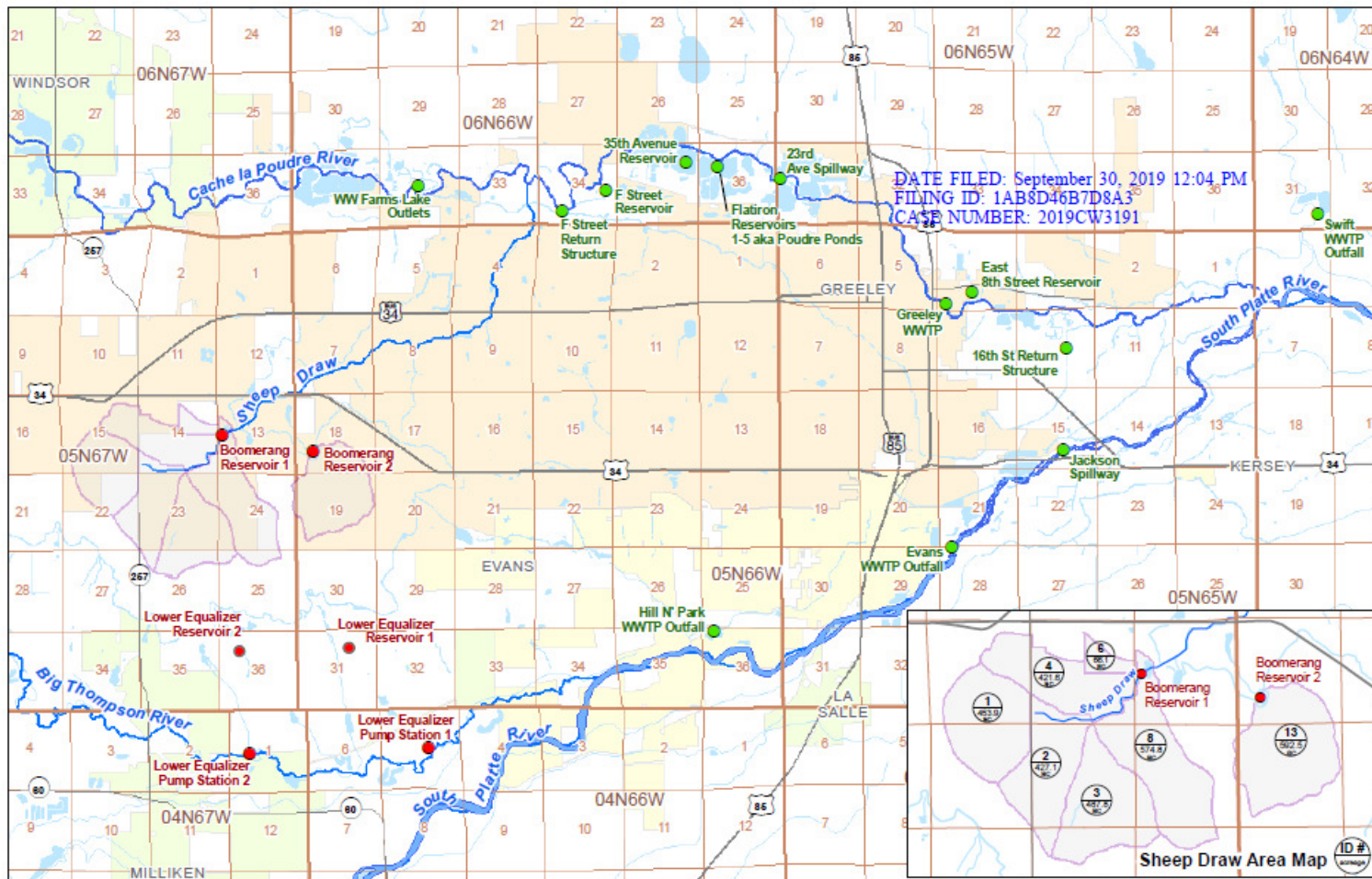


Greeley as Applicant

Lower Equalizer Diligence (19CW3191)

- Conditional surface rights, storage rights and exchange rights
- Not seeking absolute claims in this application
- 1 Opposer (Central)
- Preparing draft decree for circulation





Location Map

Exhibit A



Date: 4/23/10
 File: 06CW326ExchangePoints_Figure1.mxd
 By: GIS program, jmtm

Exchange Points

- Exchange To
- Exchange From

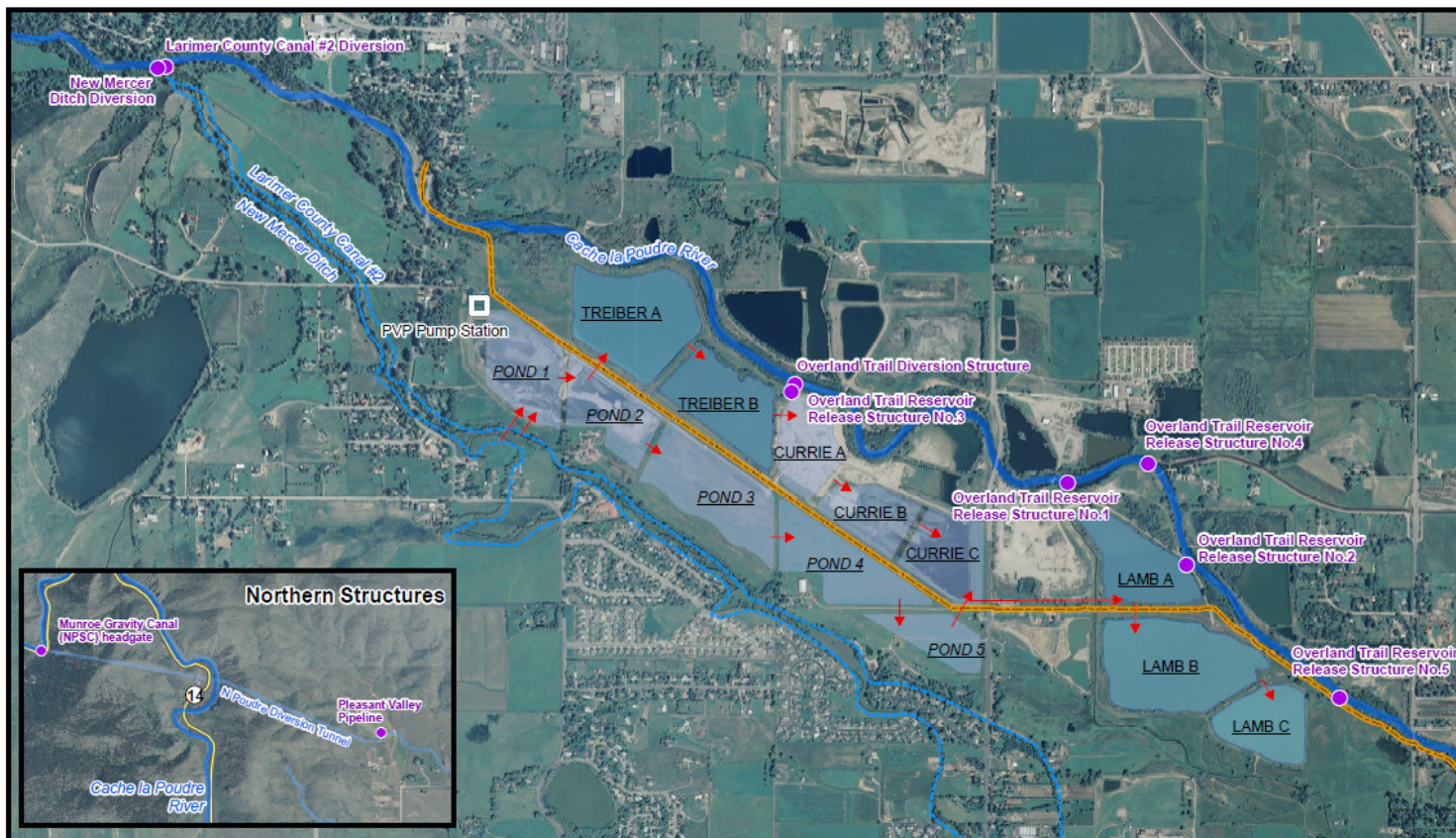
- Township Line
- Section Line
- Contributing Sheep Draw Sub-basins

Greeley as Applicant

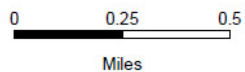
Overland Ponds Diligence (19CW3239)

- Filed application December 31st
- Conditional storage rights and exchange rights
- Seeking absolute claims for:
 - 18.6 cfs diversion rate
 - 283.58 acre-feet storage
- Statements of Opposition due February 29





Overland Trail Ponds and Associated Structures



By: Greeley GIS, jmt
Date: 1/3/2013
File: OverlandPonds2013
2009 NAIP Aerial Imagery

Legend

- Cache la Poudre River
- Poudre River Trail
- Proposed Overland Trail Reservoirs / Gravel Pits
- Fill Sequence
- Approximate Location of Structures of Interest in Case No. 00CW251

Legal & Engineering Expenses

2019 Costs to date

Legal	\$ 359,737
Engineering	\$ 209,323
Total	\$ 569,060

This is 98% of the \$579,725 spent in 2018



A decorative wavy line in a light beige color spans the top of the slide.

Questions?



WATER & SEWER BOARD AGENDA JANUARY 15, 2020

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 8

TITLE: EXECUTIVE SESSION

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

- Matters Related to Potential Acquisition of Water Storage
- Matters Related to Alm Farm

WATER & SEWER BOARD AGENDA JANUARY 15, 2020

ENCLOSURE X

NO ENCLOSURE

ITEM NUMBER: 9

TITLE: PURCHASE AND SALE AGREEMENT FOR
 ALM FARM

RECOMMENDATION: APPROVE ALM PURCHASE AND SALE
AGREEMENT

ADDITIONAL INFORMATION:

Staff recommends that the Water and Sewer Board approve the enclosed Purchase and Sale Agreement for water rights and land with the Alm Family (Carl Alm, Wayne Alm and Susan M. Johnson). The Agreement contemplates Greeley's purchase of 4 shares of Windsor Reservoir and Canal Company, 3 shares of Larimer and Weld Irrigation Company, 8 shares of the Owl Creek Supply and Irrigation Company (carriage right), and 142+/- acres of land. The total purchase price is \$2,100,000.00.

PURCHASE AND SALE AGREEMENT

(Alm)

This PURCHASE AND SALE AGREEMENT ("this Agreement") is made and entered into by and between SUSAN M. JOHNSON ("Susan"), CARL A. ALM ("Carl"), and WAYNE A. ALM ("Wayne"), in their joint individual capacities (collectively referred to as "Sellers"), and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation ("City" or "Greeley").

RECITALS

A. Sellers own the parcel of real property, consisting of approximately 142.38 acres of land (the acreage is approximate and is not guaranteed by Sellers), which is located in the South 1/2 of Section 11, Township 6 North, Range 65 West of the 6th P.M., in Weld County Colorado, and which is more particularly described on Exhibit A (the "Land").

B. Sellers also collectively own one (1) share of The Windsor Reservoir and Canal Company represented by Stock Certificate No. 802, three (3) shares of The Larimer & Weld Irrigation Company represented by Stock Certificate No. 6408, and eight (8) shares of The Owl Creek Supply & Irrigation Company represented by Stock Certificate No. 2006. Additionally and separately, Susan owns one (1) share of The Windsor Reservoir and Canal Company represented by Stock Certificate No. 609, Carl owns one (1) share of The Windsor Reservoir and Canal Company represented by Stock Certificate No. 608, and Wayne owns one (1) share of The Windsor Reservoir and Canal Company represented by Stock Certificate No. 803. The aforementioned shares shall be jointly referred to as the "WRCC-LWIC-Owl Rights." The WRCC-LWIC-Owl Rights have historically been used to irrigate the Land.

C. Sellers wish for Carl, Tanner A. Alm, Trevor A. Alm, and Tyler R. Alm ("ROFR Parties") to hold a limited right of first refusal over the Land for fifty (50) years after the Closing Date (defined below), as more fully provided hereinafter.

D. The parties desire to set forth the terms and conditions by which the Sellers will sell and Greeley will purchase the Land and the WRCC-LWIC-Owl Rights, together with all other appurtenant property rights and water rights associated therewith, as more fully provided hereinafter.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Sellers and Greeley agree as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

1.1 "Land" is the real property referenced in Recital A above and legally described on Exhibit A, attached hereto and incorporated herein by reference.

1.2 "Effective Date" is the date upon which the Sellers and Greeley have executed this Agreement.

ARTICLE 2 SALE OF PROPERTY

The Sellers agree to sell, and Greeley agrees to buy, on the terms and conditions set forth in this Agreement, the "Property" defined in this Article 2. Except as excluded in Section 2.6 below, the Property shall include, and the Sellers shall convey to Greeley at "Closing" (defined below), the following:

2.1 Land. The Land, together with all rights, title and interest of the Sellers in and to all reversions, remainders, easements, rights of way, appurtenances, licenses, tenements and hereditaments appertaining to or otherwise benefiting or used in connection with the Land or the "Improvements" (defined below) located thereon.

2.2 Improvements. All existing improvements and structures located on the Land; and all fences, gates, plants, trees, landscaping, irrigation systems, and any other improvements, if any, upon, over or under the Land (the "Improvements").

The Land and the Improvements are sometimes hereinafter jointly referred to as the "Real Estate."

2.3 Water Rights. The water rights and related interests to be conveyed hereunder include the following:

A. The WRCC-LWIC-Owl Rights described in Recital B above, represented by Stock Certificate Nos. 802, 6408, 2006, 609, 608, 803, together with the water and water rights, ditches and ditch rights, reservoirs and reservoir rights, easements, and any other assets and interests represented by the WRCC-LWIC-Owl Rights.

B. All rights, title, and interest of the Sellers in and to any and all other water, water rights, ditches, ditch rights, wells, well rights, well permits, carriage rights, reservoirs and reservoir rights, and related rights and interests appurtenant to, or used on or in connection with the Real Estate, whether tributary, nontributary or not nontributary. The water rights covered by this provision shall also include all rights, title, and interest of the Sellers in and to any and all lateral ditches, easements, rights of way, and entitlements appurtenant to or used in connection with the Land and the WRCC-LWIC-Owl Rights.

C. Everything described in this Section 2.3 and to be transferred to Greeley is referred to as the "Transferable Water Rights."

2.4 Permits, Licenses, Etc. All rights, title, and interest of the Sellers, without warranty of any type, in and to all governmental permits, licenses, certificates, and authorizations relating to the construction, development, use, or operation of the Property.

2.5 Other Rights. Any and all other rights, privileges and appurtenances owned by the Sellers, without warranty of any type, which relate to or are used in connection with the Property to the extent they are assignable.

2.6 Exclusions. Notwithstanding the provisions of Section 2.5, the Property does not include, and the Sellers expressly except and reserve, the following:

A. All rights, title, and interest of the Sellers in and to all oil and gas, sand, rock, gravel, coal, phosphate, uranium, precious metals, and other minerals located in, on, or under the surface of the Property and that may be produced from the Property, and any and all leases related thereto, together with the rights of ingress and egress as necessary to explore for, mine, and remove such oil, gas, and other minerals (the "Reserved Mineral Rights").

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price. The total purchase price for the Property is two-million, one-hundred thousand dollars (\$2,100,000.00) ("Purchase Price"). The Purchase Price is payable as follows:

3.2 Deposit and Release of Deposit. Within fourteen (14) days following the Effective Date, Greeley shall cause the amount of twenty-five thousand dollars (\$25,000.00) ("Deposit") to be deposited with Land Title Guarantee Company, 772 Whalers Way, Suite 100, Fort Collins, Colorado (title officer: Heidi Crue; closer: Donna Manci) ("Title Company"). The Deposit shall be held by the Title Company in a federally insured account to be credited toward the Purchase Price. The Deposit shall be refundable to Greeley at any time prior to the expiration of the "Inspection Period" (defined below) if Greeley is not satisfied with the Property, and shall be subject to return to Greeley upon termination of this Agreement by Greeley pursuant to Section 3.5, Section 4.4, Article 5, Section 6.1, Section 8.8, Section 11.3 and Article 12 below. Except as set forth in the preceding sentence, the Deposit shall be non-refundable to Greeley.

3.3 Interest. Unless otherwise agreed to by Sellers and Greeley, the Title Company is not required to hold the Deposit in an interest-bearing account.

3.4 Payable at Closing. The Purchase Price (i) minus the Deposit; (ii) plus any other amounts required to be paid by Greeley at Closing; and (iii) plus or minus any prorations or credits, shall be paid at Closing by wire transfer of immediately available funds.

3.5 Appraisal. Within fourteen (14) days after the Effective Date, Greeley shall request an appraisal of the Property to confirm that the Property's valuation is equal to or greater than the Purchase Price. The cost of the appraisal shall be paid for by Greeley. If the Property's valuation is less than the Purchase Price, then Greeley has the sole option and election to terminate this

Agreement. Upon termination of this Agreement by Greeley pursuant to this Section 3.5, and except as otherwise provided herein, the Deposit shall be returned to Greeley and neither the Sellers nor Greeley shall have any further obligation or liability to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

ARTICLE 4 TITLE

4.1 Title Commitment. Within the time periods set forth below, the Sellers shall provide to Greeley for its review the following:

A. Within fourteen (14) days after the Effective Date, a commitment for an owner's policy of title insurance ("Title Commitment"), issued by the Title Company covering the Land and indicating the Title Company's willingness to issue to Greeley at Closing the "Title Policy" (defined below) in the amount of the Purchase Price, with such Title Commitment setting forth the status of title to the Land and showing all liens, claims, encumbrances, easements, rights of way, encroachments, reservations, restrictions and other matters of record affecting title to the Land. The amount of the Title Insurance Commitment may be updated after appraisal.

B. Within fourteen (14) days after the Effective Date, copies of all recorded documents referred to in the Title Commitment as exceptions to title to the Land ("Title Documents").

C. Within fourteen (14) days after the Effective Date, to the extent the same are in the Sellers' possession, copies of all (i) governmental permits, licenses, certificates, and authorizations relating to the construction, development, use or operation of the Property; (ii) well permits relating to the exposure of groundwater to evaporation and/or consumption, together with any substitute water supply plans describing methods used to replace evaporative and consumptive groundwater losses; (iii) documents relating to the title, use, quantity, quality, and condition of the Transferable Water Rights, including, but not limited to, any deeds or other conveyances, assignments, permits, adjudications, or court orders, any testing reports, the Sellers' actual Stock Certificates for the WRCC-LWIC-Owl Rights, records regarding electrical use and crop and livestock production, and any records provided to or maintained by The Windsor Reservoir and Canal Company, The Larimer & Weld Irrigation Company, and The Owl Creek Supply & Irrigation Company concerning the WRCC-LWIC-Owl Rights, including without limitation, share certificate records, delivery records, and assessment records (or, in the alternative, the Sellers shall exercise reasonable diligence to obtain for Greeley the right to inspect and copy such records); (iv) material and current contracts or other agreements relating to the operation, maintenance, or leasing of the Property or any portion thereof; and (v) other material agreements affecting the Property which are not included in the Title Documents provided by the Title Company.

4.2 ALTA/ACSM Land Title Survey. Not less than fourteen (14) days prior to the expiration of the Inspection Period (defined below), Greeley shall have prepared a final ALTA/ACSM Land Title Survey of the Real Estate ("Survey") containing the Minimum Standard Detail Requirements required by the Title Company to delete preprinted standard Title Exceptions 1 through 5 in the Title Commitment, which Survey shall be certified to the Sellers, Greeley, and

the Title Company. Promptly after receipt thereof, Greeley shall provide a copy of the Survey to the Sellers.

4.3 Condition of Title. At Closing, title to the Property shall be delivered to Greeley, and Greeley agrees to accept such title free and clear of all liens and encumbrances, subject only to each of the following ("Permitted Exceptions"):

A. All covenants, easements, agreements, restrictions, and other recorded documents set forth in the Title Commitment, except for mortgages, mechanic's liens, and other financial encumbrances, which shall be discharged by the Sellers at Closing.

B. General property taxes for the year of Closing, provided that such taxes shall be prorated to the "Closing Date" (defined below).

C. Any state of facts as may be shown on the Survey.

D. Any matters created by or through Greeley.

4.4 Vesting of Title. At Closing, the Sellers shall convey fee simple title to: (1) the Real Estate to Greeley by Special Warranty Deed, free and clear of all liens and encumbrances, subject only to the Permitted Exceptions and (2) the Transferable Water Rights to Greeley by Special Warranty Deed, free and clear of all liens and encumbrances. As aforesaid, the Property does not include, and the Special Warranty Deed for the Real Estate shall except and reserve to the Sellers, the Reserved Mineral Rights. If the Sellers or the Title Company gives Greeley notice of a title exception that is not a Permitted Exception and that arose subsequent to the execution of this Agreement, or was not disclosed in the Title Commitment, then Greeley shall disapprove of such exceptions, if at all, by giving written notice of objection to the Sellers within fourteen (14) days after receiving notice from the Sellers or the Title Company. Any such exception not objected to in writing within such fourteen (14) day period shall be deemed an additional Permitted Exception. The Sellers may elect (but shall not be obligated) to remove, or cause to be removed at their expense, any such disapproved exceptions (collectively, "Disapproved Matters") or, with Greeley's approval, the Sellers may elect (but shall not be obligated) to obtain title insurance insuring against the effect of the Disapproved Matters. The Sellers shall notify Greeley in writing within seven (7) days after receipt of Greeley's notice of Disapproved Matters if the Sellers elect to remove or obtain insurance for such matters. If the Sellers fail or are unable to remove or (with approval of Greeley) cause the Title Company to endorse over any such Disapproved Matters prior to Closing, or if the Sellers elect not to remove one or more Disapproved Matters, or if Greeley does not approve endorsing over such matter, Greeley may, upon seven (7) days' prior written notice to the Sellers, elect to terminate this Agreement. Upon termination of this Agreement and except as otherwise provided herein, the Deposit shall be returned to Greeley and neither the Sellers nor Greeley shall have any further obligation or liability to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

4.5 Title Insurance. As soon as practicable at or after Closing, the Title Company shall issue to Greeley an ALTA owner's form of title insurance policy, insuring that fee simple title to the Real Estate is vested in Greeley subject to the Permitted Exceptions ("Title Policy"). Greeley shall be entitled to request that the Title Company delete preprinted standard Title Exceptions 1

through 5 from the Title Policy, the cost thereof to be paid for by the Sellers, and any other endorsements to the Title Policy as Greeley may reasonably require, provided that such other endorsements shall be at Greeley's sole cost and expense and at no cost or additional liability to the Sellers and that Closing shall not be delayed as a result of Greeley's request.

ARTICLE 5 INSPECTION PERIOD

5.1 Inspection Period. During the period which commences upon the Effective Date and continues until and including 4:00 p.m., Mountain Time, on Wednesday, March 18, 2020 ("Inspection Period"), Greeley and its authorized agents, representatives, and consultants shall be entitled to enter upon and into the Real Estate at all reasonable times to inspect the Real Estate for the purpose of making surveys, soils tests, permeability tests, test borings, engineering tests, environmental audits and tests, feasibility studies, and any other inspections, investigations, or analyses Greeley deems necessary or appropriate in connection with its intended acquisition, use, and development of the Property. Greeley shall bear the costs of all such inspections and tests. The Sellers agree to reasonably cooperate with any such inspections, investigations, and surveys or studies made by or at Greeley's direction so long as such cooperation is at no material expense to the Sellers.

5.2 Inspection. Greeley and its authorized agents, representatives, and consultants shall (i) not unreasonably interfere with the operation and maintenance of the Real Estate; (ii) shall comply with any reasonable requirements imposed upon them in connection with such inspection; (iii) shall not injure or otherwise cause bodily harm to the Sellers, their agents, contractors or employees; (iv) shall promptly pay when due the costs of all tests, investigations, and examinations done with regard to the Real Estate; (v) shall not permit any liens to attach to the Real Estate by reason of the exercise of its rights hereunder; and (vi) shall restore the Real Estate as nearly as practicable to substantially the same condition in which the Real Estate was found before any such investigations or tests were undertaken. Notwithstanding any provision of this Agreement to the contrary, no termination of this Agreement shall terminate Greeley's obligations pursuant to Section 5.2(vi).

5.3 Termination due to Inspection. If during the Inspection Period, Greeley, for any reason, in Greeley's sole discretion, judgment, and opinion, disapproves of or is dissatisfied with any aspect of the Property or its investigations relating thereto, Greeley shall be entitled to terminate this Agreement by giving written notice to the Sellers on or before the expiration of the Inspection Period. Upon termination of this Agreement prior to the expiration of the Inspection Period, and except as otherwise provided herein, the Deposit shall be returned to Greeley and neither the Sellers nor Greeley shall have any further obligation or liability to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

If written notice of termination is not given by Greeley to the Sellers prior to the expiration of the Inspection Period, the Deposit shall not be refunded to Greeley if, for any reason other than as a result of a default by the Sellers or pursuant to Section 3.5, Section 4.4, Section 6.1, Section 8.8, Section 11.3 or Article 12, the Closing of this transaction does not occur. The Title Company

shall be authorized to release the Deposit to the Sellers after the expiration of the Inspection Period.

5.4 Continuing Inspections. Following the Inspection Period, Greeley shall continue to be authorized to enter upon the Real Estate at all reasonable times and subject to the terms and conditions of Section 5.2.

ARTICLE 6 CLOSING CONTINGENCIES; CLOSING

6.1 Closing Contingencies. The obligation of Greeley to purchase the Property is subject to satisfaction of the following contingencies, either or both of which may be waived by Greeley at its option:

A. Appraisal. The Property's valuation being equal to or greater than the Purchase Price. In the event that the Property is appraised for less than the Purchase Price and the difference between the valuation of the Property and the Purchase Price is not approved by the Greeley Water and Sewer Board a minimum of seven (7) days prior to the Closing Date, then, in such event, upon written notice by Greeley to the Sellers, this Agreement shall terminate, whereupon the Deposit shall be returned to Greeley and neither party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

B. Farm Lease. The parties agreeing to the specific terms of the "Farm Lease" (defined below) in accordance with Section 6.4 at or before Closing. In the event that the parties do not agree to the specific terms of the Farm Lease prior to the Closing Date, then, in such event, this Agreement shall automatically terminate, whereupon the Deposit shall be returned to Greeley and neither party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

6.2 Closing. The closing of this transaction ("Closing" or "Closing Date") shall occur at 1:30 p.m. at the offices of the Title Company on the first business day which is at least fourteen (14) days after the expiration of the Inspection Period, or at such other reasonable time, date, or location as the parties may mutually agree. A representative of the Title Company shall attend the Closing and shall provide closing and settlement services.

6.3 Transactions at Closing. On the Closing Date:

A. The Sellers shall deliver or cause to be delivered to Greeley the following documents duly executed and acknowledged where appropriate:

(1) A Special Warranty Deed conveying the Real Estate to Greeley free and clear of all liens and encumbrances, and subject only to the applicable Permitted Exceptions.

(2) An assignment, without warranty of any type, of the Sellers' right, title and interest in and to all governmental permits, licenses, certificates, and authorizations relating to the construction, development, use, or operation of the Real Estate.

(3) A Special Warranty Deed conveying title to the Transferable Water Rights to Greeley free and clear of all liens and encumbrances.

(4) The original stock certificates for the WRCC-LWIC-Owl Rights, together with all other documents necessary to transfer the WRCC-LWIC-Owl Rights, including an assignment of the WRCC-LWIC-Owl Rights in a form and manner acceptable to The Windsor Reservoir and Canal Company, The Larimer & Weld Irrigation Company, and The Owl Creek Supply & Irrigation Company.

(5) An assignment, without warranty of any type, of all other rights, privileges, and appurtenances owned by the Sellers which relate to or are used in connection with the Property to the extent that they are assignable.

(6) Certificates of non-foreign status to confirm that Greeley is not required to withhold part of the Purchase Price pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, together with any certificates required pursuant to Colorado law.

(7) A mechanic's lien affidavit in favor of the Title Company in a form sufficient for the Title Company to delete preprinted standard Title Exceptions 1 through 5.

(8) The Farm Lease in accordance with Section 6.4 below.

(9) Such other documents as may be reasonably necessary and appropriate to complete the Closing of the transaction contemplated herein, which may include, but are not limited to, the certification contemplated under Section 8.8 and a Bill of Sale warranting title to the Improvements.

B. Greeley shall deliver to the Sellers the following:

(1) The Purchase Price, subject to credits and adjustments as herein provided, and such additional sums as are necessary to pay Greeley's share of closing costs, prorations and any fees as more particularly set forth herein.

(2) Documentation in such form as may be satisfactory to the Sellers and the Title Company, evidencing Greeley's full authority and capacity to purchase the Property.

(3) A mechanic's lien affidavit in favor of the Title Company in a form reasonably acceptable to Greeley.

(5) The Farm Lease in accordance with Section 6.4 below.

(6) Such additional documents as may be reasonably necessary and

appropriate to complete the Closing of the transaction contemplated herein.

6.4 Farm Lease. Sellers shall have the right to lease from Greeley the WRCC-LWIC-Owl Rights and the water attributable thereto (the "Leased Water Rights"), as well as the Real Estate for an initial term of fifteen (15) years, with the option to renew for two (2) consecutive five (5) year terms, after Closing, subject to the Greeley City Charter Section 17-4(c). Sellers and Greeley agree to negotiate in good faith to enter into a lease agreement (the "Farm Lease") for all or any one of Sellers' continued use of the Leased Water Rights and the Real Estate in satisfaction of this provision at or before Closing. The Farm Lease shall obligate Sellers to irrigate the Land using, and to continue to maintain in good working order, a center pivot irrigation system. In the event the parties do not reach a mutual agreement regarding the leaseback of the Leased Water Rights and Real Estate, this Agreement and Sellers' right to lease, as described above, shall immediately terminate.

ARTICLE 7 PRORATIONS; CLOSING COSTS

7.1 Prorations. All real estate taxes attributable to the Real Estate for the calendar year in which the Closing occurs shall be prorated at the Closing on the basis of the most recent mill levy for the Real Estate and the current assessed value for the Real Estate, unless the actual real estate taxes for the current year are known on the Closing Date. Annual assessments on the WRCC-LWIC-Owl Rights shall be prorated in accordance with local practice. Any special assessments against the Real Estate shall be paid in full by the Sellers at the time of Closing. Prorations of taxes and assessments at Closing shall be a final settlement.

7.2 Closing Costs. Greeley shall pay for the cost of recording of all of the deeds, all title insurance endorsements (excluding the cost for deletion of preprinted standard Title Exceptions 1 through 5) and one-half (½) of the Title Company closing fee. Greeley shall also pay the transfer fees for the WRCC-LWIC-Owl Rights. The Sellers shall pay the basic premium for the Title Policy, the cost for deletion of preprinted standard Title Exceptions 1 through 5 and one-half (½) of the Title Company closing fee. Each party shall pay its own attorneys' fees.

7.3 Utilities. Utilities, if any, serving the Real Estate shall be prorated between the parties to the Closing Date.

ARTICLE 8 GENERAL REPRESENTATIONS AND WARRANTIES OF SELLERS

The Sellers represent and warrant to Greeley as follows:

8.1 Encumbrances. From the Effective Date until the Closing, and except for the Permitted Exceptions, the Sellers shall not encumber the Property or any interest in any way nor grant any property or contract right relating to the Property or any other interests without the prior written consent of Greeley.

8.2 Compliance with Governmental Regulations. To the best of the Sellers' current

actual knowledge, there are no orders or directives of any city, county, state, or federal authority, for repairs, maintenance work, or improvements to be performed on the Real Estate. The Sellers have received no written notice from any municipal, state, or other statutory authority relating to defects in any improvements, or non-compliance with any building code or restriction, applicable to the Property that has not been corrected, or any written notice of or impending expropriation or condemnation of the Property.

8.3 Litigation. To the best of Sellers' current actual knowledge, there is no dispute, action, administrative or legal proceeding, or litigation pending or threatened respecting the ownership or use of the Property or other interests related thereto.

8.4 Contracts, Leases and Agreements. From the Effective Date until the Closing, unless accepted by Greeley in writing, the Sellers shall not enter into any contracts, leases, licenses, commitments, or undertakings respecting the use or maintenance of the Property or the performance of services on or relating to the Property by which Greeley would be obligated or liable to any third party.

8.5 Status. The Sellers have all requisite legal power and authority to own and convey the Property and other interests and perform all of the terms of this Agreement.

8.6 Compliance with Law. To the best of the Sellers' current actual knowledge, the Sellers have complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments, and decrees applicable to the Property, and the Sellers have no current actual knowledge of any proposed order, judgment, decree, governmental taking, or other proceeding applicable to the Sellers which might adversely affect the Property.

8.7 Zoning. The Sellers have not requested, applied for, or given their consent to, and to the best of the Sellers' current actual knowledge, there are no pending requests for, zoning variances or changes with respect to the Real Estate or its zoning.

8.8 Duty to Disclose. Until Closing, the Sellers shall disclose to Greeley in writing any conditions or events that arise or occur subsequent to the Effective Date that become known to the Sellers and which contradict or modify any representation or warranty of the Sellers set forth herein. In the event that prior to Closing, Greeley obtains knowledge contrary to the Sellers' representations and warranties, Greeley shall promptly notify the Sellers of the same. Greeley's sole remedies in the event of a breach of any representation or warranty by the Sellers known to Greeley before the Closing shall be to either terminate this Agreement and receive a refund of the Deposit or to proceed with the Closing, in which case the Sellers shall have no liability for such breach. In further clarification, Greeley shall not have the right to make a claim against the Sellers under any representation or warranty of the Sellers to the extent that, prior to Closing, Greeley became aware that the representation or warranty was not accurate and Greeley elected to complete the Closing. At Closing, the Sellers shall certify to Greeley in writing that all representations and warranties of Sellers as set forth in this Article 8 are true and correct as of the Closing Date except as amended or modified by facts or circumstances discovered by the Sellers subsequent to the Effective Date and disclosed to Greeley as provided herein. Except as otherwise provided herein, the Sellers' representations and warranties in this Article 8 shall survive the Closing for a period

of one year after the Closing Date.

ARTICLE 9 COVENANTS

Continuing Covenants of Sellers: Water Rights Adjudication. The parties acknowledge and agree that changes of water rights and/or other water rights adjudications may be necessary to allow Greeley use of the Transferable Water Rights for municipal and other uses. Unless this Agreement is terminated pursuant to the provisions herein, the Sellers agree that they shall not oppose, but shall cooperate with Greeley, in all reasonable respects, in any actions filed in Water Court or administrative or other proceedings for approval of Greeley's use of the Transferable Water Rights. The Sellers' obligations pursuant to this Section 9.1 shall survive the Closing.

ARTICLE 10 ENVIRONMENTAL CONDITIONS

10.1 Definitions. For purposes of this Article 10, the following terms shall have the following meanings:

A. "Environment" means any water or water vapor, land surface or subsurface, air, fish, wildlife, biota, and all other natural resources.

B. "Environmental Laws" means all federal, state, and local environmental, land use, zoning, health, chemical use, safety, and sanitation laws, statutes, ordinances, and codes relating to the protection of the Environment or governing the use, storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substance (defined below) and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state, and local government agencies and authorities with respect thereto.

C. "Environmental Permits" means all permits, licenses, approvals, authorizations, consents or registrations required by any Environmental Laws in connection with the ownership, use, or operation of the Property for the storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substance or the sale, transfer or conveyance of the Land.

D. "Hazardous Substance" means, without limitation, any toxic, corrosive, or flammable materials, explosives, radon, radioactive materials (including naturally occurring radioactive materials ["NORM"] that have been concentrated by industrial or commercial processes), asbestos, urea formaldehyde foam insulation, oil, gas, and other petroleum products, polychlorinated biphenyls, methane pollutants, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, including those defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.) ("CERCLA"), the Clean Water Act, as amended (33 U.S.C. Section 1251 to 1387), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the

Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), and any other applicable Environmental Law and regulations adopted thereunder.

E. "Release" has the meaning given to that term in CERCLA and the regulations promulgated thereunder.

10.2 Environmental Representations and Warranties. The Sellers represent and warrant to Greeley, to the Sellers' knowledge, as follows:

A. Other than fertilizers and pesticides used in connection with the use of the Property as a farm, the Land is not being and has not been used for the storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military, manufacturing, or industrial purposes or for the storage of petroleum or petroleum-based products.

B. No underground storage tanks for Hazardous Substances are, were, or will be located on, in or under the Land at any time prior to the Closing Date.

C. The soil, subsoil, bedrock, surface water, and groundwater of the Land are free of any Hazardous Substances.

D. Other than minor incidental spills of hydraulic or petroleum products from farm equipment or aboveground storage tanks, there has been no Release nor is there the threat of a Release of any Hazardous Substances on, at or from the Land, or any facilities located thereon, and the Sellers have not received any form of notice or inquiry from any federal, state or local government agency or authority, any operator, tenant, subtenant, licensee, or occupant of the Land or any other person with regard to a Release or the threat of a Release of any Hazardous Substances on, at or from the Land, or any facilities located thereon.

E. All required Environmental Permits have been obtained and are in full force and effect.

F. No event has occurred with respect to the Property which, with the passage of time, would constitute a violation of any currently applicable Environmental Law or non-compliance with any Environmental Permit.

G. There are no agreements, consent orders, decrees, judgments, license, or permit conditions or other orders or directives of any federal, state, or local court, governmental agency or authority relating to the past, present, or future ownership, use, operation, sale, transfer, or conveyance of the Property which require any change in the present condition of the Land or any work, repairs, construction, containment, clean up, investigations, studies, removal, or other remedial action or capital expenditures with respect to the Property.

H. There are no pending actions, suits, claims, or proceedings which could cause the incurrence of expenses or costs or which seek money damages, injunctive relief, remedial action or any other remedy that arise out of, relate to or result from (i) a violation or alleged

violation of any applicable Environmental Law or non-compliance or alleged non-compliance with any Environmental Permit, (ii) the presence of any Hazardous Substance or a Release or the threat of a Release on, at or from the Land or any facilities located thereon or (iii) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Property or the ownership, use, operation, sale, transfer, or conveyance thereof.

I. Sellers have not received notice that any treatment, storage or disposal facility, or any other place to which Hazardous Substances generated from the Land by the Sellers or their agent were transported, delivered, or came to be located (i) has been, or is now the subject of any Release or threatened Release; (ii) has been, or is now, subject to any threatened or pending federal, state, or local investigation relating to compliance with any Environmental Law; or (iii) has been, or is now, subject to any threatened or pending enforcement or remedial action.

J. There are no studies or surveys indicating the presence on the Land of any species listed as endangered or threatened pursuant to Section 4 of the Endangered Species Act (16 U.S.C. Section 1533).

10.3 Covenants. During their period of ownership of the Land, the Sellers covenant and agree to and with Greeley as follows:

A. The Sellers shall keep the Land free of all Hazardous Substances and shall not cause or permit the Land or any part thereof to be used for the management, storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substances.

B. The Sellers shall comply with all applicable Environmental Laws and shall obtain and comply with all Environmental Permits.

C. The Sellers shall not cause or permit any change to be made in the present or intended use of the Land which would (i) involve the management, storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substances or the use of the Land as a landfill or other waste disposal site or for military, manufacturing, or industrial purposes or for the storage of petroleum or petroleum-based products, (ii) violate any applicable Environmental Law, (iii) constitute non-compliance with any Environmental Permit, or (iv) increase the risk of a Release.

D. The Sellers shall promptly provide Greeley with a copy of all written notifications given or received with respect to any past or present Release or the threat of a Release on, at, or from the Land or any facilities located thereon.

E. The Sellers shall at all times allow Greeley and their officers, employees, agents, representatives, contractors and subcontractors, upon reasonable notice and at reasonable times, access to the Land for the purpose of ascertaining site conditions, including, but not limited to, subsurface conditions.

10.4 Survival of Environmental Representations, Warranties, and Covenants. The Sellers' environmental representations, warranties, and covenants under this Article 10 shall survive the Closing for a period of two years after the Closing Date.

10.5 Intentionally Deleted.

10.6 Sellers' Knowledge. Any representations or warranties made "to Sellers' knowledge," "Sellers' actual knowledge," or similar term shall not be deemed to imply any duty of inquiry. For purposes of this Agreement, the term Sellers' "knowledge" shall mean and refer only to the actual knowledge of Sellers, but shall not be construed to impose upon Sellers any duty to investigate the matter to which such actual knowledge or the absence thereof pertains, or to impose upon Sellers any individual personal liability, except for any liabilities related to the non-disclosure of such knowledge.

ARTICLE 11 CONDITIONS TO CLOSING; REMEDIES

11.1 Sellers' Conditions. The obligation of the Sellers to sell and convey the Property under this Agreement is subject to the satisfaction of the following conditions precedent or conditions concurrent (the satisfaction of which may be waived only in writing by the Sellers):

A. Delivery and execution by Greeley of all monies, items, and other instruments required to be delivered by Greeley to the Sellers.

B. All of the actions by Greeley contemplated by this Agreement shall have been completed.

C. There shall be no uncured default by Greeley of any of its obligations under this Agreement.

11.2 Greeley's Conditions. The obligation of Greeley to acquire the Property under this Agreement is subject to the satisfaction of the following conditions precedent or conditions concurrent (the satisfaction of which may be waived only in writing by Greeley):

A. Delivery and execution by the Sellers of all items and other instruments required to be delivered by the Sellers to Greeley.

B. All of the actions by the Sellers contemplated by this Agreement shall have been taken.

C. There shall be no uncured default by the Sellers of any of their obligations under this Agreement.

D. The Sellers' covenants, warranties, and representations made by the Sellers as specifically set forth herein shall be true and correct as of the Closing Date and shall not be deemed waived in the event Greeley shall elect to close pursuant to Section 11.3.A.(3) below.

11.3 Failure of Condition.

A. Except as set forth in subsection B below, in the event of a failure of any condition contained in Section 11.2, Greeley may in its sole discretion:

(1) Terminate this Agreement by notice to the Sellers, in which event: (a) all funds deposited by Greeley under this Agreement shall be immediately returned to Greeley; and (b) all documents deposited by Greeley or delivered to the Sellers by Greeley shall be immediately returned to Greeley, and all documents deposited by the Sellers or delivered to Greeley by the Sellers shall be immediately returned to the Sellers; or

(2) Greeley may waive such default or condition and close the transaction; or

(3) If the failure of condition consists of a default by the Sellers which can be cured by action within the reasonable control of the Sellers, Greeley may elect to treat this Agreement as being in full force and effect and Greeley shall have the right to specific performance or damages, or both.

B. In the event of a failure of any condition contained in Section 11.1 above, the Sellers may in their sole discretion:

(1) Terminate this Agreement by notice to Greeley, in which event the Sellers shall retain the Deposit as liquidated damages, as is further described in Article 13 below, and all documents deposited by Greeley or delivered to the Sellers by Greeley shall be immediately returned to Greeley, and all documents deposited by the Sellers or delivered to Greeley by the Sellers shall be immediately returned to the Sellers; or

(2) The Sellers may waive such default or condition and close the transaction.

ARTICLE 12 CONDEMNATION

If prior to Closing all or a "Material Part" (defined below) of the Real Estate is subject to a proposed taking by any public authority, the Sellers shall promptly notify Greeley of such proposed taking and Greeley may terminate this Agreement by notice to the Sellers within fourteen (14) days after written notice thereof. Upon termination of this Agreement and except as otherwise provided herein, the Deposit shall be returned to Greeley and neither the Sellers nor Greeley shall have any further obligation or liability to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement. If Greeley does not so terminate this Agreement, Greeley shall accept title to the Real Estate subject to the taking without a reduction in the Purchase Price and shall receive at Closing an assignment of all of the Sellers' rights to any condemnation award and Greeley shall have the sole right after the Closing to negotiate and otherwise deal with the condemning authority in respect of such matter. A "Material

Part" of the Real Estate for purposes of this Article 12 shall mean a portion that would have a material adverse effect on Greeley's use of the Property as determined by Greeley in its good faith judgment.

ARTICLE 13 LIQUIDATED DAMAGES

If Greeley defaults in any of its obligations under this Agreement, the Sellers' exclusive remedy shall be to terminate this Agreement and retain the amount of the Deposit described in Sections 3.2 and 3.3 ("Specified Sum"), as liquidated damages. THE SELLERS AND GREELEY ACKNOWLEDGE THAT THE SELLERS' DAMAGES WOULD BE DIFFICULT TO DETERMINE AND THAT THE SPECIFIED SUM IS A REASONABLE ESTIMATE OF THE SELLERS' DAMAGES.

ARTICLE 14 BROKERAGE

The Sellers and Greeley hereby warrant to each other that there are no real estate agents or other brokers or finders involved in this transaction who are entitled to receive a brokerage or finder's fee. The Sellers agree to indemnify Greeley and hold Greeley harmless from any loss, liability, damage, cost, or expense (including, without limitation, reasonable attorneys' fees) paid or incurred by Greeley by reason of any claim to any broker's, finder's or other fee in connection with this transaction by any third party claiming by, through, or under the Sellers, excluding, however, any party claiming through Greeley, its successors, or assigns. This obligation shall survive the Closing of this transaction.

ARTICLE 15 NOTICES

15.1 General Notice Provisions. Except as provided in Section 15.2, any notice or other communication given from Sellers to Greeley or Greeley to Sellers, relating to this Agreement, shall be in writing and shall be deemed to have been duly given: (i) on the date and at the time of delivery if delivered personally to the party to whom notice is given at the address specified below; (ii) on the date and at the time of delivery or refusal of acceptance of delivery if delivered or attempted to be delivered by a courier service to the party to whom notice is given at the address specified below; (iii) on the date of delivery or attempted delivery shown on the return receipt if mailed to the party to whom notice is to be given by first-class mail, sent by registered or certified mail, return receipt requested, postage prepaid and properly addressed as specified below; or (iv) on the date and at the time shown on the e-mail message, without any bounce-back reply indicating a failure to transmit the email:

If to the Sellers:

Susan M. Johnson
34426 WCR 45
Eaton, Colorado 80615

Telephone: 970-396-8097
Email: susan80615@slbbi.com

Carl A. Alm
36945 WCR 43
Eaton, Colorado 80615
Telephone: 970-371-3711
Email: alm151@aol.com

Wayne A. Alm
20842 WCR 76
Eaton, Colorado 80615
Telephone: 970-978-0361
Email: Waynealm65@gmail.com

If to Greeley:

Greeley Water and Sewer Department
Attn: Cole Gustafson, Water Resource Administrator II
1001 11th Ave, 2nd Floor
Greeley, CO 80631
Telephone: 970-350-9816
Email: Cole.Gustafson@Greeleygov.com

With a copy to:

Greeley City Attorney's Office
Attn: Environmental and Water Resources Practice Group
1100 10th Street, Suite 401
Greeley, Colorado 80631
Telephone: (970) 350-9757
Email: CityAttorney@Greeleygov.com

15.2 ROFR Notice Provisions. Any notice or other communication contemplated under Article 17 shall be in writing and shall be deemed to have been duly given (i) on the date and at the time of delivery if delivered personally to the party to whom notice is given at the address specified below; or (ii) on the date and at the time of delivery or refusal of acceptance of delivery if delivered or attempted to be delivered by an overnight courier service to the party to whom notice is given at the address specified below; or (iii) on the date of delivery or attempted delivery shown on the return receipt if mailed to the party to whom notice is to be given by first-class mail, sent by registered or certified mail, return receipt requested, postage prepaid and properly addressed as specified below; or (iv) on the date and at the time shown on the e-mail message, without any bounce-back reply indicating a failure to transmit the email:

If to the ROFR Parties:

Carl A. Alm
36945 WCR 43
Eaton, Colorado 80615
Telephone: 970-371-3711
Email: alm151@aol.com

Tanner A. Alm
1548 29th Ave
Greeley, Colorado 80631
Telephone: 970-381-8702
Email: tanneralm1996@gmail.com

Trevor A. Alm
1548 29th Ave
Greeley, Colorado 80631
Telephone: 970-371-6722
Email: eatonred117@aol.com

Tyler R. Alm
36945 WCR 43
Eaton, Colorado 80615
Telephone: 970-454-2185
Email: chelltyler@gmail.com

If to Greeley:

Greeley Water and Sewer Department
Attn: Cole Gustafson, Water Resource Administrator II
1001 11th Ave, 2nd Floor
Greeley, CO 80631
Telephone: 970-350-9816
Email: Cole.Gustafson@Greeleygov.com

With a copy to:

Greeley City Attorney's Office
Attn: Environmental and Water Resources Practice Group
1100 10th Street, Suite 401
Greeley, Colorado 80631
Telephone: (970) 350-9757
Email: CityAttorney@Greeleygov.com

15.3 Changes to Contact Information. The contact information provided above may only be changed upon written notice to either party in accordance with Section 15.1. Absent such

written notice, a party shall be deemed to have complied with any notice provision in this Agreement upon compliance with Sections 15.1 and 15.2 and the contact information listed therein.

ARTICLE 16
MISCELLANEOUS

16.1 No Waiver of Governmental Immunity/No Third Party Beneficiary. This Agreement shall not create any duty of care or liability with respect to any person or entity not a party to this Agreement, or waive any of the privileges or immunities Greeley or its officers, employees, successors and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as amended.

16.2 Sellers 1031 Exchange. At the request of the Sellers, Greeley shall cooperate with the Sellers in the achievement of a tax-deferred real estate exchange pursuant to Section 1031 of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. A material part of the consideration to the Sellers is Greeley's promise of cooperation. Greeley shall not be required to incur any additional liability or expense in connection with the Sellers' tax-deferred exchange transaction nor shall Greeley be required to accept title to any real property other than the Property described hereinabove.

16.3 Time. Time is of the essence as to each provision of this Agreement and the performance of each party's obligations hereunder.

16.4 Attorneys' Fees. If any legal action, arbitration, or other proceeding is commenced to enforce or interpret any provision of this Agreement or to enforce any indemnity, the prevailing party shall be awarded its attorneys' fees and expenses, in addition to any other relief granted. The phrase "prevailing party" shall include a party who receives substantially the relief desired whether by dismissal, summary judgment, judgment, or otherwise. This provision shall survive the termination of this Agreement.

16.5 No Waiver. No waiver by any party of the performance or satisfaction of any covenant or condition shall be valid unless in writing and shall not be considered to be a waiver by such party of any other covenant or condition hereunder.

16.6 Entire Agreement. This Agreement contains the entire agreement among the parties regarding the Property and supersedes all prior agreements, whether written or oral, among the parties regarding the same subject. This Agreement may only be modified by mutual written agreement duly authorized and executed by the parties.

16.7 Survival of Representations and Warranties. Except as otherwise provided in Articles 8 and 10, all representations, obligations, liabilities, warranties, covenants, agreements, and monetary obligations of the Sellers and Greeley as set forth in this Agreement shall survive the Closing and consummation of this transaction contemplated by this Agreement until the complete discharge thereof. All warranties of title set forth in any deed or assignment delivered or made hereunder shall survive without limit.

16.8 Successors. Subject to Section 16.9, this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

16.9 Assignment. Excepting Article 17, Sellers and Greeley shall have the right to assign all or any part of their interests in this Agreement and the Property as they shall determine without the prior written consent of the other party, provided that no such assignment shall relieve either of the parties from its respective obligations hereunder if such obligations are not properly discharged by the assignee of such party. In the event either of the parties shall elect to exercise their right of assignment as set forth in this Section 16.9, such party shall give not less than fourteen (14) days' prior written notice to the other party of such assignment and, without releasing the assignor from its liabilities hereunder, the assignee shall agree to assume and discharge any then remaining duties and obligations under this Agreement. Any purported assignment that does not comply with this Section 16.9, including but not limited to any purported assignment of the rights or obligations of Article 17, shall be null and void ab initio.

16.10 Relationship of the Parties. The parties acknowledge that neither party is an agent for the other party, and that neither party shall or can bind or enter into agreements for the other party.

16.11 Governing Law and Construction. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of Colorado. The parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

16.12 Possession. The Sellers shall deliver to Greeley possession of the Property on the Closing Date, subject to the Permitted Exceptions.

16.13 Review by Counsel. The parties acknowledge that each party and its legal counsel have reviewed and approved this Agreement.

16.14 Calendar Days. In the event any time period set forth in this Agreement commences, expires, or is determined from a date which falls on a Saturday, Sunday, or legal holiday of the State of Colorado, the date of such commencement, performance, expiration, or determination shall automatically be extended to the next day which is not a Saturday, Sunday, or legal holiday of the State of Colorado.

16.15 Counterparts. This Agreement may be executed in any number of counterparts each of which, when taken together, shall constitute one agreement.

16.16 Acceptance. Upon execution and delivery of this Agreement by the Sellers or Greeley, this Agreement shall constitute an offer to purchase the Property on the terms and conditions set forth herein. The foregoing notwithstanding, any party may revoke its execution and delivery at any time prior to the execution and delivery by the other party(ies), by delivering written notice.

ARTICLE 17
RIGHT OF FIRST REFUSAL

17.1 Right of First Refusal. During the period beginning on the Closing Date and ending at either fifty (50) years thereafter or at the death of the last surviving ROFR Party, whichever comes first, (the "ROFR Period"), Greeley shall not consummate any sale of the Land to any party other than the ROFR Parties (a "Third-Party Transaction") except in compliance with the terms and conditions of this Article 17.

17.2 Third Party Offer. If, at any time during the ROFR Period, Greeley receives a bona fide written offer for a Third-Party Transaction that Greeley desires to accept (each, a "Third-Party Offer"), Greeley shall, within thirty (30) days following receipt of the Third-Party Offer, notify the living ROFR Parties in writing (the "Offer Notice") of the identity of all proposed parties to such Third-Party Transaction and the material financial and other terms and conditions of such Third-Party Offer (the "Material Terms") including, without limitation, the purchase price, earnest money deposit, proposed closing date, and the lease of any real property interests or improvements relating to the Real Estate. Each Offer Notice constitutes an offer made by Greeley to enter into an agreement with the living ROFR Parties on the same Material Terms of such Third-Party Offer (the "ROFR Offer").

17.3 Exercising Right of First Refusal. At any time prior to the expiration of the fourteen (14) day period following Greeley's transmission of the Offer Notice (the "Exercise Period"), any or all of the living ROFR Parties may accept the ROFR Offer by delivering to Greeley a written notice of acceptance, executed by the living ROFR Parties accepting the ROFR Offer ("Acceptance Notice").

17.4 Waiver of Right of First Refusal. Provided that Greeley has complied with its obligations under this Article 17, if by the expiration of the Exercise Period no living ROFR Party has transmitted an Acceptance Notice to Greeley, or if after transmission of an Acceptance Notice Greeley and the accepting ROFR Party(ies) fail to consummate their transaction, then Greeley may consummate the Third-Party Transaction with the counterparty identified in the applicable Offer Notice, on Material Terms that are the same or more favorable to Greeley as the Material Terms set forth in the Offer Notice. If such Third-Party Transaction is not consummated, the terms and conditions of this Article 17 will again apply and Greeley shall not enter into any Third-Party Transaction during the ROFR Period without affording the living ROFR Parties the right of first refusal on the terms and conditions of this Article 17.


17.5 Survival. Except as otherwise provided herein, the parties' rights and obligations in this Article 17 shall survive the Closing for the duration of the ROFR Period.

[SIGNATURES ON FOLLOWING PAGE]


IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set opposite their respective signatures below.

SELLERS

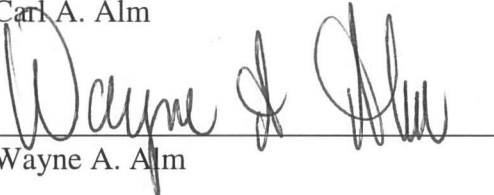
SUSAN M. JOHNSON, CARL A. ALM, and WAYNE A. ALM

By: 
Susan M. Johnson

Date: 01/08/2020

By: 
Carl A. Alm

Date: 01/08/20

By: 
Wayne A. Alm

Date: 01/08/20

[GREELEY'S SIGNATURE PAGE FOLLOWS]

GREELEY

**CITY OF GREELEY, COLORADO,
a Municipal Corporation, acting by and
through its Water and Sewer Board**

ATTESTED AND APPROVED AS TO
SUBSTANCE:

By: _____
Harold Evans
Chairman, Water and Sewer Board

By: _____
Roy Otto
City Manager and Secretary of Water
and Sewer Board

APPROVED AS TO LEGAL FORM:

APPROVED AS TO AVAILABILITY OF
FUNDS:

By: _____
Doug Marek
City Attorney

By: _____
Director of Finance
Renee Wheeler

Date: _____

**EXHIBIT A TO
PURCHASE AND SALE AGREEMENT**

(See attached Legal Description of Land)

THE LAND SHALL INCLUDE THE REAL PROPERTY LEGALLY DESCRIBED AS FOLLOWS:

LOT D, RECORDED EXEMPTION NUMBER 0803-11-3-RE-4627, RECORDED JUNE 25, 2007 AT RECEPTION NUMBER 3485540, BEING A PORTION OF THE S 1/2 OF SECTION 11, TOWNSHIP 6 NORTH, RANGE 65 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO.

EXCEPTING HOWEVER, AND RESERVING UNTO GRANTORS, ALL TITLE AND INTEREST OF GRANTORS IN AND TO ALL OIL AND GAS, SAND, ROCK, GRAVEL, COAL, PHOSPHATE, URANIUM, PRECIOUS METALS, AND OTHER MINERALS LOCATED IN, ON, OR UNDER THE SURFACE OF THE LAND AND THAT MAY BE PRODUCED FROM THE LAND, AND ANY AND ALL LEASES RELATED THERETO, TOGETHER WITH THE RIGHTS OF INGRESS AND EGRESS AS NECESSARY TO EXPLORE FOR, MINE, AND REMOVE SUCH OIL, GAS, AND OTHER MINERALS.

THE PARCEL OF LAND DESCRIBED ABOVE CONTAINS AN AREA OF APPROXIMATELY 142.374 ACRES.

L&WIC and WRCC Water Rights and Farm Acquisition (Alm)

January 15, 2020



Purchase & Sale Overview

- 3 shares of stock in the Larimer and Weld Irrigation Company (L&WIC)
- 4 shares of stock in the Windsor Reservoir and Canal Company (WRCC)
- 8 shares of stock in the Owl Creek Supply and Irrigation Company (carriage right)
- 142+/- acre farm
- No improvements other than irrigation equipment
- Total Purchase Price is \$2,100,00.00



Map of Alm Farm



Farm is located
5 miles
northeast of
Greeley

Northeast
corner of WCR
45 and 70



Recommendation

- W&S Staff recommend the acquisition of the 142+/- acre farm and associated 3 shares of L&WIC stock, 4 shares of WRCC, and 8 shares of Owl Creek stock in accordance with the water acquisition strategies set forth in the Department's Master Plan and Future Water Account plan



A series of three light beige, wavy, brush-stroke-like lines that sweep across the upper portion of the slide from left to right.

Questions?



WATER & SEWER BOARD AGENDA JANUARY 15, 2020

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 10

TITLE: LEGAL REPORT

POSSIBLE ACTION: STATEMENTS OF OPPOSITION, IF ANY

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA JANUARY 15, 2020

ENCLOSURE X

NO ENCLOSURE

ITEM NUMBER: 11

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- Poudre River Forum – Feb. 28th 8:00 – 4:30
- WPCF Name Change to Wastewater Treatment & Reclamation Facility
- Industrial Pre-treatment Enforcement Update
- News Articles

Boulder County judge's Colorado River ruling has Eagle County implications

Judge rejects reservoir expansion request from Denver Water

News | December 31, 2019



Randy Wyrick
rwyrick@vaildaily.com



A Boulder County judge said the Boulder County Commissioners were within their authority when they denied a request to expand the Gross Dam. The ruling could have implications through the Colorado River system, including Eagle, Summit and Grand counties.

Denver Water photo

A Boulder County judge's ruling stops — for now — Denver from diverting more water out of the Colorado River system and its High Country tributaries.

Boulder District Judge Andrew Macdonald ruled that Denver Water must have Boulder County's approval before it can expand the Gross Reservoir dam from 131 feet to 471 feet tall.

Boulder is not likely to grant that permission. The Boulder County Commissioners voted unanimously to halt the project, citing their authority under House Bill 1041, passed by the Colorado lawmakers in 1974. That bill gives local governments the right to review and regulate state matters through their local permitting process.

When Boulder County denied Denver Water's request earlier this year, Denver sued Boulder County for forcing Denver Water through Boulder's permitting process. MacDonald's seven-page ruling, issued Friday, said Boulder County was within its authority to force Denver through its approval process.

Ruling's reach into the Vail Valley

Judge MacDonald's ruling reaches into Eagle, Summit and Grand counties along the Colorado River's many tributaries.

The Gross Dam is across South Boulder Creek in Boulder County, which takes water from the Colorado River and its tributaries through the Moffat Tunnel.

In Eagle County, a defeated reservoir project in the Homestake Peak wilderness area could be resurrected if Aurora and Colorado Springs have their way. Homestake Creek pours into the Eagle River, which pours into the Colorado River at their confluence in Dotsero.

Either project — Gross Dam or a resurrected Homestake II reservoir, would mean new diversions out of the Colorado River system, said Gary Wockner, the executive director of the board for Save the Colorado. The Fort Collins-based group opposes new water diversion projects.

"Either or both would mean less water," Wockner said.

Eagle County's water win

Eagle County invoked its 1041 authority in the 1980s to stop Colorado Springs and Aurora from building a massive dam in the Homestake Peak wilderness area. After a legal fight that went all the way to the United States Supreme Court, that dam was finally halted in 1994.

However, [Aurora and Colorado Springs are back at it](#), asking the Forest Service for permission to drill test holes in the Homestake Peak wilderness, to determine where a 30,000 acre-foot dam might go. It would divert an estimated 10 billion gallons of water per year away from the wilderness area.

For now, projections put the Homestake project somewhere "above Minturn," but [construction is years away](#).

The Homestake dam proposal is among several large new dam/diversion projects in Colorado and the Upper Basin States, all opposed by Save the Colorado, especially in the face of [Arizona, Nevada and Mexico](#) agreeing to divert less water from the Colorado River, under the U.S. Bureau of Reclamation's Lower Basin Drought Contingency Plan. That agreement will hopefully help reservoirs like Lake Mead and Lake Powell survive for the next several years.

"The science is clear — we have to divert less water out of the Colorado River, not more," Wockner said. "We are fighting to stop every proposed dam, including this scheme in Eagle County."

Save the Colorado embraces Boulder ruling

Any ruling that keeps water in the Colorado River is welcomed by Save the Colorado.

"The headwaters of the Colorado River are continued to be threatened by the Front Range. If you're in Grand, Summit or Eagle counties, this ruling —that Denver cannot drain upper the Colorado without Boulder County's permission — has enormous implications," Wockner said.

In response to that Boulder ruling, Denver Water spokesman Travis Thompson said in an email: "As we continue to follow the process of determining the appropriate permitting methods, we will review the order and evaluate our next steps. No matter the path forward, we remain committed to considering input from Boulder County and from community members to minimize and mitigate the impacts of the Project."



THE COLORADO
SUN
A DIVISION OF THE COLORED
SPRING MEDIA GROUP



Dome of Colorado state Capitol building on July 21, 2018. (Jeremy Martinez, Special to The Colorado Sun)

POLITICS AND GOVERNMENT

Colorado's 2020 legislative session begins this week. Here's a rundown of 10 issues to watch.

The state legislature's break-neck pace from 2019 may not return, but expect fierce debates over health care, criminal justice, guns and transportation

JAN 7, 2020 5:05AM MST



Jesse Paul



John Frank

A year after engineering [a major policy shift](#) in Colorado, the Democratic-led General Assembly returns to the state Capitol this week with much left on its to-do list.

Like [the 2019 session](#), the question this year is how far the party will go in the 120-day lawmaking term to reshape how Colorado provides health care, education and transportation — and whether voters will approve of what they’ve done when the Democrats face a test in the November election.

“We did a lot last year. ... I don’t think we are aiming to top that,” said House Speaker KC Becker, D-Boulder, in an interview ahead of the lawmaking term that begins Wednesday. “We are really focusing on a lot of new ideas.”



Meanwhile, Republicans are mum on their agenda and may once again [use procedural tactics to delay](#) Democratic-authored bills, a controversial approach [that brought the 2019 term to its knees](#).

The topics expected to create debate cover a range of contentious issues, from new taxes and paid family leave to private prisons and vaccine requirements, and more in between.

Here’s a look at the 10 top issues and how they will play out in the 2020 session:

Paid family leave will return, but will it have the momentum to pass?

One of the most significant items [leftover from the 2019 session](#) is an effort to require businesses to provide paid family and parental leave to employees.

Last year, the Democratic authors of the bill had to settle for a study after failing to build enough support within their own party amid a barrage of opposition from 200-some lobbyists who [worked against the bill](#).

The opposition from the business community remains fierce, and heading into the 2020 session, its prospects remain unclear. An actuarial study completed ahead of the session shows that creating a paid family and parental leave program with the most generous, 28-week proposal could cost the state up to \$2.2 billion, potentially taking money from employers and out of every Coloradans paycheck.

It's still not clear if bill proponents will seek to have the state or a third party run the program, and whether small businesses and local governments would be exempt.

“I feel optimistic about its chances for passage,” said Sen. Faith Winter, a Westminster Democrat who is one of the legislation's prime champions. But, at the same time, Winter said proponents have not

yet started drafting a bill. A task force that studied the issue plans to issue a report Wednesday.

Tony Gagliardi, executive director of the National Federation for Independent Business in Colorado, said he is still worried about the impact paid family and parental leave will have on small businesses. “The bottom line is this is still a mandate,” he said.



Lawmakers meet in the Colorado House of Representatives on May 1, 2019. (Jesse Paul, The Colorado Sun)

Democrats may struggle to find money to fund their agenda

The big agenda that Gov. Jared Polis and Democratic lawmakers [promised in 2018](#), when voters gave them complete control of the lawmaking process, is an expensive one. And the money spigot is running dry.

Democratic budget writers are [sounding the alarm](#) about how to cover the ongoing costs of the new programs added in last year's session and the new ones they want to pass in 2020. And [the latest economic forecasts](#) show the money isn't as plentiful this year. A year ago, lawmakers set aside about \$40 million for legislative priorities; this year, that number will fall closer to \$5 million.

"It's going to be a tougher year for budget allocations and new appropriations and maybe new spending initiatives," said Senate President Leroy Garcia, D-Pueblo, in an interview.

Meanwhile, Polis is [pledging to cut the income tax](#) without reducing state revenue and [put more money in reserves](#) — both ideas that were rejected by his own party a year earlier.

MORE: [Colorado Democrats face a budget crunch in 2020. Here are their 4 options to address it.](#)

Short on options, lawmakers look to new fees to improve roads

The tight budget picture is expected to impact the money available for a big ticket item on the agenda for Democrats and Republicans this session: transportation.

Democratic legislative leaders believe a new revenue source — whether taxes or fees — are needed to address the issue, but

Republicans insist on using existing tax dollars. And Colorado voters have twice in two years rejected statewide efforts to increase taxes or forgo tax rebates to pay for roads.

The new ideas being considered this year include the formation of [regional transportation districts](#) that can put tax questions on the ballot to allow communities that want to pony up to pay for improvements to do so. But Republicans say that will leave rural communities out of the mix.

The other idea from Democrats is new fees for road users to compensate for the growing number of electric vehicles in the state, as well as potential surcharges for delivery services. Right now, the state's main road-funding mechanism is the gas tax, which has been unchanged since 1992.

One pressing decision Democrats must make is whether to keep on track a 2020 ballot question for a \$2.56 billion transportation bond.

Becker was noncommittal when asked what would happen with the measure. "There will certainly be discussions around it," she said. "We haven't made any decisions."

MORE: [Coloradans keep rejecting statewide tax questions to fund transportation. Democrats are now eyeing a regional approach.](#)

Colorado in national spotlight of battle for public option insurance

Colorado's push for [a government-backed health insurance plan](#) will put it at the forefront of the national debate on a public option. And the political stakes are high.

The concept is a top campaign promise for Polis and may emerge as the most contentious debate in the 2020 session. An opposition group with ties to hospitals and insurance companies [fired a warning shot](#) in December with more than \$100,000 advertising campaign.

“Judging by the amount of out-of-state money we are already seeing trying to defeat this policy, I expect this to be one of the bigger battles of my legislative career,” said Sen. Kerry Donovan, D-Vail, a leading advocate. “But health care needs to be disrupted for us to lower costs and make it affordable for people in Colorado and across my district. This is a significant step in that direction.”

The legislation this session will include mandates on insurers and hospitals and set rates to a level that will lower costs for those on the individual market in the first year. The state would oversee the plan, which would be managed by a private insurer. The bill would expand access to the program to others in future years.

The idea is to create more options for consumers, but Republicans think it will hurt the broader market. “I’m not convinced that a public option or single payer is a good way to deal with health care,” said

Sen. Paul Lundeen, a Republican from Monument. “It’s not sustainable.”

MORE: [Your guide to all the ways health care may be about to change in Colorado](#)

Higher education is facing a big squeeze as lawmakers address student debt

The Polis administration is making it a priority to lower the cost of a college education in Colorado, but the higher education institutions say they need the tuition money.

The conflict is expected to escalate this session, and it comes months after the failure of Proposition CC, which would have provided colleges with a lifeline to more money.

The governor wants to limit tuition hikes next budget year to 3%, while others are looking at how to keep tuition flat. Other lawmakers plan to put forward bills to address loan interest as a way to lower costs.

MORE: [Colorado wants to steer more students toward college by driving down higher education costs beyond tuition](#)

First, big moves on climate change. Now, it's "the next level"

Much of the environmental agenda for the Democrats came to fruition in 2019, as the party led a push for tougher regulations on oil and gas operations and more stringent mandates on carbon emissions.

But now Becker, the House speaker, says it's time to take it "to the next level."

"We've run climate change legislation for years, we've finally passed it. So what are the next things we need to do to just have a cleaner, greener energy future?" she asked.

Right now there aren't many specific policy proposals being discussed. A few ideas on the table, however, include making it easier for local governments to ban single-use plastics, a moratorium on styrofoam and an effort to increase Colorado's ability to monitor air quality and enforce violations.





Xcel Energy's coal-fired Comanche Generating Station, located in Pueblo, is the largest power plant in the state of Colorado. The facility can generate 1,410 megawatts of power. Comanche Units 1 and 2 are shown here. (Mike Sweeney, Special to The Colorado Sun)

The latter policy is likely to be the most contentious, with the possibility of drawing drilling interests back to the Capitol in protest. Republicans say they are already looking out for such ideas and the potential damage they could have on Colorado's sprawling energy industry.

"I wonder what else they have to kill off the largest industry in the state," said state Sen. John Cooke, a Greeley Republican.

More overhaul for criminal justice and another attempt to ban the death penalty

Criminal justice is poised to be front and center once again in the 2020 lawmaking session.

One of the debates expected to consume the Capitol is whether to alter Colorado's felony murder law, which allows people to be charged with first-degree murder and sentenced to life in prison without

actually killing anyone. In addition, advocates will push again to repeal the death penalty.

The felony murder reform effort is being led by Sen. Pete Lee, a Colorado Springs Democrat and chair of the Senate Judiciary Committee, who wants to change felony murder to a second-degree murder, Class 2 felony offense. That alteration would take life in prison off the table as a penalty. “I think people ought to be convicted of what they did,” Lee said.

Prosecutors are already pushing back against the change. “I think felony murder should stay right where it is,” said 18th Judicial District Attorney George Brauchler. “I think that there’s a misconception that felony murder (is used against people) who had no clue what was going on and had no idea that there was risk of death to another innocent person.”

The question of whether to abolish the death penalty makes a return from a year ago. The effort to get rid of capital punishment in Colorado last year was [yanked because of Democratic friction](#) in the Senate. Sen. Julie Gonanzles, D-Denver, will take the helm of the repeal effort this year, she says. Still in her way is a pair of Democrats whose loved ones were murdered and [who want to keep the death penalty](#).

Finally, also look for an effort to change Colorado’s laws [around investigating law enforcement-involved deaths](#). Polis has said that’s an issue he wants to tackle in 2020.

MORE: [Gov. Polis and state lawmakers eye changes to how police-involved deaths are investigated in Colorado](#)

Democrats look to eliminate use of private prisons in Colorado

Colorado lawmakers will decide this year whether to shell out millions of dollars to close a privately run prison in Colorado Springs and reopen a shuttered state facility near Cañon City. If the switch happens, it could reduce the state's use of private prisons and help reach a goal among some Democratic lawmakers to end the practice altogether.

The debate centers around the Cheyenne Mountain Reentry Center, run by the private corrections company GEO Group. The Colorado Department of Corrections says there have been “deficiencies” with GEO's work at the roughly 700-inmate facility.





The Colorado Territorial Prison in Cañon City. (Frank Carey, via Creative Commons)

But reopening Colorado State Penitentiary II, the state prison near Cañon City, will cost taxpayers \$7 million in the first year and \$6 million each subsequent year. The Polis administration thinks the cost is worth it, but it could be a tough sell with a tightening state budget.

There are two other private prisons in the state, one each in Bent and Crowley counties, but right now the Polis administration says it can't do without them. "I don't know what the future holds. But I can tell you right now, today, we need those prison beds and those other private prisons," said Dean Williams, the executive director of the state corrections department.

School safety and gun control

In the wake of May's fatal shooting at STEM School Highlands Ranch, state lawmakers worked over the summer to come up with ways to make Colorado K-12 education safer with a focus on mental health care.

Those proposals from a bipartisan interim committee on school safety [include everything](#) from providing students with excused mental health days to expanding behavioral health training in schools and bolstering the state's Safe2Tell reporting system. Rep. Dafna Michaelson Jenet, a Commerce City Democrat who led the interim committee, also has a bill of her own that would require health insurance companies to provide a free, annual 60-minute mental health screening for all of their clients.

None of the legislation drafted by the interim committee deals with firearms, a fact that has drawn some criticism. But Democrats are likely to independently bring legislation [that would require safe storage of guns](#), following the lead of other states.

If last session's battle over the red flag law is any indication, however, any attempt to tighten Colorado's firearm regulations will likely prompt a fierce partisan battle.

MORE: [These five bills are designed to make Colorado schools safer](#)

Colorado's low vaccination rate will get attention, once again

A fiery clash between Democratic lawmakers and the governor marked a debate last year on how to improve [the rate of childhood vaccinations](#) in Colorado. And it could materialize again in 2020.

House lawmakers are renewing a push to make it harder to avoid the required immunizations by making the process to opt out more difficult for parents. This year's measure won't remove existing exemptions nor will it create a mandate, both options considered a year ago in a [far-reaching bill that failed](#). Colorado's immunization rate for measles, mumps and rubella was 87.4% in the 2018 school year — well below the 92-94% herd immunity threshold recommended by health authorities to protect against an outbreak.

Polis is [taking a different approach](#), pushing education as the method to improving the rate as part of an executive order he signed. He also asked for \$2.5 million in his budget proposal to address the issue. Meanwhile, Republican lawmakers are expected to introduce legislation to protect a parent's right to opt out their children.

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