



Remote Meeting Instructions for the May 20, 2020 Water & Sewer Board Meeting:

In order to comply with all health orders and guidelines, and the Governor's March 25, 2020, Stay-at-Home Order intended to stop the spread of the COVID-19 (Coronavirus), **no physical location, including the City Council Chambers, will be set up for viewing or participating in this Board meeting.**

The **only** way to view this board meeting is to follow the instructions below to watch the YouTube live stream.

- From your laptop or computer, click the following link or enter it manually into your Web Browser: (www.youtube.com/CityofGreeley)
- Clicking the link above will take you to the City of Greeley's YouTube Channel.
- Once there, you will be able to view the board meeting!

Please contact Shannon Metcalf, Office Manager with any questions you might have at 970-350-9818. Thank you!

WATER & SEWER BOARD AGENDA

Wednesday May 20, 2020
2:00 p.m.

**MEETING WILL BE LIVE STREAMED ON YOUTUBE.COM DUE TO CITY CLOSURES
RELATED TO COVID-19**

Click on link below:

<https://www.youtube.com/user/CityofGreeley>

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.

4. No items on Consent Agenda

End of Consent Agenda

5. Welcome New Employees
6. Annual Master Plan Report/Update
7. Modify 2020 Rate Resolution – Late Fee Defined
8. Report on Regulation 85 Upgrade at Water Pollution Control Facility
9. Local Improvement District Update
10. Purchase and Sale Agreement for Seward Water Rights



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 970-415-1307.

11. Executive Session

- Matters Related to Potential Acquisition of Water Storage
- Matters Related to Potential Acquisition of Ehrlich Water Rights

12. Purchase and Sale Agreement for Ehrlich Water Rights

13. Legal Report

14. Director's Report

- Industrial Pre-treatment (AAPP and MG-DFA)
- CIS Billing System
- COVID-19 W&S Response and Service Update
- Windy Gap Update

15. Confluence The Story of Greeley Water

16. 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 970-415-1307.

**City of Greeley
Water and Sewer Board
Minutes of April 15, 2020
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:01 p.m. on Wednesday, April 15, 2020. Due to City Closures related to COVID-19, this meeting was held remotely and was aired via live stream for public viewing at <https://www.youtube.com/user/CityofGreeley>.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Bob Ruyle, Joe Murphy, Tony Miller, Manny Sisneros, Roy Otto and Renee Wheeler

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, Water Resources Manager Jen Petrzeka, Water Resources Planning Manager Kelen Dowdy, Special Projects Engineer Mary Gearhart, Water Resource Admin. I, Civil Engineer III Peter Champion, Leah Hubbard, Water Resource Admin. II Cole Gustafson, Water Compliance Manager Lauren Worley, and Senior Administrative Specialist Ettie Arnold and Office Manager Shannon Metcalf

Legal Counsel:

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

Guests:

Samantha Kepley with Brown and Caldwell and Cortney Brand with LRE Water

2. Approval of Minutes

Mr. Miller moved, seconded by Vice-Chairman Todd, to approve the March 18, 2020 Water and Sewer Board meeting minutes. The motion carried 7-0.

3. Approval of and/or Additions to Agenda

There were no changes or additions to the Agenda.

4. Welcome New Employees

Mr. Chambers provided an introduction of new Water and Sewer Department employees starting this month, noting the importance of Greeley building a strong water quality team to support all water & wastewater utility functions.

5. April 2020 Water Supply Update and Finding of Water Sufficient Year

Ms. Petrzelka noted that staff reports to the Water and Sewer Board in April, July, and November of each year on Greeley's water supply status. In April, the Board makes a declaration concerning the adequacy of the Water Year. Projected storage is presently at 29,054 acre-feet exceeding the target storage volume of 20,000 acre-feet.

Based on projected storage, staff recommended that the Board declare an Adequate Water Year, with the normal three days a week watering schedule and authorize staff to rent out available excess water supply, so long as the target storage volume of 20,000 acre-feet is maintained.

Vice Chairman Todd moved, seconded by Mr. Murphy, to declare an Adequate Water Year for 2020, as recommended. The motion carried 7-0.

6. Hasbrouck Farm Disposition

Mr. Gustafson explained that in 2016, the City of Greeley purchased a 282+/- acre farm in Weld County, known as the Hasbrouck Farm with 2.25 shares of the stock in the Water Supply and Storage Company. Since 2016, the City has leased the Hasbrouck Farm, along with the WSSC Water Rights, to a tenant farmer in order to maintain the use of the WSSC Water Rights on the historically irrigated land. In 2020, the City received an offer to purchase the Hasbrouck Farm. As part of the sale, Greeley would enter into a 10 year leaseback of the WSSC Water Rights to the buyer for continued irrigation on the Hasbrouck Farm. Mr. Otis and Mr. Evans asked staff to finalize the restrictive covenants and the farm lease before presenting to Council for approval.

Vice Chairman Todd moved, seconded by Mr. Murphy, to approve and Recommend to Council the Divestment of the Hasbrouck Farm. The motion carried 7-0.

7. Colorado Department of Transportation Intergovernmental Agreement Update

Mr. Chambers explained that The Colorado Department of Transportation is implementing a project to make certain improvements to Interstate 25. This project will impact certain sections of Greeley's two existing 30" water pipelines, requiring relocation. Acquisition and dedication of new easements was covered by a previous agreement entered into between the City and CDOT on January 4, 2018.

The City will pay for engineering design, construction work, and construction inspection. These costs will be reimbursed to the City through the use of the attached intergovernmental agreement, known by CDOT as a Standard Utility Agreement. Construction is slated to begin immediately. Adequate funding is available in the Water New Construction fund for this project. The project estimate is \$4,749,043.26, and CDOT will reimburse actual project expenses. Due to scheduling constraints and the need to commence project construction, this item was presented to Greeley City Council in advance of Water & Sewer Board and approved by City Council on April 7, 2020.

8. 1st Quarter Water Court Update

Ms. Petrzelka updated 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, and provided a summary of the Water Resources Division's legal costs.

9. Agricultural Land Water Lease Policy

Ms. Petrzelka reported that the City manages an agricultural lease program that includes Water Leases and Water and Farm Leases in the Greeley-Loveland Irrigation Company, Water Supply and Storage Company, New Cache Irrigation Company and Cache la Poudre Reservoir Company, Windsor Reservoir and Canal Company, and Larimer and Weld Irrigation Company and Larimer and Weld Reservoir Company. A Water Lease involves leasing the water rights associated with historically irrigated lands for continued use of irrigation, often to the seller of the water rights. A Water and Farm Lease includes a lease of both water, irrigation improvements such as a center pivot system, and historically irrigated land for continued use of irrigation.

In order to provide consistency in developing lease agreements, this policy outlines the general terms and conditions leases should contain. All Water Leases and Water and Farm Leases that do not substantially conform to the terms of this policy would need to be approved by the City of Greeley Water and Sewer Board.

Mr. Miller moved, seconded by Mr. Sisneros, to approve the Agricultural Land and Water Lease Policy and Delegate Authority to Staff to Negotiate Leases Consistent with the Terms Listed Therein. The motion carried 7-0.

10. Preliminary 2021-2022 Budget Planning

Mr. Dial reviewed with the department's financial activities in 2019, the goals for 2020, and objectives of the 2021 budget process. Several regulatory driven construction projects are required in the next few years, and those projects will drive budget and estimated rate increases for 2021 projected in the 2020 budget cycle to be 6% and 7%. However the economic climate has changed significantly from that time due to COVID-19. The current economic uncertainty was discussed with the Board and staff outlined the expected approach for developing the department's budget and rates for 2021. The Board concurred with the general budget goals staff presented and would await more detail following staff's work with City Finance and City Manager's Office..

11. Legal Report

There were no items on the Legal Report.

12. 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 the potential acquisition of water storage.
2. 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 the potential acquisition of the Sorin Water Rights.
3. 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 the potential acquisition of the Fitz and Collyer Water Rights.

The motion carried 7-0.

The Board left the public session and moved into a private, executive session. The live feed on YouTube stopped recording, but was still accessible to the public. While the Board conducted the executive session, the public was provided with a screenshot of the agenda and a message stating the Board was in Executive Session.

Present during the executive session were:

Chairman Harold Evans, Vice Chairman Mick Todd, Manual Sisneros, Joe Murphy, Tony Miller, Fred Otis, Bob Ruyle, Roy Otto, Renee Wheeler, 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, Water Resources Planning Manager Kelen Dowdy, Water Administrator II Cole Gustafson, Outside Legal Counsel Carolyn Burr, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Dan Biwer, Environmental and Water Resources Attorney Aaron Goldman, Senior Administrative Specialist Ettie Arnold and Office Manager Shannon Metcalf

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 4:10 p.m. The Board then left the private, executive session and moved into the open, regular session. At that time, the live feed of the meeting resumed on YouTube.

13. Purchase and Sale Agreement and Lease Agreements for Sorin Water Rights

Mr. Jokerst stated that this agreement, along with accompanying leases, contemplate Greeley's purchase of 54.5 shares of stock in the New Cache La Poudre Irrigation Company and 58 shares of stock in the Cache la Poudre Reservoir Company. The subject water rights have been previously changed from agricultural use to augmentation and replacement for industrial and commercial uses via Water Court Case 2014CW3046. Dry-up and revegetation covenants associated with the shares have been executed.

Consideration for the purchase includes \$4,999,583 to Sorin along with leases of the subject water rights and of Greeley's augmentation water supplies. The leases grant Sorin continued use of the subject water rights for augmentation and replacement over a seven year term and grant Sorin use of 350 AF of Greeley's augmentation water and/or Colorado-Big Thompson water. Lease of Greeley's augmentation supplies incur a \$550 per acre-foot annual payment. The purchase price will be paid in two installments: \$2,499,791.50 at Closing and \$2,499,791.50 escalated 1.6% per annum due on or before January 8, 2021.

Vice-chairman Todd moved, seconded by Mr. Miller that the Board authorize the proposed acquisition of water rights from Sorin Natural Resource Partners, approve the enclosed Purchase and Sale Agreement and lease forms attached as exhibits thereto, and delegate authority to the Director of Water and Sewer or his designee to make minor amendments to the agreements, including, but not limited to, corrections to property

descriptions and contract extensions, and to undertake all necessary action to close on the purchase. The motion carried 7-0.

14. Purchase and Sale Agreement for Fitz and Collyer Water Rights

Mr. Gustafson explained that this is a purchase and sale agreement for water rights with Darrick Fitz and Elizabeth Collyer. The agreement contemplates Greeley's purchase of 2 shares of Windsor Reservoir and Canal Company and 8 shares of New Cache La Poudre Irrigation Company. A dry-up covenant, revegetation covenant, and leaseback are included in the purchase and sale agreement. The proposed total purchase price is \$1,175,000.00.

Mr. Miller moved, seconded by Mr. Murphy to reject Darrick Fitz & Elizabeth Collyer's offer to sell their water rights, lease them back from the City of Greeley, encumber the historically irrigated acreage with dry-up and revegetation covenants, and all other promises, covenants, terms, and conditions contained in the partially executed document entitled Purchase and Sale Agreement for Water Rights and the Exhibits thereto. The motion carried 7-0.

15. Director's Report

Mr. Chambers reported on the following items:

- Board and City Council Water Infrastructure Tour – July 2020
- Contingent upon public health orders and best practices
- Industrial Pretreatment Program Update
- COVID-19 W&S Response and Service Update

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 4:32 p.m.

Harold Evans, Chairman

Shannon Metcalf, Office Manager

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 5

TITLE: WELCOME NEW EMPLOYEES

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 6

TITLE: ANNUAL MASTER PLAN REPORT/UPDATE

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

This report is an annual review of the accomplishments and successes throughout 2019 that address the goals set out in the 2003 Master Plan.



2019 WATER MASTER PLAN ANNUAL REVIEW



INTRODUCTION

Water is a precious commodity in Colorado, and it is going to become more precious as our population grows and more water is needed. Greeley is working to make sure that our community has a secure and reliable water supply now and into the future.

In 2003, Greeley developed a Water Master Plan that developed specific steps to provide a reliable water supply for Greeley to the year 2020. The four driving factors for the plan were population, regulations, aging infrastructure and competition.



POPULATION

Greeley continues to grow steadily with average population rates between 2015 and 2019 at 1.5%. 60% of housing units built in 2019 were multi-family units indicating a shift in Greeley's traditional development pattern of primarily single-family lots. The table below summarizes the number of taps sold over the past five years. Greeley's 2020 Annual Growth and Development Projections Report anticipates that new residential growth will range between 1.0% and 2.2% over the next five years.



Water Taps Sold

Year	Water Taps
2015	489
2016	301
2017	136
2018	424
2019	241



Greeley recently updated the raw water requirements for new development to reflect projected usage based on the type and size of new construction. Raw water requirements were last modified in 1989 and were only based on the tap size. This change in methodology greatly enhanced the precision of raw water requirements for a wide range of commercial, multi-family and mixed-use development projects. It also protects the City by requiring an additional cash-in-lieu payment if a user exceeds their raw water allotment in any two-year period.

STATE AND FEDERAL REGULATIONS

There were several major regulatory developments in 2019 that will likely affect Greeley by requiring higher standards of treatment or increased reporting. These developments are briefly described below:

- Colorado Department of Health worked on developing rules for the safe management of TENORM (Technologically Enhanced Naturally Occurring Radioactive Material) and will continue to hold stakeholder meetings throughout 2020.
- The EPA developed a perchlorate rule for the Safe Drinking Water Act which will set a maximum contaminant level for perchlorate in drinking water. This rule is expected to be finalized in 2020 or 2021.
- Revisions were made to Regulation No. 22 (Site Location and Design Approval Regulations for Domestic Wastewater Treatment Works), No. 61 (Colorado Discharge Permit System Regulations), and No. 62 (Regulations for Effluent Limitations).



AGING INFRASTRUCTURE

Greeley continues to replace and repair aging infrastructure. Adding capacity while ensuring the two water treatment plants (WTPs) meet future regulatory compliance requirements was a critical need identified in the 2003 Water Waster Plan. Additionally, having well maintained transmission and distribution lines are essential to providing Greeley's citizens with a reliable supply of water. Greeley has continued to identify these needs and implement projects to ensure the viability of Greeley's water system infrastructure.



COMPETITION IN THE WATER MARKET

Competition for water resources has dramatically escalated in recent years, driven by increasing development and lack of remaining easily accessible water supply sources. The price of Colorado-Big Thompson Units has surpassed \$60,000 per unit, which in turn increases the cost of most other water supplies. Public awareness of the need for additional water supplies remains high. Denver suburbs (Castle Rock, East Cherry Creek Valley, and Arapahoe County), as well as oil and



gas interests, are acquiring ditch company shares in Northern Colorado, including in the Poudre Basin. The City of Thornton is currently seeking permits to construct a pipeline to convey its Water Supply and Storage Company water out of the Poudre Basin. Greeley has long benefited from having diverse, relatively cheap water supplies available as it grows, but it is becoming clear that those water supplies may no longer be available for purchase in the near future.

These four factors: population, regulations, aging infrastructure and competition, continue to drive a need for responsible water resource planning. The 2003 Water Master Plan developed a 'Four Point Plan' to ensure water will be secured for current and future citizens of Greeley.

The four points are:

1. Improving conservation
2. Strengthening infrastructure
3. Continuing water acquisition
4. Expanding storage

This annual review examines Greeley's accomplishments throughout 2019 in each of the aspects of the 'Four Point Plan.'



FOUR POINT PLAN

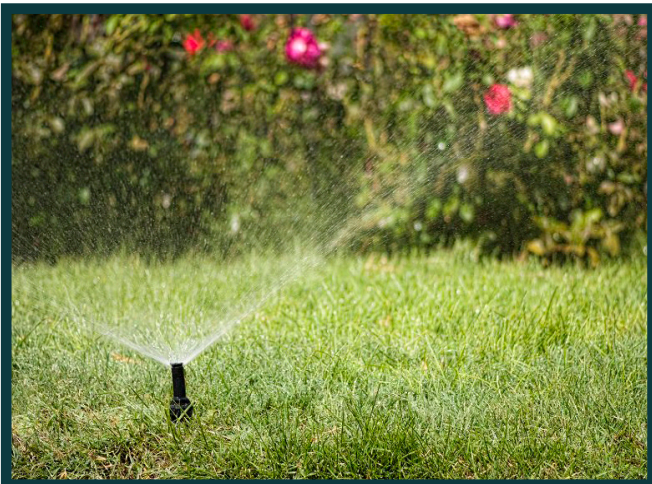
IMPROVING CONSERVATION

On January 21, 2015, the Greeley Water and Sewer Board adopted the Water Conservation Plan which projects a 9.3 % reduction in Greeley's water demand over the next 20 years. In order to meet this goal, the Water Conservation Program received a budget of over \$600,000 allowing for the continuation and development of numerous programs to educate and provide conservation incentives to the citizens of Greeley.



Water Budget Program

In 2017, Greeley implemented a Water Budget Rate Structure that calculates individualized water budgets for every single-family residential household in Greeley based on persons per household, irrigable area, and real-time weather data. Using a four-tier rate structure, customers who use more water than allocated in their water budget is charged a higher rate. Greeley believes the Water Budget Rate Structure has been successful at promoting and encouraging the efficient use of water for its customers while discouraging waste. In 2019, over 90% of customers stayed within their total annual budget. To make water budgets more accurate, indoor water budgets have been adjusted to 45 gpcd, which is the five year average, and outdoor budgets will be calculated based on a moderate water need for bluegrass. Code changes were approved



that allow water budget customers to water any day of the week so they can be more responsive to the weather and that extend the non-watering hours to 10 am and 6 pm.

Other Conservation Programs

- Staff is in the process of designing a turf retrofit rebate program, called Life After Lawn, which has a goal to replace 75,000 square feet of turf with xeric plantings. The program will roll out in 2020 for residential customers.
- The Landscape Lecture Series, which educates customers on tips and tricks for xeriscape gardens and lawns, had over 350 attendees throughout 2019.
- Approximately 1,000 showerheads were replaced as part of the Showerhead Exchange Program.
- Greeley received a \$1,486,000 WaterSmart grant to help fund the implementation of advanced meter infrastructure (AMI). AMI meters will help customers monitor their water use and will help staff identify leaks and excessive water use more quickly.



Recognizing that continued water use reductions will require more intensive efforts, Greeley is taking actions to expand water conservation programs and incentives. Life After Lawn is one example of the active conservation programs that Greeley intends to implement in the years to come.

	Residential	Commercial
Rebates	3,749	1,147
Audits	431	36



STRENGTHENING INFRASTRUCTURE

Several projects were completed in 2019 essential to maintaining the ability to utilize our existing water system infrastructure.

Water Treatment Plants

- All the sand and anthracite media at Boyd Lake WTP were replaced which is required every 10 years to maintain effectiveness.
- Design began for the addition of an oxygen system to aerate Boyd Lake to improve water quality and eliminate taste/odors.
- The disinfection outreach & verification efforts, necessary for CDPHE compliance, were completed at both water treatment plants.
- Replacement of 20 MGD of treatment capacity at Bellvue WTP was completed. This included the construction of a new treatment building (TB1) and the retirement of the 1948/1953 filter building.



Water Distribution and Transmission Improvements

- Construction was completed for 24 out of the total 29 miles of the Bellvue 60" pipeline. Easement acquisition and design for the 5-mile Gold Hill segment is underway.
- A Water Distribution Infrastructure Master Plan was initiated and is expected to be completed in 2020.
- 5,400 feet of distribution water lines were replaced.



2019 Summary of Improvements	
Valve Replacements	32
Fire Hydrant Replacements	12
Meter Replacements (Beacon pilot)	607
New Construction Meters (installation)	322

Non-Potable System Expansion

Non-potable use throughout the City is vital to Greeley's water future because it decreases the need for potable water supplies and the costs necessary to treat those supplies. Greeley is presently developing an update to the 2004 Non-Potable Water Master Plan and anticipates completion in 2020. As part of that master plan, the existing non-potable system will be inventoried and evaluated for future expansion.

Particular emphasis will be given to implementing the "backbone" non-potable infrastructure to serve newly developed portions of the City. The master plan will result in a 10-year capital improvement plan for the non-potable system. It will also suggest changes to raw water dedication and fee to facilitate greater adoption of non-potable water systems.

Concurrent with the Non-Potable Master Plan update, Greeley initiated a Non-Potable Pilot Project beginning in 2019. The goals of the pilot project are to facilitate installation of non-potable systems in new developments and to convert existing potable water customers to non-potable service by expanding existing non-potable systems. Several properties are currently exploring enrollment in the pilot project.

The Poudre Ponds complex will be an integral part of an expanded non-potable system. The complex consists of several gravel pits, one of which was completed in 2003 and currently holds 1,500 acre-feet of storage and provides fishing and boating opportunities. Greeley recently hired a design firm to develop a master plan and design the slurry wall for an adjacent pit and to grade the site to meet final reclamation requirements. As part of this project, staff is working with the City's Parks and Natural Areas Departments to reclaim the area so that it may one day serve as a recreational and natural amenity for the City as well as potentially provide for wetland banking. Completion of the slurry wall is anticipated in early 2021. In 2019, Greeley purchased the Star Gravel Pit, adding another 1,000 acre-feet to the Poudre Ponds complex.



CONTINUING ACQUISITION

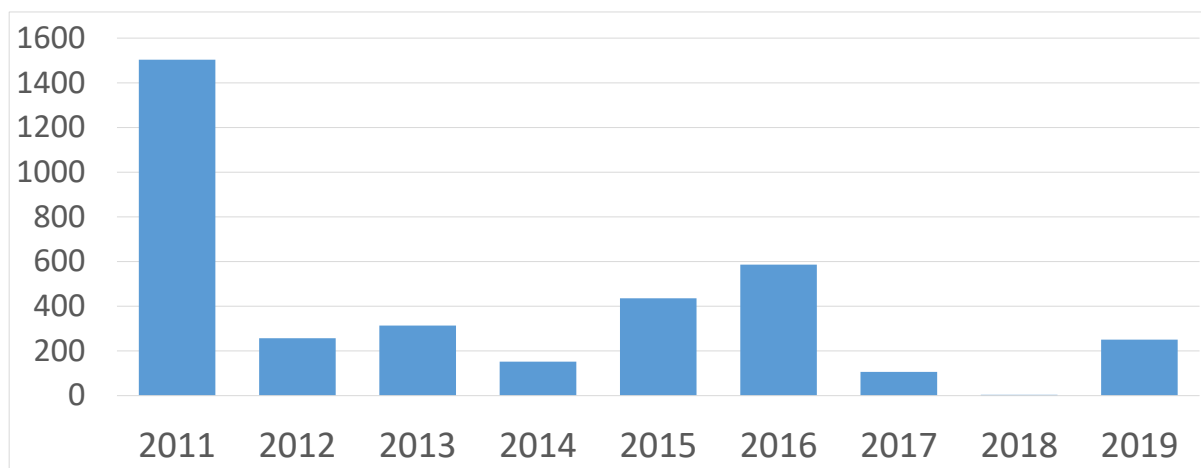
Greeley has maintained its historical practice of being proactive in the development of new water supplies before water demands from new growth come online. Recognizing the increasing competition for water supplies in northern Colorado, Greeley Council and the Board committed to a Future Water Account Phase II to acquire an additional 10,000 acre-feet over fifteen years.



Water Rights Acquisition Program

Since 2011, Greeley has acquired approximately 3,800 acre-feet of water with 400-acre-feet of water purchased in 2019. Some of this water has been changed in Water Court to be used for municipal uses but remains in agriculture under our lease program until the City's demand increases. In addition, Greeley started conversations with the New Cache Irrigation Company on a perpetual water-sharing agreement.

Acre-Feet of Water Aquired



Water Rights Development

Greeley has remained active in developing and protecting its water rights through the Water Court process. Below summarizes the major water court activities throughout 2019:

- Greeley entered statements of opposition in 23 cases and stipulated to five cases bringing the total number of cases Greeley was an active opposer in to 23.
- Diligence applications were filed for Linn Grove Cemetery (Case No. 19CW3164), the Equalizer Project (Case No. 19CW3191), and Overland Ponds (19CW3239).
- A final decree was received on June 24, 2020 in Case No. 18CW3016. This is a diligence decree for shares Greeley owns in the Tunnel Water Company. The decreed exchange of water from the mainstem of the Poudre to Milton-Seaman Reservoir was made absolute in the amount of 13.07 cfs.
- Greeley and Leprino Foods, Inc. continued to work with opposers to settle Case No. 17CW3020 which is an application for the quantification of reusable return flows and appropriative rights of substitution and exchange. At the end of 2019 there was only one out of 14 opposers left in the case.
- Greeley intends to file its second change of use application in the Water Supply Storage Company by the end of 2020 which, once decreed, will allow municipal uses of an additional 16.5 shares.

Building Agricultural Relationships

To facilitate stronger water rental relationships, acquisition opportunities, and investments in long term sustainability in the local agricultural economy, the following events were supported and attended by Greeley staff:

- 1st Annual Water Rental Round-Up
- Weld County 4H
- FFA Supervised Agricultural Experiences
- Weld County Farm to Table
- Greeley Chamber Agriculture Committee



EXPANDING STORAGE

Water Storage is essential to meeting future water demands and to protect the City against drought. Currently, Greeley has three storage projects in various stages of completion.

Milton-Seaman Reservoir

Greeley seeks to enlarge the Milton-Seaman Reservoir to meet the City's future water needs. The expansion requires a variety of federal, state, and county permits, including an occupancy permit from the United States Forest Service, a permit from the United States Army Corps of Engineers (USACE) under Section 404 of the Clean Water Act, a permit from the Colorado Department of Public Health and Environment under Section 401 of the Clean Water Act, 1041 permits from Larimer County, and many others. The primary permitting process is conducted under the National Environmental Policy Act, which requires Greeley to evaluate alternatives to the Milton Seaman enlargement. The permitting process has been ongoing since 2005.



In late 2018, Greeley requested the USACE pause environmental impact studies until alternatives could be better refined. Throughout 2019, Greeley actively evaluated water supply alternatives for comparison with the Milton Seaman enlargement. While this action will lead to a longer permitting timeline, it is necessary to adequately screen water supply alternatives that are both feasible and affordable for the City.



Windy Gap Firming Project

The Windy Gap Firming Project is a collaboration between 12 northeastern Colorado water providers to improve the reliability of or “make firm”, water supplies from the Windy Gap Project. Chimney Hollow Reservoir will be located just west of Carter Lake in Larimer County to provide dedicated storage to supply a reliable 30,000 acre-feet of water each year for future generations. Greeley’s storage capacity in the project is approximately 10,000 acre-feet.

The Windy Gap Firming Project entered the federal permitting process in 2003 and completed it at the end of 2016. That process included a final Environmental Impact Statement (2012), State Wildlife Mitigation Plan (2012),



Grand County 1041 (2013). The supplemental Clarity Agreement for Grand Lake was signed. The Bureau of Reclamation signed the Record of Decision, and the Carriage Agreement Contract was approved by the Bureau of Reclamation in 2014.

The project design is complete. Subject to a pending Water Court case (17CV2563) and a Federal Court Case (6 environmental groups versus U.S. Bureau of Reclamation and the U.S. Army Corps of Engineers regarding the Final Environmental Impact Statement), construction is anticipated to begin in 2020.

Overland Trails Ponds

Greeley, along with the Tri-Districts, purchased the already mined Overland Trail Gravel Pits from Lafarge in 2006. When entirely online, the pits will increase operational flexibility and services to maximize existing and newly acquired water supplies. The total project storage estimated for Greeley is projected to be 2,500 acre-feet.

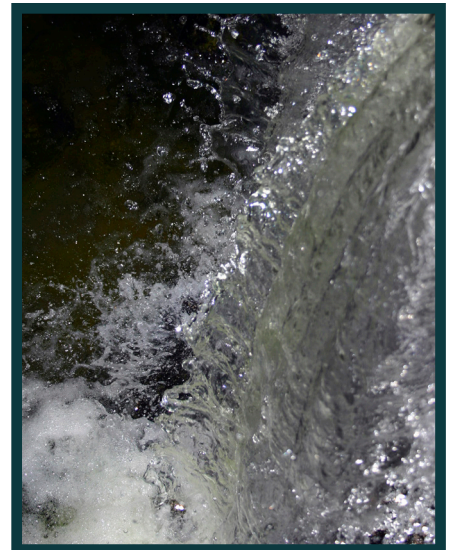
In 2019, North Weld County Water District (NWCWD) started the process of transferring the DRMS permit from Martin Marietta to NWCWD for the Lamb Ponds. Additionally, discussions began with Martin Marietta to obtain the materials needed for slurry wall construction at the Currie Ponds.

To date, approximately 2,500 acre-feet of the storage area is owned by Greeley, with about 1,000 acre-feet lined and operational. Projects over the next two to three years include the construction of a gravity outlet for Treiber Pond B, design and development of slurry walls for the Currie ponds and design of a connection into the Poudre Valley Canal.

Conclusion

As the 2003 Master Plan is set to expire this year, efforts have begun to develop a new integrated water supply master plan to continue responsible water supply planning. Upcoming key projects for the next few years include:

- Completing the 60-inch Bellvue Pipeline, Gold Hill Section
- Complete and implement the Water Infrastructure Master Plan
- Continue effort to acquire storage through the Milton Seaman Water Supply Project
- Start Windy Gap Firming Project construction (Chimney Hollow Reservoir)
- Continue installation of AMI meters throughout the city
- SCADA system upgrades to improve data collection and accuracy
- Improvements at Boyd Water Treatment Plan to allow for winter time treatment
- Construction of additional capacity at the Poudre Ponds complex
- Update raw water dedication policies and programs to expand non-potable water use
- New active water conservation programs



Water Master Plan 2019 Review



Four driving factors for the Master Plan

- Growth & Development
- Regulations
- Aging Infrastructure
- Competition



Growth & Development

- 1.5% population rate
- 60% of housing units were multi-family
- 1-2.2% residential growth rate over the next 5 years
- Revised raw water requirements to reflect projected use based on type and size of construction

Water Taps Sold

Year	Water Taps
2015	489
2016	301
2017	136
2018	424
2019	241

Regulations

- Colorado Department of Health worked on developing rules for the safe management of TENORM (Technologically Enhanced Naturally Occurring Radioactive Material) and will continue to hold stakeholder meetings throughout 2020.
- The EPA developed a perchlorate rule for the Safe Drinking Water Act which will set a maximum contaminant level for perchlorate in drinking water. This rule is expected to be finalized in 2020 or 2021.
- Revisions were made to Regulation No. 22 (Site Location and Design Approval Regulations for Domestic Wastewater Treatment Works), No. 61 (Colorado Discharge Permit System Regulations), and No. 62 (Regulations for Effluent Limitations).



Aging Infrastructure

- Continue to repair and replace aging infrastructure to ensure the viability of Greeley's water system



Competition

- Increasing development, lack of remaining accessible water supplies
- CBT over \$60,000 per unit
- Denver suburbs and oil and gas have started to buy supplies in ditch systems including the Poudre



Four Point Plan

- 1) Improving Conservation
- 2) Strengthening Infrastructure
- 3) Continuing Water Acquisition
- 4) Expanding Storage



Improving Conservation

- Water Budget Rate Structure
 - 90% customers stayed within their budgets
 - Adjusted budgets to be more accurate
 - Code changes were approved to allow customers to water any day of the week
- “Life After Lawn” turf retrofit rebate program will roll out in 2020 for residential customers.
- The Landscape Lecture Series had over 350 attendees throughout 2019.
- Approximately 1,000 showerheads were replaced as part of the Showerhead Exchange Program.
- Greeley received a \$1,486,000 WaterSmart grant to help fund the implementation of advanced meter infrastructure (AMI).



Strengthening Infrastructure

Water Treatment Plants

- All the sand and anthracite media at Boyd Lake WTP were replaced which is required every 10 years to maintain effectiveness.
- Design began for the addition of an oxygen system to aerate Boyd Lake to improve water quality and eliminate taste/odors.
- The disinfection outreach & verification efforts, necessary for CDPHE compliance, were completed at both water treatment plants.
- Replacement of 20 MGD of treatment capacity at Bellvue WTP was completed. This included the construction of a new treatment building (TB1) and the retirement of the 1948/1953 filter building.

Strengthening Infrastructure

Water Distribution and Transmission Improvements

- Construction was completed for 24 out of the total 29 miles of the Bellvue 60" pipeline. Easement acquisition and design for the 5-mile Gold Hill segment is underway.
- A Water Distribution Infrastructure Master Plan was initiated and is expected to be completed in 2020.
- 5,400 feet of distribution water lines were replaced.

2019 Summary of Improvements	
Valve Replacements	32
Fire Hydrant Replacements	12
Meter Replacements (Beacon pilot)	607
New Construction Meters (installation)	322

Strengthening Infrastructure

Non-potable System Expansion

- Updated Master Plan that will develop a 10 year capital improvement plan.
- Non-Potable Pilot Project for new developments and to convert existing potable water customers to non-potable service
- Development of the Poudre Ponds Complex

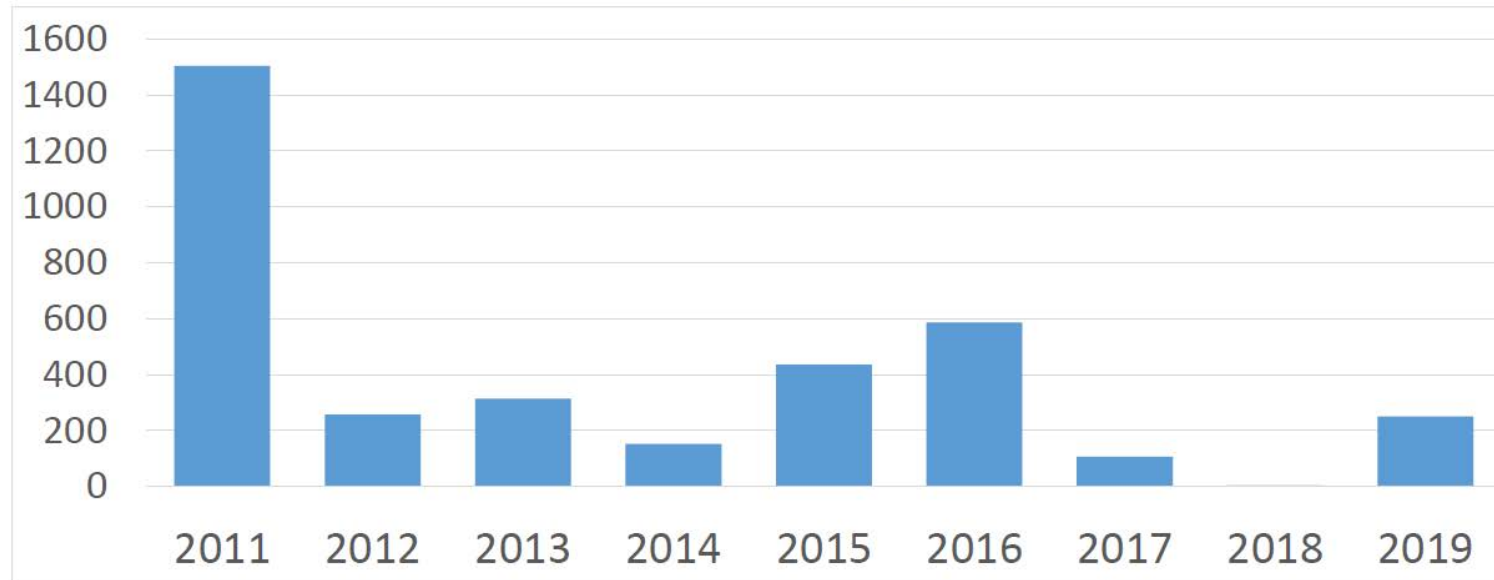


Continuing Acquisition

Water Acquisition Program

- Since 2011, Greeley has acquired 3,800 acre-feet.
- Started discussions with New Cache Irrigating Company on a perpetual water sharing agreement

Acre-Feet of Water Aquired



Continuing Acquisition

Water Rights Development and Protection

- Greeley entered statements of opposition in 23 cases and stipulated to five cases bringing the total number of cases Greeley was an active opposer in to 23.
- Diligence applications were filed for Linn Grove Cemetery (Case No. 19CW3164), the Equalizer Project (Case No. 19CW3191), and Overland Ponds (19CW3239).
- A final decree was received in Case No. 18CW3016 for diligence on shares Greeley owns in the Tunnel Water Company.
- Greeley and Leprino Foods, Inc. continued to work with opposers to settle Case No. 17CW3020 which is an application for the quantification of reusable return flows and appropriative rights of substitution and exchange. At the end of 2019 there was only one out of 14 opposers left in the case.
- Greeley started engineering for its second change of use application in the Water Supply Storage Company for an additional 16.5 shares

Continuing Acquisition

Building Agricultural Relationships

- 1st Annual Water Rental Round-Up
- • Weld County 4H
- • FFA Supervised Agricultural Experiences
- • Weld County Farm to Table
- • Greeley Chamber Agriculture Committee



Expanding Storage

Milton-Seaman Reservoir

- Permitting started in 2005
- In 2018, requested USACE pause environmental impact studies to better evaluate alternatives
- Throughout 2019, Greeley evaluated water supply alternatives



Expanding Storage

Windy Gap Firming Project

- 10,000 AF of storage for Greeley
- Permitting is complete
- Design is complete
- Pre-construction activities commenced in December 2019
- On hold for Water Court and Federal Court Case to be resolved



Expanding Storage

Overland Trails Ponds

- 2,500 AF of storage for Greeley
- ~1,000 AF is operational and being used by the Tri-districts
- Began acquiring materials from Martin Marietta needed for slurry construction at the Currie Ponds
- Upcoming projects include:
 - Gravity outlet for Treiber Pond B
 - Construction of slurry wall for the Currie Ponds
 - Connection into the Poudre Valley Canal



Upcoming Key Projects

- Development of a new integrated water supply master plan
- Completing the 60-inch Bellvue Pipeline, Gold Hill Section
- Complete and implement the Water Infrastructure Master Plan
- Continue effort to acquire storage through the Milton Seaman Water Supply Project
- Start Windy Gap Firming Project construction (Chimney Hollow Reservoir)
- Continue installation of AMI meters throughout the city
- SCADA system upgrades to improve data collection and accuracy
- Improvements at Boyd Water Treatment Plant to allow for winter time treatment
- Construction of additional capacity at the Poudre Ponds complex
- Update raw water dedication policies and programs to expand non-potable water use
- New active water conservation programs

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 7

TITLE: ADOPT RESOLUTION RESCINDING
 CHARGES FOR LATE PAYMENT OF WATER
 AND SEWER BILLS

RECOMMENDATION: ADOPT RESOLUTION RESCINDING
 CHARGES FOR LATE PAYMENT OF WATER
 AND SEWER BILLS

ADDITIONAL INFORMATION:

In December 2019, the Water and Sewer Board approved the 2020 Rate Resolution. Contained within the Rate Resolution was a new provision for a fee to be assessed to utility bills that were unpaid or paid late. The fee was set higher than appropriate and the approval process for the fee did not include the Stormwater Board. Given the current economic climate, staff is recommending rescinding the fee for the remainder of 2020 and coming back with an amended late fee for 2021. The late fee would also be included in the rate and fee authorization process for the stormwater utility.

**CITY OF GREELEY, COLORADO
ACTING BY AND THROUGH ITS WATER AND SEWER BOARD**

RESOLUTION ____ , 2020

**A RESOLUTION RESCINDING CHARGES FOR LATE PAYMENT OF
WATER AND SEWER BILLS (AMENDMENT TO RESOLUTION 6, 2019)**

WHEREAS, the City of Greeley (“City”) is a Colorado home rule municipality empowered pursuant to Sections 1 and 6 of Article XX of the Colorado Constitution to, *inter alia*, construct, purchase, acquire, lease, add to, maintain, conduct, and operate water works and everything required therefor, within or without its territorial limits, for use of the City; and

WHEREAS, Section 17-4 of the City Charter and Sections 14.04.080 and 14.04.110 of the Greeley Municipal Code authorize and require the Water and Sewer Board (“Board”) to, *inter alia*, annually establish minimum water and sewer rates by resolution, which must be sufficient to include expenditures for all operations and maintenance of the water and sewer system, all debt service, and additions to a reserve account in sufficient amounts to offset depreciation to the water and sewer system; and

WHEREAS, Section 14.04.090 of the Greeley Municipal Code requires the Board to adopt minimum rates, fees and charges the Board deems necessary to cover the costs of inspections, tap installations, operations, maintenance and extensions of the water and sanitary sewer systems; and

WHEREAS, the Board adopted Resolution 6, 2019 on December 18, 2019, by which resolution it, *inter alia*, established the rates, fees, and charges associated with City water and sewer service for 2020; and

WHEREAS, Section H of Appendix A to the Resolution 6, 2019 included a late charge to be assessed against customers who had not paid their water and sewer bill within 15 days after the payment due date, and the Board now desires to rescind such late charge;

**NOW THEREFORE, BE IT RESOLVED BY THE WATER AND SEWER BOARD OF
THE CITY OF GREELEY, COLORADO, AS FOLLOWS.**

1. Section H of Appendix A to Resolution 6, 2019 is hereby rescinded in its entirety.
2. Except as explicitly amended herein, Resolution 6, 2019 remains in full force and effect.

PASSED AND ADOPTED, SIGNED AND APPROVED THIS ____ DAY OF MAY 2020.

ATTEST

CITY OF GREELEY
WATER AND SEWER BOARD

Roy Otto
Secretary to the Board

Harold Evans
Chairman, Water and Sewer Board

2020 Rate Resolution – Rescind Late Fee

May 20, 2020



Background

- Hired a consultant to review policies, procedures, and workflow while preparing Request for Proposal for new Customer Information System (CIS)
- Lack of late fee identified by consultant as problematic and not aligned with best practices
- Added a late fee in 2020 Rate Resolution

Issues

- Late fee in rate resolution authorized the fee for water and sewer utilities, but not storm water
 - Will need the Stormwater Board's recommendation to City Manager
- Fee amount was not set correctly
 - Legal review indicated that the fee needs to not exceed the cost of the City for the service
 - Fee was set to reflect turn-on/off activities (meter and utility billing staff)



Path Forward

- Rescind the current fee for 2020
- Bring late fee back in 2021 rate resolution
 - Proposed fee to match the percentage return the City receives from its financial investments
 - Staff time minimal for managing late fees
- Route fee approval through the Water & Sewer Board and the Stormwater Board/City Manager
- Late fee revenue will benefit all three utility funds





Questions

2020 Rate Resolution – Rescind Late Fee

May 20, 2020



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Questions

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 8

TITLE: REPORT ON REGULATION 85 UPGRADE AT
 WATER POLLUTION CONTROL FACILITY

RECOMMENDATION: INFORMATIONAL ONLY

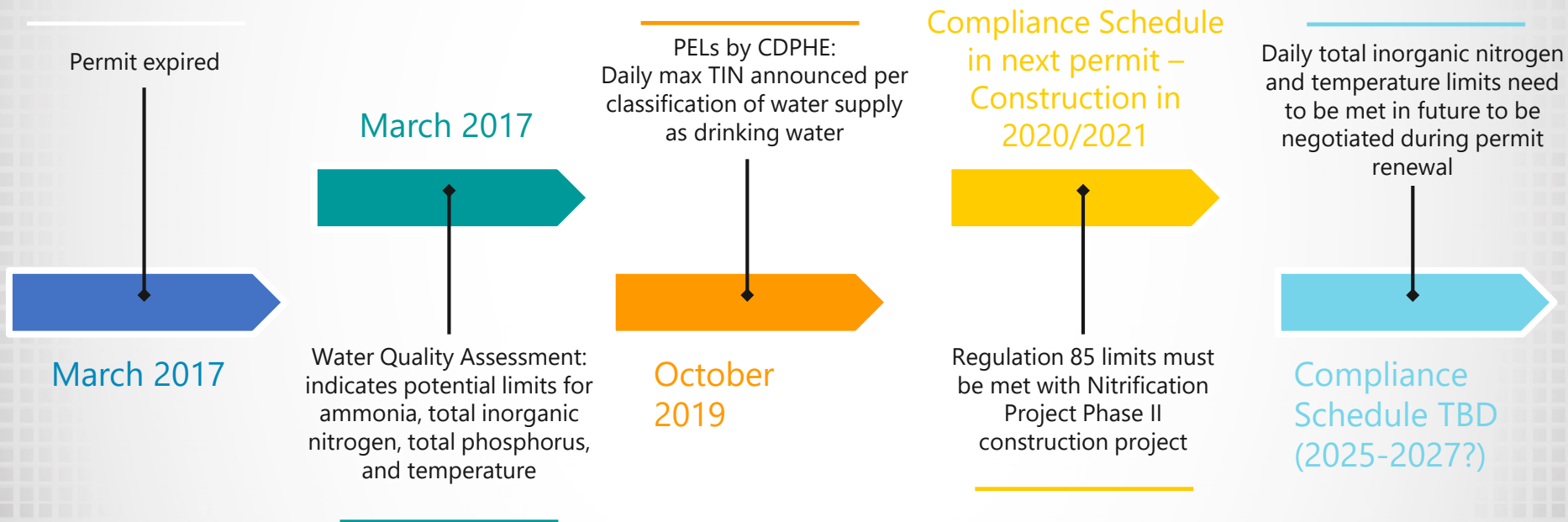
ADDITIONAL INFORMATION:



WTRF Nitrification Phase II Update

May 2020

Greeley WTRF Permit Requirements - Timeline



Project Overview

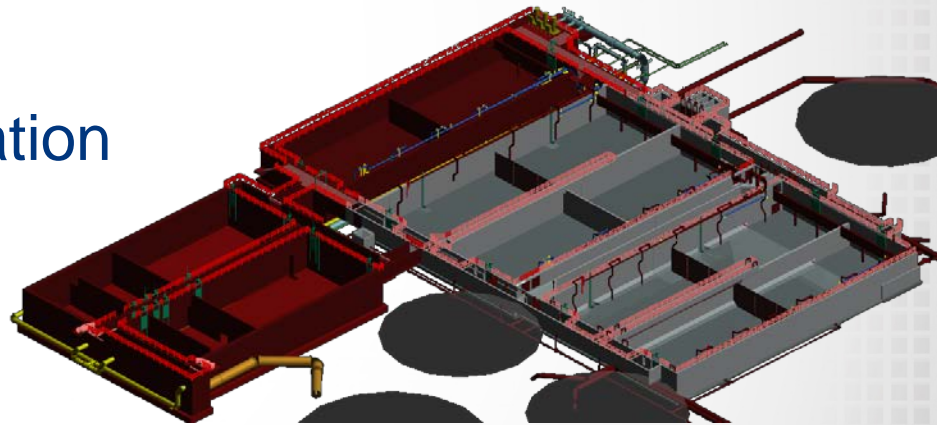
- Required upgrades identified in (liquid stream) Master Plan in 2018 to meet Regulation 85 nutrient limits and increase load capacity
- More restrictive Preliminary Effluent Limits (PELs) received in Fall 2019 as part of the Site Application approval process
- Design is progressing to only reliably meet Regulatory 85 nutrient limits only
- This strategy has been discussed with CDPHE Engineering and project permit will be issued under caveat that if lower PELs are issued, additional upgrades will be required
- Phase all other recommended project components not absolutely necessary for Reg. 85 to future Project Phases (Master Plan Phases 2, 3, and 4)

Target Performance

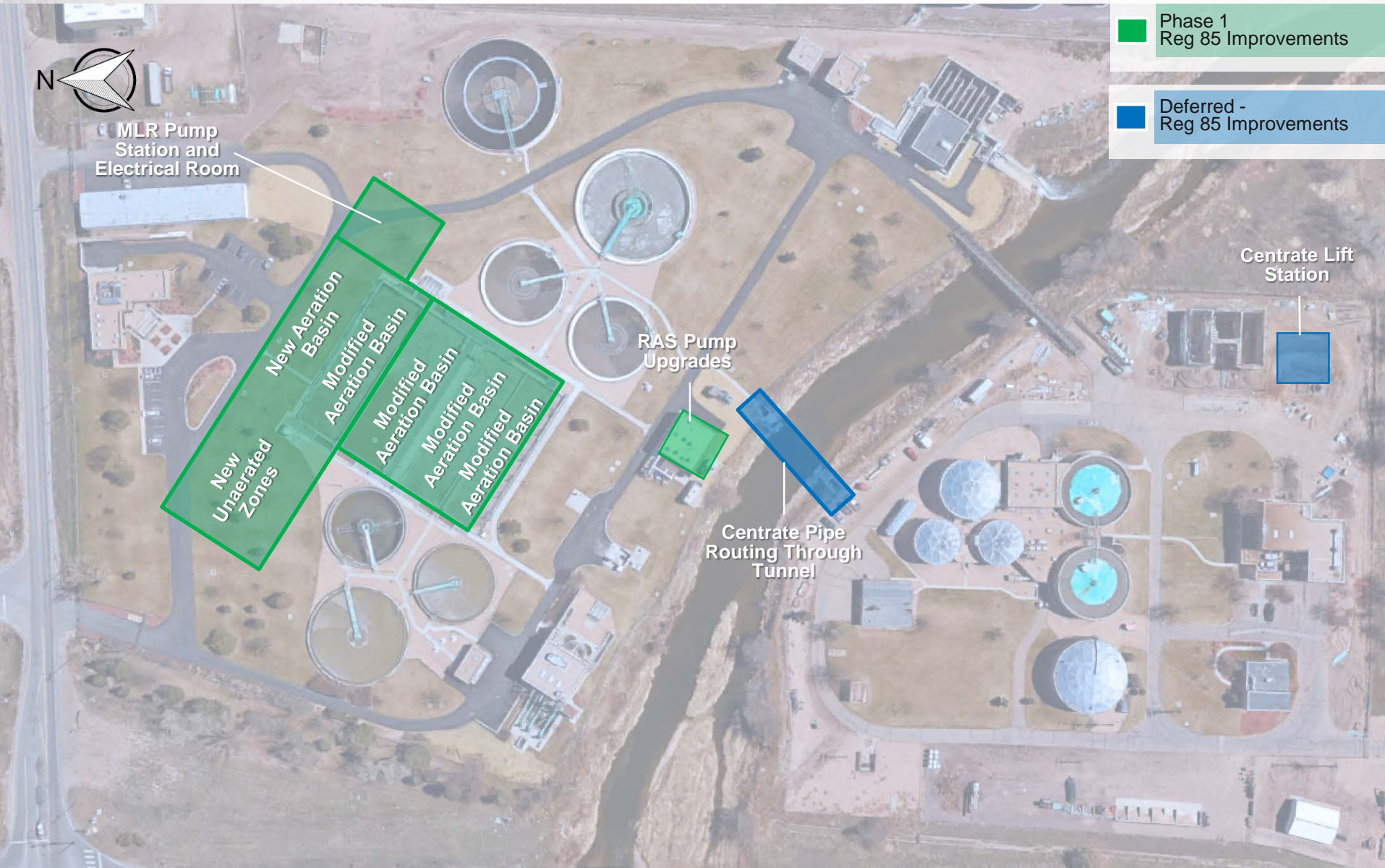
- Increase BOD capacity to 45,000 pounds per day (ppd) (currently at 39,000 lb)
- Maintain hydraulic capacity at 14.7 million gallons per day (mgd)
- Effluent Quality Goals
 - Total Inorganic Nitrogen (TIN) – 13 mg/L maximum monthly (not daily!)
 - Ammonia-Nitrogen - <1 mg/L
 - Total Phosphorus - <1 mg/L

Key Project Components

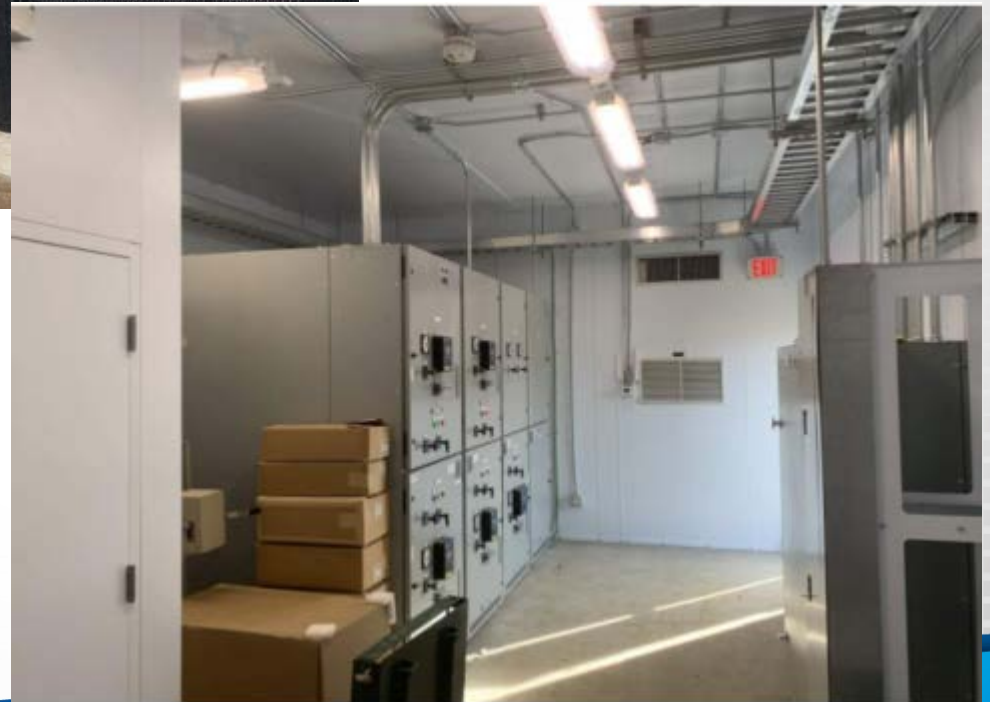
- Selector Basins – new unaerated volume
- Aeration Basin 0 – new aerated volume
- AB 1-4 modifications – gates, diffusers, air piping, baffle walls
- New MLR Pump Station
- Upgrade existing RAS pump station
- Secondary Electrical Building
- South Plant Chemical Addition
- Future Phased Work (deferred):
 - Surface wasting, Centrate Wet Well and Pump Station, associated piping, advanced aeration control automation.



Nitrification Phase 2



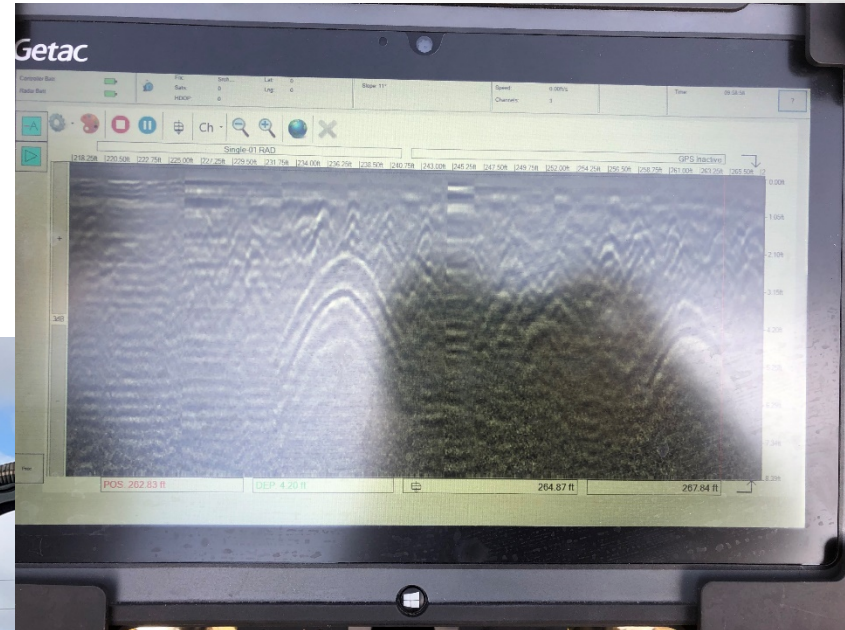
Example Electrical Room



Existing Facility Investigation



Utility Locating



Other City Depts Aiding with Tasks



Project Budget

- Budgeted Construction Cost: \$21,102,400
- 60% Design Construction Cost Estimate (Garney Construction): \$39,987,687
- 60% Value Engineering Construction Cost Estimate: \$33,321,860
- Budget Difference: \$12,219,460
- Third Party Estimated Construction Cost: \$28M-\$32M

Project Status Update

- 60% Design received mid-March
- 60% Cost estimate received end of April
- Value Engineering currently underway from 60% Design
- Issued For Construction (IFC) Drawings anticipated Sept./Oct.
- GMP following IFC drawings
- Construction start following GMP (End of 2020 to Early 2021)
 - Initially planned to start early work in late summer/early fall
 - Potentially adjusting schedule due to pricing!
- Utilizing 3rd Party Construction Management Company to review designs, construction costs, and help contain costs

Questions

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 9

TITLE: LOCAL IMPROVEMENT DISTRICT UPDATE

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

Local Improvement Districts (LID) are a tool for collecting the reimbursement of large offsite infrastructure expenses. The code needs modified to allow Water & Sewer to fully utilize this tool for its infrastructure program.



City of
Greeley
Colorado

AMENDMENT TO MUNICIPAL CODE CHAPTER 13.44

LOCAL IMPROVEMENT DISTRICTS

Current Municipal Code (Improvement Districts)

- Chapter 13.44.030 and 13.44.050
 - Allows for development of improvement districts for streets or alleys, sidewalks, bike paths or curbs and gutters, or extending or constructing sanitation sewers or water lines.
 - Shall consist of lots and lands abutting on the right-of-way or land for which water or sewer lines are installed.
 - Cost shall be assessed based on frontage, zone, or other equitable basis.
- Chapter 13.44.040 and 13.44.060
 - Allows for development of an improvement district that does not meet the requirements of Chapter 13.44.030 (not roadway improvements, water lines or sewer lines).
 - Shall consist of lots and lands benefitted by the local improvements.
 - Cost shall be assessed on bases of land or lot area.

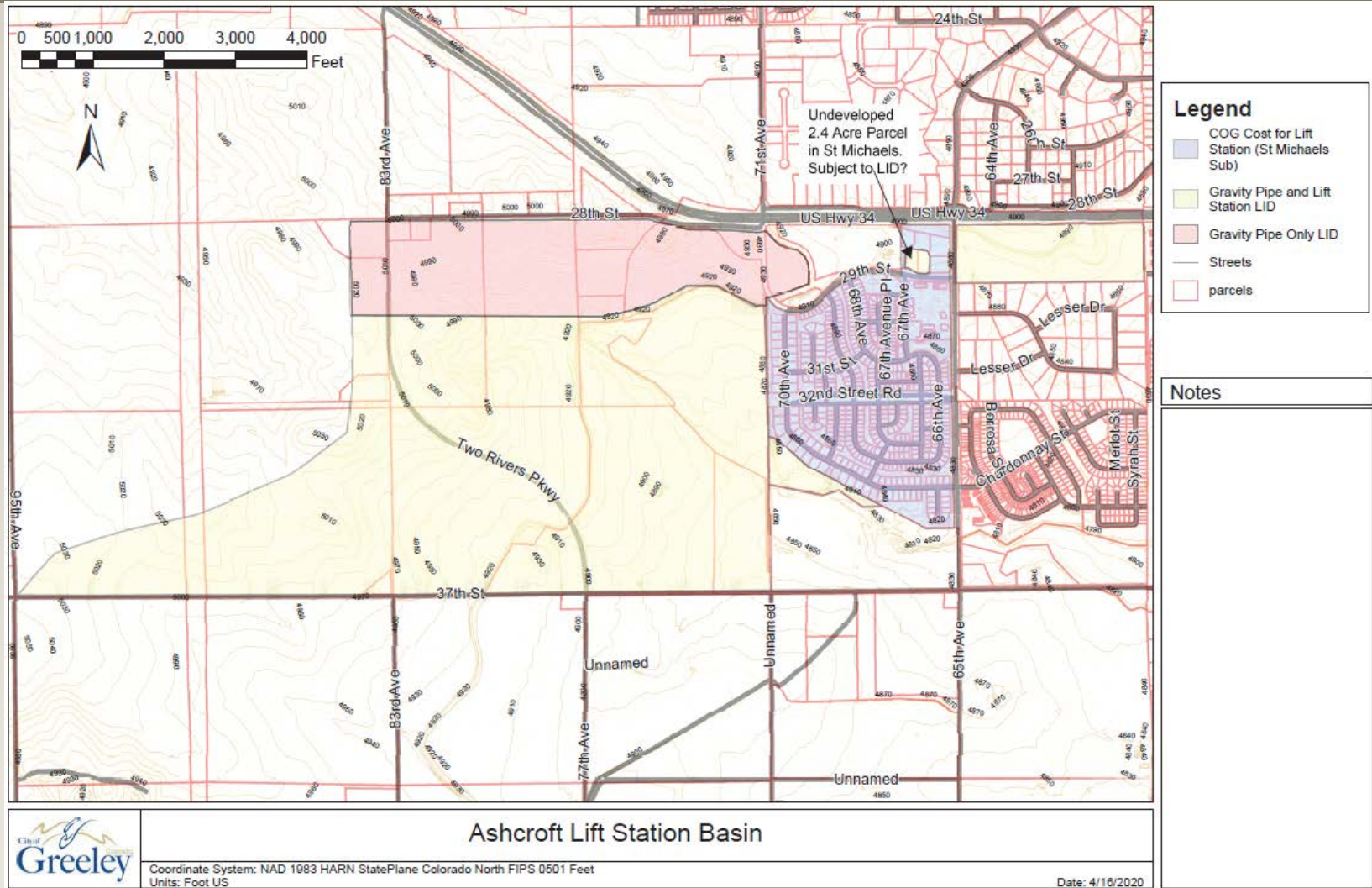
Limitations under Current Code

- Chapter 13.44.030 and 13.44.050
 - Limits properties to be included in improvement district to those properties abutting the improvements. Many improvement districts have service boundaries beyond the abutting property.
 - Limits the type of improvements for an improvement district to roadway, water pipe, or sewer pipes.
 - Excludes storm sewer infrastructure such as detention ponds, channel improvements or pipe.
 - Excludes water and sewer infrastructure beyond pipe. (Lift Stations & Trunk Lines)
 - Excludes other transportation improvements not listed.
- Chapter 13.44.040 and 13.44.060
 - Limits how the land owners are assessed the cost of the improvements. Cost can only be assessed by area, which in some cases may not be the most fair.
 - Other possible methods of assessment
 - Impervious Land Area (Stormwater)
 - $\frac{3}{4}$ " equivalence (Water and Sewer)
 - Traffic count

Proposed Revisions to Section 13.44.030

- Provides flexibility to create an improvement district for improvements outside of what is currently listed under Section 13.44.030 of the code.
- Provides flexibility on including properties not adjacent to the proposed improvements but will be served
- Allows flexibility of how properties are assessed (other equitable basis) unlike Sections 13.44.040 and 13.44.060, which is limited to land or lot area.

Ashcroft Lift Station LID Example



- Lift Station LID Boundary defined by Yellow (undeveloped) and Blue (St. Michaels Sub)
- Gravity Sewer LID. Cost share for downstream gravity, includes yellow, blue and red.
- Water and Sewer's cost share, developed portion of St Michaels Subdivision. (blue)

Ashcroft Lift Station LID Example

- Improvement District Boundary generally delineated based on topography and service availability.
- Basis of cost will be $\frac{3}{4}$ " water service equivalent.
 - 60 gal per capita per day (gpcd) x 3.1 = 186 gal per day (gpd) per $\frac{3}{4}$ " equivalent
 - Lift Station 5200- $\frac{3}{4}$ " equiv.. Estimated cost \$3 million (\$576 per $\frac{3}{4}$ " equiv. tap)
 - Based on Lift Station Full Build Out Capacity
 - Gravity Sewer 8200 $\frac{3}{4}$ " equiv. Estimated cost \$700,000 (\$85 per $\frac{3}{4}$ " equiv. tap)
- Improvement District Fee due at building permit.
- Projected development of service area based on City of Greeley Imagine Greeley Comprehensive Plan adopted by City Council and Community Development input.

QUESTIONS

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 10

TITLE: PURCHASE AND SALE AGREEMENT FOR
SEWARD WATER RIGHTS

RECOMMENDATION: APPROVE SEWARD PURCHASE AND SALE
AGREEMENT

ADDITIONAL INFORMATION:

Staff recommends that the Water and Sewer Board approve the enclosed Purchase and Sale Agreement for water rights with R. Lee and Rebecca Seward. The Agreement contemplates Greeley's purchase of one-half (0.5) shares of Water Storage and Supply Company. A dry-up covenant, revegetation covenant, and a leaseback are included in the Purchase and Sale Agreement. The total purchase price is \$1,000,000.00.

PURCHASE AND SALE AGREEMENT FOR WATER RIGHTS
(R. Lee Seward and Rebecca M. Seward)

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into by and between R. Lee Seward and Rebecca M. Seward (collectively referred to as "Seller"), and the City of Greeley, a Colorado home rule municipality, acting by and through its Water and Sewer Board ("Buyer").

RECITALS

A. The Seller owns real property located in part of Section 21, Township 7 North, Range 66 West of the 6th Principal Meridian, more particularly described in Exhibit A hereto (the "Land"); and

B. The Seller owns certain water rights, more particularly described in Section 2(c) below (the "Water Rights"), comprising of one-half (0.5) shares of stock in the Water Supply and Storage Company, and one-half (0.5) shares of stock in the Lakeside Lateral Company; and

C. By this Agreement, Buyer agrees to buy, and Seller agrees to sell, all of the Water Rights, on terms and conditions as are set forth herein, and to grant restrictive covenants for no further irrigation of the Land and revegetation of the Land; and

AGREEMENT

NOW, THEREFORE, for good and valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. AGREEMENT OF SALE. Buyer agrees to buy and Seller agrees to sell the Property, defined below, on the terms and conditions set forth in this Agreement.

2. DEFINED TERMS.

a. Buyer. The City of Greeley, a Colorado home rule municipality, acting by and through its Water and Sewer Board.

b. Seller. R. Lee Seward and Rebecca M. Seward, collectively.

c. Water Rights. The Water Rights are described as follows:

all water and water rights, ditches and ditch rights, and reservoirs and reservoir rights represented by one-half (0.5) share of stock in the Water Supply and Storage Company (represented by Share Certificate No. 006081), and one-half (0.5) shares of stock in the Lakeside Lateral Company (represented by Share Certificate No. 95), which have historically irrigated the real property described on Exhibit A attached hereto. The Water Rights shall also include any and all

lateral ditches, easements, rights of way and entitlements appurtenant to or used in connection with the Water Rights. The Water Rights shall not include any interest in any wells, well rights, well permits, whether tributary, nontributary, or not nontributary.

d. Land. Seller shall retain the real property, including all minerals of whatsoever kind or character in, under, and upon or that might be produced therefrom, more particularly described on Exhibit A ("Land"). The parties agree that within ten (10) days after the Title Objection Deadline, defined below, (i) if the Title Documents described in Section 4 reflect any discrepancy between the legal description set forth on Exhibit A and the legal description of the real property owned by Seller as disclosed by the Title Documents, (ii) if Buyer, at its expense, obtains a survey of the Land, or (iii) subject to the provisions of Section 3(d) below, if any matter discovered pursuant to Sections 4, 5 or 6 reflects any inaccuracy in the description of the Water Rights, then the parties will modify Exhibit A and/or Subsection 2(c) above and amend this Agreement to reflect the legal description of the Land and/or Water Rights owned by Seller, and use the amended legal description(s) at the Closing. The Land shall include sufficient acreage historically irrigated by the Water Rights to enable Buyer to obtain judicial approval of a change of use of the Water Rights when the Land is subject to Restrictive Covenants (No Irrigation), described on Exhibit B attached hereto and to Restrictive Covenants (Revegetation), described on Exhibit C attached hereto.

e. Property. The Property consists of the Water Rights, together with the Restrictive Covenants (No Irrigation) and the Restrictive Covenants (Revegetation) on the Land, described on Exhibits B and C, respectively, attached hereto and incorporated by reference herein.

f. Company. The Company shall individually and/or collectively refer to the Water Supply and Storage Company and the Lakeside Lateral Company.

g. Dates and Deadlines. Mutual execution of contract ("MEC") means the latest date upon which Seller and Buyer have signed this Agreement in accordance with Sections 25 and 26 below. See Sections 25 and 26 for contract formation. The table below contains a non-exclusive list of the transactional dates and deadlines for this Agreement.

Item No.	Reference	Event	Date or Deadline
1	§ 3(a)	Earnest Money Deposit	5 Days after MEC
2	§ 4a	Title Deadline	10 Days after MEC
3	§ 5b	Off-Record Matters Deadline	15 Days after MEC
4	§ 5a	Title Objection Deadline	60 Days after MEC
5	§ 5b	Off-Record Matters Objection Deadline	60 Days after MEC
6	§ 6c	Inspection Objection Deadline	60 Days after MEC
7	§ 6d	Resolution Deadline	70 Days after MEC
8	§ 8	Closing Date	90 Days after MEC
9	§ 13	Possession Date	Closing Date

10	§ 13	Possession Time	Completion of Closing
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h. Attachments. The following exhibits, attachments and addenda are a part of this Agreement: Exhibit A, Legal Description of Land; Exhibit B, Restrictive Covenants (No Irrigation); Exhibit C, Restrictive Covenants (Revegetation); Exhibit D, Special Warranty Deed; Exhibit E, Irrigation Water Lease Form; and Exhibit F, Historical Use Affidavit.

3. PURCHASE PRICE AND TERMS. The total Purchase Price for the Property shall be one-million dollars and zero cents (\$1,000,000.00), payable by Buyer as follows:

a. A portion of the Purchase Price, which shall be considered earnest money, shall be paid by Buyer prior to Closing (“Earnest Money”). The Earnest Money, in the amount of twenty-five thousand dollars and zero cents (\$25,000.00), shall be due, payable to, and held by Unified Title Company, located at 1275 58th Avenue, Unit C, Greeley, CO 80634 (“Title Company”), in its trust account, five (5) days after MEC. The Earnest Money deposit shall be credited against the Purchase Price if Closing occurs and Buyer receives Possession of the Property. The Earnest Money shall be refundable to Buyer at any time prior to the expiration of the Title Objection, Off-Record Matters Objection, or Inspection Objection Deadlines if Buyer is not satisfied with the Property. The Earnest Money shall also be subject to return to Buyer in the event of termination of this Agreement by Buyer under Sections 5, 6, and 18. Except as set forth in the preceding two (2) sentences, the Earnest Money shall be non-refundable to Buyer.

b. At Closing, Buyer shall pay to Seller the Purchase Price, less the Earnest Money, by cashier’s check, wire transfer, or other immediately available funds; plus any other amounts required to be paid by Buyer at Closing; plus or minus any prorations or credits.

c. All financial obligations of Buyer arising under this Agreement that are payable after the current fiscal year are contingent upon funds for that purpose being annually appropriated, budgeted, and otherwise made available by the City Council of the City of Greeley.

4. EVIDENCE OF TITLE.

a. Evidence of Title. On or before the Title Deadline, Seller shall cause to be furnished to Buyer, at Buyer’s expense, a current commitment for owner’s title insurance policy covering the Land, in an amount equal to the Purchase Price, setting forth ownership, lienholders, and any restrictions. The purpose of the title commitment is to enable Buyer to conduct the title review described in Section 5 and said commitment shall be updated as necessary up to the Closing. However, neither Seller nor Buyer shall have any obligation under this Agreement to purchase the title insurance policy after Closing. Buyer may elect to acquire this insurance (limited to the covenants attached hereto as Exhibits B and C) at its expense.

b. Copies of Exceptions. On or before the Title Deadline, Seller, at Seller’s expense, shall furnish to Buyer (i) a copy of any plats, declarations, covenants, conditions, and restrictions burdening the Property, and (ii) copies of any other documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (“Exceptions”). The title

insurance commitment and any copies or summaries of such documents furnished pursuant to this Section constitute the title documents ("Title Documents").

5. TITLE.

a. Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by Buyer of unmerchantability of title or of any other unsatisfactory title condition shown by the Title Documents which, in Buyer's opinion, may prevent Buyer from receiving the Water Rights and the covenants attached hereto as Exhibits B and C, shall be signed by or on behalf of Buyer and given to Seller on or before the Title Objection Deadline, or within five (5) days after receipt by Buyer of any Title Document(s) or endorsement(s) adding new Exception(s) to the title commitment together with a copy of the Title Document adding new Exception(s) to title. If Seller does not receive Buyer's notice by the date(s) specified above, Buyer accepts the condition of title as disclosed by the Title Documents as satisfactory.

b. Matters not Shown by the Public Records. Seller shall deliver to Buyer, on or before the Off-Record Matters Deadline, true copies of all lease(s), survey(s), and other agreement(s) in Seller's possession pertaining to the Property and shall disclose to Buyer all easements, liens or other title matters not shown by the public records of which Seller has actual knowledge. Buyer shall have the right to inspect the Property to determine if any third party(ies) has any right in the Property not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). Written notice of any unsatisfactory condition(s) disclosed by Seller or revealed by such inspection shall be signed by or on behalf of Buyer and given to Seller on or before the Off-Record Matters Objection Deadline. If Seller does not receive Buyer's notice by said date, Buyer accepts title subject to such rights, if any, of third parties of which Buyer has actual knowledge.

c. Right to Cure. If Seller receives notice of unmerchantability of title or any other unsatisfactory title condition(s) or commitment terms as provided in Subsections 5(a) or 5(b), Seller shall use reasonable effort to correct said items and bear any nominal expense to correct the same prior to the Resolution Deadline. If such unsatisfactory title condition(s) are not corrected on or before the Resolution Deadline to Buyer's satisfaction, this Agreement shall then terminate one (1) day after the Resolution Deadline, unless before such termination Seller receives Buyer's written withdrawal of the Notice to Correct.

6. PROPERTY DISCLOSURE AND INSPECTION.

a. Additional Documents to be Provided by Seller. Supplementing the provisions of Section 5, Seller shall deliver the following items to Buyer on or before the Off-Record Matters Deadline, to the extent they exist and are in Seller's possession or control:

(i) Copies of any documents that relate to the title, use, quantity, quality, and condition of the Water Rights, including, but not limited to, any deeds or other conveyances, assignments, permits, adjudications or court orders, and testing reports and records maintained by the Company concerning the Water Rights, including without limitation share certificate records, delivery records, and assessment records (or, in the alternative, Seller shall obtain for Buyer the right to inspect and copy such Company records); and

(ii) Copies of all contracts or other agreements relating to the operation, maintenance or leasing of the Land or Property.

b. Right to Inspect & Cooperation.

(i) Buyer, at its sole cost and expense, shall have the right to enter upon the Land from time to time to perform such tests or inspections as Buyer deems desirable to allow Buyer to evaluate the Water Rights and the condition and use of the Land. Such inspections or testing shall be conducted in a manner to minimize or avoid any disruption to Seller's business or operation of the Land.

(ii) Buyer and its employees, contractors and attorneys shall have the opportunity from time to time to interview Seller, and its employees, contractors and agents, to assist Buyer in determining the historical use of the Water Rights. Seller agrees to cooperate with Buyer to facilitate such interviews and to sign affidavits of use of the Water Rights. Buyer and its employees, contractors, and attorneys may also meet with the officers, directors, attorneys, and shareholders of the Company to determine under what conditions the Company will approve a change in the place of delivery or use, or the point of diversion, of the Water Rights and other Company shares obtained or to be obtained by Buyer, pursuant to the bylaws of the Company or other applicable law.

(iii) Buyer represents it may file an application in the District Court, Water Division No. 1, State of Colorado to, among other purposes, change the use of the Water Rights ("Change of Use Application"). The Seller agrees to support and reasonably cooperate with the Buyer in the Buyer's activities in furtherance of the Change of Use Application, including but not limited to producing any and all documents and disclosing in writing any and all known facts relating to ownership, restriction or use of the water associated with the Shares supporting the historic use of the water rights on the Land. The Seller further agrees not to oppose the Buyer's Change of Use Application. The provisions of this Subsection 6(b)(iii) shall survive the termination of this Agreement.

c. Inspection Objection Deadline. If Buyer is not satisfied with the results of its inspection of the Property and its review of the information described in this Section 6 for any reason whatsoever, including but not limited to Buyer's determination, in its subjective discretion, that the Land is not capable of supporting needed dry-up requirements, Buyer may, on or before the Inspection Objection Deadline, (i) notify Seller in writing that this Agreement is terminated or (ii) provide Seller with a written description of any unsatisfactory condition which Buyer requires Seller to correct ("Notice to Correct"). If a Notice to Correct is not received by Seller on or before Inspection Objection Deadline, the condition of the Property shall be deemed to be satisfactory to Buyer. If Seller fails to provide Buyer with copies of any of the documents or information set forth above in this Section, upon written notice from Buyer the Inspection Objection Deadline and Resolution Deadline shall be extended by the number of days equal to the delay in delivery of such documents beyond the original deadline.

d. Resolution Deadline. If a Notice to Correct is received by Seller, and if Buyer and Seller have not agreed in writing to a settlement thereof on or before the Resolution Deadline, this Agreement shall terminate one (1) day after the Resolution Deadline, unless before such termination Seller receives Buyer's written withdrawal of the Notice to Correct.

e. Damage; Liens. Buyer is responsible for payment for all inspections, surveys, engineering reports, and any other work performed at Buyer's request and shall pay for any damage which occurs to the Property as a result of such activities. Buyer shall not permit claims or liens of any kind against the Property for inspections, surveys, engineering reports, and for any other work performed on the Property at Buyer's request. The provisions of this Subsection shall survive the termination of this Agreement.

7. EXTENSION OF DEADLINES BY BUYER. If Buyer, after exercising reasonable good faith efforts, is unable to complete the title review and/or inspections described in Sections 5 and 6 by the Title Objection Deadline and/or the Off-Record Matters Objection Deadline and/or the Inspection Objection Deadline, respectively, Buyer shall have the right, prior to expiration of such deadline(s), to extend such deadline(s) for an additional period not to exceed fifteen (15) days, by sending Seller notice of such fact which describes such additional period. Upon the sending of such notice, the Resolution Deadline and Closing Date shall be automatically extended by a similar period or by such other period as the parties may determine.

8. CLOSING. Delivery of all closing documents described in Section 14 below from Seller to Buyer shall be at Closing ("Closing" or "Closing Date"). Closing shall be on the date specified as the Closing Date or by mutual agreement at an earlier or later date. The hour and place of Closing shall be as designated by mutual agreement, or absent such agreement at 10:00 A.M. at the offices of the Title Company.

9. TRANSFER OF TITLE. Subject to tender or payment at Closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller shall execute and deliver a good and sufficient Special Warranty Deed, in the form of Exhibit D, to Buyer, at Closing, conveying the Water Rights free and clear of all encumbrances or restrictions, an assignment of the portion of the Water Rights represented by shares in the Company in a form and manner acceptable to the Company, and the original stock certificates for the shares described in Section 2(c) above. Seller shall also execute the Restrictive Covenants with respect to the Land. If there are lienholders or leaseholders in the Land, such parties shall acknowledge and approve the Restrictive Covenants (No Irrigation) as shown on Exhibit B and the Restrictive Covenants (Revegetation) as shown on Exhibit C.

10. PAYMENT OF ENCUMBRANCES. Any encumbrance against the Water Rights or against the Land, where the lienholder does not execute the restrictive covenants pursuant to Subsections 14(f) and 14(g), shall be paid at or before Closing from the proceeds of this transaction or from any other source.

11. CLOSING COSTS; DOCUMENTS AND SERVICES. Buyer and Seller shall pay, in Good Funds, their respective Closing costs and all other items required to be paid at Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete all

customary or reasonably required documents at or before Closing. Fees for real estate closing services shall be paid at Closing by Buyer. Buyer shall pay the transfer fees for the assignments of the shares in the Company, if any.

12. PRORATIONS. The following shall be prorated to Closing Date, except as otherwise provided: none.

13. POSSESSION. Possession of the Water Rights shall be delivered to Buyer on Possession Date and Possession Time.

If Seller, after the Possession Date and Possession Time, fails to deliver possession as specified, Seller shall be subject to eviction and shall be additionally liable to Buyer for payment of five hundred dollars and zero cents (\$500.00) per day from the Possession Date until possession is delivered. Refer to Section 15 concerning use of the Water Rights after Possession.

14. OBLIGATIONS AT CLOSING. The following shall occur at Closing, each being a condition precedent to the others and all being considered as occurring simultaneously:

a. Seller shall execute, have acknowledged, and deliver to Buyer: (i) a Special Warranty Deed, in the form of Exhibit D, attached hereto and incorporated by this reference herein; (ii) all other documents necessary to transfer to Buyer the Water Rights, including assignments of the shares in the Company in a form and manner acceptable to the Company; and (iii) the original stock certificates for the shares in the Company.

b. Seller hereby consents to the recording of the Restrictive Covenants (No Irrigation) in the form attached hereto as Exhibit B, and the Restrictive Covenants (Revegetation) in the form attached hereto as Exhibit C by Buyer.

c. Seller shall execute and deliver to Buyer an Affidavit regarding historical use of the Water Rights, with sufficient information provided by Seller prior to Closing, incorporated into the form attached hereto as Exhibit F.

d. Seller shall execute and deliver to Buyer an affidavit stating that Seller is not a foreign persons, a foreign corporation, a foreign partnership, a foreign trust, or a foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

e. Seller shall execute a Certificate as to Taxpayer Identification Number as required by law.

f. Seller shall have delivered to Buyer possession of the Water Rights.

g. [Subsection intentionally left blank].

h. Seller and the holders of any deed of trust or other lien in the Land, which lien will not be released pursuant to Section 10, shall execute the Restrictive Covenants (No Irrigation) for the Land satisfactory to Buyer and substantially as shown on Exhibit B, attached

hereto and incorporated by this reference herein, that will prohibit the irrigation or other use of water on the Land except as authorized by a valid decree of the District Court for Water Division No. 1, State of Colorado, or a successor court and in accordance with any future water rights applications filed by Buyer.

i. Seller and the holders of any deed of trust or other lien in the Land, which lien will not be released pursuant to Section 10, shall execute Restrictive Covenants (Revegetation) for the Land satisfactory to Buyer and substantially as shown on Exhibit C, attached hereto and incorporated by this reference herein, which will require revegetation of the Land upon written notice from Buyer to satisfy any applicable revegetation and noxious weed management provisions as may be required in a final decree entered upon the Change of Use Application or another application seeking to change certain water rights from agricultural irrigation purposes to other beneficial purposes.

j. Buyer and Seller shall execute the Irrigation Water Lease defined below in Section 15, in substantially the same form as Exhibit E attached hereto.

k. Seller and Buyer shall each execute and deliver settlement statements, showing adjustments and the payment of costs of the Closing.

l. Each party shall deliver to the other such other documents, certificates, and the like as may be required herein or as may be necessary or helpful to carry out its obligations under this Agreement.

15. LEASE OF IRRIGATION WATER. Seller and Buyer agree that upon Closing, Seller will lease the Water Rights from Buyer for an initial term of ten (10) years after Closing (“Irrigation Water Lease”), with the automatic renewal for five (5) consecutive one (1) year renewal terms. The Buyer shall pay all assessments, charges, and other expenses due and attributable to the Water Rights (the “Annual Lease Amount”) to the Company, except for those assessments due and owed to the Lakeside Lateral Company. The Seller shall annually reimburse the Buyer in full for payment of the Annual Lease Amount. Seller shall also pay the City an annual administrative fee (“Annual Administrative Fee”) equal to ten percent (10%) of that year’s Annual Lease Amount, provided, however, that the Annual Administrative Fee shall not exceed five-hundred dollars (\$500.00). The form of the Irrigation Water Lease is contained in Exhibit E, Irrigation Water Lease Form.

16. NOT ASSIGNABLE. Except as provided in Section 24 below, this Agreement shall not be assignable by either Party, and any purported assignments shall be void. Except as so restricted, this Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of the parties.

17. RECOMMENDATION OF LEGAL AND TAX COUNSEL. BY SIGNING THIS DOCUMENT, BUYER AND SELLER ACKNOWLEDGE THAT THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND IT IS RECOMMENDED THAT THEY CONSULT WITH LEGAL, TAX, AND OTHER COUNSEL BEFORE SIGNING THIS AGREEMENT.

18. TIME OF ESSENCE AND REMEDIES. Time is of the essence hereof. In the event any time period expires on a Saturday, Sunday or legal holiday of the State of Colorado, the date of performance shall be the next day which is not a Saturday, Sunday or legal holiday of the State of Colorado. If any note or check received as Earnest Money hereunder or any other payment due hereunder is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, there shall be the following remedies:

a. If Buyer is in Default: Seller may elect to treat this Agreement as canceled, in which case all payments and things of value received hereunder shall be returned and Seller may recover such damages as may be proper, or Seller may elect to treat this Agreement as being in full force and effect, and Seller shall have the right to specific performance, damages, or both.

b. If Seller is in Default: Buyer may elect to treat this Agreement as canceled, in which case all payments and things of value received hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this Agreement as being in full force and effect, and Buyer shall have the right to specific performance, damages, or both.

c. Costs and Expenses. In the event of any arbitration or litigation relating to this Agreement, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney fees.

19. TERMINATION. In the event this Agreement is terminated, all payments and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to Subsections 6(e) and 3(a).

20. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATION; SURVIVAL. This Agreement constitutes the entire Agreement between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Agreement. No subsequent modification of any of the terms of this Agreement shall be valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any obligation in this Agreement which, by its terms or nature, is intended to be performed after termination or Closing shall survive the same.

21. SIGNATURES. Signatures may be evidenced by copies transmitted via facsimile or electronic mail. Documents with original signatures shall be provided to the other party at Closing, or earlier upon request of any party.

22. NOTICE. Any notice or other communication given by any of the parties hereto to another 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; or (ii) 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 (iii) on the date and at the time shown on the facsimile if telecopied to the number specified below and receipt of such telecopy is acknowledged; or (iv) on the date and at the time shown on the electronic mail (email) if emailed to the email address specified below and no bounce-back email is received within three (3) days; or (v) on the date shown on the delivery acknowledgment provided by the courier if sent by a nationally-recognized overnight courier service (such as Federal Express) that provides evidence of delivery:

If to Seller to: R. Lee Seward
P.O. Box 6
Eaton, CO 80615
Email: sewardfarm@aol.com

Rebecca M. Seward
P.O. Box 6
Eaton, CO 80615
Email: sewardfarm@aol.com

With a copy to: Ken Wolfe
Wolfe Van Ackern & Cuypers LLP
1008 Centre Ave., Unit #A
Fort Collins, CO 80526
Telephone: 970-493-8787
Facsimile: 970-493-8788
Email: kcfwolfe@wvc-law.com

If to Buyer, to: City of Greeley Water and Sewer Department
Attention: Cole Gustafson, Water Resources Administrator II
Water & Sewer Department
1001 11th Ave, 2nd Floor
Greeley, CO 80631
Telephone: 970-350-9815
Facsimile: 970-350-9805
Email: Cole.Gustafson@greeleygov.com

With a copy to: Greeley City Attorney's Office
Attention: Aaron Goldman, Environmental & Water Resources Attorney
1100 Tenth Street, Suite 401
Greeley, CO 80631
Telephone: 970-350-9757
Facsimile: 970-350-9763
Email: Aaron.Goldman@Greeleygov.com

23. [Section intentionally left blank]

24. SELLER 1031 EXCHANGE. At the request of Seller, Buyer shall cooperate with Seller 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. Seller will complete and file the necessary documentation with the Internal Revenue Service to effectuate the exchange. Buyer agrees that, if directed by Seller in writing, Buyer will submit that portion of the Purchase Price to be used to acquire like kind property of Seller, to the qualified intermediary as designated by Seller. Seller shall indemnify and hold Buyer harmless from any and all claims, costs, liabilities, or delays in time resulting from Seller's exchange of property described herein, or resulting from Buyer's submittal of a portion of the Purchase Price to the Seller's designated qualified intermediary. Buyer shall not be required to incur any additional liability or expense in connection with Seller's tax-deferred exchange transaction nor shall Buyer be required to accept title to any real property other than the Property described hereinabove.

25. WATER AND SEWER BOARD APPROVAL REQUIRED. THE OBLIGATIONS OF BUYER ARE EXPRESSLY CONTINGENT UPON THE APPROVAL OF THIS AGREEMENT BY THE CITY OF GREELEY WATER AND SEWER BOARD AS EVIDENCED BY EXECUTION OF THE SUPPLEMENTAL SIGNATURE PAGE BELOW.

26. NOTICE OF ACCEPTANCE; COUNTERPARTS. Acceptance must be in writing by Buyer and Seller, as evidenced by Seller's signatures below and Buyer's execution of the supplemental signature page below, and the offering party must receive notice of acceptance pursuant to Section 22. If accepted, this document shall become an Agreement between Seller and Buyer. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete Agreement between the parties.

SELLER:

R. Lee Seward

By: 

Date: 13 May 2020

Rebecca M. Seward

By: 

Date: May 13, 2020

THE FOLLOWING SUPPLEMENTAL SIGNATURE PAGE SHALL BE EXECUTED BY BUYER SUBSEQUENT TO APPROVAL BY THE CITY OF GREELEY WATER AND SEWER BOARD PURSUANT TO SECTION 25 HEREINABOVE.

BUYER'S SUPPLEMENTAL SIGNATURE PAGE

By: _____
Water & Sewer Board Chairman

By: _____
Mayor

APPROVED AS TO SUBSTANCE:

ATTEST:

By: _____
City Manager

By: _____
City Clerk

APPROVED AS TO LEGAL FORM:

AS TO AVAILABILITY OF FUNDS:

By: _____
City Attorney

By: _____
Director of Finance

Date Supplemental Signature Page Fully Executed : _____

**EXHIBIT A TO
CONTRACT TO BUY AND SELL WATER RIGHTS**

(See attached Legal Description of Land)

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

A TRACT OF LAND BEING PART OF THE E 1/2 NW 1/4 AND THE W 1/2 OF THE NE 1/4 OF SECTION 21, TOWNSHIP 7 NORTH, RANGE 66 WEST OF THE 6TH P.M., WELD COUNTY, COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CONSIDERING THE NORTH LINE OF THE NW 1/4 OF SAID SECTION 21 TO BEAR NORTH 90 DEGREES 00'00" EAST AND ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

BEGINNING AT A POINT WHENCE THE NORTH 1/4 CORNER OF SAID SECTION 21 BEARS NORTH 01 DEGREES 42'01" EAST, 422.05 FEET, NORTH 01 DEGREES 44'34" WEST, 497.55 FEET, AND NORTH 00 DEGREES 45'33" WEST, 411.89 FEET;

THENCE ALONG THE PROPERTY LINES, SOUTH 01 DEGREES 42'01" WEST, 550.31 FEET; THENCE SOUTH 00 DEGREES 38'25" WEST, 784.98 FEET TO A POINT ON THE SOUTH LINE OF THE N 1/2 OF SAID SECTION 21; THENCE NORTH 89 DEGREES 49'04" WEST, 742.25 FEET ALONG THE SOUTH LINE OF SAID N 1/2;
THENCE NORTH 55 DEGREES 33'42" WEST, 41.94 FEET;
THENCE SOUTH 87 DEGREES 01'28" WEST, 71.59 FEET;
THENCE NORTH 15 DEGREES 57'55" EAST, 226.98 FEET;
THENCE NORTH 48 DEGREES 56'26" WEST, 722.93 FEET;
THENCE NORTH 00 DEGREES 24'25" EAST, 297.32 FEET;
THENCE NORTH 00 DEGREES 35'21" EAST, 322.26 FEET;
THENCE NORTH 90 DEGREES 00'00" EAST 1350.68 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCELS OF LAND:

1. THAT PORTION DESCRIBED IN BOOK 181 AT PAGE 141, DESCRIBED AS FOLLOWS; A STRIP OF LAND SITUATED IN THE E 1/2 NW 1/4 OF SAID SECTION 21, OF SUFFICIENT WIDTH TO CONSTRUCT AND MAINTAIN AN IRRIGATING DITCH HAVING A CARRYING CAPACITY OF FIVE CUBIC FEET PER SECOND OF TIME, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS, TO WIT; COMMENCING AT A POINT 1891 FEET EAST OF THE NW CORNER OF SAID SECTION 21;
THENCE SOUTH 7 DEGREES 19' WEST 90 FEET;
THENCE SOUTH 23 DEGREES 52' EAST 100 FEET;
THENCE SOUTH 49 DEGREES 6' EAST 100 FEET;
THENCE SOUTH 1 DEGREE WEST 1910 FEET.

ALSO, A STRIP OF LAND SITUATED IN THE NE 1/4 SW 1/4 AND THE W 1/2 SE 1/4 AND THE SE 1/4 SE 1/4 OF SAID SECTION 21 OF SUFFICIENT WIDTH TO CONSTRUCT AND MAINTAIN AN IRRIGATING DITCH HAVING A CARRYING CAPACITY OF FIVE CUBIC FEET PER SECOND

OF TIME, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS,
TO WIT;

COMMENCING AT THE QUARTER CORNER BETWEEN SECTIONS 21
AND 28, TOWNSHIP 7 NORTH, RANGE 66 WEST;

THENCE NORTH 8 DEGREES 23'20" FEET;

THENCE NORTH 12 DEGREES 55' EAST 190 FEET TO OUTLET OF
RESERVIOR WHICH IS THE BEGINNING OF THE ABOVE MENTIONED
STRIP OF LAND,

THENCE SOUTH 1 DEGREE 11' EAST 335 FEET;

THENCE SOUTH 39 DEGREES 25' EAST 486 FEET;

THENCE SOUTH 52 DEGREES 52' EAST 100 FEET TO A POINT ON THE
SOUTH LINE OF SAID SECTION 21, 1960 FEET EAST OF THE QUARTER
CORNER BETWEEN SAID SECTIONS 21 AND 28.

2. THAT PORTION DESCRIBED IN BOOK 178 AT PAGE 445, DESCRIBED
AS FOLLOWS; COMMENCING AT A POINT 450 FEET SOUTH OF THE
NW CORNER OF THE NE 1/4 OF SAID SECTION 21;

THENCE RUNNING SOUTH 57' WEST ALONG THE WEST LINE OF SAID
QUARTER SECTION 1417 FEET;

THENCE SOUTH 65 DEGREES 15' EAST 473 FEET;

THENCE SOUTH 41 DEGREES 34' EAST 275 FEET;

THENCE SOUTH 60 DEGREES 19' EAST 650 FEET;

THENCE SOUTH 6 DEGREES 53' EAST 555 FEET;

THENCE SOUTH 24 DEGREES 35' WEST 713 FEET;

THENCE SOUTH 47 DEGREES 26' EAST 100 FEET;

THENCE SOUTH 20 DEGREES 21' EAST 465 FEET;

THENCE SOUTH 43 DEGREES 28' EAST 410 FEET;

THENCE SOUTH 1 DEGREE 11' EAST 335 FEET;

THENCE SOUTH 39 DEGREES 25' EAST 486 FEET;

THENCE SOUTH 52 DEGREES 52' EAST 232 FEET;

THENCE SOUTH 39 DEGREES 4' EAST 308.5 FEET TO THE SOUTH LINE
OF SAID SECTION;

THENCE EAST ALONG THE SECTION LINE 33 FEET TO A POINT 683
FEET WEST OF THE SE CORNER OF SAID SECTION 21;

THENCE NORTH 52 DEGREES 52' WEST 232 FEET;

THENCE NORTH 39 DEGREES 25' WEST 486 FEET;

THENCE NORTH 1 DEGREE 11' WEST 335 FEET;

THENCE NORTH 43 DEGREES 28' WEST 410 FEET;

THENCE NORTH 20 DEGREES 21' WEST 465 FEET;

THENCE NORTH 47 DEGREES 26' WEST 100 FEET;

THENCE NORTH 24 DEGREES 35' EAST 713 FEET;

THENCE NORTH 6 DEGREES 35' WEST 555 FEET;

THENCE NORTH 60 DEGREES 19' WEST 650 FEET;

THENCE NORTH 41 DEGREES 34' WEST 275 FEET;
THENCE NORTH 65 DEGREES 15' WEST 473 FEET;
THENCE NORTH 57' WEST 1417 FEET;
THENCE WEST 33 FEET TO THE PLACE OF BEGINNING.

3. THAT PORTION DESCRIBED IN BOOK 221 AT PAGE 96, DESCRIBED AS FOLLOWS;

AN AREA OF 1 1/10 ACRES OF LAND ALONG THE LINE OF THE LAKESIDE LATERAL DITCH AS IT TAKES ITS COURSE THROUGH AND OVER THE EAST 1/2 OF THE NW 1/4 OF SAID SECTION 21.

TOGETHER WITH EASEMENTS AND/OR RIGHTS-OF-WAY FOR IRRIGATION WATER TRANSPORT ON, OVER, UNDER, AND ACROSS THE E 1/2 NW 1/4 OF SAID SECTION 21 DESCRIBED AS FOLLOWS;

THE EAST 6 FEET OF THE WEST 9 FEET OF THE SOUTH 1301.11 FEET OF THE NORTH 1331.11 FEET; AND

THE SOUTH 6 FEET OF .THE NORTH 36 FEET OF THE WEST 570.9 FEET; AND

AN EASEMENT AND/OR RIGHT OF WAY BEING 6 FEET IN WIDTH AND LOCATED SOUTH AND WEST 9 FEET AT RIGHT ANGLES TO THE CENTERLINE OF THE LAKESIDE LATERAL DITCH COMPANY AS-CONSTRUCTED DITCH, SAID AS-CONSTRUCTED DITCH BEING MORE PARTICULARLY DESCRIBED AS;

BEGINNING AT A POINT ON THE NORTH LINE OF THE E 1/2 NW 1/4 OF SAID SECTION 21 WHENCE THE N 1/4 CORNER OF SAID SECTION 21 BEARS NORTH 90 DEGREES 00'00" EAST, 758.02 FEET;

THENCE ALONG THE CENTER LINE OF THE AS-CONSTRUCTED LAKESIDE LATERAL DITCH COMPANY AS FOLLOWS;

SOUTH 07 DEGREES 19'14" 11 WEST, 39.59 FEET; THENCE
SOUTH 00 DEGREES 10'23" EAST, 51.46 FEET; THENCE
SOUTH 13 DEGREES 54'06" EAST, 44.19 FEET; THENCE
SOUTH 23 DEGREES 38'54" EAST, 59.43 FEET; THENCE
SOUTH 36 DEGREES 42'17" EAST, 49.93 FEET; THENCE
SOUTH 43 DEGREES 24'11" EAST, 26.11 FEET; THENCE
SOUTH 54 DEGREES 27 '19" EAST, 26.64FEET; THENCE
SOUTH 62 DEGREES 43'53" EAST, 28.11 FEET; THENCE
SOUTH 66 DEGREES 57'48" EAST, 85.48 FEET; THENCE

SOUTH 71 DEGREES 04'02" EAST, 53.59 FEET TO A POINT WHERE THE EASEMENT AND/OR RIGHT-OF-WAY LEAVES THE SAID AS-CONSTRUCTED LAKE SIDE LATERAL DITCH COMPANY CENTERLINE;

THENCE SOUTH 00 DEGREES 40'44" EAST, 6.16 FEET TO A POINT ON THE SOUTH LINE OF THE EASEMENT AND/OR RIGHT-OF-WAY OF THE AS-CONSTRUCTED LAKESIDE LATERAL DITCH COMPANY;

THENCE SOUTH 00 DEGREES 40'44" EAST, 998.69 FEET TO A POINT ON THE NORTH LINE OF THE ABOVE DESCRIBED PROPERTY WHENCE THE NORTHEAST CORNER OF SAID DESCRIBED PROPERTY BEARS NORTH 90 DEGREES 00'00" EAST, 500.81 FEET.

THE ABOVE DESCRIBED EASEMENTS AND/OR RIGHTS-OF-WAY AFFECTS 0.44 ACRES, MORE OR LESS, EXCLUDING THAT PART OF THE DITCH LOCATED IN THE WELD COUNTY ROAD NO. 80 RIGHT-OF-WAY.

**EXHIBIT B TO
CONTRACT TO BUY AND SELL WATER RIGHTS**

(See attached Restrictive Covenants (No Irrigation))

RESTRICTIVE COVENANTS (NO IRRIGATION)

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, and in order to provide the City of Greeley, a Colorado municipal corporation, acting by and through its Water and Sewer Board (the “City”), with the maximum benefit available from the present and future use of water pursuant to the water rights acquired or to be acquired by the City and described in Exhibit A attached hereto and made a part hereof (the “Water Rights”), R. Lee Seward and Rebecca M. Seward (“Declarants”), agree, warrant, and covenant, and the undersigned leaseholders and lienholders if any, acknowledge and approve, on Declarants’ own behalf and on behalf of successors in interest, that upon notice from the City, Declarants shall cease irrigation on the lands owned by Declarants and described in Exhibit B attached hereto and made a part hereof (the “Land”).

Upon receipt of one hundred and eighty (180) days prior written notice from the City, thereafter Declarants shall not irrigate the Land. The City shall not send said notice during the initial term of that Irrigation Water Lease dated _____, between the City and Declarants. The prohibition against irrigation or making other uses of water on the Land explicitly includes irrigating the Land with water yielded from any wells referenced under and well permits issued pursuant to the adjudication in case W-370, Water Division No. 1, State of Colorado. These covenants shall not prohibit Declarants from irrigating the Land (i) with water rights which may in the future be transferred to such lands and judicially approved for such use through an appropriate Water Court proceeding, and in accordance with any future water rights applications filed by the City or a successor in interest to the Water Rights; (ii) with water from a well or wells to be constructed in the future which are authorized to pump pursuant to a Water Court-approved plan for augmentation; (iii) with treated potable water supplied by a municipal or quasi-municipal government water provider; or (iv) water which is not tributary to the South Platte River or any of its tributaries. Unless so irrigated, Declarants agree the Land subject to these covenants shall not be planted with any crops. Subject to the foregoing exceptions, Declarants further covenant and agree to take those actions reasonably necessary to eliminate any consumptive use of water for irrigation purposes on those portions of the Land which were historically irrigated, or such lesser portion thereof as determined by the Water Court in the judgment and decree entered in any case involving the change, plan for augmentation, or exchange of any of the Water Rights.

Any and all fees and costs incurred in any necessary action to enforce these Restrictive Covenants by City, including reasonable attorney fees, shall be paid by Declarants.

The foregoing covenants of Declarants shall burden, attach to, and run with the Land and shall be binding upon Declarants’ successors, assigns and any other persons who acquire an ownership or leasehold interest in all or part of the Land; such covenants also shall benefit, attach to, and run with the Water Rights and shall inure to the benefit of the City’s successors, assigns, and any other persons who acquire an ownership interest in the Water Rights. Declarants warrant and represents such covenants shall entitle the City to the first and prior right to claim credit for the dry-up or nonirrigation of the Land.

The terms and provisions of these covenants shall not expire and shall be perpetual unless specifically released in writing by the City or its successor in interest. The terms and provisions

of these covenants may not be terminated, modified, or amended without prior written consent of the City or its successor in interest. Any notice may be sent to the Declarants by prepaid U.S. Mail to the Declarants at: Post Office Box 6 Eaton, CO 80615.

IN WITNESS WHEREOF, the Declarants have executed this instrument on the ____ day of ____
_____, 2020.

Declarants:

By: _____

Name: _____

By: _____

Name: _____

Subscribed under oath before me on _____, _____, by _____
_____ and _____.

My commission expires: _____

Notary Public

**EXHIBIT C TO
CONTRACT TO BUY AND SELL WATER RIGHTS**

(See attached Restrictive Covenants (Revegetation))

RESTRICTIVE COVENANTS (REVEGETATION)

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, and in order to provide the City of Greeley, a Colorado home rule municipality, acting by and through its Water and Sewer Board (the “City”), with the maximum benefit available from the present and future use of water pursuant to the water rights acquired or to be acquired by the City and described in Exhibit A attached hereto and made a part hereof (the “Water Rights”), R. Lee Seward and Rebecca M. Seward (“Declarants”), agree, warrant and covenant, and the undersigned leaseholders and lienholders if any, acknowledge and approve, on Declarants’ own behalf and on behalf of successors in interest, that upon notice from the City, Declarants shall revegetate the lands owned by Declarants and described in Exhibit B attached hereto and made a part hereof (the “Land”).

Within two and one half (2½) years from receiving written notice from the City or from the expiration or termination of that Irrigation Water Lease dated _____, between the City and Declarants, whichever date is the later, Declarants shall establish, at Declarants’ expense, a ground cover of plant life, as such is defined in C.R.S. § 37-92-103(10.5) or successor statute, on the undeveloped portions of the Land that had been irrigated to satisfy any applicable revegetation and noxious weed management provisions as may be required in a final decree obtained by the City, or a successor in interest to the Water Rights, from the District Court for Water Division No. 1, State of Colorado, or a successor court, changing certain water rights from agricultural irrigation purposes to other beneficial purposes, pursuant to C.R.S. § 37-92-305(4.5) or successor statute. Here, “undeveloped portions of the Land” means portions of the Land not occupied by roads, buildings, or other structures, or not otherwise being lawfully irrigated in accordance with the Restrictive Covenants (No Irrigation), dated _____ and recorded at Reception No. _____ in Weld County.

Should Declarants fail to comply with its obligations hereunder, the City shall have the right to come upon the Land and take all measures necessary to accomplish revegetation and/or noxious weed management on the Land, provided that the City shall have the right to receive full reimbursement of all of its expenses of accomplishing such revegetation or weed management from Declarants. Any and all fees and costs incurred in any necessary action to enforce these Restrictive Covenants by City, including reasonable attorney fees, shall be paid by Declarants.

The foregoing covenants of Declarants shall burden, attach to, and run with the Land and shall be binding upon Declarants’ successors, assigns, and any other persons who acquire an ownership or leasehold interest in all or part of the Land; such covenants also shall benefit, attach to, and run with the Water Rights, and shall inure to the benefit of the City’s successors, assigns, and any other persons who acquire an ownership interest in the Water Rights. Declarants warrant and represent that such covenants shall entitle the City to the first and prior right to claim credit for the revegetation of the Land.

The terms and provisions of these covenants shall not expire and shall be perpetual unless specifically released in writing by the City or its successor in interest. The terms and provisions of these covenants may not be terminated, modified, or amended without prior written consent of

the City or its successor in interest. Any notice may be sent to the Declarants by prepaid U.S. Mail to the Declarants at: Post Office Box 6 Eaton, CO 80615.

IN WITNESS WHEREOF, the Declarants have executed this instrument on the ____ day of ____
_____, 2020.

Declarants:

By:_____

Name: _____

By:_____

Name: _____

Subscribed under oath before me on _____, _____, by _____
_____ and _____.

My commission expires:_____

Notary Public

**EXHIBIT D TO
CONTRACT TO BUY AND SELL WATER RIGHTS**

(See attached Special Warranty Deed)

SPECIAL WARRANTY DEED
(R. Lee Seward and Rebecca M. Seward)

THIS DEED, is made this ____ day of _____ 2020, by R. LEE SEWARD AND REBECCA M. SEWARD, whose address is 3806 County Road 29, Eaton, CO 80615, (“Grantors”) and the CITY OF GREELEY, COLORADO, a Colorado home rule municipality, acting by and through its Water and Sewer Board, whose address is 1000 10th Street, Greeley, Colorado 80631 (“Grantee”).

WITNESSETH, that Grantors, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, have granted bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, Grantee’s heirs and assigns forever, all of the water rights represented by the following shares (“Water Rights”):

all water and water rights, ditches and ditch rights, and reservoirs and reservoir rights represented by one-half (0.5) share of stock in the Water Supply and Storage Company (represented by Share Certificate No. 006081), and one-half (0.5) shares of stock in the Lakeside Lateral Company (represented by Share Certificate No. 95), which have historically irrigated the real property described on Exhibit A attached hereto. The Water Rights shall also include any and all lateral ditches, easements, rights of way and entitlements appurtenant to or used in connection with the Water Rights. The Water Rights shall not include any interest in the land historically irrigated by the Water Rights, any wells, well rights, well permits, whether tributary, nontributary, or not nontributary.

TOGETHER with all beneficial right, title and interest, if any, in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said shares;

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim, and demand whatsoever of the Grantors, either in law or equity, of, in, and to the above bargained Water Rights, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Water Rights above bargained and described with the appurtenances, unto the Grantee, Grantee’s successors and assigns forever. The Grantors, for Grantors, Grantors’ successors and assigns, do covenant and agree that Grantors shall and will warrant and forever defend the above bargained Water Rights in the quiet and peaceable possession of the Grantee, Grantee’s successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantors.

IN WITNESS WHEREOF, the Grantors have executed this Deed on the date set forth above.

GRANTORS:

R. LEE SEWARD AND REBECCA M. SEWARD,

By:_____

Name: _____

By:_____

Name: _____

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____ 2020,
by_____ and _____.

Witness my hand and official seal.

Notary Public
My commission expires: _____

IRRIGATION WATER LEASE AGREEMENT

This IRRIGATION WATER LEASE AGREEMENT (“Agreement”) is entered into this ____ day of _____ 2020, by and between the CITY OF GREELEY, a Colorado home rule municipal corporation acting by and through its Water and Sewer Board, whose address is 1001 11th Avenue, Second Floor, Greeley, Colorado 80631 (“City”), and R. Lee Seward and Rebecca M. Seward, whose address is P.O. Box 6 Eaton, Colorado 80615 (collectively, “Lessee”).

Recitals

WHEREAS, the City owns those certain water rights represented by one-half (0.5) share of stock in the Water Supply and Storage Company, and one-half (0.5) shares of stock in the Lakeside Lateral Company (“Water Rights”); and

WHEREAS, the Lessee desires to lease the Water Rights from the City for agricultural irrigation on a parcel of real property consisting of approximately 35 acres known as Weld County Parcel # 070721000062 (“Property”);

WHEREAS, the City is willing to lease the Water Rights to the Lessee for agricultural irrigation on the Property;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Lessee agree as follows.

Agreement

1. Water Rights Lease. The City hereby leases to the Lessee, and the Lessee hereby leases from the City, the above-described Water Rights for the purpose of agricultural irrigation on the Property.

2. Term of Lease. The term of this Agreement begins on the date of mutual execution and ends on November 1, 2030 (“Initial Term”). At the end of this Initial Term, this Agreement shall renew automatically for five (5) one (1) year renewals (“Renewal Term”), unless City or Lessee transmits written notice of nonrenewal on or before November 1 of the preceding calendar year. The Lessee may terminate this Agreement during the Initial Term, prior to any irrigation season, for any reason by delivering one year advance written notice to the City. The City may terminate this Agreement during the Initial Term, prior to any irrigation season, by delivering advance written notice to Lessee on or before November 1 of the preceding calendar year, if the City determines in its sole discretion that the Water Rights are needed for any municipal purpose, or if the City is required to cease irrigation with the Water Rights by the terms and conditions of a water court decree. Additionally, refer to Section 12 for provisions relating to termination for cause.

3. Annual Lease Amount and Administrative Fee. The Lessee shall pay to the City an Annual Lease Amount equal to all normal assessments, charges, and other expenses due and attributable to the Water Rights paid by the City to the Water Supply and Storage Company, excepting any special assessments. The Annual Lease Amount shall not be reduced to reflect rebates or other credits attributable to leasing transmountain return flows associated with the Water Rights. The Lessee has no right to claim, use, or rent such transmountain return flows. Neither the Lessee, nor any subsequent Lessee, shall have any right to any rebates, credits, or other payments from the City or the Water Supply and Storage Company for the creation, use, reuse, successive use, lease, or sale of such transmountain return flows. Notwithstanding the preceding two sentences, Lessee shall be entitled to payments from the Water Supply

and Storage Company for transmountain return flows associated with the use of the Water Rights for the 2020 irrigation season only. Lessee shall also pay to the City an Annual Administrative Fee equal to ten percent (10%) of that year's Annual Lease Amount, provided, however, that the Annual Administrative Fee shall not exceed five-hundred dollars (\$500.00). The City will provide an invoice of the Annual Lease Amount and Annual Administrative Fee to the Lessee, and Lessee shall deliver payment of that total amount to the City no later than (i) May 15 of the then current irrigation year, or (ii) within fifteen days of receipt of such invoice from the City. The Lessee shall also remit to the City an additional charge equal to fifteen percent of the Annual Lease Amount for every thirty days that payment required under this Agreement is late. Notwithstanding Section 3, Lessor shall pay assessments to the Lakeside Lateral Company.

4. Use of Water Rights. Lessee shall use the water delivered pursuant to the Water Rights only for agricultural irrigation on the Property. Lessee shall not use the Water Rights for any other uses. Lessee shall not use the water delivered pursuant to the Water Rights on any land other than the Property. Lessee shall use the Water Rights in accordance with all rules, regulations, bylaws and policies of the Water Supply and Storage Company. Lessee shall comply with Title 14 of the Greeley Municipal Code, and all rules, regulations, and laws of the State of Colorado pertaining to use of the Water Rights. Lessee shall take and use the water delivered pursuant to the Water Rights to the fullest extent possible consistent with normal irrigated agricultural practices, and shall undertake no action that could be construed as abandonment of the Water Rights or could cause in part or in whole a reduction in the use of the Water Rights. Lessee shall provide advance written notice to the City of at least thirty days if they no longer intend to irrigate the entirety of the Property with the Water Rights. Absent written consent from the City, Lessee shall not use any water, water rights, ditches, ditch rights, wells, well rights, well permits, carriage rights, reservoirs, or reservoir rights to irrigate the Property, other than water yielded pursuant to the Water Rights.

5. Affidavit of Beneficial Use and Water Court Proceedings. Lessee agrees to deliver to the City, on or before May 15 of each calendar year, a completed Historical Use Affidavit and Questionnaire, in the form attached as Exhibit. Lessee acknowledges that the City may file an application to change the use of the Water Rights with the Division 1 Water Court for the State Colorado during the term of this Lease Agreement. Lessee agrees to cooperate with the City and its agents or representatives in the review and analysis of the historical use of the Water Rights. Upon request from the City, Lessee shall provide information regarding use of the Water Rights and reasonable access to the Property during and in preparation for any proceeding before the Division 1 Water Court.

6. Restriction on Sublease and Assignment. Lessee shall not rent, sublet, or otherwise convey the right to use the Water Rights. Lessee shall not assign this Agreement, except to a successive owner or operator of the Property for agricultural irrigation of the Property, and only with written consent from the City. Lessee shall request consent from the City prior to any purported assignment of this Agreement by advance written notice of at least thirty days. Such consent may be given or withheld in the sole discretion of the City.

7. No Vested Interest in Shares or Joint Venture. This Agreement is made expressly subject to Section 17-4 of the Charter of the City of Greeley. The City grants no interest in the Water Rights to the Lessee other than as explicitly set forth in this Agreement. Lessee shall make no claim to any rights, title, or interest in the Water Rights other than as explicitly set forth in this Agreement. This Agreement does not create a partnership or joint venture of any kind between the parties, and the Lessee shall bear the entirety of any loss, cost, or expense incurred through their use of the Water Rights on the Property.

8. No Guarantee of Yield. Lessee is entitled to receive the amount of water yielded by the Water Rights, subject to the terms and conditions in this Agreement. The City makes no warranty,

guarantee, or representation of any kind regarding the quality or physical yield of water to be delivered pursuant to the Water Rights. Lessee shall not hold the City liable for any failure in delivery of the water pursuant to the Water Rights, including, but not limited to, that caused by force of nature or failure of water supply infrastructure.

9. Maintenance of Infrastructure. Lessee shall maintain the farm ditches, headgates, center pivot, pivot pond, and other personal property necessary to deliver water pursuant to the Water Rights at Lessee's own cost and expense. Lessee shall make all repairs and restorations necessary to keep the farm ditches, headgates, center pivot, pivot pond, and other personal property in good working condition during the term of this Agreement. The Lakeside Lateral does not constitute personal property for purposes of this Section 9.

10. Indemnification; Immunity. Lessee agrees to exercise Lessee's rights under this Agreement at Lessee's own risk. Lessee shall indemnify and hold harmless the City from and against any cost, expense, or liability arising out of this Agreement or related activities. Nothing in this Agreement is intended to constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 et seq., as applicable now or hereafter amended.

11. Notice. All notices to be given under this Agreement shall be (1) sent by certified or registered mail, return receipt requested, or (2) hand-delivered at the addresses set forth above. The Lessee shall provide written notice to the City if the appropriate contact information changes.

12. Default and Termination. If either the City or the Lessee fails to comply with a term or condition herein, such failure constitutes a default of this Agreement. The non-defaulting party may declare the default by providing written notice to the defaulting party in accordance with Paragraph 11 above. Upon receipt of this notice of default, the defaulting party will have fifteen days within which to cure the default. If, in the sole discretion of the non-defaulting party, the default remains uncured after the aforementioned fifteen-day cure period, or after any written extension thereof mutually agreed upon by the parties, the non-defaulting party may declare the Agreement terminated by written notice in accordance with Paragraph 11 above.

(a) Notwithstanding the above, failure by the Lessee to comply with the terms and conditions of Paragraphs 3, 4 or Paragraph 6 of this Agreement constitutes a material breach. In the event that the Lessee commits a material breach, the City may immediately terminate this Agreement by written notice to Lessee.

(b) The failure of either party to declare a default or material breach does not establish a precedent or constitute an implied waiver of any subsequent breach of the terms and conditions in this Agreement.

13. Cessation of Irrigation. Upon expiration or termination of this Agreement, Lessee shall immediately cease agricultural irrigation of the Property with the Water Rights.

14. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies upon any parties other than the Lessee and the City, or their respective permissible successors in interest.

15. Recovery of Costs and Fees. In addition to any remedies otherwise available, a party that is successful in a legal action commenced against the other due to a default or material breach of this

Agreement may recover from the defaulting party reasonable costs and attorneys' fees incurred during the course of such legal action.

16. Governing Law and Venue. This Agreement shall be governed by and enforced in accordance with the laws of the State of Colorado. Proper venue for any action arising out of this Agreement is the District Court for Weld County, Colorado, or the Division 1 Water Court for the State of Colorado.

17. Severability. In the event a provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any other provision herein, and the remainder of the Agreement should be interpreted in accordance with the intent of the parties.

18. Integration. This Agreement constitutes a complete integration of the understanding and agreement between the City and Lessee with respect to the subject matter herein, and supersedes all other lease agreements regarding the Water Rights. No representations, negotiations, or warranties, express or implied, exist between the City and Lessee except as explicitly set forth in this Agreement. This Agreement may only be modified in a written form duly authorized, approved, and executed by the City and Lessee.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by electronic means. The parties agree to accept and be bound by signatures hereto delivered by electronic means.

20. Recording. Lessee shall not record this Agreement in the real property records of any jurisdiction. This Agreement is not intended to run with the land as a covenant burdening real property.

IN WITNESS WHEREOF, the undersigned parties have executed this Irrigation Water Lease Agreement on the date first set forth above.

CITY OF GREELEY

ATTEST:

By: _____
Mayor

By: _____
City Clerk

LESSEE

By: _____

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 20__ by
_____ and _____, whose signature appear above as the Lessee.

Witness my hand and official seal.

Notary Public
My commission expires: _____

**EXHIBIT F TO
CONTRACT TO BUY AND SELL WATER RIGHTS**

(See attached Historical Use Affidavit)

AFFIDAVIT OF R. LEE SEWARD

STATE OF COLORADO)
)ss.
COUNTY OF WELD)

I, R. Lee Seward ("Affiant"), being of lawful age and first duly sworn upon oath, state and aver as follows:

1. I am a resident of the State of Colorado.
2. My address is [need physical address].
2. I have farmed a parcel of property consisting of approximately ____ acres further described in Exhibit A hereto (the "Land").
3. I own one-half (0.5) share of stock in the Water Supply and Storage Company (represented by Share Certificate No. 006081), and one-half (0.5) shares of stock in the Lakeside Lateral Company (represented by Share Certificate No. 95), (the "Irrigation Shares"). I have applied the Irrigation Shares to irrigate by [method] of irrigation, [number] acres of the Land since approximately [date] (the "____ Acres").
4. The Irrigation Shares have been delivered to the Land by [describe conveyance structures].
5. [description of whether the Irrigation Shares were sufficient to supply all of the ____ Acres].
6. [Description of crops grown]
7. [Season of Use Information for each of the shares]
8. [Other sources of water on the lands]
10. Further Affiant sayeth not.

Dated this _____ day of _____, 2020.

R. Lee Seward

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____ 2020, by _____.

Witness my hand and official seal.

Notary Public
My commission expires:

AFFIDAVIT OF REBECCA M. SEWARD

STATE OF COLORADO)
)ss.
COUNTY OF WELD)

I, Rebecca M. Seward ("Affiant"), being of lawful age and first duly sworn upon oath, state and aver as follows:

1. I am a resident of the State of Colorado.
2. My address is [need physical address].
2. I have farmed a parcel of property consisting of approximately ____ acres further described in Exhibit A hereto (the "Land").
3. I own one-half (0.5) share of stock in the Water Supply and Storage Company (represented by Share Certificate No. 006081), and one-half (0.5) shares of stock in the Lakeside Lateral Company (represented by Share Certificate No. 95), (the "Irrigation Shares"). I have applied the Irrigation Shares to irrigate by [method] of irrigation, [number] acres of the Land since approximately [date] (the "____ Acres").
4. The Irrigation Shares have been delivered to the Land by [describe conveyance structures].
5. [description of whether the Irrigation Shares were sufficient to supply all of the ____ Acres].
6. [Description of crops grown]
7. [Season of Use Information for each of the shares]
8. [Other sources of water on the lands]
10. Further Affiant sayeth not.

Dated this _____ day of _____, 2020.

Rebecca M. Seward

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____ 2020, by _____.

Witness my hand and official seal.

Notary Public
My commission expires:

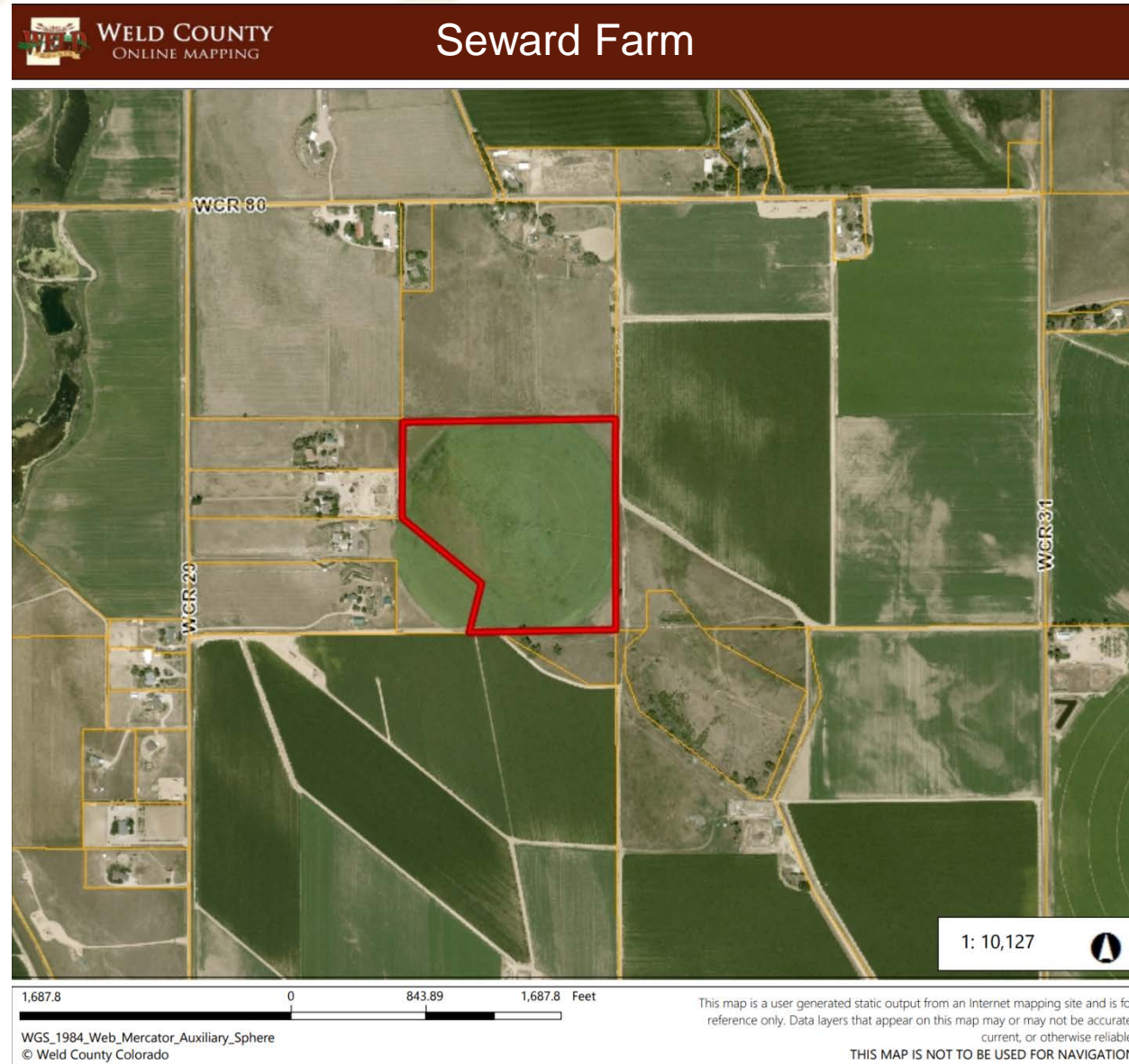


Water Rights Acquisition Seward (WSSC)

May 20th, 2020



Purchase & Sale Overview



Purchase & Sale Overview

- Water Only Purchase
 - ½ shares of Water Supply and Storage Company (WSSC)
 - ½ shares of Lakeside Lateral
- Potable supply
- Lease Back
 - 10 year primary lease back of water rights that may be extended for up to 5, 1-year terms was part of negotiation.
- Dry up and revegetation covenants are included
- Total Purchase price of \$1,000,000.00



Recommendation

W&S staff recommend the acquisition of the 0.5 shares of WSSC in accordance with the water acquisition strategies set forth in the Department's Master Plan and Future Water Account Plan



Questions?



WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 11

TITLE: EXECUTIVE SESSION

RECOMMENDATION:

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 12

TITLE: PURCHASE AND SALE AGREEMENT FOR
 EHRlich WATER RIGHTS

RECOMMENDATION: APPROVE PURCHASE AND SALE
 AGREEMENT FOR EHRlich WATER RIGHTS

ADDITIONAL INFORMATION:

Staff recommends that the Water and Sewer Board approve the enclosed Purchase and Sale Agreement for water rights with Ehrlich I, Inc. The Agreement contemplates Greeley's purchase of 8 shares in The Greeley & Loveland Irrigation Company (GLIC) and 1 right in the Loveland and Greeley Reservoir (Lake Loveland). Assignments of dry-up and a leaseback are included in the purchase and sale agreement. The total purchase price is \$1,900,000.00.

PURCHASE AND SALE AGREEMENT FOR WATER RIGHTS

(Ehrlich I, Inc.)

This PURCHASE AND SALE AGREEMENT ("Agreement") is entered into this 7th day of May 2020 ("Effective Date") by and between EHRLICH I, INC., a Colorado corporation ("Seller"), and THE CITY OF GREELEY, a Colorado home rule municipal corporation acting by and through its Water and Sewer Board ("Greeley").

RECITALS

A. Seller owns those certain water rights represented by eight (8) shares of capital stock in The Greeley & Loveland Irrigation Company (Certificate No. 3280) and one (1) right in The Loveland and Greeley Reservoir (Lake Loveland) (Contract No. 145 and Certificate No. 932), which rights are more particularly described on the attached Exhibit A, incorporated herein by reference (collectively "Water Rights").

B. The Water Rights were historically used to irrigate that certain real property located in Larimer County, which property is more particularly described on the attached Exhibit B, incorporated herein by reference ("Land"), such that all of the Water Rights have been necessary to provide a complete irrigation water supply for the Land.

C. Seller also owns the rights to and interest in those certain restrictive covenants that burden portions the Land to effect a dry-up of historically irrigated property for the benefit of the Water Rights, the assignments of which covenants to the Seller are more particularly shown in the attached Exhibit C, incorporated herein by reference ("Restrictive Covenants").

D. Seller desires to sell, and Greeley desires to purchase, all of Seller's rights, title, and interest in the Water Rights and Restrictive Covenants

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller and Greeley agree as follows.

AGREEMENT

ARTICLE 1 SALE OF PROPERTY

Seller agrees to sell, and Greeley agrees to purchase, on the terms and conditions set forth in this Agreement, all of Seller's rights, title, and interest in the Water Rights and Restrictive Covenants (collectively "Property").

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price. The total purchase price for the Property is one million, nine hundred thousand dollars (\$1,900,000.00) ("Purchase Price").



2.2 Earnest Money Deposit and Release. Within fifteen (15) days following the Effective Date of this Agreement, Greeley shall cause the amount of fifty thousand dollars (\$50,000) ("Deposit") to be deposited as earnest money with Unified Title Company of Northern Colorado, 1275 58th Avenue, Unit C, Greeley, Colorado 80634 ("Title Company"). If the Title Company cannot or will not provide the services necessary to execute this transaction, Seller and Greeley may mutually agree upon and confirm a replacement title company in writing. The Deposit is fully refundable to Greeley at any time prior to expiration of the Inspection Period if Greeley is not satisfied with the Property, and is subject to return upon termination of this Agreement by Greeley as provided herein, including pursuant to Sections 3.3, 4.2, 5.1, 8.3, and Article 9 below.

2.3 Funds Due at Closing. Greeley shall pay by cashier's check, wire transfer or other funds immediately available to the Title Company at Closing the Purchase Price (i) minus the Deposit; (ii) plus any other amounts reasonably required to be paid by Greeley at Closing; and (iii) plus or minus any other necessary adjustments mutually agreed upon by Seller and Greeley.

ARTICLE 3 TITLE

3.1 Title Commitment. Within fifteen (15) days following the Effective Date of this Agreement, Seller shall cause the following to be delivered to Greeley for review.

A. A commitment for an owner's policy of title insurance ("Title Commitment") issued by the Title Company to cover the Land in the amount of the Purchase Price, 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.

B. True and correct copies of all recorded documents referred to in the Title Commitment as exceptions to title to the Land ("Title Documents").

C. To the extent the same exist and are in the possession of Seller, true and correct copies of all non-privileged documents related to the Water Rights and Restrictive Covenants, including but not limited to, stock certificates and delivery records from The Greeley & Loveland Irrigation Company.

D. To the extent the same exist and are in possession of Seller, true and correct copies of all: (i) documents that relate to the title, use, quantity, quality and condition of the Water Rights and Restrictive Covenants, including, but not limited to, any deeds or other conveyances, assignments, permits, adjudications or court orders, any testing reports, and any records maintained by Seller related to the Water Rights; (ii) contracts or other agreements relating to the development, operation, maintenance or leasing or otherwise affecting the Water Rights, Land, and Restrictive Covenants; and (iii) any engineering, investigation or inspection document or reports related to the Water Rights (collectively "Off-Record Documents").

3.2 Condition of Title. Seller shall convey the Water Rights to Greeley by special warranty deed, free and clear of all liens and encumbrances, subject only to the following ("Permitted Exceptions"):

A. All covenants, easements, agreements, restrictions and other recorded documents set forth in the Title Commitment, except for those matters to be discharged by Seller prior to Closing.

B. Any matters created by or through Greeley.

Seller shall assign all of its rights, title, and interest in the Restrictive Covenants, and Greeley shall accept the same, pursuant to an assignment and assumption agreement to be executed at Closing.

3.3 Vesting of Title.

A. Property. At Closing, Seller shall convey fee simple title to the Water Rights to Greeley by special warranty deed subject only to the Permitted Exceptions. If Seller 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 Seller within fifteen (15) days after receiving notice from Seller or the Title Company. Any such exception not objected to in writing within such fifteen (15) day period shall be deemed an additional Permitted Exception. Seller may elect (but shall not be obligated) to remove, or cause to be removed at its expense, any such disapproved exceptions (collectively "Disapproved Matters"). Seller shall notify Greeley in writing within seven (7) business days after receipt of Greeley's notice of Disapproved Matters if Seller elects to remove such matters. If Seller fails or is unable to remove any such Disapproved Matters prior to Closing, Greeley may, upon seven (7) days' prior written notice to Seller, elect to terminate this Agreement. Upon termination of this Agreement pursuant to this Section, and except as otherwise provided herein, the Deposit shall be returned to Greeley and neither Seller nor Greeley shall have any further obligation or liability to the other except for those obligations which by their nature are intended to survive the termination of this Agreement.

3.4 Title Insurance. The purpose of the Title Commitment is to enable Greeley to conduct the title review described in Article 4 below, and said Title Commitment shall be updated as necessary up to the Closing. Neither Seller nor Greeley shall have any obligation under this Agreement to purchase a title insurance policy after Closing.

ARTICLE 4 INSPECTION PERIOD

4.1 Inspections.

A. Inspection Period; Right to Inspect. During the period which commences on the Effective Date and continues until 4:00 p.m. Mountain Time sixty (60) days from the Effective Date ("Inspection Period"), Greeley and its authorized agents, representatives and consultants shall be entitled to: (i) to perform such inspections as Greeley deems desirable, to allow Greeley to evaluate the Water Rights and the condition of the Property; (ii) contact and interview the managers, members, employees and agents of Seller to assist Greeley in evaluating the historical use of the Water Rights; and (iii) contact the officers, directors, attorneys, and shareholders of The Greeley & Loveland Irrigation Company ("Company") to inspect any

Company records and determine under what conditions the Company may approve a change in the place of delivery or use, or the point of diversion, of the Water Rights and other Company shares obtained or to be obtained by Greeley, pursuant to the bylaws of the Company or other applicable law (collectively referred to as "Inspections"). Seller agrees to cooperate with Greeley to facilitate such Inspections, but Greeley shall bear all costs of the Inspections. Seller agrees to cooperate with any such Inspections made by or at Greeley's direction so long as such cooperation does not cause Seller any material expense.

B. Conditions of Access. Greeley and its authorized agents, representatives and consultants (i) shall comply with all reasonable requirements imposed upon them in connection with such inspection by Seller; (ii) shall not injure or otherwise cause bodily harm to Seller, their agents, contractors or employees; (iii) shall promptly pay when due the costs of all Inspections done with regard to the Property; and (iv) shall not permit any liens to attach to the Water Rights or Restrictive Covenants by reason of the exercise of its rights hereunder. Notwithstanding anything in this Agreement suggestive to the contrary, Seller does not purport to unilaterally grant to Greeley any access to real property that it does not own or rightfully occupy.

4.2 Objections. If during the Inspection Period, Greeley, for any reason, in Greeley's sole discretion, judgment and opinion, disapproves or is dissatisfied with any aspect of the Property or its Inspections relating thereto, including, but not limited to, the following items, Greeley shall be entitled to terminate this Agreement by giving written notice to Seller on or before the expiration of the Inspection Period, whereupon the Deposit shall be returned to Greeley and all provisions of this Agreement (with the exception of those obligations which by their nature are intended to survive the termination of this Agreement) shall terminate:

A. Matters disclosed in (i) the Title Documents or (ii) the Off-Record Documents.

B. Greeley's ability to obtain other real property interests or water rights determined by Greeley to be necessary for the use of the Property for municipal purposes.

C. Greeley's ability to change the Water Rights for municipal use.

If Greeley does not provide written notice of termination to Seller prior to the expiration of the Inspection Period, the Deposit shall not be refunded to the Greeley if, for any reason other than as a result of a default by Seller, or a circumstance otherwise explicitly contemplated herein, including by Sections 3.3, 5.1, 8.3, or Article 9, the Closing of this transaction does not occur.

ARTICLE 5 CLOSING

CLOSING CONTINGENCIES; CLOSING

5.1 Closing Contingencies; Governing Body Approval. The obligations of Greeley under this Agreement, including, without limitation, the obligation to purchase the Property, are expressly subject to approval of this Agreement by the Greeley Water and Sewer Board ("Board") and the sufficient appropriation of funds by the Greeley City Council for the purchase

of the Property. In the event that the Board has not approved this Agreement within fifteen (15) days after expiration of the Inspection Period, then, in such event, upon written notice by Greeley to Seller, this Agreement shall terminate, whereupon the Deposit shall be returned to Greeley and neither party shall have any further obligation to the other except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

5.2 Closing. The closing of this transaction ("Closing" or "Closing Date") shall occur at 1:30 p.m. at the Title Company, thirty (30) days after the expiration of the Inspection Period, unless Greeley and Seller mutually agree to another date in writing.

5.3 Transactions at Closing.

A. On or before the Closing Date, Seller shall deliver or cause to be delivered to the Title Company, acting as escrow agent, the following documents duly executed and acknowledged where appropriate:

(1) A special warranty deed conveying the Water Rights to Greeley free and clear of all liens and encumbrances, substantially in the form attached hereto as Exhibit E.

(2) Stock assignments transferring ownership of the Water Rights to Greeley on the books of the Company, in a form acceptable to the Company.

(3) Assignments of the Seller's rights, title, and interest in the Restrictive Covenants to Greeley, substantially in the form attached hereto as Exhibit F.

(4) A certificate of non-foreign status pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, together with any certificates required pursuant to Colorado law.

(5) A statement of authority designating the person or persons who are authorized to execute the special warranty deed, the documents described in this Agreement on behalf of Seller.

(6) A Taxpayer Identification Number certificate, as required by law.

(7) A leaseback of the Water Rights from Greeley ("Water Leaseback Agreement"), substantially in form attached hereto as Exhibit D.

(8) A seller's closing settlement statement, and any other such documents as may be reasonably required by the Title Company and appropriate to complete the Closing of the transaction contemplated herein.

B. On or before the Closing Date, Greeley shall deliver to the Title Company, acting as escrow agent, the following, duly executed and acknowledged where appropriate:

(1) The Purchase Price, subject to the permitted credits and adjustments described more particularly above.

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

(3) The Water Leaseback Agreement, substantially in form attached hereto as Exhibit D.

(4) A purchaser's closing settlement statement, and any other such documents as may be reasonably required by the Title Company and appropriate to complete the Closing of the transaction contemplated herein.

ARTICLE 6 PRORATIONS; CLOSING COSTS

6.1 Prorations. Greeley and Seller do not anticipate the necessary proration of any items to the Closing Date. Any assessments associated with the Water Rights, owed at the time of Closing, shall be paid in full by Seller at or before Closing.

6.2 Closing Costs. Greeley shall pay the cost to record all deeds and restrictive covenants, as well as any water stock transfer fees and one-half (1/2) of the Title Company closing costs. Seller shall pay the other one-half (1/2) of the Title Company closing costs. Each party shall pay its own attorneys' fees.

ARTICLE 7 REPRESENTATIONS; WARRANTIES; COVENANTS.

7.1 Seller represents, warrants and covenants to Greeley as follows:

A. Encumbrances. From the Effective Date of this Agreement until the Closing, and except for the Permitted Exceptions defined herein, Seller 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.

B. Litigation. To Seller's current actual knowledge, there is no dispute, action or litigation pending or threatened respecting the ownership or use of the Property or other interests related thereto.

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

D. Status. Seller has all requisite legal power and authority to own and convey the Property and perform all of the terms of this Agreement.

E. Compliance with Law. To the best of Seller's current actual knowledge, Seller has complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments and decrees applicable to the Property, and to Seller's current actual knowledge there

is no proposed order, judgment, decree, governmental taking or other proceeding applicable to Seller which might adversely affect the Property.

Seller shall provide Greeley with a written certification at Closing confirming that the foregoing representations are true and correct as of the Closing Date.

7.2 Water Rights Adjudication. The parties acknowledge and agree that a change of Water Rights and/or other water rights adjudications may be necessary to allow Greeley's use of the Property for its intended purpose. Unless this Agreement is terminated pursuant to the provisions herein, Seller agrees that it shall not oppose, but shall cooperate with Greeley, in any actions Greeley files in Water Court or administrative or other proceedings for approval of the use of the Water Rights as part of an application for new water rights (including direct flow or storage rights), changes of water rights, exchanges or plans for augmentation or substitution or in connection with the Water Rights. Seller shall not be required to file briefs in support of Greeley's application or take any affirmative action other than to appear and testify honestly about the Water Rights and provide any documentation of use or other relevant historical use information. The terms and provisions set forth in this Section 7.2 and the covenants and obligations arising therefrom shall survive the Closing and shall not be deemed merged into the closing documents.

ARTICLE 8 CONDITIONS TO CLOSING; REMEDIES

8.1 Seller's Conditions. The obligation of Seller 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 Seller):

- A. Delivery and execution by Greeley of all monies, items, and other instruments required to be delivered by Greeley to the Closing.
- B. All actions by Greeley contemplated by this Agreement shall have been completed.
- C. No uncured default by Greeley of any of its obligations under this Agreement.

8.2 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 Seller of all items and other instruments required to be delivered by Seller to the Closing.
- B. All actions by Seller contemplated by this Agreement shall have been taken.
- C. No uncured default by Seller of any of its obligations under this Agreement.

D. The covenants, warranties, and representations made by Seller as specifically set forth herein are true and correct as of the Closing Date. No such covenants, warranties, or representations shall be deemed waived in the event Greeley elects to close pursuant to Section 8.3A (3) below.

8.3 Failure of Condition.

A. Except as set forth in subparagraph B below, in the event of a failure of any condition contained in Section 8.2, Greeley may in their sole discretion:

(1) Terminate this Agreement by notice to Seller, 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 Seller by Greeley shall be immediately returned to Greeley, and all documents deposited by Seller or delivered to Greeley by Seller shall be immediately returned to Seller; or

(2) Waive such default or condition in writing and close the transaction; or

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

B. In the event of a failure of any condition contained in Section 8.1 above, Seller may in its sole discretion:

(1) Terminate this Agreement by notice to Greeley, in which event Seller shall retain the Deposit as liquidated damages and all documents deposited by Greeley or delivered to Seller by Greeley shall be immediately returned to Greeley, and all documents deposited by Seller or delivered to Greeley by Seller shall be immediately returned to Seller; or

(2) Waive such default or condition in writing and close the transaction.

C. The Seller hereby waives any rights it may have to specific performance in the event of a default by Greeley. Except for the giving of notices or the delivery of the Deposit or the Purchase Price, time being of the essence, neither party shall be deemed in default hereunder unless such party fails to cure such default within seven (7) days of written notice of default from the other party.

8.4 Liquidated Damages. If Greeley defaults in any of its obligations under this Agreement, Seller shall be entitled to terminate this Agreement and retain the amount of the Deposit described in Section 2.2 ("Specified Sum") as liquidated damages. SELLER AND GREELEY ACKNOWLEDGE THAT SELLER'S DAMAGES WOULD BE DIFFICULT TO DETERMINE AND THAT THE SPECIFIED SUM IS A REASONABLE ESTIMATE OF THE SELLER'S DAMAGES.

ARTICLE 9
CONDEMNATION

If prior to Closing all or a material portion of the Property is subject to a proposed taking by any public authority, Seller shall promptly notify Greeley of such proposed taking and Greeley may terminate this Agreement by notice to Seller within fifteen (15) days after receiving such notice of the taking. If Greeley elects to terminate for such reason, it shall be entitled to return of the Deposit, and this Agreement (with the exception of those obligations which by their nature are intended to survive the termination of this Agreement) shall be of no further force and effect. If Greeley does not terminate this Agreement, or if the taking is of a non-material portion of the Property, Greeley shall accept title to the Property subject to the taking without a reduction in the Purchase Price and shall receive at Closing an assignment of all of Seller's 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 portion of the Property, for purposes of this Article 9, shall mean a portion that would have a material adverse effect on Greeley's use of the Property, as determined by Greeley in its sole good faith judgment.

ARTICLE 10
BROKERAGE

The Seller acknowledges that James Dignan, Independent Broker dba JHMS Properties, LLC ("Broker") has brought about the sale contemplated by this Agreement and that for such services the Seller has agreed to pay the Broker a commission ("Seller's Commission Payment"). The Seller's Commission Payment may be paid out of the Purchase Price at Closing, but shall not be considered to be earned, due or payable unless and until title to the Property passes to Greeley and the Agreement has been performed in full by Seller and Greeley. Seller 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. Seller agrees 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 such fees by Broker, or any other party, in connection with this transaction by any third party claiming by, through or under Seller, excluding, however, any party claiming through Greeley, their successors or assigns. This obligation shall survive the Closing of this transaction.

ARTICLE 11
NOTICES

Any notice or other communication given by any of the parties hereto to another relating to this Agreement shall be in writing and shall be deemed to have been duly given by delivery to the respective addresses provided below, or such other address changed by the recipient by notice consistent with this Article: (i) on the date and at the time of delivery if delivered personally to the party to whom notice is given at such address; 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 such address; 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 to such address; or (iv) if an e-mail address is specified, on the date and at the time shown on the e-mail message if sent to the e-mail address specified below and receipt of such e-mail message is acknowledged in writing by the intended recipient.

If to Seller:

Ehrlich I, Inc.
Attn: Robert Ehrlich
1853B Chesapeake Circle
Johnstown, Colorado 80534
Telephone: (970) 381-1396
Email: bob.ehrlich@yahoo.com

With a copy to Broker:

JHMS Properties, LLC
Attn: James K. Dignan, President
180 South Jasmine Street
Denver, Colorado 80224
Telephone: (303) 929-5461
Email: jkdignan81@gmail.com

If to Greeley:

City of Greeley Water and Sewer Department
Attention: Water Resources Division
1001 11th Avenue, 2nd Floor
Greeley, Colorado 80631
Telephone: (970) 350-9811
Email: cole.gustafson@greeleygov.com

With a copy to:

City of Greeley City Attorney's Office
Attention: Environmental and Water Resources Practice Group
1100 10th Street, Suite 401
Greeley, Colorado 80631
Telephone: (970) 381-7408
Email: daniel.biwer@greeleygov.com

ARTICLE 12 MISCELLANEOUS

12.1 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 to which Greeley or their officers, employees, successors and assigns are entitled by law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et seq., as amended.

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

12.3 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.

12.4 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.

12.5 Entire Agreement. This Agreement contains the entire agreement between the parties regarding the Property and supersedes all prior agreements, whether written or oral, among the parties regarding this purchase and sale transaction. This Agreement may only be modified by mutual written agreement duly authorized and executed by the parties.

12.6 Survival of Representations and Warranties. All representations, obligations, liabilities, warranties, covenants, agreements and monetary obligations of Seller 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.

12.7 Successors. Subject to Section 12.8, this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

12.8 Assignment. This Agreement is not assignable by Seller or Greeley without first obtaining the prior written approval of the other party. No assignment shall relieve either of the parties from their respective obligations hereunder if such obligations are not properly discharged by the assignee of such party.

12.9 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.

12.10 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 any ambiguities shall not be resolved against the drafting party in the interpretation of this Agreement or any amendments or exhibits hereto.

12.11 Possession. Seller shall deliver to Greeley possession of the Property, subject to the Permitted Exceptions on the Closing Date, upon release from escrow of all items to be delivered by Greeley to the Closing, including, without limitation, the Purchase Price.

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

12.13 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, legal holiday of the State of Colorado or other non-business day, the date of such commencement, performance, expiration or determination shall automatically be extended to the next business day which is not a Saturday, Sunday, legal holiday of the State of Colorado or other non-business day.

12.14 Counterparts. This Agreement may be executed in any number of counterparts each of which, when taken together, shall constitute one contract. This Agreement shall only be effective when counterparts are signed by both Seller and Greeley.

12.15 Acceptance. Upon execution and delivery of this Agreement by Seller, this Agreement shall constitute an offer to sell the Property on the terms and conditions set forth herein. The foregoing notwithstanding, any party may revoke its execution and delivery of this Agreement at any time prior to the execution and delivery by the other party, by delivering oral or written notice (which need not conform with the requirements of Article 11 above) of such revocation to the other party.

12.16 Approval. THE OBLIGATIONS OF GREELEY ARE EXPRESSLY CONTINGENT UPON THE APPROVAL OF THIS AGREEMENT BY THE CITY OF GREELEY WATER AND SEWER BOARD.

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

EHRlich I, INC.,
a Colorado corporation

By: Robert E. Ehrlich, Pres.

Date: 5/7/2020

Name: Robert E. Ehrlich

Title: President



THE CITY OF GREELEY
a Colorado home rule municipal corporation,
acting by and through its Water and Sewer Board

By: _____
City Manager

Date: _____

APPROVED AS TO LEGAL FORM:

AS TO AVAILABILITY OF FUNDS:

By: _____
City Attorney

By: _____
Director of Finance



EXHIBIT A
Description of the Water Rights

All water and water rights, ditches and ditch rights, reservoirs and reservoir rights, and all other rights represented by eight (8) shares of capital stock in The Greeley & Loveland Irrigation Company (Certificate No. 3280) and one (1) right in The Loveland and Greeley Reservoir (Lake Loveland) (Contract No. 145 and Certificate No. 932). The Water Rights covered by this provision also include all rights, title, and interest of Ehrlich I, Inc. in and to any and all lateral ditches, easements, rights of way and entitlements appurtenant to or used in connection with the shares described above.

EXHIBIT B
Description of the Land

The S $\frac{1}{2}$ of the NW $\frac{1}{4}$, the SW $\frac{1}{4}$, and the SE $\frac{1}{4}$ of Section 12, Township 5 North, Range 68 West of the 6th P.M. in Larimer County, Colorado.



EXHIBIT C
Restrictive Covenants

PRC

PARTIAL ASSIGNMENT OF DRY-UP COVENANT

FOR AND IN CONSIDERATION FOR THE PAYMENT OF

\$850,000, the receipt and sufficiency of which is hereby acknowledged, New Frontier Bank ("Assignor"), hereby assigns and conveys to Ehrlich I, Inc. ("Assignee") all right, title and interest to that portion of the Dry-Up Covenant associated with the transfer to Assignee of eight (8) Greeley Loveland Irrigation Company stock shares and one (1) contract right in the Loveland and Greeley Reservoir Company. The Dry-Up Covenant was recorded in the records of Weld County Clerk and Recorder on February 20, 2007, at Reception No. 3456129, and is attached hereto and incorporated herein as Exhibit A. Assignor warrants that it is the current holder of the Dry-Up Covenant and has all authority necessary to make partial assignment of the Dry-Up Covenant.

That portion of the Dry-Up Covenant assigned by Assignor to Assignee is 64.3 acres of the original 86.8 acres as shown by the map attached hereto and incorporated herein as Exhibit B.

This assignment includes and grants Assignee the right to enforce this Dry-Up Covenant against all owners of the 64.3 acres as shown on Exhibit B.

This Assignment shall be recorded in the office of the Larimer County Clerk and Recorder.

Dated this 5th day of Dec, 2008

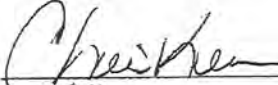
ASSIGNOR



BY: Robert A. Wiest
Title: Vice President

Subscribed and sworn to before me this 5th day of Dec, 2008 by Robert A. Wiest as Vice President of New Frontier Bank in Weld County, Colorado.

My commission expires: 8/25/11

By: 
Notary Public

SEAL





[CONTINUED ON NEXT PAGE]

ASSIGNEE

Ehrlich I, Inc.
By: Robert E. Ehrlich, Pres

BY: _____

Title: President

Subscribed and sworn to before me this 6 day of Dec, 2008 by
Robert E. Ehrlich as Pres of Ehrlich I, Inc in
Ward County, Colorado.

My commission expires: 8/25/12 By: [Signature]
Notary Public

SEAL



[Signature]

Exhibit A

Red



3456129 02/20/2007 10:34A Weld County, CO
1 of 2 R 11.00 D 0.00 Steve Moreno Clerk & Recorder

129

DRY-UP COVENANT

1. On and after January 31, 2007 ("Grantor") covenant and agree that the water and water rights represented by Certificate No. 3196 for 8 shares of the capital stock of the Greeley Loveland Irrigation Company and water rights represented by Certificate No. 877 for 1 contract right and Certificate No. 878 for 1 contract right in the Loveland and Greeley Reservoir Company ("Transferred Water Shares") shall not be used in connection with the real property described in paragraph 2 below. The Grantor covenant and agree that no other shares or contract rights in the Greeley Loveland Irrigation Company, Seven Lakes Reservoir Company, or the Loveland and Greeley Reservoir Company shall be used on the 86.8 acres described in paragraph 2 below.

2. Grantor covenants and agrees not to deliver the Transferred Water Shares, or any other shares or contract rights in the Greeley Loveland Irrigation Company, Seven Lakes Reservoir Company, or the Loveland and Greeley Reservoir Company to the agricultural property ("Property") located as follows:

A portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 12 and a portion of the Southwest $\frac{1}{4}$ of Section 12 of Township 5 North, Range 68 West of the 6th Principal Meridian, Larimer County, Colorado

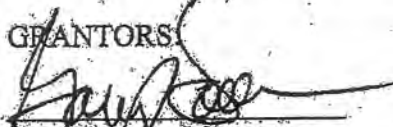
This parcel subject to this dry-up covenant is shown on the attached map. The parcel contains approximately 86.8 acres.

3. Unless otherwise required or disallowed by any Water Court decree changing the Transferred Water Shares, or allowing such rights to be exchanged, this covenant does not prevent the Grantor or Grantor's successors and assigns from irrigating the Property with any other legal sources of water.

4. The foregoing covenant shall burden the Grantors and Grantor's successors in interest in the Property and shall run with the Property, and shall benefit the owner in interest of the Transferred Water Shares and shall run with the Transferred Water Shares.

5. The terms of and provisions of this agreement shall not expire and shall be perpetual.

GRANTORS


Gary Hoover, Manager -
Miracle on 34, LLC


1-31-07

Date


Clyde L. Hemberger

2-2-07

Date

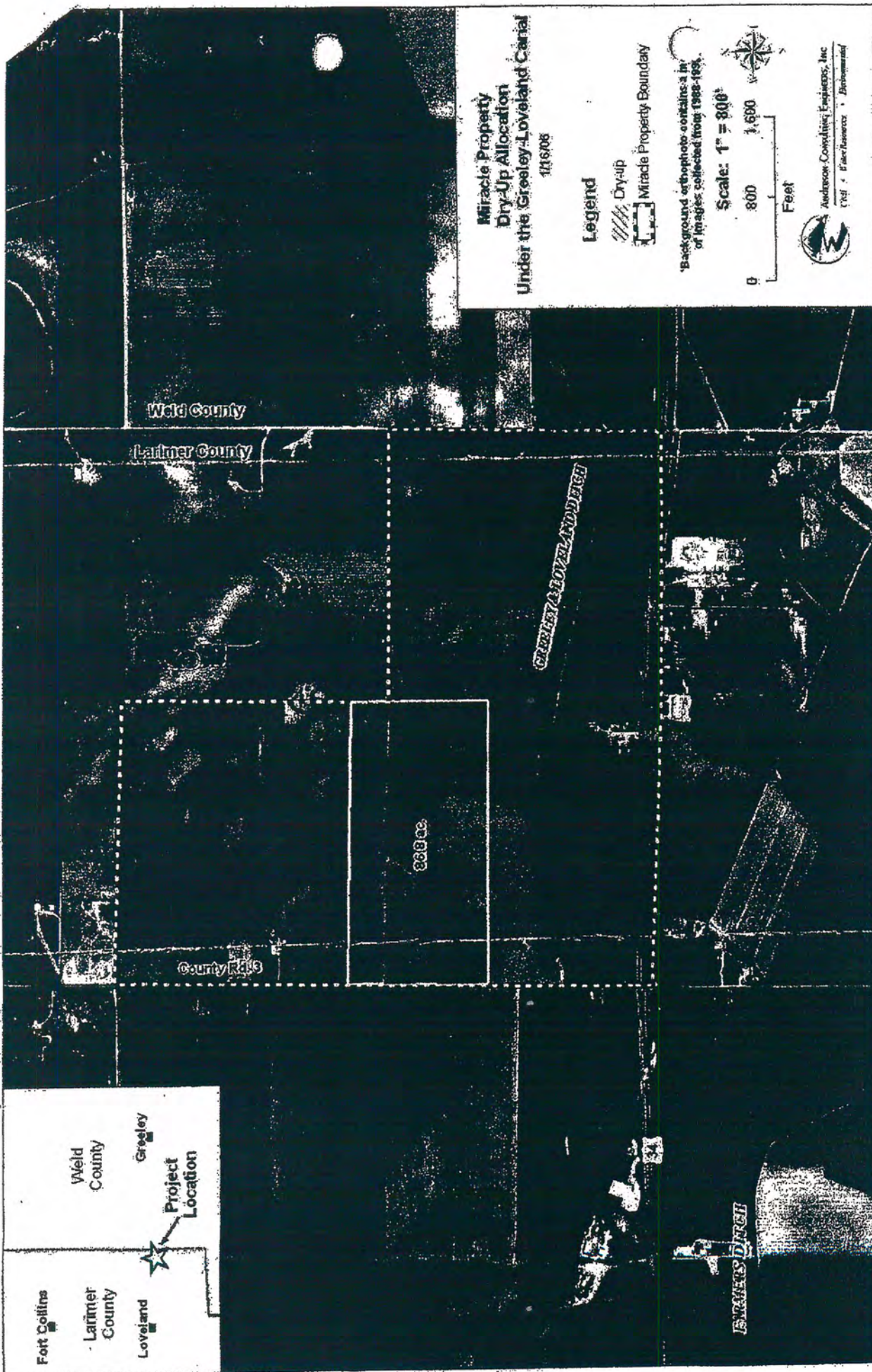

Janice E. Hemberger

2-2-07

Date







3456129 02/20/2007 10:54A Weld County, CO
2 of 2 R 11.00 D 0.00 Steve Moreno Clerk & Recorder

200

Exhibit B

PC



RSC

Exhibit E

PARTIAL ASSIGNMENT OF DRY-UP COVENANT

FOR AND IN CONSIDERATION FOR THE PAYMENT OF

\$850,000, the receipt and sufficiency of which is hereby acknowledged, New Frontier Bank ("Assignor"), hereby assigns and conveys to Ehrlich I, Inc. ("Assignee") all right, title and interest in the partial assignment of a Dry-Up Covenant assigned by Miracle on 34, LLC to Assignor for 4.0 acres included as Exhibit A. Assignor warrants that it is the current holder of the Dry-Up Covenant and has all authority necessary to make partial assignment of the Dry-Up Covenant.

This assignment includes and grants Assignee the right to enforce this Dry-Up Covenant against all owners of the 4.0 acres as shown on Exhibit A.

This Assignment shall be recorded in the office of the Larimer County Clerk and Recorder.

Dated this 6th day of JANUARY, ~~2008~~ ²⁰⁰⁹ ⁽¹²⁾

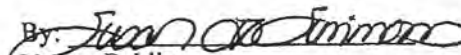
ASSIGNOR



BY: Robert A. Wiest
Title: Vice President

Subscribed and sworn to before me this 6th day of JANUARY, 2009 by Robert A. Wiest as Vice President of New Frontier Bank in Weld County, Colorado.

NOTARY PUBLIC
My commission expires _____

By: 
Notary Public

SEAL STATE OF COLORADO MY COMMISSION EXPIRES: 02-26-2010

[CONTINUED ON NEXT PAGE]

832

ASSIGNEE

Ernie I. Sme.
BY: Robert E. Ehrlich
Title: President

Subscribed and sworn to before me this 7th day of Jan, 200⁹ by Robert E. Ehrlich as President of Ehrlich ~~Trust~~ in
Weld County, Colorado.

My commission expires: 8/25/11.

By: Cheri Kren
Notary Public

SEAL

RLE

Exhibit A – Partial Assignment of 4.0 Acres from
Miracle on 34, LLC to New Frontier Bank

A handwritten signature in blue ink, appearing to be 'PAC', located in the bottom right corner of the page.

PARTIAL ASSIGNMENT OF DRY-UP COVENANT

For and in consideration of the payment of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby confessed and acknowledged, MIRACLE ON 34, LLC, a Colorado limited liability company ("Assignor"), hereby assigns and conveys to NEW FRONTIER BANK, a Colorado banking corporation ("Assignee") all rights, benefits and interests of Assignor in and to that certain Dry-Up Covenant dated May 5, 2008, recorded May 5, 2008, as Reception No. 20080028418 of the Larimer County, Colorado records (which Dry-Up Covenant is incorporated herein by this reference), but only to the extent that such Dry-Up Covenant pertains to the 4.0 acre parcel depicted on Exhibit "A" attached hereto and incorporated herein by this reference. Without limiting the foregoing, this Partial Assignment includes and grants to Assignee the right to enforce the Dry-Up Covenant against all owners of the 4.0 acre parcel shown on Exhibit "A." Assignor retains any and all rights, benefits and interests associated with the Dry-Up Covenant except for the portion specifically herein assigned.

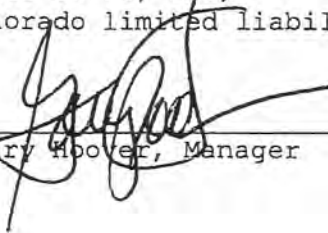
Assignor warrants that it is current owner and holder and beneficiary of the Dry-Up Covenant and represents and warrants that it is authorized and empowered to execute and deliver this Partial Assignment.

The parties acknowledge that this Partial Assignment may be recorded in the office of the Clerk and Recorder of Larimer County, Colorado.

PCE

DATED this 22 day of December, 2008.

MIRACLE ON 34, LLC,
a Colorado limited liability company

By: 
Gary Hoover, Manager


STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this
22 day of December, 2008, by Gary Hoover as Manager of
MIRACLE ON 34, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

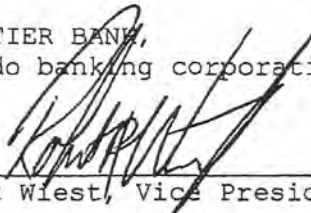
My commission expires: 7/9/12




Notary Public

REE

NEW FRONTIER BANK,
a Colorado banking corporation

By: 
Robert Wiest, Vice President

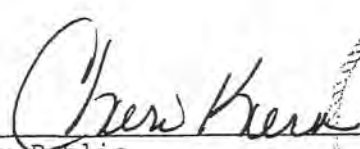
STATE OF COLORADO)
) ss.
COUNTY OF Weld)

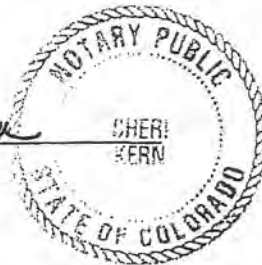
The foregoing instrument was acknowledged before me this
30 day of December, 2008, by Robert Wiest as Vice President
of NEW FRONTIER BANK, a Colorado banking corporation.

WITNESS my hand and official seal.

My commission expires:

8/25/11


Notary Public



REE

EXHIBIT "A" ATTACHED TO AND MADE A PART OF THE PARTIAL ASSIGNMENT
OF DRY-UP COVENANT BETWEEN MIRACLE ON 34, LLC, A COLORADO LIMITED
LIABILITY COMPANY ("ASSIGNOR") AND NEW FRONTIER BANK, A COLORADO
BANKING CORPORATION ("ASSIGNEE").

Map of 4 Acre Parcel which Parcel is Located in the SW ¼ of
Section 12, Township 5 North, Range 68 West of the 6th P.M.,
Larimer County, Colorado

[SEE ATTACHED]

REC

EXHIBIT D
Form of Water Leaseback Agreement

IRRIGATION WATER LEASE AGREEMENT

This IRRIGATION WATER LEASE AGREEMENT ("Agreement") is entered into this ____ day of _____ 2020, by and between THE CITY OF GREELEY, a Colorado home rule municipal corporation acting by and through its Water and Sewer Board, whose address is 1001 11th Avenue, Second Floor, Greeley, Colorado 80631 ("City"), and EHRLICH I, INC., a Colorado corporation whose address is 1853B Chesapeake Circle, Johnstown, Colorado 80534 ("Lessee").

Recitals

WHEREAS, the City owns those certain water rights represented by eight (8) shares of capital stock in The Greeley & Loveland Irrigation Company (Certificate No. ____) and one (1) right in The Loveland and Greeley Reservoir (Lake Loveland) (Contract No. 145 and Certificate No. ____) (collectively "Water Rights"); and

WHEREAS, the Lessee desires to lease the Water Rights from the City for agricultural irrigation at The Mad Russian Golf and Country Club, a parcel of real property consisting of approximately 99.26 acres legally described as:

22675 SE4NE4 & SE4 34 5 67 EXC PT LYING S & W OF UPRR R/W ALSO EXC PT ANNEXED TO MILLIKEN 12/30/80 BK 924 REC #1845532 ALSO EXC COMM SE COR SEC N0D41'W 1867.55' S69D20'W 395.97' TO TRUE POB S69D20'W 439.62' SWLY ALG TANGENT CIRCLE AN ARC DISTANCE OF 86.53' W177.65' S209' S81D03'E 735.72' N0D41'W 365' N20D39'W 138.08' TO POB ALSO EXC BEG SW COR L18 BLK1 BLEHM WATERWAY ESTATES S0D24'W 350' W400' N0D24'E 350' E400' TO BEG ALSO EXC BEG SE COR SEC N89D33'W 983.67' N1050' N19D04'W 253.95 TO TRUE POB N10DE 180' N125' W210' S340' N79DE 190 TO POB (6RR);

and otherwise known by street address as 24361 Highway 257, Weld County, Colorado ("Property");

WHEREAS, the City is willing to lease the Water Rights to the Lessee for agricultural irrigation on the Property;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Lessee agree as follows.

Agreement

1. Water Rights Lease. The City hereby leases to the Lessee, and the Lessee hereby leases from the City, the above-described Water Rights for the purpose of agricultural irrigation on the Property.

2. Term of Lease. The term of this Agreement begins on the date of mutual execution and ends on December 31, 2025 ("Initial Term"). At the end of this Initial Term, this Agreement shall renew automatically for up to two (2) subsequent terms of five (5) years each ("Renewal Term"), unless City or Lessee transmits written notice of nonrenewal on or before November 1 of the calendar year preceding the next Renewal Term. The Lessee may terminate this Agreement during the Initial Term or either

Renewal Term, prior to any irrigation season, for any reason by delivering two years' advance written notice to the City. The City may terminate this Agreement during the Initial Term or either Renewal Term, prior to any irrigation season, by delivering advance written notice to Lessee on or before November 1 of the preceding calendar year, if the City determines in its sole discretion that the Water Rights are needed for any municipal purpose, or if the City is required to cease irrigation with the Water Rights by the terms and conditions of a water court decree. Additionally, refer to Section 12 for provisions relating to termination for cause.

3. Annual Lease Amount and Administrative Fee. The Lessee shall pay to the City an Annual Lease Amount equal to all assessments, charges, and other expenses due and attributable to the Water Rights paid by the City to The Greeley & Loveland Irrigation Company. Lessee shall also pay to the City an Annual Administrative Fee equal to ten percent (10%) of that year's Annual Lease Amount, provided, however, that the Annual Administrative Fee shall not exceed five-hundred dollars (\$500.00). The City will provide an invoice of the Annual Lease Amount and Annual Administrative Fee to the Lessee, and Lessee shall deliver payment of that total amount to the City no later than (i) May 15 of the then current irrigation year, or (ii) within fifteen days of receipt of such invoice from the City. The Lessee shall also remit to the City an additional charge equal to fifteen percent of the Annual Lease Amount for every thirty days that payment required under this Agreement is late.

4. Use of Water Rights. Lessee shall use the water delivered pursuant to the Water Rights only for agricultural irrigation on the Property. Lessee shall not use the Water Rights for any other uses. Lessee shall not use the water delivered pursuant to the Water Rights on any land other than the Property. Lessee shall use the Water Rights in accordance with all rules, regulations, bylaws and policies of The Greeley & Loveland Irrigation Company. Lessee shall comply with Title 14 of the Greeley Municipal Code, and all rules, regulations, and laws of the State of Colorado pertaining to use of the Water Rights. Lessee shall take and use the water delivered pursuant to the Water Rights to the fullest extent possible, and shall undertake no action that could be construed as abandonment of the Water Rights or could cause in part or in whole a reduction in the use of the Water Rights. Lessee shall provide advance written notice to the City of at least thirty days if it no longer intends to irrigate the entirety of the Property with the Water Rights. Absent written consent from the City, Lessee shall not use any water, water rights, ditches, ditch rights, wells, well rights, well permits, carriage rights, reservoirs, or reservoir rights to irrigate the Property, other than water yielded pursuant to the Water Rights.

5. Affidavit of Beneficial Use and Water Court Proceedings. Lessee agrees to deliver to the City, on or before May 15 of each calendar year, a completed Historical Use Affidavit and Questionnaire, in the form attached hereto as Exhibit A. Lessee acknowledges that the City may file an application to change the use of the Water Rights with the Division 1 Water Court for the State Colorado during the term of this Agreement. Lessee agrees to cooperate with the City and its agents or representatives in the review and analysis of the historical use of the Water Rights. Upon request from the City, Lessee shall provide information regarding use of the Water Rights and reasonable access to the Property during and in preparation for any proceeding before the Division 1 Water Court.

6. Restriction on Sublease and Assignment. Lessee shall not rent, sublet, or otherwise convey the right to use the Water Rights, except to Gary Frank, Tim Frank, or Frank Agriculture, and only for agricultural irrigation of approximately 199 acres of irrigable real property known as the Kammerzell Farm, located at 4425 83rd Avenue in Weld County. Lessee shall provide the City with an advance written notice of at least thirty days prior to any such sublease, and any such sublease shall be subject to, and in strict compliance with, the terms and conditions of this Agreement. Lessee shall not assign this Agreement, except to a successive owner or operator of the Property for agricultural irrigation of the Property, and only with written consent from the City. Lessee shall request consent from the City

prior to any purported assignment of this Agreement by advance written notice of at least thirty days. Such consent may be given or withheld in the sole discretion of the City.

7. No Vested Interest in Shares or Joint Venture. This Agreement is made expressly subject to Section 17-4 of the Charter of the City of Greeley. The City grants no interest in the Water Rights to the Lessee other than as explicitly set forth in this Agreement. Lessee shall make no claim to any rights, title, or interest in the Water Rights other than as explicitly set forth in this Agreement. This Agreement does not create a partnership or joint venture of any kind between the parties, and the Lessee shall bear the entirety of any loss, cost, or expense incurred through its use of the Water Rights on the Property.

8. No Guarantee of Yield. Lessee is entitled to receive the amount of water yielded by the Water Rights, subject to the terms and conditions in this Agreement. The City makes no warranty, guarantee, or representation of any kind regarding the quality or physical yield of water to be delivered pursuant to the Water Rights. Lessee shall not hold the City liable for any failure in delivery of the water pursuant to the Water Rights, including, but not limited to, that caused by force of nature or failure of water supply infrastructure.

9. Maintenance of Infrastructure. Lessee shall maintain the lateral ditches, headgates, and other personal property necessary to deliver water pursuant to the Water Rights at its own cost and expense. Lessee shall make all repairs and restorations necessary to keep the lateral ditches, headgates, and other personal property in good working condition during the term of this Agreement.

10. Indemnification; Immunity. Lessee agrees to exercise its rights under this Agreement at its own risk. Lessee shall indemnify and hold harmless the City from and against any cost, expense, or liability arising out of this Agreement or related activities. Nothing in this Agreement is intended to constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 et seq., as applicable now or hereafter amended.

11. Notice. All notices to be given under this Agreement shall be (1) sent by certified or registered mail, return receipt requested, or (2) hand-delivered at the addresses set forth above. The Lessee shall provide written notice to the City if the appropriate contact information changes.

12. Default and Termination. If either the City or the Lessee fails to comply with a term or condition herein, such failure constitutes a default of this Agreement. The non-defaulting party may declare the default by providing written notice to the defaulting party in accordance with Paragraph 11 above. Upon receipt of this notice of default, the defaulting party will have fifteen days within which to cure the default. If, in the sole discretion of the non-defaulting party, the default remains uncured after the aforementioned fifteen-day cure period, or after any written extension thereof mutually agreed upon by the parties, the non-defaulting party may declare the Agreement terminated by written notice in accordance with Paragraph 11 above.

(a) Notwithstanding the above, failure by the Lessee to comply with the terms and conditions of Paragraphs 3, 4 or Paragraph 6 of this Agreement constitutes a material breach. In the event that the Lessee commits a material breach, the City may immediately terminate this Agreement by written notice to Lessee.

(b) The failure of either party to declare a default or material breach does not establish a precedent or constitute an implied waiver of any subsequent breach of the terms and conditions in this Agreement.

13. Cessation of Irrigation. Upon expiration or termination of this Agreement, Lessee shall immediately cease agricultural irrigation of the Property with the Water Rights.

14. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies upon any parties other than the Lessee and the City, or their respective permissible successors in interest.

15. Recovery of Costs and Fees. In addition to any remedies otherwise available, a party that is successful in a legal action commenced against the other due to a default or material breach of this Agreement may recover from the defaulting party reasonable costs and attorneys' fees incurred during the course of such legal action.

16. Governing Law and Venue. This Agreement shall be governed by and enforced in accordance with the laws of the State of Colorado. Proper venue for any action arising out of this Agreement is the District Court for Weld County, Colorado, or the Division 1 Water Court for the State of Colorado.

17. Severability. In the event a provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any other provision herein, and the remainder of the Agreement should be interpreted in accordance with the intent of the parties.

18. Integration. This Agreement constitutes a complete integration of the understanding and agreement between the City and Lessee with respect to the subject matter herein, and supersedes all other lease agreements regarding the Water Rights. No representations, negotiations, or warranties, express or implied, exist between the City and Lessee except as explicitly set forth in this Agreement. This Agreement may only be modified in a written form duly authorized, approved, and executed by the City and Lessee.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by electronic means. The parties agree to accept and be bound by signatures delivered by electronic means.

20. Recording. Lessee shall not record this Agreement in the real property records of any jurisdiction. This Agreement is not intended to run with the land as a covenant burdening real property.

IN WITNESS WHEREOF, the undersigned parties have executed this Irrigation Water Lease Agreement on the date first set forth above.

CITY OF GREELEY

ATTEST:

By: _____
Mayor

By: _____
City Clerk



LESSEE
EHRlich I, INC.

By: _____

Robert Ehrlich
STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____
2020 by _____, whose signature appear above as an authorized
representative of the Lessee.

Witness my hand and official seal.

Notary Public
My commission expires: _____



EXHIBIT E
Form of Deed

WATER RIGHTS DEED
(Special Warranty)

This SPECIAL WARRANTY DEED is made this ____ day of _____, 2020 by EHRLICH I, INC., a Colorado corporation whose address is 1853B Chesapeake Circle, Johnstown, Colorado 80534 ("Grantor"), to THE CITY OF GREELEY, a Colorado home rule municipal corporation acting by and through its Water and Sewer Board whose address is 1001 11th Avenue, 2nd Floor, Greeley, Colorado 80631 ("Grantee").

WITNESSETH, that Grantor, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does hereby grant, bargain, sell, convey, and confirm unto the Grantee, its successors and assigns forever, the water rights and other rights identified in Exhibit A attached hereto and incorporated herein by this reference ("Water Rights"), associated with or previously used upon the lands described in Exhibit B attached hereto and incorporated herein by this reference, all located in the State of Colorado.

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the Water Rights, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the Water Rights with the appurtenances, unto the Grantee, its successors and assigns, forever. The Grantor, for itself, its successors and assigns, does covenant and agree that it shall and will warrant and forever defend the Water Rights in the quiet and peaceable possession of the Grantee, its successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through, or under the Grantor.

IN WITNESS WHEREOF, the Grantor has executed and delivered this Special Warranty Deed as of the day and year first set forth above.

EHRLICH I, INC.

By: _____

Robert Ehrlich

STATE OF COLORADO }
COUNTY OF _____ } ss

The foregoing instrument was acknowledged before me this ____ day of _____ 2020, by Robert Ehrlich, whose signature appear above as an authorized representative of Ehrlich I, Inc.

Notary Public

My Commission Expires: _____



EXHIBIT F
Form of Assignment and Assumption of Restrictive Covenants
ASSIGNMENT AND ASSUMPTION AGREEMENT
(Restrictive Covenants)

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made this ____ day of _____, 2020 by and between EHRLICH I, INC., a Colorado corporation whose address is 1853B Chesapeake Circle, Johnstown, Colorado 80534 ("Assignor"), to THE CITY OF GREELEY, a Colorado home rule municipal corporation acting by and through its Water and Sewer Board, whose address is 1001 11th Avenue, 2nd Floor, Greeley, Colorado 80631 ("Assignee").

RECITALS

WHEREAS, the Assignor has this day conveyed to the Assignee those certain water rights represented by eight (8) shares in The Greeley & Loveland Irrigation Company and one (1) right in The Loveland and Greeley Reservoir (Lake Loveland), which water rights are more particularly described on Exhibit A, attached hereto and incorporated herein by reference ("Water Rights"); and

WHEREAS, the Assignor, or its predecessor in interest, previously entered into and obtained those certain restrictive covenants for the benefit of the Water Rights and the owner thereof, which covenants against the real property historically irrigated by the Water Rights are more particularly described on Exhibit B, attached hereto and incorporated herein by reference ("Restrictive Covenants"); and

WHEREAS, the Assignor accordingly desires to convey all of its right, title, and interest in the Restrictive Covenants to the Assignee, as part of the Assignee's acquisition of the Water Rights from the Assignor.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Assignor and the Assignee agree as follows.

ASSIGNMENT AND ASSUMPTION

1. Assignment of Restrictive Covenants. Assignor hereby assigns, transfers and conveys to the Assignee all of its right, title, and interest in and to the Restrictive Covenants, including, without limitation, all of the benefits and rights of the Assignor and subject to all of the obligations and burdens of the Assignor thereunder.

2. Assumption of Restrictive Covenants. Assignee hereby assumes and agrees to be bound by the provisions of the Restrictive Covenants, and hereby assumes each and every of the Assignor's obligations and burdens thereunder as of the date first set forth above.

3. Warranties of the Assignor. Assignor hereby represents and warrants (a) that the Restrictive Covenants are valid, in full force and effect, and have not been amended; (b) that, to the best of Assignor's knowledge, Assignor is not in default under the Restrictive Covenants; and (c) that the rights and interests of the Assignor under the Restrictive Covenants are free and clear of any other encumbrance, assignment, or other conveyance to third parties.

IN WITNESS WHEREOF, this Assignment and Assumption of Agreement has been entered into by Ehrlich I, Inc. and the City of Greeley, as of the date first set forth above.

ASSIGNOR
EHRlich I, INC.

By: _____
Robert Ehrlich

STATE OF COLORADO }
COUNTY OF _____ } ss

The foregoing instrument was acknowledged before me this ____ day of _____
2020, by Robert Ehrlich, whose signature appear above as an authorized representative of Ehrlich I, Inc.

Notary Public

My Commission Expires: _____

ASSIGNEE
CITY OF GREELEY

By: _____
Director of Water and Sewer

WHEN RECORDED RETURN TO:
City of Greeley Water and Sewer Department
Attn: Water Resources Division
1001 11th Avenue, Second Floor
Greeley, Colorado 80631





Water Rights Acquisition Ehrlich (GLIC,LL)

May 20th, 2020



Purchase & Sale Overview

- Water Only Purchase
- Water shares being purchased
 - 8 shares of Greeley Loveland Irrigation Company (GLIC)
 - 1 Share of Loveland and Greeley Reservoir Company (Lake Loveland)
- Potable or non-potable supply
- Lease Back
 - 5 year primary lease back of water rights that may be extended for up to 2 additional 5 year terms.



Due Diligence & Path Forward

- 60 days of Due Diligence
 - Title review
 - Confirmation of dry-up (existing covenants will be transferred to Greeley at closing).
 - HCU analysis
- Closing on or before 90 days of mutual execution of contract



Recommendation

W&S staff recommend the acquisition of the 8 shares of GLIC stock, and 1 shares of Lake Loveland in accordance with the water acquisition strategies set forth in the Department's Master Plan and Future Water Account Plan



Questions?



WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 13

TITLE: LEGAL REPORT

RECOMMENDATION:

ADDITIONAL INFORMATION:

Legal Report
Greeley Water and Sewer Board Meeting
May 20, 2020

- I. **Statements of Opposition:** Based on review of the March, 2020 Water Court Resume, staff and water counsel recommend that the Board file a statement of opposition in the following case:
 - a. Case Number: **20CW3041** Application of Soldier Canyon Filter Plant, North Weld County Water District, East Larimer County Water District, and Fort Collins-Loveland Water District (the “Tri-Districts”) to make absolute, in part, and for a finding of reasonable diligence, for conditional exchanges on the Cache la Poudre River. The applicants are seeking a finding that 15 cfs (in addition to 10 cfs already decreed absolute) should be made absolute in the river reach between the Hansen Supply Canal and the Munroe Gravity Canal. The exchange contemplates the use of Greeley’s Milton-Seaman Reservoir. The stream reach for the claimed absolute portion is in close proximity to Greeley’s Bellvue water treatment plant. We recommend that Greeley file a statement of opposition to ensure that the applicable legal standards have been satisfied to justify the absolute claim and to protect against any injury to Greeley’s water rights on the Cache la Poudre River.
- II. **Proposed Motion Language:** “I move that the Board authorize the filing of a statement of opposition in Case No. 20CW3041, and for staff and legal counsel to seek resolution of issues raised by these cases consistent with Water and Sewer Board Resolution No. 3-15.”

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 14

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- Industrial Pre-treatment (AAPP and MG-DFA)
- CIS Billing System
- COVID-19 W&S Response and Service Update
- Windy Gap Update



May 8, 2020

Trisha Oeth, Director of Environmental Boards and Commissions
Colorado Department of Health and Environment
Water Quality Control Commission
4300 Cherry Creek Drive South
Denver, CO 80246
(via email to Trisha.Oeth@state.co.us)

Re: City of Greeley Comments on Draft Policy 20-1

Dear Ms. Oeth:

The City of Greeley (Greeley) respectfully submits the following comments on draft Policy 20-1: Policy for Interpreting the Narrative Water Quality Standards for Per- and Polyfluoroalkyl Substances (PFAS) (Policy 20-1). Greeley understands and appreciates the importance of protecting drinking water sources and human health, and thanks the Water Quality Control Commission (Commission) for the opportunity to comment.

Greeley is a home rule municipality, located approximately 60 miles northeast of Denver at a significant distance from the foothills and adjacent to the intersection of U.S. Highways 85 and 34. Greeley's Wastewater Pollution Control Facility provides quality, safe, cost effective wastewater treatment services to approximately 110,000 residents and 10 significant industrial users within the City. Greeley treats and distributes nearly 9 billion gallons of water every year with more than 500 miles of pipeline, two drinking water treatment plants, three treated water reservoir sites, six raw water storage reservoirs, and a variety of pumping stations. Greeley also takes delivery of its water supplies from four separate basins, the Colorado River Basin, the Cache la Poudre River Basin, the Big Thompson River Basin and the North Platte River Basin. These supplies travel a great distance to Greeley via ditches, tunnels, pipes and pumps. Greeley provides services to disadvantaged communities with a significant median home value below the state average and qualifies as a disadvantaged community based on state records and the most recent data from the American Community Survey Quick Facts for 2014-2018. As such, Greeley must consider and weigh the economic impact(s) to its citizens when evaluating both the need for, and the benefits of, proposed regulations.

Under Policy 20-1, the Water Quality Control Division's (Division) attempts to interpret the narrative standard of "no toxics in toxic amounts" for the control of PFAS type substances. The Division intends to implement the narrative standard and apply permit limitations for wastewater

discharges. The Division may also use Policy 20-1 when reviewing monitoring results related to drinking water sampled for PFAS. Greeley does not support Policy 20-1 because it is not the most efficient or effective method to identify and develop a plan for removing PFAS in Colorado and because the cost of compliance would have a compounding effect on the costs Greeley will incur meeting Regulation 85 and the Division's proposals under Regulation 38 and Part 20 TENORM regulation. As such, any benefit derived from implementing an inefficient and less effective policy will be greatly outweighed by the economic impact to Greeley's citizens.

Greeley has been an active stakeholder in the rollout of draft Policy 20-1 and supports the Colorado Monitoring Framework's (CMF) position that a Control Regulation is the appropriate approach to PFAS regulation and control in Colorado. Use of a Control Regulation is a tried and true method to effectively identify and address pollutant sources and would be the most effective means to identify PFAS exposure pathways, sources and to ultimately develop a plan for removal of PFAS in Colorado. However, should the Commission move forward with Policy 20-1, Greeley supports the comments and edits detailed by the CMF. Some of those edits are summarized below.

- a) **Exposure pathways** – the State's efforts should be focused on identifying the most significant exposure pathways and then eliminating or minimizing those significant sources where possible.
 - i) Water supply is typically a small percentage of the overall exposure pathway.
 - ii) Acute limitations should not be developed equal to chronic limitations as they are not the same, acute effects occur at larger concentrations.
 - iii) Summing PFAS, PFOA and parent compounds is not an accurate measure as some compounds have different toxicity levels and effect different organs/systems.
- b) **Targeted Monitoring** - monitoring requirements should be targeted to develop information on current water quality for these chemicals and to identify areas of concern. This information should then be used to develop an action plan at reducing sources and improving water quality. Developing and implementing permit limitations without this knowledge is arbitrary and the cost burden put on utilities and communities may not improve actual conditions.
- c) **Accurate Cost/Benefit Analysis** - Additional effort is needed to accurately characterize the costs and benefits of the PFAS control. In its current form, Policy 20-1 does not provide meaningful analysis of either costs or benefits.
 - i) Costs are being put on wastewater facilities without any real information as to the benefit.
 - ii) Water providers will likely still need to put on treatment, especially in areas where groundwater is used as the source water.
 - iii) Wastewater efforts may not have any impact on the water supply quality issues.
 - iv) Removal of these compounds from water or wastewater does not destroy them, they only get moved to a different arena.
- d) **Discharge Permit Limits** – further implementation guidance is needed to clarify how Policy 20-1 would be applied in permits.
 - i) It is unclear how reasonable potential will be used on a narrative standard.
 - ii) There are numerous issues with the fact that there is not an approved wastewater method.

- iii) The DOD QSM 5.1 is a quality assurance system not an analytical method.
- iv) There are numerous uncertainties regarding laboratory accuracy, blanks samples containing measured PFAS concentrations, lab turnaround time for reporting on DMRs, and the required investigations of potential sources and how to handle results.
- v) Policy 20-1 refers to the potential for temporary modifications or discharge specific variances, but it is not known how either of these items may work as there is no numeric standard that has been adopted.

Greeley thanks the Commission for the opportunity to comment on draft Policy 20-1. Greeley will incur significant costs to meet Regulation 85 and may incur significantly more costs to meet the Division's recommendations under Regulation 38 and Part 20 TENORM regulation. As such, Greeley urges the Commission not to adopt Policy 20-1 and instead opt for purpose driven implementation of a Control Regulation. A Control Regulation is the most effective and appropriate means of identifying, minimizing, or eliminating, PFAS exposure pathways in Colorado. This will ensure that the economic impact will be offset by the highest possible benefits. Greeley strongly supports all comments made by CMF on this matter.

Please let us know if you have any questions or if we can be of assistance. Thank you for the Commission's oversight of this matter and your ongoing work on behalf of Coloradans.

Sincerely,

CITY OF GREELEY, COLORADO



Sean Chambers
Water & Sewer Director

Cc: Roy Otto, City Manager, City of Greeley
Harold Evans, Chairman, Greeley Water & Sewer Board
Jerrae Swanson, Assistant City Attorney, City of Greeley
Lauren Worley, Water Quality Manager, City of Greeley

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 15

TITLE: CONFLUENCE THE STORY OF GREELEY
 WATER

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

Chairman Evans will be presenting the board members a copy of Confluence The Story of Greeley Water.

WATER & SEWER BOARD AGENDA MAY 20, 2020

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 16

TITLE: SUCH OTHER BUSINESS THAT MAY BE
 BROUGHT BEFORE THE BOARD AND
 ADDED TO THIS AGENDA BY MOTION OF
 THE BOARD

RECOMMENDATION: TO BE DETERMINED

ADDITIONAL INFORMATION: