

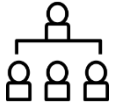
Water and Sewer Board

Regular Meeting

City Council Chambers – City Center South

1001 11th Avenue – Greeley, Colorado

June 21, 2023 at 2:00 p.m.



Regular meetings of the Water and Sewer Board are held **in person** on the 3rd Wednesday of each month in the City Council Chambers, 1001 11th Avenue, Greeley, Colorado.



Members of the public may attend and provide comment during public hearings.



Written comments may be submitted by US mail or dropped off at the Water and Sewer office located at 1001 11th Avenue, 2nd Floor, Greeley, CO 80631 or emailed to wsadmin@greeleygov.com. All written



comments must be received by 10:00 a.m. on the date of the meeting.

Meeting agendas and minutes are available on the City's meeting portal at [Greeley-co.municodemeetings.com/](https://greeley-co.municodemeetings.com/)

IMPORTANT – PLEASE NOTE

This meeting is scheduled as an **in-person session only**. If COVID, weather, or other conditions beyond the control of the City dictate, the meeting will be conducted virtually and notice will be posted on the City's MuniCode meeting portal by 10:00 a.m. on the date of the meeting (<https://greeley-co.municodemeetings.com/>).

In the event it becomes necessary for a meeting to be held virtually, use the link below to join the meeting. Virtual meetings are also livestreamed on YouTube at <https://www.youtube.com/CityofGreeley>.

For more information about this meeting or to request reasonable accommodations, contact the administrative team at 970-350-9801 or by email at wsadmin@greeleygov.com





Water & Sewer Board

June 21, 2023 at 2:00 PM

1001 11th Avenue, City Center South, Greeley, CO 80631

Agenda

1. Roll Call: _____Chairman Harold Evans _____Vice Chairman Mick Todd
 _____Ms. Cheri Witt-Brown _____Mr. Fred Otis
 _____Mr. Joe Murphy _____Mr. Tony Miller
 _____Mr. Manuel Sisneros _____Mayor John Gates
 _____Mr. Raymond Lee _____Mr. John Karner
2. Approval of Minutes
3. Approval of the Agenda
4. Welcome New Employees and Promotions
5. Terry Ranch Project
6. Approve and Recommend to Council GozaWater Trade Agreement
7. Legal Report
8. Director's Report
9. Such Other Business That May Be Brought Before the Board Added to This Agenda by Motion of the Board
10. Adjournment



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact the Water and Sewer Department administrative staff at 970-350-9801 or wsadmin@greeleygov.com

**City of Greeley
Water and Sewer Board
Minutes of May 17, 2023
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:00 p.m. on Wednesday, May 17, 2023.

1. Roll Call

The Clerk called roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Tony Miller, Joseph Murphy, Manuel Sisneros, Cheri Witt-Brown, Deputy City Manager Donald Tripp on behalf of City Manager Raymond Lee, Finance Director John Karner

Water and Sewer Department staff:

Director Sean Chambers, Deputy Director Water Resources Ty Bereskie, Deputy Director of Utility Finance and Customer Service Erik Dial, Chief Engineer Adam Prior, Office Manager Gigi Allen, Administrative Assistant III Crystal Sanchez, Water Resource Planning Manager Kelen Dowdy, Water Conservation Manager Dena Egenhoff, Rates and Budget Analyst Virgil Pierce, Communication Specialist II Cory Channell, Water Resource Administrator III Matt Sparacino, Water Resource Administrator III Sam Harshbarger, Water Resource Administrator II Alex Tennant, Water Resource Administrator I Megan Kramer, Water Resource Operations Manager Leah Hubbard, Civil Engineer I Keri Fishlock, Source Water Supply Manager Cole Gustafson, Civil Engineer III Cadee Oakleaf, Water Quality & Regulatory Compliance Manager Michaela Jackson

Legal Counsel:

Senior Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney II Dan Biwer, Environmental and Water Resources Attorney I Arthur Sayre, Counsel to Water & Sewer Board Attorney James Noble.

Guests:

Emeritus Robert Ruyle, Council Member Deb Deboutez (joined virtually), James Sutherland from Wingfoot, Legal Intern II Allison Drosihn

2. Approval of Minutes

Mr. Miller made a motion, seconded by Mr. Murphy to approve the April 19, 2023 Water and Sewer Board meeting minutes. The motion carried 7-0.

3. Approval of Agenda

Items 13 and 14 were moved above item 12.

4. Welcome New Employees and Promotions

Director, Sean Chambers provided an introduction of new Water and Sewer Department employees starting this month.

5. Integrated Water Resource Plan (IWRP) Final Review and Approval of 2023 Master Plan

Kelen Dowdy presented to the Board the final IWRP report.

Mr. Miller moved that the Board hereby adopt the 2023 Integrated Water Resource Plan, and recommended City Council approve and accept the as the Board's long-range plans for the water system. Mr. Murphy seconded the motion. Motion Carried 7-0.

6. Lead and Copper Rule Revisions – Lead Service Line inventory and Replacement Project update

Michaela Jackson and Keri Fishlock presented on the progress, inventory, communications and next steps for the Greeley Lead Protection Program.

The Board requested verification on how all the potholing and replacement work would be paid for. It was discussed that the City is applying for a subsidized loan that will be disbursed through the State Revolving Fund (SRF) with a possibility of some forgiveness of the loan principal. It was also mentioned that the City just received a note from CDPHE stating that the Federal Government (EPA) is reducing the amount of money available for lead replacement through SRF programs so the amount of loan forgiveness will be scaled back.

The Board asked why the Budget increased as much as it did. Engineer Keri Fishlock stated it was directly associated to the amount of lead that has been discovered. It wasn't expected that there wouldn't be any lead on the public side and there has been significant findings since the potholing began which has caused the most significant increase in the budget.

The Board wanted to know how much the Brita filters that the City is providing to the households with known lead are removing the lead from the water. It is about 99.5%.

7. Wastewater Treatment Nitrification Project Update

Cadee Oakleaf shared an update to the board on the progress and status of the Wastewater and Reclamation Facility Nitrification Phase 2 project.

The Board asked about the TIN levels and whether they would meet the future requirements in Regulation 31 and what the TIN requirement would be. Cadee explained that we are trying to get to 13¹ TIN marker and under 1 for Total P with the project which will meet the PELs received from CDPHE for Regulation 85. Achieving treatment levels better than Regulation 85 will give the City an extension to meet the Regulation 31 requirements. Currently with this project the City will not meet the Regulation 31 requirements without adding tertiary treatment to the plant. The plan is to start working to meet Reg 31 requirements in 2032 given, TIN and phosphorus VIP levels are met get the extension.

8. 2024 Budget Overview and CIP Priorities

Erik Dial provided an overview of the 2024 budget preparation process and the Water and Sewer Department's priorities. He explained that the budget is being developed with operational needs, customer service, regulatory compliance, and capital investment being the primary drivers. Staff and Board members had a dialogue on financial and development trends and how they impact the department's budget and rate changes.

9. Water Court Update

Leah Hubbard presented the Water Court Update and provided a summary of the water court cases in which Greeley is currently participating. Greeley is currently an opposer in 33 cases, including seven cases in which statement of oppositions were filed this year. Greeley is also an applicant in three pending cases. So far in 2023, water court legal costs equaled \$133,066 and engineering costs equaled \$46,203 for a total annual cost of \$179,269.

Jim Noble explained the status of Case 20CW3117 which is heading to trial on June 5, 2023. This case involves a change of water rights for the shares in the Fort Morgan Reservoir and Irrigation Company. The FMRIC system holds senior rights and is downstream of Greeley's water rights. Greeley has not stipulated out of the case and will participate in trial to protect its water rights from injury.

10. Legal Report

Mr. Noble reported that legal counsel and water resources staff had reviewed the March 2023 Division 1 resume, and they do not recommend authorizing filing any statements of opposition to any water court matter this month.

11. Director's Report

Sean Chambers provided a brief update on the following items:

1. City of Greeley and Water Industry Events
2. Greeley Water Treatment Source Water Quality Disruptions Update
3. 2023 Legislative Session at a Glance – Colorado Water Congress State Affairs Report
4. Data and Analytics Charts for Water & Sewer Utilities
5. Appreciate staff and Board effort to make the live stream *YouTube* meetings a success

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

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

13. Adjournment of Regular Session

Chairman Evans adjourned the regular session portion of the meeting at 4:09 p.m.

14. Executive Session

Chairman Evan moved that the Board adjourn the public portion of the May 17, 2023 Water and Sewer Board meeting and 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 Sec. 2-151 (a) (1), and (5):

1. For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators in potential water acquisitions based on the current water market. Vice Chairman Todd seconded the motion. The motion passed.

Executive Session began at 4:10 pm

Present During Executive Session were:

Chairman Harold Evans, Vice Chairman Mick Todd, Manuel Sisneros, Cheri Witt-Brown, Fred Otis, Director Sean Chambers, Deputy Director of Water Resources Ty Bereskie, Deputy City Manager Don Tripp, Source Water Supply Manager Cole Gustafson, Deputy Director of Utility Billing and Customer Service Erik Dial, Water Resource Operations Manager Leah Hubbard, Water Resource Administrator II Alexander Tennant, Water Resource Planning Manager Kelen Dowdy, Senior Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney II Dan Biwer, Environmental and Water Resources Attorney I Arthur Sayre, Counsel to Water & Sewer Board Attorney Jim Noble, Emeritus Robert Ruyle,

This executive session is authorized by Subsection(s) (a) and (e) of Section 24-6-402(4) of the Colorado Revised Statutes, and Subsection(s) (1) and (5) of Section 2-151 (a) of the Greeley Municipal Code.

Executive Session ended at 4:26 pm.

Harold Evans, Chairman

Raymond Lee, Board Secretary



Water & Sewer Agenda Summary

Date: June 21, 2023

Key Staff Contact: Water and Sewer Director, Sean Chambers

Title: Welcome New Employees and Promotions

Summary:

New Hires: Kayla Reid – Industrial Pre-Treatment Specialist
Ryan Manley – I&C Technician

Promotions: Brian Cobb – Operator C to Operator B – Bellvue WTP

Recommended Action: N/A

Attachments: N/A



Water & Sewer Agenda Summary

Date: June 21, 2023

Key Staff Contact: Jim Paulson, Civil Engineer IV

Title: Terry Ranch Project

Summary: This presentation will be an update on the Terry Ranch project. The first part of the update will include a brief presentation on the State Land Board well drilling program on the ranch. The second part will present the scope, progress, and budget updates on the pipeline construction phase.

Recommended Action: None

Recommended Motion: NA

Attachments:

None



TERRY RANCH PROJECT WATER SUPPLY PROGRAM

STATUS UPDATE

Jim Paulson, PE – Civil Engineer IV

Matt Sparacino – Water Resource Administrator III

June 21, 2023



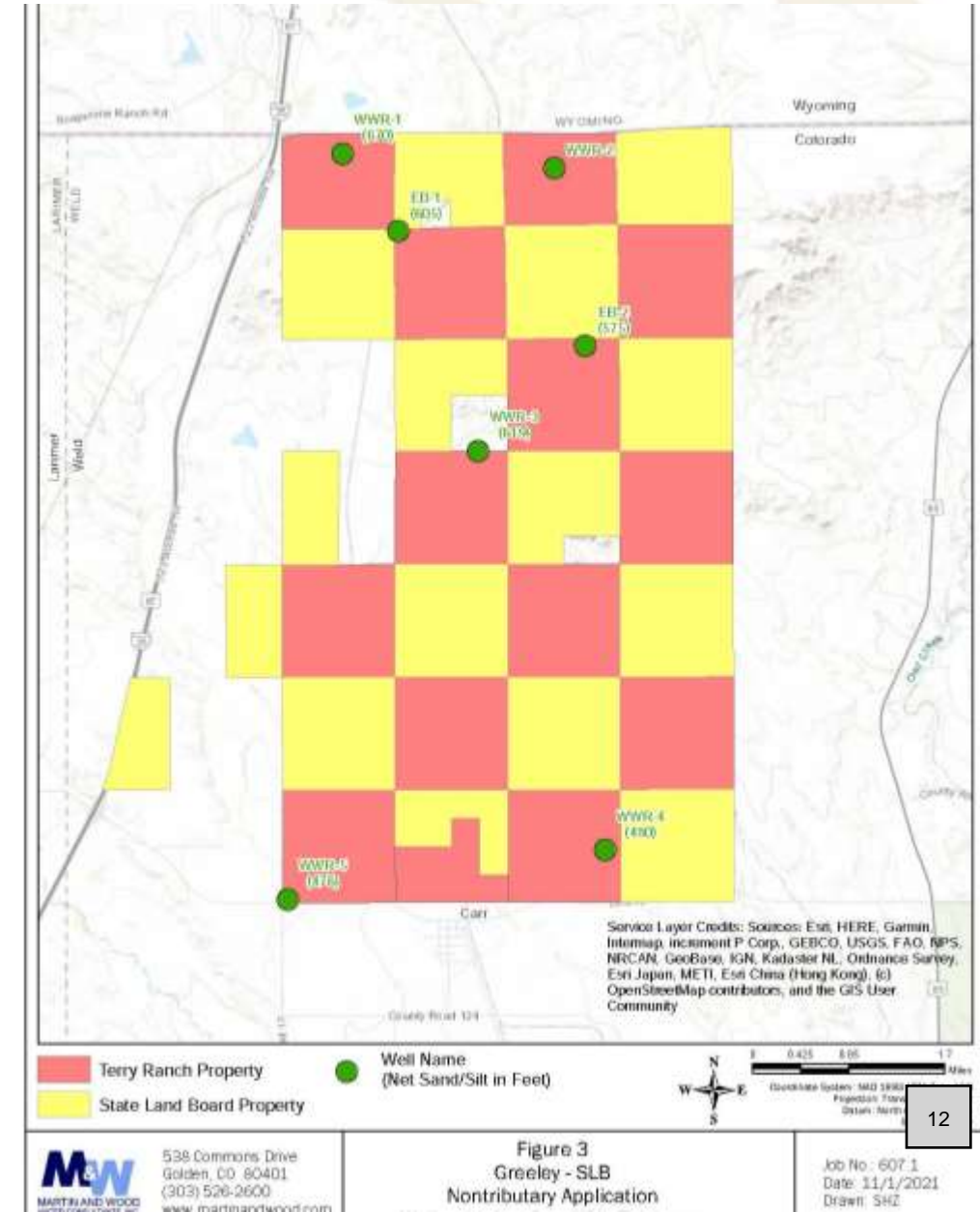
TERRY RANCH PROJECT WATER SUPPLY PROGRAM

MULTI-PHASE DEVELOPMENT PLAN

1. State Land Board Wells
2. Pipeline Construction
3. Well Field Development (TBD)
4. Collection/Distribution Pipeline Network (TBD)
5. Treatment Plant Design and Construction (TBD)

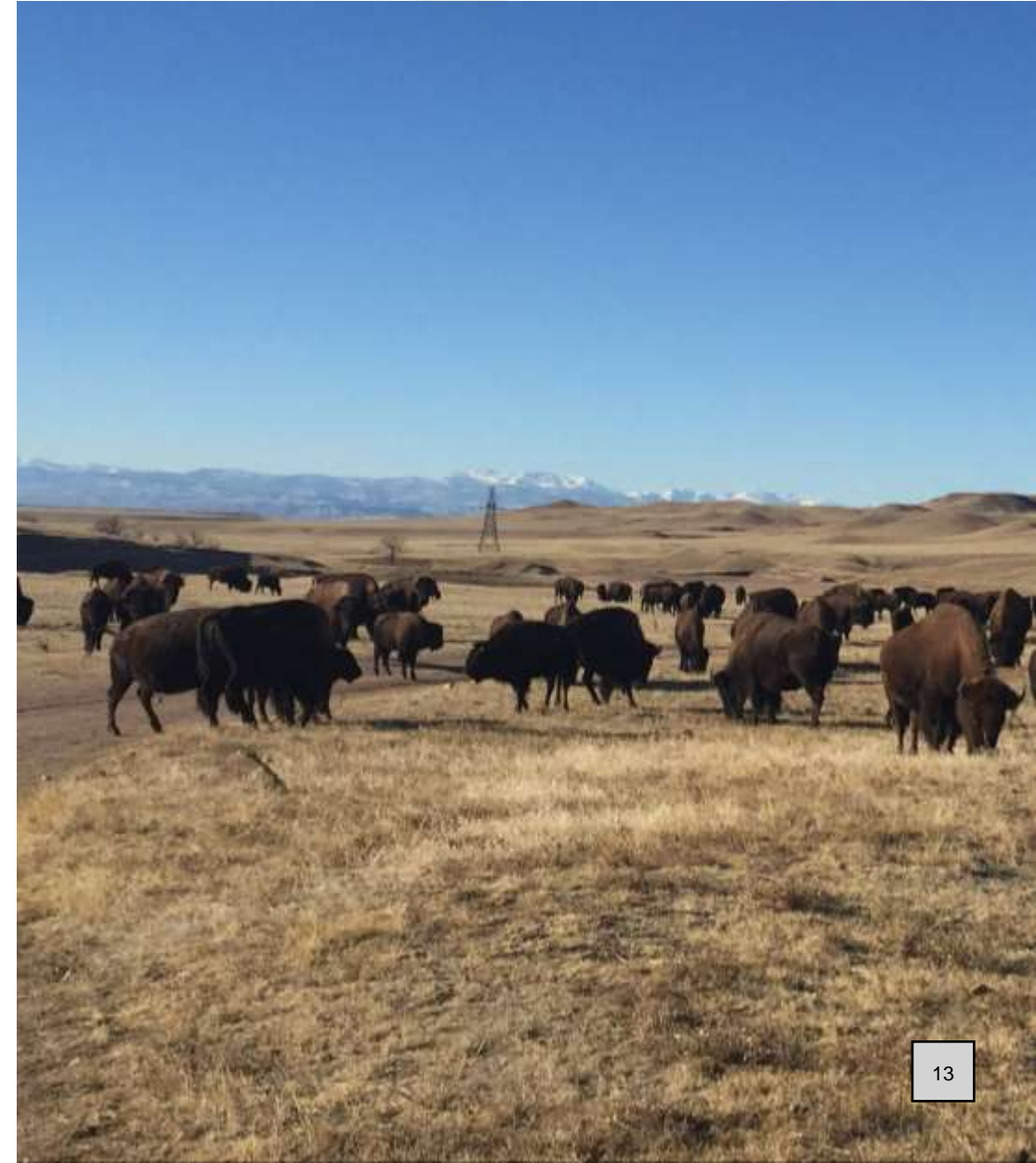
Phase 1 - Terry Ranch/State Land Board Drilling Update

- Wingfoot-SLB 10-year lease (2018-2028) assumed by Greeley in 2021
 - Provides exclusive right to develop Upper Laramie aquifer groundwater
- Use drilling program to determine water type and volume
- Pursue water court application seeking non-tributary determination
 - If determined to be non-tributary: Adds additional volume for future use.
 - If determined to be tributary: Terry Ranch volume is protected from future injurious water development on these SLB parcels.

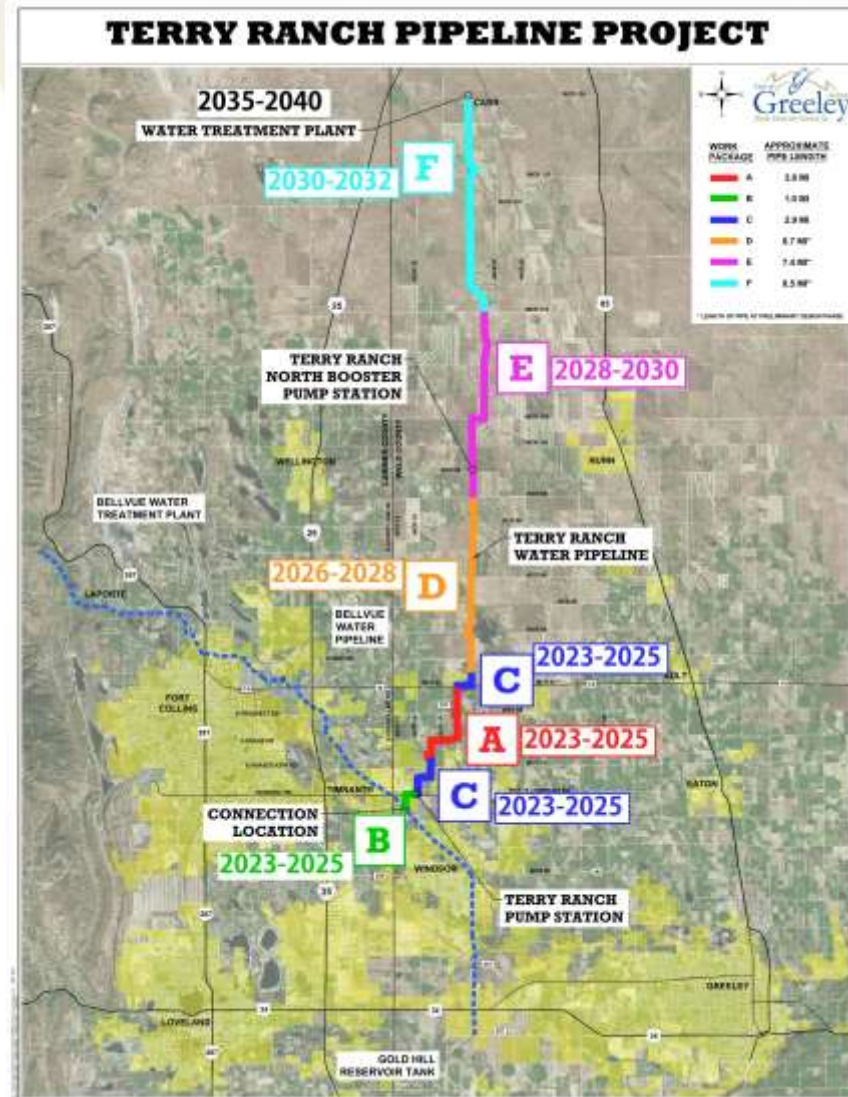


Phase 1 - Terry Ranch/State Land Board Drilling Update

- Terry Ranch access easement obtained
- Drilling RFP
 - Issued January 2023
 - 2 bids received March 2023, inconsistent with budgeted amount
 - Cancelled June 2023
- Staff requested additional 2024 budget
- Lazy D trial concluded April 2023
 - Final ruling expected next month
- Repost RFP 3Q 2023
 - Select contractor by end of 2023
 - Begin drilling 1Q/2Q 2024



Phases 2-5 – Preliminary Development Plan



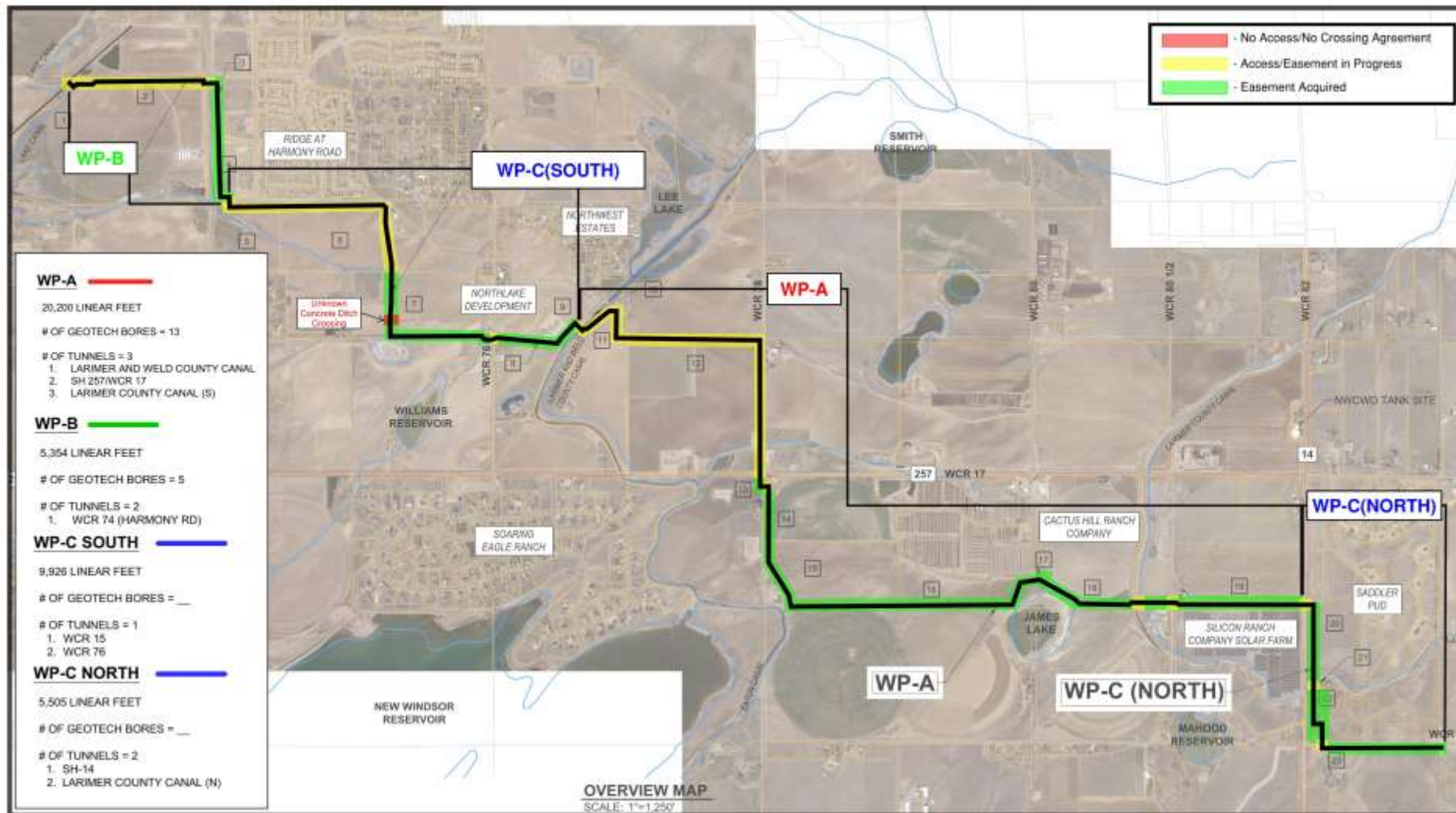
- Phase 2 = Pipeline
 - Segment 1 - first ~7.7 miles of pipeline divided into three work packages (WPA, WPB, WPC)
 - Segments 2-4 (WPD-F) ~7-8 miles
 - Section WPD in planning/design to 60%
 - Sections WPE & F design to 60%
- Phases 3 – 5 = Well Field, On-ranch Pipe, WTP
- Raw water pumping, treatment, and storage TBD from demands.
- Use IWRP as Decision Tool for Timing



Phase 2 - Pipeline Segment 1 - Extents

- Segment 1 Broken into 3 Work Packages (WP)
 - WP-A: Larimer and Weld County Canal Crossing to HWY 14
 - WP-B: Bellvue 60" Line connection to Harmony Rd/CR 15
 - WP-B includes NWCWD Interconnect (Costs Reimbursed by NWCWD)
 - WP-C: Harmony Rd/CR 15 to Larimer and Weld County Canal Crossing

Segment 1 - Easements



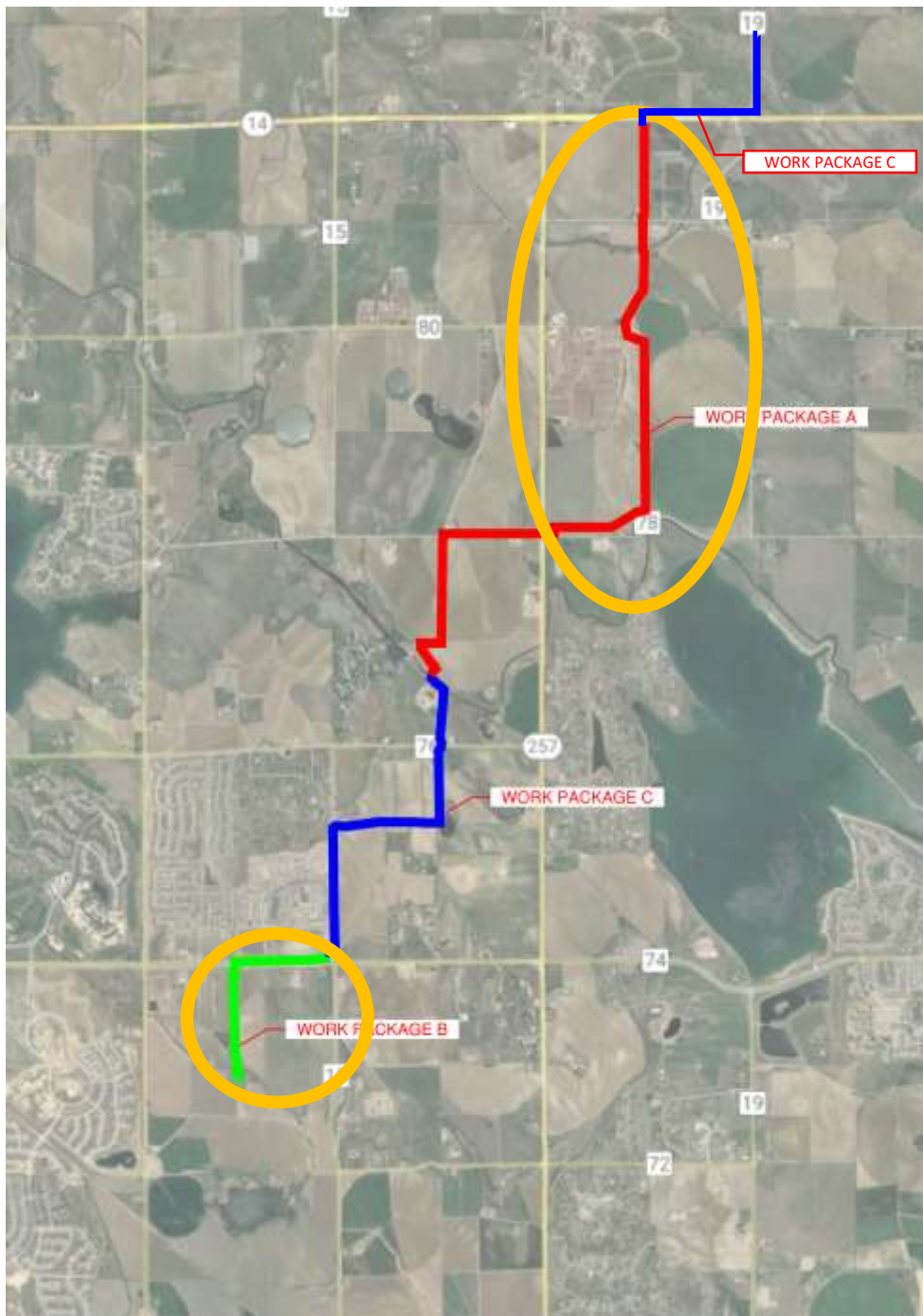
Segment 1 - Construction



- Due to Volatility in Steel Costs
 - Decided to hedge material costs
 - Contracted to buy steel in late 2022
- ~900 tons of coil purchased
- Steel for ~6.6 miles of pipe
- Began receiving pipe in March

First Pipe Deliveries





Segment 1- Construction

- From Bellvue 60" Tie-in to SH 14
- Construction Contract Finalized March 2023
- Construction started May 6
- First Pipe Laid May 19
- Currently laying pipe on 3 parcels

First Pipe Being Laid – May 19, 2023



Segment 1- Tunnels

- Currently Up To 9 Tunnels Planned
- WP-A
 - HWY 257
 - CR 78
 - Larimer County Canal
- WP-B
 - Harmony Road (Schedule Start Jun 19)
- WP-C South
 - Larimer and Weld County Canal
 - CR 76
 - CR 15
- WP-C North
 - HWY 14
 - Larimer County Canal





Segment 1 - Schedule

- Overall Construction
 - April 2023 – October 2024
- Work Packages A & B
 - Contract Awarded March 31
 - Steel pipe fabrication in process
- Work Package C
 - At 90% Design
 - 100% Design by July
 - Pricing and Contract by Late Jul/Aug

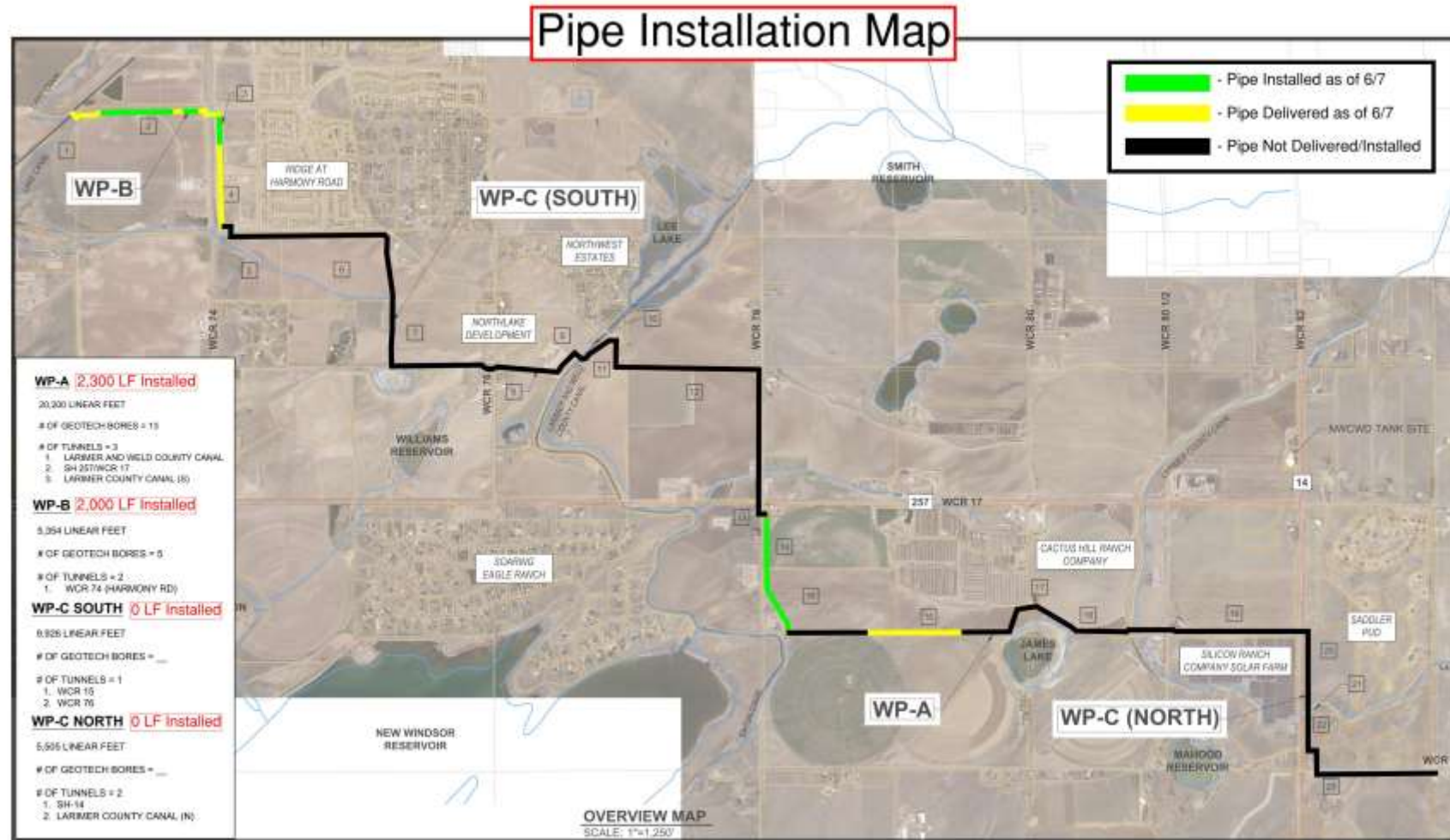
Phase 1 - Budget to Date

- \$39M Appropriated in 2022 and 2023
 - Includes 1st Payments from Wingfoot (\$37.5M)
- Contracts To Date (\$27.4M):
 - \$7.35M for Steel Pipe and Appurtenances (Segment 1 up to CO 14 ~6.6 Miles)
 - \$16M for Construction of WPA and WPB (~4.8 Miles)
 - \$4M Professional Services (Includes Design [Segment 1-100% and Segments 2-4-60%], CM, Land Acquisition Services)
 - Land Acquisition = ~\$800K to Date

Phase 1 - Budget to Date

- Allocated (\$5.2M):
 - \$3.8M for Land Acquisition
 - \$1.4M Contingency
- Unallocated (\$9.2M)
 - Remaining Steel Pipe and Appurtenances
 - Construction of 1.1 mile past HWY 14 (WPC)
- Reimbursement Requests from Escrow (\$1.28M)
 - Wingfoot \$1.02M (80%)
 - City of Greeley \$256K (20%)

Construction Progress - WPA and WPB



Holiday Testing and Bedding Placement



Placing Pipe and Alignment Check



CHALLENGES

- Permits
 - IGA (Windsor)
 - Tied to Access/Easements
- Timely Easement/Access Acquisition
 - Eminent Domain Process
 - Negotiations
 - Internal Process for Payments
- Crossings
 - O&G Agreements
 - Canal Agreements
- Supply Chain
 - Long Lead Times
 - Commitments from Suppliers (Pipe)

QUESTIONS?



Water & Sewer Agenda Summary

Date: June 21, 2023

Key Staff Contact: Cole Gustafson, Source Water Supply Manager

Title: Goza Water Trade

Summary: Staff recommends the Water and Sewer Board approve the enclosed Water Rights Trade Agreement (“Trade Agreement”) with Calven Goza (“Goza”). The Trade Agreement contemplates the City of Greeley conveying three shares of stock in the Delta Irrigation Company (“Patterson Ditch”) to Goza in exchange for four and one-half shares of stock in the Cache La Poudre Reservoir Company (“CPRC”) and three shares of stock in the New Cache la Poudre Irrigation Company (“NCPIC”). Dry-up covenants are not included for any of the water rights in this trade. Staff recommends the trade, among other reasons, because 1) acquiring the CPRC & NCPIC below market value; 2) New Cache can be used in Greeley’s non-pot system; 3) There is no ongoing future need for the Patterson Ditch shares.

Recommended Action: Staff seeks approval of the Trade Agreement, authorization of the divestment of the Patterson Ditch water rights, and a recommendation that City Council authorize the divestment of the Patterson Ditch water rights.

Recommended Motion: “I move that the Board make a finding that the Patterson Ditch water rights are not currently being used nor held for a governmental purpose, authorize the proposed divestment of the water rights, approve the Water Rights Trade Agreement with Calven Goza and its exhibits in the forms enclosed, delegate authority to the Director of Water and Sewer or his designee (i) to make minor amendments to the documents, including, but not limited to, contract extensions, and (ii) to undertake all necessary and appropriate action to close on the trade, and recommend that City Council authorize the divestment.”

Attachments:

Water Rights Trade Agreement

Goza Water Trade



June 2023

Overview

- The Agreement contemplates a water rights trade between the City of Greeley and Calven Goza
 - Greeley trades 3 shares of The Delta Irrigation Company (The Patterson Ditch)
 - Greeley receives 4.5 shares of Cache La Poudre Reservoir Company and 3 shares of New Cache Irrigation
 - No dry-up is being exchanged in the trade
 - Cashless transaction



Background

- Greeley acquired 3 shares of the Patterson Ditch with the Purchase of the Dill Farm in 1978
 - Dill Farm was originally planned to be a wastewater solids processing site
 - It is unknown the last time the Patterson shares were used for Irrigation
- Calven Goza owns land in the Patterson Ditch system and is looking to acquire more shares



Benefits of the Water Trade

- Effectively acquiring New Cache below market
 - Will not affect an already limited 2023 Acquisition budget
- There is future use for New Cache in the Greeley non-pot system;
 - Can be used in the non-pot system without dry up
 - Opportunity to acquire dry-up as development takes place north of the Poudre
- No future need for the Patterson ditch shares
 - Trading an asset with limited-to-no usability
 - The Patterson diverts water from the South Platte east of the City

Next Step and Due Diligence

- 45 days due diligence
- Closing on or before 59 days of mutual execution of the contract or by mutual agreement of the Parties at an alternate date and time.
- Goza and Greeley will inspect water rights
 - Title Review
 - Historical consumptive use analysis
- City Council ordinance required to authorize disposition



Staff Recommendation

- Staff recommends the acquisition of 4.5 shares of Cache La Poudre Reservoir Company and 3 shares of New Cache La Poudre Irrigation Company in exchange of 3 shares of The Delta Irrigation Company (The Patterson Ditch)
- Staff recommends the Water and Sewer Board approve and recommend to City Council the disposition of 3 shares of The Delta Irrigation Company (The Patterson Ditch)

Goza Water Trade

Questions?

WATER RIGHTS TRADE AGREEMENT
(Calven T. Goza)

This WATER RIGHTS TRADE AGREEMENT (“Agreement”) is entered into as of the Effective Date by and between CALVEN T. GOZA, a natural person residing in Colorado (“Goza”), and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation acting by and through its Water Enterprise (“Greeley”). Goza and Greeley are each referred to in this Agreement as a “Party” and collectively as the “Parties.”

RECITALS

A. Goza owns those certain storage rights represented by four and one half (4.5) shares of capital stock in THE CACHE LA POUDRE RESERVOIR COMPANY (“CLPRC”), evidenced by Stock Certificate No. 4192, issued in the name of Goza (“CLPRC Certificate”) and those certain water rights represented by three (3) shares of stock in THE NEW CACHE LA POUDRE IRRIGATING COMPANY (“New Cache”), evidenced by Stock Certificate No. 4993, issued in the name of Goza (“New Cache Certificate”) (collectively “Goza Water Rights”).

B. To the best of the Parties’ knowledge and belief, the Goza Water Rights have historically been used for irrigation of the real property described on Exhibit A (“Goza Property”),

C. Greeley owns those certain water rights represented by three (3) shares of capital stock in THE DELTA IRRIGATION COMPANY (“Delta”), evidenced by Stock Certificate No. 270 (“Delta Certificate”), which water rights have historically been delivered via the Patterson Ditch (“Greeley Delta Water Rights”).

D. To the best of the Parties’ knowledge and belief, the Greeley Delta Water Rights have historically been used for the irrigation of the real property located at 1734 Holly Avenue in unincorporated Weld County and identified as Parcel No. 096111400010 (“Greeley Property”).

E. Goza desires to convey to Greeley the Goza Water Rights, and in exchange for such conveyance, Greeley desires to convey to Goza the Greeley Delta Water Rights.

NOW THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Goza and Greeley agree as follows.

AGREEMENT

ARTICLE 1
DEFINITIONS

In addition to words and terms elsewhere defined in this Agreement, including the Recitals above, the following words and terms used in this Agreement have the following meanings:

- 1.1 “*Agreement*” means this Water Rights Trade Agreement.
- 1.2 “*Closing*” means the closing of this transaction.
- 1.3 “*Closing Date*” means the date upon which the Closing occurs.
- 1.4 “*CLPRC*” means THE CACHE LA POUDRE RESERVOIR COMPANY.
- 1.5 “*CLPRC Certificate*” means the stock certificate described in Recital A above.
- 1.6 “*City Council*” means the City of Greeley City Council.
- 1.7 “*Delta*” means THE DELTA IRRIGATION COMPANY.
- 1.8 “*Delta Certificate*” means the stock certificate described in Recital C above.
- 1.9 “*Diligence*” has the meaning given in Section 4.1.C.
- 1.10 “*Effective Date*” means the date upon which the last signatory has executed this Agreement and the Agreement takes legal effect.
- 1.11 “*Governing Body Approvals*” has the meaning given in Section 5.1.
- 1.12 “*Goza Off-Record Documents*” has the meaning given in Section 3.1.D.
- 1.13 “*Goza Water Rights*” means the New Cache and CLPRC water rights described in Recital A above, all of which Goza will convey to Greeley at Closing.
- 1.14 “*Goza Title Documents*” has the meaning given in Section 3.1.A.
- 1.15 “*Greeley Delta Water Rights*” means the Delta water rights described in Recital D above, which Greeley will convey to Goza at Closing.
- 1.16 “*Greeley Off-Record Documents*” has the meaning given in Section 3.3.C.
- 1.17 “*Greeley Title Documents*” has the meaning given in Section 3.3.A.
- 1.18 “*Inspections*” has the meaning given in Sections 4.1.A.
- 1.19 “*Inspection Period*” means the 45-day period from the Effective Date during which the Parties may conduct their due diligence, as described in Section 4.1.A.
- 1.20 “*Material Part*” means a portion of either the Greeley Delta Water Rights or the Goza Water Rights that would have a material adverse effect on the use of such property as determined by the acquiring Party in its sole good faith judgment, as described in Article 9 below.
- 1.21 “*New Cache*” means the THE NEW CACHE LA POUDRE IRRIGATING COMPANY.

1.22 “*New Cache Certificate*” means the stock certificate described in Recital A above.

1.23 “*New Cache and CLPRC Water Rights*” means the water rights represented by the New Cache Certificate and CLPRC Certificate and described in Recital A above.

1.24 “*Permitted Exceptions*” has the meaning given in Section 3.5.

1.25 “*Title Company*” means Land Title Guarantee Company, located at 4617 West 20th Street, Suite B, Greeley, Colorado 80634, or such other substitute title company upon which Goza and Greeley mutually agree if necessary.

1.26 “*Water and Sewer Board*” means the City of Greeley Water and Sewer Board.

ARTICLE 2 TRADE OF WATER RIGHTS

2.1 Conveyance of Goza Water Rights to Greeley. Goza agrees to convey to Greeley, on the terms and conditions set forth in this Agreement, the Goza Water Rights.

A. Exclusions. There are no exclusions from the Goza Water Rights.

2.2 Conveyance of Greeley Delta Water Rights to Goza. Greeley agrees to convey to Goza, on the terms and conditions set forth in this Agreement, the Greeley Delta Water Rights.

A. Exclusions. There are no exclusions from the Greeley Delta Water Rights.

ARTICLE 3 TITLE

3.1 Within fourteen (14) days after the Effective Date of this Agreement, Goza shall provide the following to Greeley for review:

A. A commitment for an owner’s policy of title insurance (“New Cache and CLPRC Title Commitment”) issued by the Title Company to cover the real property historically irrigated by the Goza Water Rights, with such New Cache and CLPRC Title Commitment setting forth the status of title to such historically irrigated real property and showing the Title Company’s search results for all recorded liens, claims, encumbrances, easements, rights of way, encroachments, reservations, restrictions and other matters of record affecting title to such real property (the copies of all recorded documents in the New Cache and CLPRC Title Commitment are collectively referred to as the “Goza Title Documents”).

B. A fully executed historical consumptive use affidavit and questionnaire describing the historical use of the Goza Water Rights, in the form of the affidavit and questionnaire attached hereto as Exhibit B.

C. To the extent the same exist, true and correct copies of all New Cache and CLPRC documents related to the Goza Water Rights, including but not limited to, delivery records and share traces. Goza agrees that such documents, including but not limited to the share traces, are a necessary component of Greeley's inspection activities. Goza shall request such documents as soon as is reasonably possible after the Effective Date of this Agreement. The Parties acknowledge that these documents may not be available within fourteen days of the Effective Date of this Agreement. If the Company provides such documents less than seven (7) days before expiration of the Inspection Period, then the Inspection Period shall be automatically extended for an additional fourteen (14) days.

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

3.2 Condition and Vesting of Title to the Goza Water Rights; Conveyance. At Closing, Goza shall convey the Goza Water Rights to Greeley, free and clear of all liens and encumbrances, by a special warranty deed in the form attached hereto as Exhibit C.

3.3 Within fourteen (14) days after the Effective Date of this Agreement, Greeley shall provide the following to Goza for review:

A. A commitment for an owner's policy of title insurance ("Delta Title Commitment") issued by the Title Company to cover the real property historically irrigated by the Greeley Delta Water Rights, with such Delta Title Commitment setting forth the status of title to such historically irrigated property and showing the Title Company's search results for all recorded liens, claims, encumbrances, easements, rights of way, encroachments, reservations, restrictions and other matters of record affecting title to such real property (the copies of all recorded documents in the Delta Title Commitment are collectively referred to as "Greeley Title Documents").

B. A fully executed historical consumptive use affidavit and questionnaire describing the historical use of the Greeley Delta Water Rights, in the form of the affidavit and questionnaire attached hereto as Exhibit B.

C. To the extent the same exist, true and correct copies of all Delta Irrigation Company documents related to the Greeley Delta Water Rights, including but not limited to, delivery records and share traces. Greeley agrees that such documents, including but not limited to the share traces, are a necessary component of Goza's inspection activities. Greeley shall request such documents as soon as is reasonably possible after the Effective Date of this Agreement. The Parties acknowledge that these documents may not be

available within fourteen days of the Effective Date of this Agreement. If the companies provides such documents less than seven (7) days before expiration of the Inspection Period, then the Inspection Period shall be automatically extended for an additional fourteen (14) days.

D. To the extent the same exist, true and correct copies of all: (i) documents that relate to the title, use, quantity, quality and condition of the Greeley Delta Water Rights, including, but not limited to, any deeds or other conveyances, assignments, permits, adjudications or court orders, any testing reports, and any records maintained by Greeley; (ii) contracts or other agreements relating to the development, operation, maintenance or leasing or otherwise affecting the Greeley Delta Water Rights and/or historically irrigated property; and (iii) any engineering, investigation or inspection documents or reports related to the Greeley Delta Water Rights and/or historically irrigated property, (collectively referred to as “Greeley Off-Record Documents”).

3.4 Condition and Vesting of Title to Greeley Delta Water Rights; Conveyance. At Closing, Greeley shall convey the Greeley Delta Water Rights to Goza, free and clear of all liens and encumbrances, by a special warranty deed in the form attached hereto as Exhibit C.

3.5 Disapproved Title Matters. Greeley or Goza may disapprove of any exceptions to title (“Disapproved Matter”) by delivering written notice of objection to other party either (i) prior to the expiration of the Inspection Period or (ii) if notice of such title exception is delivered after the expiration of the Inspection Period but prior to the Closing Date, then within ten days (10) days after receiving such notice from the other party or the Title Company. Any Disapproved Matter not objected to in writing prior to the expiration of the Inspection Period or within such ten (10) day period shall be deemed a Permitted Exception. Greeley or Goza may elect (but shall not be obligated) to cure any Disapproved Matter by (i) removing or causing the Disapproved Matter to be removed or resolved at curing party’s expense; (ii) by obtaining title insurance insuring against the effect of the Disapproved Matter; or (iii) by any other means acceptable to the other party (each a “Cure”). Within ten (10) days after receipt of such notice of a Disapproved Matter, the receiving party shall notify the other party in writing whether it elects to Cure such Disapproved Matter and, if it elects to do so, the method or means of the Cure. If the receiving party elects but fails or is unable to Cure a Disapproved Matter prior to the Closing Date, then the other party may, on the date of Closing, deliver written notice to the receiving party that it objects to the condition of the Goza Water Rights or Greeley Delta Water Rights in accordance with the terms and conditions of Article 8 below. If a Party does not exercise its rights pursuant to this Section 3.5, then it shall be deemed to have accepted any outstanding Disapproved Matters and the Parties shall proceed to Closing, subject to the provisions of this Agreement.

3.6 Title Insurance for the Water Rights. The purpose of the title commitments described above is to enable Greeley and Goza respectively to conduct the title review described in Article 4 below and said title commitments shall be updated as necessary up to the Closing. However, neither Goza nor Greeley shall have any obligation under this Agreement to purchase a title insurance policy after Closing. Either Greeley or Goza may elect to acquire this insurance if available at their own expense.

ARTICLE 4
INSPECTION PERIOD

4.1 Inspections.

A. Inspection Period; Greeley Right to Inspect. During the period of time commencing upon the Effective Date and continuing until 4:00 p.m., Mountain Time, on the forty-fifth (45th) day thereafter (“Inspection Period”), unless automatically extended in accordance with Section 3.1.C. or 3.3.B. above, Greeley and its authorized agents, representatives and consultants shall be entitled to: (i) contact and interview the employees, agents, or tenants of Goza to assist Greeley in determining the historical use of the New Cache Water Rights and CLPRC Water Rights; (ii) contact the officers, directors, attorneys, and shareholders of New Cache and CLPRC to inspect any company records and/or determine under what conditions New Cache and CLPRC will approve a change in the place of delivery or use, or the point of diversion, of the Goza Water Rights and other New Cache or CLPRC shares obtained or to be obtained by Greeley, pursuant to the bylaws of the companies or other applicable law (collectively referred to as “Inspections”). Goza agrees to cooperate with Greeley to facilitate such interviews and/or the signing of any affidavits of use of the Goza Water Rights or to facilitate such contact and/or request for information or determination by New Cache or CLPRC. Greeley shall bear all costs of such Inspections. Goza agrees to reasonably cooperate with any such Inspections made by or at Greeley’s direction.

B. Conditions of Greeley’s Access. Greeley and its authorized agents, representatives and consultants (i) shall not unreasonably interfere with the operation and maintenance of the Goza Property; (ii) shall comply with all reasonable requirements imposed upon them in connection with such inspections by Goza; (iii) shall not injure or otherwise cause bodily harm to Goza, their agents, contractors, tenants, or employees; (iv) shall promptly pay when due the costs of all Inspections done with regard to the Goza Property; and (v) shall not permit any liens to attach to the Goza Property by reason of the exercise of its rights hereunder.

C. Goza Right to Inspect. During the Inspection Period, and any extension thereof, Goza and its authorized agents, representatives and consultants shall be entitled to conduct the activities described as Inspections above with respect to the Greeley Water Rights on the Greeley Property, as Goza deems desirable, to allow Goza to evaluate the condition and use of the Greeley Water Rights (collectively referred to as “Diligence”). Goza shall bear all costs of the Diligence. Greeley agrees to reasonably cooperate with any such Diligence made by or at Goza’s direction.

D. Conditions of Goza’s Access. Goza and its authorized agents, representatives and consultants (i) shall not unreasonably interfere with the operation and maintenance of the Greeley Property; (ii) shall comply with all reasonable requirements imposed upon them in connection with such Diligence by Greeley or Greeley’s lessees; (iii) shall not injure or otherwise cause bodily harm to Greeley, their agents, contractors, employees or lessees; (iv) shall promptly pay when due the costs of all Diligence done with regard to the Greeley Property; (v) shall not permit any liens to attach to the Greeley

Property by reason of the exercise of its rights hereunder; and (vi) shall restore the Greeley Property as nearly as practicable to substantially the same condition in which it was found before any such Diligence activities were undertaken. Notwithstanding anything in this Agreement to the contrary, Goza shall not be permitted to perform any invasive tests without Greeley's prior written consent, which consent may be withheld in Greeley's sole discretion.

4.2 Objections.

A. Greeley's Objections. If during the Inspection Period, Greeley shall, for any reason, in Greeley's sole discretion, judgment and opinion, disapprove or be dissatisfied with any aspect of the Goza Water Rights or its Inspections relating thereto, Greeley shall be entitled to terminate this Agreement by giving written notice to Goza on or before the expiration of the Inspection Period, whereupon all materials exchanged by the Parties shall be returned 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.

B. If during the Inspection Period, Goza shall, for any reason, in Goza's sole discretion, judgment and opinion, disapprove or be dissatisfied with any aspect of the Greeley Delta Water Rights or its Diligence relating thereto, Goza shall be entitled to terminate this Agreement by giving written notice to Greeley on or before the expiration of the Inspection Period, whereupon all materials exchanged by the Parties shall be returned 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.

ARTICLE 5 CLOSING CONTINGENCIES; CLOSING

5.1 Closing Contingencies. Sections 5.1.A and 5.1.B are collectively referred to as the "Governing Body Approvals."

A. Board Approval of Transaction. Greeley's obligation to close on the acquisition of the Goza Water Rights and conveyance of the Greeley Delta Water Rights is contingent upon authorization of this transaction by the City of Greeley Water and Sewer Board ("Board"). In the event that the Board has not authorized closing this transaction prior to expiration of the Inspection Period, then, in such event, upon Greeley's written notice to Goza, this Agreement shall terminate, whereupon all materials exchanged by the Parties shall be returned and neither Party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

B. City Council Authorization to Convey. Greeley's obligation to convey the Greeley Delta Water Rights is also subject to authorization by the City of Greeley City Council ("City Council"). In the event City Council does not authorize the conveyance

prior to expiration of the Inspection Period, then, in such event, upon Greeley's written notice to Goza, this Agreement shall terminate, whereupon all materials exchanged by the Parties shall be returned and neither Party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

5.2 Closing. The Closing shall occur at 1:30 p.m. at the Title Company, fourteen (14) days after the expiration of the Inspection Period, or by mutual agreement of the Parties at an alternate date and time.

5.3 Transactions at Closing.

A. On or before the Closing Date, Goza 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 Goza Water Rights to Greeley, free and clear of all liens and encumbrances except the Permitted Exceptions, in the form attached as Exhibit C.

(2) The original New Cache Certificate and CLPRC Certificate.

(3) Stock assignments transferring ownership of the New Cache Certificate and CLPRC Certificate, and the Goza Water Rights represented thereby, in a form acceptable to the companies.

(4) A final closing settlement statement.

(5) Such other documents as may be reasonably necessary 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:

(1) A special warranty deed conveying the Greeley Delta Water Rights free and clear of all liens and encumbrances except the Permitted Exceptions, in the form attached as Exhibit C.

(2) The original Delta Certificate.

(3) A stock assignment transferring ownership of the Delta Certificate, and the Greeley Delta Water Rights represented thereby, in a form acceptable to the company.

(4) Water and Sewer Board meeting minutes and the City Council ordinance evidencing Greeley's full authority and capacity close on this transaction.

(5) A final closing settlement statement.

(6) Such other documents as may be reasonably necessary and appropriate to complete the Closing of the transaction contemplated herein.

ARTICLE 6 PRORATIONS; CLOSING COSTS

6.1 Ditch Assessments. Greeley agrees to fully pay and continue to pay any and all assessments, including special assessments, levied by the companies (or lateral or augmentation companies) associated with and accruing to the Greeley Delta Water Rights up to and including the Closing Date. Goza agrees to fully pay and continue to pay any and all assessments, including special assessments, levied by the companies (or lateral or augmentation companies) associated with and accruing to the Goza Water Rights up to and including the Closing Date. Greeley and Goza agree to assume any such future obligations for assessments associated with the rights respectively acquired by each Party and incurred after the Closing Date.

6.2 Closing Costs. Greeley shall pay for the cost of recording of the deed for the Goza Water Rights, water stock transfer fees for the Goza Water Rights, the cost of the title commitment described in Section 3.1.A. above, and one-half (1/2) of the Title Company closing and/or escrow costs. Goza shall pay for the cost of recording the deed for the Greeley Delta Water Rights, water stock transfer fees for the Greeley Delta Water Rights, the cost of the title commitment described in Section 3.3.A. above, and one-half (1/2) of the Title Company closing and/or escrow costs. Each Party shall pay its own attorneys' fees.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Goza represents and warrants to Greeley as follows:

A. Ownership and Encumbrances. Goza is now and will remain, until the conclusion of the Closing, the lawful owner of the Goza Water Rights. To the best of Goza's knowledge, the Goza Water Rights are free of any liens, encumbrances and third party claims except those of Greeley pursuant to this Agreement. From the Effective Date of this Agreement until the Closing, Goza shall not encumber the Goza Water Rights or any interest therein in any way nor grant any property or contract right relating to the Goza Water Rights or any other interests without the prior written consent of Greeley.

B. Litigation. To Goza's current actual knowledge, there is no dispute, action or litigation pending or threatened respecting the ownership or use of the Goza Water Rights 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, Goza shall not enter into any contracts, leases, licenses, commitments or undertakings respecting the use or maintenance of the Goza Water Rights by which Greeley would be obligated or liable to any third party.

D. Status. Goza has all requisite legal power and authority to own and convey the Goza Water Rights and perform all of the terms of this Agreement.

E. No Abandonment. The New Cache and CLPRC Water Rights have not been abandoned by Goza.

F. Compliance with Law. To the best of Goza's current actual knowledge, Goza has complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments and decrees applicable to the Goza Water Rights, and to Goza's current actual knowledge there is no proposed order, judgment, decree, governmental taking or other proceeding applicable to Goza which might adversely affect the Goza Water Rights.

Goza 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 Greeley represents and warrants to Goza as follows:

A. Ownership and Encumbrances. Greeley is now and will remain, until the conclusion of the Closing, the lawful owner of the Greeley Delta Water Rights. To the best of Greeley's knowledge, the Greeley Water Rights is free of any liens, encumbrances and third party claims except the Permitted Exceptions and those of Goza pursuant to this Agreement. From the Effective Date of this Agreement until the Closing, and except for the Permitted Exceptions, Greeley shall not encumber the Greeley Delta Water Rights or any interest therein in any way nor grant any property or contract right relating to the Greeley Delta Water Rights or any other interests without the prior written consent of Goza.

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

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

D. Status. Greeley has all requisite legal power and authority to own and convey the Greeley Delta Water Rights and perform all of the terms of this Agreement.

E. No Abandonment. The Greeley Delta Water Rights have not been abandoned by Greeley.

F. Compliance with Law. To the best of Greeley's current actual knowledge, Greeley has complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments and decrees applicable to the Greeley Delta Water Rights, and to Greeley's current actual knowledge there is no proposed order, judgment, decree,

governmental taking or other proceeding applicable to Greeley which might adversely affect the Greeley Delta Water Rights.

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

7.3 Greeley Water Rights Adjudication. The Parties acknowledge and agree that a change of the Goza Water Rights and/or other water rights adjudications may be necessary to allow Greeley's use of the Goza Water Rights for its intended purposes. Unless this Agreement is terminated pursuant to the provisions herein, Goza 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 Goza 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 Goza Water Rights. Goza agrees that Greeley may include the Goza Water Rights in any such application before the Closing Date, provided that Greeley promptly withdraws the Goza Water Rights from any such application if this Agreement is terminated and Closing does not occur. Goza 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 Goza Water Rights and provide any documentation of use or other relevant historical use information. The terms and provisions set forth in this Section 7.3 and the covenants and obligations arising therefrom shall survive the Closing and shall not be deemed merged into the closing documents.

7.4 Goza Water Rights Adjudication. The Parties acknowledge and agree that a change of the Greeley Delta Water Rights and/or other water rights adjudications may be necessary to allow Goza's use of the Greeley Delta Water Rights for its intended purposes. Unless this Agreement is terminated pursuant to the provisions herein, Greeley agrees that it shall not oppose, but shall cooperate with Goza, in any action Goza files in Water Court or administrative or other proceedings for approval of the use of the Greeley Delta 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 Greeley Delta Water Rights. Greeley shall not be required to file briefs in support of Goza's application or take any affirmative action other than to appear and testify honestly about the Greeley Delta Water Rights and provide any documentation of use or other relevant historical use information. The terms and provisions set forth in this Section 7.4 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 Goza Conditions. The obligation of Goza to convey the Goza Water Rights 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 Goza):

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

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

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

D. The representations and warranties made by Greeley as specifically set forth herein shall be true and correct as of the Closing Date.

8.2 Greeley Conditions. The obligation of Greeley to acquire the Goza Water Rights and convey the Greeley Delta Water Rights 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. Satisfaction of all closing contingencies in Article 5 above.

B. Delivery and execution by Goza of all items and other instruments required to be delivered by Goza to the Closing.

C. All of the actions by Goza contemplated by this Agreement shall have been taken.

D. There shall be no uncured default by Goza of any of its obligations under this Agreement.

E. The representations and warranties made by Goza as specifically set forth herein shall be true and correct as of the Closing Date.

8.3 Failure of Condition.

A. Except as set forth in Section 8.3B below, in the event of a failure of any condition contained in Section 8.2, Greeley may in its sole discretion:

(1) Terminate this Agreement by notice to Goza, in which event all materials exchanged by the Parties shall be returned and neither Party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.; or

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

(3) If the failure of condition consists of a default by Goza which can be cured by action within the reasonable control of Goza, 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, Goza may in its sole discretion:

(1) Terminate this Agreement by notice to Greeley, in which event all materials exchanged by the Parties shall be returned and neither Party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement; or

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

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

8.4 Except for the giving of notices, 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.

ARTICLE 9 CONDEMNATION

If prior to Closing all or a Material Part of the Goza Water Rights is subject to a proposed taking by any public authority, Goza shall promptly notify Greeley of such proposed taking and Greeley may terminate this Agreement by notice to Goza within fourteen (14) days after written notice thereof. If prior to Closing all or a Material Part of the Greeley Delta Water Rights is subject to a proposed taking by any public authority, Greeley shall promptly notify Goza of such proposed taking and Goza may terminate this Agreement by notice to Greeley within fourteen (14) days after written notice thereof. If either Party so elects to terminate pursuant to this Article 9, and following the return all materials exchanged by the Parties, 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 this Article 9 is triggered and a Party elects not to terminate this Agreement, or if the taking is as to a non-Material Part of the Property, that party shall accept title to the property subject to the taking without a reduction or modification to the consideration herein, and shall receive at Closing an assignment of all rights to any condemnation award. Such Party shall have the sole right after the Closing to negotiate and otherwise deal with the condemning authority in respect of such matter. A Material Part of the Property for purposes of this Article 9 shall mean a portion that would have a material adverse effect on use of the property by the acquiring Party, as determined by that Party in its sole good faith judgment.

ARTICLE 10 BROKERAGE

Goza 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.

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, with no bounce-back or other deliver failure is received within twenty-four (24) hours:

If to Goza: Calven T. Goza
274 1st Avenue
Greeley, Colorado 80631
Telephone: (970) 381-9629
Email: Calven.Goza@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) 350-9812
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) 350-9757
Email: daniel.biwer@greeleygov.com
arthur.sayre@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 Greeley or its officers,

employees, successors and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.*, as existing now or otherwise 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, except where explicitly described to the contrary.

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 either Party of the performance or satisfaction of any covenant or condition of this Agreement is valid unless in writing and shall not be considered to be a waiver by such Party of any other covenant or condition.

12.5 Entire Agreement. This Agreement contains the entire agreement between the Parties regarding the subject matter herein and supersedes all prior agreements, whether written or oral, among the Parties regarding this transaction, excluding only the closing documents executed in connection therewith. 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 Goza 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 below, 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 Goza or Greeley without first obtaining the prior written approval of the other Party. No assignment shall relieve either of the Parties from its respective obligations 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 and that neither Party can bind or enter into agreements for the other.

12.10 Governing Law and Construction. This Agreement and the legal relations between the Parties hereto shall be governed by the laws of the State of Colorado. Goza and Greeley acknowledge that each Party had the opportunity to consult with legal counsel, and that the Agreement should not be construed nor interpreted against a drafting Party.

12.11 Possession. Goza shall deliver to Greeley possession of the Goza Water Rights, on the Closing Date, upon release from escrow of all items to be delivered by Greeley at Closing. Greeley shall deliver to Goza possession of the Greeley Water Rights, subject to the Permitted Exceptions, on the Closing Date, upon release from escrow of all items to be delivered by Goza at Closing.

12.12 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.

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

12.14 Approval Required by Board and City Council. THE OBLIGATIONS OF GREELEY UNDER THIS AGREEMENT ARE EXPRESSLY CONTINGENT UPON THE APPROVAL OF THIS AGREEMENT BY THE CITY OF GREELEY WATER AND SEWER BOARD AND CITY COUNCIL.

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

CALVENT. GOZA

By: 

Date: 6-12-23

Name: Calven Goza

Title: Owner

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

By: _____
City Manager

Date: _____

As to Availability of Funds:

By: _____
Director of Finance

As to Legal Form:

By: _____
City Attorney's Office

As to Water and Sewer Board Approval:

By: _____
Chairman

EXHIBIT A
Description of Goza Property

Parcel No. 080520300015, which is located at 13483 County Road 66 in Weld County, Colorado and legally described as follows:

Lot A, Recorded Exemption No. 0805-20-03-RECX15-0051, being a portion of the East Half (E½) of the Southwest Quarter (SW¼) of Section 20, Township 6 North, Range 68 West of the 6th P.M., according to plat recorded August 5, 2015 at Reception No. 4131357.

QUESTIONNAIRE REGARDING USE OF WATER SHARES

*The person completing this questionnaire need not necessarily be the Lessee,
but must have personal knowledge of the information provided*

1. Name: _____
Mailing Address: _____

Telephone: _____
Facsimile: _____
Email Address: _____
2. The information provided below pertains to _____ shares of the _____ Company, represented by Certificate No. _____ (hereinafter "Shares").
3. Did you use the Shares pursuant to a Lease Agreement? _____
Date of the Lease: _____
Name of Lessee (if different from Question 1): _____
Name of Lessor: _____
4. The information in this questionnaire relates to my use of the Shares during the [20__] irrigation season (hereinafter "Lease Year").
5. Do you still own the farm or parcel irrigated by these Shares? _____
6. Was your use of the Shares during the Lease Year consistent with all terms and conditions of the Lease Agreement and with the bylaws, rules, regulations, and policies of the ditch company? _____
7. What is the legal description of the farm or parcel on which these Shares were used? _____
8. What is the total size of the farm or parcel? _____ acres.
9. What is the size of the area(s) on the farm or parcel that was irrigated? _____ acres.
10. What is the size of the area(s) on the farm or parcel that was irrigated using water from the Shares? _____ acres.
11. Please provide the following information regarding how the water from these Shares is delivered.
 - Location and ID Number of the head gate at the main ditch: _____
 - Name and general location of any lateral(s) delivering the water to the land historically irrigated: _____
 - Identification of any carrier or lateral ditch stock required to deliver these rights: _____
 - Approximate location of pumps, if used: _____
 - Approximate location and size of storage ponds or reservoirs, including tail water ponds, if used: _____
12. How was water applied during the Lease Year? Sprinkler _____ Furrow _____ Flood _____
Other/Combination (Describe): _____

13. What was the irrigation season for the Lease Year? Start Date: _____ Stop Date: _____

14. During the Lease Year, did you divert and irrigate with all water available under the Shares? _____. If no, please explain the reason why all water was not taken, approximately how much was not taken, and for how long: _____

_____.

15. Other than the Shares leased, was any other water (including other shares that are in the same Company as the Shares that are the subject of this questionnaire) used to irrigate the farm or parcel on which the Shares are/were used during the Lease Year? If so, please provide the following information.

- Number of shares: _____
- Ditch Company: _____
- Number of any Irrigation Wells: _____
- Identification and Permit No. of any Irrigation Wells: _____
_____.
- Capacity of Irrigation Wells: _____
- Approximate location of Irrigation Wells: _____
_____.
- Any other water used: _____

16. Describe how the water has been used, including the estimated percentage of the total irrigation supply provided by such water: _____
_____.

17. During the Lease Year, what crops were grown on the land irrigated by the Shares?

1. Crop: _____ Percentage: _____ Location: _____
2. Crop: _____ Percentage: _____ Location: _____
3. Crop: _____ Percentage: _____ Location: _____
4. Crop: _____ Percentage: _____ Location: _____
5. Crop: _____ Percentage: _____ Location: _____
6. Crop: _____ Percentage: _____ Location: _____

18. Were the lands on which the Shares were used subirrigated? Yes _____ No _____

19. If possible, please provide a map, sketch, or aerial photograph showing locations of *(check if included)*:

- _____ Farm or Parcel
- _____ Areas irrigated by the Shares during the Lease Year
- _____ Areas irrigated with other water
- _____ Lateral ditches, wells, pumps, pipelines, storage reservoirs, or tail water ponds

I understand that I may be required to sign an affidavit attesting to the accuracy, to the best of my knowledge, of the information provided herein.

Signature: _____ Date: _____

DO NOT EXECUTE

EXHIBIT A
TO SPECIAL WARRANTY DEED

Description of Water Rights

Any and all water and water rights, ditches and ditch rights, reservoirs and reservoir rights, rights to receive water, and other rights and interests of any kind represented by ____ (__) shares of capital stock in The _____ Company (evidenced by Stock Certificate No. ____). The Water Rights covered by this provision shall also include all of the Grantors' rights, title, and interest 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
TO SPECIAL WARRANTY DEED

Description of Land



Water & Sewer Agenda Summary

Date: June 21, 2023

Key Staff Contact: Leah Hubbard, Water Resources Operations Manager

Title: Outside Counsel Legal Report

Summary: This report has been provided by Carolyn Burr, outside counsel for the Greeley Water & Sewer Board.

1. Based on our review of the April 2023 Water Division 1 Resume, staff and water counsel do not recommend that the Water and Sewer Board file statements of opposition to any water court matters that would be due at the end of June, 2023.

Attachments: None.



Water & Sewer Agenda Summary

Date: June 21, 2023

Key Staff Contact: Water and Sewer Director Sean Chambers

Title: Directors Report

Summary:

The Director will provide the Water & Sewer Board with a brief update on the following items of water utilities policy interest;

1. City of Greeley and Water Industry Events
 - a. Johnson Subdivision Sewer Project Update Open House Project Meeting
 - i. July 6th at 6:00 pm in Council Chambers
 - b. Summer Board & Council Tour – July 28, 2023
 - i. Chimney Hollow Res. Construction, Boyd Lake WTP, Terry Ranch Pipeline Construction, 23rd Ave. Reservoirs and Wastewater Treatment Facility
 - c. Tour of Greeley’s Bob Creek Diversion from Upper Laramie into Poudre – TBD
 - d. Colorado Water Congress Conference – August 22 – 24, 2023;
 - i. Water policy and law education
 - ii. Meeting of the Interim Water Resources Review Committee
 - iii. Meetings with Sen. Bennet’s Farm Bill policy and forest health staff
 - e. Broadcast of CWCB Drought Summit (5/31-6/1) at:
 - i. <https://engagecwc.org/drought-summit>
2. Colorado River supply and demand imbalance and shortage negotiations update:
 - a. <https://cwc.colorado.gov/news-articles/colorado-collaborates-with-colorado-river-basin-states-to-analyze-potential-solutions>
3. Technology enablement for W&S Board Mtgs.
 - a. Future Board packets delivered through CivicClerk software,
 - i. City is transitioning to CivicClerk and training available from W&S Staff.
 - b. Appreciate staff and Board effort to make the live stream YouTube meetings a success a. Timely starting of meetings, microphones usage, and meeting management

Recommended Action: N/A

Attachments:

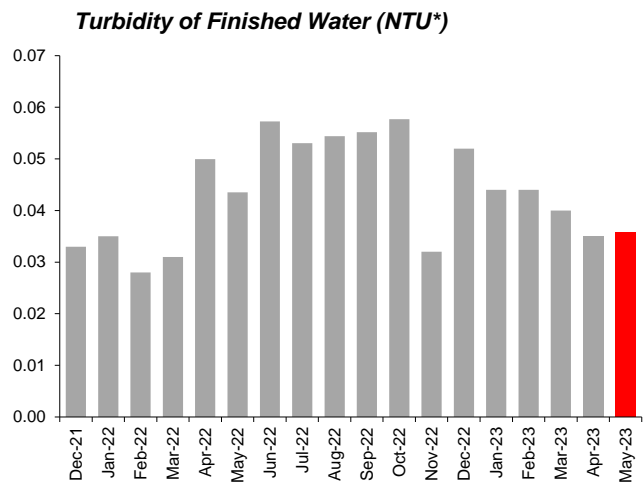
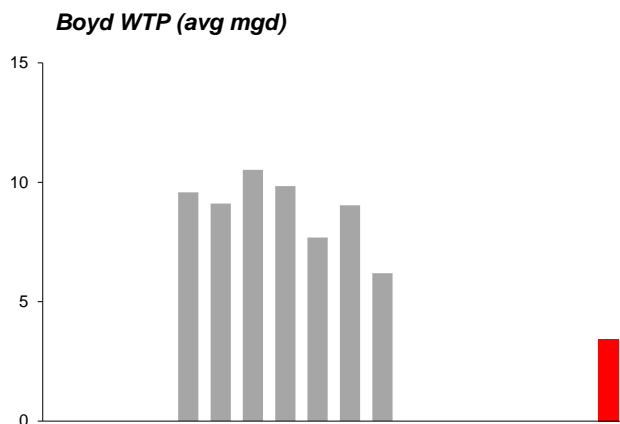
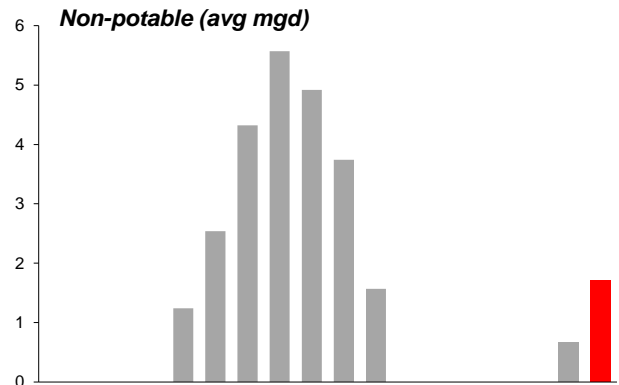
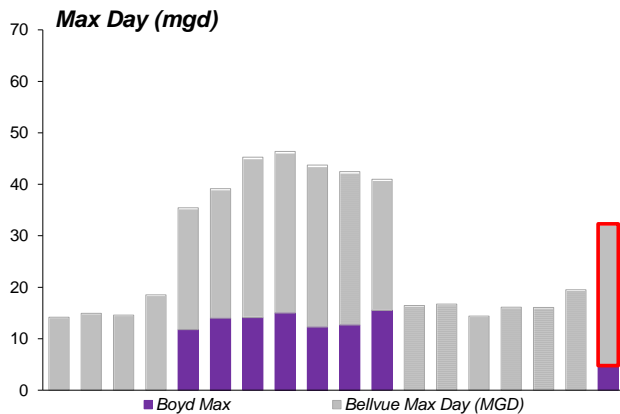
Board Charts

Water Treatment

Bellvue Water Treatment Plant operates year-round with a transmission capacity of 29.1 million gallons per day (mgd) (plant capacity is 32 to 35 mgd). Water sources include Poudre River direct flows, Colorado-Big Thompson (C-BT), Windy Gap, High Mountain Reservoirs, Laramie-Poudre Tunnel, and Water Supply and Storage. Average volume is 19,000 acre-feet a year (2000-2011). The plant was built in 1907, with its last treatment upgrade in 2009. Solar panels were added in 2014.

Boyd Water Treatment Plant operates normally from April to October with a plant capacity of 38 mgd (transmission capacity is 40 mgd). Water sources include Greeley-Loveland Irrigation Company, C-BT, and Windy Gap. Average Volume is 8,200 acre-feet (2000-2011). The current plant was built in 1974, with its last treatment upgrade in 1999. Solar panels were added at Boyd in 2014. In 2016, tube settlers and plate settlers were replaced in the sedimentation basins. In 2018, all old existing chemical lines were replaced with new lines and the piping was up-sized to carry more chemical. A PLC upgrade was done on the SCADA system. Sludge pumps were replaced and hooked into the Trac Vac system that pulls sludge out of the sedimentation basins.

Combined, Bellvue and Boyd can treat a maximum of 70-73 million gallons per day.



Starting May 2016 Bellvue turbidity measurements will use a new method resulting in more accurate readings.

*Turbidity limit: 95% of samples must be below 0.3 NTU.

Turbidity is the measure of relative clarity of a liquid. Clarity is important when producing drinking water for human consumption and in many manufacturing uses. Turbidity is measured in Nephelometric Turbidity Units (NTU).

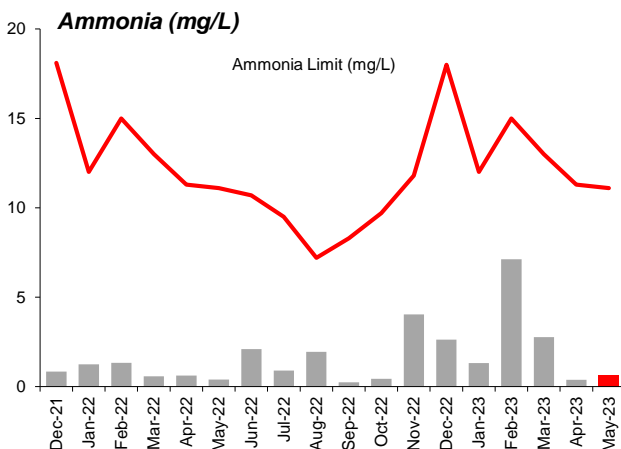
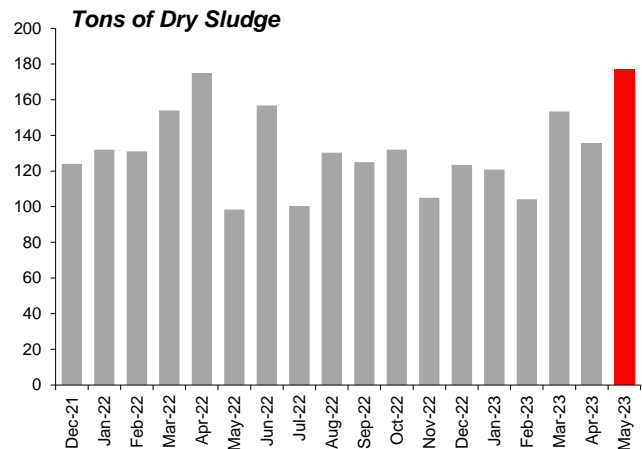
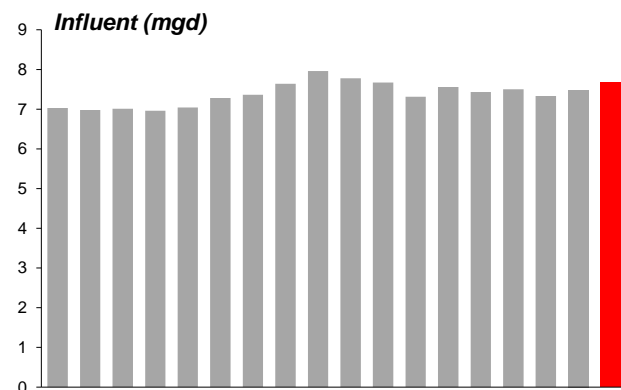
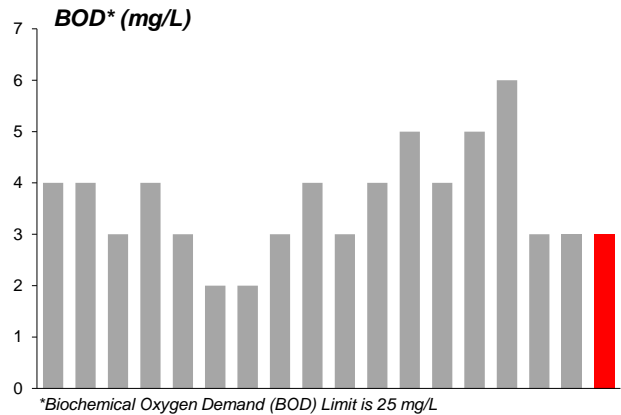
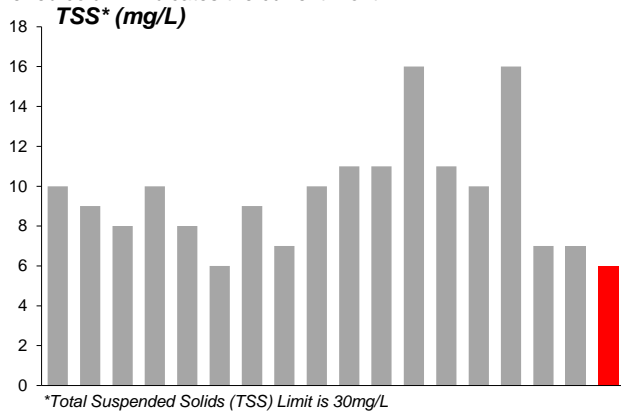


Wastewater Treatment

The Water Pollution Control Facility (WPCF) staff are dedicated environmental professionals who provide quality, safe and cost-effective wastewater treatment services for the citizens of Greeley. The WPCF treats wastewater to meet or exceed Environmental Protection Agency (EPA) and Colorado Department of Public Health & Environment requirements.

In 2011, the WPCF received an Xcel Energy Custom Efficiency Achievement Award for saving 2.78 million kWh and reducing CO2 emissions by 1,584 tons. In 2012, the WPCF received the Rocky Mountain Water Environment Association's (RMWEA) Sustainability Award for Colorado demonstrating excellence in programs that enhanced the principles of sustainability. A Certificate of Achievement from the Colorado Industrial Energy Challenge program managed through the Colorado Energy Office was received in the same year. In 2013, the plant received the City of Greeley's Environmental Stewardship Award for outstanding efforts to reduce energy (watts), conserve energy and water, reduce air and water pollution, and educate and encourage others to be environmental stewards. Also, in 2013, the plant was the recipient of a Bronze Award from the Colorado Environmental Leadership Program. In 2015, after having 5 years without a plant violation, the plant received the 2015 National Association of Clean Water Agencies (NACWA) Platinum Peak Performance award for the City of Greeley Water and Sewer Department.

Note: the red column indicates the current month.



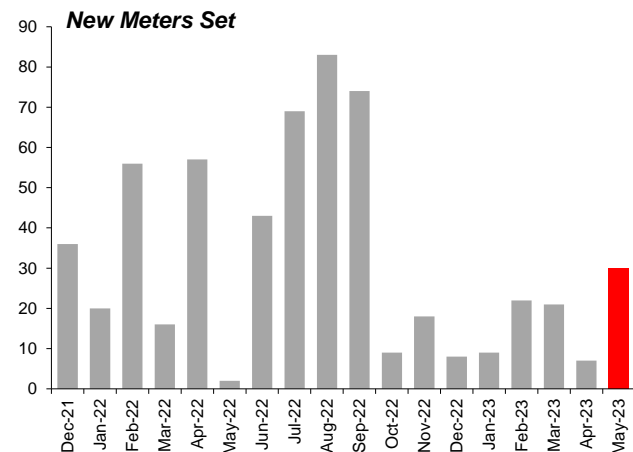
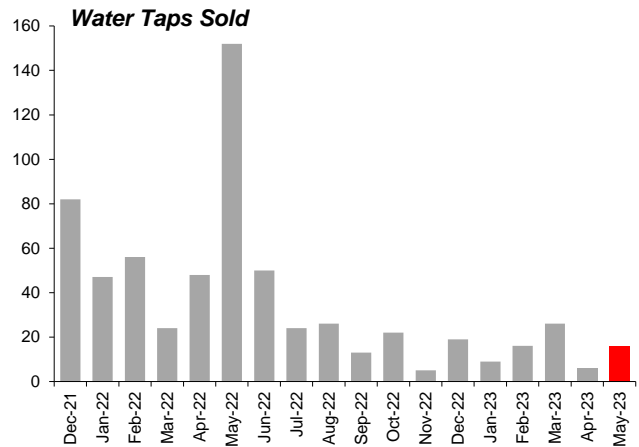
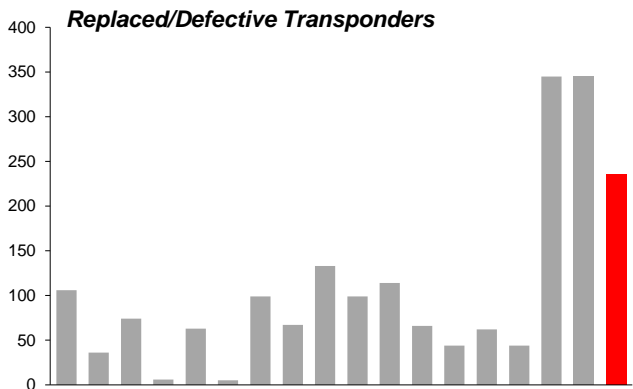
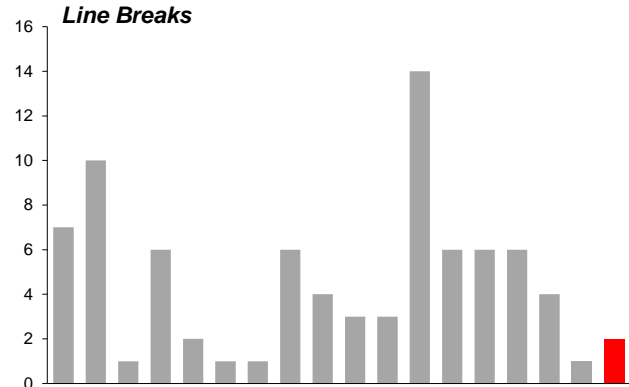
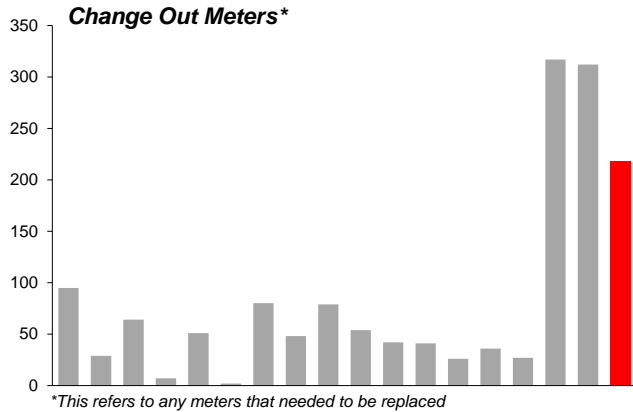
Water Distribution

The Greeley water distribution system consists of various sizes of pipes that generally follow the streets within the City. The distribution system serves residences and businesses in Greeley, Evans and Garden City, and the system is divided into four pressure zones.

There are 69.75 million gallons of potable water storage in Greeley. The water is stored within three covered reservoirs and one elevated tank; 23rd Avenue - 37.5 million gallons, Mosier Hill - 15 million gallons, and Gold Hill - 15 million gallons. The system also has 476 miles of pipeline, 24,233 water meters and 3,378 fire hydrants.

The water pipes in the distribution system vary in size from 4" to 36". Pipe material is steel, ductile iron, cast iron, or polyvinyl chloride. The age of the pipes varies from the 1890's to new installations.

Note: the red column indicates the current month.



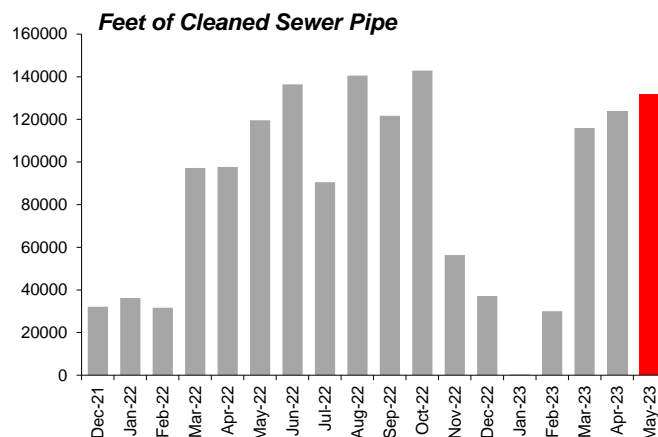
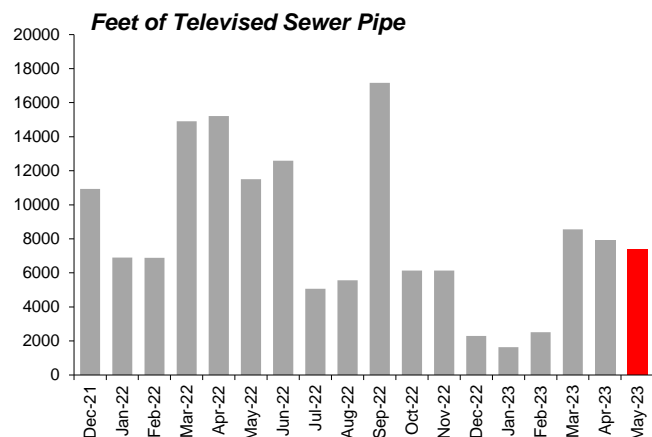
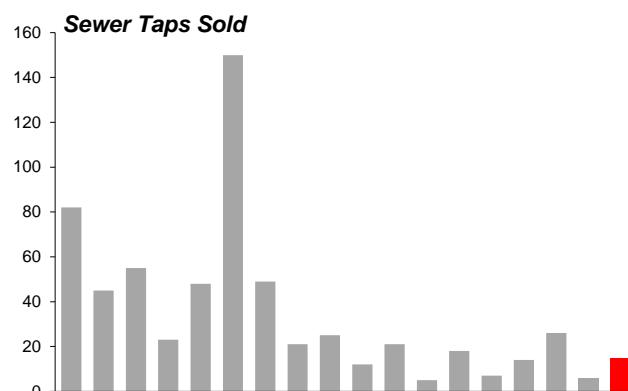
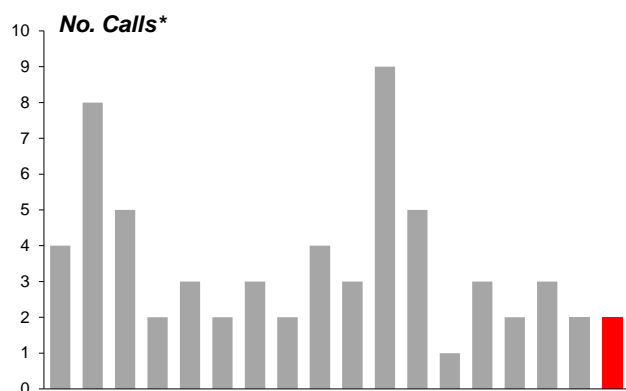
Wastewater Collection

The mission of the Wastewater Collection Division of the Water and Sewer Department is to protect community health by transporting wastewater away from homes and businesses. This includes respecting property values and public safety by reducing the frequency of blockages in the sanitary sewer lines.

A wide variety of work is performed including routine cleaning of sewer lines, inspection of sewer lines, maintenance of the sewage pumping stations, rehabilitation of the system and responding to emergencies.

The wastewater collection system dates back to 1889. At the end of 2017, the system had a total of 364.8 miles of line and 10 sewage pumping stations. The sewer service area is approximately 51 square miles. Over the last 10 years, the system has grown by 17 miles.

Note: the red column indicates the current month.

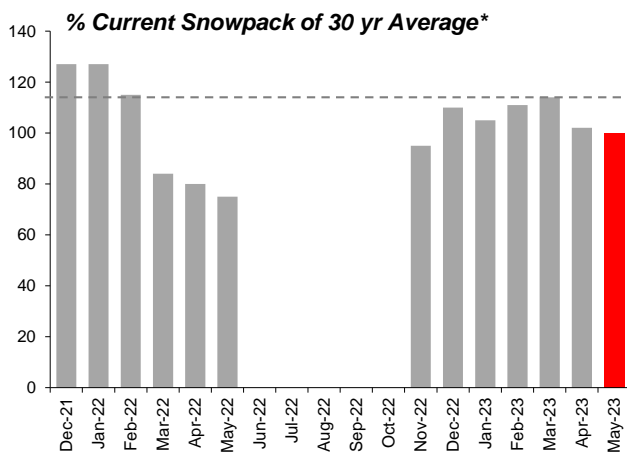
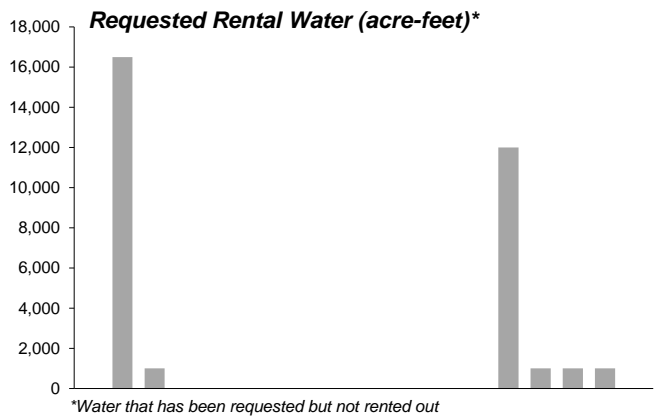
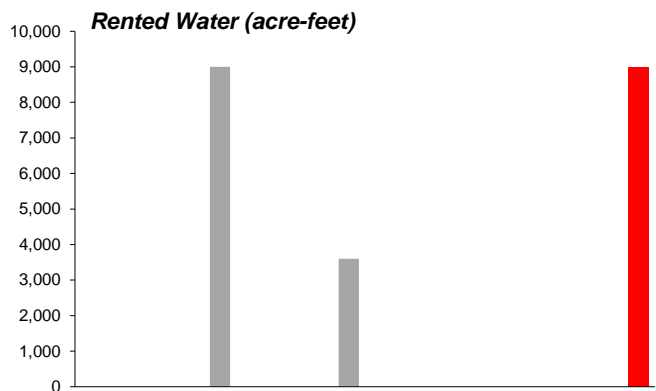
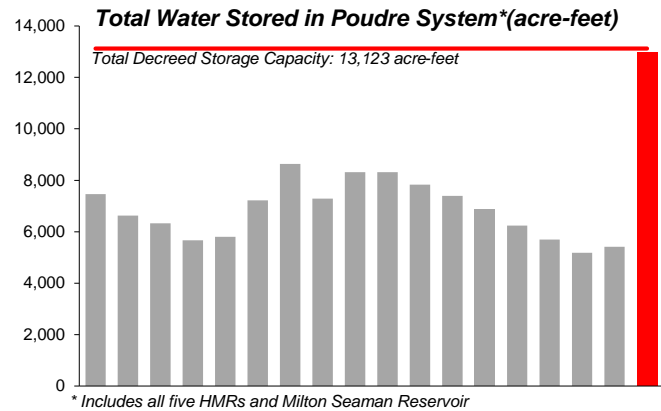
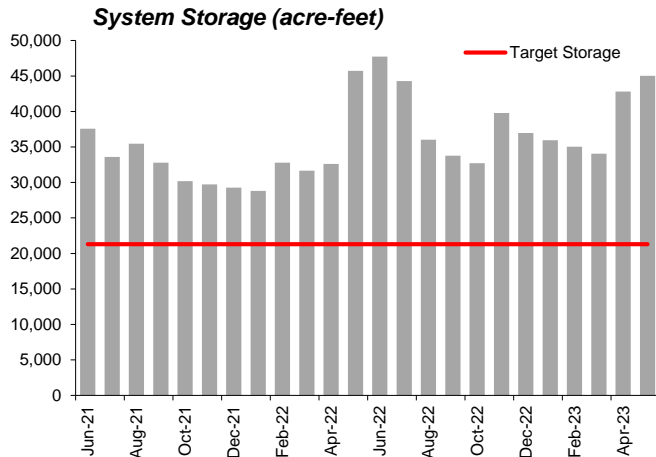


Water Resources

Greeley has numerous water rights in four river basins; the Upper Colorado River, Cache La Poudre, Big Thompson and Laramie River. The Water Resource staff must account for all of this water and comply with the rules of the Colorado Water Court and the State Engineer's Office which is in charge of allocating all of Colorado's water resources. Approximately one-third of the City's water supply comes from agricultural water rights. These water rights must be formally changed to municipal use by a special legal process through the Water Court. In this court, Water Resource staff and attorneys also defend the City's water rights against adverse claims from other parties.

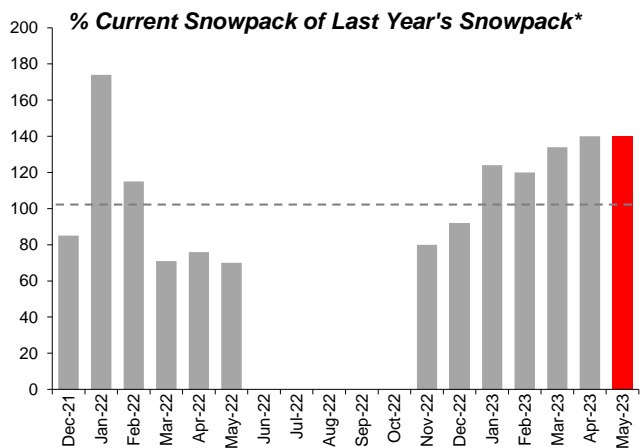
Greeley's goal is to have enough water in carry-over storage to sustain Greeley through a 50-year critical drought. Water in excess of this carry-over drought supply can be leased to agriculture, both for revenue and to support our local agricultural community. Modeling has shown that, given existing population and demand factors, Greeley will have sufficient water for citizens, if at the beginning of the 6-year long, 50-year critical drought, there is 20,000 acre-feet in storage on April 1st of the following year.

Note: the red column indicates the current month.



*Data is from the 1st of the month

**Average of Deadman Hill and Joe Wright



*Data is from the 1st of the month

**Average of Deadman Hill and Joe Wright

Treated Water and Weather Data

January was a cold month with an average temperature of 24°F. The average temperature for February was 27°, about 4° lower than the historical. Its been another cold month in March with an average temperature of 34.8°F, which is still 4° lower than the historical average. The average temperature in April was 47.33°F which is very close to the historcal average. May's average temperature was slightly above average at 59.23°.

Greeley received 1.1 inches of precipitation in January, this is more than double the historical average for this month. Febuary brought 0.51 inches of precipitation. Total precipitaion for March was 0.81 inches, bring the total so far this year to 2.42. Greeley reveiced 1.14 inches or precip in April, bringing the cumulative precip very close to the historical. Greeley received an astonishing 5.63 inches of precitataan in May, this is close to 3 inches above average.

