

## Letter of Engagement

This agreement, herein referred to as “LOE”, is entered into this \_\_\_\_ day of \_\_\_\_\_, 2022, between East Larimer County Water District, City of Evans, City of Greeley, Larimer County, Little Thompson Water District, City of Loveland, City of Fort Collins, Fort Collins-Loveland Water District, Platte River Power Authority, Town of Milliken, North Weld County Water District, Town of Timnath, Town of Wellington, Town of Windsor, Northern Water, Weld County, Community Foundation of Northern Colorado (the Foundation), the Paterson Center, referred to collectively herein as “the Parties,” to continue the regional water StratOp work and evaluation of a regional water organization that serves to advocate, educate, and potentially undertake regional studies, projects or initiatives for the betterment of Northern Colorado communities, our natural environments, and our agricultural neighbors. Additional local government parties may be invited to participate in the 2022 scope of work and may join according to the terms of this LOE.

### Background

Since 2014, representatives of the municipalities in Northern Colorado have been meeting quarterly to discuss matter of regional importance. In 2019 the NoCO regional leadership group identified water as a critical issue and committed to intentionally invest in understanding regional water challenges and collaborative opportunities, and to consider how a regional water advocacy organization could benefit the region. That group of municipal agencies agreed to finance and participate in a strategic planning effort known as the Northern Colorado Regional Water StratOp to further develop an understanding of aligned interests and values.

The Northern Colorado Regional Water StratOp convened and facilitated strategic planning in December 2020, and the StratOp outcomes and follow up meetings of the ad hoc group in 2021 have discussed a regional water group or authority concept that will advance the aligned goals of the Northern Colorado communities within the framework of, and compliance with, Colorado water law.

The Parties seek to combine efforts to further investigate mutually beneficial regional water issues and legislative advocacy, drought response and water wise public communications, watershed health and/or the development of regional water planning or mutually beneficial projects. The Parties therefore intend to formalize this shared interest in the work by way of this Letter of Engagement (LOE) so that over the next year work can be done to refine the mission, scope of activities, and organizational type that should be formed to undertake future regional work as envisioned by this group and the leadership of its member communities.

### Understanding

The Parties have a shared conviction that a regional approach to water resources management in the Cache la Poudre River Basin and Big Thompson River Basin can yield economic and resource efficiency, economies of scale, ecological function, effective legislative advocacy, and regional drought response, and the Parties believe that further joint inquiry and action is warranted, and hereby agree as follows:

- 1) Commitment of Adequate Resources and Completion of Subsidiary Cost-sharing Agreements:** The Parties agree that sufficient financial resources will be required through December 31, 2022, beginning on the date this Agreement is fully executed, and described in the attached participant dues (Attachment A), to complete the list of Tasks described in the workplan (Attachment B). The Parties acknowledge there exists an unequal capacity

among the Parties to share commitments of staff and financial resources, and further acknowledge that the tasks described in Attachment B may not be of equal interest or concern to all Parties. Subject to appropriation and legal availability of funds all Parties agree to commit initial, nonrefundable financial resources as outlined in Attachment A. All parties have the right to walk away at anytime without further obligation.

The Parties recognize that upon formation of a regional water organization further resources will be required beyond the duration of this LOE. To address discrepancies in capacity and/or interest over the course through February 28, 2023, the Parties agree to complete, or facilitate completion of:

- 2) **Duration:** The Parties seek to complete all Tasks described in Attachment B by January 1, 2023, but may extend the work plan, under the existing budget resources, if the Parties agree that it is valuable and necessary to complete the work of shared interests.
- 3) **Pursuit of Funding from Third-party Sources:** To defray costs associated with the Tasks described in Attachment B, such as collaboration on a project or initiative, the parties agree to pursue external funding as needed to supplement the initial dues outlined in Attachment A. Such additional funding may be requested by the Parties to their respective organizations as budgets allow and/or other sources, including funding that may be available from private philanthropic foundations. The Parties acknowledge that successful funding proposals to secure grant funding from outside sources almost always require a commitment of matching funds in some, as yet indeterminate, amount.
- 4) **Additional Stakeholders:** The Parties agree that additional parties may be invited to participate and may join according to the terms of this LOE. Additional parties may include local governments, county governments, water providers, water agencies, chambers of commerce, and others serving water reliance and reliability within the boundaries of Northern Colorado. Parties that do not meet this criterion will have the opportunity to stay informed by participating Parties. The Parties agree to share recommendations publicly.
- 5) **Fiscal Agent:** The Foundation will serve as fiscal agent, collecting funds committed by each Party, making applications for outside funding, contracting for services, reporting to funding Parties on the uses of funds, and other related functions.
- 6) **Contracting for Services:** The Parties agree that, for some of the Tasks described in Attachment A, it may be necessary to contract for expertise and staff capacity beyond that which the Parties, individually or collectively, may be able to commit to this collaborative effort. In the event the Parties agree outside services are needed to accomplish tasks, services contracted will be between the Foundation as fiscal agent and the contracting organization.
- 7) **Transparency and the Expansion of Collaborative Partnerships:** The Parties believe that solutions to the Northern Colorado future water supply and infrastructure challenges can contribute to overall resiliency, economic prosperity, environmental sustainability, and quality of life for all citizens. The Parties further believe that water issues and legislative advocacy, watershed health, regional planning, drought response communication, and other water resource solutions designed to address multiple objectives and diverse interests, which, in the past, often have been conceived of as discreet and unrelated, can durably offer

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the greatest number of benefits to the greatest number of people. The Parties agree to abide by and exhibit the values outlined by the StratOp group in its “Plan on a Page” which are also noted in Attachment B.

**8) Resiliency and reliability:** The Parties believe solutions to Northern Colorado’s limited water supply are dependent on collaboration, cooperative legislative advocacy, regional planning, and the physical interconnects that extend reliability.

IN WITNESS WHEREOF, the parties have authorized and executed this Letter of Engagement on the date first written above.

Chris Kirk, Town Administrator, Town of Berthoud

Cheryl Powell, Town Manager, Town of Milliken

Mike Scheid, General Manager, East Larimer County Water District

Eric Reckentine, District Manager, North Weld County Water District

Jim Becklenberg, City Manager, City of Evans

Aaron Adams, Town Manager, Town of Timnath

Raymond C. Lee, City Manager, City of Greeley

Bob Gowing, P.E., Director of Public Works, Town of Wellington

Laurie Kadrich, CPIR Director, Larimer County

Shane Hale, Town Manager, Town of Windsor

Amber Kauffman, PE, District Manager, Little Thompson Water District

Brad Wind, General Manager, Northern Water

Steve Adams, City Manager, City of Loveland

Scott James, County Commissioner, Weld County

Kelly DiMartino, Interim City Manager, City of Fort Collins

Kristin Todd, President & CEO, Community Foundation of Northern Colorado

Chris Pletcher, Interim District Manager, Fort Collins – Loveland Water District

Michael Chiarelli, Vice President, The Paterson Center

Heather Banks, Fuel & Site Facilities Manager, Platte River Power Authority