

MINUTES OF A JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS

OF

POUDRE TECH METROPOLITAN DISTRICT, WATER
VALLEY METROPOLITAN DISTRICT NOS. 1 & 2, AND
RAINDANCE METROPOLITAN DISTRICT NOS. 1-4,

Held: Tuesday, April 11, 2023, at 10:00 a.m.

*This meeting was held via teleconference and at 1600
Pelican Lakes Point, Windsor, Colorado.*

Attendance

The joint special meeting of the Boards of Directors of the Poudre Tech Metropolitan District, Water Valley Metropolitan District Nos. 1 & 2, and Raindance Metropolitan District Nos. 1-4, was called and held in accordance with the applicable laws of the State of Colorado. The following Directors, have confirmed their qualifications to serve, were in attendance:

**Poudre Tech Metropolitan District and Water Valley
Metropolitan District Nos. 1 & 2**

Martin Lind, President (PTMD/WVMD No. 2)
Jerry Helgeson, Vice President (PTMD/WVMD Nos. 1 & 2)
Duane Sullivan, Secretary/Treasurer (WVMD No. 1)
Justin Donahoo, Asst. Secretary (PTMD/WVMD No. 1 & 2)
John Jensen, Secretary/Treasurer (PTMD/WVMD Nos. 1 & 2)
James Porth, Jr., Asst. Secretary (WVMD No. 1)
Marissa Donahoo, Asst. Secretary, (PTMD/WVMD No. 2)

Raindance Metropolitan District Nos. 1-4

Martin Lind, President (District Nos. 1-4)
Justin Donahoo, Secretary/Treasurer (District Nos. 1-4)
Austin Lind, Assistant Secretary (District Nos. 1, 2 & 4))
Ryan Scallon, Assistant Secretary (District No. 1 & 3)
Kris Kazian, Assistant Secretary (District No. 3)
Nate Kvamme, Assistant Secretary (District No. 2)
Garrett Scallon, Assistant Secretary (District No. 2)
Alan MacGregor, Assistant Secretary (District No. 3)

Also present were William P. Ankele, Jr., Esq., and Zachary P. White, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law; Gary Kerr, Lara Wynn, Colton Lind, Water Valley Companies

(District General Manager); Steve Southard, Hannah Barker, Baylie Wiess, Melissa Ehrlich, Judy Smeltzer - Advance HOA (District Manager); Don Taranto, Matt Taranto, TST, Inc. Consulting Engineers (District Engineer); Gigi Pangindian, CLA (District Accountant); Cindy Beemer, Raindance MD No. 3 Director Elect; and Barry McGuinness, Raindance MD No. 2 Director Elect.

Call to Order/Declaration of Quorum

It was noted that a quorum of the Boards was present, and Director Martin Lind called the meeting to order and appointed Legal Counsel to direct the meeting.

Conflict of Interest Disclosures

Mr. White advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. White reported that disclosures for those directors that provided White Bear White Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Mr. White inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Combined Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Approval of Agenda

Mr. White presented the proposed agenda to the Boards for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda as presented.

Public Comment

Jon McCahn, Lighthouse Point Homeowners Association President, presented to the Boards regarding increased traffic and parking issues in Lighthouse HOA due to boat launch ramp for Eagle Lake being located immediately adjacent to HOA property. He discussed parking in general being limited and during the summer it gets worse with lake visitors parking in the area. He also discussed concerns about wear and tear on HOA streets for boat launch access.

Director Martin Lind addressed the concerns raised and indicated that district management is working with adjacent property owners

to explore improved access to the launch ramp or alternative access and boat launch locations. He also noted that security can be increased to make sure recreation pass users are not parking in HOA streets and parking areas.

Sharel Cameron and Willow Cameron, Water Valley residents, addressed the Board of PTMD with a proposal to allow community youth to gather to help clean beaches and open space areas. Ms. Willow Cameron requested support of PTMD in the form of materials and dumping areas for the trash cleaned up.

Director Martin Lind indicated that he would be in support and requested further discussions with the District Manager.

Consent Agenda

Mr. White reviewed the items on the consent agenda with the Boards. Mr. White advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Upon a motions duly made and seconded, the following items on the consent agenda were unanimously approved, adopted, and ratified:

PTMD/WVMD NOS. 1 & 2 Matters

- Minutes from the November 15, 2022 and December 21, 2022 Joint Meetings
- Independent Contractor Agreement with Aquatics Associates, Inc. for Water Sampling and Lake Treatment Services
- Independent Contractor Agreement with Zak George Landscaping, LLC for Landscape Maintenance Services

Raindance MD Nos. 1-4 Matters

- Minutes from the January 9, 2023, November 17, 2022, and December 16, 2022 Joint Meetings
- Independent Contractor Agreement with YMCA of Northern Colorado for Lifeguarding Services
- Independent Contractor Agreement with Southern Exposure Landscape Management, Inc. for Landscape Maintenance Services
- Construction Agreement with Bemis Construction, Inc. for Raindance Reservoir #2 Construction Project
- Independent Contractor Agreement with CMS Environmental Solutions, LLC for Stormwater Management Services regarding Raindance Reservoir

#2 Construction Project

- Independent Contractor Agreement with Ground Engineering Consultants, Inc. for Geotechnical Services regarding Raindance Reservoir #2 Construction Project
- Independent Contractor Agreement with Galloway & Company for Survey Services regarding Raindance Reservoir #2 Construction Project
- Purchase Order with DemaLenko America, Inc. for Hoedown Hill Snowmaking Equipment
- Purchase Order with Contech Engineered Solutions for Hoedown Hill Concrete Tunnel
- Purchase Order with MND France for Hoedown Hill Carpet Lift

District Manager/Operations Matters

Operations Matters

Raindance Park Reservations Discussion

Mr. Southard discussed with the Boards increasing request to reserve parks. He reminded the Boards that under current policies reservations are not permitted. He noted that the staff is exploring a revised policy in Raindance to allow reservations only at Raindance Park where there are adequate facilities for reservations.

Replacement of Inflatable with Wahoo Dock

Mr. Southard discussed with the Boards that the AquaPark inflatable, in Water Valley has outlived its lifecycle and will not be inflated this summer. Mr. Southard noted that staff explored installation of a dock designed as a jumping platform. Director Martin. Lind discussed the various amenities throughout Raindance and Water Valley and expressed no need to add amenities at this time. Following discussion, the Boards agreed not to add additional amenities this year.

Capital Matters

Sea Wall Repair Updates

Director Garrett. Scallon updated the boards regarding the status of bids for repairs of seawalls in Water Valley. Staff expect to have final numbers in the coming weeks and expect the numbers to be significantly lower than the initial estimates. It is expected that work can be done from barges on the lake to minimize disruption to property owners' lots that extend to the seawall.

Raindance Reservoir # 2 Director Garrett. Scallon updated the Boards regarding the status of
Status Update construction of the Raindance Reservoir #2. He indicated that Bemas Construction continues its work and is making good progress.

Water Matters

Water Quality and Fishing Mr. Lind discussed with the Boards efforts staff is taking to address
Presentation water quality issues in Water Valley. Treatment options are expensive, so staff are exploring options to generate revenues to treat the water. Staff is also looking fish stocking programs, amended fishing policies to allow more catch and keep, and resource monitoring.

WaterDance Updates Mr. Southard updated the Boards regarding memberships at the W-Club and Raindance River Resort.

Water Activity Enterprise

Water Activity Enterprise Mr. Kerr introduced a discussion regarding the water activity
Presentation re Water enterprises of Poudre Tech MD and Raindance MD No. 1, which
Conservation, Water System provide the non-potable water service within Raindance and Water
Infrastructure and Capital Valley. The two enterprises are being operated as one system to the
Requirements, Operations extent possible. Staff is evaluating water resources, infrastructure
Costs, Long-Term Financial and capital needs, operations costs, and long-term needs.

Plan, and Water Service Mr. Matt Taranto presented a water enterprise analysis undertaken
Fees and Rates by TST, Inc. and water resource consultants to the Boards; attached hereto. The primary purpose of the analysis is to evaluate existing water usage compared to needs, operation and maintenance costs, capital improvements needs and costs, and water rate structures.

Following Mr. Taranto's presentation, Mr. Kerr and Director Martin Lind discussed with the Boards issues that impact both water enterprises individually and as a combined system. Both expressed their views about the importance of forward planning.

Director. Kazian expressed his views about the importance of establishing policies and systems now to preserve both water enterprises.

Mr. Sullivan discussed concerns that Water Valley residents may feel they are being asked to subsidize growth in Raindance. In response Mr. Kerr discussed the need for co-investment in a joint system and the efficiencies of operating both systems together. He discussed the benefits to Water Valley offered by the RainDance

water system including water storage in the Raindance Reservoir, free water pulled from the Thompson River when available, both of which can help provide water to Water Valley. He also discussed the ability to use the Raindance Reservoir #2 once completed to meet water return requirements to the Poudre River which should allow the lakes in Water Valley to maintain elevations at a more aesthetic level.

Mr. Don Taranto discussed with the Boards the economies of scale and efficiencies achieved by operating the two water systems together, all of which brings value to Raindance and Water Valley Residents.

Finally, Mr. Kerr concluded the discussion by noting that a water rate hearing notice has been set for April 25, 2023 at which water rate options will be presented to the Boards for consideration.

Other Business

Next Meeting

April 25, 2023

Adjourn

There being no further business to come before the Boards, and following discussion and upon a motion duly made, seconded and unanimously carried, the Boards determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.



Justin Donahoo (Apr 26, 2023 12:44 MDT)

Secretary for the Meeting Districts

Raindance MD Nos. 1-4 and Poudre Tech MD, Water Valley MD Nos. 1 & 2

The foregoing minutes were approved on the 25th day of April, 2023.

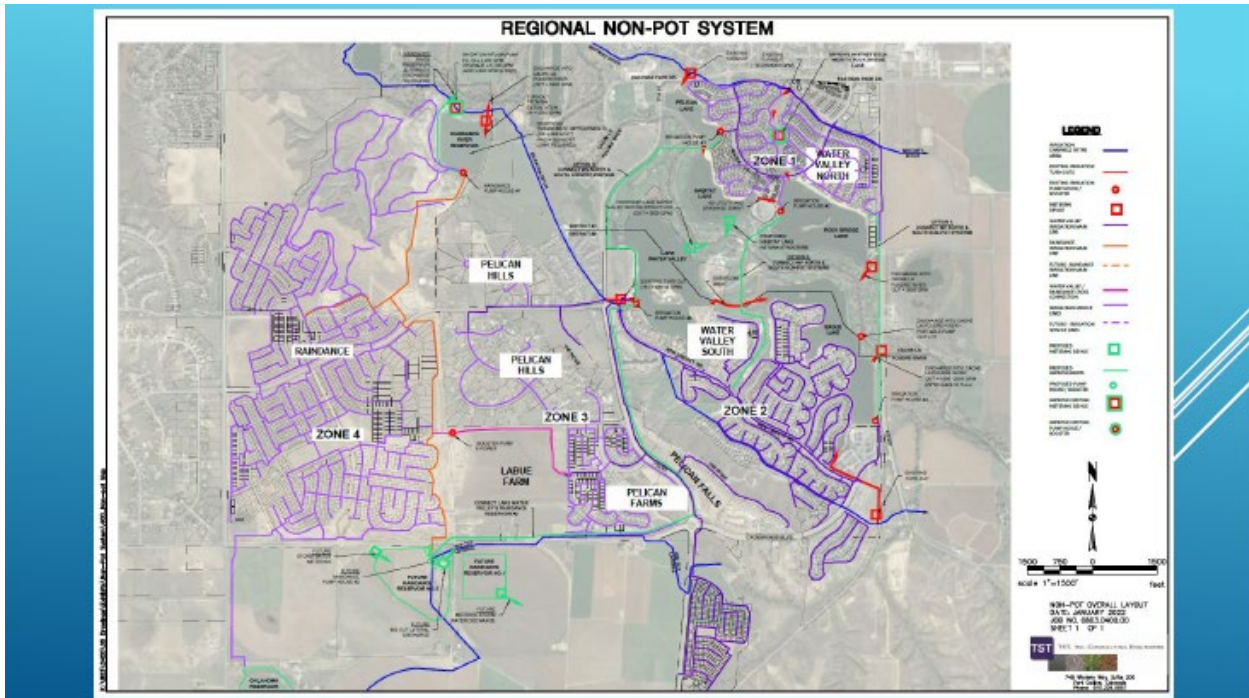
WATER ENTERPRISE

RATE STRUCTURE ANALYSIS



- A robust non-potable utility service that is unparalleled in Colorado
 - Two Metro Districts jointly operating a shared utility & amenities
 - Redundancies in the systems & Combining of District Resources provide for increased efficiency
 - Servicing over 5,500 homes
- A substantial value to our residents
 - Lower utility rates for irrigation vs Town of Windsor
 - World class amenities for our residents to enjoy

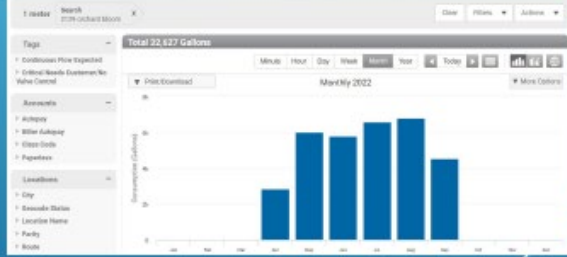
WHAT HAVE WE CRATED



- Began six months ago
- Evaluate existing irrigation usage vs. actual need
- Evaluate O&M for the system
- Evaluate future needed capital improvements & costs
- Create an updated rate structure that:
 - Unifies both Districts
 - Ensures value for residents
 - Creates sustainable model for O&M and CIP

SYSTEM ANALYSIS

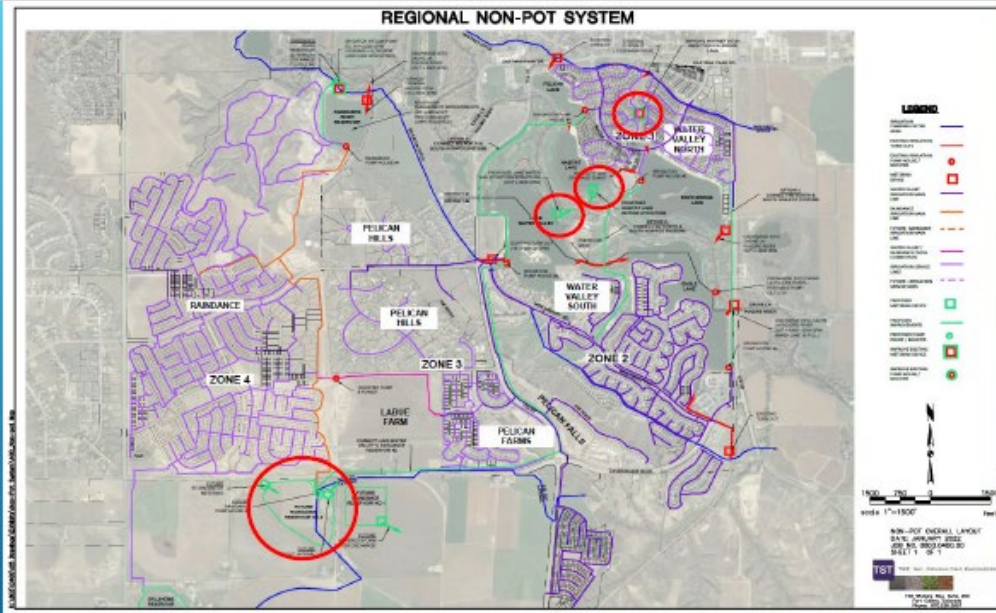
TST - Demand Calculations		
Avg. Lot Size - Turf	2,000	SF
Annual Irrigation	3	FT/YR
Irrigation Months	5	Months
Total Irrigation - Annual	44,896.00	Gallons
	0.138	AC-FT
Total Irrigation - Monthly	8,977.20	Gallons
	0.028	AC-FT
Total Irrigation - Weekly	2,244.30	Gallons
	0.007	AC-FT
Total Irrigation - Daily	561.08	Gallons
	0.0017	AC-FT



IRRIGATION USAGE - RESIDENTIAL

- OVERWATERING IS PREVELANT
 - POUDE TECH: ~50% OVER
 - RAINDANCE: ~ 100% OVER
 - Some of this can be attributed to establishment period for turf

IRRIGATION USAGE - RESIDENTIAL



CAPITAL IMPROVEMENTS (~ \$10M)

- Build-Out of RainDance
 - The rapid build-out of RainDance has increased the O&M needs as well as the CIP time tables.
- Record Inflation has affected O&M and projected CIP costs
 - The Districts need to adjust to ensure the O&M needs of the communities are met, along with the Capital Projects to support the speed of build-out.
- Low Water Level in Reservoirs
 - There has been no Free River to offset return flows so far in 2023
 - RainDance Reservoir #2 is already under construction to increase storage capacity

OPERATIONS & MAINTENANCE

- Working with CLA to provide a sustainable financial model
- Unify both Districts under one rate structure
- Ensure residents receive considerable value from the non-pot system as compared to Windsor
- Incentivize Water Conservation through revised rate structure
- Plan for increased O&M costs
- Plan for Capital Projects

RATE STRUCTURE ANALYSIS