

ROUND MOUNTAIN WATER AND SANITATION

BOARD OF DIRECTORS MEETING

THURSDAY, February 16, 2023

2:00 P.M. – 3rd Street Gallery Building Conference Room

In-person or via zoom – Please call for Invite to Zoom

Please silence your cell phones – and mute your mic on Zoom

Call to Order

Roll Call

Pledge of Allegiance

Public input for those not on the agenda will be limited to 3 minutes.

Additions to the March 16, 2023, Board of Directors Meeting Agenda

Administrative Reports

- 1. District Business Manager – Peggy Quint**
- 2. ORC – Steven Koch**
- 3. District Operations Manager – Dave Schneider**

Consent Agenda

- 1. Approval of the Minutes of the January 19, 2023, Regular Board Meeting**
- 2. Financial Report and Approval of Checks for January 2023**

New Business

- 1. Election Update-Carlan Cardenas**
- 2. Roger Camper and Buck Wenzel Silver Cliff request for building without tap variance concept**
- 3. Well Variation Agreement – Benny Koch**
- 4. Rate Increase Review**
- 5. Approval of Intergovernmental Agreement between RMWSD and UAWCD**

Old Business

- 1. Audit Presentation – Approval of Audit for 2021**
- 2. CSAFE Resolution 2023-3 for Approval**

Adjourn

**Round Mountain Water & Sanitation District
Board Meeting
January 19, 2023**

****The minutes of this meeting reflect the order of agenda, not the order of the meeting****

Called to Order by Charles Bogle at 2:00 p.m.

The meeting opened with roll call and the Pledge of Allegiance.

Present in Person:

President: Charles Bogle

Vice President: Steve Lasswell

Secretary: Connie Thompson

Treasurer: Randy Wilhelm

Member: George Mowry

District Manager: Dave Schneider

Assistant District Manager: Peggy Quint

Administrative Assistant: Carlan Cardenas

Guest: Jack Thompson

Present via Zoom:

Accountant: Cathy Fromm

Auditor: Christy DeNardo

Investment Broker: Bob Krug

Reporter: Elliot Jackson

Additions to the February 16, 2023, BOD Meeting Agenda: Dave Schneider noted that the Employee Manual is currently undergoing revisions.

Administrative Reports:

Peggy Quint, Assistant District Manager

- Peggy introduced Carlan Cardenas to the board as the new Administrative Assistant.
- Peggy is working with Streamline on the new website, it is going well and she hopes to go live with that on February 1st, 2023.

Steven Koch, ORC

- Dave gave the CORC report for Steven.
 - a. Dave spoke about the GIS Platform, Diamond Maps, that is now being used. It is much like that of qPublic which the assessor uses. Diamond Maps shows in detail the water and sewer mains as well as the location of all main taps that are in place. It will be updated regularly and will become the central hub of all documentation for current, new and historical records of the district. It will be accessible to others; however, Dave will only make it available in-house to the district employees, Town of Westcliffe, and Town of Silver Cliff at this time. It may be possible that it would be accessible to the public and could potentially be added to the district website at a later date. Dave will have to check with Diamond Maps to

see if public records searches are available as a feature. Dave showed the board on the overhead how Diamond Maps works and the value it carries as a tool for our techs.

- b. Dave reported that the federal and state agencies are both requiring a survey of District water service lines to determine what materials they are made of. The state and federal agencies want any lead or galvanized lines that exist in the distribution system replaced.
- c. There is a tool that works off a type of acoustic sound/vibration waves. Sending acoustic waves through water pipes to locate leaks is a well-known method for detecting leaks in water lines. The same technology can be used to successfully estimate appropriate wall thickness of buried water mains. Results from this testing can be used to estimate the residual remaining life of the pipe. The method involves sending sound waves through the water main and capturing the speed of sound to determine the thickness of the pipe wall. This tool could be useful in determining where old lines would need to be replaced in lieu of blindly excavating areas that may be of concern. Dave is hopeful that acoustic testing will become available as a contracted service rather than trying to foot the expense of purchasing one should the district need to utilize it as a diagnostic tool.
- d. Line replacements of galvanized pipes would have to be excavated. This is an extremely expensive endeavor and grant monies would need to be utilized.
- e. All line replacement work would be sourced out to an excavation firm. Outsourcing the work will be more efficient and timelier than completing it in-house and it would eliminate any liability to the district from land/homeowner property damage claims that may arise as a result of excavating and replacing lines.
- f. Backflow prevention devices would at this time be required as well, which will add additional costs to upgrading the old lines. Currently backflow prevention devices must be installed on all new or upgraded taps.

Dave Schneider, District Manager

- Meters are monitored daily and an Aquahawk report sent to all district employees.
- A deep frost line has caused an 8–10-week delay on abandoning the old Smith well.
- The electrical system on the pump house will be hooked to Black Hills Energy soon.
- Wastewater treatment update:
 - One gallon of water was tested at a lower electrical amperage. The reason a lower amperage was tested rather than the highest amperage is to determine the lowest amperage necessary to provide the desired results of treatment. This will save unnecessary electricity costs if a standard maximum amperage is adopted.
 - The Nitrogen test result was good.
 - The Phosphorus test result was below the desired level.
- Reservoir Update:
- The last part of January to the first part of February is the predicted timeframe for a meeting to be held to discuss and sign the intergovernmental agreement.
- The district received approximately \$500,000.00 in grant money.
- The district needs to acquire a permanent easement across property adjoining the reservoir site. We are pursuing offering augmentation water to three ponds on that property as payment for a permanent easement as the State has deemed the three ponds to be illegal.

Consent Agenda:

1. Charles Bogle calls for a motion to approve the Consent Agenda.
 - a. Randy Wilhelm moves that the Consent Agenda be approved.
 - b. Connie Thompson seconds the motion.
 - c. Motion Carried unanimously.

New Business:

Audit Presentation

- Dave moves onto questions to Cathy Fromm regarding the budget vs. actual figures on the 2021 audit numbers. He points out that there is an error in those items that need to be corrected. Cathy agrees that there is an error and states that she will fix it before submitting the final record.
- Christy DeNardo joins the meeting with a 2021 audit report.
- Christy makes it known that the report being shown is currently a rough draft therefore it should not be publicized until a final draft has been approved.
- Cathy reports the details of the 2021 audit as it currently stands and points out the areas of concern.
- There is a discussion about the audit and a series of questions and answers.
- There does not appear to be any major concerns at this time.
- It is decided that there will be a special meeting to further discuss and approve the 2021 audit report once it has been finalized. This meeting will likely take place before the regularly scheduled meeting date in February.

Mike Haga Request to move tap

Dave brings to the board a request from Mike Haga to transfer the water and sewer tap that he owns from lot #18 in Silver Cliff to lot #27 in Silver Cliff. Dave confirms that there will be no adverse effect to the district by allowing Mike to transfer the tap. Charles Bogle calls for a motion to allow the transfer. George Mowry moves that the district allow Mike Haga to transfer his tap from Lot #18 to Lot #27 in Silver Cliff. Steve Lasswell seconds the motion. Motion carries unanimously.

Resolution 2023-1 Posting of meeting location, dates, and times. Charles Bogle calls for a motion to accept Resolution 2023-1. Randy Wilhelm moves that the board accept Resolution 2023-1. Connie Thompson seconds the motion. Motion carries unanimously.

Resolution 2023-2 (Appointing a Designated Election Official and Authorizing Designated Election Official to Cancel Election) is presented to the board.

* Carlan is asked to be the Designated Election Official (DEO). Carlan accepts. Charles Bogle calls for a motion to accept Resolution 2023-2. Randy Wilhelm moves that the board accept Resolution 2023-2 and appoint Carlan Cardenas as the Designated Election Official (DEO). Steve Lasswell seconds the motion. Motion carries unanimously.

Water Rights Applications Objection

1. Dave reported that there have been two water rights applications that could impact the district. Claims have been filed by the Geroux Ranch and the Upper Arkansas Area. The district will dispute these claims as the point of access for the water in question form from a series of springs located on property that the district owns. Dave is okay with the Wenke pond remaining in place and used as a storage pond if

the water from the springs is diverted to Grape creek rather than being captured in the pond. Charles Bogle calls for a motion to allow Dave to dispute the Wenke pond water right claims filings. George Mowry moves that the board allow Dave to file a dispute to the Wenke pond water right claims filings on behalf of the district. Connie Thompson seconds the motion. Motion carries unanimously.

Old Business

1.) **CSAFE INVESTMENT, Bob Krug presented.**

Bob explained that CSAFE is a Special District money market fund which only government sectors are eligible to invest in. He distinguished the difference between a Cash Fund and a Core Fund investment and also provided a detailed informational flyer.

CSAFE Questions:

Randy Wilhelm: What is the loss protection guarantee on investments.

Answer: CSAFE imposes a dollar for dollar collateralization on all investments that keep the investments safe.

Steve Lasswell: What is the current interest rate?

Answer: Current rate is 4.5%

Connie Thompson: What is the worst that could happen if we invest in a CORE Fund?

Answer: Discussion commences, and it is determined that due to the following reasons, there really isn't a detrimental risk to the investment.

- Morgan Stanley manages the portfolio, and they monitor it daily. If there is a drop in the market, they will alert CSAFE and in turn CSAFE will alert the district and decisions about change can be made at that time.
- CSAFE anticipates the 4.5% average rate to remain for the remainder of 2023 and into 2024.
- All money invested into a CORE fund can be made available within 24 hours of request if need be. The money in the fund will never be inaccessible to the district.

Jack Thompson: Is there a periodic report?

Answer: Yes, the first business day of each month a new periodic report is issued.

CSAFE recommends the CORE fund to be the best investment as it provides the highest return and is still a very safe investment option.

Cathy Fromm comments that Investments can be split between a Cash Fund and a Core Fund if the board has reservations putting all their money into one fund.

Discussion is tabled until later in the meeting. c.) Charles Bogle calls for a motion to invest money in a CSAFE CORE fund. George Mowry moves to request the district to place money into a CSAFE CORE fund investment.

Connie seconds the motion.

It is brought up that there needs to be a resolution and the motion is tabled until a resolution can be presented at either the pending special meeting or at the regularly scheduled February 16th meeting.

2.) **BULK WATER RATE INCREASE**

- Currently the district charges \$0.02 per gallon. Other providers of bulk water surrounding the district are charging \$0.05 per gallon. Dave feels that it is necessary to bring the district to at least \$0.04 per gallon. One thing to keep in mind is that the district bulk water is potable water, therefore it has incurred the cost of treating it and should be charged at the according rate of \$0.04 per gallon. Dave also notes that bulk water is primarily utilized by a customer base that is outside of the district therefore raising rates will not impact customers who are in the district on the district water main system and a rate increase could arguably help district customers by being used to offset impending improvements that they may otherwise result in a rate increase to them.

- Randy proposes that the district raise bulk water rates incrementally with a \$0.01 per gallon raise for 2023 and a \$0.01 per gallon raise in 2024.
- Randy asks if the Westcliffe and Silver Cliff owned town parks should also incur a rate increase and proposes raising their rates by 10% starting in 2024.
- Dave asks Randy to provide a reason to raising bulk rates incrementally in lieu of a straight \$0.02 per gallon raise all at once to become effective in 2023.
- Dave counters that the \$0.02 per gallon rate increase should happen immediately as our bulk water is significantly undervalued in comparison to surrounding areas.
- Connie is in favor of an immediate \$0.02 per gallon rate increase in order to get caught up with surrounding rates.
- Randy suggests converting the #3 well to a non-potable water station and charging \$0.02 per gallon for bulk water being supplied by that well. This would allow customers purchasing water for construction and non-household use to continue to purchase water at a more efficient rate since it will not have the cost of being treated. Dave is in favor of this suggestion.
- General discussion on the future of water ensues. Steve questions the fallout of doubling the bulk water rates. Connie and Dave clarify that most bulk water is used to service out of district customers and increasing the rates will help keep the district water rates lower. Charles discusses that we are at \$0.02 per gallon with the need to get to \$0.04 per gallon and asks the board how they want to get there. George suggests increasing the bulk water rate to \$0.04 per gallon now (2023) and utilizing newspaper publicity to manage any potential negative backlash.
- Connie makes the point that “Business is Business” and that Round Mountain Water and Sanitation District is a business. She also reiterates that the income generated by a bulk water rate increase would go a long way towards necessary well and equipment upgrades.
- Discussion on rate increases is tabled until the next meeting.

Adjournment:

- 1.) Charles Bogle adjourned the meeting at 4:40 p.m.



Date: 12/28/2022 - 01/25/2023

No. Trips: 390

Volume (Gallons): 121,505

Revenue: \$2,430.09

Revenue by Customer - Summary

| Customer Name | Total Trips | Total Volume | Total Revenue |
|-------------------------------|-------------|--------------|---------------|
| Aaron Janachasky | 3 | 775 | \$15.50 |
| Aden Troyer | 2 | 230 | \$4.60 |
| Aimee Carnes | 6 | 1,475 | \$29.50 |
| Allen Brunke | 1 | 270 | \$5.40 |
| Andreas Scherer | 3 | 1,050 | \$21.00 |
| Anthony Wheeler | 4 | 2,170 | \$43.40 |
| Aron Jordan | 1 | 285 | \$5.70 |
| Bart Pikarsky | 1 | 225 | \$4.50 |
| Ben Mullett | 2 | 250 | \$5.00 |
| Benjamin Worley | 3 | 840 | \$16.80 |
| Bob Lynch | 4 | 1,025 | \$20.50 |
| Bria Roth | 3 | 720 | \$14.40 |
| Brooklyn Dugger | 5 | 685 | \$13.70 |
| Bruce Allen Dannels | 2 | 570 | \$11.40 |
| Bryce Roscoe | 15 | 2,705 | \$54.10 |
| Bud Layman | 17 | 5,053 | \$101.06 |
| C. D. Hibbard | 1 | 225 | \$4.50 |
| Casey Sullivan | 4 | 867 | \$17.34 |
| Cecil McDonald | 4 | 310 | \$6.20 |
| Chad Weimer | 8 | 2,275 | \$45.50 |
| Chris Bryson | 4 | 1,800 | \$36.00 |
| Chris LeCuyer | 3 | 600 | \$12.00 |
| Dan Viet | 3 | 215 | \$4.30 |
| Dan Wilroy | 3 | 945 | \$18.90 |
| Daniel Gasper | 6 | 1,500 | \$30.00 |
| Daniel Kriegh | 3 | 185 | \$3.70 |
| Daryl Burks | 4 | 970 | \$19.40 |
| Dave Cruickshank | 9 | 8,215 | \$164.29 |
| Dave LaVoie | 2 | 27 | \$0.54 |
| David Barnett | 9 | 5,765 | \$115.30 |
| David Quade | 2 | 2,200 | \$44.00 |
| David Salyers | 3 | 990 | \$19.80 |
| Dean Plank | 2 | 570 | \$11.40 |
| Deer Mountain Fire Department | 1 | 3,325 | \$66.50 |
| Donald Byerly | 2 | 665 | \$13.30 |

| Customer Name | Total Trips | Total Volume | Total Revenue |
|----------------------------|-------------|--------------|---------------|
| Doug Bayer | 5 | 1,425 | \$28.50 |
| Dustin Asling | 2 | 845 | \$16.90 |
| Dwayne Johnson | 7 | 505 | \$10.10 |
| Frank Hughes | 1 | 333 | \$6.66 |
| Fred Wagner | 2 | 300 | \$6.00 |
| Glenn Choate | 1 | 100 | \$2.00 |
| Hayden Roland | 1 | 295 | \$5.90 |
| Heather Rutherford | 2 | 570 | \$11.40 |
| James Patterson | 2 | 185 | \$3.70 |
| Jason Mast | 8 | 2,240 | \$44.80 |
| Jeannie Lighthouse | 2 | 667 | \$13.34 |
| Jeremiah Huelsman | 2 | 600 | \$12.00 |
| Jeremy Baxley | 7 | 1,825 | \$36.50 |
| Jerry Gomez | 1 | 347 | \$6.94 |
| Jim Fox | 4 | 785 | \$15.70 |
| Jim Heath | 4 | 750 | \$15.00 |
| Jim Luman | 2 | 600 | \$12.00 |
| Jim Wilde | 6 | 1,200 | \$24.00 |
| Jody Miller | 1 | 350 | \$7.00 |
| Joe Swanson | 2 | 250 | \$5.00 |
| Jon Oldfield | 18 | 6,166 | \$123.32 |
| Jonathan Sargent | 2 | 425 | \$8.50 |
| Joseph Verga | 1 | 375 | \$7.50 |
| Karl Zimmer | 3 | 740 | \$14.80 |
| Kristi Rodeback | 1 | 10 | \$0.20 |
| Larea Oldaker | 5 | 950 | \$19.00 |
| Larry Barnes | 3 | 795 | \$15.90 |
| Lisa Monday | 8 | 1,173 | \$23.46 |
| Lisa Trujillo | 9 | 3,325 | \$66.50 |
| Lloyd Mondragon | 2 | 315 | \$6.30 |
| Margaret Stipanovic-Taylor | 7 | 1,176 | \$23.52 |
| Mark Medina | 4 | 930 | \$18.60 |
| Mark Newton | 1 | 170 | \$3.40 |
| Martin MacNeilage | 2 | 220 | \$4.40 |
| Matthew Richter | 10 | 1,420 | \$28.40 |
| Maynard Mast | 6 | 1,319 | \$26.38 |
| Mike Dennis | 1 | 71 | \$1.42 |
| Mike Foulk | 2 | 250 | \$5.00 |
| Mike Heuss | 2 | 850 | \$17.00 |

| Customer Name | Total Trips | Total Volume | Total Revenue |
|----------------------|-------------|--------------|---------------|
| Mike Sharpe | 5 | 5,300 | \$106.00 |
| Neal Williamson | 3 | 990 | \$19.80 |
| Pat Hines | 8 | 1,260 | \$25.20 |
| Paul Cruzen | 3 | 500 | \$10.00 |
| Phillip Desmond | 15 | 4,350 | \$87.00 |
| Rob & Reba Ziarnick | 1 | 450 | \$9.00 |
| Robert Kernell | 2 | 295 | \$5.90 |
| Rory Cooke | 4 | 1,600 | \$32.00 |
| Round Mountain | 1 | 20 | \$0.40 |
| Sarah Hope | 1 | 295 | \$5.90 |
| Sean Mendoza | 4 | 1,120 | \$22.40 |
| Shawn Shannon | 1 | 281 | \$5.62 |
| Steve Ferdig | 1 | 275 | \$5.50 |
| Steve Peterman | 3 | 330 | \$6.60 |
| Steve Piburn | 2 | 1,625 | \$32.50 |
| Steve Shugart | 11 | 3,850 | \$77.00 |
| Stuart Short | 4 | 800 | \$16.00 |
| Sue Roberson | 8 | 6,880 | \$137.60 |
| Susan Van Matre | 3 | 855 | \$17.10 |
| Suzanne Sapp | 1 | 584 | \$11.68 |
| Trish Rodeback | 1 | 10 | \$0.20 |
| Valerie Jennings | 2 | 550 | \$11.00 |
| William Mohr | 2 | 675 | \$13.50 |
| Yoanny Santos Martin | 10 | 3,781 | \$75.62 |

Delinquent Account Activity
February 2023

| | | | |
|-------------------------|----------------------------------|---------------------------|-----------------------|
| Activity through 2/28/2 | 2023 | | |
| | | | |
| 90 + Days past due | (Nov 30th and earlier) | | |
| | 1/31/2023 | Previous Month | \$ 6,522.84 |
| | 2/28/2023 | | |
| | | | \$ 6,522.84 |
| | | | |
| 60 Days past due | (Dec 31, 2021 balance) | | |
| | 1/31/2023 | | |
| | 2/28/2023 | | |
| | | | \$ - |
| | | | |
| Total past due | 1/31/2023 | | \$ 6,522.84 |
| | 2/28/2023 | Current Month | \$ 6,522.84 |
| | | | \$ 6,522.84 |
| | | | |
| Percentage | | | 100.0% |
| | | | |
| | Month to Month Comparison | | |
| | | | |
| Month | % of Delinquent Collected | 60+ Days Past Due | \$\$ Collected |
| | | | |
| | | | |
| January 2022 | 52.3% | November 2022 and earlier | \$ 7,153.03 |
| February 2022 | 100.0% | December 2022 and earlier | \$ 6,522.84 |

**INTERGOVERNMENTAL WATER STORAGE RESERVOIR COST SHARING AND
STORAGE CAPACITY ALLOCATION AGREEMENT**

THIS INTERGOVERNMENTAL WATER STORAGE COST SHARING AND STORAGE CAPACITY ALLOCATION AGREEMENT ("the Agreement") is made and entered into this _____ day of _____ 2023 (the "Effective Date"), by and between the ROUND MOUNTAIN WATER AND SANITATION DISTRICT, a quasi-municipal special district organized and existing pursuant to the provisions of Title 32 of the Colorado Revised Statutes ("Round Mountain") and the UPPER ARKANSAS WATER CONSERVANCY DISTRICT, a quasi-municipal special district organized and existing pursuant to the provisions of Title 32 of the Colorado Revised Statutes ("UAWCD") (individually a "Party" and collectively, the "Parties").

WITNESSETH:

WHEREAS, Article XIV, Section 18 of the Colorado Constitution and C.R.S. § 29-1-203 authorize the Parties to cooperate and contract with one another regarding functions, services, and facilities each is authorized to provide;

WHEREAS, Round Mountain plans to construct a water storage reservoir and associated facilities to include without limitation diversion and outlet structures, a pump station, and a gaging station, generally as described in **Exhibit A** (collectively, the "Reservoir") and UAWCD desires to share in the costs of the design, construction, maintenance, repair, replacement, and operation of the Reservoir in return for providing UAWCD the right to store UAWCD water in the Reservoir and to use related Round Mountain facilities to divert UAWCD water into and release water out of the Reservoir;

WHEREAS, UAWCD desires to pay its share of the costs of the design, construction, maintenance, repair, replacement, and operation of the Reservoir in proportion to the percentage of the total storage capacity of the Reservoir (and/or each of the related facilities to be shared by the Parties) allocated to UAWCD upon completion;

WHEREAS, upon completion of the Reservoir, Round Mountain will wholly own, operate, and maintain the Reservoir and UAWCD will have an easement to use capacity in the Reservoir to divert, store, and release UAWCD water; and

WHEREAS, the Parties agree it is in their best interest to share in the funding of the design, construction, maintenance, repair, replacement, and operation of the Reservoir as further set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises set forth below, the receipt and sufficiency of which are mutually acknowledged, the Parties hereby agree as follows:

1. CONDITION PRECEDENT

A. Financing plan and appropriation. Except for the design and engineering costs, as further addressed in Section 1(C), below, a condition precedent to the obligations set forth herein

shall be a mutually agreed upon plan for financing the construction, maintenance, repair, replacement, and operation of the Reservoir (which shall include permitting) and the appropriation by each Party of funds necessary to pay its share of the Reservoir construction costs.

B. Right to Terminate. Either Party may terminate this Agreement any time prior to Round Mountain entering into an agreement for the construction of the Reservoir. The intent of this paragraph is to ensure that neither Party has a claim against the other arising from this Agreement simply for failure to move forward with construction of the Reservoir. The intent is not to allow Round Mountain to benefit from UAWCD's pre-construction agreement contributions to the project and then move forward on the project without UAWCD's participation. Therefore, if Round Mountain terminates this Agreement and then moves forward with construction of the Reservoir within two (2) years of such termination, Round Mountain will not be entitled to utilize grant funds obtained by UAWCD without UAWCD's written consent and Round Mountain shall reimburse UAWCD's out-of-pocket expenses on the project incurred prior to the termination.

C. Design and Engineering. The feasibility and pre-engineering studies and work have been completed and funded with grant and Party funds. The Parties shall share final design and engineering costs of the Reservoir in accordance with Section 3 below. The Parties shall coordinate payment of such costs as agreed upon by the Parties.

2. RESERVOIR

A. Round Mountain shall design and construct the Reservoir and acquire all required rights for the construction and operation of the Reservoir. Round Mountain shall competitively bid the construction of the Reservoir in accordance with applicable law and its internal procedures and policies. Round Mountain shall pay all such Reservoir costs, subject to contribution by UAWCD as set forth in Section 3 below. Round Mountain will make diligent and good faith efforts to meet the various Reservoir milestones. The construction contract for the Reservoir shall contain customary provisions to assure that the contractor adheres to the construction timetable. However, the Parties acknowledge that despite such efforts, unavoidable delays may be encountered with a project of this nature. The Parties shall hold regular status update and progress meetings as mutually agreed upon to keep UAWCD reasonably informed regarding the progress of the Reservoir construction, but no less frequently than once per quarter.

B. UAWCD's obligation to participate is contingent upon UAWCD's approval of a final set of construction plans for the Reservoir. Any subsequent change orders are subject to approval by UAWCD, which shall not be unreasonably withheld. Otherwise, Round Mountain shall consult with UAWCD regarding the construction of the reservoir and consider UAWCD's opinions in good faith but shall retain control of the construction decision-making.

3. ALLOCATION OF DESIGN, CONSTRUCTION, AND INSTALLATION COSTS

A. Allocation of Costs. The allocation of costs set forth in this Section between UAWCD and Round Mountain is intended to apply solely to the costs of designing and constructing the Reservoir and shall not be construed to include costs and fees related to the

operation, maintenance, repair, or replacement of the Reservoir. Such costs and other related terms and conditions are set forth in Section 5 below.

B. Estimated Costs. The estimated costs of designing, constructing, and installing the Reservoir (the "Reservoir Costs"), including UAWCD's proportional share of the Reservoir Costs ("UAWCD Estimated Costs"), are set forth in **Exhibit B**, which is attached hereto and incorporated by this reference (the "Estimated Costs"). UAWCD Estimated Costs are currently set at one-third of the Reservoir Costs, based on the anticipated Sharing Ratio as described in paragraph 4.C below. If the Sharing Ratio is adjusted upon agreement of the Parties as contemplated by paragraph 4.C, the UAWCD Estimated Costs will also be adjusted accordingly. The Reservoir Costs include without limitation, the costs of Round Mountain staff time spent administering the work set forth herein and the costs of the owner's agent that will be providing construction and contract management. Round Mountain staff time shall not be tracked. Instead, the costs of Round Mountain staff time shall be set at one percent (1%) of the Reservoir Costs.

C. Actual Costs. The actual Reservoir costs may vary from the Estimated Costs. Upon completion of the Reservoir, Round Mountain shall prepare an amended **Exhibit B** ("Amended Exhibit B") showing the actual final costs incurred ("Final Reservoir Costs") and UAWCD's adjusted proportional share of the Final Reservoir Costs ("UAWCD Final Cost"). The Amended Exhibit B shall be substituted for the original Exhibit B as a part of this Agreement. Round Mountain shall provide a copy of the Amended Exhibit B to UAWCD upon completion of the Reservoir. At UAWCD's request, Round Mountain shall provide records relating to the design and construction of the Reservoir, including copies of each draw request from Round Mountain's general contractor, together with paid invoices or such other documentation as may be available and reasonably requested for UAWCD to verify the Final Reservoir Costs. The Parties shall cooperate to resolve any disputes concerning either the Final Reservoir Costs or the UAWCD Final Cost informally. If the Parties are unable to resolve their dispute informally, they shall submit the dispute to nonbinding mediation before a mutually agreeable mediator. If the Parties remain unable to resolve their dispute within sixty (60) days of commencing mediation, the Parties may pursue any remedies lawfully available to them.

D. Appropriated and Deposited Funds. On or before the date Round Mountain enters into a binding agreement for the construction of the Reservoir, UAWCD shall deposit with Round Mountain a sum equal to 10% of the UAWCD Estimated Costs (the "UAWCD Deposited Funds"), and shall certify to Round Mountain that UAWCD has appropriated funds in an amount no less than the UAWCD Estimated Costs for this project, and that it possesses and has set aside for this project funds in an amount no less than the UAWCD Estimated Costs less the UAWCD Deposited Funds and less UAWCD's share of the grant described in sub-paragraph F below. Round Mountain shall separately account for and use the UAWCD Deposited Funds solely for payment for Reservoir costs. As a condition to UAWCD's deposit of the UAWCD Deposited Funds with Round Mountain, Round Mountain shall certify to UAWCD that Round Mountain has appropriated Round Mountain funds in an amount sufficient to meet the Estimated Costs less the UAWCD Estimated Costs.

E. Disbursements. Reservoir construction cost payments shall be made proportionately by UAWCD and Round Mountain in accordance with their respective share of the Reservoir Costs. Round Mountain shall provide copies of pay requests within 5 days of receipt of

the same. Within 20 days of receipt of the pay request by UAWCD, UAWCD shall deposit with Round Mountain funds equal to UAWCD's pro rata share of the pay request. Such funds shall be used by Round Mountain solely for payment of Reservoir Costs. If UAWCD does not make a timely deposit, Round Mountain may deliver a notice of default in accordance with Section 9 and utilize the UAWCD Deposited Funds to make the required payment. If UAWCD does not deposit with Round Mountain funds sufficient to pay its share of the pay request and restore its UAWCD Deposited Funds balance within 30 days of receipt of the notice of default, Round Mountain may pursue its enforcement remedies under Section 9. On an on-going basis, Round Mountain shall provide UAWCD with copies of approved pay requests and disbursements from Reservoir funds.

F. Grant Funds. UAWCD obtained a \$500,000 grant from the CWCB for the project. In addition to the copies of pay requests and disbursements described above, Round Mountain shall provide UAWCD such other documentation reasonably required for UAWCD to receive grant disbursements from the CWCB. UAWCD will compile and submit such documentation to the CWCB for monthly reimbursement. It is anticipated that CWCB will disburse grant proceeds such that the amount of each grant disbursement bears the same ratio to the amount of the monthly invoice(s) as the total grant amount bears to the total Reservoir Cost. For example, if the total estimated Reservoir Cost is \$3 Million, and the monthly invoice(s) are for \$100,000, the grant disbursement would be \$16,666.67 ($\$100,000 \times (\$500,000 / \$3,000,000)$). The grant funds, less the 3.4% grant administration fee to be retained by UAWCD, will be split pro rata between the Parties. In the preceding example, assuming UAWCD's pro rata share of costs is 33.33%, UAWCD would retain the grant administration fee of \$566.67 and an additional \$5,366.67 as its pro rata share, and would transmit \$10,734 to Round Mountain. Round Mountain's share of grant disbursement will be transmitted by UAWCD within 20 days of receipt by UAWCD.

G. Cost Adjustments. The Estimated Costs may increase at any time during design, construction, or installation of the Reservoir. Accordingly, the Estimated Costs may be adjusted at any time by Round Mountain. Round Mountain shall administer the Reservoir in substantially the same manner and with the same care as other Round Mountain projects of a similar scope and nature. Round Mountain shall manage all change orders and costs adjustments, subject to UAWCD's right to review under Section 2.B. Adjusted cost estimates will be made based upon actual construction bids or change orders. If the Estimated Costs are adjusted, Round Mountain shall give written notice to UAWCD. UAWCD shall, within thirty (30) days after receipt of said written notice, deposit new funds with Round Mountain necessary to maintain a balance equal to 10% of the UAWCD Estimated Costs as updated. Similarly, Round Mountain shall deposit into the Reservoir fund its share of the increased Estimated Costs.

H. Reconciliation. Upon completion of the Reservoir, UAWCD's proportional share of the Final Reservoir Costs shall be finally adjusted as set forth in the **Amended Exhibit C**. Any overpayment shall be refunded to UAWCD by Round Mountain, and any underpayment shall be satisfied by UAWCD.

4. RESERVOIR OWNERSHIP, CAPACITY ALLOCATION, AND INSURANCE

A. Reservoir Ownership. Round Mountain shall be the sole owner of the Reservoir.

B. Capacity Reservation and Allocation.

i. Round Mountain hereby grants to UAWCD a perpetual, non-exclusive easement for storage capacity in the Reservoir ("Easement"), upon its completion, as further set forth herein.

ii. If, at any time, a Party is not fully utilizing its storage space, the other Party may store water in such space on an "if and when" basis. Any water stored on an "if and when" basis shall be subject to spill as necessary to allow the first Party to fully utilize its storage space.

iii. When both Parties desire to store water, and the combined rate at which the Parties desire to store water exceeds the maximum rate at which water can be stored due to the capacity of the feeder infrastructure or the physical or legal availability of water in Grape Creek ("fill capacity"), the right to deliver water into Round Mtn Reservoir shall be allocated pro rata based on the Sharing Ratio. When one Party is not using its full entitlement, the other Party may use the entire fill capacity less the amount that the first Party is actually using, if any.

C. Easement Capacity. The total capacity of the Reservoir is estimated to be between 150- and 220-acre feet of which the Parties estimate Round Mountain shall use two-thirds and UAWCD shall use one-third of the total usable Reservoir Storage Space ("Sharing Ratio"). This Sharing Ratio may be adjusted upon agreement of the Parties and shall be agreed upon prior to execution by Round Mountain of the construction agreement. The Easement to UAWCD is limited to its share of the capacity, which may be sublicensed by UAWCD provided such sublicense does not interfere with Round Mountain's use and operation of the Reservoir for its own purposes.

D. Capacity Restriction. If capacity in the Reservoir is restricted on account of maintenance, emergencies, force majeure, legal or regulatory requirements, or any other reason, Round Mountain shall forthwith advise UAWCD of such capacity restriction and the anticipated duration thereof, and apportion capacity in the Reservoir based upon UAWCD's proportional share of Reservoir capacity. Round Mountain shall use commercially reasonable efforts to eliminate any capacity restriction.

E. Evaporation and Seepage. Each Party's stored water shall be subject to daily evaporation and seepage losses based on the Sharing Ratio.

F. Spills. In the event it is necessary to spill or release water from the Reservoir due to a safety, maintenance, or similar issue, absent mutual agreement of the Parties to the contrary, the spill or release shall be allocated based on the Sharing Ratio.

G. Water Quality. All water diverted into the Reservoir shall be stored and used for augmentation purposes and not for potable uses.

H. Access Restriction. UAWCD acknowledges that the Easement granted herein is for capacity in the Reservoir only. UAWCD shall not at any time access the Reservoir or other facilities or property owned or controlled by Round Mountain, except pursuant to the terms, restrictions and conditions set forth herein.

I. Revocation of Easement. The Easement granted herein shall be revocable by Round Mountain in the event of a default by UAWCD and UAWCD's failure to cure such default in accordance with the provisions of Section 6 below.

5. MAINTENANCE, REPAIR, REPLACEMENT AND OPERATION

A. Round Mountain shall perform all maintenance, repairs, and replacement necessary to maintain the reservoir and related infrastructure in a reasonably safe and working condition capable of providing the Parties with the same utility as the Reservoir as originally constructed (fill rate, discharge rate, storage capacity, etc.).

B. Round Mountain shall procure and maintain property insurance for the Reservoir that is substantially similar to the coverage maintained by Round Mountain for other similar Round Mountain-owned water facilities. If the Reservoir is damaged, Round Mountain shall allocate all proceeds from the insurance policy towards repairing the Reservoir.

C. The Parties shall share the costs of maintaining, repairing, replacing, operating, and insuring the Reservoir with each Party paying its portion based upon the Sharing Ratio. At least 30 days prior to the commencement of each calendar year, Round Mountain shall provide UAWCD with the estimated costs of maintaining, repairing, replacing, operating, and insuring the Reservoir. UAWCD shall submit payment of such estimated costs by January 31 of the applicable year. Round Mountain shall use such funds solely for the maintenance, repair, replacement, operation, and insurance of the Reservoir. Round Mountain shall provide UAWCD with a detailed accounting of such costs. Within sixty (60) days of the end of each calendar year, Round Mountain shall provide UAWCD with a final accounting of such expenses. The final amount owed by UAWCD shall be adjusted from the estimated amount and Round Mountain will return excess funds or UAWCD will pay additional funds, as appropriate, so that each Party has paid its share of such costs based upon the Sharing Ratio. Such adjustment shall occur within thirty (30) days of delivery of the final accounting by Round Mountain to UAWCD. In the event of a dispute regarding the propriety of an expense, payment shall be made under protest, and the fact of payment shall not be deemed, or admitted as, evidence of the validity of the charge.

D. For capital improvements that go beyond regular maintenance, repair, and replacement activity to maintain the functionality of the initial Reservoir, the Parties shall follow the provisions in Sections 2 and 3 above with respect to design, development, decision-making, and cost-allocation.

6. ACCOUNTING

Round Mountain will provide storing Parties with monthly reports of the status of their reservoir storage, or as reasonably requested. The reports will list the storage contents, inflows, and outflows including evaporation. Round Mountain shall be responsible for providing to the government regulators records of storage contents, inflows, and outflows.

7. COOPERATION IN REGIONAL WATER MANAGEMENT

The Parties agree to meet, no less frequently than annually, to discuss ways in which the Parties can cooperate in:

A. The use of the Reservoir and other facilities and water rights owned by the Parties for the mutual benefit of the Parties, including through leases, exchanges, and “reservoir trades” of water, water rights, and storage space; and

B. Administration of the Reservoir, including coordinating requests for approval of exchanges to fill the Reservoir.

8. RIGHTS OF FIRST REFUSAL FOR STORAGE SPACE AND WATER

A. If either Party determines that it has storage space in the Reservoir that it would like to make available for the storage of water by or on behalf of another person, the other Party shall have a right of first refusal to such storage space on substantially the same terms as offered to the other person.

B. If either Party determines that it has water rights (including but not limited to water storage rights, exchange rights, and consumptive use credits) that it would like to make available for use by another person, the other Party shall have a right of first refusal to utilize such water rights on substantially the same terms as offered to the other person.

9. DEFAULT / REMEDIES

In the event a Party deems the other Party to be in default, it shall provide written notice indicating the event of default. The defaulting Party shall have thirty (30) days from the date of the notice to cure the stated default or, if such default is not capable of being cured within thirty (30) days, cure of such default shall commence and be diligently pursued. In no event shall the cure period exceed thirty (30) days for monetary defaults, except by written consent of the non-defaulting Party. In the event the defaulting Party has failed to cure in accordance with this Section, the non-defaulting Party may pursue all available remedies at law or equity. In addition, Round Mountain shall have the right to terminate the Easement provided for in this Agreement upon a default by UAWCD and UAWCD’s failure to cure the default as set forth herein. Round Mountain may terminate the Easement by providing UAWCD with written notice of Easement termination, whereupon the Easement shall terminate 30 days after the date of the termination notice, unless UAWCD timely cures the default.

10. MISCELLANEOUS.

A. Governing Law and Venue. The Parties hereto agree that exclusive jurisdiction and venue for the resolution of any dispute relating to this Agreement shall lie in the District Court for Custer County, State of Colorado.

B. Entire Agreement. This Agreement constitutes the entire agreement between the Parties relating to the subject matter thereof, and there are no prior or contemporaneous agreements, either oral or written, relating to the subject matter hereof except as expressly set forth herein.

C. Agreement Modification. The Agreement may not be amended, altered, or otherwise changed except by a written agreement between the Parties.

D. Counterpart Execution. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed an original, all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by electronic delivery and, upon receipt, shall be deemed originals and binding upon the Parties hereto.

E. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the Parties or their officials, employees, contractors, or agents, or any other person acting on behalf of the Parties and, in particular, governmental immunity that may be afforded or available to the Parties pursuant to the Colorado Governmental Immunity Act, Title 24, Article 10, Part 1 of the Colorado Revised Statutes.

F. Assignability. Without the consent of the other Party, either party may assign its rights and obligations under this Agreement and the Easement to an enterprise wholly owned by such Party. Subject to Round Mountain's consent, which shall not be unreasonably withheld, this Agreement and the Easement granted herein may be assigned, pledged or transferred in whole, but not in part, by UAWCD to an entity that is a municipal or quasi-municipal water provider or political subdivision of the State of Colorado. Any other assignments, pledges, or transfers shall be subject to Round Mountain's consent, which may be withheld in Round Mountain's sole discretion.

G. No Public Dedication/No Third-Party Beneficiary. Nothing contained herein shall be deemed to be a grant or dedication of any rights or use to the public in general, and no third-party beneficiary interests are created nor intended to be created by this Agreement.

H. Headings for Convenience. The headings and captions in this Agreement are intended solely for the convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

I. Notice. Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage, and fees prepaid, addressed to the Party to whom such notice is to be given, at the address set forth below, or at such other address as has been previously furnished in writing, to the other Party. Such notice shall be deemed to have been given when deposited in the United States mail.

To Round Mountain: Round Mountain Water and Sanitation District
Attn: David Schneider
PO Box 86
59000 Highway 69 N
Westcliffe, CO 81252

With a copy to: Jefferson Parker, Esq.
Hoffmann, Parker, Wilson & Carberry, P.C.
511 Sixteenth Street, Suite 610
Denver, CO 80202

To UAWCD: _____

With a copy to: _____

J. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

K. Recordation. The Parties agree that this Agreement may be recorded in the records of the Clerk and Recorder for county in which a Party has its principal place of business.

L. Binding Agreement. The benefits and burdens of this Agreement shall inure to and be binding upon on the successors and assigns of the Parties.

M. Definitions and Interpretations. Except as otherwise provided herein, nouns, pronouns and variations thereof shall be deemed to refer to the singular or plural, and masculine or feminine, as the context may require. Any reference to a policy, procedure, law, regulation, rule, or document shall mean such policy, procedure, law, regulation, rule, or document as it may be amended from time to time. Any capitalized term not defined herein shall have the meaning set forth in the definitions of the Organizational Agreement.

N. Survival of Representations. Each and every covenant, promise, and payment contained in this Agreement shall survive each and be binding and obligatory upon each of the Parties and shall not merge into any deed, assignment, covenant, escrow agreement, easement, lease, or any other document.

O. Non-Severability. Each Section of this Agreement is intertwined with the others and is not severable unless by mutual consent of the Parties.

P. Effect of Invalidity. If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either Party or as to both Parties, the Parties will immediately negotiate valid alternative portion(s) that as near as possible give effect to any stricken portion(s).

Q. Force Majeure. Each Party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by a cause beyond its control, including, but not limited to: any incidence of fire, flood, or strike; acts of God; action of the government (except the Parties hereto); war or civil disorder; violence or the threat thereof; severe weather; commandeering of material, products, plants or facilities by the federal, state or local government (except the Parties hereto); and national fuel shortage, when satisfactory evidence of such cause is presented to the other Party, and provided further, that such nonperformance is beyond the reasonable control of, and is not due to the fault or negligence of, the Party not performing.

[Remainder of page intentionally blank. Signatures on following page.]

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto as of the date first written above.

ROUND MOUNTAIN WATER AND
SANITATION DISTRICT

By: _____
David Schneider, District Manager

Attest:

UPPER ARKANSAS WATER CONSERVANCY
DISTRICT

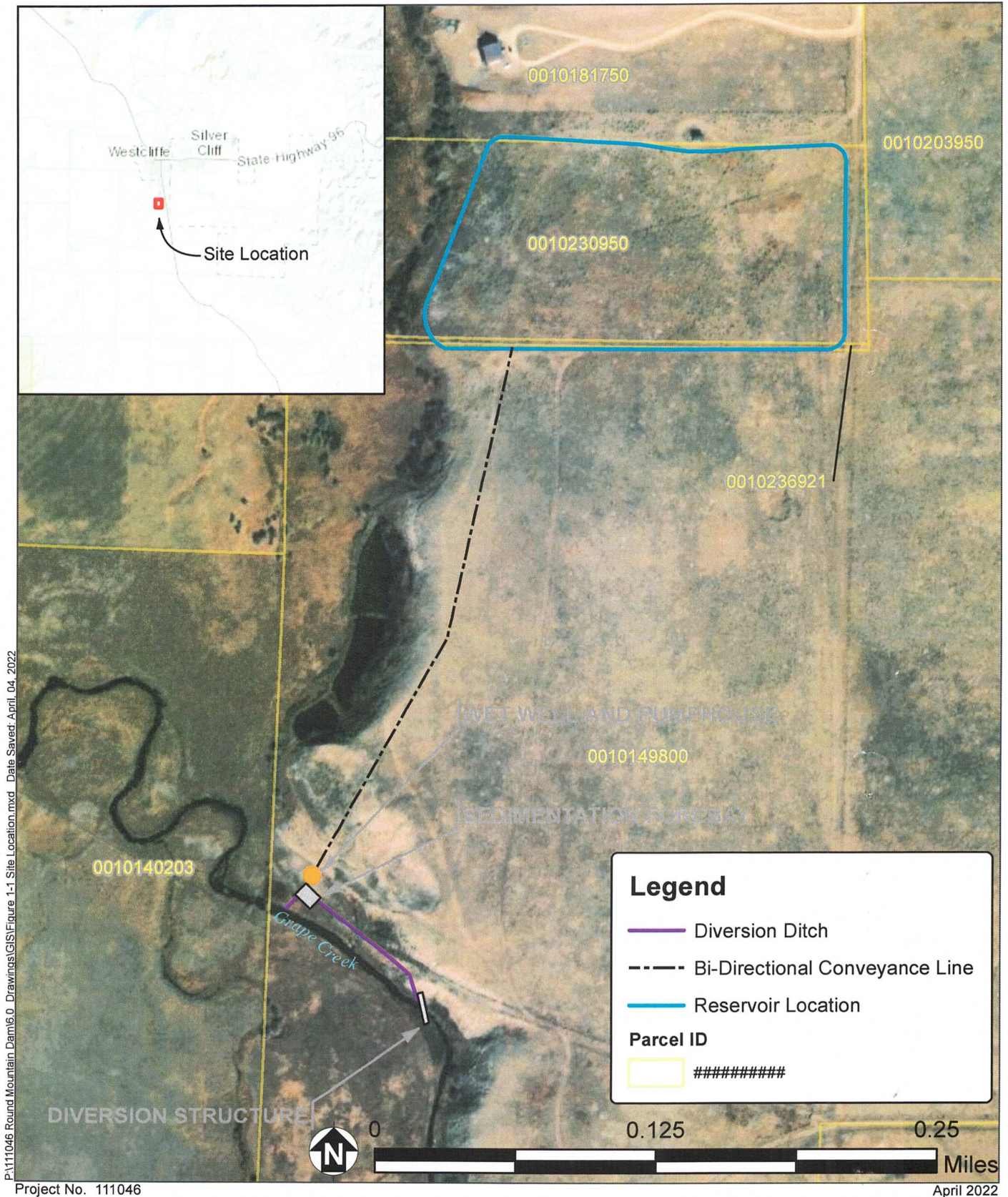
By: _____

Title: _____

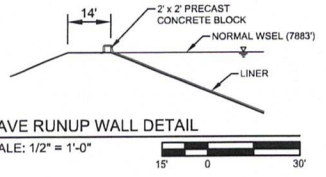
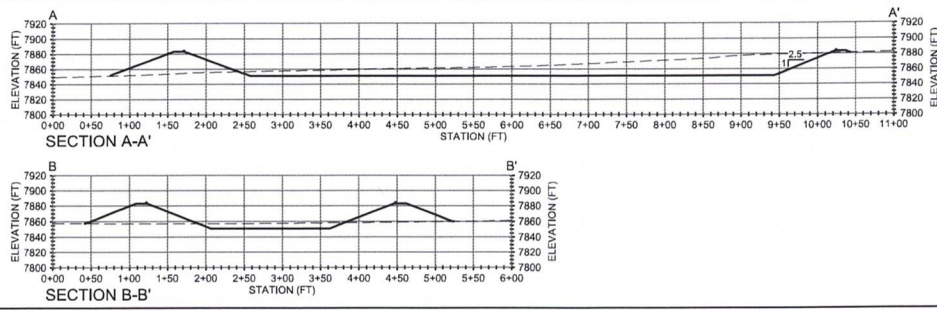
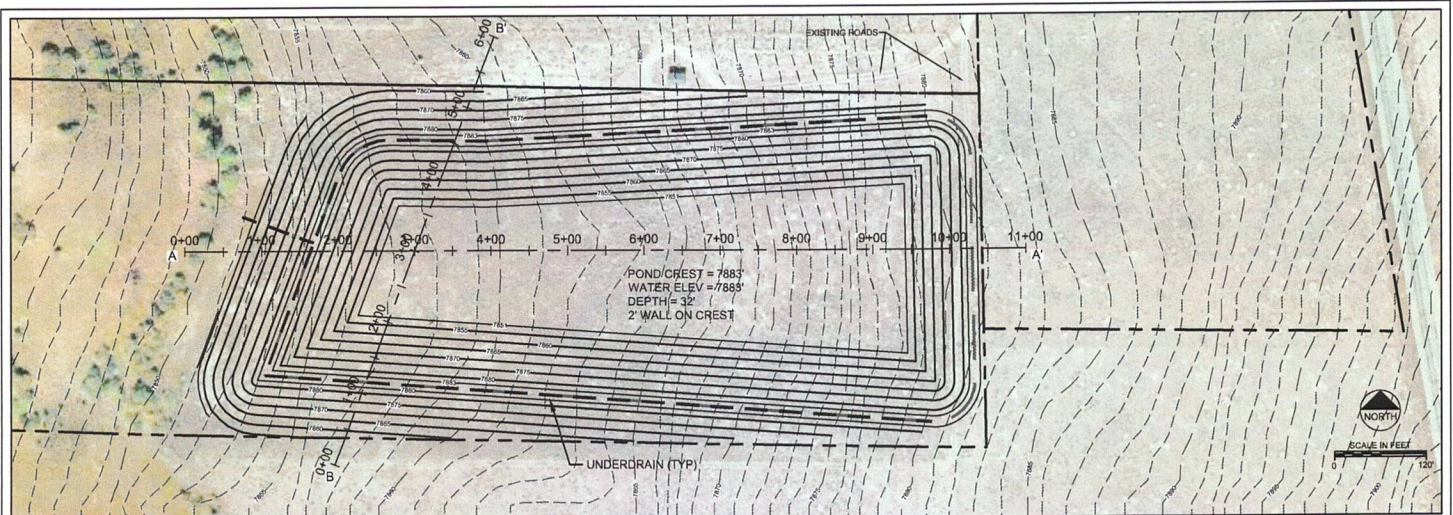
Attest:

EXHIBIT A

DESCRIPTION OF RESERVOIR



I:\111046 Round Mountain Reservoir\Alternative 2.dwg - SAWS:1/25/22 - PRINTED:1/11/22



Project No. 111046

NORMAL WATER LEVEL
SURFACE AREA = 290,000 SQ. FT.
AVERAGE WIDTH = 340'

VOLUMES:
GRADING BALANCE:
CUT FILL NET (CUT)
98,300 CY 97,600 CY 700 CY
POND STORAGE:
6,503,700 CuFt = 149.30 AC/FT

April 2022



FIGURE 8-1
ALTERNATIVE 2 LAYOUT
ROUND MOUNTAIN RESERVOIR #2

EXHIBIT B

DETAILED BUDGET AND COST SHARE OVERVIEW



Colorado Water Conservation Board
Water Plan Grant - Detailed Budget Estimate
Fair and Reasonable Estimate

Prepared Date: June 28, 2022

Name of Applicant: Upper Arkansas Water Conservancy District

Name of Water Project: Round Mountain Reservoir #2 Construction Project

Construction Budget

Task 1 - Engineering and Permitting

| Sub-task | Unit | Quantity | Unit Cost | Total Cost | CWCB Funds | Matching Funds |
|--|------|----------|---------------|---------------|--------------|----------------|
| Final Design and Bid Ready construction drawings | 1 | LS | \$ 125,000.00 | \$ 125,000.00 | \$ 21,250.00 | \$ 103,750.00 |
| Permitting (based on 2%) | 1 | LS | \$ 50,350.07 | \$ 50,350.07 | \$ 8,559.51 | \$ 41,790.56 |

Task 2 - Construction

CONSTRUCTION LABOR

| | | | | | | |
|--|--------|-----|--------------|---------------|--------------|---------------|
| Site Overexcavation | 31848 | CY | \$ 2.00 | \$ 63,696.44 | \$ 10,828.40 | \$ 52,868.05 |
| Embankment Fill | 97600 | CY | \$ 5.00 | \$ 488,000.00 | \$ 82,960.00 | \$ 405,040.00 |
| Reservoir Cut | 98300 | CY | \$ 2.00 | \$ 196,600.00 | \$ 33,422.00 | \$ 163,178.00 |
| Drain Sand | 3266 | CY | \$ 22.00 | \$ 71,844.54 | \$ 12,213.57 | \$ 59,630.97 |
| Drain Pipe Furnish and Install | 2837 | LF | \$ 10.00 | \$ 28,369.90 | \$ 4,822.88 | \$ 23,547.02 |
| Clear and Grub | 15924 | CY | \$ 1.00 | \$ 15,924.11 | \$ 2,707.10 | \$ 13,217.01 |
| Dewatering | 30 | Day | \$ 75.00 | \$ 2,250.00 | \$ 382.50 | \$ 1,867.50 |
| Erosion Control Blanket & Seeding | 12702 | SY | \$ 0.19 | \$ 2,427.41 | \$ 412.66 | \$ 2,014.75 |
| HDPE Liner Furnish and Install | 317277 | SF | \$ 0.18 | \$ 57,109.88 | \$ 9,708.68 | \$ 47,401.20 |
| Conveyance Line HDPE Furnish and Install | 1500 | LF | \$ 138.33 | \$ 207,495.00 | \$ 35,274.15 | \$ 172,220.85 |
| Precast Concrete Block Wall | 402 | EA | \$ 92.31 | \$ 37,123.08 | \$ 6,310.92 | \$ 30,812.15 |
| Pump Station and Wet Well | 1 | LS | \$ 38,000.00 | \$ 38,000.00 | \$ 6,460.00 | \$ 31,540.00 |
| 3-Phase Utility Connection | 1 | LS | \$ 70,000.00 | \$ 70,000.00 | \$ 11,900.00 | \$ 58,100.00 |
| Diversion Structure | 1 | LS | \$ 19,000.00 | \$ 19,000.00 | \$ 3,230.00 | \$ 15,770.00 |
| Sediment Forebay | 1 | LS | \$ 26,600.00 | \$ 26,600.00 | \$ 4,522.00 | \$ 22,078.00 |
| Outlet Works | 1 | LS | \$ 64,600.00 | \$ 64,600.00 | \$ 10,982.00 | \$ 53,618.00 |

MATERIALS AND SUPPLIES

| | | | | | | |
|--|--------|----|---------------|---------------|--------------|---------------|
| Drain Sand | 3266 | CY | \$ 33.00 | \$ 107,766.80 | \$ 18,320.36 | \$ 89,446.45 |
| Drain Pipe Furnish and Install | 2837 | LF | \$ 17.00 | \$ 48,228.83 | \$ 8,198.90 | \$ 40,029.93 |
| Erosion Control Blanket & Seeding | 12702 | SY | \$ 0.44 | \$ 5,597.07 | \$ 951.50 | \$ 4,645.57 |
| HDPE Liner Furnish and Install | 317277 | SF | \$ 0.45 | \$ 142,774.71 | \$ 24,271.70 | \$ 118,503.01 |
| Conveyance Line HDPE Furnish and Install | 1500 | LF | \$ 138.33 | \$ 207,495.00 | \$ 35,274.15 | \$ 172,220.85 |
| Precast Concrete Block Wall | 402 | EA | \$ 100.00 | \$ 40,216.67 | \$ 6,836.83 | \$ 33,379.83 |
| Pump Station and Wet Well | 1 | LS | \$ 72,000.00 | \$ 72,000.00 | \$ 12,240.00 | \$ 59,760.00 |
| 3-Phase Utility Connection | 1 | LS | \$ 40,000.00 | \$ 40,000.00 | \$ 6,800.00 | \$ 33,200.00 |
| Diversion Structure | 1 | LS | \$ 6,000.00 | \$ 6,000.00 | \$ 1,020.00 | \$ 4,980.00 |
| Sediment Forebay | 1 | LS | \$ 8,400.00 | \$ 8,400.00 | \$ 1,428.00 | \$ 6,972.00 |
| Outlet Works | 1 | LS | \$ 30,400.00 | \$ 30,400.00 | \$ 5,168.00 | \$ 25,232.00 |
| Construction Contingency (based on 15%) | 1 | LS | \$ 314,687.00 | \$ 314,687.00 | \$ 53,496.79 | \$ 261,190.21 |
| Construction Engineering and Management (based on 10%) | 1 | LS | \$ 251,750.33 | \$ 251,750.33 | \$ 42,797.56 | \$ 208,952.77 |

Task 3 - Project Management and Administration

| | | | | | | |
|---|---|----|---------------|-----------------|--------------|--------------|
| Project and Grant Management, Legal, and Administrative Costs (based on 5% of construction) | 1 | LS | \$ 105,000.00 | \$ 105,000.00 | \$ 17,250.00 | \$ 87,750.00 |
| TOTAL | | | | \$ 2,944,706.85 | \$ 500,000 | \$ 2,444,707 |

Total Project Cost Summary

| Funding Entity | <i>Before Grant</i> <i>(33.3% UA/66.6% RM)</i> | <i>CWCB Grant</i> <i>Funding</i> | Final Funding Amounts | Percentage |
|--|--|---|----------------------------------|-------------------|
| Upper Arkansas Water Conservancy District | \$ 981,569.00 | \$ 166,667.00 | \$ 814,902.00 | 27.67% |
| Round Mountain Water and Sanitation District | \$ 1,963,137.00 | \$ 333,333.00 | \$ 1,629,804.00 | 55.35% |
| Colorado Water Conservation Board - Water Plan Grant | | | \$ 500,000.00 | 16.98% |
| TOTAL PROJECT COST | \$ 2,944,706.00 | \$ 500,000.00 | \$ 2,944,706.00 | 100.00% |

WATER AND WASTEWATER RATES AND FEES

EFFECTIVE MARCH 2023

| <u>WATER SERVICE</u> | proposed | proposed | proposed | proposed |
|--------------------------|-----------------|-----------------|-----------------|-----------------------------|
| | IN-DISTRICT | OUT OF DISTRICT | PARK RATE | *WHEN IN USE* GARDEN TAP |
| MINIMUM MONTHLY FEE | \$28.40 | \$42.50 | \$28.40 | \$28.40 |
| TIERED USAGE/GALLONS FEE | | | | |
| 0 - 5,000 | \$3.10 | \$4.60 | \$2.40 | \$3.10 |
| 5,000 - 10,000 | \$3.50 | \$5.00 | \$2.60 | \$3.50 |
| 10,000 - 20,000 | \$3.70 | \$5.50 | \$2.80 | \$3.70 |
| 20,000 - 30,000 | \$4.00 | \$6.10 | \$3.00 | \$4.00 |
| 30,000 - 50,000 | \$4.20 | \$6.40 | \$3.10 | \$4.20 |
| 50,000 - 100,000 | \$4.50 | \$6.80 | \$3.30 | \$4.50 |
| 100,000 + | \$4.90 | \$7.30 | \$3.70 | \$4.90 |

WASTEWATER SERVICE

| | IN DISTRICT | OUT OF DISTRICT |
|---|-------------|-----------------|
| ERU* MONTHLY FEE | \$33.50 | \$46.50 |
| USAGE/GALLONS FEE - Capped at 5,000 gallons per ERU | | |
| PER 1,000 GALLONS FEE | \$3.80 | \$5.50 |

*Equivalent Residential Unit

BULK WATER SALES

| | |
|----------------|---------|
| SET UP FEE | \$35.00 |
| PER GALLON FEE | .02 |

OTHER CHARGES

| | | |
|-----------------------------|-------------|---------|
| DISCONNECT/RECONNECT FEE | \$40.00 | \$50.00 |
| OFF CYCLE METER READING | \$20.00 | |
| INSUFFICIENT FUNDS CHARGE | \$25.00 | |
| FEE FOR FILING LIEN | \$150.00 | |
| DELINQUENT BILLING FEE | \$15.00/MO | |
| UNAUTHORIZED DISCHARGE FINE | \$1,000/DAY | |
| UNAUTHORIZED USE FINE | \$250/DAY | |

* No charge for one meter disconnect and one reconnect per account per year