

SEVENTH AMENDMENT TO INTERGOVERNMENTAL AGREEMENT

This SEVENTH AMENDMENT TO INTERGOVERNMENTAL AGREEMENT (“Seventh Amendment”) is made and entered into as of the 15th day of August, 2023 between MOUNT CARBON METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and the TOWN OF MORRISON, a Colorado municipal corporation (the “Town”). The District and the Town are collectively referred to as the “Parties” herein.

RECITALS

- A. The District and the Town entered into an Intergovernmental Agreement, dated October 27, 2008, a First Amendment to Intergovernmental Agreement, dated April 21, 2009, a Second Amendment to Intergovernmental Agreement, dated April 18, 2012, a Third Amendment to Intergovernmental Agreement, dated December 4, 2012, a Fourth Amendment to Intergovernmental Agreement, dated January 3, 2019, a Fifth Amendment to Intergovernmental Agreement, dated December 17, 2019, and a Sixth Amendment to Intergovernmental Agreement, dated February 6, 2021 (referred to collectively as the “IGA”, in this Seventh Amendment and in the replacement Sections 1 and 18 described in paragraphs 2 and 4 of this Seventh Amendment).
- B. Among other purposes, the IGA establishes the number of equivalent residential water taps (“EQR” or “EQRs”) the Parties agree the District is entitled to purchase from the Town to provide water service to the Property, as the term is defined by the IGA. The Property is also popularly known as Red Rocks Ranch.
- C. For the purposes of this Seventh Amendment, the term “Water Tap” shall be defined as one residential EQR.
- D. Based upon updated and refined demand figures and the current partial completion of the Red Rocks Ranch project, the District and the Town desire to amend the IGA to decrease the number of EQRs the District is entitled to purchase from the Town through the IGA.
- E. The Fifth Amendment to the IGA, as approved by the Parties on December 17, 2019, provides for the District’s purchase of fifty (50) Water Taps from the Town, which is equivalent to fifty (50) EQRs.
- F. Pursuant to the Fifth Amendment of the IGA, on, or about, April 20, 2023, the Town sold to the District fifty (50) Water Taps. The Parties agree that these fifty (50) Water Taps are Water Taps numbered 246 through 295 and constitute fifty (50) of the total number of EQRs contemplated by the IGA. The District paid to the Town the required Water Resource Fee for each of these Water Taps and tendered to the Town the sum of \$483,687 (\$9,673.74 (Water Resource Fee)) (50 Water Taps)). The Town charged to the District the applicable System Development Fee for each of these Water Taps and then credited to the District as an offset an equivalent amount of reimbursable expenses incurred by the District during its construction of the new Water Treatment Plant; the

total amount offset by the Town was the sum of \$625,000 (\$12,500 (System Development Fee) (50 Water Taps)).

- G. Through this Seventh Amendment, pursuant to paragraphs 2 and 10 of the 2008 IGA, the Town agrees to sell to the District an additional fifty (50) Water Taps, which is equivalent to fifty (50) EQRs.
- H. Through paragraph 9 of the Second Amendment to the IGA, the Town agreed to provide a \$200,000 credit to the District as an offset to the Town's requested design changes to the New WWTP (as defined in paragraph 25 of the 2008 IGA) and agreed to provide this credit discounting the required System Development Fee (or capital component) of the EQR fee by 50% until such time as the \$200,000 is credited to the District's benefit in full. The Parties intended to apply this credit to EQRs the District previously purchased from the Town; however, because this credit was not applied to any EQRs purchased by the District, the Parties now seek to apply this \$200,000 credit to the Water Taps purchased through this Seventh Amendment; and the Town agrees to credit to the District the required Water Resource Fee for the first of the fifty (50) Water Taps sold pursuant to this Seventh Amendment, until such time as this \$200,000 credit is fully satisfied.
- I. The Parties also seek to affirm the location restrictions for use of the Water Taps purchased through the IGA and to further clarify that all Water Taps the District purchases from the Town pursuant to the IGA shall only serve and be used upon the Property, and the District affirmatively waives any and all express or implied rights under the IGA to the contrary, and any other claims or rights to use the Water Taps for service or use at any location outside of the Property.
- J. The District and the Town further agree on the need to combine the seven amendments to the October 27, 2008 Intergovernmental Agreement into a single, fully restated and amended IGA ("Restated IGA") that reflects the current agreement among the Parties.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, the Parties agree as follows:

AGREEMENT

- 1. The District and the Town incorporate the above-stated recitals into this Seventh Amendment as if fully stated herein.
- 2. Section 1 of the Intergovernmental Agreement, dated October 27, 2008, is replaced in its entirety with the following:
 - 1. Option to Purchase. During the term of this IGA and subject to all conditions of this IGA, the District shall have the right to purchase up to a maximum of 1,427 EQRs from the Town and the Town shall reserve 1,427 EQRs for purchase by the District for the term of this IGA, reduced by the number of EQRs previously purchased hereunder.

3. **Remaining Available EQRs.** The 1,427 EQRs reserved by the Town for purchase by the District under the terms of this IGA, reduced by the number of EQRs previously purchased by the District pursuant to the IGA are hereinafter referred to as the “Remaining Available EQRs.” The Water Taps numbered 246 through 295 sold by the Town to the District pursuant to the Fifth Amendment of the IGA, on, or about, April 20, 2023, shall count as 50 EQRs towards the 1,427 maximum quantity of EQRs allocated by the Town to the District per paragraph 1 of the 2008 IGA, as amended by paragraph 2 of this Seventh Amendment.

4. Section 18 of the Intergovernmental Agreement, dated October 27, 2008, is replaced in its entirety with the following:

18. **Specific to Property.** All EQRs purchased pursuant to this IGA may only be used to provide water service to the Property; the EQRs may not be sold, transferred or assigned for use outside of the Property. Once a Water Tap has been issued to a specific parcel, the Water Tap may only be used on the premises for which it was issued and may not be transferred to another lot or address. Once a Water Tap has been assigned to a specific lot or address within the Property and connection of that Water Tap has been made to the identified lot or address within the Property, the Water Tap may only be used to serve the identified lot or address to which it was assigned and may not be transferred to another lot or address.

5. **Sale of 50 Additional Water Taps.** Upon the execution of this Seventh Amendment, the Town shall expediently make available to the District for sale fifty (50) additional Water Taps, which is equivalent to fifty (50) EQRs (“50 Additional Water Taps”). The following conditions apply to the Town’s sale of the 50 Additional Water Taps to the District:

- a. The 50 Additional Water Taps shall count as 50 EQRs towards the 1427 EQRs allocated by the Town to the District per paragraph 1 of the 2008 IGA, as amended by paragraph 2 of this Seventh Amendment.
- b. The 50 Additional Water Taps shall be subject to the location restrictions set forth in paragraph 18 of the 2008 IGA, as amended in paragraph 4 above.
- c. The Town and the District agree that pursuant to paragraphs 2 and 10 of the 2008 IGA, the Town is entitled to use the May 2023 monthly CPI Index amount of 319.132 as the Comparison Index to calculate the applicable Water Resource Fee; however, the Town and the District agree that so long as payment for the 50 Additional Water Taps is made by the District to the Town no later than August 31, 2023, the Town consents to the use of the January 2023 monthly CPI Index amount of 312.392 as the Comparison Index. The relevant and applicable monthly CPI Index values are attached hereto as **Exhibit A**. Using the January 2023 monthly CPI Index amount as the Comparison Index to calculate the Water Resource Fee, the cost of each of the 50 Additional Water Taps shall be the sum of twenty-two thousand one hundred and seventy-three dollars and 74/100 cents (\$22,173.74) (\$22,173.74 = \$12,500 (System Development Fee) + \$9,673.74 (Water Resource Fee)). Should payment be made for the 50 Additional Taps after August 31, 2023, the price of the Water Resource Fee

shall be modified pursuant to paragraphs 2 and 10 of the 2008 IGA. The Town and the District further agree that the use of the January 2023 monthly CPI Index amount of 312.392 as the Comparison Index to calculate the Water Resource Fee applies solely and exclusively to the 50 Additional Water Taps and is offered by the Town to District to encourage the District to move with expediency in completing the Red Rocks Ranch Project and the Restated IGA.

- d. The Parties further agree that the District shall pay to the Town the required Water Resource Fee for each of the 50 Additional Water Taps, and the \$200,000 credit described in Recital H of this Seventh Amendment shall be applied to the Water Resource Fee for each of the 50 Additional Water Taps, until such time as the \$200,000 credit is fully satisfied.
- e. The Town will charge to the District the applicable System Development Fee for each of the Fifty Additional Water Taps and then credit to the District as an offset an equivalent amount of reimbursable expenses incurred by the District during its construction of the new Water Treatment Plant. The total amount of the offset offered by the Town for the System Development Fee portion of the cost of the 50 Additional Water Taps shall not exceed the sum of \$625,000 (\$12,500 (System Development Fee) (50 EQRs)).
- f. The Town acknowledges the required Water Resource Fee paid to the Town by the District for each of the 50 Additional Water Taps shall be used by the Town for eligible Water Utility Infrastructure. This restriction on the Town's use of the Water Resource Fees paid to the Town by the District shall apply only to the Water Resource Fees paid for these 50 Additional Water Taps.
- g. The District must purchase from the Town the 50 Additional Water Taps in tranches of at least twenty-five (25) Water Taps, and payment in full must be made, or applicable credit applied, for each tranche at the time of purchase.

6. Accounting of Remaining Available EQRs. The Parties agree that upon the Town's sale of the 50 Additional Water Taps to the District, the Remaining Available EQRs that the Town is obligated to sell to the District under the IGA is 1,082 which is equal to 1,427 EQRs as set forth in paragraph 1 of the Intergovernmental Agreement, dated October 27, 2008, as revised by paragraph 2 of this Seventh Amendment, minus the 345 EQRs, or Water Taps, previously sold by the Town to the District pursuant to the IGA:

1,082 Remaining Available EQRs (1,427 EQRs less 345 EQRs, or Water Taps, previously sold by the Town to the District pursuant to the IGA);

(-245 EQRs) (The Town sold to the District 245 Water Taps through 2022 (102 Aggregate Taps + 143 Existing Town Taps));

(-50 EQRs) (Pursuant to the Fifth Amendment of the IGA, on, or about, April 20, 2023, the Town sold to the District fifty (50) Water Taps); and

(-50 EQRs) (Pursuant to this Seventh Amendment, the Town agrees to sell to the District 50 Additional Water Taps).

7. Restated IGA. The Parties will make best efforts to timely pursue and execute a fully restated and amended IGA (“Restated IGA”) reflecting the current agreement of the Parties. The Parties further agree that the Restated IGA will be completed on, or before, December 1, 2023. Upon the Effective Date of this Seventh Amendment, until such time as the Town and District have completed and mutually executed the Restated IGA, the Town has no obligation under the IGA to sell to the District any additional EQRs, or Water Taps, other than the 50 Additional Water Taps provided herein.

8. Effect. Except as specifically modified by this Seventh Amendment, all provisions of the IGA shall remain in full force and effect and all of the terms defined therein shall retain the definitions set forth in the IGA.

9. Effective Date. This Seventh Amendment shall take effect as of the date of execution by both Parties.

[Remainder of page intentionally left blank; the signatures are on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Amendment to Intergovernmental Agreement as of the date first written above.



TOWN OF MORRISON

Chris Wolfe, Mayor

August 15, 2022
Date of Execution

ATTEST:

Ariana Neverdahl, Town Clerk

MOUNT CARBON METROPOLITAN DISTRICT

President

Date of Execution

ATTEST:

Secretary

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MOUNT CARBON METROPOLITAN DISTRICT



President



Date of Execution

ATTEST:



Secretary

EXHIBIT A

TO

**SEVENTH AMENDMENT TO INTERGOVERNMENTAL
AGREEMENT BETWEEN THE MOUNT CARBON
METROPOLITAN DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado, and the TOWN OF
MORRISON, a Colorado municipal corporation**

CPI INDEX VALUES

Bureau of Labor Statistics



Series Title	All items in Denver-Aurora-Lakewood, CO, all urban consumers, not seasona
Series ID	CUURS48BSA0
Seasonality	Not Seasonally Adjusted
Survey Name	CPI for All Urban Consumers (CPI-U)
Measure Data Type	All items
Area	Denver-Aurora-Lakewood, CO
Item	All items

Year	Period	Label	Observation Value	1-Month Net Change
2021	M01	2021 Jan	272.156	N/A
2021	M03	2021 Mar	274.430	N/A
2021	M05	2021 May	280.154	N/A
2021	M07	2021 Jul	285.268	N/A
2021	M09	2021 Sep	286.186	N/A
2021	M11	2021 Nov	289.621	N/A
2022	M01	2022 Jan	293.580	N/A
2022	M03	2022 Mar	299.529	N/A
2022	M05	2022 May	303.510	N/A
2022	M07	2022 Jul	308.728	N/A
2022	M09	2022 Sep	308.211	N/A
2022	M11	2022 Nov	309.655	N/A
2023	M01	2023 Jan	312.392	N/A
2023	M03	2023 Mar	316.566	N/A
2023	M05	2023 May	319.132	N/A