

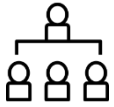
Water and Sewer Board

Regular Meeting

City Council Chambers – City Center South

1001 11th Avenue – Greeley, Colorado

October 16, 2024 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 <https://greeleyco.portal.civicclerk.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 CivicClerk meeting portal by 10:00 a.m. on the date of the meeting (<https://greeleyco.portal.civicclerk.com/>).

In the event it becomes necessary for a meeting to be held virtually, use the link below to join the meeting via Zoom. <https://greeleygov.zoom.us/j/81782466253>

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

October 16, 2024 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. Matt Anderson _____ Mayor John Gates
 _____ Mr. Raymond Lee _____ Ms. Tyra Litzau
2. Approval of Minutes
3. Approval of the Agenda
4. Welcome New Employees and Promotions
5. Approval of Neff Lake Purchase and Sale Agreement
6. Approval of Surface Use Rider to State Land Board Lease
7. Approval of Real Property Acquisition from Greeley Urban Renewal Authority
8. Review and Recommend to Council Backflow Cross Connection Program Ordinance
9. Bi-annual CIP Report
10. Multi Family Sewer PIF Update
11. Legal Report
12. Director's Report
13. Such Other Business That May Be Brought Before the Board Added to This Agenda by Motion of the Board
14. 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 September 18, 2024
Regular Board Meeting**

Vice Chairman Mick Todd called the Water and Sewer Board meeting to order at 2:05 p.m. on Wednesday September 18, 2024.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Vice Chairman Mick Todd, Fred Otis, Cheri Witt-Brown, Matt Anderson, Director of Finance Tyra Litzau, Deputy City Manager Rachel Flynn on behalf of City Manager Raymond Lee

Water and Sewer Department Staff:

Deputy Director of Utility Finance and Customer Service Erik Dial, Chief Engineer Adam Prior, Office Manager Gigi Allen, Utility Finance Manager Virgil Pierce, Deputy Director of Operations and Maintenance Rebecca Andrus, Water Resource Administrator II Alex Tennant, Water Resource Operations Manager Leah Hubbard, Water Conservation Manager Dena Egenhoff, Water Conservation Coordinator Ben Schaffer, Administrative Assistant III Lisa Van Vorous, Communication Specialist II Cory Channell, Civil Engineer IV Cort Nickel, Civil Engineer I Clayton Orback, Team Manager Brandon Valenciano, Water Conservation Specialist I Jake Robinson, Intern I Zach White, Water Resource Administrator I Eric Clark, Cross Connection Supervisor Tia Miller, Team Manager Damen Ratliff, Engineering Technician III Eliel Aguinaga, Water Conservation Intern I Hayden Busha

Legal Counsel:

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

2. Approval of the Minutes

Mr. Otis made a motion, seconded by Ms. Witt-Brown to approve the August 2024 Water and Sewer Board meeting minutes. The motion carried 4-0.

3. Approval of Agenda

There were no changes to the Agenda

4. Welcome New Employees and Promotions

Deputy Director of Utility Finance and Customer Service Erik Dial provided an introduction of new Water and Sewer Department employees starting this month as well as announce several promotions.

5. Direct Toilet Install Program – Flush and Flow

Dena Egenhoff reviewed with the Board a new water conservation program that will be launching a direct toilet installation program named “Flush and Flow”. The Flush and Flow program is a partnership between the Weld County Youth Conservation Corps, Northern Water, and the City of Greeley, designed to help qualified families upgrade to high-efficiency toilets—free of charge.

6. Transmission and Distribution Project Update

Rebecca Andrus discussed several 2024 capital projects, maintenance, and organizational changes in Greeley’s Water Transmission and Distribution system. She also shared an overview of the Johnson’s subdivision sewer installation project completed by the Wastewater Collections team.

7. Backflow Cross Connection Control Program Ordinance Discussion

Rebecca Andrus reviewed how Section 20-191 of the Greeley Municipal Code is being revised to better conform to the revisions to Regulation 11.39 adopted by CDPHE in October 2023.

8. Water Court Update

Leah Hubbard discussed that the City of Greeley Water and Sewer Department is active in numerous Water Court matters to develop additional water supply and to protect existing water rights. In the second trimester, Greeley filed five statements of opposition and stipulated out of four cases. Water court legal costs equaled \$113,088 and engineering costs equaled \$101,191 for a total cost of \$214,279 this trimester. This brings the total legal costs to \$231,101 and the engineering costs to \$215,146 for a total of \$446,247 for this year.

9. Legal Report

Mr. Noble, outside counsel for the Greeley Water & Sewer Board provided the Legal Report for September.

Based on our review of the July 2024 Water Division 1 Resume, staff and water counsel recommend that the Water and Sewer Board file no statements of opposition this month.

10. Director's Report

Erik Dial and Dena Egenhoff provided the Water & Sewer Board and staff with a brief update on the following items of water utilities policy interest

1. Education and Advocacy and Events Calendar

Colorado River District Annual Water Seminar
Friday, September 20th at Colorado Mesa University, Grand Junction
www.coloradoriverdistrict.org/annual-water-seminar-2024/

Water Quality Control Division Dredge & Fill Workshops
October - December, Workshop on Regulation 87 Dredge & Fill rulemaking
www.cdphe.state.gov/dredge-and-fill

Colorado Water Conservation Board Annual C-9 all basins summit
A meeting of the state's 9 basin roundtables, guided by Water for the 21st Century Act;
Oct. 1-2, 2024 Crested Butte
www.cwcb.colorado.gov/events/c9-summit

Energy & Environment Leadership Symposium
Oct. 3-4, Hosted by University of Northern Colorado and Greeley Chamber
<https://business.greeleychamber.com/events/details/energy-environment-leadership-symposium-19177>

Dedication of Colorado River Connectivity Channel at Windy Gap
October 15th, 1:30 pm, Granby, CO
<https://www.northernwater.org/in-the-community/Northern-Water-events>

Association of Metropolitan Water Agencies '24 Executive Management Conference
October 20th – 23rd
<https://www.amwa.net>

Norther Water Fall Water Users Symposium
October 30th – Loveland, CO
<https://www.northernwater.org/in-the-community/Northern-Water-events>

Water in the West Symposium by Colorado State University at Spur Campus
November 13 – 14th at Hydro building of CSU's Spur campus, Denver

<https://csuspur.org/witw/>

South Platte Basin Forum
November 21st at Aims Welcome Center, Greeley, CO
<https://www.southplatteforum.org/>

Colorado River Water Users (CRWU) Conference
December 4th – 6th 2024
<https://crwua.org/>

2. Recognition of Staff Presenting at Water Industry Events and Conferences:

Staff from across the W&S Dept. have been representing Greeley water utilities at a variety of industry conferences and events. These presentations develop staff and they demonstrate Greeley's leadership in the water utility industry.

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

Nothing else was brought before the Board.

12. Adjournment

The meeting ended at 3:00 p.m.

Harold Evans, Chairman

Raymond Lee, Board Secretary



Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Sean Chambers, Water & Sewer Director

Title:

Welcome New Employees and Promotions

Summary:

New Hires: Morgan Murphy – Seasonal Laborer – Water Conservation
 Katie James – Seasonal Laborer – Water Conservation
 Jarrett Widick - Utility Locator

Promotions: James Pascoe – WWC Lift Station Tech to WTRF Maintenance Mechanic II
 Jake Robinson – Water Conservationist I Term Limited to Water
 Conservationist I FTE

Recommended Action:

Informational only

Recommended Motion:

None

Attachments:

None



Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Sean Chambers, Water & Sewer Director

Title:

Approval of Neff Lake Purchase and Sale Agreement

Summary:

The Water and Sewer Staff with support from legal counsel previously negotiated a mutually agreed upon Term Sheet, dated June 13, 2023, that frames the proposed transactions whereby the City of Greeley, through its Water Enterprise, would purchase and acquire from Laramie River LLC the raw water pumping and delivery system known as the Neff Lake Pipeline, located within the growth boundary for the City of Greeley and Weld County, Colorado. The Neff Lake Pipeline is a raw water conveyance system that was constructed for the delivery of untreated river water originating in the Cache la Poudre or New Cache Irrigation Co. Ditch. The Neff Lake Pipeline configuration will allow the City's water utility to deliver reliable low-cost, non-potable water from the lower Poudre to non-potable systems throughout the City, further conserving existing water treatment and potable pipeline capacity for future growth. Furthermore, the use of the Neff Lake Pipeline allows the City to better use the right quality of water for their best uses. This helps the City to control the cost of water provided for irrigation supplies because the water sources on the lower Poudre River can be purchased for fractions of the cost compared to water rights that originate near the foothills that would be available for treatment at the City's water treatment facilities. Additionally, non-potable water does not require filtration or costly chemical addition for irrigation uses.

The Neff Lake Pipeline is well situated to address the City's long-range raw water transmission infrastructure requirements. As an existing system, the Neff Lake Pipeline can be acquired with reduced capital outlay and the use of excess water supplies as non-monetary compensation will further minimize impacts to water utility rate payers. With legal advice and support, Water & Sewer staff and Laramie River have negotiated a mutually agreeable Purchase and Sale Agreement (PSA) for certain physical infrastructure, appurtenances, easements and related rights that make up the Neff Lake Pipeline water system.

The PSA as drafted contains a number of key terms, including cash payment over time, secured by a promissory note, a ten-year water lease, and a ten-year lease-back of the Neff Lake Pipeline from Greeley back to Laramie River. Thus, Laramie River is compensated with a mix of cash payments over a ten-year period and non-monetary consideration in the form of a ten-year water lease and pipeline leaseback. In exchange, Laramie River will convey to Greeley the Neff Lake Pipeline which includes the licenses, leases, easements and other agreements associated with the pump station and pipeline system.

Recommended Action:

Water & Sewer staff believe the proposed transaction will facilitate a strategic acquisition of raw water pipeline and related facilities that are ideally suited to meet the City's long-range non-potable water

system needs as identified in the 2021 Non-Potable Water Master Plan. Therefore, the staff recommend the Water & Sewer Board approve the enclosed Purchase and Sale Agreement.

Recommended Motion:

“I move that the Board approve the Neff Lake Pipeline Purchase and Sale Agreement and delegate authority to the Director to (1) finalize the agreement and make any necessary amendments thereto, including but not limited to the terms and conditions of any exhibit, schedule or attachment thereto, the description of the assets, and extension of deadlines, provided the substantive terms of the agreement remain unchanged, and (2) to take all necessary and appropriate action to close on the transaction.”

Attachments:

1. Neff Lake Infrastructure PSA
2. 2024.10.10. Draft Final Neff Lake with Exhibits A, B, C, G, & H
3. Neff_Lake_Amended and Restated Due Diligence Access Agreement

Neff Lake Infrastructure Purchase and Sale Agreement

Sean Chambers, Director of Water Utilities
October 16, 2024



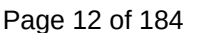
Agenda



- Overview of the Neff Lake Raw Water Pipeline Assets
- Alignment with Greeley Non-potable Master Plan and Priorities identified in the 2023 Integrated Water Resources Plan (IWRP)
- Key Terms of the Purchase & Sale Agreement (PSA) and the related exhibit agreements
- Diligence and system testing activates
- Staff recommendation of approval

Purpose: To acquire a strategically located raw water pump and pipeline system that aligns with the city's strategic water supply plans (IWRP 2023), infrastructure priorities and the Non-Potable Water Master Plan (2021).

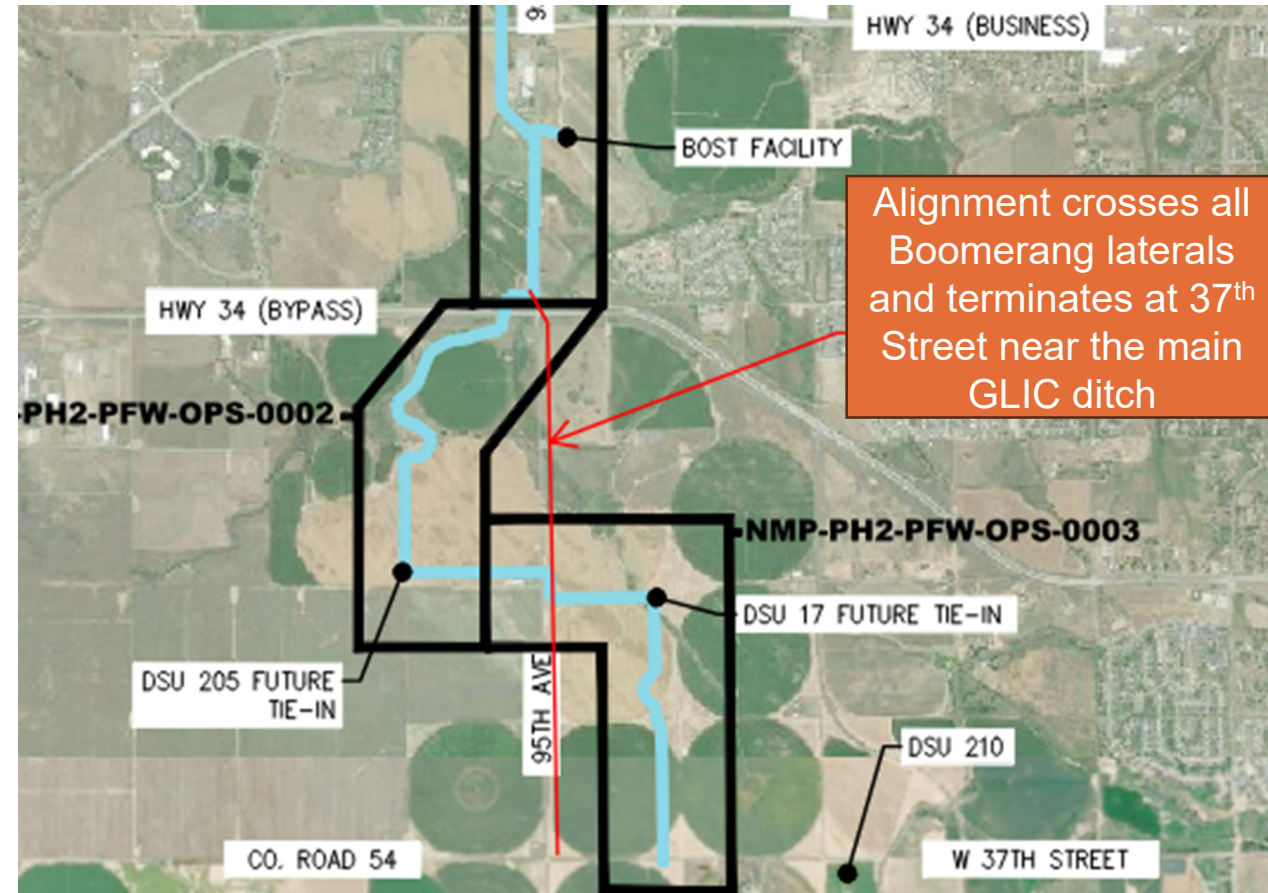
**Laramie River
proposes to
sell the Neff
Lake system
including
pumps,
pipeline and
easements**



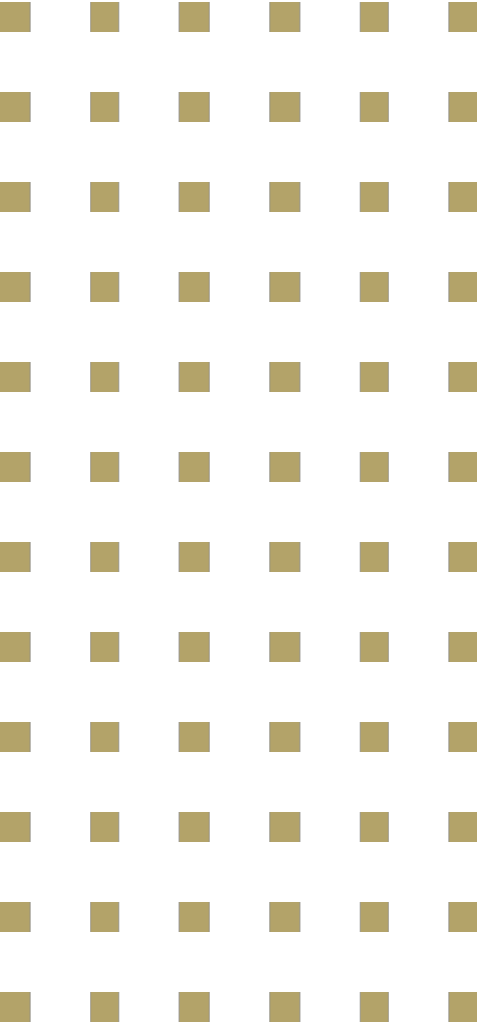
Neff Lake Raw Water Pipeline Overview

Neff Lake Raw Water System

- Designed and Developed by Noble Energy
 - SDR-11 HDPE with a 24-inch OD – 12.5 miles
 - Acquired by Laramie River, LLC
- West Greeley Location alignment
 - Starts at Hwy 392 and CR 31
 - Crosses the Cache la Poudre @ ~ 95th Ave.
 - Terminus at Cr 54 and 37th Street (SW Greeley)
- Connects New Cache /Greeley No. 2 Ditch to W. 37th St. near high point in GLIC



If purchased, system would replace Greeley's need to build a similar pipeline

A decorative graphic on the left side of the slide, consisting of a grid of small, gold-colored squares arranged in 6 rows and 6 columns.

Key Terms of the Proposed Purchase & Sale Agreement

Key Terms

Proposed Purchase of Laramie River's Neff Lake Raw Water Pipeline



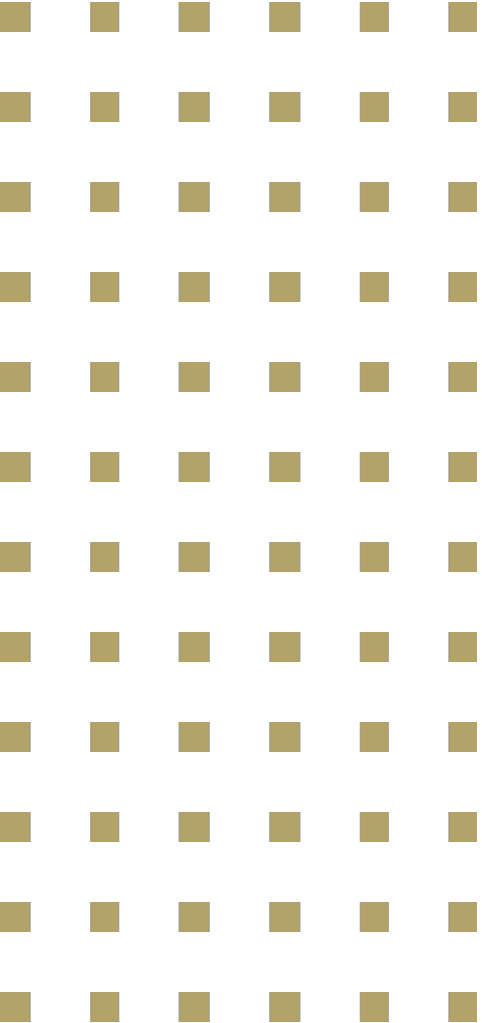
Greeley Purchases with a combination of cash and non-cash consideration over ten years

- Cash Payment of \$10.5M
 - \$1.5M down at closing
 - \$1M/yr. for 9 years, secured by promissory note
 - Laramie River owner carried financing @ 5% interest
 - Cumulative cash payments equal to \$13,077,893.00
- Non-Monetary Leases that create compensation value for Laramie River
 - 10 Yr. leaseback of pipeline system for Laramie's use (2025 – 2034)
 - At no cost to Laramie River, with opportunities for Greeley to use
 - 10 Yr. lease of 1,000 Acre Feet (AF) of excess Greeley water
 - Source of supply is determined annually at Greeley's sole discretion
 - Contingency for Greeley to suspend lease in case of water shortage

Purchase & Sale Agreement and Key Exhibits

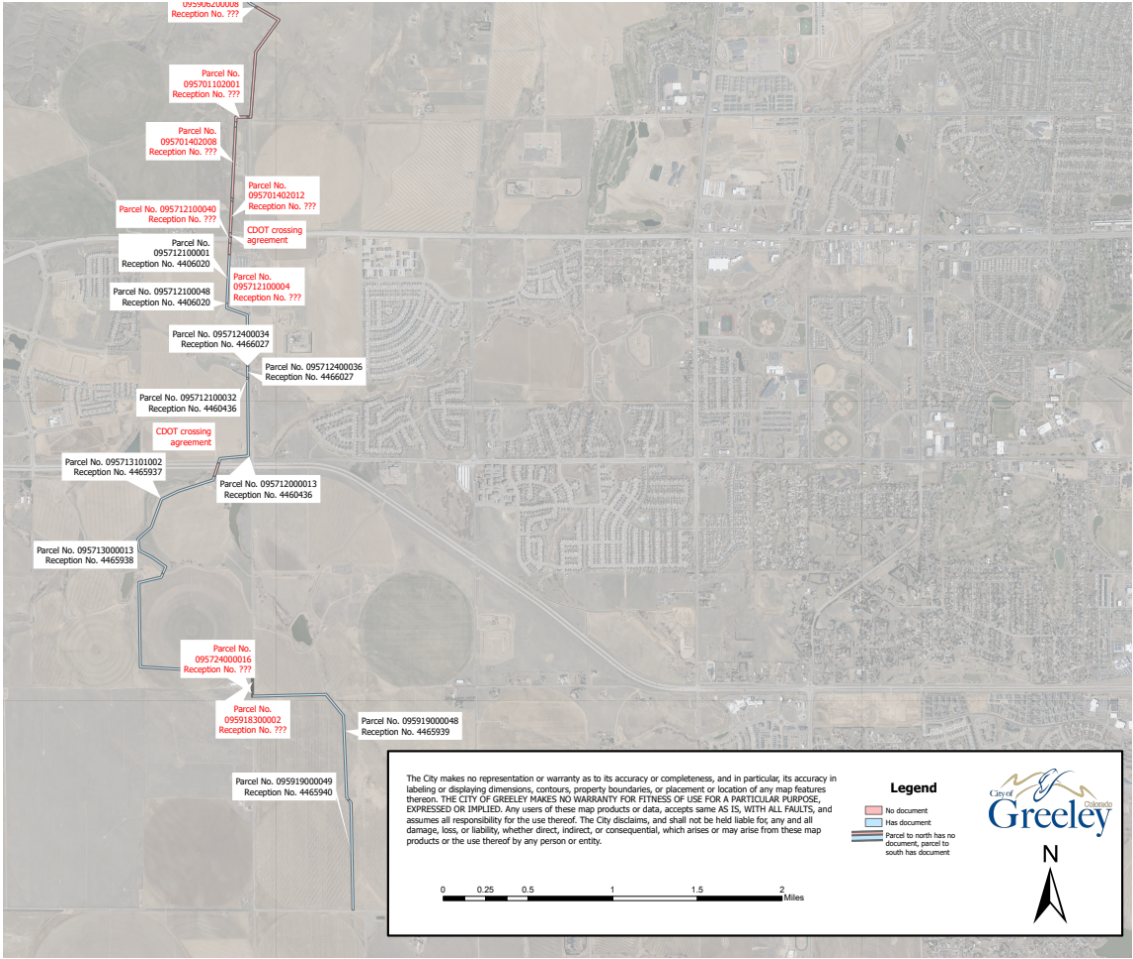
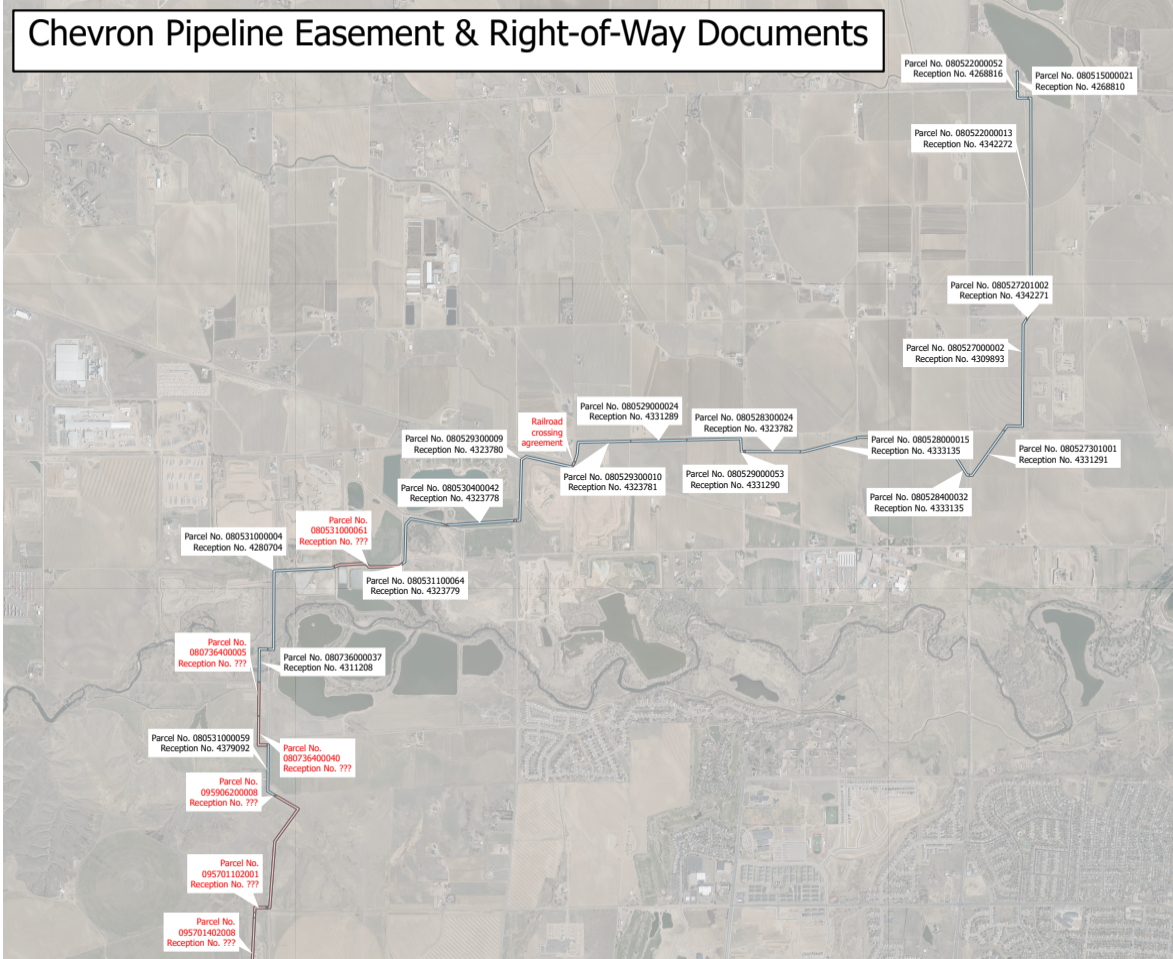
Purchase & Sale Agreement

- Pipeline, Pump Station, Appetences and Interest in Easements
- Related component agreements
 - **Water Lease Agreement**
 - 10 Yr. lease of 1,000 AF of Greeley raw water at no cost = consideration
 - Sources at Greeley's sole discretion, and subject to interruption in sever drought or shortage conditions
 - Allows for access to 300 AF of additional leaded water at \$500/AF.
 - SOP for raw water request and City confirmation of sources and delivery
 - In the near term (<20 years) Greeley has more than ample water supplies, even in drought years to meet the demands of city customers, other lease obligations and this lease.
 - **Pipeline Leaseback Agreement**
 - 10 Yr. lease back of pipeline assets for Laramie River to complete its work related to the development of wells in the area
 - Leaseback allows for Greeley to move water in the system if excess capacity is available and the system is running.
 - **Assignment of Rights and Interest in Easement**
 - **Neff Lake Pipeline Coordination Agreement**

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Easement Title, Survey, and Testing Diligence Activities & Next Steps

Pipeline Alignment: Easement Title and ALTA Survey Diligence



The City makes no representation or warranty as to its accuracy or completeness, and in particular, its accuracy in labeling or displaying dimensions, contours, property boundaries, or placement or location of any map features thereon. THE CITY OF GREELEY MAKES NO WARRANTY FOR FITNESS OF USE FOR A PARTICULAR PURPOSE, EXPRESSED OR IMPLIED. Any users of these map products or data, accepts same AS IS, WITH ALL FAULTS, and assumes all responsibility for the use thereof. The City disclaims, and shall not be held liable for, any and all damage, loss, or liability, whether direct, indirect, or consequential, which arises or may arise from these map products or the use thereof by any person or entity.

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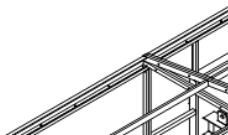
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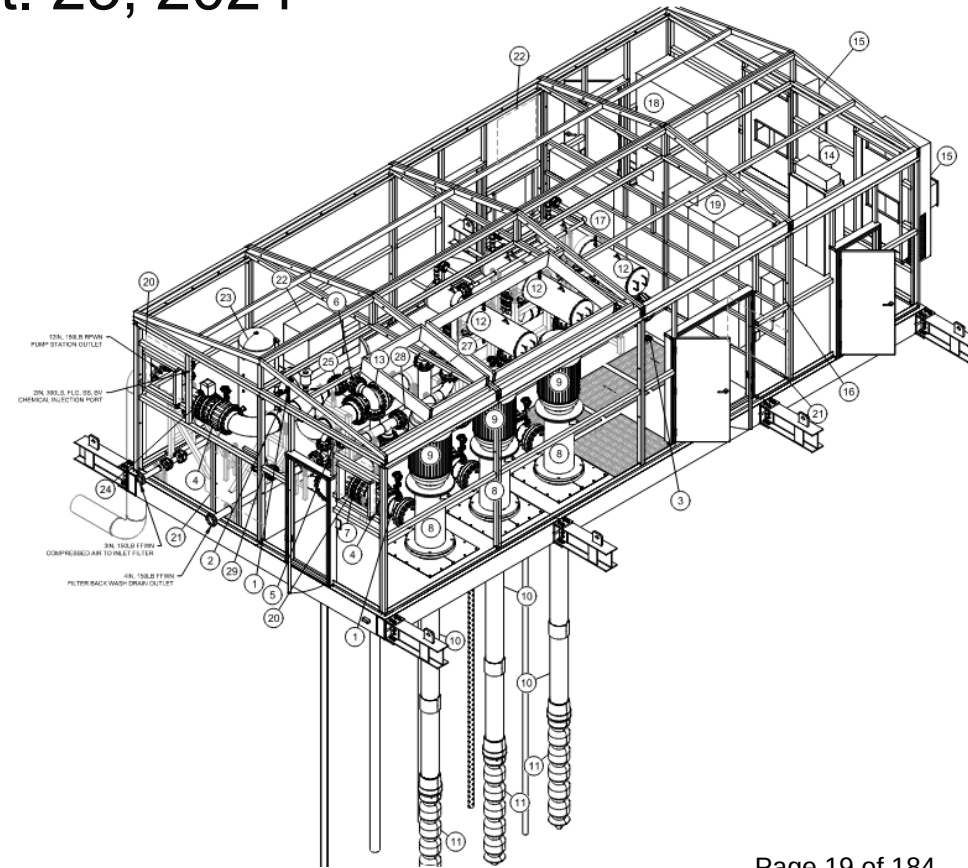
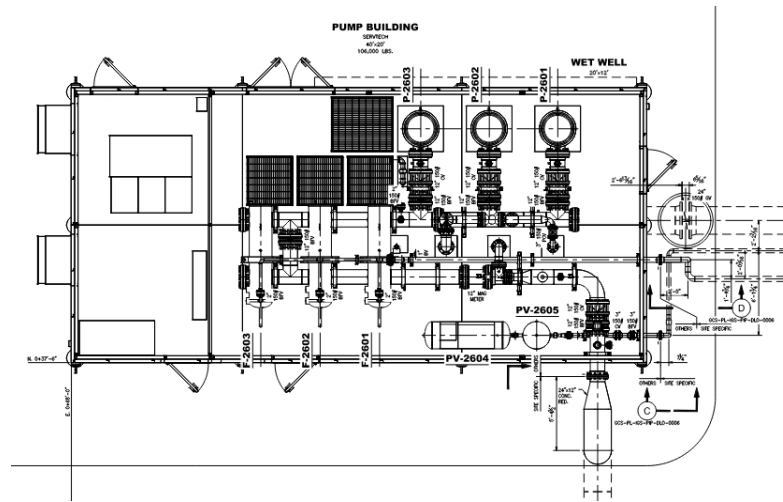
0 0.25 0.5 1 1.5 2 Miles

City of Greeley

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Hydraulic Testing

- Hydraulic Testing:
 - Performance of each and all points
 - Confirm flows and pressures of pump station
 - Confirm flows and pressures along the pipeline
 - Ensures system meets Greeley's system needs
 - Assessment planned for Oct. 23, 2024
 - Due Diligence and Access Agreement attached
- 



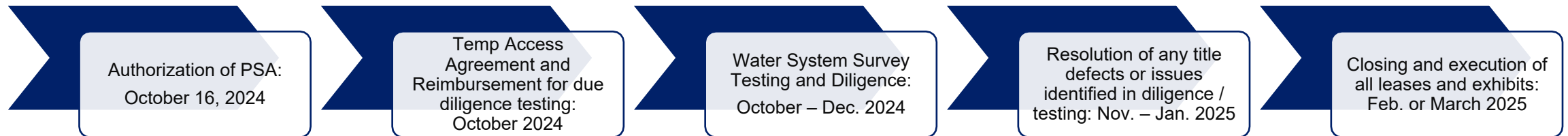


Pipeline Testing

- IGNU Piper Inline Assessment for:
 - Air pockets detection
 - Hydraulic Grade line
 - Magnetic inspections
 - Leak detection
- Assessment planned for Oct. 24th



Closing Preparations and Next Steps



Questions

Thank you



PURCHASE AND SALE AGREEMENT
(Neff Lake Pipeline)

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered into as of the Effective Date (as defined in Section 1.15 below) by and between LARAMIE RIVER LLC, a limited liability company, with its principal offices at 1400 Smith Street, Houston, TX 77002 (“Laramie River,” as Seller) and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, acting by and through its WATER ENTERPRISE (“Greeley,” as Buyer) (Laramie River and Greeley each being a “Party” and collectively the “Parties”).

RECITALS

A. Laramie River owns and operates Assets, including a fresh-water pipeline system, located in Weld County, Colorado, and utilizes the Assets to fulfill its obligations under certain third-party water services agreements (“Water Services Agreements”).

B. Greeley is a Colorado home rule municipal corporation, which provides water service to its citizens, and has a need to acquire additional facilities to further develop and expand its water distribution system.

C. Laramie River desires to sell, and Greeley desires to purchase, the Assets on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, Laramie River and Greeley hereby agree as follows:

AGREEMENT

ARTICLE 1
DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings. Any capitalized words or expressions not defined in this Article 1 shall have the meaning set forth in Exhibit A (General Terms and Conditions).

1.1 “*Affiliate*” means any legal entity which controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to “control” another if it owns directly or indirectly at least fifty percent of either of the following: (1) The shares entitled to vote at a general election of directors of such other entity, or (2) the voting interest in such other entity if such entity does not have either shares or directors.

1.2 “*Agreement*” means this purchase and sale agreement.

1.3 “*ALTA Survey*” has the meaning given in Section 4.4.

1.4 “*Applicable Laws*” means all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances, permits, and codes, and directives of federal, state and local government agencies and authorities with respect to ownership, use or operation of the Assets or the sale, transfer, or conveyance of the Assets at Closing.

1.5 “*Applicable Permits*” means all permits, licenses, approvals, authorizations, consents, or registrations, if any, required to operate the Assets.

1.6 “*Assets*” means (1) the Neff Lake Pipeline System, (2) the Neff Lake Real Property, (3) Governmental Authorizations and (4) Records. The term “Assets” does not include any Excluded Assets.

1.7 “*Assignment Documents*” means the: (1) Deed of Conveyance, Assignment and Bill of Sale, in the form of Exhibits B-1 and B-2, (2) Neff Lake Real Property Coordination Agreement (defined below) and any other document necessary to convey the Assets.

1.8 “*Casualty Loss*” means any damage that occurs to the Assets after the Effective Date but prior to Closing.

1.9 “*Closing*” means the closing of this transaction.

1.10 “*Closing Date*” means the date of the Closing as determined in Section 7.2.

1.11 “*Consent*” means any right of a Third Party to restrict the transfer or assignment of all or part of the Assets.

1.12 “*Contracts*” means all contracts, agreements and documents, to the extent transferable, that are necessary for all operation of the Assets being sold under the Agreement.

1.13 “*Dollars*” or “*US\$*” means United States Dollars.

1.14 “*Due Diligence Access Agreement*” means the Due Diligence Access Agreement entered between the Parties on July 31, 2024, as amended and restated on _____, 2024.

1.15 “*Effective Date*” means the date upon which the last Party signs this Agreement in accordance with Sections 13.7 and 13.8 below.

1.16 “*Excluded Assets*” means the items listed as “Excluded Assets” in Exhibit C – Excluded Assets.

1.17 “*General Terms and Conditions*” has the meaning given in Section 13.5.

1.18 “*Governmental Approval Period*” has the meaning given in Section 7.1.1.

1.19 “*Governmental Authorizations*” means, to the extent assignable or transferable, all federal, state, and local governmental licenses, permits, franchises, orders, exemptions, variances, waivers, authorizations, certificates, consents, rights, privileges, and applications therefor, in each

case, that are primarily related to the ownership or operation of the Neff Lake Pipeline System and the Neff Lake Real Property.

1.20 “*Greeley Board*” means the Greeley Water and Sewer Board.

1.21 “*Greeley Parties*” means Greeley and the directors, officers, employees, contractors, and representatives of Greeley.

1.22 “*Hazardous Substance*” means, without limitation, any flammable materials, explosives, radon, radioactive materials (including naturally occurring radioactive materials (“NORM”) that have been concentrated by industrial or commercial processes), asbestos, urea formaldehyde foam insulation, oil, polychlorinated biphenyls, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or pollutants or contaminants, including those defined in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.) (“CERCLA”), the Clean Water Act, as amended (33 U.S.C. Section 1251 to 1387), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), any other applicable Environmental Law and regulations adopted thereunder, or any State or local law or ordinance relating to environmental risk or exposure.

1.23 “*Initial Payment*” has the meaning given in Section 3.2.1.

1.24 “*Interim Period*” means the time period between the Effective Date and Closing.

1.25 “*Laramie River’s Account*” means the bank account that payments under this Agreement are to be made for the benefit of Laramie River, for which Laramie River provides to Greeley all relevant details in writing at least three (3) days before Closing.

1.26 “*Laramie River Parties*” means Laramie River, Laramie River’s Affiliates, and the directors, officers, employees, contractors, and representatives of each of them.

1.27 “*Material Part*” has the meaning given in Article 11.

1.28 “*Neff Lake Pipeline*” means a 24-inch fresh-water pipeline located in Weld County, Colorado, as depicted in Exhibit D hereto.

1.29 “*Neff Lake Pipeline System*” means the Neff Lake Pipeline and all equipment, personal property, fixtures, and other improvements, including all permanent pipes, valves, meters, machinery, pumps, telemetry and controls, computer equipment, and other equipment and facilities which are either appurtenant to, necessary for the operation of, or used primarily in connection with the Neff Lake Pipeline.

1.30 “*Neff Lake Real Property*” means to the extent assigned or transferred pursuant to this Agreement, all easements, leases, licenses, crossing agreements and permits, servitudes, appurtenant rights, or other rights to the surface, in each case, to the extent necessary for the ownership, operation, maintenance, repair, replacement and access to the Neff Lake Pipeline, or are used primarily in connection with the Neff Lake Pipeline.

1.31 “*Neff Lake Pipeline Leaseback*” means the agreement attached as Exhibit E.

1.32 “*Neff Lake Real Property Coordination Agreement*” means the agreement attached as Exhibit F.

1.33 “*Off-Record Documents*” means all copies of files, records, documentation, and data in possession of Laramie River or its Affiliates that specifically relate to Laramie River’s ownership or rights in or describe the Assets, including any correspondence, information, and reports, lease files, and land files or (B) use of the Assets, including any maintenance, investigation, inspection documents or other reports related to safety records; non-proprietary and routine governmental filings; maps, as-builts, or land surveys; and any environmental assessments or inspections or remediation.

1.34 “*Permitted Exceptions*” has the meaning given in Section 4.3.

1.35 “*Prime Rate*” means the Prime Rate in effect at Citibank, New York, New York, on the date that a payment is due for purposes of calculating interest under Section 13.11.

1.36 “*Promissory Note*” means the agreement attached as Exhibit G.

1.37 “*Purchase Price*” means the amount payable by Greeley to Laramie River under Section 3.1.

1.38 “*Records*” means the following:

1.38.1. All of the following records (in written or electronic form) related to or regarding the Assets that are assembled or created in the normal course of business:

- (1) All Title Documents.
- (2) All Off-Record Documents.

1.38.2. The term “*Records*” does not include any of the following:

- (1) Laramie River’s own set of any Records provided to Greeley.
- (2) Any files, records, documentation or data that (a) Laramie River Parties may not sell, transfer, disclose, or otherwise dispose of as a result of confidentiality obligations or any other contractual obligations by which they are bound; or (b) which cannot be provided to Greeley because such transfer is prohibited by the agreement under which they were acquired.
- (3) Any corporate, financial, legal, privileged or tax records of Laramie River.

- (4) Any files, records, documentation or data that Laramie River determines, in its absolute discretion, was generated for Laramie River's or its Affiliates' internal purposes.
- (5) Operating procedures or operating manuals of Laramie River and other related documents, or portions thereof, that Laramie River, in its sole discretion, deems proprietary or confidential.
- (6) Engineering forecasts and evaluations, including reserve estimates and production forecasts.
- (7) Any documentation relating to the sale or proposed sale of the Assets, including proposals received from Third Parties and records of negotiations with and economic analyses associated therewith.
- (8) Any files, records, documentation or data that have been archived or managed pursuant to Laramie River's record management policies.

1.39 "*Reimbursement Agreement*" means the Reimbursement Agreement entered between the Parties on _____, 2024.

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

1.41 "*Third Party*" means any Person other than Laramie River Parties or Greeley Parties.

1.42 "*Title Commitments*" has the meaning given in Section 4.2.

1.43 "*Title Company*" means Land Title Guaranty.

1.44 "*Title Documents*" means recorded liens, claims, encumbrances, easements, rights of way, encroachments, reservations, restrictions and other matters of record affecting title to the Neff Lake Real Property.

1.45 "*Transactions*" means the transactions contemplated by this Agreement.

1.46 "*Transaction Documents*" means any ancillary documents executed pursuant to or in connection with this Agreement, including the Assignment Documents, the Water Lease Agreement, and Promissory Note, the Due Diligence Access Agreement, the Reimbursement Agreement, and any other document necessary for Closing on the Asset.

1.47 "*Water Lease*" means the Water Lease Agreement attached to this Agreement as Exhibit H.

1.48 "*Water Service Agreements*" has the meaning given in Recital A.

ARTICLE 2
SALE OF ASSETS

2.1 Purchase and Sale. Laramie River agrees to sell, transfer, convey, grant, and assign the Assets to Greeley and Greeley agrees to purchase, accept, receive and pay for all right, title and interest of Laramie River in and to the Assets and assume all obligations subject to the terms and conditions of this Agreement.

2.2 Exclusions. The Excluded Assets.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price. Greeley shall pay to Laramie River or its designee the amount totaling Ten Million Five Hundred Thousand Dollars (\$10,500,000) in ten installments subject to escalation as provided in the Promissory Note (“Purchase Price”) plus (ii) the Neff Lake Pipeline Leaseback, in the form attached hereto as Exhibit E, and (ii) the Water Lease, in the form attached hereto as Exhibit H as consideration for the sale of the Assets.

3.2 Purchase Price Payment Schedule. Greeley shall pay the Purchase Price over nine (9) years as follows:

- 3.2.1. At Closing, Greeley shall deliver to Laramie River One Million Five Hundred Thousand Dollars (\$1,500,000) (the “Initial Payment”).
- 3.2.2. The remaining amount of the Purchase Price shall be paid according to the terms of the Promissory Note. If Greeley does not pre-pay any amounts due then Greeley shall make nine (9) additional payments to Laramie River, with each payment for a total of Thirteen Million Seventy-Seven Thousand Eight Hundred and Ninety-Three Dollars (\$13,077,893) as follows:

Date	Payment Amount
Closing Date	\$1,500,000
1st Anniversary of Closing Date	\$1,050,000
2nd Anniversary of Closing Date	\$1,102,500
3rd Anniversary of Closing Date	\$1,157,625
4th Anniversary of Closing Date	\$1,215,506
5th Anniversary of Closing Date	\$1,276,282
6th Anniversary of Closing Date	\$1,340,096

7th Anniversary of Closing Date	\$1,407,100
8th Anniversary of Closing Date	\$1,477,455
9th Anniversary of Closing Date	\$1,551,328
Total	\$13,077,893

3.2.3. Method of Payment. All payments under this Agreement will be made in the following manner, unless otherwise agreed by the Parties:

3.2.3.1. In Dollars.

3.2.3.2. By wire transfer, in immediately available funds, paid without set-off, withholding or any deduction of any kind including banking, transfer or other costs.

3.2.3.3. Directly into Laramie River's Account.

3.3. Promissory Note. The balance of the Purchase Price remaining after the Initial Payment, described in Section 3.2.1, shall be payable at Closing by Greeley executing and delivering to Laramie River a non-recourse Promissory Note, in the form attached hereto as Exhibit G.

3.4. Deposit. There shall be no deposit required pursuant to this Agreement.

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

ARTICLE 4 TITLE

4.1 Title Documents. Laramie River has provided to Greeley for review all Records without express or implied warranty of any kind regarding the accuracy, completeness or reliability of such information. Laramie River is not required to perform any additional title work. Any existing abstracts and title opinions have not been made, and will not be made, current by Laramie River. Greeley specifically agrees that any conclusions made from any examination done or caused to be done from Laramie River-furnished information regarding title have resulted and will result from its own independent review, skill, knowledge, and judgment only.

4.2 Title Commitments. Greeley has obtained commitments for owners' policies of title insurance ("Title Commitments") issued by Title Company covering the Neff Lake Real Property and indicating the Title Company's willingness to issue to Greeley at Closing the Title Policy in the amount of the Purchase Price, with such Title Commitments setting forth the status of title to the Neff Lake 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 the Neff Lake Real Property.

4.3 Condition of Title. At Closing, Laramie River shall convey, and Greeley agrees to accept, title to the Assets free and clear of all liens and encumbrances subject only to the Permitted Exceptions (defined below). The following constitute the “Permitted Exceptions”:

- 4.3.1 All covenants, easements, agreements, restrictions and other recorded documents set forth in the Title Commitments, EXCEPT FOR: (i) mortgages, mechanic’s liens and other financial encumbrances created by Laramie River, which shall be discharged or, in the event of a mechanic’s lien, otherwise bonded off through a surety bond at Closing by Laramie River and (ii) easements, rights of way, servitudes, licenses, permits, orders, authorizations, franchises, and related instruments or rights relating to the ownership, operation, or use of the Assets, that individually or in the aggregate have a material adverse effect on the current or Greeley’s intended future use or operation of the Assets as of the Closing Date, EXCEPT to the extent any of the foregoing were created by Greeley or arose out of Greeley’s access to or use of the Assets.
- 4.3.2 Approvals, notices, filings, permits, or other actions by or from a Governmental Entity or Third Party in connection with the contemplated sale or conveyance of the Assets under this Agreement prior to Closing, EXCEPT FOR such approvals, notices, filings, permits, or other actions by or from a Governmental Entity or Third Party, individually or in the aggregate, that have a material adverse effect on Greeley’s current or intended future use or operation of the Assets as of the Closing Date.
- 4.3.3 Rights reserved to or vested in any Governmental Entity to control or regulate any of the Assets in any manner, and all obligations and duties under all applicable laws or under any franchise, grant, license, or permit issued by any such Governmental Entity.
- 4.3.4 Any state of facts as may be shown on the ALTA Survey (defined below).
- 4.3.5 Any matters created by or through Greeley.
- 4.3.6 Any Disapproved Matter that becomes a Permitted Exception in accordance with the terms of t Section 4.6 below.

4.4 ALTA/NSPS Land Title Survey. Not more than fifty-six (56) days after the Effective Date (“Survey Deadline”), Greeley shall have prepared a final ALTA/NSPS Land Title Survey of the Neff Lake Real Property (“ALTA Survey”) containing the Minimum Standard Detail Requirements required by the Title Company to delete preprinted standard title exceptions1 through 5 in the Title Commitments, which ALTA Survey shall be certified to Laramie River, Greeley, and the Title Company.

4.5 Vesting of Title. At Closing, Laramie River shall convey the Assets to Greeley by special warranty, in the form attached hereto as Exhibits B-1 and B-2 (Conveyance Deed, Assignment and Bill of Sale), free and clear of all liens and encumbrances except for the Permitted Exceptions.

4.6 Disapproved Matters. If Laramie River or the Title Company gives Greeley notice or the ALTA Survey reveals a title exception that is not a Permitted Exception, then Greeley may disapprove of such title exception, if at all, by giving written notice of objection to Laramie River within twenty-eight (28) days after the Survey Deadline ("Objection Deadline"). Any such title exception not objected to in writing on or before Title Objection Deadline shall be deemed an additional Permitted Exception. Laramie River may elect (but shall not be obligated) to remove, or cause to be removed at its expense, any such disapproved exceptions (collectively, "Disapproved Matters") or, with Greeley's approval, Laramie River may elect (but shall not be obligated) to obtain title insurance insuring against the effect of the Disapproved Matters. Laramie River shall notify Greeley in writing within twenty-eight (28) days of the Objection Deadline ("Resolution Period"), if Laramie River elects to remove or obtain insurance for such matters. If Laramie River fails or is unable to remove or (with approval of Greeley) cause the Title Company to endorse over any such Disapproved Matters prior to Closing, or if Laramie River elects not to remove one (1) or more Disapproved Matters, or if Greeley does not approve endorsing over such matter, Greeley may, upon seven (7) days' prior written notice to Laramie River, elect to terminate this Agreement. Upon termination of this Agreement and except as otherwise provided herein, neither Laramie River nor Greeley shall have any further obligation or liability to the other hereunder except for those obligations which by their nature are intended to survive the termination of this Agreement.

4.7 Title Insurance. As soon as reasonably practical after Closing, the Title Company shall issue to Greeley an ALTA owner's form of title insurance policy, insuring that title to the Neff Lake Real Property is vested in Greeley, subject to the Permitted Exceptions ("Title Policy"). Greeley shall be entitled to request that the Title Company delete preprinted standard title exceptions 1 through 5 from the Title Policy, the cost thereof to be paid for by Laramie River, and any other endorsements to the Title Policy as Greeley may reasonably require, provided that such other endorsements shall be at Greeley's sole cost and expense and at no cost or additional liability to Laramie River and that Closing shall not be delayed as a result of Greeley's request.

4.8 Neff Lake Pipeline System Testing Results. Laramie River and Greeley are conducting testing of the Neff Lake Pipeline System on Greeley's behalf pursuant to the terms of the Reimbursement Agreement dated _____, 2024 between Greeley and Laramie River, described more specifically in Exhibit A to that agreement. Each Party shall provide the other Party all reports describing the results of such testing ("Testing Results") no later than the Survey Deadline described in Section 4.4 above. Greeley may disapprove of any matters regarding the physical condition that, in Greeley's reasonable opinion, impacts the anticipated functionality, operability or integrity of the Neff Lake Pipeline System as shown in the Testing Results ("Testing Results Objection"), if at all, by giving written notice of objection to Laramie River no later than the Objection Deadline described in Section 4.6 above. Any objection regarding the physical condition of the Neff Lake Pipeline System not objected to in writing on or before the Objection Deadline shall be deemed waived. During the Resolution Period described in Section 4.6 above, Laramie River and Greeley shall meet to discuss the resolution of any Testing Results Objection;

provided however, Laramie River shall not be required to make any repairs to the Neff Lake Pipeline System based on the Testing Results. If the Parties cannot agree to a resolution of all of the Testing Results Objections during the Resolution Period, the Parties may extend the Resolution Period an additional twenty-eight (28) days (“Extended Resolution Period”) to negotiate in good faith on an appropriate Purchase Price adjustment to the extent that a Testing Results Objection causes a diminished value to the Neff Lake Pipeline System. If Greeley does not approve of Laramie River’s proposed resolution, or if the Parties do not reach good faith agreement on the appropriate Purchase Price adjustment by the end of the Extended Resolution Period, then Greeley may, upon seven (7) days' prior written notice to Laramie River, elect to terminate this Agreement. Upon termination of this Agreement except as otherwise provided herein, neither Laramie River nor Greeley shall have any further obligation or liability to the other hereunder except for those obligations which by their nature are intended to survive the termination of this Agreement.

4.9 Deadlines. The table below contains a non-exclusive list of the dates and deadlines for this Agreement.

Section	Deadline	Calculation	Date
§4.4	Survey Deadline	56 days following the Effective Date	MM/DD/202
§4.6	Objection Deadline	28 days following the Survey Deadline	MM/DD/202
§4.6	Resolution Period	28 days following the Objection Deadline	MM/DD/202
§4.8	Extended Resolution Period	28 days following the Resolution Period	MM/DD/202
§7.1.1	Governmental Approval Period	28 days following the Resolution Period, or the Extended Resolution Period, if elected by the Parties	MM/DD/202
§7.1.2	Transaction Documents Deadline	On or before the Resolution Period, or the Extended Resolution Period, if elected by the Parties	MM/DD/202 or MM/DD/202
§7.2	Closing	14 days after Governmental Approval Period or by mutual agreement at an earlier date	MM/DD/202
§10.3.3	Default Cure Period	Within seven days of written notice of default from the other Party	MM/DD/202

ARTICLE 5 INTERIM PERIOD

5.1 Operations During Interim Period. During the Interim Period, Laramie River, in its sole discretion, will use, operate, and maintain the Assets in substantially the same manner in which they have been used, operated, and maintained prior to the Effective Date; provided however, that, to meet this obligation, Laramie River is not required to perform any work during the Interim Period that has an expected completion date beyond the Closing Date.

5.2 Exceptions to Laramie River's Actions During Interim Period. Notwithstanding Section 5.1, Laramie River may act, or refrain from acting, in such a manner as Laramie River elects without reference to Greeley, in respect of any of the following circumstances:

- 5.2.1 An act, omission or other matter expressly contemplated by this Agreement:
- 5.2.2 An act, omission or other matter to be undertaken pursuant to any work program or budget approved, or deemed to have been approved.
- 5.2.3 An act, omission or other matter undertaken in the event of emergency or where otherwise necessary, in the sole opinion of Laramie River, to safeguard the Assets and to protect employees, contractors, and others from injury and death.
- 5.2.4 An act, omission, or other matter undertaken in response to an order from a Government Entity.

5.3 Casualty Loss. In the event of a Casualty Loss, all of the following apply:

- 5.3.1. Laramie River will promptly notify Greeley of any Casualty Loss that becomes known to Laramie River and Laramie River, in its sole discretion, will elect on of the following options to remedy the Casualty Loss:
 - (1) Laramie River, at its sole cost, will repair or restore the affected Assets to at least their condition prior to the Casualty Loss as promptly as reasonably practical (which work may extend after the Closing Date) and there will be no Purchase Price adjustment; provided, however if such repair results in equipment or facilities that are upgraded or superior to that which existed immediately prior to the Casualty Loss, the Parties will negotiate in good faith to determine an appropriate amount for the Purchase Price to be increased by the excess value of such upgraded or superior equipment or facilities.
 - (2) Laramie River will reduce the Purchase Price by an amount, as determined by good-faith agreement of the Parties, that reflects a reasonable estimate of the cost to repair or replace the damaged portion of the Assets as a result of such Casualty Loss.
- 5.3.2 Laramie River will be entitled to recover (1) any insurance proceeds payable to Laramie River with respect to a Casualty Loss and (2) all sums paid to Laramie River by a Third Party with respect to a Casualty Loss.
- 5.3.3 If the Parties do not reach good faith agreement on the appropriate Purchase Price adjustment under Section 5.3.1(1) or (2), the Parties will nonetheless proceed to Closing without a Purchase Price adjustment. Either Party may, within ninety (90) days after the Closing Date, initiate dispute resolution in

accordance with the General Terms and Conditions to determine the appropriate amount of any Purchase Price adjustment.

- 5.3.4 If the aggregate estimate of the cost to repair any Casualty Losses under this Section 5.3 exceed twenty-five percent (25%) of the Purchase Price, either Party may terminate this Agreement prior to Closing.

ARTICLE 6
[RESERVED]

ARTICLE 7
CLOSING

7.1 Preclosing Conditions.

- 7.1.1 Required Governing Board Approvals.** Closing on the transactions contemplated by this Agreement is contingent upon subsequent approval by the Greeley Board no later than twenty-eight (28) days after the Resolution Period, or the Extended Resolution Period, if elected by the Parties, ("Governmental Approval Period"), unless waived by Greeley. If the Greeley Board has not authorized Closing on the Agreement or Greeley has not provided written notice of waiver prior to the expiration of the Governmental Approval Period, then, in such event, upon written notice by either Party to the other Party, this Agreement shall terminate, whereupon 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.

- 7.1.2 Transaction Documents. Closing on the transactions contemplated by this Agreement is contingent upon the Parties agreeing to the final form of the Transaction Documents on or before the end of the Resolution Period, or the Extended Resolution Period, if elected by the Parties ("Transaction Documents Deadline"), unless waived by both Parties. If the Parties have not agreed to the final form of the Transaction Documents on or before the end of the Resolution Period, or the Extended Resolution Period, if applicable, then, in such event, upon written notice by either Party to the other Party, this Agreement shall terminate, whereupon 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.

7.2 Closing. The Closing shall occur at 1:30 p.m. at the Title Company, or at such other time and place as may be mutually agreed upon by the Parties, fourteen (14) days after the expiration of the Governmental Approval Period, or by mutual agreement at an earlier date.

7.3 Transactions at Closing.

7.3.1. On or before the Closing Date, Laramie River 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) The Assignment Documents.
- (2) Any other document necessary for Closing to convey the Assets, including the Government Authorizations.
- (3) 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.
- (4) A certificate as to Taxpayer Identification Number as required by law.
- (5) The Water Lease.
- (6) The Neff Lake Pipeline Leaseback.
- (7) A closing statement executed by Laramie River.
- (8) Such other documents as may be reasonably necessary and appropriate to complete the Closing of the transactions contemplated herein.

7.3.2. On or before the Closing Date, Greeley shall deliver to the Title Company, acting as escrow agent, the following:

- (1) Documentation in such form as may be satisfactory to Laramie River and the Title Company, evidencing Greeley's full authority and capacity to purchase the Assets.
- (2) The Assignment Documents
- (3) The Initial Payment.
- (4) The Promissory Note.
- (5) The Water Lease.
- (6) The Neff Lake Pipeline Leaseback.
- (7) A closing statement executed by Greeley.
- (8) Such other documents as may be reasonably necessary and appropriate to complete the Closing of the transaction contemplated herein.

ARTICLE 8
PRORATIONS; CLOSING COSTS, POST CLOSING MATTERS

8.1 Prorated Costs. Greeley shall pay for the cost of recording of the Assignment Documents, and one-half of the Title Company Closing costs, if any. Laramie River shall pay one-half of the Title Company closing costs. Each Party shall pay one-half the cost of the ALTA Survey and its own attorneys' fees. Greeley shall be solely responsible for the payment of any escrow fees to the Title Company. Greeley shall pay any amounts owed pursuant to the Reimbursement Agreement at Closing. If this Agreement is terminated prior to Closing, Greeley shall pay any amounts due to Laramie River pursuant to the terms of the Reimbursement Agreement.

8.2 Further Assurances. Following Closing, the Parties shall execute, acknowledge and deliver, or cause to be executed, acknowledge and delivered, such instruments, and take such other action, as may be necessary or advisable to carry out their obligations under this Agreement, and under any document, certificate or other instrument delivered pursuant to this Agreement.

8.3 Government Consent and Approvals. Greeley shall be responsible for timely obtaining all consents and approvals of Governmental Entities customarily obtained after transfer of title, if any, as well as all associated costs and fees.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 Laramie River Representations and Warranties. Laramie River represents and warrants to Greeley, that, except as disclosed on Schedule 9.1 – Laramie River Disclosures, as of the Effective Date and continuing through Closing, the following statements are accurate:

- 9.1.1. Formation. Laramie River is a corporation or company (as the case may be) duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization and is duly qualified to carry out its business in Colorado.
- 9.1.2. Authorization. Laramie River (1) has full corporate or company power and authority to enter into and perform this Agreement and consummate the Transaction, and (2) has taken all actions necessary to authorize execution, delivery, and performance of this Agreement and the Transaction.
- 9.1.3. No Conflict with Articles of Incorporation and Other Governing Documents of Laramie River. Neither this Agreement nor the performance of this Agreement constitutes a default, violation, or conflict with the articles of incorporation, by-laws, or governing documents of Laramie River.
- 9.1.4. Ownership and Encumbrances. Laramie River is now and will remain, until the conclusion of the Closing, the lawful owner of the Assets. To the best of Laramie River's Knowledge, the Assets are free of any liens, encumbrances, and third-party claims. From the Effective Date of this

Agreement until the Closing, Laramie River shall not encumber the Assets or any interest in any way or grant any property or contract right relating to the Assets or any other interests without the prior written consent of Greeley.

9.1.5. [Reserved].

9.1.6. Litigation. To Laramie River's knowledge, there is no dispute, action or litigation pending or threatened respecting the ownership or use of the Assets or other interests related thereto.

9.1.7. Contracts, Leases and Agreements. From the Effective Date of this Agreement until the Closing, unless accepted by Greeley in writing, Laramie River shall not enter into any contracts, leases, licenses, commitments or undertakings respecting the use or maintenance of the Assets by which Greeley would be obligated or liable to any Third Party.

9.1.8. Status. Laramie River has all requisite legal power and authority to own and convey the Assets and perform all of the terms of this Agreement.

9.1.9. No Abandonment. The Assets have not been abandoned by Laramie River.

9.1.10. Compliance with Governmental Regulations. To Laramie River's knowledge, there are no orders or directives of any city, county, state, or federal authority, for repairs, maintenance work or improvements to be performed on the Assets. Laramie River has received no notice from any municipal, state, or other statutory authority relating to non-compliance with any code or restriction, applicable to the Assets that has not been corrected, or any notice of or impending expropriation or condemnation of the Assets.

9.1.11. Compliance with Law. To Laramie River's knowledge, Laramie River has complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments, and decrees applicable to the Assets, and to Laramie River's knowledge there is no proposed order, judgment, decree, governmental taking or other proceeding applicable to Laramie River that might have a material adverse effect on the Assets.

9.1.12. Brokerage. Laramie River warrants 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.

9.1.13. No Violations. To Laramie River's knowledge, the Assets are not currently being and have not been used in violation of Applicable Laws or Governmental Authorizations. To Laramie River's knowledge, and no storage tanks for Hazardous Substances are or were located on, in or under the Assets.

9.1.14. No Release. To Laramie River's knowledge, Laramie River has not caused a Release on, at or from the Assets, or any facilities located thereon, and Laramie River has not received any form of notice or inquiry from any federal, state or local government agency or authority, any operator, tenant, subtenant, licensee or occupant of the Assets or any other person with regard to a Release, at or from the Assets, or any facilities located thereon.

9.1.15. No Agreements, Consent Orders, Decrees or Judgments. To Laramie River's knowledge, there are no agreements, consent orders, decrees, judgments, licenses or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Assets which require any change in the present condition or use of the Assets or any work, repairs, construction, containment, clean up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Assets that have not been disclosed in writing to Greeley.

9.1.16. No Pending Action. To Laramie River's knowledge, there are no pending actions, suits, claims or proceedings which are reasonably likely to cause the incurrence of expenses or costs or which seek money damages, injunctive relief, remedial action or any other remedy that arise out of, relate to or result from (i) a material violation or alleged material violation of any Applicable Laws or material non-compliance or alleged material noncompliance with any Governmental Authorization held by Laramie River, (ii) the presence of any Hazardous Substance or a Release on, at or from the Assets or any facilities located thereon, or (iii) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Assets or the ownership, use, operation, sale, transfer or conveyance thereof.

9.2 Greeley's Representations and Warranties. Greeley represents and warrants to Laramie River as follows that, except as disclosed on Schedule 9.2 – Greeley Disclosures, as of the Effective Date and continuing through Closing, the following statements are accurate:

9.2.1. Status. Greeley has all requisite legal power and authority to own and accept the Assets and enter into and perform the terms of the Agreement.

9.2.2. Compliance with Law. Greeley has complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments, and decrees applicable to the purchase of the Assets and entry into the Agreement.

9.2.3. Disclosure of Limitations on Enforcement. There is no proposed order, judgment, decree, law (including state laws applicable to Greeley or any relevant county or city code provision or ordinance) or proceeding applicable to Greeley that is reasonably likely to materially and adversely

affect Laramie River's ability to enforce the terms of the Agreement, except as expressly provided in the Agreement.

- 9.2.4. Brokerage. Greeley warrants 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.

9.3 Closing Certificate. Laramie River shall provide Greeley with a written certification at Closing confirming that the representations set forth in Section 9.1 are true and correct as of the Closing Date. Greeley shall provide Laramie River with a written certification at Closing confirming that the representations set forth in Section 9.2 are true and correct as of the Closing Date.

ARTICLE 10 CONDITIONS TO CLOSING; REMEDIES

10.1 Laramie River's Conditions. The obligation of Laramie River to sell and convey the Assets 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 Laramie River):

10.1.1. Satisfaction of the closing contingencies under Section 7.1.

10.1.2. Greeley (1) executing and delivering all monies, items, and other instruments required at Closing; (2) performing and completing all actions required by Greeley under this Agreement; and (3) curing any default of any of its obligations under this Agreement.

10.1.3. The representations and warranties made by Greeley as specifically set forth under Section 9.2. shall be true and correct as of the Closing Date.

10.2 Greeley's Conditions. The obligation of Greeley to acquire the Assets 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):

10.2.1 Satisfaction of the closing contingencies under Section 7.1.

10.2.2 Laramie River: (1) executing and delivering all items and other instruments required at Closing; (2) performing and completing all actions required by Laramie River under this Agreement; and (3) curing any default of any of its obligations under this Agreement.

10.2.3 Laramie River provides documentation that it has obtained all necessary Consents and has satisfied all of the necessary prerequisite requirements under the terms of any instruments for the Neff Lake Real Property in order to convey all of the Assets to Greeley.

10.2.4 The representations and warranties made by Laramie River as specifically set forth under Section 9.1 shall be true and correct as of the Closing Date and shall not be deemed waived if Greeley elects to close pursuant to Section 10.3.1(2) below.

10.3 Failure of Condition.

10.3.1 Except as set forth in Section 10.3.2 below, in the event of a failure of any condition contained in Section 10.2, Greeley may in its sole discretion:

- (1) Terminate this Agreement by notice to Laramie River, in which event all documents deposited by Greeley or delivered to Laramie River by Greeley shall be immediately returned to Greeley, and all documents deposited by Laramie River or delivered to Greeley by Laramie River shall be immediately returned to Laramie River; or
- (2) Waive such default or condition and close the transactions contemplated by this Agreement; or
- (3) If the failure of condition consists of a default by Laramie River which can be cured by action within the reasonable control of Laramie River, 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.

10.3.2 In the event of a failure of any condition contained in Section 10.1 above, Laramie River may in its sole discretion:

- (1) Terminate this Agreement by notice to Greeley, in which event all documents deposited by Greeley or delivered to Laramie River by Greeley shall be immediately returned to Greeley, and all documents deposited by Laramie River or delivered to Greeley by Laramie River shall be immediately returned to Laramie River; or
- (2) Waive such default or condition and close the transactions contemplated by this Agreement.
- (3) If the failure of condition consists of a default by Greeley that can be cured by action within the reasonable control of Greeley, Laramie River may elect to treat this Agreement as being in full force and effect and Laramie River shall have the right to specific performance, damages, or both.

10.3.3 Laramie River 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 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 days of written notice of default from the other Party.

10.4 Survival of Certain Obligations. Despite termination of this Agreement for any reason, all provisions in this Agreement containing waivers, disclaimers, releases, defense obligations and indemnities, and all provisions relating to remedies, audit, records retention, confidentiality, taxes, conflicts of interest, improper payment, insurance, limitations of liability, ownership or use or return of information subject to confidentiality obligations under this Agreement or the Confidentiality Agreement, Dispute resolution and governing law, and all causes of action, survive indefinitely until, by their respective terms, they are no longer operative or are otherwise limited by an applicable statute of limitations. Each of the obligations and undertakings set out in this Agreement which is not fully performed at Closing continues in force after Closing.

ARTICLE 11 CONDEMNATION

If prior to Closing all or a “Material Part” (defined below) of the Neff Lake Real Property is subject to a proposed taking by any public authority, Laramie River shall promptly notify Greeley of such proposed taking and Greeley may terminate this Agreement by notice to Laramie River within fourteen (14) days after written notice thereof. If Greeley so elects, 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 so terminate this Agreement, Greeley shall accept title to the Neff Lake Real Property subject to the taking without a reduction in the Purchase Price and shall receive at Closing an assignment of all of Laramie River’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 Part” of the Neff Lake Real Property for purposes of this Article 11 shall mean a portion that would have a material adverse effect on Greeley’s use of the Neff Lake Real Property as determined by Greeley in its good faith judgment.

ARTICLE 12 DISCLAIMERS, WAIVERS, AND ACKNOWLEDGEMENTS

12.1 Disclaimers. Except as otherwise expressly provided in this Agreement, including without limitation Sections 4.3, 4.5, and 9.1, Laramie River makes all the following disclaimers:

- 12.2.1 All of the Assets are being sold on an “AS IS, WHERE IS” basis and with all faults.
- 12.2.2 Laramie River Parties do not make any warranty or representation, express or implied in fact or by law, with respect to any matter or thing and disclaims all liability and responsibility for any representation, warranty, collateral contract, statement, assurance, opinion or information made or communicated (orally or in writing) to Greeley (including those by any agent, adviser, or consultant of any Laramie River Parties)
- 12.2.3 Without limiting the generality of Section 12.1.1 and 12.1.2, Laramie River expressly disclaims any representation or warranty, express or implied, statutory or implied that is not made in Section 9.1 and its subsections, of any of the following:

- (1) The physical state, origin, quantity, quality, safety, title, compliance with Applicable Law, merchantability, fitness for any particular purpose or condition of any of the Assets.
- (2) The accuracy, completeness, quality or quantity of any Records furnished to Greeley by Laramie River Parties at any time in connection with the Transaction. All such Records furnished by Laramie River Parties to Greeley Parties by any means, including site visits, management presentations, meetings with Laramie River's personnel, or otherwise made available to Greeley are provided to Greeley as a convenience, and do not create or give rise to any liability of or against Laramie River. Any reliance on or use of the Records is at Greeley's sole risk to the maximum extent permitted by Applicable Laws.
- (3) The value of the Assets.

12.2 Greeley Acknowledgements, Assumptions, Waivers, and Agreements.

12.2.1 Greeley acknowledges and agrees that at Closing, it shall accept all the Assets in "AS IS, WHERE IS" condition and with all faults, with an expressed acceptance and understanding of the disclaimers contained in this Agreement.

12.2.2 Greeley further acknowledges each of the following:

- (1) That physical changes in the land, groundwater or subsurface may have occurred as a result of any such uses and that Greeley has entered into this Agreement on the basis of Greeley's own investigation of, or right to investigate, the physical condition of the Assets, and the surface and subsurface conditions.
- (2) That Greeley assumes the risk that adverse physical conditions, including the presence of unknown, abandoned or unproductive oil wells, gas wells, equipment, pits, landfills, flowlines, pipelines, water wells, injection wells and sumps, which may or may not have been revealed by Greeley's investigation, are located thereon or therein, and whether discovered, discoverable, hidden, known or unknown to Greeley at Closing.

12.2.3 Greeley acknowledges that Laramie River digitally images and retains certain Records in electronic format and may provide imaged or electronic Records rather than originals or hard copies, except as to those Records for which Greeley requests the originals (to the extent originals are available and are prepared at Greeley's cost).

12.2.4 Greeley acknowledges each of the disclaimers set forth in Section 12.1, and acknowledges and affirms that it has not relied upon any representation,

warranty, statement, opinion or information in entering into or carrying out the Transaction other than the representations and warranties contained in Sections 4.3, 4.5, and 9.1 and its subsections, and Greeley waives all rights and remedies which but for Section 12.1, would or might have been available to it in respect of such representation, warranty, collateral contract, statement, assurance, opinion or information.

- 12.2.5 Subject to, from and after Closing, Greeley agrees to assume full responsibility for compliance with all obligations attributable, in any way, to the Assets and all Applicable Laws concerning all of such conditions, discovered, discoverable, hidden, known or unknown.
- 12.2.6 This Agreement is made expressly subject to all agreements, leases, easements, permits and other contracts related to the Assets, whether or not specifically identified in this Agreement. Effective upon Closing, Greeley shall assume and be responsible for all obligations and liabilities of Laramie River under such agreements that were disclosed to Greeley by Laramie River and agrees to execute any instrument or document required by Laramie River to evidence such assumption.
- 12.2.7 Greeley has made, or arranged for others to make, or has been afforded the opportunity to make, an inspection and inventory of the Assets and, if not performed, waives such right at and with Closing.
- 12.2.8 Greeley affirms that it is relying on its own independent investigation, analysis and evaluation of the geological, geophysical, technical, engineering, economic or other interpretations, forecasts, evaluations or cost estimates concerning the Assets, and the costs of and prospects for further development in relation to the Assets.

12.3 Acknowledgement. Laramie River shall provide Greeley with a written certification confirming that the representations set forth in Section 4.3. and 4.5 are true and correct as of the Closing Date. Greeley shall provide Laramie River with a written certification at Closing acknowledging the disclaimers set forth in Section 12.1 as of the Closing Date.

ARTICLE 13

13.1 Survival of Representations and Warranties. All representations, obligations, liabilities, warranties, covenants, agreements and monetary obligations of Laramie River and Greeley as set forth in this Agreement shall survive the Closing and consummation of the transactions contemplated by this Agreement until the complete discharge thereof. All warranties of title set forth in the Assignment Documents or any assignment delivered or made hereunder shall survive without limit.

13.2 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.

13.3 Possession. Laramie River shall deliver to Greeley possession of the Assets upon release from escrow of all items to be delivered by Greeley to the Closing, including, without limitation, the Purchase Price.

13.4 Calendar Days. If any time period set forth in this Agreement commences, expires or is determined from a date that 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 day that is not a Saturday, Sunday, legal holiday of the State of Colorado or other non-business day.

13.5 General Terms and Conditions. In addition to the terms of this Agreement, the Parties further agree to certain terms and conditions, attached hereto as Exhibit A (“General Terms and Conditions”).

13.6 Integrated Agreement. This Agreement, including the Transaction Documents and all exhibits and schedules referenced herein, constitutes the complete, unseverable, unitary, integrated agreement between Greeley and Laramie River concerning the subject matter hereof

13.7 Approval. THE OBLIGATIONS OF GREELEY UNDER THIS AGREEMENT ARE EXPRESSLY CONTINGENT UPON THE APPROVAL OF THIS AGREEMENT BY THE GREELEY BOARD.

13.8 Acceptance. Upon execution and delivery of this Agreement by Laramie River and Greeley, as approved in accordance with Section 13.7, this Agreement shall constitute an agreement to for Laramie River to sell and Greeley to purchase the Assets on the terms and conditions set forth herein.

13.9 Assignments.

13.9.1. This Agreement is binding on and inures for the benefit of the rightful successors and permitted assigns of the Parties, but the rights, duties, and obligations of Greeley under this Agreement may not be assigned, in whole or in part, without Laramie River’s prior consent to the assignment. Notwithstanding any contrary provision of this Agreement, Greeley shall remain responsible to Laramie River for all obligations, indemnities and liabilities due to Laramie River under this Agreement, unless and until expressly released in writing by Laramie River.

13.9.2. Greeley shall cause all purchasers or transferees of the Assets, or all its successors or assigns to expressly acknowledge and assume all obligations under this Agreement. Any conveyance, transfer or assignment of all or part of the Assets by Greeley, its successors or assigns, in which the grantee, transferee or assignee fails to expressly assume all obligations under this Agreement, will be deemed null and void.

13.9.3. To the extent permitted by Applicable Law, any further conveyance or assignment must designate the lands for use only in connection with oil and gas producing activities.

13.10 Accounting Responsibilities. Upon Closing, Laramie River is relieved of all responsibility for, and Greeley shall be responsible for paying all burdens, fees on or relating to the Assets.

13.11 Interest. Without prejudice to any other rights available to a Party under this Agreement or at law, if any amount payable under this Agreement is not paid when due, the defaulting Party shall pay interest on such amount from the due date of payment (after as well as before judgment) until the date of payment (both dates inclusive) at a rate equal to Prime Rate plus one percent calculated on a daily basis using simple interest.

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

[Remainder of this page intentionally left blank. See next page for signatures.]

LARAMIE RIVER

Date: _____

Name: _____

Title: _____

THE CITY OF GREELEY, COLORADO,
a Colorado home rule municipal
corporation

Date: _____

By _____

Name: _____

Title: Water and Sewer Board Chairman

APPROVED AS TO SUBSTANCE:

APPROVED AS TO LEGAL FORM:

By _____
City Manager

By _____
City Attorney

AVAILABILITY OF FUNDS:

By _____
Director of Finance

RECOMMENDED:

By _____
Director of Water and Sewer

EXHIBIT A TO PURCHASE AND SALE AGREEMENT

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION.

1.1 **Definitions.** As used in these General Terms and Conditions, these words or expressions have the following meanings. Any capitalized words or expressions not defined in this Section 1.1 shall have the meaning set forth in Section 1 of the Agreement (defined below).

- (A) “*Agreement*” means that Purchase and Sale Agreement entered into by the parties on _____, 2024.
- (B) “*Claim*” means any liability, loss, demand, damage, encumbrance, cause of action of any kind, order, subpoena, obligation, cost, royalty, fee, assessment, duty, requirement, charge, penalty, fine, judgment, interest and award (including recoverable legal counsel fees and cost of litigation of the Person asserting the claim), whether arising by law, contract, tort, voluntary settlement or in any other manner.
- (C) “*Dispute*” means any claim, disagreement or controversy arising out of this Agreement, including a Claim under this Agreement and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability, termination or breach of this Agreement, whether based in contract, tort or in any other manner.
- (D) “*Government Entity*” means any department, court, tribunal, exchange, authority, commission, board, instrumentality or agency of any municipal, local, state, federal or other governmental authority (including regulatory authorities and administrative bodies) and any subdivision of the foregoing or any Person owned or controlled by the government but does not include Greeley.
- (E) “*Greeley Party(ies)*” means Greeley and its elected or appointed officials, the directors, officers, employees, contractors, and representatives of Greeley.
- (F) “*Laramie River Party(ies)*” means Laramie River, Laramie River’s Affiliates, and the directors, officers, employees, contractors, and representatives of each of them.
- (G) “*Person*” means an individual, corporation, company, association, partnership, state, statutory corporation, Government Entity or any other legal entity.

- (H) “*Personal Data*” means any information that can be used directly or indirectly, alone or in combination with other information, to identify an individual.

1.2 **Interpretation.** Unless the context expressly requires an interpretation to the contrary, all of the following apply to the interpretation of these General Terms and Conditions and the Agreement:

- (A) The plural and singular words each include the other.
- (B) The masculine, feminine, and neutral genders each include the others.
- (C) The word “or” is not exclusive.
- (D) The words “includes” and “including” are not limiting.
- (E) References to the Parties include their respective successors and permitted assignees.
- (F) References to matters “arising” (or which “arise” or “arises” or “arising out of”) include matters which arise in connection with these General Terms and Conditions and the Agreement or have a causal connection with or which flow from these General Terms and Conditions and the Agreement or which would not have arisen or occurred but for the entering into these General Terms and Conditions and the Agreement or the performance of or failure to perform obligations under these General Terms and Conditions and the Agreement.
- (G) The headings in these General Terms and Conditions and the Agreement are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, these General Terms and Conditions and the Agreement.
- (H) A capitalized derivative or other variation of a defined term has a corresponding meaning and must be construed accordingly.
- (I) If a conflict exists between any provisions of these General Terms and Conditions and the Agreement as they apply to a Party, the provision that imposes the more stringent obligation on that Party prevails to the extent of the conflict.
- (J) Where provision is made for agreement or the giving of notice, approval or consent by any Party, unless otherwise specified, such agreement, notice, approval or consent must be in writing.

2. ANNOUNCEMENTS

2.1 Announcements.

- (A) Each Party must submit proposed notices, announcements or press releases regarding the execution of the Agreement or the consummation of the Transaction to the other Party for prior review and approval. Except as required by any mandatory notice or announcement, the release of reserve estimates in any announcement is expressly prohibited.
- (B) If a Party is required to make any mandatory notice or announcement required under Applicable Law, by the stock exchange upon which a Party's or Affiliate of such Party's shares are quoted or any similar regulatory body of any other jurisdiction, then prior approval by the other Party is not required, but the Party shall use its reasonable efforts to allow the other Party reasonable time to comment on such notice or announcement in advance of its issuance.

3. ADDITIONAL OBLIGATIONS

3.1 Conflict of Interest.

- (A) **Prohibition.** No Greeley Party may engage in any of the following activities:
 - (1) Give to or accept from any director, employee or agent of Laramie River or its Affiliates in connection with the Agreement or these General Terms and Conditions, either of the following:
 - (a) Any gift, entertainment or other benefit of significant cost or value.
 - (b) Any commission, fee or rebate.
 - (2) Enter into any business arrangement with any Laramie River Party or any Affiliate of Laramie River (other than as a representative of Laramie River or any Affiliate of Laramie River) without Laramie River's prior consent.
- (B) **Reporting Violations.** Greeley shall notify Laramie River of any violation of General Terms and Conditions Section 3.1(A) or of the occurrence of any event prior to the Effective Date which, if it had occurred after the Effective Date, would constitute a violation of General Terms and Conditions Section 3.1(A).
- (C) **Termination.** Prior to Closing, Laramie River may, at its sole option, terminate the Agreement for any violation of General Terms and Conditions Section 3.1(A) or 3.1(B).

- 3.2 **Records Retention and Audit Rights.** Greeley shall maintain and retain and ensure that other Greeley Parties maintain and retain true and correct records in connection with all matters relating to the Agreement for at least twenty-four

months from the Effective Date or the end of the calendar year in which the Agreement is terminated, whichever first occurs. Laramie River (or its representative) may inspect all records at any time during this retention period to determine Laramie River's, and any Laramie River Party's, compliance with General Terms and Conditions Section 3.1.

- 3.3 **Data Privacy.** Greeley shall comply with all reasonable requests of Laramie River with respect to protecting Personal Data of Laramie River's employees, customers, and suppliers it receives in connection with the Agreement, including following Laramie River's instructions in connection with (A) processing such Personal Data; (B) implementing adequate security measures to protect such Personal Data; (C) not disclosing such Personal Data; and (D) complying with all applicable data privacy laws.

4. NOTICES

- 4.1 Any notice or other communication given by either Party to the other relating to the Agreement must 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 Section: (1) on the date and at the time of delivery if delivered personally to the Party to whom notice is given at such address; or (2) 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 (3) 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:

If to Laramie River:

Laramie River
Attention:
Email:
Telephone:

With a copy to:

Laramie River
Attention: General Counsel
Email:
Telephone:

If to Greeley:

City of Greeley
Attention: Director, Water and Sewer
1001 11th Street, 2nd Floor
Greeley, CO 80631
Email:
Telephone: (970) 350-9812

With a copy to:

City of Greeley
Attention: City Attorney
1100 10th Street, Ste. 401
Greeley, CO 80631
Email:
Telephone: (970) 350-9757

5. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 5.1 **Governing Law.** These General Terms and Conditions and the Agreement are governed by and interpreted under the laws of the State of Colorado, without regard to its choice of law rules.
- 5.2 **Resolution of Disputes.** The Parties shall exclusively and finally resolve any Dispute between them as set out in this General Terms and Conditions Section 5. A Party who violates this General Terms and Conditions Section 5 shall pay all legal and consulting fees and costs incurred by the other Party in any suit, action, or proceeding to enforce this Section 5. While the procedures in this General Terms and Conditions Section 5 are pending, each Party shall continue to perform its obligations under the Agreement, unless to do so would be impossible or impracticable under the circumstances.
- 5.3 **Direct Negotiations.** If a Dispute arises, a Party shall initiate the resolution process by giving notice to the other Party setting out in detail the issues in Dispute and the value of the Claim. A meeting between the Parties, attended by individuals with decision-making authority, must take place within thirty days from the date the notice was sent in an attempt to resolve the Dispute through direct negotiations. All negotiations under this provision will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.
- 5.4 **Mediation.** If the Dispute cannot be resolved by direct negotiations within thirty days of initiation of the resolution process, either Party may initiate mediation by giving notice to the other Party. The Parties shall meet and agree on the appointment of a mediator to address the Dispute. Mediation must be attended by an

individual(s) representing each Party with decision-making authority and the proceeding must take place in Denver, Colorado.

5.5 **Litigation.** If the Dispute is not resolved by mediation within thirty days from the date of the notice requiring mediation, then either Party may initiate judicial proceedings in the appropriate court consistent with General Terms and Conditions Section 5.6.

5.6 **Judicial Proceedings.**

- (A) The Parties waive irrevocably their right to any form judicial resolution, appeal, review or recourse to any court or other judicial authority, to the extent that such waiver may be validly made, until they have first attempted to resolve any dispute as provided in Sections 5.3 and 5.4 above.
- (B) The mandatory exclusive venue for any judicial proceeding permitted in these General Terms and Conditions is the court of competent jurisdiction in Weld County, Colorado. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction.

5.7 **Confidentiality.**

- (A) The existence of any Dispute or disagreement and any negotiations, and mediation under the Agreement are confidential and the Parties shall not make any disclosure to any Third Party, except as otherwise required by law.
- (B) Any information, documents or materials created or produced for the purposes of negotiations or mediation, of any Dispute or disagreement are confidential and the Parties shall not disclose them to any Third Party.
- (C) Without prejudice to the foregoing, disclosure of the information set forth in General Terms and Conditions Sections 5.7(A) and 5.7(B) above may be made under the following circumstances:
 - (1) With prior notice to the other Party, in order to enforce any of the provisions of the Agreement, including any judicial proceedings or any court judgment.
 - (2) With prior notice to the other Party, to the auditors, legal advisers, insurers and Affiliates of that Party to whom the confidentiality obligations set out in the Agreement extend.
 - (3) With prior notice to the other Party, where that Party is under a legal or regulatory obligation to make such disclosure but limited to the extent of that legal obligation.
 - (4) With the prior consent of the other Party.

6. GENERAL PROVISIONS

- 6.1 **No Waiver of Governmental Immunity/No Third-Party Beneficiary.** These General Terms and Conditions and the Agreement shall not create any rights, duty of care or liability with respect to any person or entity not a Party, or waive any of the privileges or immunities either Party or its officers, employees, successors and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, et seq., as amended.
- 6.2 **Review by Counsel.** The Parties acknowledge that each Party and its legal counsel have reviewed and approved the Agreement.
- 6.3 **Entire Agreement.** The Agreement, together with the Transaction Documents, contains the entire agreement between the Parties regarding the Assets and supersedes the term sheet, executed by the Parties on July 19, 2023, and any prior written or oral agreements that are not part of the Transaction Documents. This Agreement and the Transaction Documents may be modified only by mutual written agreement duly authorized and executed by authorized representatives of both Parties.
- 6.4 **Amendment.** No amendment to the Agreement is effective unless made in writing, expressly identified as an amendment to the Agreement and signed by authorized representatives of both Parties.
- 6.5 **Waiver.** No waiver by either Party of the Agreement's terms, provisions or conditions is effective unless specifically evidenced in writing and signed by or on behalf of the Party granting such waiver. A Party's failure to pursue remedies for breach of the Agreement does not constitute a waiver by such Party of any breach of the Agreement or raise any defense against Claims against a Party for breach of the Agreement. The waiver or failure to require the performance of any covenant or obligation contained in the Agreement or to pursue remedies for breach of the Agreement does not waive a later breach of that covenant or obligation.
- 6.6 **Severability.** Each provision of the Agreement is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court or arbitrator of competent jurisdiction or by operation of any Applicable Law, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of the Agreement that are valid, enforceable and legal, so long as the economic or legal substance of the Transaction is not affected in any manner adverse to any Party. Upon such determination that any term or other provision or part of the Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify the Agreement so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that the Transaction is fulfilled to the extent possible.
- 6.7 **Drafting.** Each Party has participated in the drafting of the Agreement and has had the opportunity to consult with legal counsel and any other advisors of its choice to

its satisfaction regarding the terms and provisions of the Agreement. As a result, the rule of construction that an agreement be construed against the drafter does not apply to the Agreement.

- 6.8 **Costs and Expenses.** Each Party shall pay its own costs and expenses in relation to the preparation, negotiation, and execution of the Agreement and the documents contemplated or executed pursuant to the Agreement.
- 6.9 **Counterparts.** The Agreement may be executed in any number of counterparts, each of which will be deemed an original of the Agreement, and which together will constitute one and the same instrument; provided that neither Party is bound to the Agreement unless and until both Parties have executed a counterpart. For purposes of assembling all counterparts into one document, Laramie River is authorized to detach the signature page from one or more counterparts and, after signature by the respective Party, attach each signed signature page to a counterpart. The exchange of signature pages by facsimile or email to all Parties constitutes execution and delivery of the Agreement.

EXHIBIT B-1 TO PURCHASE AND SALE AGREEMENT

ASSIGNMENT DOCUMENTS

(See attached Full Conveyance Document)

WHEN RECORDED, RETURN TO:

[City of Greeley
Insert contact info.]

DEED OF CONVEYANCE AND ASSIGNMENT AND BILL OF SALE

STATE OF COLORADO

§

§

COUNTY OF WELD

§

This DEED OF CONVEYANCE AND ASSIGNMENT AND BILL OF SALE (“**Assignment**”) is executed on the dates set forth in the acknowledgment below but made effective as of 12:01 a.m., Mountain Time, on _____, 2024 (the “**Effective Time**”), by and between **LARAMIE RIVER LLC**, a Delaware limited liability company, with offices at 1400 Smith Street, Houston, TX, 77002 (“**Assignor**”) and **CITY OF GREELEY**, a Colorado home rule municipality, with offices at 1001 11th Avenue, Second Floor, Greeley, CO, 80631 (“**Assignee**”). Assignor and Assignee are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

ARTICLE I. GRANTING CLAUSE

a. **Grant.** Assignor, for and in consideration of \$10.00, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants, transfers, bargains, sells, conveys, assigns and delivers unto Assignee all of Assignor’s right, title and interest, whether real, personal, legal, equitable, contractual, present, contingent or reversionary, in and to the following, but excluding the Excluded Assets, (collectively, the “**Assets**”):

1. the 24-inch fresh-water pipeline located in Weld County, Colorado, as depicted in **Exhibit A** hereto (the “**Neff Lake Pipeline**”) and all equipment, personal property, fixtures, and other improvements, including all permanent pipes, valves, meters, machinery, pumps, telemetry and controls, computer equipment, and other equipment and facilities which are either appurtenant to, necessary for the operation of, or used primarily in connection with the Neff Lake Pipeline;

2. all easements, rights of way, leases, licenses, crossing agreements and permits, servitudes, appurtenant rights, or other rights to the surface, described on **Exhibit B** hereto (the “**Easement Rights**”); and

3. to the extent assignable or transferable, all federal, state, and local governmental licenses, permits, franchises, orders, exemptions, variances, waivers, authorizations, certificates, consents, rights, privileges, and applications therefor, described on **Exhibit C** and in each case, that are related to the ownership or operation of the Neff Lake Pipeline and the Easement Rights.

TO HAVE AND TO HOLD the Assets, together with all rights and appurtenances in any way belonging thereto, unto Assignee and its successors and assigns forever.

ARTICLE II. CERTAIN TERMS AND CONDITIONS

This Assignment is made pursuant and subject to the following terms and conditions:

a. This Assignment is made pursuant and subject to the terms and conditions of the Shared Easement Rights and that certain unrecorded Closing Certificate between Assignor and Assignee, dated effective as of ____, 2024 (the “**Certificate**”), the terms and conditions of which are hereby incorporated by reference. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Certificate. In the event of a conflict between the terms and conditions of this Assignment and the terms and conditions of the Certificate, the terms and conditions of the Certificate shall control to the extent of the conflict; *provided*, however, this Assignment represents the full and final conveyance of the Assets, and third parties may conclusively rely upon this Assignment as evidence of title in and to the Assets vesting in Assignee.

b. **Rights Relating to Assets.** The interest in the Assets herein assigned to Assignee includes all such rights as are necessary to the continued operation of the Neff Lake Pipeline.

c. **Special Warranty.** Subject to the Permitted Exceptions, Assignor warrants and agrees to defend title to the Assets, free and clear of all title defects, liens and encumbrances arising by, through and under Assignor, but not otherwise.

d. **Assumption of Obligations.** Assignee hereby accepts the foregoing conveyance, agrees to be bound by all of the terms of the instruments listed in **Exhibit B** and assumes and agrees to pay, perform, and discharge any and all liabilities and obligations to be performed by Assignee that originate and accrue on or after the Effective Time.

ARTICLE III. MISCELLANEOUS

a. **Subrogation.** To the extent permitted by law, Assignee will be subrogated to Assignor’s rights in and to representations, warranties, and covenants given with respect to the Assets. Assignor hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable and permitted by law, the benefit of and the right to enforce the covenants, representations and warranties, if any, which Assignor is entitled to enforce with respect to the Assets.

b. **Further Assurances.** From time to time after the date hereof, and without any further consideration, the Assignor and Assignee agree to execute, acknowledge and deliver all such further agreements, additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances, certificates, consents, and other documents, and will do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the Assignee owns all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Assignment, or which are intended to be so granted, (b) more fully and effectively to vest in the Assignee and its successors and assigns beneficial and

record title to the interests contributed and assigned by this Assignment or intended so to be (including executing any governmental forms of assignments as needed) and (c) more fully and effectively to carry out the purposes and intent of this Assignment.

c. **Successors and Assigns.** The provisions of this Assignment and all rights and covenants and conditions in this Assignment will be considered covenants running with the land and shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

d. **Governing Law.** THE PARTIES HERETO AGREE THAT THEY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

e. **Exhibits.** All exhibits and attachments hereto are hereby made a part hereof and incorporated herein by this reference. References in such exhibits and attachments to instruments on file in the public records are notice of such instruments for all purposes. Unless provided otherwise, all recording references in such exhibits and schedules are to the appropriate records (the real property records, oil and gas records or other appropriate records) of the county in which the Assets are located.

f. **Recordation.** This Assignment shall be recorded by Assignee in the real property records of Weld County, Colorado, as soon as practicable upon the execution of the Assignment.

IN WITNESS WHEREOF, the authorized representatives of Assignor and Assignee have executed this Assignment as of the dates set forth in the acknowledgments below, but effective as of the Effective Time.

ASSIGNOR:

LARAMIE RIVER, LLC

By: _____

Name: _____

Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

 This instrument was acknowledged before me this ____ day of _____ 2024, by
_____ as _____ of Laramie River LLC, a Delaware limited liability company, on
behalf of such limited liability company.

Witness my hand and official seal.

Notary Public _____
My commission expires: _____

ASSIGNEE:

CITY OF GREELEY

By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

 This instrument was acknowledged before me this ____ day of _____ 2024, by
_____ for the City of Greeley.

Witness my hand and official seal.

Notary Public
My commission expires: _____

EXHIBIT B-2 TO PURCHASE AND SALE AGREEMENT

ASSIGNMENT DOCUMENTS

(See attached Partial Conveyance Document)

WHEN RECORDED, RETURN TO:

[City of Greeley
Insert contact info.]

DEED OF CONVEYANCE AND ASSIGNMENT AND BILL OF SALE

STATE OF COLORADO

§

§

COUNTY OF WELD

§

This DEED OF CONVEYANCE AND ASSIGNMENT AND BILL OF SALE (“**Assignment**”) is executed on the dates set forth in the acknowledgment below but made effective as of 12:01 a.m., Mountain Time, on _____, 2024 (the “**Effective Time**”), by and between **LARAMIE RIVER LLC**, a Delaware limited liability company, with offices at 1400 Smith Street, Houston, TX, 77002 (“**Assignor**”) and **CITY OF GREELEY**, a Colorado home rule municipality, with offices at 1001 11th Avenue, Second Floor, Greeley, CO, 80631 (“**Assignee**”). Assignor and Assignee are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

**ARTICLE I.
GRANTING CLAUSE**

a. **Grant.** Assignor, for and in consideration of \$10.00, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants transfers, bargains, sells, conveys, assigns and delivers unto Assignee all of Assignor’s right, title and interest, whether real, personal, legal, equitable, contractual, present, contingent or reversionary, in and to the following, but excluding the Excluded Assets (defined below) (collectively, the “**Assets**”):

1. the 24-inch fresh-water pipeline located in Weld County, Colorado, as depicted in **Exhibit A** hereto (the “**Neff Lake Pipeline**”) and all equipment, personal property, fixtures, and other improvements, including all permanent pipes, valves, meters, machinery, pumps, telemetry and controls, computer equipment, and other equipment and facilities which are either appurtenant to, necessary for the operation of, or used primarily in connection with the Neff Lake Pipeline;

2. all easements, leases, crossing agreements, servitudes, appurtenant rights, or other rights to the surface, described on **Exhibit B** hereto (the “**Shared Easement Rights**”), solely for the purposes of operation, maintenance, repair, replacement, alteration, protection, monitoring, marking, and access to the Neff Lake Pipeline; and

3. to the extent assignable or transferable, all federal, state, and local governmental licenses, permits, franchises, orders, exemptions, variances, waivers, authorizations, certificates, consents, rights, privileges, and applications therefor, described on **Exhibit C** and in each case, that are related to the ownership or operation of the Neff Lake Pipeline and the Shared Easement Rights.

b. **Excluded Assets.** Notwithstanding anything to the contrary herein, the Assets shall not include, and it is hereby reserved and retained by Assignor, all right, title or interest of Assignor to the following (the “**Excluded Assets**”):

1. the Shared Easement Rights, except as such property is expressly transferred to Assignee hereunder for the purpose of the ownership, operation, maintenance, repair, replacement, alteration, protection, monitoring, marking, and access to the Neff Lake Pipeline;

2. any infrastructure not conveyed pursuant to Paragraph I.a.1 above, which includes, but is not limited to, all other pipelines located within the Shared Easement Rights, except for the Neff Lake Pipeline, and all equipment, personal property, fixtures, and other improvements, including all permanent pipes, valves, meters, machinery, pumps, telemetry and controls, computer equipment, and other equipment and facilities which are either appurtenant to, necessary for the operation of, or used primarily in connection with such pipelines;

TO HAVE AND TO HOLD the Assets, together with all rights and appurtenances in any way belonging thereto, unto Assignee and its successors and assigns forever.

ARTICLE II. CERTAIN TERMS AND CONDITIONS

This Assignment is made pursuant and subject to the following terms and conditions:

a. This Assignment is made pursuant and subject to the terms and conditions of the Shared Easement Rights and that certain unrecorded Closing Certificate between Assignor and Assignee, dated effective as of ____ __, 2024 (the “Certificate”), the terms and conditions of which are hereby incorporated by reference. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Certificate. In the event of a conflict between the terms and conditions of this Assignment and the terms and conditions of the Certificate, the terms and conditions of the Certificate shall control to the extent of the conflict; *provided*, however, this Assignment represents the full and final conveyance of the Assets, and third parties may conclusively rely upon this Assignment as evidence of title in and to the Assets vesting in Assignee.

b. **Rights Relating to Assets.** The interest in the Assets herein assigned to Assignee includes all such rights as are necessary to the continued operation of the Neff Lake Pipeline.

c. **Special Warranty.** Subject to the Permitted Exceptions, Assignor warrants and agrees to defend title to the Assets, free and clear of all title defects, liens and encumbrances arising by, through and under Assignor, but not otherwise.

d. **Assumption of Obligations.** Assignee hereby accepts the foregoing conveyance, agrees to be bound by all of the terms of the instruments listed in **Exhibit B** and assumes and agrees to pay, perform, and discharge any and all liabilities and obligations related to the Neff Lake Pipeline to be performed by Assignee that originate and accrue on or after the Effective Time.

e. **Use of Joint Assets.** This Assignment is subject to the terms and conditions of the Joint Use Agreement, recorded on _____ at reception number _____ of the records of the Clerk and Recorder of Weld County, the terms and conditions of which are hereby incorporated by reference. Assignor and Assignee agree that any subsequent assignment of their respective rights under Shared Easement Rights will be subject to the terms and conditions contained therein.

ARTICLE III. MISCELLANEOUS

a. **Subrogation.** To the extent permitted by law, Assignee will be subrogated to Assignor's rights in and to representations, warranties, and covenants given with respect to the Assets. Assignor hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable and permitted by law, the benefit of and the right to enforce the covenants, representations and warranties, if any, which Assignor is entitled to enforce with respect to the Assets.

b. **Further Assurances.** From time to time after the date hereof, and without any further consideration, the Assignor and Assignee agree to execute, acknowledge and deliver all such further agreements, additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances, certificates, consents, and other documents, and will do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the Assignee owns all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Assignment, or which are intended to be so granted, (b) more fully and effectively to vest in the Assignee and its successors and assigns beneficial and record title to the interests contributed and assigned by this Assignment or intended so to be (including executing any governmental forms of assignments as needed) and (c) more fully and effectively to carry out the purposes and intent of this Assignment.

c. **Successors and Assigns.** The provisions of this Assignment and all rights and covenants and conditions in this Assignment will be considered covenants running with the land and shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

d. **Governing Law.**

1. THE PARTIES HERETO AGREE THAT THEY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

e. **Exhibits.** All exhibits and attachments hereto are hereby made a part hereof and incorporated herein by this reference. References in such exhibits and attachments to instruments on file in the public records are notice of such instruments for all purposes. Unless provided otherwise, all recording references in such exhibits and schedules are to the appropriate records (the real property records, oil and gas records or other appropriate records) of the county in which the Assets are located.

f. **Recordation.** This Assignment shall be recorded by Assignee in the real property records of Weld County, Colorado, as soon as practicable upon the execution of the Assignment.

[Signature and acknowledgement pages follow]

IN WITNESS WHEREOF, the authorized representatives of Assignor and Assignee have executed this Assignment as of the dates set forth in the acknowledgments below, but effective as of the Effective Time.

ASSIGNOR:

LARAMIE RIVER, LLC

By: _____

Name: _____

Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

This instrument was acknowledged before me this ____ day of _____ 2024, by _____ as _____ of Laramie River LLC, a Delaware limited liability company, on behalf of such limited liability company.

Witness my hand and official seal.

Notary Public _____

My commission expires: _____

ASSIGNEE:

CITY OF GREELEY

By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

 This instrument was acknowledged before me this ____ day of _____ 2024, by
_____ for the City of Greeley.

Witness my hand and official seal.

Notary Public
My commission expires: _____

EXHIBIT C TO PURCHASE AND SALE AGREEMENT
EXCLUDED ASSETS

DESCRIPTION OF EXCLUDED ASSETS:

- 1.1 All rights, titles and interests of Laramie River related to the Assets for all periods prior to the Closing Date with respect to any of the following:
 - (A) Under any policy or agreement of insurance (including any Seller's Insurance Policies) or indemnity.
 - (B) Under any bond.
 - (C) To any insurance or condemnation proceeds or awards.
- 1.2 Laramie River claims for any tax refunds, recoupment, rebates or credits.
- 1.3 All amounts due or payable to Laramie River as adjustments to insurance premiums related to the Assets for all periods prior to the Closing Date.
- 1.4 Any existing or future refund of costs or expenses borne by Seller or Seller's predecessors in title attributable to the period prior to the Effective Date.
- 1.5 All of Laramie River's and its Affiliates' patents, trade secrets or trademarks (whether registered or unregistered), database rights, rights in know-how, copyright (including rights in computer software), moral rights, domain names, and any other rights or forms of protection of a similar nature or having equivalent or similar effect in any country, in each case whether or not registered, and any applications for registration or issuance of any of the foregoing, and any goodwill in any of the foregoing.
- 1.6 Laramie River's master service agreements and charter party agreements, storage or warehouse agreements, supplier contracts, service contracts, insurance contracts, transportation agreements and construction agreements.
- 1.7 All Third Party owned equipment and property located on or used in connection with the Assets, including contractor equipment and leased equipment.
- 1.8 Any other assets specifically identified as retained or excluded under this Agreement.

END OF EXHIBIT

EXHIBIT D TO PURCHASE AND SALE AGREEMENT

NEFF LAKE PIPELINE

(See attached Map)

EXHIBIT E TO PURCHASE AND SALE AGREEMENT

NEFF LAKE PIPELINE LEASE

(See attached Pipeline Lease Agreement)

(PARTIES STILL TO PREPARE)

EXHIBIT F TO PURCHASE AND SALE AGREEMENT
NEFF LAKE PIPELINE COORDINATION AGREEMENT

(See attached Coordination Agreement)

(PARTIES STILL TO PREPARE)

EXHIBIT G TO PURCHASE AND SALE AGREEMENT

PROMISSORY NOTE

(See attached Promissory Note)

PROMISSORY NOTE
(Neff Lake Pipeline)

This Promissory Note (the “Note”) is made effective as of _____, by and between the City of Greeley, Colorado, a Colorado home rule municipal corporation, acting by and through its Water Enterprise (“Greeley” or “Maker”) and Laramie River LLC, a limited liability company (“Laramie River” or the “Payee”) wherein Greeley promises to pay to Laramie River the principal sum of Nine Million Dollars (\$9,000,000.00), in nine annual installments, escalated at a rate of five percent (5%) annually as described below. All capitalized terms not defined herein shall have the same meaning as described in that certain Purchase and Sale Agreement between Greeley and Laramie River dated _____, 2024.

1. PAYMENTS.

- 1.1 Principal Repayment.** Greeley shall repay the principal amount of this Note either (i) according to the following schedule unless Greeley pre-pays any of the Note Payments (as defined below) or (ii) upon an Event of Default and upon written notice when required.

Date	Payment Amount
1 st Anniversary of Closing Date	\$1,050,000
2 nd Anniversary of Closing Date	\$1,102,500
3 rd Anniversary of Closing Date	\$1,157,625
4 th Anniversary of Closing Date	\$1,215,506
5 th Anniversary of Closing Date	\$1,276,282
6 th Anniversary of Closing Date	\$1,340,096
7 th Anniversary of Closing Date	\$1,407,100
8 th Anniversary of Closing Date	\$1,477,455
9 th Anniversary of Closing Date	\$1,551,328
Total If All Note Payments Made on This Schedule	\$11,577,893

- 1.2 Interest.** This schedule represents nine annual payments of One Million Dollars each, escalated at a rate of five percent annually (the “Note Payments”). Additional interest may be applied pursuant to Section 3 herein.

- 1.3 Prepayment.** Greeley may pre-pay any Note Payment on or before the due date of a previous Note Payment. In that event, the amount of the prepaid Note Payment shall be the same as the corresponding Note Payment that is due. For example, Greeley may make the sixth and seventh Note Payments on the due date for the sixth Note Payment, in which event both Note Payment amounts shall be \$1,340,096.00. If Greeley makes the eighth Note Payment by the deadline for the seventh Note Payment, then the eighth Note Payment shall be in the amount of \$1,407,000.00. All amounts due under this Note shall be paid no later than the ninth anniversary of the Closing Date.
- 2. DUE DATE:** The full balance on this Note, including any accrued interest and late fees, is due and payable on the ninth anniversary of the Closing Date.
- 3. INTEREST DUE IN THE EVENT OF DEFAULT:** In the event that Greeley fails to pay the Note, in full, on the due date or has failed to make any Note Payment due within 15 days of the due date, unpaid principal shall accrue interest at the Prime Rate plus one percent calculated on a daily basis using simple interest until paid.
- 4. SOURCE OF FUNDING:** The obligation to repay this Note shall be the sole obligation of the water utility enterprise (“Enterprise”) created pursuant to Greeley Municipal Code Section 20-23 to act as operator of the Greeley water system. This Note is not secured by a pledge of or lien upon specific revenues of the Enterprise and does not constitute the debt, indebtedness or multiple fiscal year financial obligation of Greeley within the meaning of any applicable provisions of the constitution or laws of the State of Colorado.
- 5. ALLOCATION OF PAYMENTS:** Payments shall be first credited any late fees due, then to interest due and any remainder will be credited to principal.
- 6. ACCELERATION:** If Greeley is in default under this Note and fails to make any payment owed and such default is not cured within sixty days after written notice of such default, then Laramie River may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable, in addition to any other rights or remedies that Laramie River may have under state and federal law.
- 7. ATTORNEY FEES AND COSTS:** Greeley shall pay all costs incurred by Laramie River in collecting sums due under this Note after a default, including reasonable attorney fees. If Laramie River or Greeley sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys’ fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.
- 8. PUBLIC SECURITIES ACT .** Pursuant to Colorado Revised Statutes Section 11-57-210, this Note is entered into pursuant to and under the authority of certain provisions of the Supplemental Public Securities Act, being Title 11, Article 57, of the Colorado Revised Statutes, as amended. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after delivery for value and shall conclusively impart

full compliance with all provisions and limitations of said statutes, and this Note shall be incontestable for any cause whatsoever after delivery for value.

9. **WAIVER OF PRESENTMENTS:** Greeley waives presentment for payment, notice of dishonor, protest and notice of protest.
10. **GENERAL TERMS AND CONDITIONS.** This Note is subject to the General Terms and Conditions in Exhibit A, attached hereto and incorporated herein by reference. In the event of a conflict between the terms and conditions of this Note and the General Terms and Conditions, the terms and conditions of the Note shall control.
11. **DEFINED TERMS.** Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Certificate.

THE CITY OF GREELEY, COLORADO,
a Colorado home rule municipal
corporation

By _____
Name: _____
Title: _____

EXHIBIT A TO PROMISSORY NOTE

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION.

1.3 Definitions. As used in these General Terms and Conditions, these words or expressions have the following meanings.

- (A) “*Claim*” means any liability, loss, demand, damage, encumbrance, cause of action of any kind, order, subpoena, obligation, cost, royalty, fee, assessment, duty, requirement, charge, penalty, fine, judgment, interest and award (including recoverable legal counsel fees and cost of litigation of the Person asserting the claim), whether arising by law, contract, tort, voluntary settlement or in any other manner.
- (B) “*Dispute*” means any claim, disagreement or controversy arising out of this Agreement, including a Claim under this Agreement and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability, termination or breach of this Agreement, whether based in contract, tort or in any other manner.
- (C) “*Government Entity*” means any department, court, tribunal, exchange, authority, commission, board, instrumentality or agency of any municipal, local, state, federal or other governmental authority (including regulatory authorities and administrative bodies) and any subdivision of the foregoing or any Person owned or controlled by the government but does not include Greeley.
- (D) “*Greeley Party(ies)*” means Greeley and its elected or appoint officials, directors, officers, employees, contractors, and representatives of Greeley.
- (E) “*Laramie River Affiliate*” means any legal entity which controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to “control” another if it owns directly or indirectly at least fifty percent of either of the following: (1) The shares entitled to vote at a general election of directors of such other entity, or (2) the voting interest in such other entity if such entity does not have either shares or directors.
- (F) “*Laramie River Party(ies)*” means Laramie River, Laramie River’s Affiliates, and the directors, officers, employees, contractors, and representatives of each of them.
- (G) “*Person*” means an individual, corporation, company, association, partnership, state, statutory corporation, Government Entity or any other legal entity.
- (H) “*Subject Agreement(s)*” means the Deed Of Conveyance and Assignment and Bill of Sale, dated [] and recorded at [] reception number in the Weld County Clerk and Recorder’s Office; the Promissory Note, dated []; the Joint Use of Easement

Agreement, dated [] and recorded at reception number in the Weld County Clerk and Recorder's Office; the Water Lease Agreement, dated []; and the Pipeline Leaseback Agreement, dated [].

- (I) "*Third Party*" means any Person other than Laramie River Parties or Greeley Parties.

1.4 Interpretation. Unless the context expressly requires an interpretation to the contrary, all of the following apply to the interpretation of these General Terms and Conditions and the Subject Agreement:

- (A) The plural and singular words each include the other.
- (B) The masculine, feminine, and neutral genders each include the others.
- (C) The word "or" is not exclusive.
- (D) The words "includes" and "including" are not limiting.
- (E) References to the Parties include their respective successors and permitted assignees.
- (F) References to matters "arising" (or which "arise" or "arises" or "arising out of") include matters which arise in connection with these General Terms and Conditions and the Subject Agreement or have a causal connection with or which flow from these General Terms and Conditions and the Subject Agreements or which would not have arisen or occurred but for the entering into these General Terms and Conditions and the Subject Agreement or the performance of or failure to perform obligations under these General Terms and Conditions and the Subject Agreement.
- (G) The headings in these General Terms and Conditions and the Subject Agreement are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, these General Terms and Conditions and the Subject Agreement.
- (H) A capitalized derivative or other variation of a defined term has a corresponding meaning and must be construed accordingly.
- (I) If a conflict exists between any provisions of these General Terms and Conditions and the Subject Agreement as they apply to a Party, the provision that imposes the more stringent obligation on that Party prevails to the extent of the conflict.
- (J) Where provision is made for agreement or the giving of notice, approval or consent by any Party, unless otherwise specified, such agreement, notice, approval or consent must be in writing.

2. NOTICES

- 2.1** Any notice or other communication given by either Party to the other relating to the Subject Agreement must 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 Section: (1) on the date and at the time of delivery if delivered personally to the Party to whom notice is given at such address; or (2) 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 (3) 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:

If to Laramie River:

Laramie River
Attention:
Email:
Telephone:

With a copy to:

Laramie River
Attention: General Counsel
Email:
Telephone:

If to Greeley:

City of Greeley
Attention: Director, Water and Sewer
1001 11th Street, 2nd Floor
Greeley, CO 80631
Email:
Telephone: (970) 350-9812

With a copy to:

City of Greeley
Attention: City Attorney
1100 10th Street, Ste. 401
Greeley, CO 80631
Email:
Telephone: (970) 350-9757

3. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 3.1 Governing Law.** These General Terms and Conditions and the Subject Agreement are governed by and interpreted under the laws of the State of Colorado, without regard to its choice of law rules.
- 3.2 Resolution of Disputes.** The Parties shall exclusively and finally resolve any Dispute between them as set out in this Section 3. A Party who violates this Section 3 shall pay all legal and consulting fees and costs incurred by the other Party in any suit, action, or proceeding to enforce Section 3. While the procedures in this Section 3 are pending, each Party shall continue to perform its obligations under the Subject Agreement, unless to do so would be impossible or impracticable under the circumstances.
- 3.3 Direct Negotiations.** If a Dispute arises, a Party shall initiate the resolution process by giving notice to the other Party setting out in detail the issues in Dispute and the value of the Claim. A meeting between the Parties, attended by individuals with decision-making authority, must take place within thirty days from the date the notice was sent in an attempt to resolve the Dispute through direct negotiations. All negotiations under this provision will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.
- 3.4 Mediation.** If the Dispute cannot be resolved by direct negotiations within thirty days of initiation of the resolution process, either Party may initiate mediation by giving notice to the other Party. The Parties shall meet and agree on the appointment of a mediator to address the Dispute. Mediation must be attended by an individual(s) representing each Party with decision-making authority and the proceeding must take place in Denver, Colorado.

3.5 Litigation. If the Dispute is not resolved by mediation within thirty days from the date of the notice requiring mediation, then either Party may initiate judicial proceedings in the appropriate court consistent with Section 3.6.

3.6 Judicial Proceedings.

- (A) The Parties waive irrevocably their right to any form of judicial resolution, appeal, review or recourse to any court or other judicial authority, to the extent that such waiver may be validly made, until they have first attempted to resolve any dispute as provided in Sections 3.3 and 3.4 above.
- (B) The mandatory exclusive venue for any judicial proceeding permitted in these General Terms and Conditions is the court of competent jurisdiction in Weld County, Colorado. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction.

3.7 Confidentiality.

- (A) The existence of any Dispute or disagreement and any negotiations, and mediation under the Subject Agreement are confidential and the Parties shall not make any disclosure to any Third Party, except as otherwise required by law.
- (B) Any information, documents or materials created or produced for the purposes of negotiations or mediation, of any Dispute or disagreement are confidential and the Parties shall not disclose them to any Third Party.
- (C) Without prejudice to the foregoing, disclosure of the information set forth in General Terms and Conditions Sections 3.9(A) and 3.9(B) above may be made under the following circumstances:
 - (5) With prior notice to the other Party, in order to enforce any of the provisions of the Subject Agreement, including any judicial proceedings or any court judgment.
 - (6) With prior notice to the other Party, to the auditors, legal advisers, insurers and Affiliates of that Party to whom the confidentiality obligations set out in the Subject Agreement extend.
 - (7) With prior notice to the other Party, where that Party is under a legal or regulatory obligation to make such disclosure, but limited to the extent of that legal obligation.
 - (8) With the prior consent of the other Party.

4. GENERAL PROVISIONS

4.1 No Waiver of Governmental Immunity/No Third-Party Beneficiary. These General Terms and Conditions and the Subject Agreement shall not create any rights,

duty of care or liability with respect to any person or entity not a Party, or waive any of the privileges or immunities either Party or its officers, employees, successors and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, et seq., as amended.

4.2 Review by Counsel. The Parties acknowledge that each Party and its legal counsel have reviewed and approved the Subject Agreement.

4.3 Entire Agreement. The Subject Agreement contains the entire agreement between the Parties regarding the subject matter therein and supersedes any prior written or oral agreements on the same.

4.4 Amendment.

(A) No amendment to these General Terms and Conditions and the Subject Agreement shall be effective unless made in writing, expressly identified as an amendment to the Subject Agreement and signed by authorized representatives of both Parties.

(B) The Director of Water and Sewer shall have the authority to enter into nonfinancial or nonfiscal amendments to either the General Terms and Conditions or the Subject Agreement, such as extension of deadlines or changes to terms and conditions that relate only to operation or maintenance of the system, provided that Greeley's financial or fiscal obligation under General Terms and Conditions or the Subject Agreement remain substantially unchanged.

4.5 Waiver. No waiver by either Party of the Subject Agreement's terms, provisions or conditions is effective unless specifically evidenced in writing and signed by or on behalf of the Party granting such waiver. A Party's failure to pursue remedies for breach of the Subject Agreement does not constitute a waiver by such Party of any breach of the Subject Agreement or raise any defense against Claims against a Party for breach of the Subject Agreement. The waiver or failure to require the performance of any covenant or obligation contained in the Subject Agreement or to pursue remedies for breach of the Subject Agreement does not waive a later breach of that covenant or obligation.

4.6 Severability. Each provision of the Subject Agreement is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court or arbitrator of competent jurisdiction or by operation of any Applicable Law, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of the Subject Agreement that are valid, enforceable and legal, so long as the economic or legal substance of the Transaction is not affected in any manner adverse to any Party. Upon such determination that any term or other provision or part of the Subject Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify the Subject Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the Transaction is fulfilled to the extent possible.

- 4.7 Drafting.** Each Party has participated in the drafting of the Subject Agreement and has had the opportunity to consult with legal counsel and any other advisors of its choice to its satisfaction regarding the terms and provisions of the Subject Agreement. As a result, the rule of construction that an agreement be construed against the drafter does not apply to the Subject Agreement.
- 4.8 Costs and Expenses.** Each Party shall pay its own costs and expenses in relation to the preparation, negotiation, and execution of the Subject Agreement and the documents contemplated or executed pursuant to the Subject Agreement.
- 4.9 Counterparts.** The Subject Agreement may be executed in any number of counterparts, each of which will be deemed an original of the Subject Agreement, and which together will constitute one and the same instrument; provided that neither Party is bound to the Subject Agreement unless and until both Parties have executed a counterpart. For purposes of assembling all counterparts into one document, Laramie River is authorized to detach the signature page from one or more counterparts and, after signature by the respective Party, attach each signed signature page to a counterpart. The exchange of signature pages by facsimile or email to all Parties constitutes execution and delivery of the Subject Agreement.
- 4.10 Captions.** The captions and article and section numbers in the Subject Agreements are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of the Subject Agreement.
- 4.11 No Joint Venture.** Nothing contained herein shall be construed as creating a joint venture, agency, or any other relationship between the Parties hereto other than that identified in the Subject Agreement.

EXHIBIT H TO PURCHASE AND SALE AGREEMENT

WATER LEASE AGREEMENT

(See attached Water Lease Agreement)

WATER LEASE AGREEMENT

This water lease (“Lease” or “Agreement”) is entered into this ____ day of _____ 2024, by and between the CITY OF GREELEY, a Colorado home rule municipal corporation, acting by and through its Water Enterprise, whose address is 1001 11th Avenue, Second Floor, Greeley, Colorado 80631 (“Greeley”), and LARAMIE RIVER LLC, a _____ Limited Liability Company, whose address is _____ (“Laramie River”) (Laramie River and Greeley each being a “Party” and collectively the “Parties”).

RECITALS

WHEREAS, Greeley owns various sources of fully consumable water supplies that can be made available to Laramie River for industrial and/or replacement use to support oil and gas development operations; and

WHEREAS, Greeley and Laramie River entered into a separate “Purchase and Sale Agreement,” (the “PSA”) pursuant to which Laramie River conveyed a water pipeline and associated infrastructure and easements (the “Pipeline”) to Greeley, and the consideration for the PSA included the execution of this Lease, among other things; and

WHEREAS, Laramie River desires to lease one thousand acre feet of water per year from Greeley for industrial and/or replacement purposes (the “Primary Leased Water” as further described below), and up to an additional three hundred acre feet of water per year (the “Supplemental Leased Water” as further described below) (collectively, the Primary Leased Water and Supplemental Leased Water are also referred to as “Leased Water”); and

WHEREAS, Greeley is willing to lease the Primary Leased Water and the Supplemental Leased Water to Laramie River, subject to the terms and conditions of this Lease; and

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

AGREEMENT

1. Primary Water Lease. Greeley hereby leases to Laramie River, and Laramie River hereby leases from Greeley, 1,000 acre-feet of water per year for use for industrial or replacement purposes (the “Primary Leased Water”).

A. The Primary Leased Water may be provided from any source available to Greeley that is legally and physically available for industrial or for replacement purposes under the terms of Greeley’s water court decrees or an administratively approved substitute water supply plan.

B. Greeley may elect to provide Primary Leased Water from any of its water rights that are legally and physically available for Lessee’s industrial or replacement purposes. Among those sources, Greeley may elect to provide Primary Leased Water from Acre Foot Units of Colorado–Big Thompson Project water, as administered by the Northern Colorado Water Conservancy District (“Northern Water”), pursuant to allotment contracts (“C-BT AFUs”).

Greeley will inform Laramie River no later than May 1st of each year of the amount of Primary Leased Water to be provided from C-BT AFUs, and the amount to be provided from other sources.

2. Supplemental Water Lease. Greeley hereby leases to Laramie River, and Laramie River hereby leases from Greeley, up to 300 acre-feet of water available for industrial or replacement use per year (“Supplemental Leased Water”), to be made available on an annual basis at Greeley’s sole discretion. Laramie River shall inform Greeley no later than November 1st of each year of the amount of Supplemental Leased Water it requests for the following calendar year. Greeley shall then inform Laramie River no later than May 15th of the amount of Supplemental Leased Water available for use by Laramie River for the current calendar year, if any. Supplemental Leased Water can be provided from C-BT AFUs or from other sources, in Greeley’s discretion.

3. Use of Leased Water. Laramie River may use the Leased Water for industrial or replacement uses, and in any location where it is physically and legally available for use, subject to the requirements of any applicable decrees, rules, and orders of the Colorado Division of Water Resources (“DWR”); provided however that Laramie River’s use of C-BT AFUs is also subject to any limits, rules, restrictions, or other requirements imposed by Northern Water and its municipal subdistrict. Without limiting the foregoing, Laramie River may store Leased Water after it takes delivery for later use at Laramie River’s sole discretion. The Parties acknowledge that the sources Greeley identifies for Leased Water in any year may be available for industrial use only, or for replacement use only. Greeley has sole discretion to determine what sources are available in any year, but it will work in good faith with Laramie River to attempt to provide Leased Water that is available for Laramie River’s contemplated location and type of use in each year. Leased Water provided from C-BT AFUs is not available for replacement purposes.

A. Laramie River may request Leased Water for uses other than industrial or replacement uses. In such event, Greeley will work in good faith with Laramie River to determine whether it can provide Leased Water from sources that are legally and physically available for such alternative uses. Greeley retains sole discretion whether and to what extent to provide Leased Water for purposes other than industrial or replacement use.

4. Time Period for Delivery of Leased Water. Primary Leased Water will be available for delivery to Laramie River beginning on May 1st of each year; and the Supplemental Leased Water will be available for delivery to Laramie River beginning on June 1st of each year. Any Leased Water provided by Greeley to Laramie River must be taken by Laramie River by October 31st of the same year (the “Delivery Year”), subject to the notice and timing requirements in Paragraph 7 below unless Greeley determines that it can provide Leased Water after October 31st. Leased Water cannot be carried-over from one year to the next except as provided in Paragraph 10, below.

5. Term of Lease. The term of this Lease begins on the date of mutual execution and ends on _____, 2034, or the date that the Pipeline Lease dated _____, 2024 expires or is terminated, whichever comes first, subject to any extensions pursuant to Paragraph 10 below (“Term”).

6. Lease Consideration.

A. Primary Water Lease. Laramie River shall not be required to make any annual payment of money for use of the Primary Leased Water. Laramie River's consideration for entering this Lease is Laramie River's concurrent conveyance of the Pipeline pursuant to the PSA described in the Recitals above.

B. Supplemental Water Lease. If Laramie River requests and Greeley agrees to lease any Supplemental Leased Water in any year, Laramie River shall pay to Greeley, on or before July 15th of the year that such Supplemental Leased Water will be provided to Laramie River, Five Hundred Dollars (\$500) per acre-foot of Supplemental Leased Water that Laramie River has requested and confirmed by Greeley as available for lease, pursuant to Paragraph 2 above. Provided, however, that the per acre-foot charge for Supplemental Leased Water shall increase by five percent (5%) over the rate that applied in the previous year for each year of the Term of this Lease.

C. Northern Water Charges. To the extent that any Leased Water is derived from C-BT AFUs, Laramie River agrees that it shall be Laramie River's responsibility to promptly pay Northern Water for the Rule 11 charges associated with the transfer of such C-BT AFUs to Laramie River for Laramie River's use, and/or any other fees or charges payable to Northern Water for use of the C-BT AFUs. Laramie River shall ensure that it has an active account with Northern Water to facilitate transfers of C-BT AFUs, when Leased Water is provided from that source.

7. Water Delivery Schedule. On or before October 1st of each year this Lease is in effect, Laramie River shall submit to Greeley a delivery schedule for the following calendar year, beginning May 1 and extending through October 31st, specifying the monthly delivery of the amount of Leased Water that Laramie River projects is needed based on the amount of Primary Leased Water and the amount of Supplemental Leased Water, if any, that Laramie River requests from Greeley (hereinafter "Annual Delivery Schedule"). The Annual Delivery Schedule shall be based on an assumption that the monthly amounts will be divided by the number of days in the month to determine the daily delivery amounts. Subject to Greeley's approval, Laramie River may request an update to the monthly amounts contained in the Annual Delivery Schedule by providing its request, in accordance with Paragraph 18 below, sixty (60) days in advance of such changes, or request an update to the daily amounts at least thirty (30) days in advance of the delivery month in which the change is requested. Subject to the requirements of Paragraph 3 above, such Annual Delivery Schedule shall also indicate Laramie River's request regarding amounts needed for industrial uses or for replacement uses. Greeley shall determine, in its discretion, the amount of Leased Water available on a daily and monthly basis. Provided, however, that in the event that the Leased Water to be provided by Greeley is legally available for replacement and not legally available for industrial use, Greeley shall provide at least ninety (90) days advance notice to Laramie River, in accordance with Paragraph 18 below, before delivering such water.

8. Delivery; Potential Assessments for Transit Losses; Compliance Obligations.

A. Greeley shall deliver any Leased Water from sources other than C-BT AFUs at the outfall of its Water Pollution Control Facility or at any one of the delivery locations identified on the map attached hereto as Exhibit B; provided, however, that Greeley may deliver Leased Water from sources other than C-BT AFUs at other locations on the Cache la Poudre River or the

Big Thompson River with prior approval of Laramie River, not to be unreasonably withheld.

B. Laramie River acknowledges that state water administration officials may assess transit losses for delivery of the Leased Water from the point of release to Laramie River's point of delivery (the "Delivery Location"). Laramie River shall be responsible for any transit losses assessed on such Leased Water from the point of introduction to the stream to the Delivery Location. Greeley and Laramie River shall cooperate for making all necessary arrangements with Northern Water to transfer C-BT AFUs to the Laramie River's Northern Water account. Laramie River's use of C-BT AFUs shall comply with all policies, rules, and regulations of Northern Water, and the Colorado Division of Water Resources.

C. In the event that Greeley fails to deliver the full amount of Primary Leased Water due to Laramie River in any given year, for any reason other than a water supply emergency as described in Paragraph 10 below, the remedies available to Laramie River shall be the same as provided in Paragraph 10(B), except the charge paid to Laramie River, at Laramie River's election, shall be \$1000 per acre foot for any amount of Primary Leased Water that is not delivered to Laramie River.

9. State Water Administration. To the extent that Laramie River desires to use Leased Water for replacement purposes under the terms of a substitute water supply plan ("SWSP") approved by DWR, or in a plan for augmentation approved by the Water Court, it shall be Laramie River's responsibility to obtain such approvals. Laramie River shall also be responsible for accounting to DWR for the delivery of Leased Water to the Delivery Location. Laramie River shall be responsible for any coordination with DWR to ensure that water is properly shepherded from Northern Water's locations of delivery of C-BT AFUs, or the location where other sources are released to the stream, to the Delivery Location. Greeley shall support and cooperate fully with any request by Laramie River to use Leased Water for replacement purposes in a SWSP or augmentation plan to the extent that such proposed use is consistent with the terms of this Lease, including without limitation providing supporting documentation, affidavits, and information regarding the legal and physical availability of the Leased Water in timing, location and amount.

10. Emergency Use of Primary Leased Water by Greeley.

A. In the unanticipated event of a water supply emergency necessitating use of Primary Leased Water by Greeley for its customers, as determined by Greeley in its sole discretion, Greeley may withdraw the Primary Leased Water from use by Laramie River. In such event, Greeley shall provide notice to Laramie River of this reduction or elimination of the Primary Leased Water by May 1st of the calendar year in which Greeley intends to withdraw Primary Leased Water from use by Laramie River.

B. If there is an event described in Paragraph 10(A) above, then Greeley shall either: (i) pay to Laramie River \$500 per acre foot for any amount of Primary Leased Water that is withdrawn from use by Laramie River for each year the deliveries under this Lease are reduced, provided, however, that the per-acre foot amount shall increase by five percent (5%) over the rate applicable in the previous year for each year of the Term of this Lease (the "Shortage Fee"); or (ii) carry over the amount of Primary Leased Water withdrawn each year to Greeley's delivery obligation for the following year of the Lease (in such event, a "Deferred Delivery Amount").

Greeley shall not be obligated to provide a Deferred Delivery Amount instead of a Shortage Fee. If Laramie River requests that Greeley provide a Deferred Delivery Amount, then Greeley shall determine whether to pay the Shortage Fee or to carry over the Deferred Delivery Amount by May 1 of the year following the year in which the reduced deliveries occurred. In the event that a Deferred Delivery Amount pursuant to Section 10(B)(ii) results in a delivery obligation amount greater than 1,300 acre-feet including the 1,000 acre-feet Primary Leased Water obligation to be delivered in the following year, then Greeley shall have the option, in its sole discretion, to either deliver the full Deferred Delivery Amount in that year, or further carry over any remaining amounts into subsequent years, such that Laramie River shall be entitled to receive at least 1,000 acre-feet and not more than 1,300 acre-feet per year until the full Deferred Delivery Amount withdrawn from Laramie River's use pursuant to any notices under Paragraph 10(A) above has been delivered to Laramie River.

C. In the event that Greeley suspends all or part of the use of the Primary Leased Water by Laramie River in any year of the Lease Term, and Greeley elects to provide Deferred Delivery Amounts in subsequent years pursuant to Paragraph 10(B) above, then the Term of this Lease shall automatically be extended until all Deferred Delivery Amounts have been delivered.

11. Accounting for Leased Water. Greeley shall account for deliveries of Leased Water to Laramie River on a daily basis and report such deliveries to Laramie River on a monthly basis, or more often if required. Laramie River shall maintain any required accounting of diversions and use of the Leased Water to DWR, and shall provide a copy of such accounting for the previous calendar year to Greeley by May 15th of each year.

12. Sublease and Assignment. Laramie River shall not assign this Lease (except to its subsidiaries and affiliates, including without limitation Noble Energy and PDC Energy), without written consent from Greeley, which shall not be unreasonably withheld. Laramie River shall request consent from Greeley prior to any purported assignment of this Lease by advance written notice of at least 30 days. Laramie River shall have the right to sublease or sell water delivered to Laramie River pursuant to the terms of this Lease to any third party so long as the end user of the water complies with all of the terms of this Lease and Laramie River remains responsible for compliance with all terms of the Lease.

13. No Vested Interest in Shares or Joint Venture. This Lease is made expressly subject to Section 17-4 of the Charter of Greeley. Greeley grants no interest in the Leased Water to Laramie River other than as explicitly set forth in this Lease. Laramie River shall make no claim to any rights, title, or interest in the Leased Water other than as explicitly set forth in this Lease. This Lease does not create a partnership or joint venture of any kind between the parties, and Laramie River shall bear the entirety of any loss, cost, or expense incurred by Laramie River through its use of the Leased Water, except to the extent the loss, cost, or expense is attributable to the act or omission of Greeley in breach of this Lease.

14. Yield of C-BT AFUs. Greeley makes no warranty, guarantee, or representation of any kind regarding the quality or physical yield of water to be delivered by any specific quantity of Greeley's C-BT AFUs; provided, however, that Greeley's obligation to deliver 1,000 acre-feet per year of Primary Leased Water and, to the extent applicable, 300 acre-feet per year of

Supplemental Leased Water, shall not be reduced based on the C-BT Project water delivery quota set by Northern Water (for example, if the C-BT Project water delivery quota is 50% in a given year, then Greeley would need to dedicate 2,000 C-BT AFUs under the Lease in order to satisfy the 1,000 acre-foot Primary Leased Water obligation if all of the Primary Leased Water is derived from C-BT AFUs). To the extent that the Leased Water is provided from Greeley's C-BT AFUs, Laramie River shall not hold Greeley liable for any inability of Northern Water to deliver the Leased C-BT Water, including, but not limited to, that caused by force of nature or failure of water supply infrastructure.

15. **NO WARRANTY OF WATER QUALITY.** The Leased Water to be provided under this Lease is raw water and will be delivered on an "as is" basis only. Greeley neither expressly, nor impliedly warrants, that the quality of the water is suitable for any particular purpose. Laramie River shall not make any claim against Greeley arising from the quality of the water delivered under this Lease, and Greeley shall have no water treatment responsibility for the water provided under this Lease.

16. **Indemnification; Immunity.** Laramie River agrees to exercise Laramie River's rights under this Lease at Laramie River's own risk. To the extent permitted by law, Laramie River shall indemnify and hold harmless Greeley from and against any cost, expense, or liability arising out of this Lease or related activities provided the cost, expense, or liability is not attributable to the act or omission of Greeley in breach of this Lease or Greeley's gross negligence or willful misconduct. Neither Party shall be entitled to consequential damages in any action for breach of this Agreement. Nothing in this Lease is intended to constitute a waiver by either Party, 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.

17. **Default.** If either Greeley or Laramie River fails to comply with a term or condition herein, such failure constitutes a default of this Lease. The non-defaulting Party may declare the default by providing written notice to the defaulting Party in accordance with Paragraph 19 below. Upon receipt of this notice of default, the defaulting Party will have 15 days within which to cure the default. If, in the sole discretion of the non-defaulting Party, the default remains uncured after the 15-day cure period, or after any written extension thereof mutually agreed upon by the Parties, the non-defaulting Party may seek any and all available remedies, including damages and specific performance.

18. **Notices.** Any notice or other communication given by either of the Parties to another relating to this Lease must 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 Paragraph: (1) on the date and at the time of delivery if delivered personally to the Party to whom notice is given at such address; or (2) 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 (3) 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:

If to Greeley:

City of Greeley
Attention: Director, Water and Sewer
1001 11th Street, 2nd Floor
Greeley, CO 80631
Telephone: (970) 350-9812

With a copy to:

City of Greeley
Attention: City Attorney
1100 10th Street, Ste. 401
Greeley, CO 80631
Telephone: (970) 350-9757

If to Laramie River:

With a copy to:

19. General Terms and Conditions. This Lease is made subject to the General Terms and Conditions set forth on Exhibit A – General Terms and Conditions attached hereto and made a part hereof.

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

[Remainder of this page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties have executed this Lease, effective on the date shown in the preamble to this Lease.

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

Date: _____

By _____
Name: _____
Title: Mayor

ATTEST:

By: _____
Name: _____
Title: City Clerk

APPROVED AS TO SUBSTANCE:

By _____
City Manager

AVAILABILITY OF FUNDS:

By _____
Director of Finance

APPROVED AS TO LEGAL FORM:

By _____
City Attorney

LARAMIE RIVER LLC,
a _____ Limited Liability Company

Date: _____

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
General Counsel

EXHIBIT A TO WATER LEASE

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION.

1.5 **Definitions.** As used in these General Terms and Conditions, these words or expressions have the following meanings. Any capitalized words or expressions not defined in this Section 1.1 shall have the meaning set forth in Section 1 of the Agreement (defined below).

(A) “*Agreement*” means that Purchase and Sale Agreement entered into by the parties on _____, 2024.

(B) “*Claim*” means any liability, loss, demand, damage, encumbrance, cause of action of any kind, order, subpoena, obligation, cost, royalty, fee, assessment, duty, requirement, charge, penalty, fine, judgment, interest and award (including recoverable legal counsel fees and cost of litigation of the Person asserting the claim), whether arising by law, contract, tort, voluntary settlement or in any other manner.

(C) “*Dispute*” means any claim, disagreement or controversy arising out of this Agreement, including a Claim under this Agreement and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability, termination or breach of this Agreement, whether based in contract, tort or in any other manner.

(D) “*Government Entity*” means any department, court, tribunal, exchange, authority, commission, board, instrumentality or agency of any municipal, local, state, federal or other governmental authority (including regulatory authorities and administrative bodies) and any subdivision of the foregoing or any Person owned or controlled by the government but does not include Greeley.

(E) “*Greeley Party(ies)*” means Greeley and its elected or appointed officials, the directors, officers, employees, contractors, and representatives of Greeley.

(F) “*Laramie River Party(ies)*” means Laramie River, Laramie River’s Affiliates, and the directors, officers, employees, contractors, and representatives of each of them.

(G) “*Person*” means an individual, corporation, company, association, partnership, state, statutory corporation, Government Entity or any other legal entity.

(H) “*Personal Data*” means any information that can be used directly or indirectly, alone or in combination with other information, to identify an

individual.

1.6 Interpretation. Unless the context expressly requires an interpretation to the contrary, all of the following apply to the interpretation of these General Terms and Conditions and the Agreement:

- (A) The plural and singular words each include the other.
- (B) The masculine, feminine, and neutral genders each include the others.
- (C) The word “or” is not exclusive.
- (D) The words “includes” and “including” are not limiting.
- (E) References to the Parties include their respective successors and permitted assignees.
- (F) References to matters “arising” (or which “arise” or “arises” or “arising out of”) include matters which arise in connection with these General Terms and Conditions and the Agreement or have a causal connection with or which flow from these General Terms and Conditions and the Agreement or which would not have arisen or occurred but for the entering into these General Terms and Conditions and the Agreement or the performance of or failure to perform obligations under these General Terms and Conditions and the Agreement.
- (G) The headings in these General Terms and Conditions and the Agreement are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, these General Terms and Conditions and the Agreement.
- (H) A capitalized derivative or other variation of a defined term has a corresponding meaning and must be construed accordingly.
- (I) If a conflict exists between any provisions of these General Terms and Conditions and the Agreement as they apply to a Party, the provision that imposes the more stringent obligation on that Party prevails to the extent of the conflict.
- (J) Where provision is made for agreement or the giving of notice, approval or consent by any Party, unless otherwise specified, such agreement, notice, approval or consent must be in writing.

2. ANNOUNCEMENTS

2.1 Announcements.

- (A) Each Party must submit proposed notices, announcements or press releases

regarding the execution of the Agreement or the consummation of the Transaction to the other Party for prior review and approval. Except as required by any mandatory notice or announcement, the release of reserve estimates in any announcement is expressly prohibited.

- (B) If a Party is required to make any mandatory notice or announcement required under Applicable Law, by the stock exchange upon which a Party's or Affiliate of such Party's shares are quoted or any similar regulatory body of any other jurisdiction, then prior approval by the other Party is not required, but the Party shall use its reasonable efforts to allow the other Party reasonable time to comment on such notice or announcement in advance of its issuance.

3. ADDITIONAL OBLIGATIONS

3.1 Conflict of Interest.

- (A) **Prohibition.** No Greeley Party may engage in any of the following activities:
 - (1) Give to or accept from any director, employee or agent of Laramie River or its Affiliates in connection with the Agreement or these General Terms and Conditions, either of the following:
 - (a) Any gift, entertainment or other benefit of significant cost or value.
 - (b) Any commission, fee or rebate.
 - (2) Enter into any business arrangement with any Laramie River Party or any Affiliate of Laramie River (other than as a representative of Laramie River or any Affiliate of Laramie River) without Laramie River's prior consent.
- (B) **Reporting Violations.** Greeley shall notify Laramie River of any violation of General Terms and Conditions Section 3.1(A) or of the occurrence of any event prior to the Effective Date which, if it had occurred after the Effective Date, would constitute a violation of General Terms and Conditions Section 3.1(A).
- (C) **Termination.** Prior to Closing, Laramie River may, at its sole option, terminate the Agreement for any violation of General Terms and Conditions Section 3.1(A) or 3.1(B).

- 3.2 **Records Retention and Audit Rights.** Greeley shall maintain and retain, and ensure that other Greeley Parties maintain and retain true and correct records in connection with all matters relating to the Agreement for at least twenty-four months from the Effective Date or the end of the calendar year in which the

Agreement is terminated, whichever first occurs. Laramie River (or its representative) may inspect all records at any time during this retention period to determine Laramie River's, and any Laramie River Party's, compliance with General Terms and Conditions Section 3.1.

- 3.3 **Data Privacy.** Greeley shall comply with all reasonable requests of Laramie River with respect to protecting Personal Data of Laramie River's employees, customers, and suppliers it receives in connection with the Agreement, including following Laramie River's instructions in connection with (A) processing such Personal Data; (B) implementing adequate security measures to protect such Personal Data; (C) not disclosing such Personal Data; and (D) complying with all applicable data privacy laws.

4. NOTICES

- 4.1 Any notice or other communication given by either Party to the other relating to the Agreement must 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 Section: (1) on the date and at the time of delivery if delivered personally to the Party to whom notice is given at such address; or (2) 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 (3) 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:

If to Laramie River:

Laramie River
Attention:
Email:
Telephone:

With a copy to:

Laramie River
Attention: General Counsel
Email:
Telephone:

If to Greeley:

City of Greeley
Attention: Director, Water and Sewer
1001 11th Street, 2nd Floor
Greeley, CO 80631
Email:
Telephone: (970) 350-9812

With a copy to:

City of Greeley
Attention: City Attorney
1100 10th Street, Ste. 401
Greeley, CO 80631
Email:
Telephone: (970) 350-9757

5. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 5.1 **Governing Law.** These General Terms and Conditions and the Agreement are governed by and interpreted under the laws of the State of Colorado, without regard to its choice of law rules.
- 5.2 **Resolution of Disputes.** The Parties shall exclusively and finally resolve any Dispute between them as set out in this General Terms and Conditions Section 5. A Party who violates this General Terms and Conditions Section 5 shall pay all legal and consulting fees and costs incurred by the other Party in any suit, action, or proceeding to enforce this Section 5. While the procedures in this General Terms and Conditions Section 5 are pending, each Party shall continue to perform its obligations under the Agreement, unless to do so would be impossible or impracticable under the circumstances.
- 5.3 **Direct Negotiations.** If a Dispute arises, a Party shall initiate the resolution process by giving notice to the other Party setting out in detail the issues in Dispute and the value of the Claim. A meeting between the Parties, attended by individuals with decision-making authority, must take place within thirty days from the date the notice was sent in an attempt to resolve the Dispute through direct negotiations. All negotiations under this provision will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.
- 5.4 **Mediation.** If the Dispute cannot be resolved by direct negotiations within thirty days of initiation of the resolution process, either Party may initiate mediation by giving notice to the other Party. The Parties shall meet and agree on the appointment of a mediator to address the Dispute. Mediation must be attended by an

individual(s) representing each Party with decision-making authority and the proceeding must take place in Denver, Colorado.

5.5 **Litigation.** If the Dispute is not resolved by mediation within thirty days from the date of the notice requiring mediation, then either Party may initiate judicial proceedings in the appropriate court consistent with General Terms and Conditions Section 5.6.

5.6 **Judicial Proceedings.**

- (A) The Parties waive irrevocably their right to any form judicial resolution, appeal, review or recourse to any court or other judicial authority, to the extent that such waiver may be validly made, until they have first attempted to resolve any dispute as provided in Sections 5.3 and 5.4 above.
- (B) The mandatory exclusive venue for any judicial proceeding permitted in these General Terms and Conditions is the court of competent jurisdiction in Weld County, Colorado. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction.

5.7 **Confidentiality.**

- (A) The existence of any Dispute or disagreement and any negotiations, and mediation under the Agreement are confidential and the Parties shall not make any disclosure to any Third Party, except as otherwise required by law.
- (B) Any information, documents or materials created or produced for the purposes of negotiations or mediation, of any Dispute or disagreement are confidential and the Parties shall not disclose them to any Third Party.
- (C) Without prejudice to the foregoing, disclosure of the information set forth in General Terms and Conditions Sections 5.7(A) and 5.7(B) above may be made under the following circumstances:
 - (9) With prior notice to the other Party, in order to enforce any of the provisions of the Agreement, including any judicial proceedings or any court judgment.
 - (10) With prior notice to the other Party, to the auditors, legal advisers, insurers and Affiliates of that Party to whom the confidentiality obligations set out in the Agreement extend.
 - (11) With prior notice to the other Party, where that Party is under a legal or regulatory obligation to make such disclosure, but limited to the extent of that legal obligation.
 - (12) With the prior consent of the other Party.

6. GENERAL PROVISIONS

- 6.1 **No Waiver of Governmental Immunity/No Third-Party Beneficiary.** These General Terms and Conditions and the Agreement shall not create any rights, duty of care or liability with respect to any person or entity not a Party, or waive any of the privileges or immunities either Party or its officers, employees, successors and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, et seq., as amended.
- 6.2 **Review by Counsel.** The Parties acknowledge that each Party and its legal counsel have reviewed and approved the Agreement.
- 6.3 **Entire Agreement.** The Agreement, together with the Transaction Documents, contains the entire agreement between the Parties regarding the Assets and supersedes the term sheet, executed by the Parties on July 19, 2023 and any prior written or oral agreements that are not part of the Transaction Documents. This Agreement and the Transaction Documents may be modified only by mutual written agreement duly authorized and executed by authorized representatives of both Parties.
- 6.4 **Amendment.** No amendment to the Agreement is effective unless made in writing, expressly identified as an amendment to the Agreement and signed by authorized representatives of both Parties.
- 6.5 **Waiver.** No waiver by either Party of the Agreement's terms, provisions or conditions is effective unless specifically evidenced in writing and signed by or on behalf of the Party granting such waiver. A Party's failure to pursue remedies for breach of the Agreement does not constitute a waiver by such Party of any breach of the Agreement or raise any defense against Claims against a Party for breach of the Agreement. The waiver or failure to require the performance of any covenant or obligation contained in the Agreement or to pursue remedies for breach of the Agreement does not waive a later breach of that covenant or obligation.
- 6.6 **Severability.** Each provision of the Agreement is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court or arbitrator of competent jurisdiction or by operation of any Applicable Law, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of the Agreement that are valid, enforceable and legal, so long as the economic or legal substance of the Transaction is not affected in any manner adverse to any Party. Upon such determination that any term or other provision or part of the Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify the Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the Transaction is fulfilled to the extent possible.
- 6.7 **Drafting.** Each Party has participated in the drafting of the Agreement and has had the opportunity to consult with legal counsel and any other advisors of its choice to

its satisfaction regarding the terms and provisions of the Agreement. As a result, the rule of construction that an agreement be construed against the drafter does not apply to the Agreement.

6.8 Costs and Expenses. Each Party shall pay its own costs and expenses in relation to the preparation, negotiation, and execution of the Agreement and the documents contemplated or executed pursuant to the Agreement.

6.9 Counterparts. The Agreement may be executed in any number of counterparts, each of which will be deemed an original of the Agreement, and which together will constitute one and the same instrument; provided that neither Party is bound to the Agreement unless and until both Parties have executed a counterpart. For purposes of assembling all counterparts into one document, Laramie River is authorized to detach the signature page from one or more counterparts and, after signature by the respective Party, attach each signed signature page to a counterpart. The exchange of signature pages by facsimile or email to all Parties constitutes execution and delivery of the Agreement.

AMENDED AND RESTATED DUE DILIGENCE ACCESS AGREEMENT

This AMENDED AND RESTATED DUE DILIGENCE ACCESS AGREEMENT (this “Agreement”), dated as of October 10, 2024, (“Effective Date”) is entered into between LARAMIE RIVER LLC, a limited liability company, with its principal offices at 1400 Smith Street, Houston, TX 77002 (“Laramie River”) and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, acting by and through its WATER ENTERPRISE (“Greeley”) (Laramie River and Greeley each being a “Party” and collectively the “Parties”).

RECITALS

WHEREAS, Laramie River is the owner of certain real property interests and assets located in Weld County (the “Property”).

WHEREAS, Laramie River and Greeley are negotiating for the sale of an interest in the Property by Laramie River to Greeley.

WHEREAS, the Parties entered into a Due Diligence Access Agreement on July 31, 2024, which by its terms would have terminated on the date that the Parties enter into a purchase and sale agreement for the Property, and which did not provide for access by Greeley for purposes of testing the pipeline and related facilities.

WHEREAS, the Parties are entering into a separate Reimbursement Agreement, providing for Greeley to reimburse Laramie River for certain costs it incurs during Greeley’s testing of the pipeline and pump station that are part of the Property.

WHEREAS, Greeley desires a right of entry upon and access to the Property to inspect the Property and conduct due diligence investigations, tests, and other activities thereon in connection with its proposed acquisition of the Property, and Laramie River is willing to grant Greeley access to the Property on the terms and conditions set forth herein.

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

AGREEMENT

1. The Due Diligence Access Agreement between the Parties dated July 31, 2024, is hereby amended and replaced in its entirety by this Agreement.

2. Until the earlier of: (a) 120 business days after the Effective Date; or (b) Greeley provides notice to Laramie River that all of Greeley’s surveying and testing activities are completed; or (c) the earlier termination of this Agreement, Greeley and Greeley’s agents, employees, consultants, inspectors, appraisers, engineers, and contractors (collectively, “Greeley’s Consultants”) may enter upon the Property to inspect the Property; provided that Laramie River has the rights to grant entry upon and access to the Property, for the purpose of making land

surveys, soils tests, permeability tests, test borings, engineering tests, pipeline and pump station tests and inspections, environmental audits and tests and analyses Greeley deems necessary or desirable in connection with Greeley's proposed acquisition, use, and development of the Property. or (collectively, the "Inspections"). If a purchase and sale agreement is entered into between Greeley and Laramie River for the Property, this Agreement shall immediately terminate if such purchase and sale agreement is terminated prior to closing or if closing occurs on the Property.

3. Greeley's rights of access under this Agreement shall be subject to the following terms and conditions:

(a) there shall be no unreasonable disturbance or interference with Laramie River's business at the Property or the use and occupancy of the Property by Laramie River, any tenants or subtenants at the Property, or their respective guests or invitees. Laramie River may from time to time establish reasonable rules of conduct for Greeley and Greeley's Consultants in furtherance of the foregoing;

(b) Laramie River agrees to reasonably cooperate with any Inspections made by or at Greeley's direction and work with Greeley to facilitate such inspections, investigations, and surveys or studies so long as such cooperation is at no material expense to Laramie River;

(c) For testing that does not involve operation of the pipeline, Greeley and its authorized agents, representatives and consultants (1) shall provide Laramie River at least forty-eight (48) hours written notice, setting forth the purpose for the visit, prior to entering the Property; (2) shall not unreasonably interfere with the operation and maintenance of the facilities used in connection with the Property; (3) shall comply with all reasonable requirements imposed upon them in connection with such inspection by Laramie River; (4) as further provided in Section 4 below, shall restore the Property, to the extent the same is disturbed by the Inspection, to the condition existing prior to such inspections; and (5) shall not injure or otherwise cause bodily harm to Laramie River, their agents, contractors, or employees;

(d) For testing that involves operations of the facilities used in connection with the Property (including the pipeline), or, in Laramie River's opinion would interfere with the operations and maintenance of the facilities used in connection of the Property, Greeley and its authorized agents, representatives or consultants may enter upon the Property to participate in and observe such testing, provided that (1) Greeley gives Laramie River notice of its desire to enter the Property; (2) Laramie River and Greeley agree on the scope and timing of the testing to minimize the impact on the operations of the facilities with Laramie River's approval not to be unreasonably withheld; and (3) Greeley (i) complies with all reasonable requirements imposed by Laramie River in connection with Greeley's participation in such Inspections; (ii) as further provided in Section 4 below, restores the Property, to the extent the same is disturbed by the Inspection, to the condition existing prior to such Inspections; and (ii) does not injure or otherwise cause bodily harm to Laramie River, their agents, contractors, or employees. Laramie River and Greeley agree that Laramie River may operate the facilities during such testing and, Greeley will perform the testing through a third-party testing equipment vendor.

(e) Laramie River or its agent reserves the right to be present at the Property during each such entry; and

(f) Greeley shall bear all costs of conducting the Inspections not separately covered by the Reimbursement Agreement.

4. Greeley shall promptly repair any damage to the Property resulting from the performance of any inspections by Greeley or Greeley's Consultants (but excluding the repair of any preexisting condition). All such repairs shall be completed promptly in a good and workmanlike manner, in accordance with applicable laws, and to Laramie River's reasonable satisfaction. Any restoration work remaining to be completed after thirty (30) days following termination of this Agreement may, at the option and in the sole discretion of Laramie River, be completed by Laramie River after giving Greeley written notice with a minimum of thirty (30) business days within which to cure. Greeley will reimburse Laramie River for any costs associated with any such restoration work within thirty (30) days after written demand from Laramie River for such costs, together with supporting invoices. This Section 4 shall survive the termination of this Agreement.

5. Greeley and Greeley's Consultants shall comply with all federal, state, or local laws, regulations, or ordinances applicable to any activity in which they engage while in, on, or about the Property. All work at the Property shall be performed in a good and workmanlike manner, in accordance with applicable laws, and to Laramie River's reasonable satisfaction. Greeley's Consultants shall be reputable firms, duly licensed under applicable state laws, if required, and subject to Laramie River's reasonable approval.

6. All activities performed by Greeley and Greeley's consultants on the Property shall be at Greeley's sole cost and expense. Greeley shall not allow such entry or testing to result in liens, judgments, or other encumbrances being recorded against the Property. Nothing contained in this Agreement shall be construed in any way as consenting to allow or authorizing Greeley to subject the Property or the interest or estate of Laramie River to any lien or charge in respect of the work contemplated by this Agreement. Greeley shall immediately discharge of record any such lien, judgment, or other encumbrance at Greeley's sole cost and expense. This Section 6 shall survive the termination of this Agreement.

7. Laramie River shall make available to Greeley copies of property records, plans and specifications, operating and repair records, and such other documents regarding the Property which Greeley reasonably requests. Greeley acknowledges and understands that Laramie River makes no representation or warranty whatsoever, express or implied, regarding the Property or the accuracy or completeness of any information or documents provided to Greeley regarding the Property, including, without limitation, regarding any hazards or dangers found at the Property. Greeley understands and acknowledges that it enters the Property at its own risk.

8. Greeley acknowledges and agrees that all information obtained by Greeley during its inspection of the Property shall be subject to the terms of the Confidentiality Agreement, dated October 13, 2021, and the Reinstatement of Confidentiality Agreement, dated March 16, 2023, between Laramie River and Greeley.

9. If Greeley elects not to proceed with the purchase of the Property or the parties terminate negotiations of a purchase and sale agreement for any reason whatsoever, Greeley shall promptly upon Laramie River's request return to Laramie River copies of all due diligence materials delivered by Laramie River to Greeley.

10. An event of default under this Agreement shall include any violation of the terms of this Agreement or the breach of any covenant by Greeley. Greeley shall have no rights under this Agreement if and for so long as Greeley is in default under this Agreement. This Agreement shall terminate upon an event of default by Greeley. Laramie River's approval of any matter under this Agreement shall not constitute an opinion or agreement by Laramie River that the same is in compliance with applicable laws or adequate for the purposes specified.

11. Greeley shall not have the right to assign its rights under this Agreement without Laramie River's written consent, in Laramie River's sole discretion.

12. This Agreement may only be amended by an agreement in writing, signed by the Parties. In no event shall this Agreement or any document or memorandum of this Agreement be recorded without the prior consent of Laramie River, in its sole discretion.

13. This Agreement shall be governed by and interpreted in accordance with the laws of Colorado.

14. No waiver by either party of any failure to comply with this Agreement shall be deemed a waiver of any other or subsequent failure to so comply. If any provision of this Agreement or its application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or its application to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Nothing in this Agreement shall be construed as any waiver of governmental immunity of Greeley. Specifically, by entering into this Agreement, Greeley does not waive the monetary limitations on liability, or any other rights, immunities, or protections provided by the Colorado Government Immunity Act, C.R.S. § 24-10-101, et seq., or any successor or similar statutes of the State of Colorado. Greeley and Laramie River respectively shall defend any and all claims for injuries or damages, in accordance with the requirements and limitations of the Colorado Governmental Immunity Act, that occur as a result of the negligent or intentional acts or omissions of their own officers, agents, employees, or assigns. Greeley and Laramie River respectively shall be responsible for any and all liability for injuries or damages caused by any negligent acts or omissions of their own officers, employees, agents, or assignees performing functions or activities upon the Property.

16. This Agreement may be executed by the Parties hereto in multiple counterparts, each of which when so executed and delivered shall be an original for all purposes, with all such counterparts together constituting one and the same instrument. A signed copy of this Agreement delivered by email shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

17. Any notice to a Party under this Agreement shall be deemed to be given by e-mail, personal delivery, courier, or by prepaid mail addressed as follows:

To Laramie River: Laramie River LLC
c/o Chevron Midstream Services
Attn: Commercial Manger – Chevron Pipeline and Power
1400 Smith Street
Houston, Texas 77002
CPLDMT@chevron.com

To Greeley: City of Greeley
Attn: Director of Water & Sewer
1001 11th Ave., 2nd Floor,
Greeley, Colorado 80631
Sean.Chambers@greeleygov.com

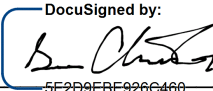
with a copy to: City Attorney
Attn: Environmental and Water Resources Practice Group
1100 10th Street, Suite 401
Greeley, Colorado 80631
Jerrae.Swanson@greeleygov.com

Any party may change its address for purposes of this Section 17 by giving written notice as provided in this Section 17. Notices shall be deemed effective on the day of actual receipt in the case of e-mail, personal delivery, and courier, or on the fifth (5th) day after the mailing thereof in the case of mailing.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

GREELEY, a home rule municipal corporation.

By: 
 Sean Chambers
 Director of Water and Sewer

LARAMIE RIVER LLC, a limited liability company.

By: 
 Vikas Shah
 Officer



Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Cole Gustafson, Source Water Supply Manager

Title:

Approve Surface Use Rider to State Land Board Lease

Summary:

The State Land Board Water Well Drilling Project is starting up. This Surface Use Rider will be incorporated into the current 10-year Ground Water Production Lease between the City of Greeley and the Colorado State Land Board. Wingfoot Water Resources LLC assigned the lease to Greeley when the city closed on the Terry Ranch acquisition in 2021. The Surface Use Rider will allow Greeley to locate a maximum of two trailers for temporary occupancy for Lessee's staff or consultants for up to 12 months after fully executed on State Land Board property.

Recommended Action:

Staff recommends that the Water and Sewer Board approve Surface Use Rider to State Land Board Lease

Recommended Motion:

"I move that the Board approve the Surface Use Rider and delegate authority to the Director of Water and Sewer or his designee to enter into amendments to the Surface Use Rider or the Ground Water Production Lease, including but not limited to amendments that relate to the development, production, operation, and maintenance of the leased water and related infrastructure."

Attachments:

1. Land Use Rider to State Land Board Lease Presentation
2. Greeley Lease 111631 Rider SLB

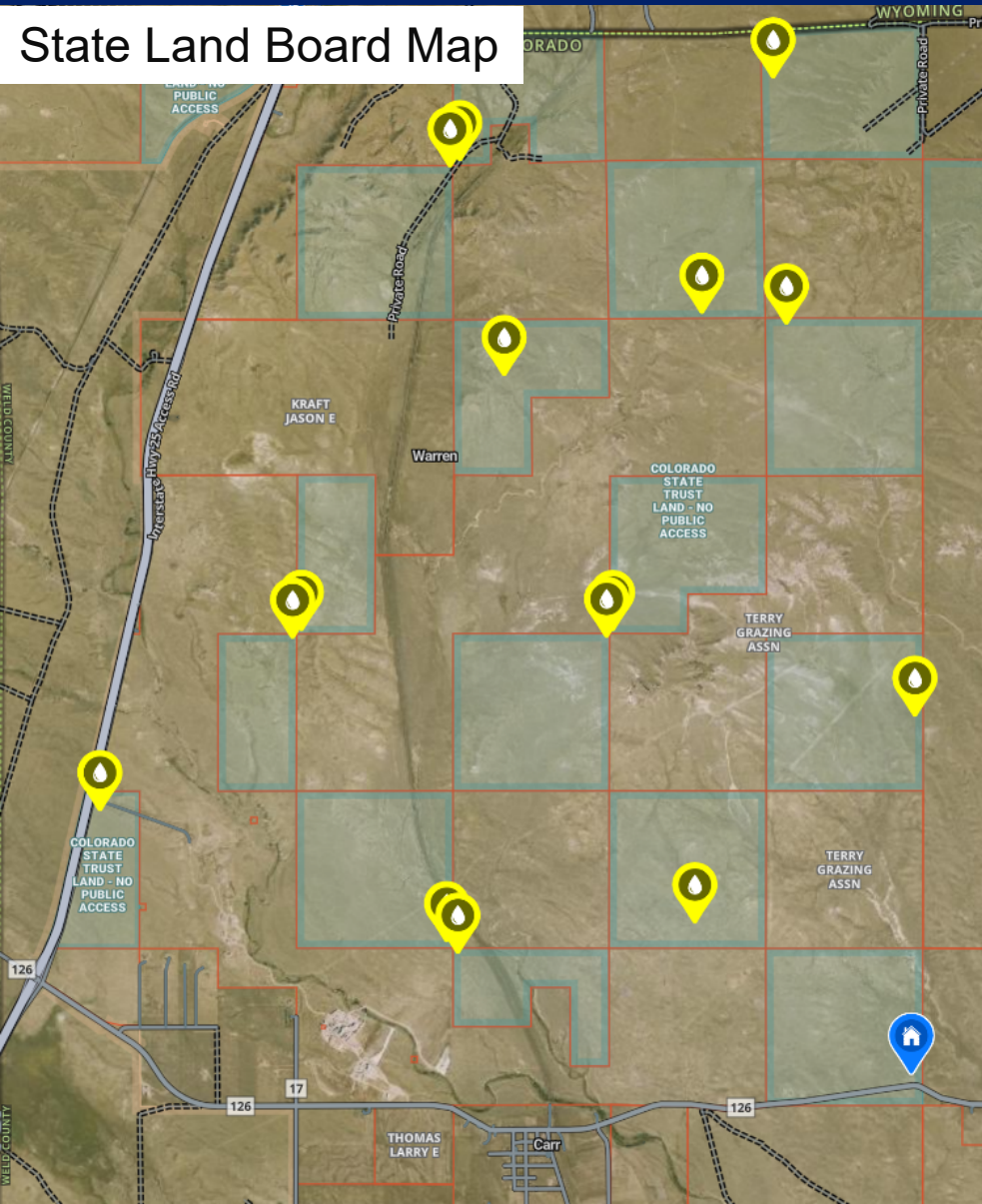


Surface Use Rider to State Land Board Lease

October 16, 2024



Surface Use Rider



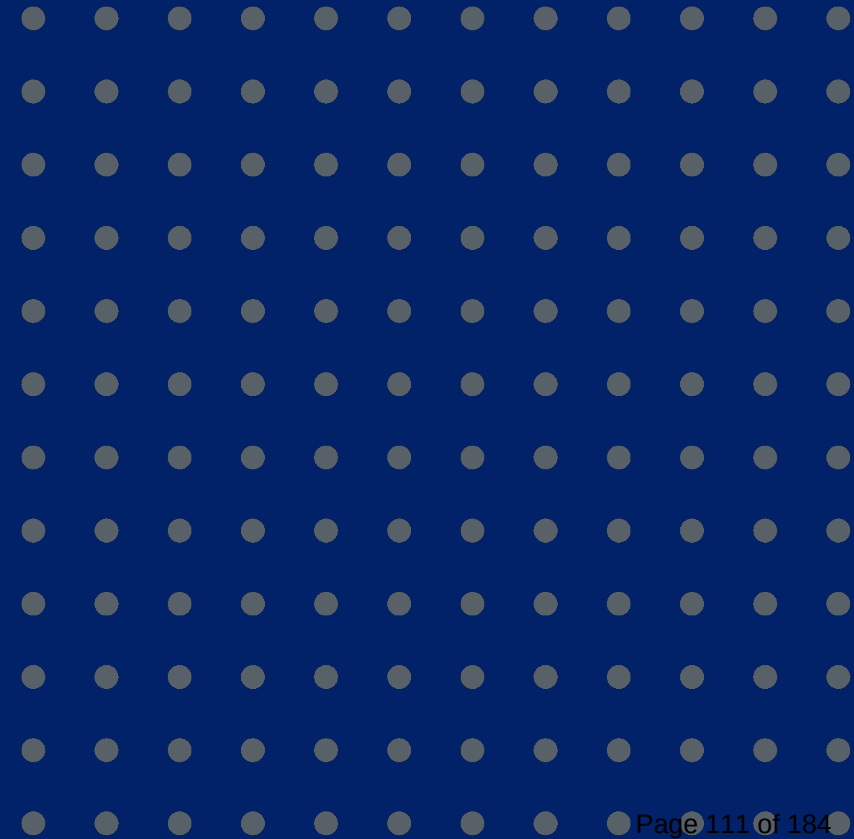
- Surface Use Rider to State Land Board Lease
 - The State Land Board Water Well Drilling Project is starting up.
 - This Surface Use Rider will be incorporated into the current Ground Water Production Lease.
 - The Surface Use Rider will allow Greeley to locate two trailers for temporary occupancy for up to 12 months.
 - The High Mountain Reservoir Camper Trailer will be placed on the designated site.
 - The Camper Trailer will be for the Greeley staff and consultants overseeing the project.

Recommendation

W&S staff recommend the approval of the Land Use Rider State Land Board Lease



Questions?





STATE OF COLORADO
STATE BOARD OF LAND COMMISSIONERS

Groundwater Production Lease No. OT-111631

Surface Use Rider

Effective **October 8, 2024** ("Effective Date"), the Water Program Manager of the Colorado State Board of Land Commissioners ("Board") approves this Surface Use Rider to Groundwater Production Lease No. **OT-111631** ("Lease").

This Surface Use Rider is incorporated by reference into the Lease, and except to the extent specifically modified hereby, all other terms and conditions of the Lease shall remain in full force and effect through the end of the Lease term.

The following terms are added under Section 7 of the Lease ("Surface Access"):

1. Lessor authorizes Lessee to locate a maximum of two trailers, for the purpose of temporary occupancy for Lessee's staff or consultants, in connection with activities under the Lease, on Section 24, T11N, R67W, with road access from WCR 126, under the conditions stated herein.
2. Lessor authorizes Lessee to stage one vehicle within 100 yards of the trailer(s) during periods when the Lessee is not present on the Leased Land performing activities under or in connection with the Lease.
3. Lessee agrees to maintain a portable toilet, in sanitary condition, within 100 yards of the trailer(s) at all times while the trailer(s) is/are occupied.
4. Lessee agrees to maintain any generator in connection with the trailer(s) in a safe and workmanlike condition.
5. Lessee acknowledges and agrees that any third party personnel servicing the portable toilet, generator, or any item associated with the trailer(s) shall first obtain a Temporary Access Permit from the Board's District Manager before entering the property described above.
6. This Surface Use Rider shall have a term of twelve (12) months, beginning with the Effective Date first written above and ending on October 8, 2025, subject to the conditions contained herein.
7. Upon the expiration of this Surface Use Rider and the removal of the trailer(s), portable toilet, generators, and any other associated personal property, Lessee shall promptly proceed with due diligence to repair, restore, replace, or rebuild so as to make the leased land previously burdened by the trailer(s) and any associated property at least equal or substantially similar in quality to the original condition. These obligations shall not terminate upon the assignment, termination, surrender or expiration of the Lease, but shall continue until any affected land is returned to at least the same or substantially similar quality as its original condition prior to any activity under this Surface Use Rider.
8. Lessee assumes all liability arising directly or indirectly from the trailer(s) and related property described in this Surface Use Rider. This assumption includes, but is not limited to, liability for all personal injuries (including death) and environmental and property damage and destruction caused by or arising out of Lessee's operations or caused by or arising out of operations conducted by any party at the direction of Lessee; with the exception of any injuries, damage, or destruction caused by the gross negligence or intentional misconduct of Lessor. To the extent provided by law, Lessee agrees to defend, indemnify and hold harmless Lessor from and against liability, damage, expense,

claim and judgment arising in connection with the trailer(s) and any related property, caused by Lessee, or by any party acting at the direction of Lessee, or Lessee's designated operators, agents, employees or assigns. Lessee further agrees to indemnify Lessor for any costs, including costs of suit and fees for consultants, experts, and attorneys, incurred by Lessor in terminating or canceling, enforcing obligations or defending itself against any matter arising under this Surface Use Rider.

9. The Lessor acknowledges (a) that the Lessee's contractual authority is subject to Article XI of the Colorado State Constitution and other statutory limitations and (b) that the Lessee (as a "public entity") is afforded certain immunities, rights, benefits, and other protections under the Colorado Governmental Immunity Act ("Act"), CRS §24-10-101 et seq. Thus, the Lessor acknowledges (x) that based upon such limitations and protections certain terms and conditions under this Surface Use Rider, including but not limited to paragraph 8, may not be enforceable, either in whole or in part, against Lessee and (Y) that this Surface Use Rider shall not constitute a waiver of the Lessee's rights to challenge the enforcement of such provisions or to the Lessee's sovereign immunity under the Act. By this acknowledgment, Lessor is not agreeing to grant Lessee any contractual rights or benefits beyond those provided Article XI and the Act.

The parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Surface Use Rider.

Persons signing for Lessee hereby swear and affirm that they are authorized to act on behalf of the Lessee, and acknowledge that the Board is relying on their representations to that effect.

The Board and the Lessee, by their signatures below, agree to the amendment of this Lease as specified in this Surface Use Rider:

THE CITY OF GREELEY, COLORADO, a
Colorado home rule municipal corporation, acting
by and through its WATER ENTERPRISE
By: _____
Name: _____
Title: Water and Sewer Board Chairman

APPROVED AS TO SUBSTANCE:

APPROVED AS TO LEGAL FORM:

By: _____
City Manager

By: _____
City Attorney

AVAILABILITY OF FUNDS:

RECOMMENDED:

By: _____
Director of Finance

By: _____
Director of Water and Sewer Board

STATE OF COLORADO ACTING BY AND THROUGH THE
STATE BOARD OF LAND COMMISSIONERS

By:  _____
Justin Bieri, Water Program Manager

(Seal)



Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Sean Chambers, Water & Sewer Director

Title:

Approval of Real Property Acquisition from Greeley Urban Renewal Authority

Summary:

The Water & Sewer Dept. has been involved in conversations with the Greeley Urban Renewal Authority (GURA) over recent years regarding gravel pits and other property assets that GURA may consider liquidating. An opportunity to acquire a strategic property asset on Ash Street, just north of the Poudre River was identified. The property is of interest to the Water & Sewer Dept. and the Culture, Parks and Recreation Departments of the City, and the departments have agreed to split the purchase price and acquire the site for the purpose of siting future utility and trail access type uses. While the exact future uses are not yet fully known, acquiring the site is important to preserving future opportunities on the site that has a strategic location just east of the city's wastewater treatment and reclamation facility.

The PSA provides for a diligence period, and an environmental assessment and title work has been evaluated and found satisfactory. The PSA provides that W&S and CPRD split the purchase price and both entities have budgeted for the acquisition of this site. Off Recorded documents and other pre-closing diligence is ongoing.

The GURA Board unanimously approved the Purchase and Sale Agreement on Oct. 9, with the intent to divestment of the property known as the Toe Piece for the benefit of the city under its Water & Sewer and Culture, Parks and Recreation Departments.

Recommended Action:

Staff Recommend Approval of the Purchase and Sale Agreement

Recommended Motion:

"I move that the Board approve the enclosed Purchase and Sale Agreement with Greeley Urban Renewal Authority, and delegate authority to the Director of Water and Sewer or his designee to make minor amendments to the documents, including, but not limited to, corrections to property descriptions and contract extensions, and to undertake all necessary and appropriate action to close on the transaction."

Attachments:

1. GURA PSA Toe Piece Presentation
2. Sale Agreement - GURA property known as Toe Piece



Purchase and Sale Agreement with the Greeley Urban Renewal Authority (GURA) for real property near the City's Wastewater Treatment and Reclamation Facility (WTRF)

Sean Chambers

Water & Sewer Utilities Director

Agenda



Presentation Agenda

- Describe the location of GURA Toe Piece Property
- Provide background on possible future uses
- Review PSA terms and diligence activities
- Recommend approval of the PSA to acquire the property

Purpose: To obtain authorization for the purchase of real property that will provide W&S and possibly CPRD with other long-term value.

Located in East Greeley

East of Leprino Foods Wastewater property

Adjacent to the Cache la Poudre River

Near Ogilvy Ditch bypass invert

Property known as the “Toe Piece”



Key Terms of Purchase and Sale Agreement

and

Diligence Activities

Terms of the Purchase Agreement:

- Approximately 4.6 Acres of Real Property
- Lot 2 and Outlot B, Meyer Minor Subdivision, Greeley, CO
- Title by Special Warranty Deed
- Purchase Price: \$30,000 (~\$6,522/Ac.)
 - \$15,000 paid by W&S, and \$15,000 paid by Parks and Recreation

Diligence:

- Review of site and potential future uses by W&S engineering
- Title Work and Title Insurance
- Environmental Assessment
 - Walsh Environmental Engineering Review and Site Investigation
 - Some buried solid waste was identified, no substantive contamination

Municipal Value and Future Use Evaluation

Evaluation of property potential future uses

- Proximity to Greeley WTRF is advantageous
 - Possibilities that align with long range facility planning
 - Future off site solids handling pump station
 - Biogas filling station

Biogas conceptual examples:



- Adjacency to Cache la Poudre and future eastside recreation district
 - Potential future Poudre River Trail access point
 - Aligns with Poudre River Restoration Planning

Toe Piece Property



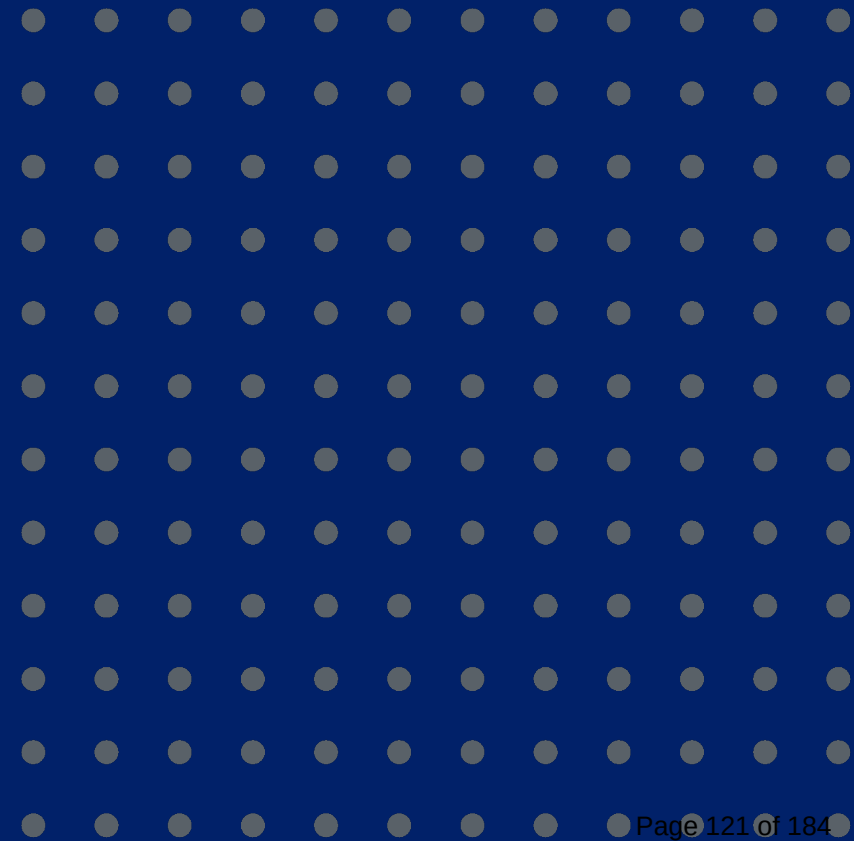
Recommendation of Approval



Staff Recommend Approval of the Purchase & Sale Agreement for the acquisition of the Lot 2 and Outlot B, Meyer Minor Subdivision also known as the “Toe Piece”

- Note: The Greeley Urban Renewal Authority, Sellers, authorized the PSA at their October 9th, 2024 GURA Board meeting.

Thank you



GREELEY URBAN RENEWAL AUTHORITY BOARD
--

ITEM: Sale of GURA Property known as the “Toe Piece” to the City of Greeley

LOCATION: Western Sugar TIF District

DATE: October 9, 2024

PURPOSE:

Consider a resolution approving the sale of the “Toe Piece” property to the City of Greeley.

PROJECT OVERVIEW AND BACKGROUND:

GURA owns the 4.577 acre property (legally described as Lot 2 and Outlot B, Meyer Minor Subdivision, City of Greeley, County of Weld, State of Colorado) generally located east of Ash Avenue and south of 8th Street. The property is bounded by Ash Avenue to the west, a detention pond to the north, and the Cache la Poudre River to the east and south. Please see Exhibit A for a map of the site.

The site was purchased by GURA consistent with the City’s long-term goal of river and upland restoration. The site is also located just east of the City’s wastewater treatment plant. Given this location the City’s Culture Parks and Recreation Department (CPRD) and Water and Sewer Department (W & S) have been working on a plan for joint use of the property. The plan generally identifies the site for public access to a future trailhead and associated trail development; and given the size of the site, there is an opportunity to store a limited number of W & S fleet vehicles and development of a biogas filling station.

Conversations regarding the potential sale of the property by GURA to the City began in early 2023. Since that time both GURA staff and City staff have facilitated the completion of a phase I environmental assessment and worked with respective legal counsels to draft the terms of purchase by the City into the attached Purchase and Sale Agreement (PSA). The terms of the PSA include a sale price of \$30,000, a due diligence period of 30 days, and an additional 14 days for closing.

The sale of the property facilitates both GURA goals related to the elimination of blight, and City goals related to reclaiming and restoring a portion of the Cache la Poudre River.

STAFF RECOMMENDATION:

Approval.

RECOMMENDED BOARD MOTION:

A motion to adopt Resolution 24-03 approving the sale of the “Toe Piece” property to the City of Greeley through a Purchase and Sale Agreement

ATTACHMENTS:

Resolution 24-03

A Resolution of the Board of Commissioners of the Greeley Urban
Renewal Authority Approving a Purchase and Sale Agreement to Sell
Certain Urban Renewal Authority to the City of Greeley

PSA

Purchase and Sale Agreement

Exhibit A

Map depicting property

RESOLUTION 24-03

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE GREELEY
URBAN RENEWAL AUTHORITY APPROVING A PURCHASE AND SALE
AGREEMENT TO SELL CERTAIN URBAN RENEWAL AUTHORITY
PROPERTY TO THE CITY OF GREELEY

WHEREAS, the Greeley Urban Renewal Authority (the "Authority") is a body corporate, and has been duly organized, established and authorized by the City of Greeley, Colorado (the "City"), to transact business and exercise its powers as an urban renewal authority under the Colorado Urban Renewal Law, Section 31-25-101 et seq., Colorado Revised Statutes, as amended from time to time (the "Act");

WHEREAS, the Authority owns certain property, more particularly described in Section 1 of the attached Purchase and Sale Agreement (the "Property"), and the City desires to purchase the Property for use as a trailhead and storage of City vehicles; and

WHEREAS, as authorized by the Act, the Authority desires to sell the Property to the City for good and valuable consideration.

NOW, THEREFORE, the Board of Commissioners of the Greeley Urban Renewal Authority does hereby resolve as follows:

Section 1. The Purchase and Sale Agreement between the Authority and the City is hereby approved and the Chairman is authorized to execute the Purchase and Sale Agreement on behalf of the Authority.

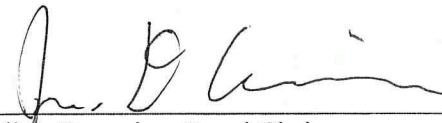
Section 2. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Adopted and approved this 9th day of October, 2024.

[SEAL]

GREELEY URBAN RENEWAL
AUTHORITY

By


Jediah Cummins, Board Chair

Attest:

By


John Hall, Board Secretary

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT ("Agreement") is entered into this ____ day of _____ 2024 ("Effective Date") by and between GREELEY URBAN RENEWAL AUTHORITY, a political corporate organization under Colorado law whose address is 1100 10th Street, Greeley, Colorado 80634 ("GURA") and CITY OF GREELEY COLORADO, a Colorado home rule municipality, whose address is 1000 10th Street, Greeley, Colorado 80631 ("City").

RECITALS

WHEREAS, GURA and the City have reached an agreement concerning the terms and conditions by which GURA will convey to the City two parcels of real property located in the City of Greeley, and desire to reduce such agreement to writing;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, GURA and the City hereby agree as follows.

AGREEMENT

1. Property. GURA agrees to convey, and City agrees to acquire, on the terms and conditions set forth in this Agreement, that certain real property located in the NW¼ of Section 9 and the S½ of Section 4, Township 5 North, Range 65 West of the 6th P.M. and legally described as:

LOT 2 and OUTLOT B, MEYER MINOR SUBDIVISION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO ("Property").

The Property includes GURA's rights, title and interests in and to the Property, including those in and to any reversions, remainders, easements, rights-of-way, strips and gores of land lying between the Property and adjoining property or streets, roads, or highways, appurtenances (including all plants, trees, landscaping, and other appurtenances), licenses, tenements, and hereditaments appertaining to or otherwise benefitting or used in connection with the Property, and all improvements located thereon, including, without limitation, fences, buildings, and any permanent fixtures.

2. Purchase Price. The total purchase price for the Property is Thirty Thousand Dollars (\$30,000.00) ("Purchase Price"). The City desires to memorialize that fifteen thousand dollars (\$15,000.00) of the Purchase Price, and any closing costs to be borne by the City, will come from the budget of its Water and Sewer Department, and the remaining fifteen thousand dollars (\$15,000.00) of the Purchase Price will come from the budget of the City's Culture, Parks, and Recreation Department.

3. Title. Upon execution of this Agreement, the City shall obtain from Land Title Guarantee Company in Greeley ("Title Company") a commitment for an owner's policy of title insurance ("Title Commitment"), issued by the Title Company to cover the Property and indicating the Title Company's willingness to issue to the City at Closing the Title Policy (defined below) in the amount of the Purchase Price, with such Title Commitment setting forth the status of title to the Property and showing all liens, claims, encumbrances, easements, rights of way, encroachments, reservations, restrictions and other matters of record affecting title to the Property, and copies of all recorded documents referred to in the Title Commitment as exceptions to title to the Property ("Title Documents").

3.1 Off-Record Documents. Within fourteen (14) days after the Effective Date, GURA shall deliver to the City, to the extent the same exist and are in the possession GURA, copies of all (i) permits, licenses, certificates, authorizations, contracts, and other documents or materials relating to the title, use, development, operation, or maintenance of the Property ("Off-Record Documents").

3.2 Condition of Title. GURA shall convey fee simple title to the Property to the City by special warranty deed, and the City agrees to accept such title, free and clear of all liens and encumbrances and subject only to: (i) any covenants, easements, agreements, restrictions, or other recorded documents set forth as exceptions in the Title Commitment, except for mortgages, mechanic's liens and other financial encumbrances to be discharged by GURA at or before Closing, and (ii) any matters created by or through the City after execution of this Agreement ("Permitted Exceptions"):

3.3 Title Insurance. As soon as practicable at or after Closing, the Title Company shall issue to the City an owner's form of title insurance policy, insuring that fee simple title to the Property is vested in the City, subject only to the Permitted Exceptions ("Title Policy"). The City may request that the Title Company delete preprinted standard Title Exceptions 1 through 5 from the Title Policy, the cost thereof to be paid by the City, and any other endorsements to the Title Policy as the City may reasonably require, provided that the cost to remove such other endorsements is borne by the City at no cost or additional liability to GURA, and that Closing shall not be delayed as a result of the City's request.

3.4 Maintenance of Property and Title. From the Effective Date until Closing, and except for the Permitted Exceptions, GURA shall not encumber the Property or any associated interest in any way nor grant any property or contract right relating to the Property or any associated interests without prior written consent from the City, which may be given or withheld in the City's sole discretion. From the Effective Date until Closing, GURA shall not enter into any contracts, leases, licenses, commitments, or undertakings respecting the use or maintenance of the Property or the performance of services on the Property by which City may be obligated or otherwise liable to any third party without prior written consent from the City, which may be given or withheld in the City's sole discretion.

4. Due Diligence. During the period that commences upon the Effective Date and continues until and including 4:00 p.m. Mountain Time on the thirtieth (30th) day after the Effective Date ("Due Diligence Period"), the City and its authorized agents, representatives, and consultants shall be entitled to undertake all inspections, investigations, or other analyses the City deems necessary or appropriate in connection with its intended acquisition of the Property, including, without limitation, a review of the Title Commitment and Off-Record Documents, and physical inspections and investigations of the Property.

4.1 Termination. If during the Due Diligence Period, the City, for any reason in its sole, good faith discretion, judgment, and opinion, disapproves or is dissatisfied with any aspect of the Property or its inspections related thereto, the City may terminate this Agreement with immediate effect by giving written notice to GURA on or before the expiration of the Due Diligence Period. If the basis for the City's termination pursuant to this provision is a matter that can be cured with reasonable efforts, GURA and the City agree to negotiate in good faith an amendment to this Agreement to facilitate such a cure.

5. Closing. The closing of this transaction ("Closing") shall occur fourteen (14) days after the expiration of the Due Diligence Period or by mutual agreement at another date. GURA and the City acknowledge that it is their intent to close this transaction at the earliest mutually agreeable date upon completion of all inspections, investigations, and reviews to which City is entitled hereunder, and fulfillment of any contingencies at or before Closing. GURA shall deliver possession of the Property to the City at Closing.

5.1 Closing Contingency. The obligations of the City pursuant to 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"). In the event the Board has not ratified or approved this Agreement before the expiration of the Due Diligence Period, then the City shall provide written notice thereof to GURA and this Agreement shall automatically terminate with immediate effect.

5.2 Closing Documents. GURA and the City shall deliver or cause to be delivered at Closing, duly executed and acknowledged where appropriate, all documents and other materials necessary to close this transaction, including, without limitation: (i) the Purchase Price and closing costs, (ii) a special warranty deed conveying the Property to the City as described in paragraph 3.2 above, (iii) any bill of sale or assignment necessary to convey the improvements described in paragraph 1 above, (iv) documentation of the approval of this Agreement by the Greeley Water and Sewer Board, evidencing the City's authority to purchase the Property, (v) settlement statements detailing the amounts due from and payable to the City and GURA respectively, and (vi) any other documents or materials that may be reasonably necessary or appropriate to complete the closing of the transaction contemplated by this Agreement.

5.3 Closing Costs. The City shall pay the cost to record the special warranty deed, any title insurance endorsements, and one-half (½) of the Title Company closing costs. GURA shall pay the basic premium for the Title Policy and one-half (½) of the Title Company closing costs. Each party shall pay its own attorneys' fees.

6. Litigation. GURA represents and warrants to the best of its actual knowledge that, as of the Effective Date and until the date of Closing, there is no pending or threatened dispute, action, or litigation concerning the ownership or use of the Property or the associated interests of GURA thereto.

7. Status and Authority. GURA represents and warrants that it has all requisite legal power and authority to own and convey the Property to the City and to perform all the terms and obligations of this Agreement.

8. Compliance with Law. GURA represents and warrants to the best of its actual knowledge that it has complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments, and decrees applicable to the Property, and that GURA has no current actual knowledge of any proposed order, judgment, decree, governmental taking or other proceeding concerning the Property.

9. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Venue for any dispute arising out of this Agreement shall be exclusively proper in the District Court for Weld County, Colorado.

10. Review by Legal Counsel. The parties acknowledge that each party and its legal counsel have reviewed and approved this Agreement, and that any ambiguities shall not be resolved nor interpreted against either GURA or the City as a party responsible for drafting the Agreement.

11. Relationship of the Parties. GURA and the City acknowledge that neither party is an agent for the other party for the purposes of this Agreement, and that neither party shall or can bind or enter into agreements concerning the Property for the other party.

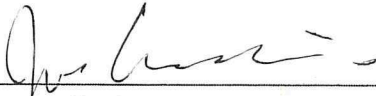
12. Calendar Days and Time. In the event any time period set forth in this Agreement commences, expires, or is determined from a date that falls on a Saturday, Sunday, legal holiday of the State of Colorado, or other non-business day, the date of such commencement, performance, expiration, or determination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

13. Entire Agreement. This Agreement contains the entire agreement between the parties regarding the Property and supersedes all prior agreements and understandings between the parties concerning the Property, whether written or oral. This Agreement may only be modified by mutual written agreement duly authorized and executed by the parties.

14. Counterparts and Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be considered original and when taken together shall constitute one and the same contract. The parties agree to be bound by electronic signatures.

IN WITNESS WHEREOF, Greeley Urban Renewal Authority and the City of Greeley, Colorado have executed this Agreement effective as of the date first set forth above.

GREELEY URBAN RENEWAL AUTHORITY, a political-corporate organization under Colorado law

By: 
Name: Jeshon D Commins
Title: Chair

Date: 2024-10-09

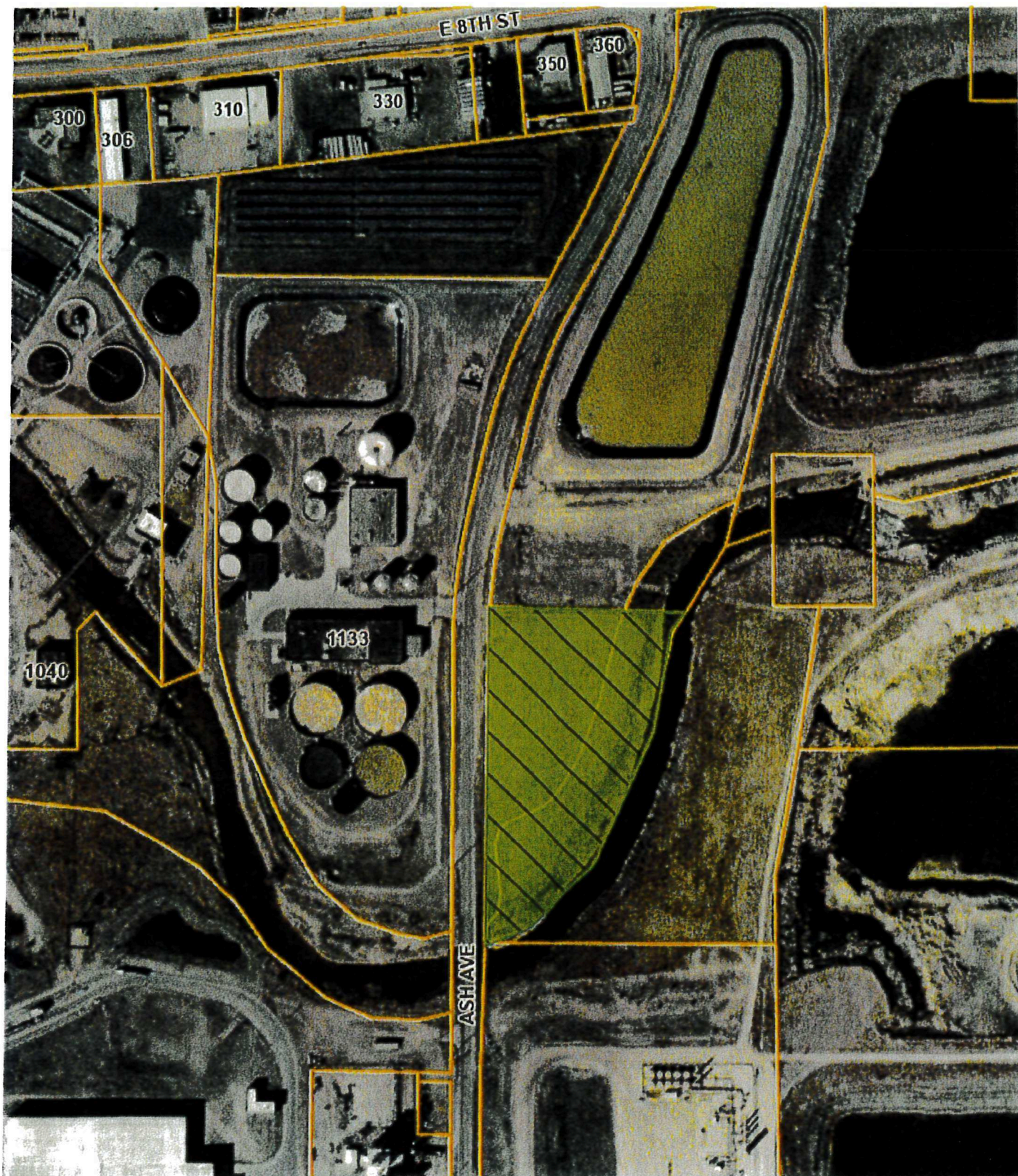
CITY OF GREELEY, COLORADO, a Colorado home rule municipality

By: _____
Director of Water and Sewer

Date: _____

By: _____
Director of Culture, Parks and Recreation

Date: _____





Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Rebecca Andrus - Deputy Director of Water and Wastewater Operations and Maintenance

Title:

Review and Recommend to Council Backflow Cross Connection Program Ordinance

Summary:

Section 20-191 of the Greeley Municipal Code is being revised to better conform to the revisions to 11.39 adopted by CDPHE in October 2023.

Recommended Action:

Review and Recommend ordinance to Council.

Recommended Motion:

"I move that the Board recommend City Council adopt revisions to the Municipal Code concerning the regulation of cross connections and backflow prevention in the form of the ordinance enclosed."

Attachments:

1. Backflow Cross Connection Control Program Ordinance Approval and Recommendation to Council
2. Revised Draft Ordinance and Exhibit A (Cross Connections)



Review and Recommend to Council Backflow Cross Connection Control Program Ordinance

**Rebecca Andrus, Deputy Director Water and Wastewater Operations
Water and Sewer Board – October 16, 2024**



High Performance Government

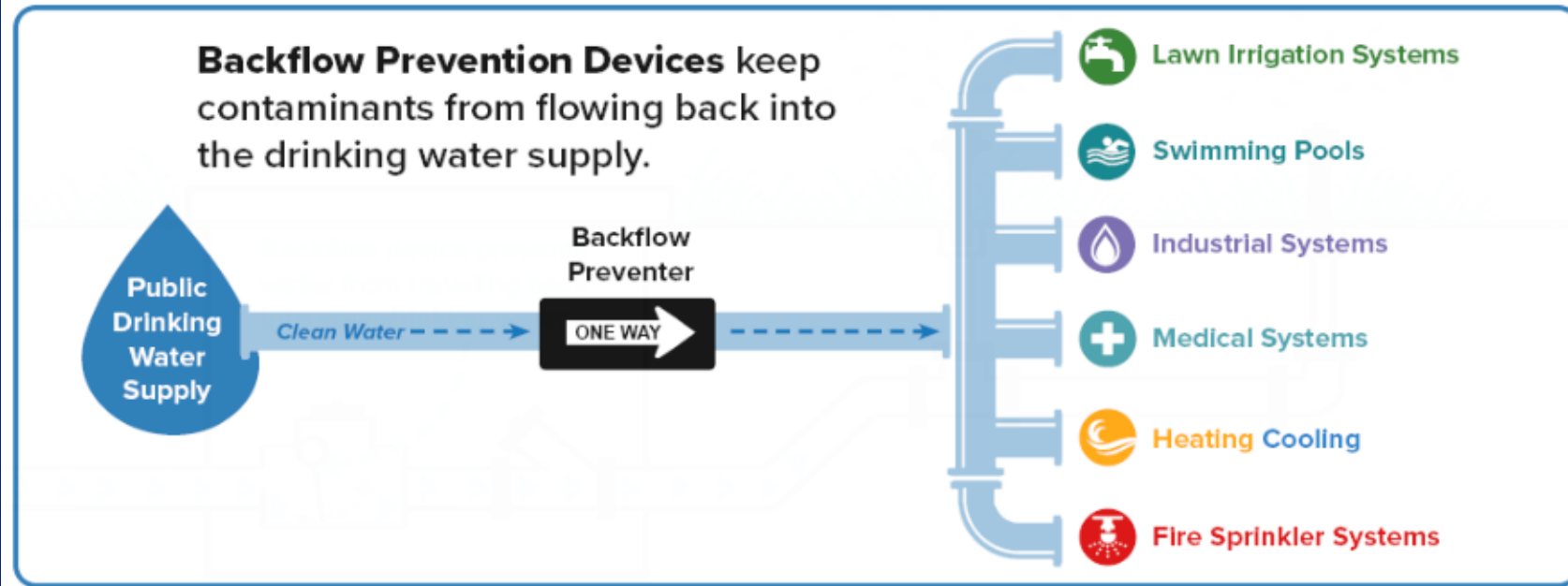
Agenda



- Backflow Prevention and Cross-Connection Control Program
- Applicability
- Overview of revisions to Section 20-191
- Water Service Termination Process
- Comments or Questions

Background

Backflow Prevention and Cross-Connection Control Program (BPCCC)



- A backflow prevention device (backflow assembly) is used to protect the public water supply from potential contamination due to backflow.
- Backflow Preventers are an added line of defense to ensure that water only flows one way through water pipes – from the public distribution system to water customers, never the other way around.
- Regulations require that backflow prevention assemblies are **tested annually** by certified testers to make sure they are in proper working order.
- The city is required to ensure that these tests are performed regularly, correctly, and in accordance with drinking water regulations.

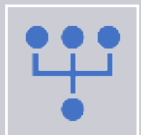
Applicability



Commercial



Industrial



Multi-Unit Residential
(more than two units on a single service)

Section 20-191 Revisions



CDPHE Revised 11.39 and guidance Policy, DW007, in October 2023

20-191

- Added and revised definitions
- Cross Connections and Backflow Prohibited
- Testing, Reporting, and Inspection
- Identification and Enforcement

Water Service Termination Process



First and second notices mailed to customers requiring them to test noncompliant backflow assemblies within 60 and 30 days respectively



Third notices are mailed after expiration. If no response after 15 days, a water service termination notice is mailed.



Continued lack of response prompts a hand-delivered **termination notice** 15 days prior to water service termination



Once water service has been terminated, the customer must bring the backflow prevention assembly into compliance before water service can be restored

Comments or Questions?



CITY OF GREELEY, COLORADO

ORDINANCE NO. ___, 2024

**AN ORDINANCE AMENDING TITLE 20, CHAPTER 3, ARTICLE III
OF THE MUNICIPAL CODE OF THE CITY OF GREELEY
(CONCERNING REGULATION OF CROSS CONNECTIONS IN THE PUBLIC WATER SYSTEM)**

WHEREAS, the City of Greeley, Colorado ("City") is a 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 the use of the City; and

WHEREAS, Section 17-1 of the Greeley City Charter authorizes the Greeley Water and Sewer Board ("Board") to qualify the Water and Sewer functions and operations as an "enterprise" as that term is contained in Article X, Section 20 of the Colorado Constitution, and to provide for every function and operation of an enterprise, including but not limited to, bond issuance and all other necessary and ordinary functions of the Water and Sewer operations; and

WHEREAS, Section 17-4(c) of the Greeley City Charter and Section 20-30 of the Greeley Municipal Code authorize the Board to acquire, develop, convey, lease and protect the water and sewer assets, supplies and facilities needed to fully use the water supplies decreed, adjudicated or contracted for the City; and

WHEREAS, Section 20-191 of the Greeley Municipal Code sets forth the requirements and regulations related to cross connections and backflow prevention in the City's public water system; and

WHEREAS, City staff and the Board have recommended amending Section 20-191 of the Greeley Municipal Code as set forth on Appendix A, attached hereto and incorporated herein, to ensure compliance with applicable state and federal regulations and for the health and safety of the general public; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF GREELEY, COLORADO:

Section 1. That Section 20-191 be amended as set forth on Appendix A, attached hereto and incorporated herein.

Section 2. Except as explicitly modified as set forth on Appendix A, all other provisions contained within Title 20 of the Greeley Municipal Code shall remain in full force and effect.

Section 3. This Ordinance shall take effect immediately following its final publication.

PASSED AND ADOPTED, SIGNED AND APPROVED ON THIS ____ DAY OF _____ 2024.

ATTEST

CITY OF GREELEY, COLORADO

City Clerk

Mayor

APPENDIX A
ORDINANCE AMENDING TITLE 20, CHAPTER 3, ARTICLE III
OF THE GREELEY MUNICIPAL CODE

Sec. 20-191. Cross connection control.

(a) *Purpose.* This section is intended to protect the city's ~~potable waterworks~~ PUBLIC WATER SYSTEM from contamination by backflow from a property owner's internal plumbing system or private water SUPPLY system through an ongoing program of cross connection control (also known as containment). Nothing in this section relieves a property owner from the cross connection control requirements of the plumbing code contained in chapter 9 of title 22 of this Code, which protects against backflow within a property owner's system (also known as isolation).

(b) *Definitions.* ~~As used in this section, unless the context otherwise requires~~ THE FOLLOWING WORDS, TERMS, AND PHRASES, WHEN USED IN THIS SECTION, SHALL HAVE THE MEANINGS ASCRIBED TO THEM BELOW, EXCEPT WHERE OTHERWISE DEFINED OR THE CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

AIR GAP MEANS A PHYSICAL SEPARATION BETWEEN THE FREE-FLOWING DISCHARGE END OF A POTABLE WATER SUPPLY PIPELINE AND AN OPEN OR NON-PRESSURE RECEIVING VESSEL INSTALLED IN ACCORDANCE WITH STANDARD ASME A112.1.2.

Backflow means THE UNDESIRABLE reversal of the normal direction of flow OF WATER OR MIXTURES OF WATER AND OTHER LIQUIDS, GASES, OR OTHER SUBSTANCES INTO ~~in the city's potable waterworks~~ PUBLIC WATER SYSTEM that can occur when pressure within a ~~ANY UNINTENDED~~ source connected to the city's PUBLIC WATER system is greater than the water pressure within the city's ~~potable waterworks~~ PUBLIC WATER SYSTEM.

BACKFLOW CONTAMINATION EVENT MEANS BACKFLOW INTO THE CITY'S PUBLIC WATER SYSTEM FROM AN UNCONTROLLED CROSS CONNECTION SUCH THAT THE WATER QUALITY NO LONGER MEETS THE COLORADO PRIMARY DRINKING WATER REGULATIONS OR PRESENTS AN IMMEDIATE HEALTH OR SAFETY RISK TO THE PUBLIC.

Backflow preventer means a ~~device~~, BACKFLOW PREVENTION assembly OR BACKFLOW PREVENTION method ~~or type of construction~~ designed to prevent backflow into the city's ~~potable waterworks~~ PUBLIC WATER SYSTEM by separating the property owner's water SUPPLY system from the city's PUBLIC water system.

BACKFLOW PREVENTION ASSEMBLY MEANS ANY MECHANICAL ASSEMBLY INSTALLED AT A WATER SERVICE LINE OR AT A PLUMBING FIXTURE TO PREVENT A BACKFLOW CONTAMINATION EVENT, PROVIDED THAT THE MECHANICAL ASSEMBLY IS APPROPRIATE FOR THE IDENTIFIED CONTAMINANT AT THE CROSS CONNECTION AND IS AN IN-LINE FIELD-TESTABLE ASSEMBLY.

BACKFLOW PREVENTION METHOD MEANS ANY METHOD AND/OR NON-TESTABLE DEVICE INSTALLED AT A WATER SERVICE LINE OR AT A PLUMBING FIXTURE TO PREVENT A

BACKFLOW CONTAMINATION EVENT, PROVIDED THAT THE METHOD OR NON-TESTABLE DEVICE IS APPROPRIATE FOR THE IDENTIFIED CONTAMINANT AT THE CROSS CONNECTION.

~~Certified cross connection technician means a person who meets the requirements of article 12.2 of the Colorado Primary Drinking Water Regulations (as effective on March 30, 2004)~~ MEANS A PERSON WHO POSSESSES A CURRENT AND VALID BACKFLOW PREVENTION ASSEMBLY TESTER CERTIFICATION FROM ONE OF THE FOLLOWING APPROVED ORGANIZATIONS: AMERICAN SOCIETY OF SANITARY ENGINEERING (ASSE) OR THE AMERICAN BACKFLOW PREVENTION ASSOCIATION (ABPA).

CONTAINMENT MEANS THE INSTALLATION OF A BACKFLOW PREVENTION ASSEMBLY OR A BACKFLOW PREVENTION METHOD AT ANY CONNECTION TO THE CITY'S PUBLIC WATER SYSTEM THAT SUPPLIES AN AUXILIARY WATER SUPPLY SYSTEM, LOCATION, FACILITY, OR AREA SUCH THAT BACKFLOW FROM A CROSS CONNECTION INTO THE CITY'S PUBLIC WATER SYSTEM IS PREVENTED.

CONTAINMENT BY ISOLATION MEANS THE INSTALLATION OF BACKFLOW PREVENTION ASSEMBLIES OR BACKFLOW PREVENTION METHODS AT ALL CROSS CONNECTIONS IDENTIFIED WITHIN A CUSTOMER'S WATER SUPPLY SYSTEM SUCH THAT BACKFLOW FROM A CROSS CONNECTION INTO THE CITY'S PUBLIC WATER SYSTEM IS PREVENTED.

CONTROLLED MEANS HAVING A PROPERLY INSTALLED, MAINTAINED, AND TESTED OR INSPECTED BACKFLOW PREVENTION ASSEMBLY OR BACKFLOW PREVENTION METHOD THAT PREVENTS BACKFLOW THROUGH A CROSS CONNECTION.

~~Cross connection means a link between the city's potable waterworks and a potential source of contamination, which could allow such contamination to backflow into the city's system~~ MEANS A CONNECTION THAT COULD ALLOW ANY WATER, FLUID, GAS, OR OTHER SOURCE OF CONTAMINATION TO FLOW FROM ANY PIPE, PLUMBING FIXTURE, OR CUSTOMER WATER SUPPLY SYSTEM INTO ANY PART OF THE CITY'S PUBLIC WATER SYSTEM THROUGH BACKFLOW, SUCH THAT THE RESULTING WATER QUALITY COULD PRESENT AN UNACCEPTABLE HEALTH OR SAFETY RISK TO THE GENERAL PUBLIC.

Industrial and commercial operations means any property or account whose ~~operations are~~ WATER USE IS not strictly domestic residential.

PUBLIC WATER SYSTEM MEANS THE PUBLICLY OWNED TRANSMISSION AND DISTRIBUTION SYSTEM, AND ALL ASSOCIATED FACILITIES AND APPURTENANCES, THERETO THROUGH WHICH THE CITY DELIVERS WATER TO ITS CUSTOMERS FOR HUMAN CONSUMPTION.

UNCONTROLLED MEANS NOT HAVING A PROPERLY INSTALLED AND MAINTAINED AND TESTED OR INSPECTED BACKFLOW PREVENTION ASSEMBLY OR BACKFLOW PREVENTION METHOD, OR THE BACKFLOW PREVENTION ASSEMBLY OR BACKFLOW PREVENTION METHOD DOES NOT PREVENT BACKFLOW THROUGH A CROSS CONNECTION.

WATER SUPPLY SYSTEM MEANS A PRIVATELY OWNED WATER DISTRIBUTION SYSTEM, PIPING, CONNECTION FITTINGS, VALVES AND APPURTENANCES WITHIN A BUILDING, STRUCTURE, OR PREMISES.

(C) APPLICABILITY. THE PROVISIONS OF THIS SECTION APPLY TO ALL PERSONS WITH COMMERCIAL, INDUSTRIAL, AND MULTI-UNIT RESIDENTIAL SERVICE CONNECTIONS TO THE CITY'S PUBLIC WATER SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY PERSONS OUTSIDE THE CITY WHO ARE USERS OF THE PUBLIC WATER SYSTEM BY AGREEMENT WITH THE CITY.

~~(e)-(D) *Illegal e-Cross connections AND BACKFLOW PROHIBITED.*~~ It is unlawful for any person to make, install, maintain, or permit any cross connection to the city's ~~potable waterworks~~ PUBLIC WATER SYSTEM, except in accordance with the provisions of this section, OR FOR ANY PERSON TO CAUSE OR PERMIT ANY BACKFLOW FROM THEIR WATER SUPPLY SYSTEM INTO THE CITY'S PUBLIC WATER SYSTEM.

(1) THE DIRECTOR SHALL IDENTIFY THOSE CROSS CONNECTIONS REQUIRING A BACKFLOW PREVENTER BASED UPON THE DEGREE OF HAZARD PRESENTED BY SUCH CROSS CONNECTION, AS DETERMINED BY THE DIRECTOR IN THEIR SOLE DISCRETION, AND NOTIFY THE RESPONSIBLE PROPERTY OWNER THAT A BACKFLOW PREVENTER MUST BE INSTALLED. UPON RECEIPT OF NOTICE THAT THE DIRECTOR HAS IDENTIFIED SUCH A CROSS CONNECTION, THE SUBJECT PROPERTY OWNER SHALL INSTALL A BACKFLOW PREVENTOR AT THE WATER SERVICE CONNECTION WITHIN 120 DAYS OF SUCH NOTICE.

(2) IF ANY SUBJECT PROPERTY OWNER FAILS TO INSTALL A BACKFLOW PREVENTER WITHIN 120 DAYS OF SUCH NOTICE, THE DIRECTOR SHALL (A) CONTROL THE CROSS CONNECTION, (B) REMOVE THE CROSS CONNECTION, OR (C) SUSPEND WATER SERVICE TO THE SUBJECT PROPERTY.

(3) ANY PERSON WHO BECOMES AWARE OF AN UNCONTROLLED CROSS CONNECTION THAT MAY REQUIRE INSTALLATION OF A BACKFLOW PREVENTER PURSUANT TO THIS SECTION SHALL PROMPTLY REPORT SUCH CONNECTION TO THE DIRECTOR.

~~(d) *Backflow prohibited.* Any backflow into the city's potable waterworks is strictly prohibited.~~

~~(e) *Backflow preventers*~~; TESTING, REPORTING, AND inspection requirements.

~~(1) The director of water and sewer shall identify those cross connections requiring a backflow preventer based on the degree of hazard presented by such cross connection, as determined by the director of water and sewer. Such cross connections shall at least include all industrial and commercial operations connected to the city's potable waterworks. All backflow preventers must be approved by and installed in accordance with the standards and specifications established or adopted by the director of water and sewer.~~ ALL BACKFLOW PREVENTERS INSTALLED PURSUANT TO THIS SECTION SHALL BE OF A TYPE, SIZE AND DESIGN THAT IS APPROVED BY THE DIRECTOR AND INSTALLED IN ACCORDANCE WITH THE STANDARDS AND SPECIFICATIONS ESTABLISHED BY THE WATER AND SEWER DEPARTMENT IN A LOCATION WITH ADEQUATE ACCESS FOR MAINTENANCE, TESTING AND REPAIRS.

~~(2) The property owner shall install, operate, test and maintain backflow preventers at the property owner's expense to protect the city's potable waterworks. The property owner shall have the~~

~~backflow preventer tested upon installation by a certified cross connection control technician, and annually thereafter, unless, due to the hazard presented by the connection, the director of water and sewer requires more frequent testing. The property owner shall immediately repair or replace any backflow preventer found to be defective.~~ ALL PERSONS REQUIRED TO INSTALL A BACKFLOW PREVENTER PURSUANT TO THIS SECTION SHALL INSTALL, OPERATE, TEST, AND MAINTAIN THE BACKFLOW PREVENTER AT THEIR SOLE EXPENSE. ANY PERSON THAT FINDS A BACKFLOW PREVENTER ON THEIR PROPERTY TO BE DEFECTIVE SHALL IMMEDIATELY REPAIR OR REPLACE THE BACKFLOW PREVENTER AT THEIR SOLE EXPENSE.

~~(3) The property owner shall submit records of testing, maintenance and repairs to the water and sewer department within five days of completing such activities. The property owner and the water and sewer department shall retain such records for at least three years.~~ ALL PERSONS REQUIRED TO INSTALL A BACKFLOW PREVENTER PURSUANT TO THIS SECTION SHALL HAVE THE BACKFLOW PREVENTER TESTED BY A CERTIFIED CROSS CONNECTION CONTROL TECHNICIAN UPON INSTALLATION AND THEN ANNUALLY THEREAFTER, UNLESS, DUE TO THE HAZARD PRESENTED BY THE CONNECTION, THE DIRECTOR REQUIRES MORE FREQUENT TESTING.

~~(4) The director of water and sewer retains the right to test or otherwise check the installation and operation of any backflow preventer to ensure proper installation and operation.~~ ALL PERSONS REQUIRED TO INSTALL A BACKFLOW PREVENTER PURSUANT TO THIS SECTION SHALL SUBMIT TO THE DIRECTOR RECORDS CONCERNING THE TESTING, MAINTENANCE, AND REPAIR OF THE BACKFLOW PREVENTER WITHIN FIVE (5) DAYS OF COMPLETING SUCH ACTIVITIES AND SHALL RETAIN COPIES OF SUCH RECORDS FOR NO LESS THAN THREE (3) YEARS.

(5) RECORDS CONCERNING THE TESTING, MAINTENANCE AND REPAIR OF BACKFLOW PREVENTERS TO BE SUBMITTED TO THE DIRECTOR PURSUANT TO THIS SECTION SHALL INCLUDE, WITHOUT LIMITATION: (A) BACKFLOW PREVENTION ASSEMBLY OR METHOD TYPE AND LOCATION, (B) BACKFLOW PREVENTION ASSEMBLY OR METHOD MAKE, MODEL AND SERIAL NUMBER, (C) BACKFLOW PREVENTION ASSEMBLY OR METHOD SIZE, (D) TESTING DATES AND TESTING RESULTS, INCLUDING ALL RESULTS THAT WOULD JUSTIFY A PASS OR FAIL OUTCOME, (E) CERTIFIED CROSS-CONNECTION CONTROL TECHNICIAN CERTIFICATION AGENCY, (F) CERTIFIED CROSS-CONNECTION CONTROL TECHNICIAN'S CERTIFICATION NUMBER AND EXPIRATION DATE, (G) TEST KIT MANUFACTURER, MODEL AND SERIAL NUMBER, AND (H) TEST KIT CALIBRATION DATE.

(6) WITHOUT LIMITING ANY OTHER PROVISION OF THIS SECTION, THE DIRECTOR MAY INDEPENDENTLY TEST OR OTHERWISE INSPECT THE INSTALLATION AND OPERATION OF ANY BACKFLOW PREVENTER AT ANY TIME TO ENSURE PROPER INSTALLATION, OPERATION, AND PROTECTION OF THE CITY'S PUBLIC WATER SYSTEM.

~~(f) Survey and prevention. The director of water and sewer is authorized to conduct SUCH surveys AS ARE NECESSARY to identify hazardous cross connections AND verify the existence of backflow preventers, and to otherwise UNDERTAKE ANY OTHER NECESSARY ACTION support a program to eliminate TO~~

PROTECT THE CITY'S PUBLIC WATER SYSTEM AND ITS CUSTOMERS FROM CROSS connection hazards. THE DIRECTOR MAY CONTROL ANY SERVICE CONNECTIONS WITHIN THE PUBLIC WATER SYSTEM IN LIEU OF A SURVEY AS LONG AS THE SERVICE CONNECTION IS CONTROLLED WITH AN AIR GAP OR REDUCED PRESSURE ZONE BACKFLOW PREVENTION ASSEMBLY.

~~(g) Reporting of uncontrolled cross connections. Any person who becomes aware of an uncontrolled cross connection that may require a backflow preventer pursuant to this section shall promptly report such connection to the water and sewer department.~~ PENALTIES. ANY PERSON THAT FAILS TO COMPLY WITH THE PROVISIONS OF THIS SECTION, OR FAILS TO COOPERATE WITH THE INSTALLATION, INSPECTION, TESTING, MAINTENANCE, OR AS NEEDED REPAIR AND REPLACEMENT OF BACKFLOW PREVENTERS, IS PUNISHABLE UNDER CHAPTER 9 OF TITLE 1 OF THIS CODE.

~~(h) Discontinuing water service. The director of water and sewer may discontinue water service to any premises for which the owner fails to comply with the requirements of this section, or to which the owner denies reasonable access to the director of water and sewer as authorized by section 20-85 to determine compliance with this section. Such discontinuance of water service may be summary, immediate and without written notice whenever the director of water and sewer determines that such action is necessary to address an imminent threat to the city's waterworks or its water customers.~~ SUSPENSION OF WATER SERVICE. IN ADDITION TO ANY PENALTIES IMPOSED UNDER CHAPTER 9 OF TITLE 1 OF THIS CODE, THE DIRECTOR MAY SUSPEND WATER SERVICE TO ANY PERSON WHO FAILS TO COMPLY WITH THE PROVISIONS OF THIS SECTION, OR TO ANY PROPERTY UPON WHICH THE OWNER DENIES THE DIRECTOR REASONABLE ACCESS TO DETERMINE COMPLIANCE WITH THIS SECTION, AS AUTHORIZED BY SECTION 20-85. THE DIRECTOR MAY SUSPEND WATER SERVICE AS DESCRIBED IN THIS SECTION IMMEDIATELY AND WITHOUT NOTICE IF THE DIRECTOR DETERMINES THAT SUCH ACTION IS NECESSARY TO PROTECT THE CITY'S PUBLIC WATER SYSTEM AND ITS CUSTOMERS FROM CROSS CONNECTION HAZARDS.



Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Adam Prior, Chief Engineer

Title:

Bi-annual CIP Report

Summary:

Staff will provide an update on some CIP projects that are in progress or completed since the last Bi-Annual CIP Report. The CIP projects discussed will include:

- Terry Ranch Water pipeline construction project
- Non-potable expansion project with discussion Westgate non-potable pump station
- Suburban Ditch Non-Potable Supply
- Advanced Metering Infrastructure
- 20th St Transmission Line Break
- SCADA Master Plan
- Lead service line inventory and replacement project
- Distribution Water Main Replacement
- Bellvue WTP Rehab
- North Greeley Sewer Phase 2WTRF General Rehab

Recommended Action:

Informational Only

Recommended Motion:

None

Attachments:

1. CIP Update



Capital Improvement Project Update

**Adam Prior,
Water and Sewer Chief Engineer
Water and Sewer Board – October 16, 2024**



High Performance Government

Agenda

- Water Construction Project
- Water Capital Replacement Projects
- Sewer Construction Project
- Sewer Capital Replacement Projects

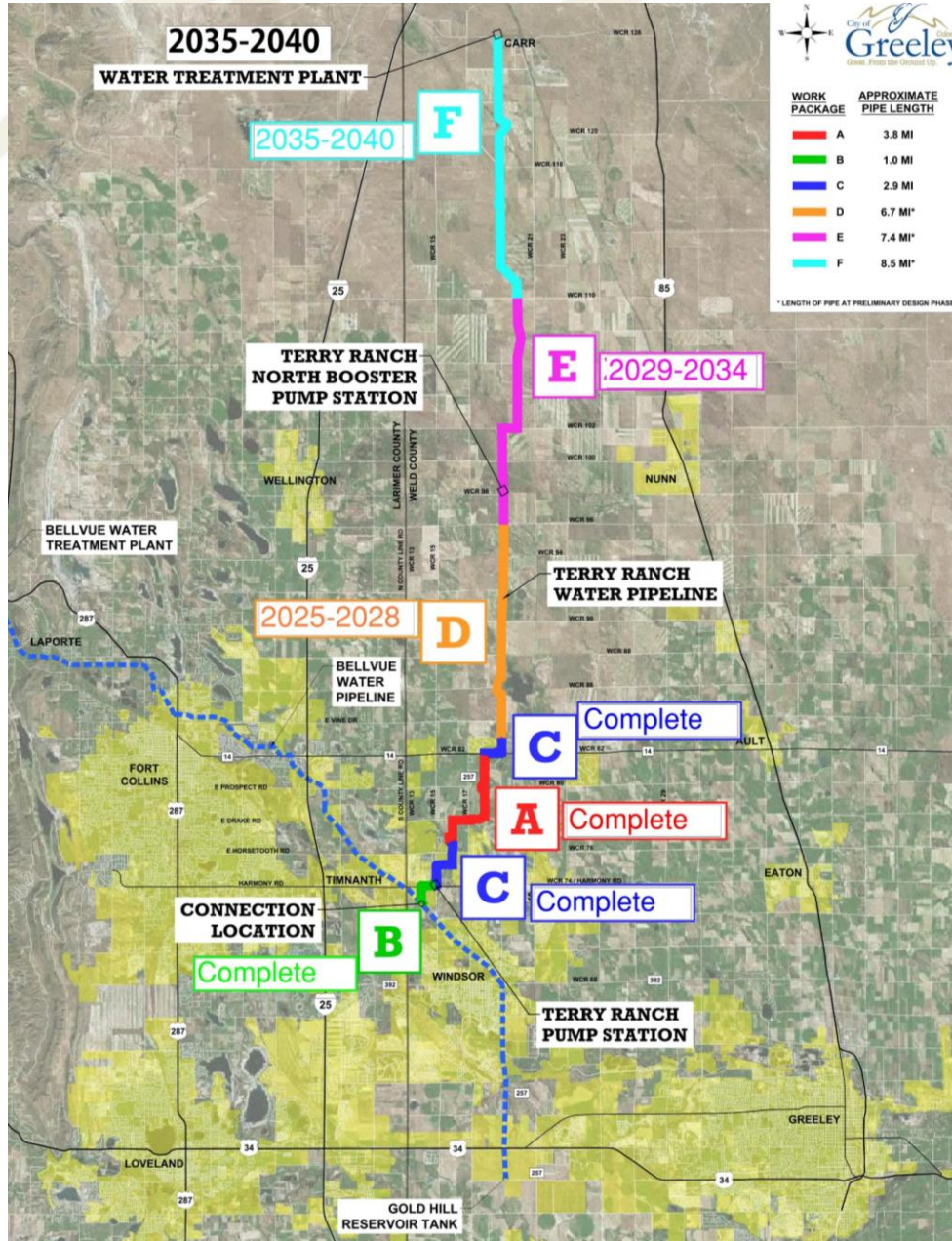


Terry Ranch Pipeline



- Segment 1 Completed in August of 2024
- Water Construction: \$27,610,326

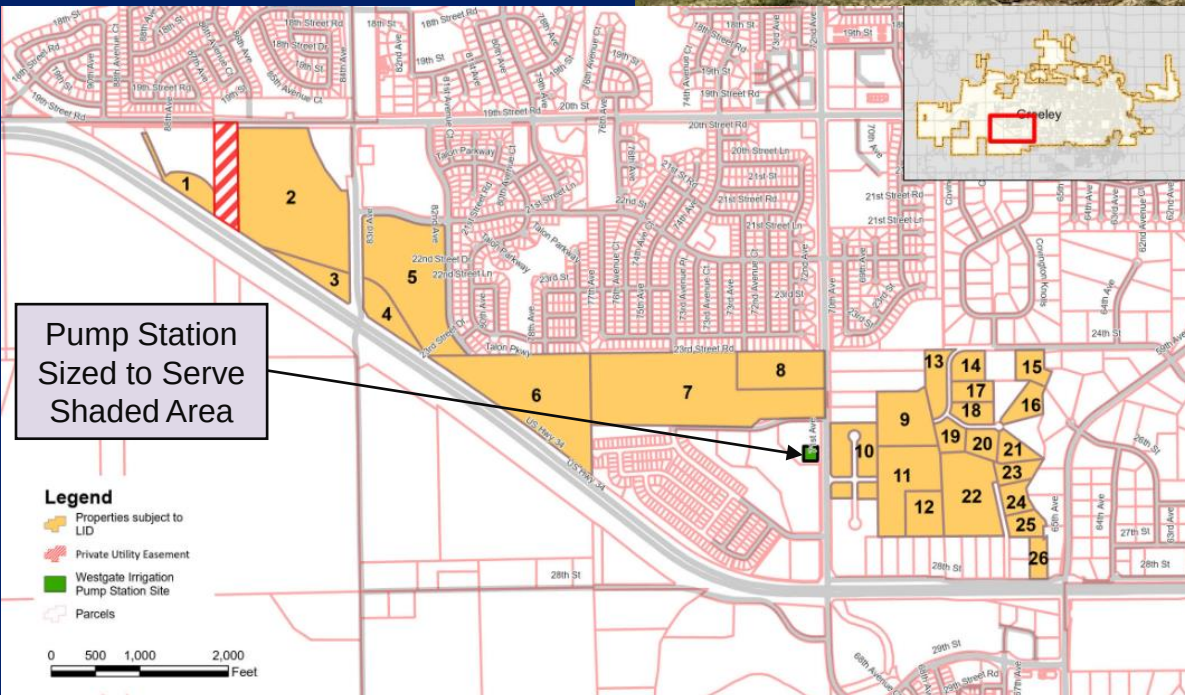
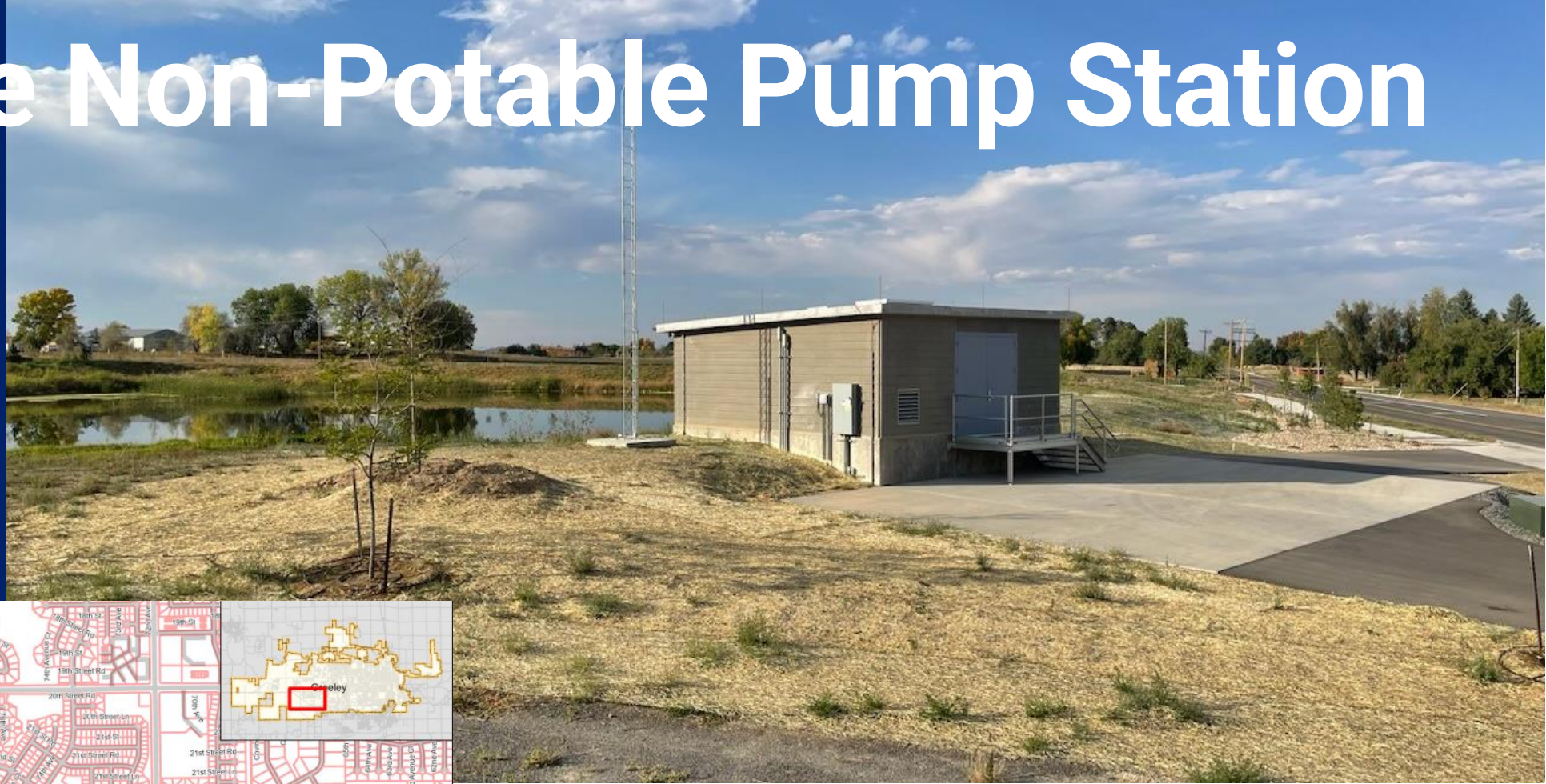
Terry Ranch Pipeline



Phase 2 – Pipeline Construction Broken into 5 Segments

- Segment 1 Completed in August 2024
- Segment 2
 - Contracting in Nov/Dec of 2024
 - Construction Starting in May/June of 2025
- Segment 3, 4, 5
 - 60% Design in Q2 of 2025

Westgate Non-Potable Pump Station



- Non-potable irrigation water for 417 ac of future and developed land
- Water Construction: \$2,600,522

Suburban Ditch Non-Potable Supply



- Non-potable supply was completely blocked in July of 2024
- Water Capital Replacement: \$1,840,170

Advanced Metering Infrastructure



- 24,446 meters installed
- \$3.5 Million is WaterSmart Grants
- Water Capital Replacement:
 - Total Budget \$11,424,367
 - Budget Remaining-\$1,217,722



20th St Transmission Line Break

- Break was caused by damage from previous contractor
- Water Capital Replacement: \$398,463

SCADA Master Plan

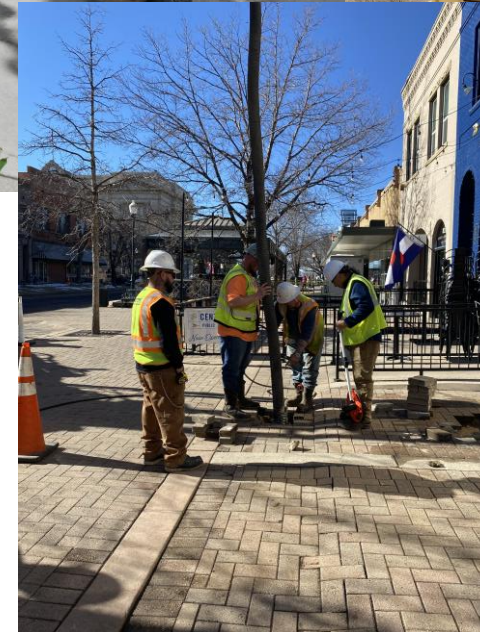


- Completion planned for end of 2024
- Water Capital Replacement: \$429,723
- Master Plan key results:
 - Evaluation of City cybersecurity program
 - Standardization for electrical and I&C standards
 - Radio path study for existing and future sites

Lead & Copper Protection Program



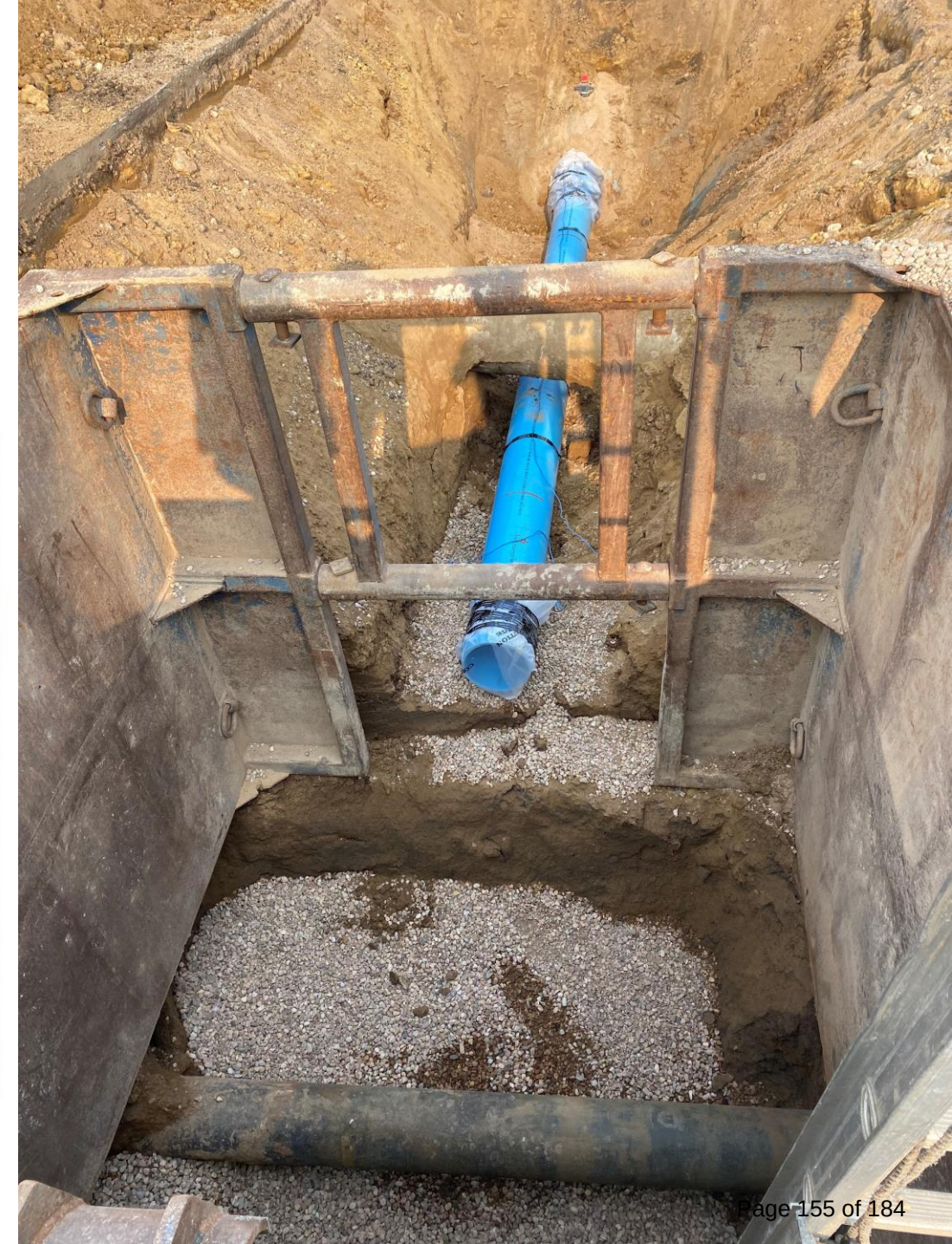
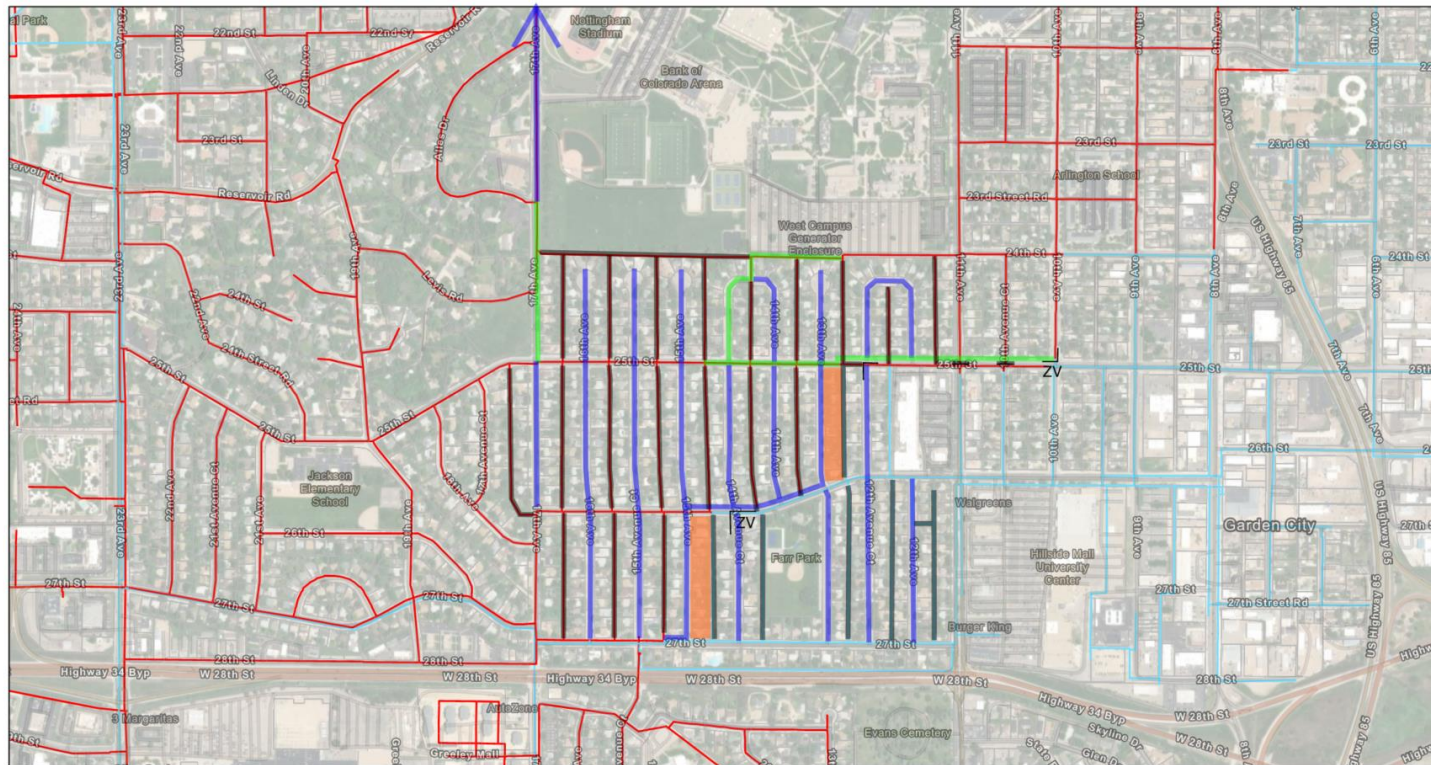
- On October 8, 2024 the EPA Mandated replacement lead or contaminate water service lines
- \$20 million loan and \$10 million grant
- Water Capital Replacement:
 - Total Budget - \$21,294,224
 - Budget Remaining - \$17,866,357



Distribution Water main Replacement

- Other projects discussed by Rebecca
- Water Capital Replacement: \$3,672,000

Farr Neighborhood System Improvements - Planning Reference Map



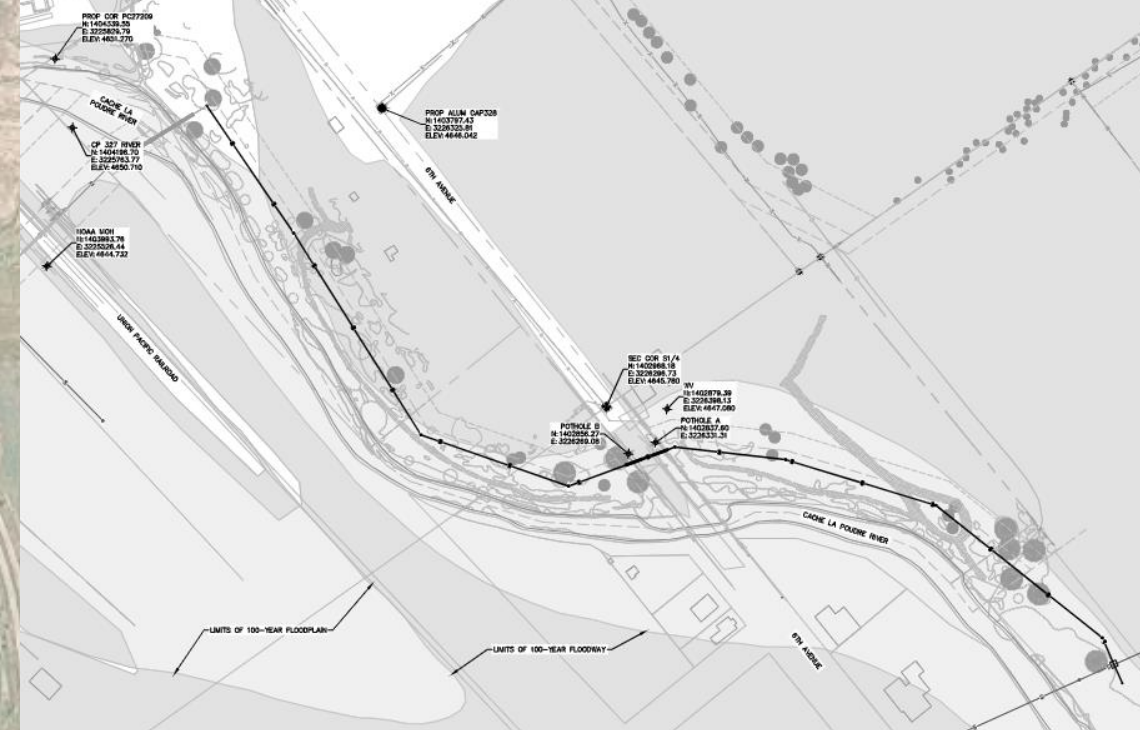
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Bellvue WTP General Rehab



- New Backup generator & Solids thickening rake drive
- Water Capital Replacement: \$886,771



- 36" Interceptor sewer for North of River development
- Planned to start construction in Winter of 2024
- Sewer Construction: \$7,298,658

North Greeley Sewer Phase 2

WTRF General Rehab



- Non-potable supply was completely blocked in July of 2024
- Sewer Capital Replacement: \$889,915



Questions?



Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Virgil Pierce - Utility Finance Manager

Title:

Multi Family Sewer PIF Update

Summary:

In 2024, the city implemented a new graduated fee structure for residential Water Plant Investment Fees (PIF) that accounted for varying impacts to the water system due to lot size. One of the issues identified when discussing these changes with the Water and Sewer Board was an inconsistency with how the Sewer PIF was being computed for multi-family housing structures in the city. Multi-family structures that have one sewer tap for the building pay a lower Sewer PIF than the aggregated units would if they were individually tapped. Raftelis, Greeley's rate and fee consultant, has completed an analysis of the sewer impact of some recent multi-family housing built in the city over the last four years. Their analysis supports a proposal to change the Sewer PIF computation for multi-family housing structures to be based on the number of dwelling units downstream from the water meter rather than the meter size. The proposed change removes the financial disincentive to individually tap the housing units and is simple to compute:

The Sewer PIF for multi-family housing structures with 6 or fewer units downstream from the meter will be the number of dwelling units multiplied by 75% of the ¾" tap PIF from the regular PIF schedule; for multi-family housing structures with more than 6 units downstream from the meter it will be the number of dwelling units multiplied by 50% of the ¾" tap PIF from the regular PIF schedule. The Sewer PIF will be the same for individually tapped multi-family buildings and those with a single tap.

If the board is in favor of the change, it will be included in the 2025 Rate and Fee Resolution presented for the board's approval in December 2024.

Recommended Action:

Informational only

Recommended Motion:

None

Attachments:

1. 02 - Sewer Multi-Family PIF Update
2. 03 - Greeley Sewer MF PIF Memo_FINAL



2025 Proposed Sewer Plant Investment Fee Revision

Virgil Pierce, Utility Finance Manager
Water and Sewer Board – October 16, 2024



Agenda



- Review of updates made to Water PIF.
- Proposed updates for Sewer PIF for Multi-family structures.
- Questions?

Plant Investment Fee Methodology

- Both the Water and Sewer Plant Investment Fees (PIF) are based on a customer buy-in methodology. The **Total System Replacement Value** is divided by the **Total Number of $\frac{3}{4}$ " Equivalent Taps**.
- For multi-family and non-residential customers, the PIF is then computed based on the tap size. Taps larger than $\frac{3}{4}$ " are converted to $\frac{3}{4}$ " equivalents using the maximum capacity for that size.

Tap Size	$\frac{3}{4}$ " Equivalents	Water Plant Investment Fee	Sewer Plant Investment Fee
$\frac{3}{4}$ "	1.0	\$ 12,900	\$ 7,500
1"	1.67	\$ 21,500	\$12,500
1.5"	3.33	\$ 43,000	\$25,000
2"	5.33	\$ 68,800	\$40,000
3"	11.67	\$150,500	\$87,500

Sewer Multi-Family Plant Investment Fee

- When evaluating the changes to the water code language and the Water PIF structure with the W&S Board, an inequity was discovered for Sewer PIFs in multi-unit buildings.
 - For example, a 6 plex that has each unit individually tapped would pay a higher collective Sewer PIF than one with only one tap

	Sewer PIF with one 1.5" Tap	Sewer PIF with individual $\frac{3}{4}$ " Taps
6 dwelling unit structure	\$25,000	\$45,000

Multi-Family Sewer System Impacts

With our consultant we reviewed actual usage data from recent multi-family housing development in Greeley for the 2022 and 2023 winters. Summary of sewer impacts:

- Monthly winter consumption per dwelling unit for this dataset is less than SF winter consumption.
- As the number of units in the structure increases the winter water consumption per dwelling unit decreases.
- **2-6 units (typically rowhomes) usage rates per dwelling unit were 72% that of our typical SF home.**
- **More than 6 units (typically apartments) usage rates per dwelling unit were 39% that of our typical SF home.**

Persons Per Household

Staff considered the Community Development department's Persons Per Household (PPH) assumption:

Residential Zone	Housing Type	Assumed PPH	Ratio to SF
Residential Microhousing	Tiny homes / Mobile homes	1.7	55%
Residential High	Apartments	1.7	55%
Residential Medium	Rowhouse	2.7	87%
Residential Low	Single Family - Standard	3.1	100%
Residential Estate	Single Family - Estate	3.1	100%

Proposed Sewer Multi-Family PIF

Propose to change the Sewer PIF for Multi-Family housing structures to use the number of dwelling units as the factor rather than the meter size:

	PIF per Dwelling Unit
2 – 6 Dwelling Units in the Structure	\$5,625 (75% of SF with $\frac{3}{4}$ " tap)
More than 6 Dwelling Units in the Structure	\$3,750 (50% of SF with $\frac{3}{4}$ " tap)

- Ratios chosen are a blend of the observed ratio of actual use from recent multi-family housing and the ratios resulting from the assumed PPH.
- Staff will continue to monitor actual use and update Sewer PIFs in future years.
- This will make the Sewer PIF for a multi-family structure independent of the tap size and number of meters, further facilitating individual taps per dwelling unit.

Development Customer Impact

If the board is agreeable, this is a change that will be implemented for 2025 in the annual rate and fee resolution brought for your approval in December.

Number of Units	Meter Size when not individual taps	Current PIF for single meter	Current PIF for individual taps	Proposed PIF (total building cost)
1 (individual meter in a structure with 2-6 units)	¾"	\$7,500	\$7,500	\$5,625
2	¾"	*	\$15,000	\$11,250
4	1"	\$12,500	\$30,000	\$22,500
6	1.5"	\$25,000	\$45,000	\$33,750
12	2"	\$40,000	**	\$45,000
24	2"	\$40,000	**	\$90,000

* Duplexes will need to be individually metered in most cases.

**Unlikely these cases could be individually metered in most developments proposed.



Questions?

MEMO

To: Virgil Pierce, Utility Finance Manager, City of Greeley

From: Justin Rasor, Manager, Raftelis

Date: September 24, 2024

Re: Review and Analysis of Multi-Family Sewer Plant Investment Fee

Introduction

The City of Greeley (City) retained Raftelis Financial Consultants, Inc. (Raftelis) to conduct a Sewer Multi-Family Plant Investment Fee (PIF) analysis (Study) to evaluate whether the current Sewer PIFs are sufficient to recover the costs associated with the capacity required to serve Multi-Family customers. The primary objectives of the Study are to:

- Calculate Multi-Family sewer contributed flow using average winter consumption.
- Calculate the average Single Family Residential sewer contributed flow of a residential $\frac{3}{4}$ " Meter.
- Use the ratio of Multi-Family to Single Family flow to determine the basis for the Multi-Family per unit Charge

Background

PIFs are one-time charges assessed by utilities on new or expanding developments to cover the cost of connecting to water, sewer, or other utility systems. Their primary purpose is to ensure that those requiring additional capacity bear the financial burden of expanding utility infrastructure, thereby preventing current customers from subsidizing growth. PIFs also provide funding for future projects that will accommodate further development.

In the City, Sewer PIFs are calculated using a **Buy-In method**, which calculates fees based on the value of existing infrastructure and the available capacity within the system. This method ensures that new customers contribute their fair share towards the system's capacity rather than benefiting from infrastructure already funded by existing customers.

PIF Assessment Schedules

Municipalities typically assess PIFs using schedules that account for factors such as meter size and fixture counts:

- **Meter Size:** Larger meters indicate higher usage, leading to higher PIFs.
- **Equivalent Residential Units (ERUs):** A standardized unit of water use that simplifies fee calculation for different types of development.

- **Fixture Counts:** Some municipalities use fixture counts to determine fees, assessing individual plumbing fixtures to estimate water usage.

The City's current Sewer PIF structure uses meter size as the basis for charges. Figure 1 below illustrates the fees by meter size. However, this method does not adequately reflect the actual wastewater contributions from multi-family developments, where multiple units share a single meter. A more accurate approach in the case of multi-family housing structures would be to base the PIFs on the number of units and their corresponding sewer contributions.

Figure 1: Current Fees by Meter Size

Meter Size (inches)	Existing
5/8" & 3/4"	\$7,500
1"	12,500
1-1/2"	25,000
2"	40,000
3"	87,500
4"	150,000
6"	312,500
8"	450,000
10"	725,000
12"	1,075,000

Basis for Unit-Based Sewer PIFs

1. Alignment with Wastewater Contribution:

- The Study utilized average winter consumption as a proxy for wastewater flow, effectively isolating indoor water use, which correlates more directly with sewer contributions.
- By calculating the sewer-contributed flow for both Multi-Family and Single-Family Residential properties, the Study established a ratio reflecting each property type's relative impact on the wastewater system.

2. Facilitation of Accurate Infrastructure Planning:

- The use of contributed flow ratios allows the City to better predict and plan for the wastewater system's capacity needs. This method aligns PIF revenue with actual system demand, supporting more effective infrastructure investment and long-term financial sustainability.

Findings and Recommendations

Raftelis conducted an analysis of 197 multifamily accounts over the past two years, focusing on the winter months of December and January. Figure 2 provides a summary of the data, categorized by the number of multifamily units, meter size, and the total number of accounts reviewed.

Figure 2: Data Summary

MFUNITS	Meter Size	Accounts
1	0.75	60
3	1	11
4	1	25
5	1.5	3
6	1.5	1
8	1.5	1
10	1.5	24
16	2	2
20	2	1
21	2	26
24	2	25
30	3	2
32	3	5
36	3	10
48	3	1

To gain further insights, Raftelis aggregated the data to highlight the most common unit configurations and recent developments, which often feature the latest improvements and water-efficient fixtures. For comparative purposes, the usage per unit was normalized against the single-family residential average of 3,500 gallons per month. The multifamily accounts were then categorized into two groups: those with 0-6 units and those with more than 6 units. The average usage for each grouping was calculated and compared to the single-family average. Figure 3 presents a summary of the analysis.

Figure 3: Average Ratio Analysis

MFUNITS	Usage per Unit	Ratio
3	2,560	0.73
4	2,133	0.61
5	2,893	0.95
6	2,012	0.57
8	1,814	0.52
10	1,744	0.50
21	1,581	0.45
24	962	0.27
30	934	0.27
32	930	0.27
36	1,503	0.43
Average Ratios		
0-6 Units Average		0.72
>6 Units Average		0.39

Based on the analysis, Raftelis recommends implementing a unit-based Sewer PIF structure for Multi-Family properties. The proposed structure should utilize a sliding scale based on the ratio of Multi-Family to Single Family contributed flow:

- For developments with 6 or fewer units: A ratio of 75% of the Single Family Residential PIF per unit should be applied. This reflects the lower per-unit flow contribution typically observed in smaller multi-family properties but considers the impact of many units behind the meter that are contributing to the system that charging by meter size does not consider.
- For developments with more than 6 units: A ratio of 50% of the Single Family Residential PIF per unit should be applied. This reflects the lower per-unit flow contribution typically observed in larger multi-family properties but considers the impact of many units behind the meter that are contributing to the system that charging by meter size does not consider.

A comparison of two methods is illustrated in Figure 4.

Figure 4: Comparison of Current vs. Proposed Fees for MF PIFs

MFUNITS	Meter Size	MFRatio	Current Fee	Proposed Fee
2 ^[1]	1	75.00%	\$ 12,500	\$ 11,250
6	1.5	75.00%	25,000	33,750
12	2	50.00%	40,000	45,000
24	2	50.00%	40,000	90,000

[1] Proposed Fee Calculation = \$7,500 Single Family PIF X 75% X 2 unit

The proposed approach ensures that the fees accurately reflect the impact of different-sized multi-family developments on the wastewater system. The consumption analysis is consistent with the City's development department assumptions for persons per household, as illustrated in Figure 5.

Figure 5: Development Department Ratio and MF Ratio

Residential Zone	Housing Type	Assumed PPH	Ratio to SF	MF PIF Ratio to SF
Micohousing	Tiny homes / Mobil Homes	1.7	55%	50%
High	Apartments	1.7	55%	50%
Medium	Rowhouse	2.7	87%	75%
Low	Single Family - Standard	3.1	100%	100%
Estate	Single Family Estate	3.1	100%	100%

Raftelis recommends periodically re-evaluating these ratios to ensure they continue to reflect wastewater contributions and system demands. Regular updates based on new data and changing development patterns will allow the City to maintain a fair and effective PIF structure that supports sustainable growth and infrastructure planning.



Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Leah Hubbard

Title:

Legal Report

Summary:

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

Based on our review of the May 2024 Water Division 1 Resume, staff and water counsel recommend that the Water and Sewer Board authorize filing statements of opposition by the end of October 2024 to the following water court application:

Case No. 24CW3119: The Ogilvy Augmentation Company is filing an application to add the 8th Street Gravel Pit as a well to its augmentation plan originally decreed in Case No. 03CW150. The 8th Street Pit was formerly the subject of an agreement between the Greeley Urban Renewal Authority (GURA) and the City of Greeley whereby Greeley provided augmentation water to GURA. Greeley considered purchasing the 8th Street Pit, but ultimately decided against it. Out of priority depletions attributable to the 8th Street Pit occur in a reach on the Poudre where Greeley has numerous interests, including exchanges and return flow replacement obligations. We recommend that Greeley file a statement of opposition in this case to ensure that augmentation of the 8th Street Pit is sufficient to prevent injury to Greeley's water rights.

Recommended Action:

Staff and water counsel recommend authorizing filing a statement of opposition in Division 1 Case No. 24CW3119.

Recommended Motion:

"I move that the Board authorize filing a statement of opposition in Case Nos. 24CW3119 and for staff and legal counsel to seek resolution of issues raised by this case consistent with Water and Sewer Board Resolution No. 3, 2015."

Attachments:

None



Water & Sewer Agenda Summary

October 16, 2024

Key Staff Contact: Sean Chambers, Water & Sewer Director

Title:

Director's Report

Summary:

The Director will provide the Board with a summary update of some current activities and opportunities to participate in water community events and education.

Recommended Action:

Informational only

Recommended Motion:

None

Attachments:

1. CO_River_1.5pager_Info-G._Oct.2024_Greeley.Water
2. Board Meeting Charts_2024

Colorado River Water Resources are critical to Colorado's economy, community vitality, agricultural production, recreation economy, municipal resiliency, ecosystem services, and quality of life on both side of the Continental Divide. Data driven protection of water supplies from the Colorado River is essential to the sustainability of Greeley and neighboring communities across Northern Colorado.

Upper Colorado River Resource Protection

The City of Greeley greatly appreciates the work of our federal delegation in advancing funding for infrastructure, water measurement, drought recovery and resiliency, and system conservation in the Colorado River Basin. Colorado communities and the Upper Basin States are at a critical point in time with the renegotiation of the Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead. Our peer cities and Greeley are advocating for a clear understanding among our federal delegation and the US Bureau of Reclamation on the finer points of Colorado's vested rights to Colorado River water resources and the equity envisioned by the Compact.

When evaluating the high stakes dialogue between the Upper and Lower Basin States and US federal agencies, we ask that you become familiar with the following factual points:

- **Water flows and storage in the Upper Basin are accurately measured, clearly tracked and reported; and any suggestion that additional federal oversight of the Upper Basin is needed is overreach**
 - o Reclamation has ample accurate data that has been used to calculate Upper Basin consumptive uses and losses, and the data confirms that the Upper Basin uses 3 to 4 Million Acre Feet (MAF) less than our Compact apportionment.
 - o Across the Upper Basin and in Colorado, water law and our State Engineers require and inspect water measurement devices and requires the regular reporting of diversion, use and storage data.
- **The Upper Division States have a numeric standard obligation to deliver 8.23 Million Acre Feet (MAF) annually to the Lower Basin is not factual.**
 - o The 1922 Compact, as negotiated by Greeley's Delph Carpenter, provides that Upper Basin States have a non-depletion obligation, which is not the same as a numeric delivery obligation. This is a critical point as the basin states grapple with a warmer and likely dryer future.
 - o On aggregate, the Upper Division States are using between 3 MAF – 4 MAF less than our 1922 Compact apportionment, and while aridification has impacted the River's natural flows, the Upper Basin has always lived within the means provided by mother nature, curtailing junior water rights and drying up farmland during times of drought shortage to ensure Compact compliance.
 - o Affirming misinformation that Upper Division States owe a fixed numeric delivery of 8.23 MAF/year would result in destabilizing the law on the River and almost certainly result in new litigation. Such litigation would not likely yield any additional reliability for Upper or Lower Basin States, given the constraints inherent in Upper Basin hydrology and the limitations contained in the 1922 Compact.

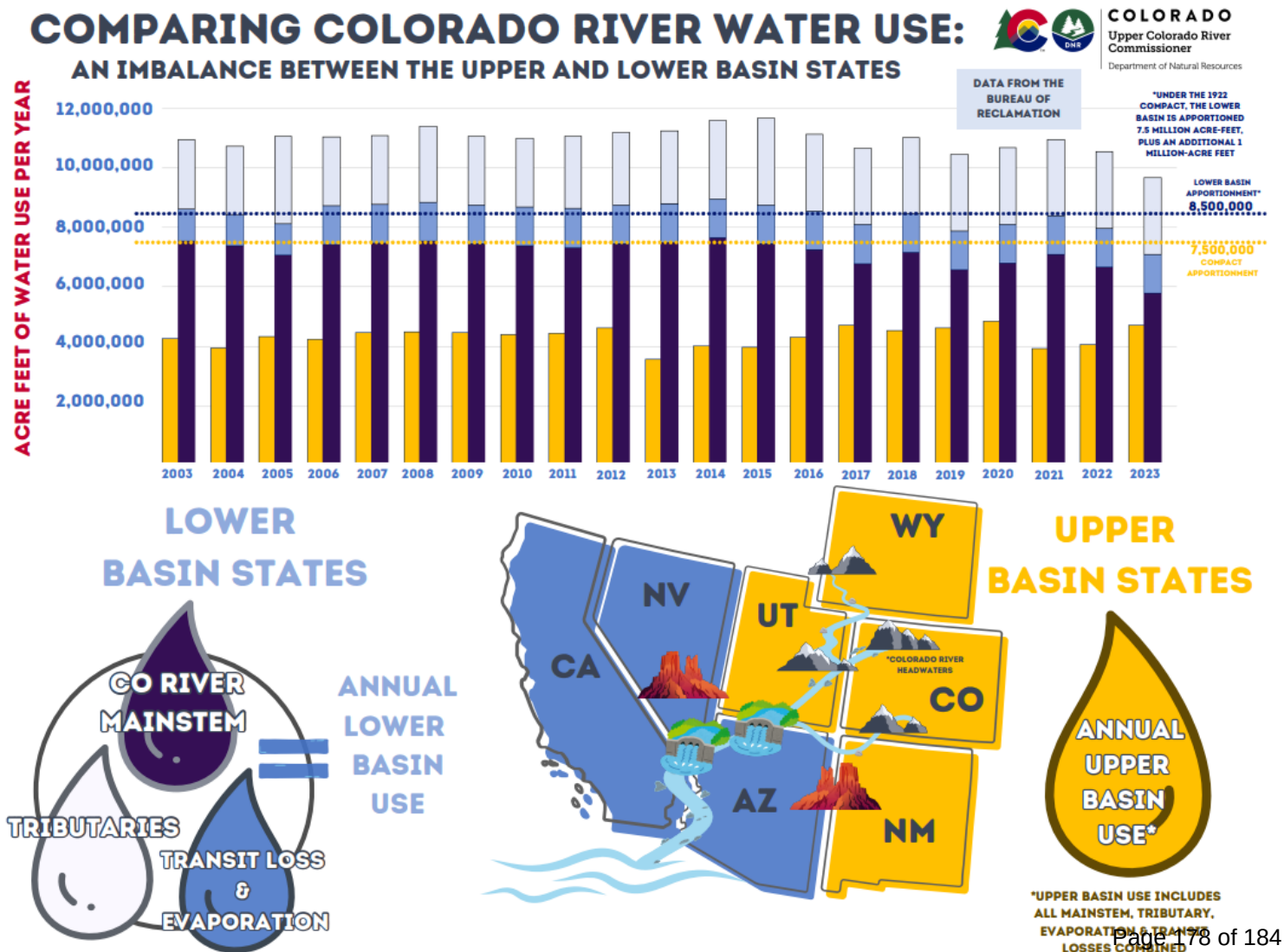
FOR MORE INFORMATION CONTACT:

Sean Chambers, Director, Water & Sewer Utilities

Cell Phone: 970.397.4215 Email: Sean.Chambers@Greeleygov.com

CITY OF GREELEY WATER UTILITIES – COLORADO RIVER PROTECTIONS

- **Unfounded perception authority to pull water from Upstream Initial Units to support Lake Powell**
 - o The Upstream Initial Unit (UIU) reservoirs such as Navajo, Blue Mesa, and Flaming Gorge have clear authorities and Records of Decision, which direct how water is to be released.
 - o Using UIU water to support ongoing overuse in the Lower Basin (which occurs when these Upper Basin reservoirs provide water to Powell that then flows downstream) is not a recognized or legally permissible use of this water.
 - o In years past, federally forced deliveries from the UIU reservoirs in Colorado and Wyoming devastated some local economies with little warning, all so water could be shuttled downriver to stabilize Lower Basin storage that was declining in the face of unchecked and excessive use by the Lower Basin without regard for the hydrologic limits of the River or the UIU Records of Decision.
- **Lower Basin tributary uses are also Colorado River uses as defined in the Compact**
 - o It is critical to understand that the use from Lower Basin Rivers Tributary to the Colorado mainstem are also uses of the Colorado River supplies as defined and apportioned in the 1922 Colorado River Compact.
 - o When we hear Lower Basin States or agencies say that the Lower Basin only used 5.9MAF in 2023, that data point is misleading and neglects to include the substantial use from the River's tributaries.
 - o **See the graphic below:**

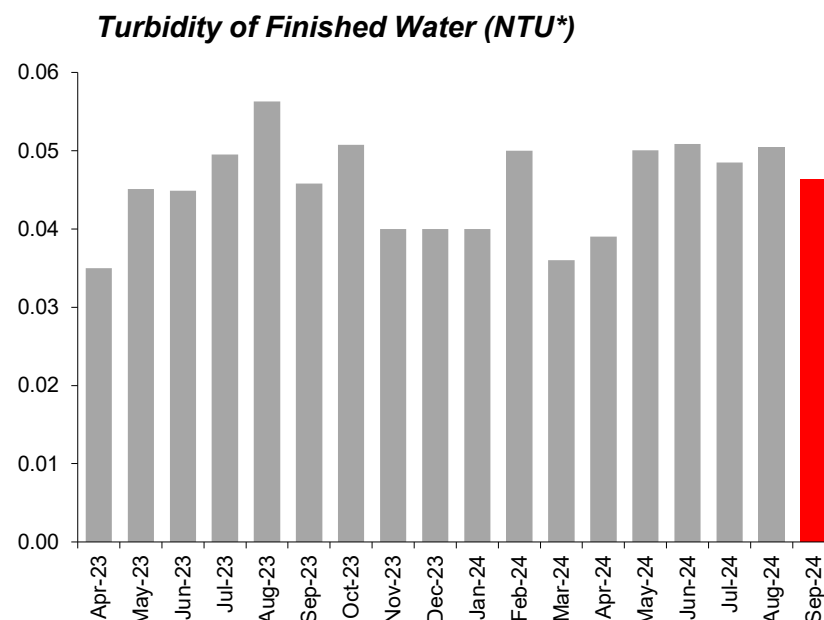
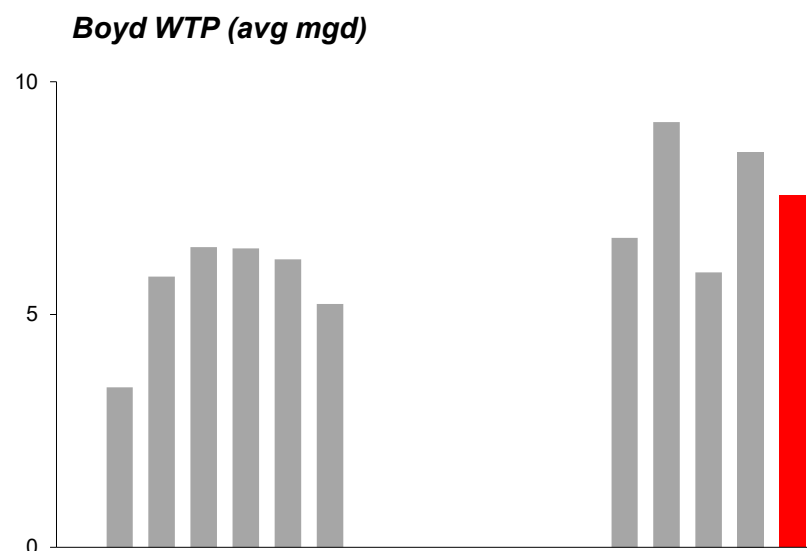
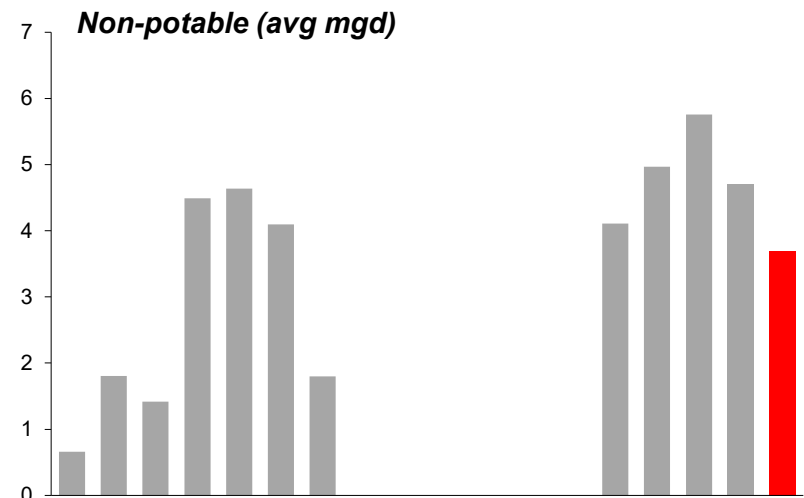
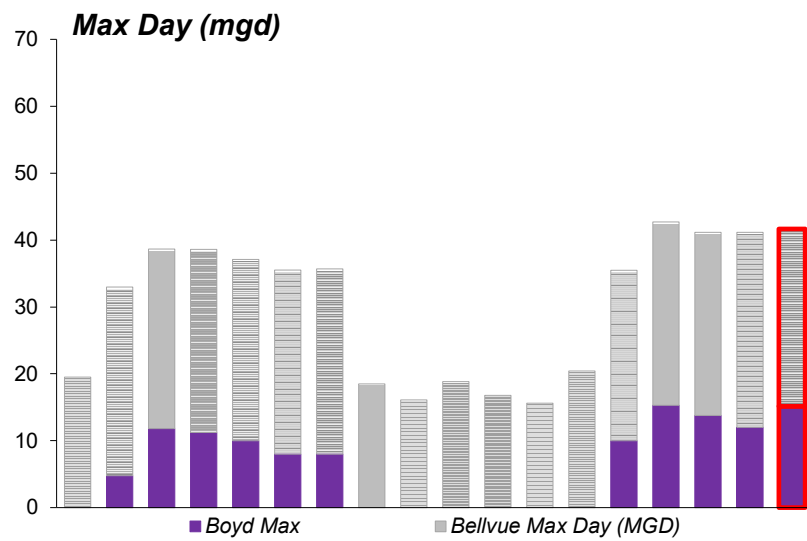


Water Treatment

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 platte 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).

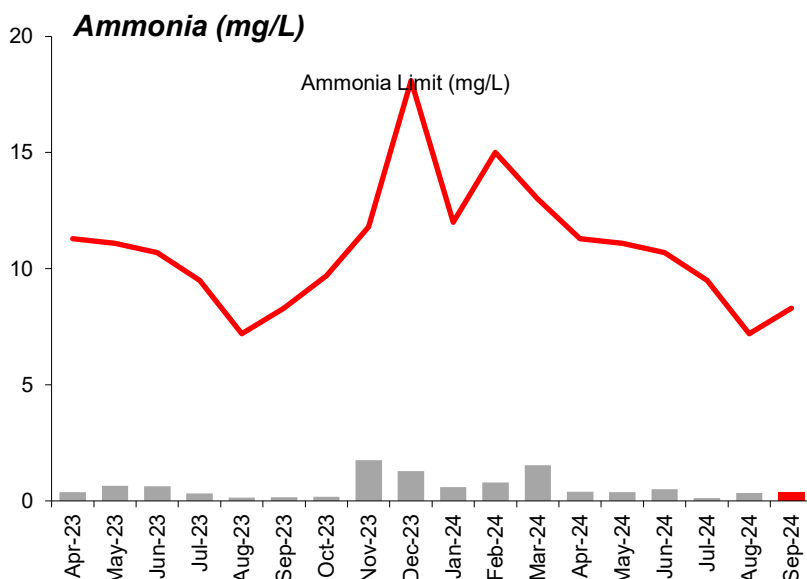
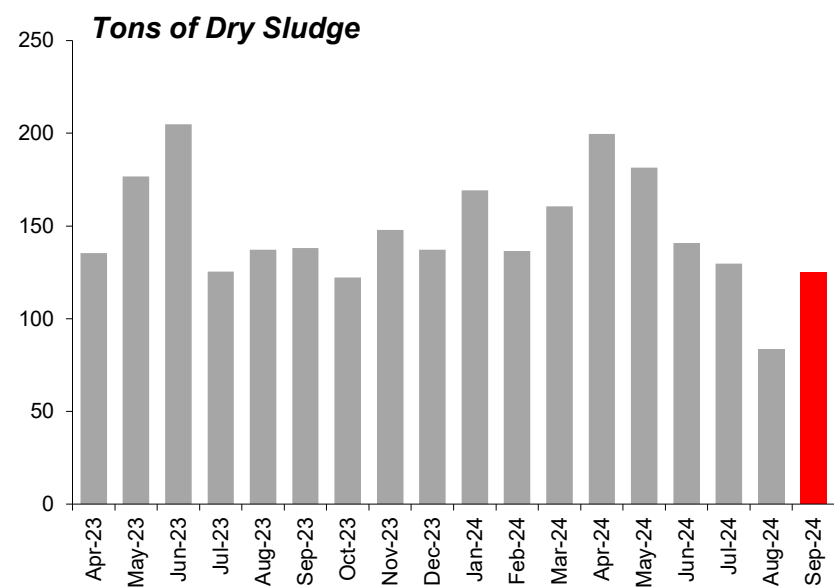
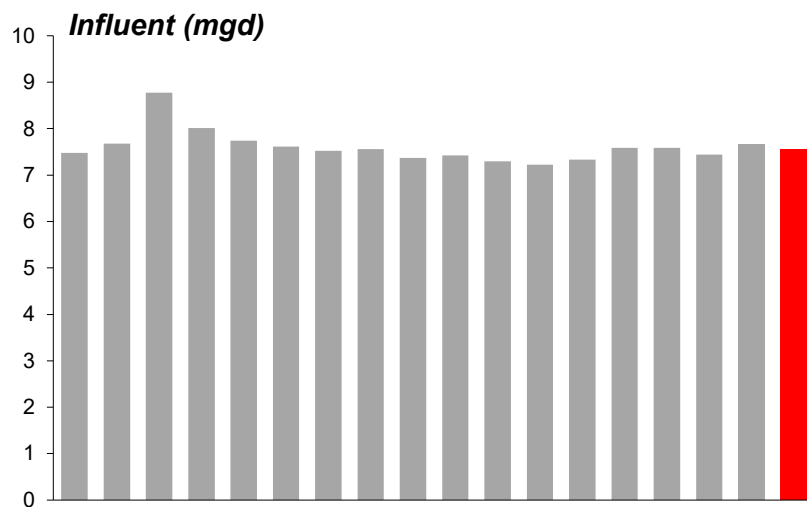
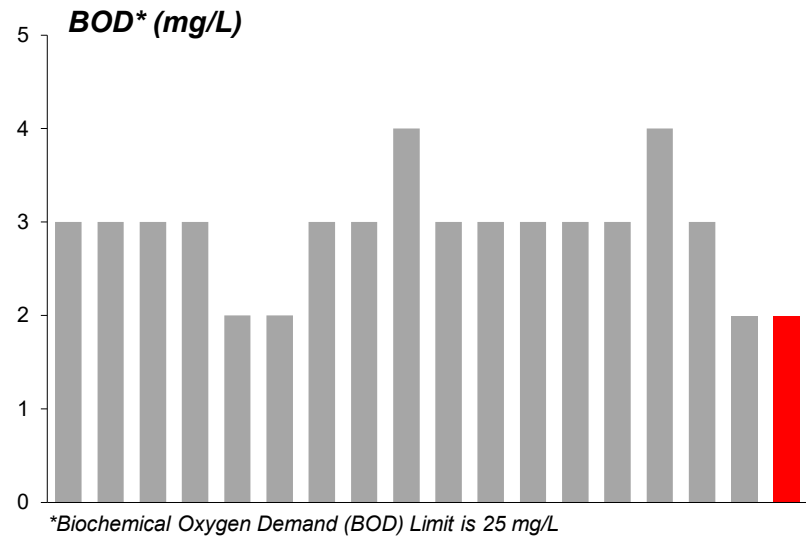
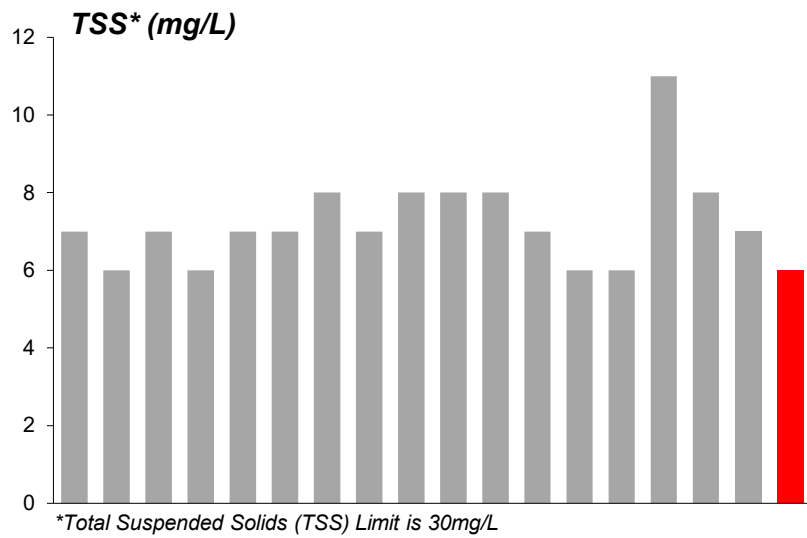


Wastewater Treatment

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.



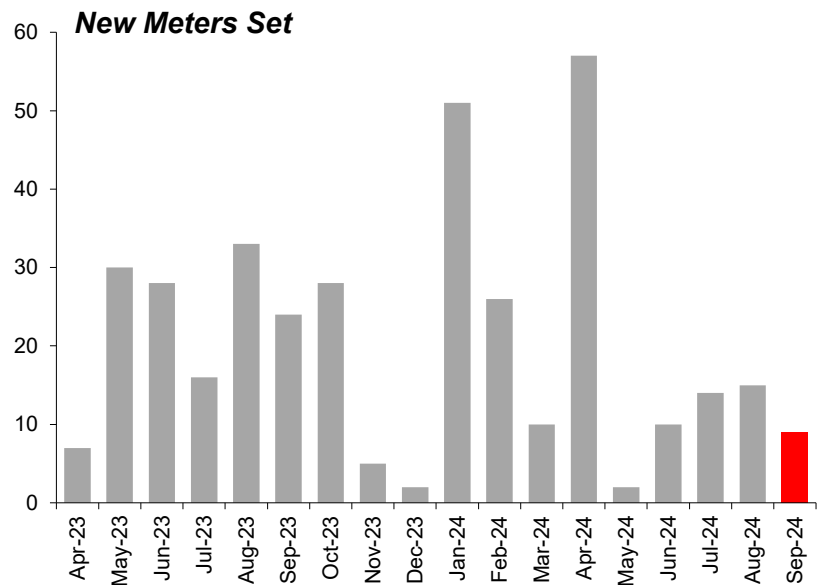
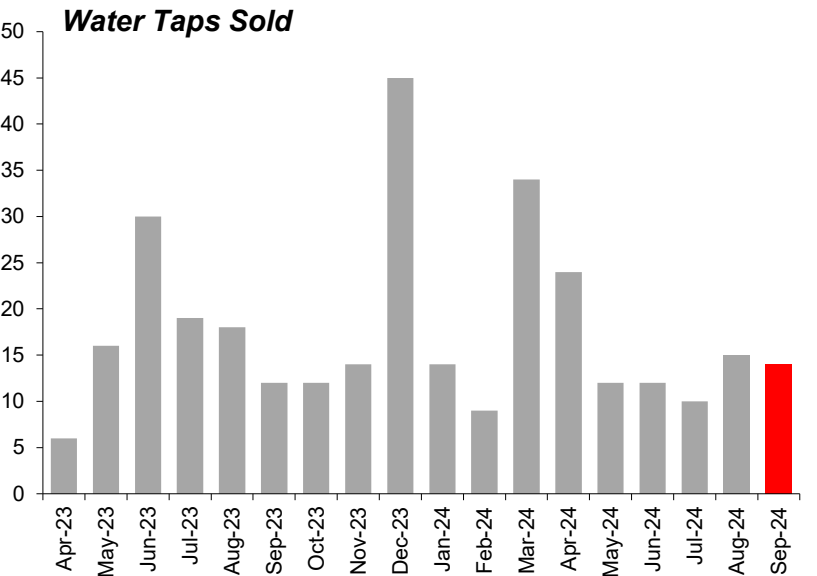
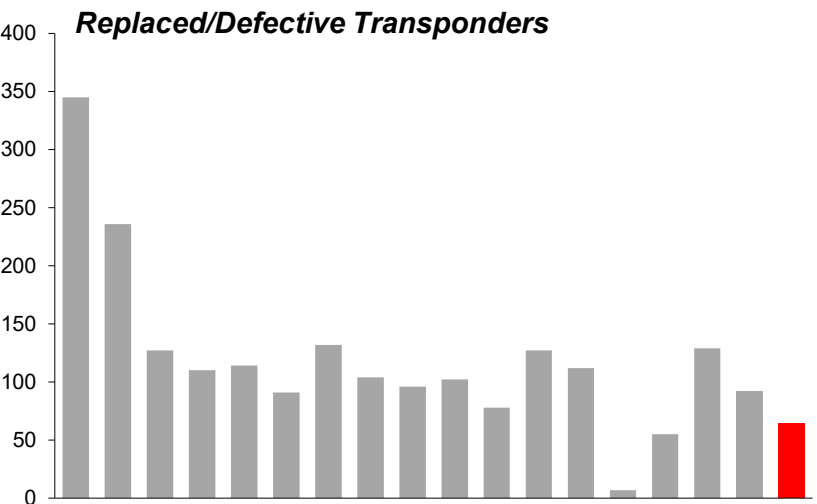
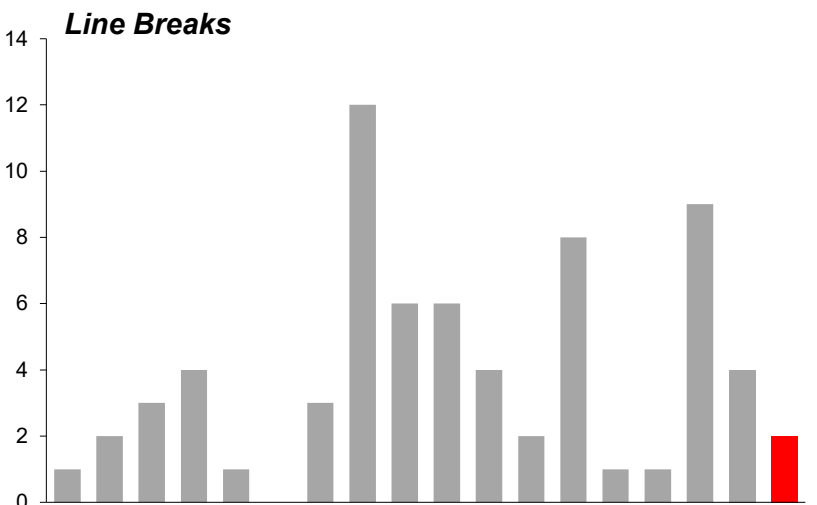
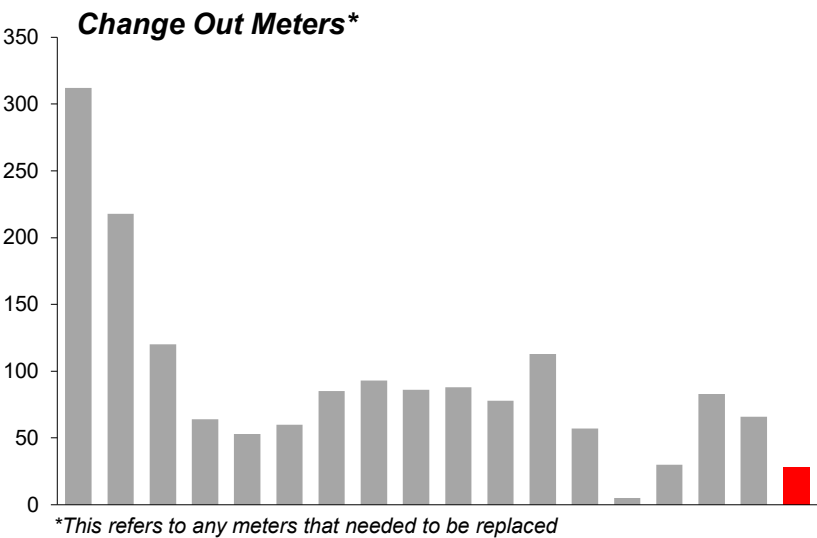
Water Distribution

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.



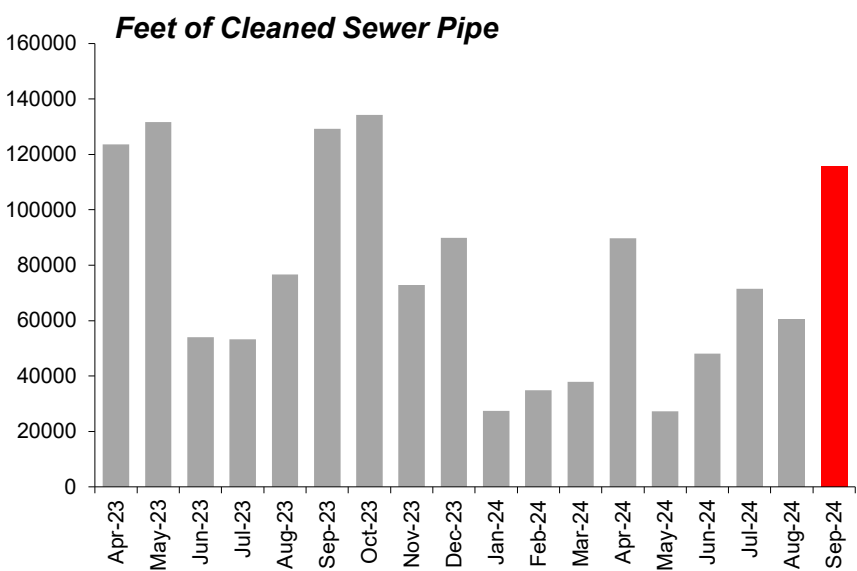
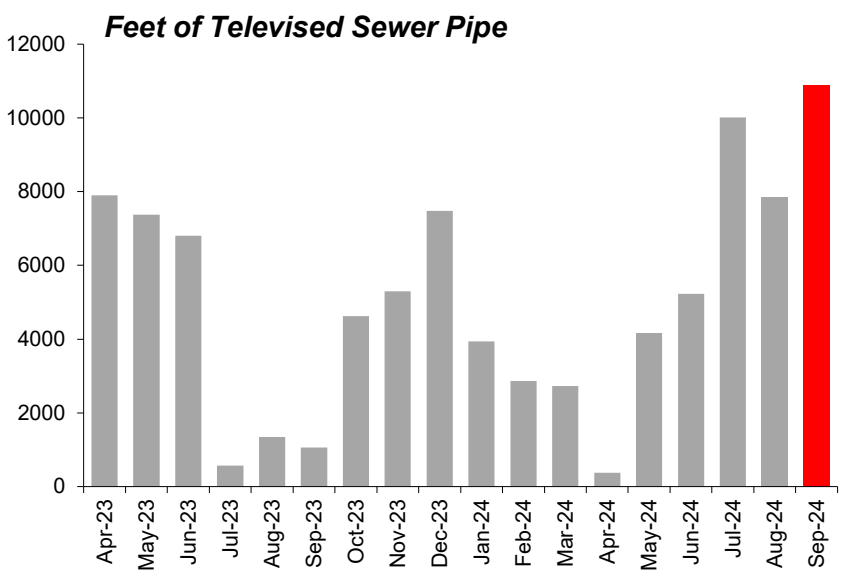
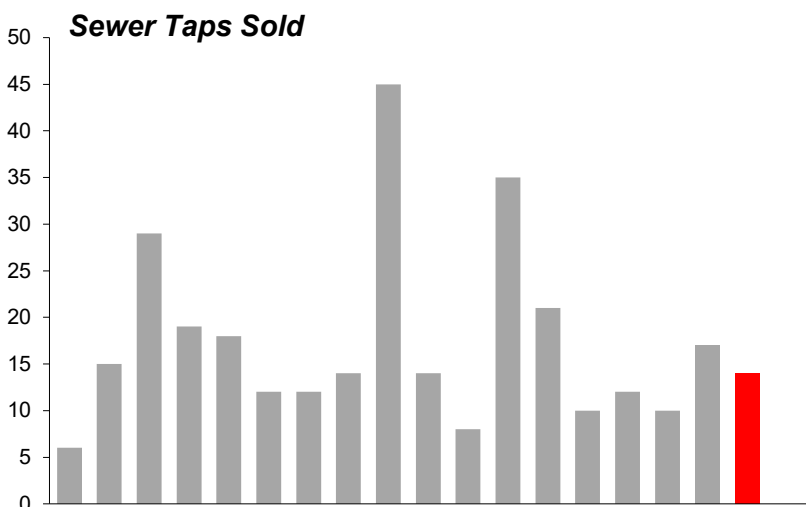
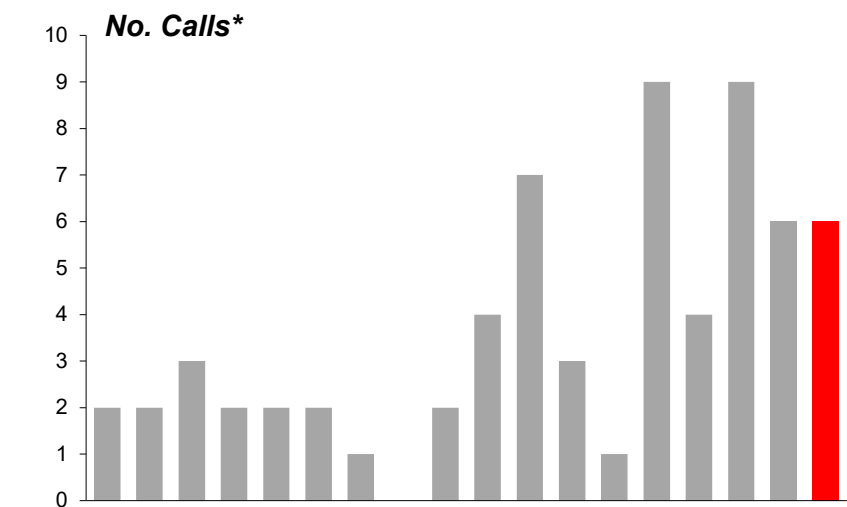
Wastewater Collection

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.

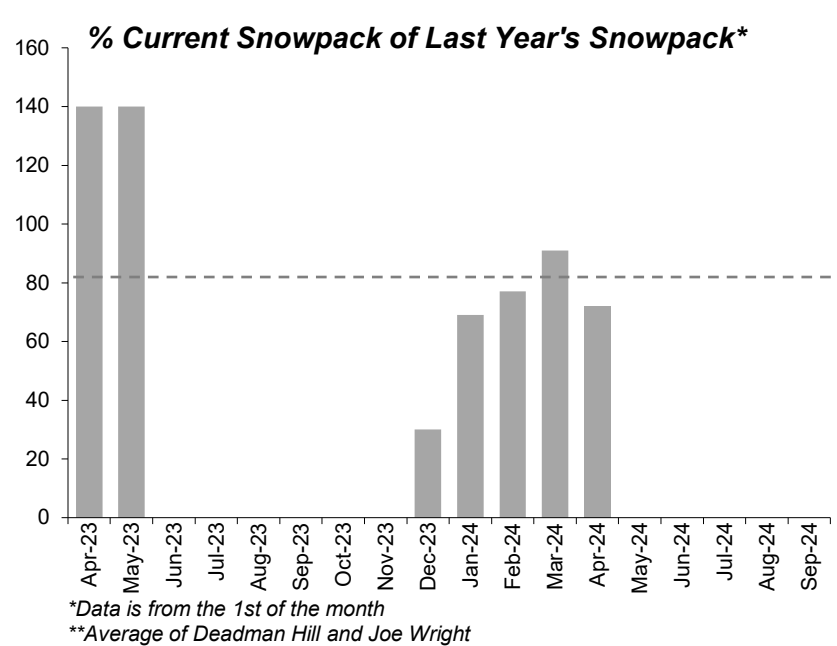
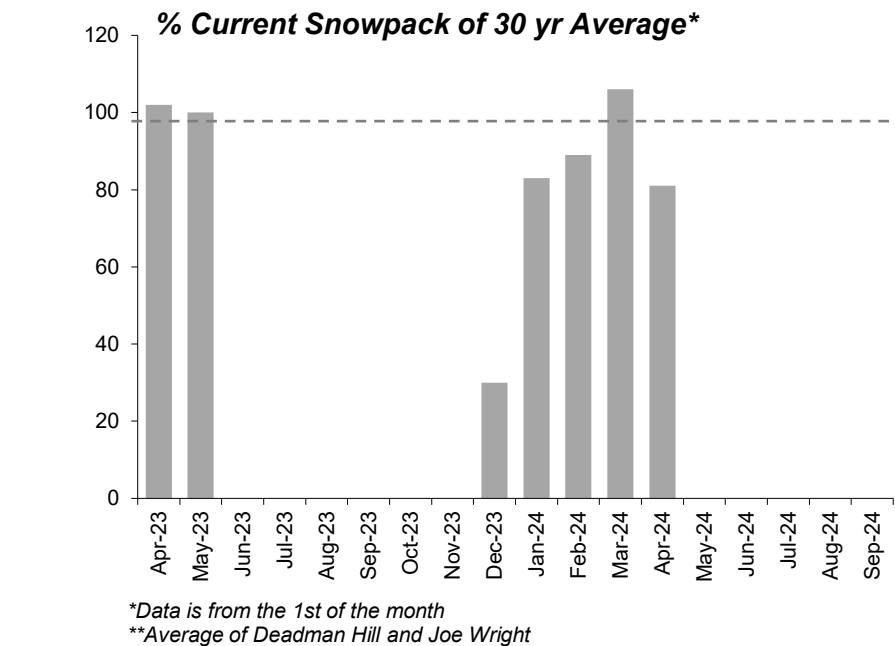
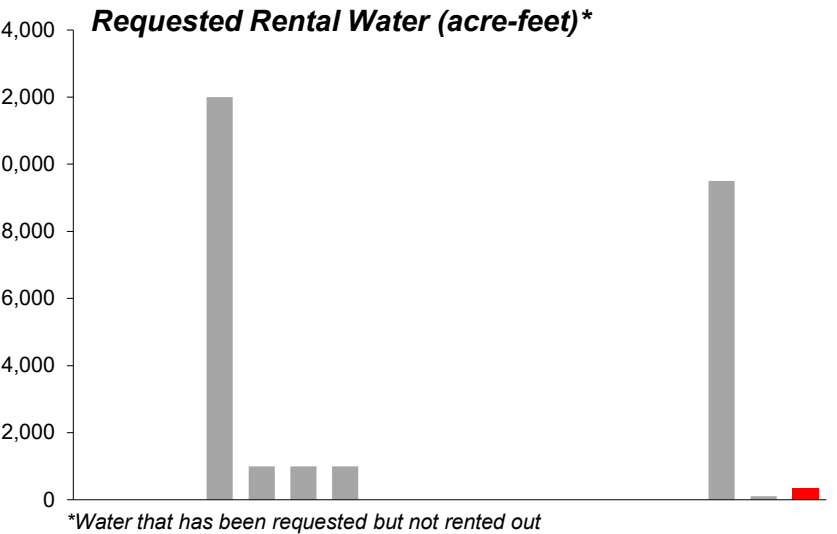
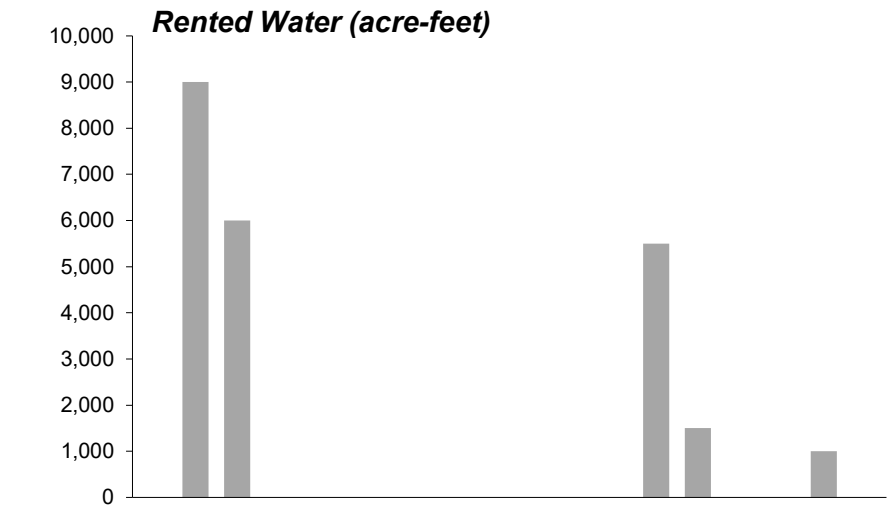
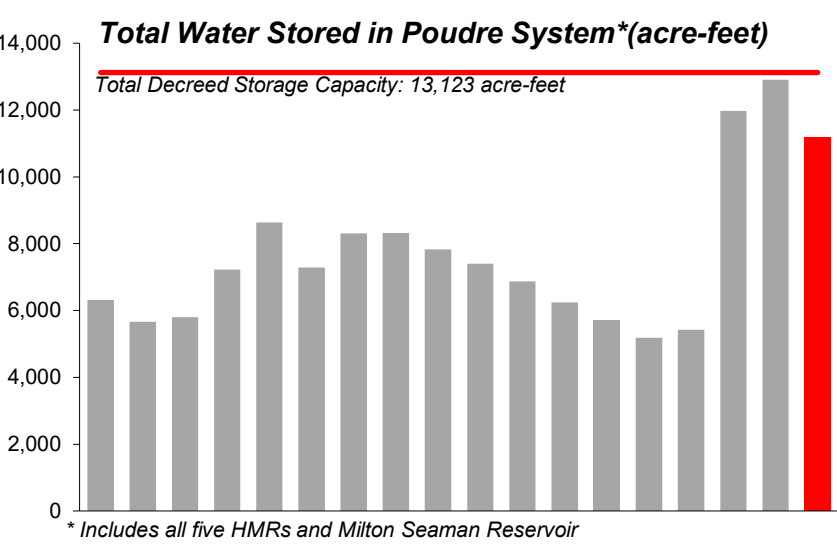
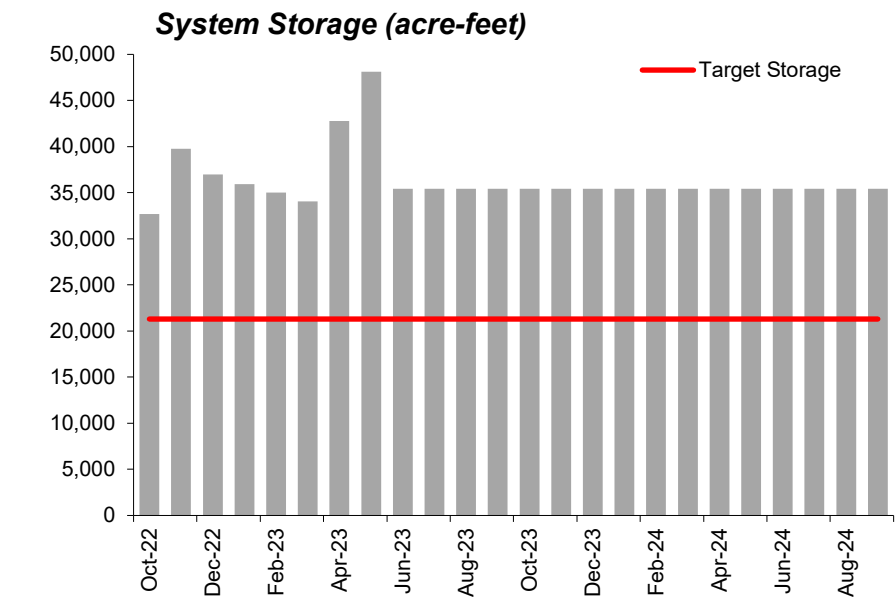


Water Resources

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.

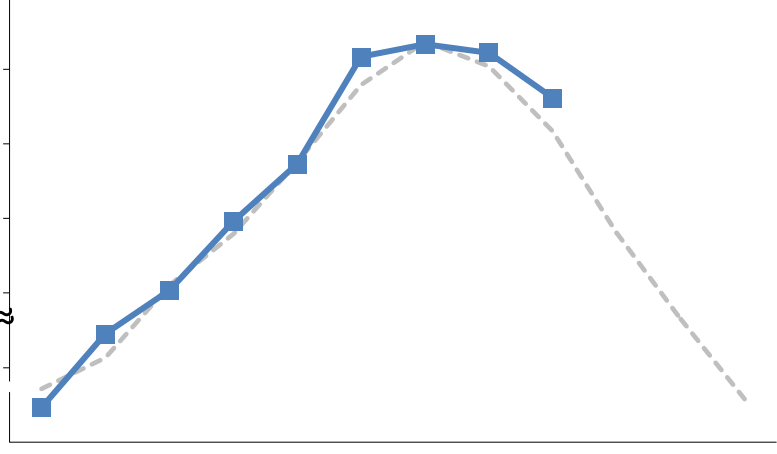


Treated Water and Weather Data

January was a cold month with an average temperature of 24.63°F. Temperatures warmed up in February with an average temperature of 34.52°F. The average temperature was 40.38°F in March and 49.62°F in April. May signaled the start of summer with an average temperature of 57.27°F. June tracked slightly higher than average at 71.6°F. July temperatures were seasonably average at 73.3°F. Temperatures in August were slightly above average, but slightly cooler than July. Temperatures in September were well above average with an average temperature of 66.19°F compared to the historic average of 61.7°F.

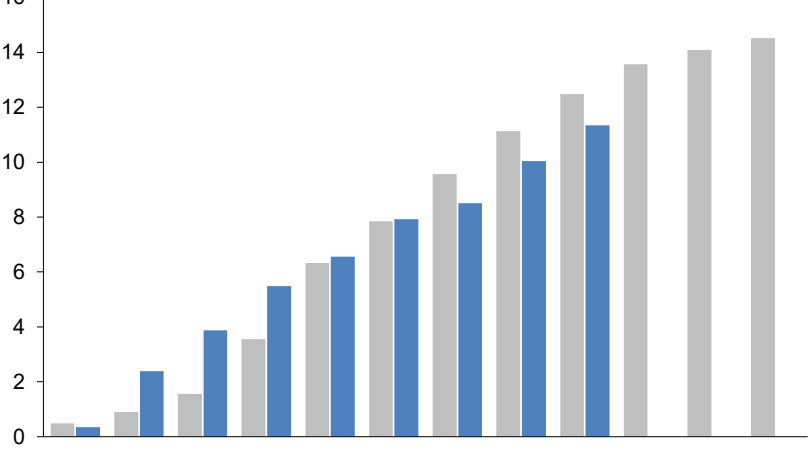
Greeley received 0.35 inches of precipitation in January. A big snow storm brought 2.03 inches of precipitation in February. Greeley received 1.5 inches of precipitation in March and 1.6 inches in April. May brought less precipitation than expected, with 1.07 inches for the month. June precip was just below average, but kept the total precip above average. July was dry and only produced 0.58 inches of precipitation. There were 1.53 inches of precipitation in August, which is slightly below average. September precipitation was also slightly below average at 1.5 inches with cumulative precipitation just over 1 inch lower than the historic average.

Average Temperature (°F)



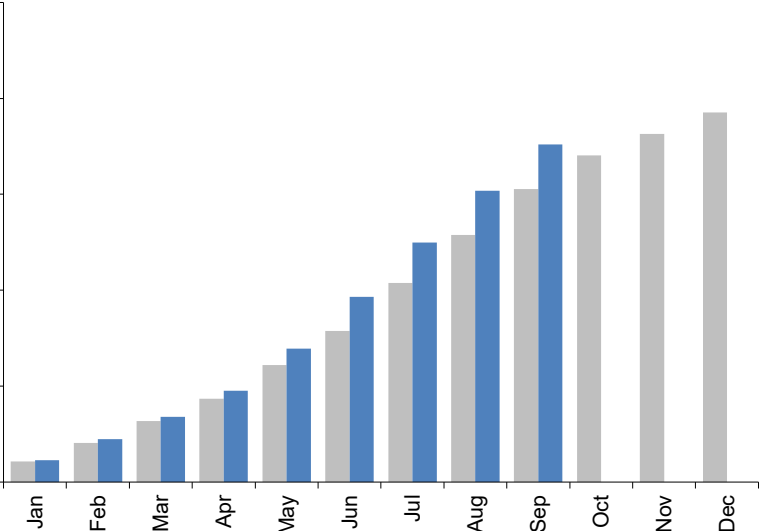
Scale altered to highlight the variability between months

Cumulative Precipitation (inches)



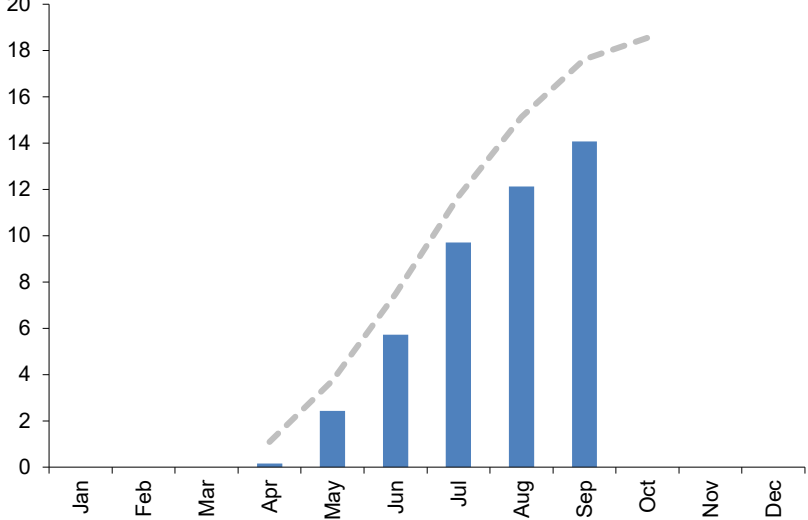
Historic 2024

Cumulative Treated Water (billion gallons)

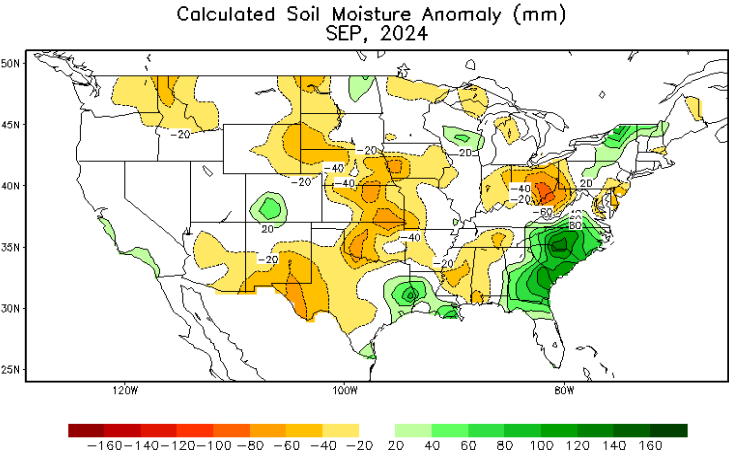


2023 2024

Cumulative Irrigation Water Requirement (IWR) (gallons/sq.ft)



2024 Historic



U.S. Drought Monitor

