

Feasibility of the Livermore Irrigation Tunnel Rehabilitation Project

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June 6, 2016

FEASIBILITY STUDY APPROVAL
Pursuant to Colorado Revised Statutes 37-60-121 & 122, and
in accordance with policies adopted by the Board, the
CWCB staff has determined this Feasibility Study meets all
applicable requirements for approval.

Signed _____ Date 7/20/16

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**Feasibility Study
Livermore Tunnel Irrigation Tunnel
Rehabilitation Project
June 6, 2016**

Introduction (Need for the Project)

The North Poudre Canal headgate is located on the north side of the North Fork Cache la Poudre River. Figure 1 in Appendix A shows the North Poudre Irrigation Company (NPIC) system. Water is diverted and carried through the Livermore Tunnel for approximately 4,900 feet before it is discharged into an open, earth-lined canal. The Livermore Lateral component of the North Poudre Canal delivers water to Park Creek Reservoir. Below Park Creek Reservoir, the canal splits into the No. 15 Bypass and the Buckeye Lateral. The Buckeye Lateral is the main extension of the canal. South of North Poudre Reservoir No. 15, the No. 15 Bypass intersects the Main North Poudre Supply Canal. The Buckeye Lateral continues east to the former Town of Buckeye, at which point it becomes the Boxelder Lateral. The Boxelder Lateral travels generally south from Buckeye to a point where it intersects the Main North Poudre Supply Canal. The North Poudre Canal and its laterals cross Stonewall Creek, Spring Creek, Dry Creek, and Boxelder Creek as it delivers water throughout the NPIC System. By virtue of decreed water rights, flows can also be intercepted from Dry Creek and Boxelder Creek. The North Poudre Canal is located entirely within Larimer County that is located in Division 1, Water District 3.

Direct flow water in the North Poudre Canal is used predominantly for irrigation of lands under the NPIC System. North Poudre Canal direct flow water rights have been changed to allow all uses (storage, municipal, commercial, industrial, recreation, fishery, fire, domestic, augmentation, and wild and scenic river uses). There are 197 water rights, transfers or exchanges listed as being decreed through the North Poudre Canal by the Colorado Division of Water Resources.

The Livermore Tunnel consists of two tunnels connected by a section of open channel. The tunnels are approximately 8.5 feet high and 8 feet wide with a concrete invert along the entire tunnel length with the narrowest section approximately 5 feet wide of being in the open channel between the two tunnels. The tunnels total approximately 4,900 feet in length.

The tunnels are generally stable with the exceptions of six collapse zones (CZ). The approximate locations of these collapse zones are shown on Sheet C-100 in Appendix A. Three of the six collapse zones (CZ-2, CZ-4 & CZ-5) are currently considered to be “active” where rock fall is frequent and large piles of rock fall debris have accumulated in the base of the tunnel, ponding up to three feet of water and restricting the overall flow capacity of the tunnels. Occasional rock fall is occurring in the remaining three collapse zones. The geometry at these

collapse zones varies, however they were visually estimated to be up to 45 feet high and 35 feet wide.

The tunnels are located within the eastern edge of the Southern Rocky Mountain geological province and were constructed within three major bedrock formations. The majority of the tunnels are situated within Silver Plume Granite and Granitic Gneiss, while the downstream end of Tunnel 2 is within sedimentary bedrock of the Fountain Formation. The North Livermore Fault intersects the downstream end of Tunnel 2 near CZ-01 and CZ-02. There are also a number of the splays and shear zones identified along the tunnel alignment and are located at some of the other collapse zones.

The concern is a roof collapse or partial collapse in the tunnel will impact the NPIC users and would result in a prolonged outage within the NPIC system. The NPIC Board believes they need to be proactive in maintaining this critical piece of infrastructure.

Project Sponsor

The NPIC is a mutual ditch company and a non-profit corporation registered in the State of Colorado. There are 570 shareholders and 10,000 shares of stock. NPIC has the power to set annual assessments to be paid by the shareholders, the power to cut off water deliveries to shareholders that fail to pay their assessments, and the power to offer stock for sale to pay back assessments. The NPIC articles of incorporation and bylaws are included in Appendix C.

Project Service Area and Facilities

The North Poudre Canal is considered part of the North End Division of the NPIC System. The North Poudre Canal system is comprised of Halligan Reservoir, the Livermore Diversion, the Livermore Tunnel and the Livermore Lateral, No. 15 Bypass, Buckeye Lateral, Boxelder Lateral, and numerous smaller laterals off the main laterals as well as numerous other reservoirs. The system is shown on Figure 1.

The service area encompasses approximately 300 square miles including the 160 square miles of service area under the canal (36 square miles of irrigated acreage) and additional service area covering 14 communities and municipal water providers that own NPIC shares (Ft. Collins, Windsor, Ault, Severance, Eaton, Thornton, North Weld County Water District, East Larimer County Water District, Northern Colorado Water Association, Fort Collins Loveland Water District, West Fort Collins Water District, Sunset Water District, Nunn and Pierce). The NPIC infrastructure is important to North Central Colorado economy.

Hydrology and Water Rights

This rehabilitation project will enable continued use of pre-compact decreed water rights. Please see tables below of direct-flow and storage water rights that are in addition to the 40,000 C-BT Units owned by NPIC.

The following direct flow and storage water rights are owned by NPIC:

Table 1
NPIC Direct-Flow River Priority Summary
Cache la Poudre River Decrees - Division 1, District 3

Priority	Water-Right Name	Decreed Diversion Rate (cfs)
2	NPIC	0.72
2	South Side Ditch	0.0925
17	NPIC	4.75
19	NPIC	2.165
25	NPIC	15
29	NPIC	2.165
29	South Side Ditch	0.2783
32	South Side Ditch	0.2145
33	South Side Ditch	0.38
38	South Side Ditch	4.06
40	NPIC	4
47	South Side Ditch	0.7591
49	South Side Ditch	1.3669
52	NPIC	15
52	South Side Ditch	2.3539
57	South Side Ditch	10.6939
60	NPIC	7.2
61	NPIC	9.38
63	NPIC	3.32
66	South Side Ditch	6.7137
69	NPIC	3.32
77	NPIC	6.72
79	NPIC	6.72
80	NPIC	6.72
82	NPIC	2.85
97	NPIC	307
Total		423.9428 cfs

Table 2
NPIC Storage Water-Rights Summary
Cache la Poudre River Decrees - Division 1, District 3

Water-Right Priority Numbers	Name:	WDID	Decreed Amount (Acre Feet)	Appropriation Date
<i>Box Elder Reservoir No. 1:</i>		3717		
Priority No. 9			569	7/1/1883
<i>Box Elder Reservoir No. 2:</i>		3719		
Priority No. 10			195	7/1/1884
<i>Box Elder Reservoir No. 3: (a.k.a. Smith Lake)</i>		3703		
Priority No. 15			792	10/1/1888
<i>Fossil Creek Reservoir:</i>		3774		
Priority No. 40			12,052	3/5/1901
Enlargement Priority No. 66			1,545	6/1/1904
Reservoir Refill Priority No. 136E			12,052	3/5/1901
Reservoir Refill Priority No. 136FC			1,545	6/1/1904
<i>Mountain Supply Reservoir No. 8:</i>		3694		
Priority No. 79			482	2/10/1905
<i>Mountain Supply Reservoir No. 9 (a.k.a. Railroad Reservoir No. 2):</i>		3695		
Priority No. 80			413	2/20/1905
<i>Mountain Supply Reservoir No. 10 (a.k.a. Railroad Reservoir No. 3):</i>		3696		
Priority No. 82			344	5/15/1905
<i>Mountain Supply Reservoir No. 16 (a.k.a. Indian Creek Reservoir):</i>		3707		
Priority No. 65			895	9/14/1904
Reservoir Refill Priority No. 136P			895	12/31/1921
Enlargement Priority No. 143			1,011	11/7/1946
<i>Mountain Supply Reservoir No. 18 (a.k.a. Hinckley Lake):</i>		3708		
Priority No. 63			918	2/15/1904
Reservoir Refill Priority No. 136O			459	12/31/1921
Reservoir Refill Priority No. 136OC			459	12/31/1921

Table 2
NPIC Storage Water-Rights Summary
Cache la Poudre River Decrees - Division 1, District 3

Water-Right Priority Numbers	Name:	WDID	Decreed Amount (Acre Feet)	Appropriation Date
Mountain Supply Reservoir No. 22 (a.k.a. Wasson Reservoir):		3700		
Priority No. 97			269	10/15/1906
North Poudre Reservoir No. 1 (a.k.a. Miners Lake):		3690		
Priority No. 7			436	3/1/1883
Enlargement Priority No. 16			238	10/1/1888
Reservoir Refill Priority No. 136I			459	12/31/1921
Reservoir Refill Priority No. 136IC			215	12/31/1921
North Poudre Reservoir No. 2 (a.k.a. Demmel Lake):		3697		
Priority No. 22			3,329	2/20/1890
Enlargement Priority No. 41			551	8/1/1901
Reservoir Refill Priority No. 136L			1,377	12/31/1921
Reservoir Refill Priority No. 136LC			2,503	12/31/1921
North Poudre Reservoir No. 3:		3702		
Priority No. 11			1,574	10/1/1884
Enlargement Priority No. 29			855	5/5/1892
Second Enlargement Priority No. 74			418	9/27/1901
Reservoir Refill Priority No. 136J			2,847	12/31/1921
North Poudre Reservoir No. 4:		3704		
Priority No. 21			1,074	11/1/1889
Enlargement Priority No. 63			707	5/15/1903
Reservoir Refill Priority No. 136K			918	12/31/1921
Reservoir Refill Priority No. 136KC			1,781	12/31/1921
North Poudre Reservoir No. 5 (a.k.a. Bee Lake):		3698		
Priority No. 33			1,377	5/1/1894
Enlargement Priority No. 52			4,362	3/1/1903
Second Enlargement Priority No. 96			7,001	8/12/1906

Table 2
NPIC Storage Water-Rights Summary
Cache la Poudre River Decrees - Division 1, District 3

Water-Right Priority Numbers	Name:	WDID	Decreed Amount (Acre Feet)	Appropriation Date
Priority No. 108			9,183	10/14/1910
Reservoir Refill Priority No. 136V			459	12/31/1926
Reservoir Refill Priority No. 136VC			20,087	12/31/1926
<i>North Poudre Reservoir No. 6:</i>		3699		
Priority No. 38			2,411	4/30/1900
Second Enlargement Priority No. 96			7,001	8/12/1906
Priority No. 108			9,183	10/14/1910
Reservoir Refill Priority No. 136V			459	12/31/1926
Reservoir Refill Priority No. 136VC			20,087	12/31/1926
<i>North Poudre Reservoir No. 10 (a.k.a. Douglass Reservoir):</i>		3725		
Priority No. 50			10,560	9/10/1901
<i>North Poudre Reservoir No. 12 (a.k.a. Clark Lake) (a.k.a. Upper Coal Creek Reservoir):</i>		3764		
Priority No. 45			2,295	10/1/1901
Reservoir Refill Priority No. 136M			2,295	12/31/1921
<i>North Poudre Reservoir No. 13 (a.k.a. Clark Lake) (a.k.a. Lower Coal Creek Reservoir):</i>		3765		
Priority No. 46			1,800	10/1/1901
Reservoir Refill Priority No. 136N			1,800	12/31/1921
<i>North Poudre Reservoir No. 15:</i>		3716		
Priority No. 33			1,377	5/1/1894
Priority No. 35			4,086	4/30/1900
Reservoir Refill Priority No. 136U			4,591	12/31/1924

Table 2
NPIC Storage Water-Rights Summary
Cache la Poudre River Decrees - Division 1, District 3

Water-Right Priority Numbers	Name:	WDID	Decreed Amount (Acre Feet)	Appropriation Date
Reservoir Refill Priority No. 136UC			872	12/31/1924
<i>North Poudre Reservoir No. 16 (a.k.a. Halligan Reservoir):</i>		3712		
Priority No. 38			3,719	4/30/1900
Priority No. 94			2,689	8/16/1906
Reservoir Refill Priority No. 136R			4,591	12/31/1921
Reservoir Refill Priority No. 136RC			1,817	12/31/1921
Unnumbered Priority	Enlargement		33,462	8/1/1979
<i>Park Creek Reservoir:</i>		30715		
Priority No. 12			92	10/1/1884
Priority No. 17			56	10/1/1888
Priority No. 18			45.6	10/1/1888
Priority No. 75			109.6	11/2/1904
Priority No. 81			215	4/20/1905
Priority No. 83			110.4	5/20/1905
Priority No. 87			244	5/10/1906
Unnumbered Priority			7,105.18	11/15/1958
		TOTAL	220,050.78 ac-ft	

There are 197 water rights and exchanges that rely on the North Poudre Canal and the Livermore Tunnel. As stated above, NPIC continually executes a series of complex exchanges and trades within the Cache la Poudre Basin. There are exchanges and trades for water from Joe Wright Reservoir, Halligan Reservoir, Fossil Creek Reservoir and Worster Reservoir to NPCI diversion structures. These exchanges create and incredibly flexible water supply for both agricultural producers and municipal water providers. For example, water is seasonally traded between the City of Fort Collins (Joe Wright Reservoir) and NPIC (Horsetooth Reservoir). This allows efficient use of the water since Fort Collins can draw water directly from Horsetooth Reservoir into its Soldier Canyon Treatment Plant. NPIC can then divert water released from Joe Wright Reservoir at the Munroe Diversion or at the Livermore Tunnel (via an exchange). Another Example is a similar trade from Halligan Reservoir to Horsetooth Reservoir allowing the City of Fort Collins to efficiently supply the Soldier Canyon Plant and allowing NPIC to divert Halligan Reservoir releases at the Livermore Tunnel and Munroe Diversion. NPIC also owns and operates 22 reservoirs within its

system, and the 220,000 acre feet of storage is used for a variety of trades and exchanges to efficiently deliver water within the NPIC service area.

Project Description

Based on the amount of collapse that occurred from the roof of the tunnel in 2015/2016 the NPIC Board of Directors and Staff firmly believe that the rate of collapse is increasing and mitigation measures must be undertaken before there is a significant disruption in water service. A major collapse could result in severe disruption of water service for 14 communities and over 200 farms.

The proposed project is to repair all of the six collapse zones and proactively repair an additional ten shear and void areas.

The drawings for the 30% Livermore Tunnel Rehabilitation Design prepared by AECOM are included in Appendix A. The 30% Construction Cost Estimate was prepared by Rock Solid Solutions and described in more detail in the next section.

The proposed project for 2016/2017 generally includes the following:

- Rock scaling and excavation;
- Excavation and installation of concrete liner plate base;
- Purchase and installation of 250 feet of steel liner plates;
- Installation of grout and vent lines above liner plates;
- Purchase and installation of foam and concrete backfill;
- Shotcrete, mesh and rock bolting in nine shear zones; and
- Construction oversight.

Alternatives

As an alternative, the NPIC Board could postpone the repair using shotcrete, mesh and rock bolting of nine shear zones. The shear zones ultimately will need rehabilitation before they become a major concern, but in the short term they are stable. Not repairing the shear zones would save approximately \$120,500 in construction, contingency and engineering support in 2016/2017, but likely in the near future would need to be repair risking a disruption to operations and a higher overall project cost.

The reduction in not repairing the shear zones would save approximately 7.5% in the total construction costs and about two weeks of construction. The NPIC Board has considered this alternative, but believes that the savings is not justified because the shear zones still need to be repaired and in the future they would need to mobilize a similar contractor and subs and the future mobilization costs do not outweigh the current small percentage of overall project savings and failure risk.

The estimated cost of the rehabilitation of the collapse and shear zone project is \$1,596,906 including construction, contingency and engineering support. The cost breakdown is summarized in Exhibit B included in Appendix B. The 30% Drawings are included in Appendix A.

Implementation Schedule

The implementation schedule is to proceed to contracting with a qualified and experienced underground contractor capable of performing the proposed work. A final design will be developed with the contractor. AECOM will assist NPIC in procuring the steel liner, contracting with subcontractors to supply the polyurethane foam and grout backfill.

Easements

NPIC has full access to the project area and no additional easements are required to complete the project.

Permitting

No permitting is expected to be required to complete the tunnel rehabilitation project.

Institutional Considerations

Entities that are, or may be, involved in the design, construction, and financing of the project include:

- North Poudre Irrigation Company/Scott Hummer – administration and financing;
- Paragon Consulting Group, Inc./David Rau, P.E. - project management;
- AECOM/John Sikora, P.E - design and construction oversight;
- Rock Solid Solutions – construction; and
- Colorado Water Conservation Board – financing.

NPIC will be the lead for the financing, design, and construction of the project and will be the entity entering into contracts and agreements with the various entities for the services provide by each party shown above.

Financial Analysis

NPIC is requesting a 30-year loan from the Colorado Water Conservation Board (CWCB) in the amount of \$1,437,215 to cover 90% of the estimated \$1,596,906 total cost of the project. The remaining 10% of the project cost can be absorbed in NPIC's operating budget. A grant request was submitted to the South Platte

Basin Roundtable and the Needs Committee recommended a \$50,000 award to partially fund the project. A copy of that grant application is included in Appendix E that includes some additional detail regarding the need for and benefits of the project.

There are 10,000 outstanding shares of NPIC stock. An estimated blended interest rate of 2.25% was calculated according to the classification of ownership shown in Table 3. We understand the CWCB staff will determine the actual distribution of the shareholder classifications and determine an interest rate. These values are used for illustration purposes.

Table 3
North Poudre Irrigation Company Stock Ownership

Classification	Number of Shares	% Ownership	Interest Rate	Blended Rate
Total number of shares:	10,000			
Commercial	10	0.10%	6.00%	0.006%
Low income municipal	134.50	1.34%	2.20%	0.029%
Middle income municipal	6,693.00	66.93%	2.50%	1.673%
High income municipal	477.00	4.77%	2.85%	0.136%
Ag	2,685.50	26.86%	1.55%	0.416%
Blended Interest Rate (30 year)				2.260%
Blended Interest Rate (Rounded)				2.25%

At an interest rate of 2.25%, annual payments on a loan of \$1,437,215 would be \$66,398. To this would be added \$6,640 per year for the first 10 years of the loan term to fund the emergency reserve account bringing the total annual payment to \$73,038 for the first 10 years of the loan period. The annual assessment would increase from the current \$200.00 to \$207.30 per share. The \$7.30 per share increase in assessment cost represents an increase of \$1.66 per acre foot of water based on the historic average of 4.44 acre feet of water delivered per share. A summary of the project's cost is shown in Table 4.

Table 4
Financial Summary

Project Cost	\$ 1,596,906.00
Loan Amount (90% of Project Cost)	\$ 1,437,215.00
CWCB Loan Payment Amount (Including 10% Loan Reserve)	\$ 73,038.39
Number of Shareholders	570
Number of Shares of Stock	10,000
Current Assessments per Share	\$ 200.00
Future Assessments per Share	\$ 207.30
Annual Increased Cost Per Acre Foot (Avg. Annual Delivery: 4.44 AF)	\$ 1.66

Credit worthiness: NPIC assesses shareholder fee's annually (February 1) based on the projected operating costs, debt service, and water assessment costs for the year. If it is evident that there will be surplus funds at the end of the fiscal year (October 31), the Board of Directors typically refunds the money to the shareholders in the form of cash or allows shareholders to apply the refund to the next year's assessment. If expenses exceed the projected amount NPIC draws funds from a \$500,000 unsecured line of credit from the First National Bank in Fort Collins. The loan amount is included in the next years projected expenses and repaid when the first assessments are received. This method of operation results in financial ratios of 100% with or without the project.

NPIC has eight outstanding loans with the CWCB dating to 1985. NPIC has made all scheduled payments on each of these loans. NPIC has a loan contract dated February 29, 2016 for the rehabilitation of Reservoir No. 4 at 2.35% for 30 years. The annual payments for the first 10 years will be \$105,989 once construction is complete and the payments start. One CWCB loan matures in 2019, two mature in 2024, one each mature in 2026, 2027, 2029, 2031 and 2035. NPIC has no other outstanding loans at this time. NPIC uses revenue from recreation leases on their reservoirs to help make CWCB loan payments. In 2016 the CWCB debt retirement (including the payment for Reservoir No. 4) minus lease income is expected to account for of \$9.50 of the \$207.30 assessment. The remaining assessment went to operations and maintenance as well as water assessments and fees for shares in other ditch companies, including the \$1.50/unit for 40,000 units of Colorado Big Thompson.

In addition to the approximately \$397,138 in recreational leases NPIC receives annual payments of \$188,224 for the sale of the Halligan Reservoir site to the City of Fort Collins.

Complete financial information may be found in NPIC's Annual Reports. The financial statements from the Annual Reports for 2013, 2014, and 2015 are found in Appendix D.

Alternative financing considerations:

NPIC has investigated alternative financing sources.

Collateral:

As security for the CWCB loan, NPIC can pledge assessment income, lease income and the project itself.

Economic Analysis:

The economic benefit of the project is considerable. By rehabilitating the tunnel, NPIC will be able to divert the full North Poudre Canal pre-compact water rights and store water in the system. As shown Table 2, NPIC holds over 220,000 acre feet of storage rights. Approximately 147,000 acre feet of storage can be delivered through the Livermore Tunnel via the North Poudre Canal. Using the an estimated cost of building new storage of \$3,000 per acre foot the value of the project is \$441,000,000 compared to the estimated cost of \$1,596,906.

Drought conditions over the past decade have driven water prices to as high as \$400 per acre foot. Annual loan payments of \$73,038 for this project result in annual water costs of less than \$0.50 per acre foot for the 147,000 acre feet of storage can continue without interruption due to a tunnel collapse.

Social and Physical Impacts:

Direct flow water in the North Poudre Canal is used predominantly for irrigation of lands under the NPIC System. North Poudre Canal direct-flow water rights have been changed to allow all uses (storage, municipal, commercial, industrial, recreation, fishery, fire, domestic, augmentation, and wild and scenic river uses). There are 197 water rights transfers or exchanges listed as being decreed through the North Poudre Canal by the Colorado Division of Water Resources.

North Poudre Irrigation Company believes the Livermore Tunnel Rehabilitation Project addresses the following South Platte Basin Implementation Plan themes:

- Rehabilitation of the Livermore Tunnel will maximize use and effectiveness of native South Platte supplies. The Livermore Tunnel is one of two points of diversion for the NPIC system. The NPIC system service area is shown on Figure 1 in Appendix A. NPIC supplies water to over 23,000 acres of land for irrigation and there are 14 communities and municipal water providers that own NPIC shares (Ft. Collins, Windsor, Ault, Severance, Eaton, Thornton, North Weld County Water District, East Larimer County Water District, Northern Colorado Water Association, Fort

Collins Loveland Water District, West Fort Collins Water District, Sunset Water District, Nunn and Pierce).

- Continued operation of the Livermore Tunnel will minimize traditional agricultural buy-and-dry and maximize alternative transfer mechanisms where practical and reliable. NPIC is the holder of 40,000 CBT Contracts and that water is decreed for agricultural, municipal and industrial uses. NPIC exchanges the CBT Units from Horsetooth Reservoir to the Livermore and Munroe Diversions for agricultural uses. In addition, many of the municipal water providers lease water to agricultural producers. The C-BT Units in Horsetooth Reservoir are traded for high mountain reservoir water that can be delivered to the two NPIC diversion points. Many of these trades and exchanges have been accomplished for many years, some for over 100 years. These trades and exchanges have allowed agricultural producers to continue using NPIC water for agricultural purposes even though approximately 70 percent of the NPIC shares are owned by municipal water providers.
- This project will help to protect and enhance environmental and recreation attributes in Larimer County Colorado since NPIC leases recreational rights on most of its reservoirs. Colorado Parks and Wildlife has leased many of these reservoirs in the past and currently leases recreation rights to one of the reservoirs.
- As previously stated, NPIC is the largest shareholder of C-BT contracts and has engaged with the Northern Colorado Water Conservancy District relative to coordination necessary to implement the Northern Integrated Supply Project (NISP).
- The Livermore Tunnel is critical to managing the risk associated with increased demands and reduced supplies since it delivers water to so many reservoirs. NPIC continually executes a series of complex exchanges and trades within the Cache la Poudre Basin. See the attached tabulations of storage and direct flow rights included in Tables 1 and 2 that are in addition to the 40,000 C-BT contracts. There are exchanges for water from Joe Wright Reservoir, Halligan Reservoir, Fossil Creek and Worster Reservoir to NPIC diversion structures. These exchanges create an incredibly flexible water supply for both agricultural producers and municipal water providers. For example, there are 197 water rights and exchanges decreed to the North Poudre Canal/Livermore Tunnel. NPIC also owns and operates 22 reservoirs within its system, and the 220,000 acre feet of storage are critical to meeting the water demands of the growing Northern Colorado area.
- The Cache la Poudre basin is a very significant portion of the greater South Platte Basin. As described above, the Livermore Tunnel is a critical

part of the solution for meeting the water supply needs in the South Platte Basin. NPIC's system's flexibility and storage capacity is critical to meeting the future water needs of the South Platte Basin and the Livermore Tunnel is a critical piece of infrastructure within the NPIC system.

Conclusions

1. NPIC is an incorporated entity in the State of Colorado with the ability to enter into a contract with the CWCB for the purpose of obtaining a Construction fund loan.
2. NPIC has full access to complete the work.
3. The project would provide for additional storage of water for the beneficial use of the shareholders and ensure that NPIC retains its full decree of water dating to the 1880's.
4. The total estimated cost of the project is \$1,596,906 of which 90% will be financed by a loan from the CWCB Construction fund and the remaining 10% funded from NPIC stockholder assessments.
5. The project is technically and financially feasible.
6. The Livermore Tunnel is a critical piece of water infrastructure for the Poudre Valley and the Poudre Valley cannot tolerate extended down time if there was a tunnel collapse.
7. The cost per acre foot of storage water and water delivered is very low.

Appendix A

**Service Area Map
and**

**30% Drawings for the Livermore Irrigation Tunnel Rehabilitation
Project**

**Figure 1 -
North Poudre
Irrigation Company**

Canal and Headgate
Inventory With Irrigated
Parcels



Legend

- Headgate
- Turnout
- Abandoned Turnout
- Rivers and Streams
- NPIC Canals and Laterals**
 - Tunnel
 - Concrete Lined
 - Rock Lined
 - Unlined
- Roads
- Highways
- NPIC Reservoirs
- Other Lakes and Reservoirs
- Township and Range

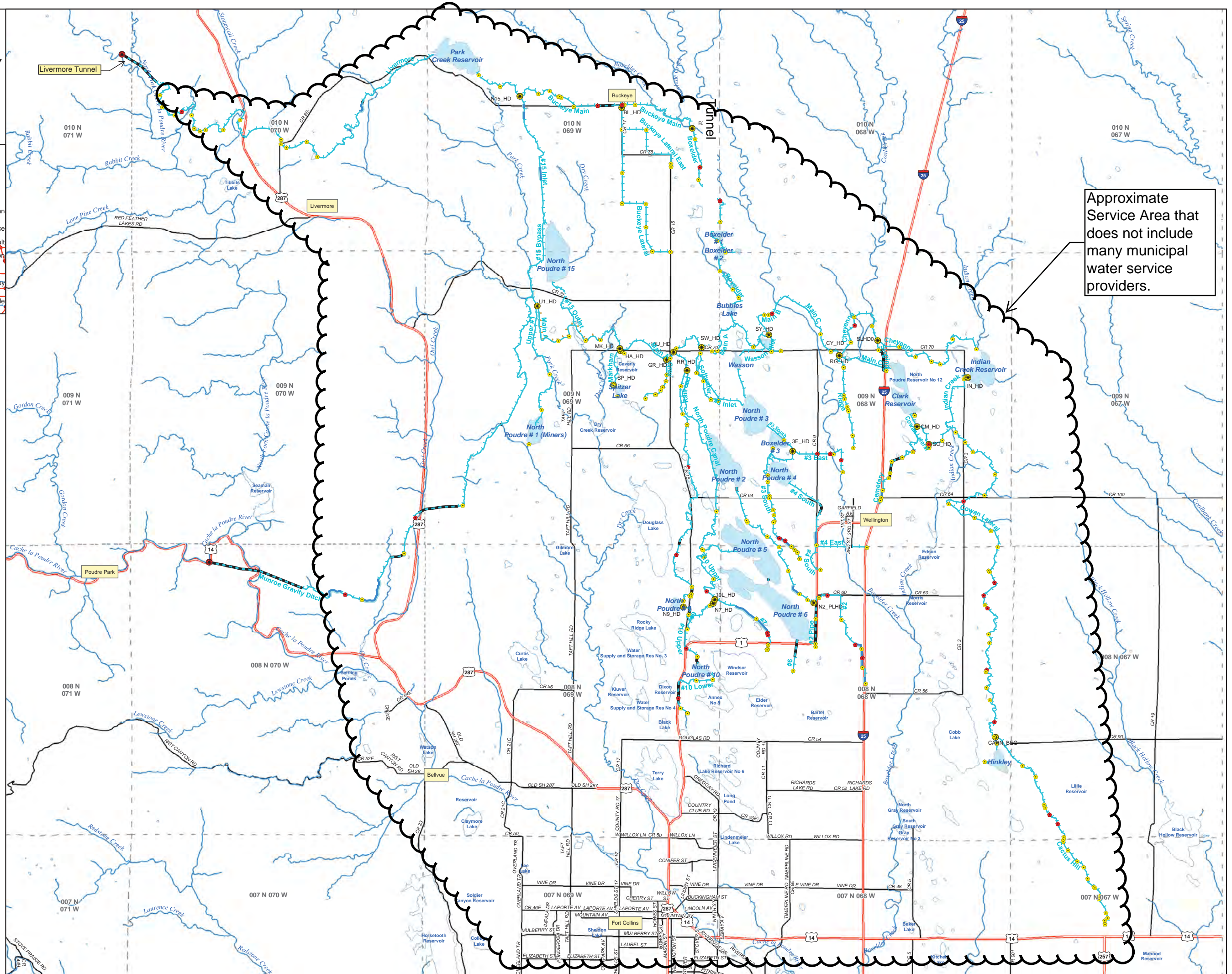


1 0.5 0 1
Miles

1:62,500

Coordinate System: UTM
Zone: 13
Datum: NAD 27
False Easting: 500000.0
False Northing: 0.0
Central Meridian: -105.0

Riverside Technology, Inc.
Water Resources Engineering and Consulting



Approximate
Service Area that
does not include
many municipal
water service
providers.

LIVERMORE IRRIGATION TUNNELS REHABILITATION

PREPARED FOR
NORTH POUDRE IRRIGATION COMPANY
LARIMER COUNTY, COLORADO

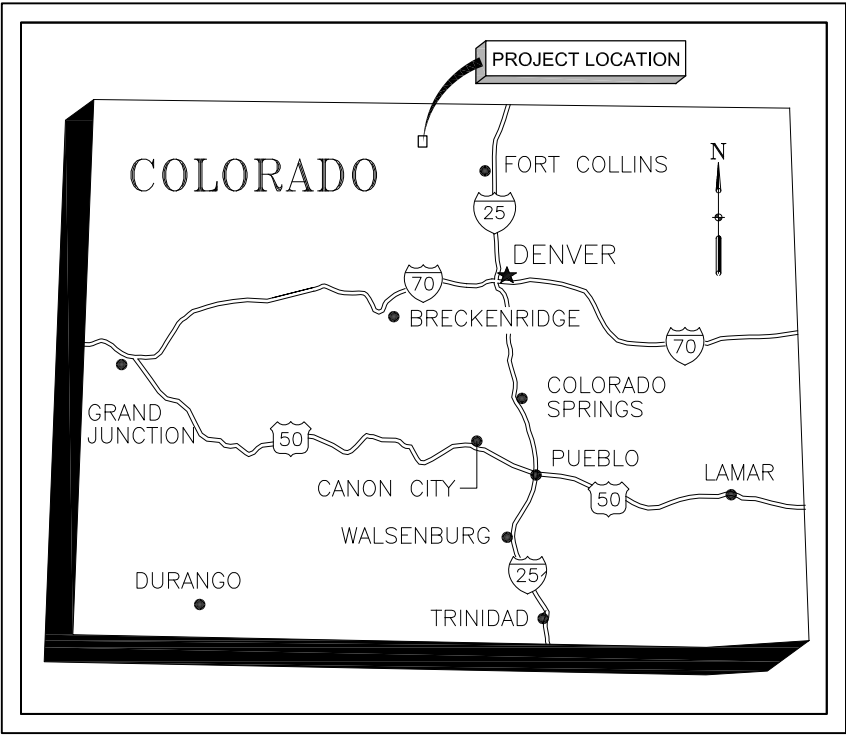
APRIL, 2016
30% DESIGN



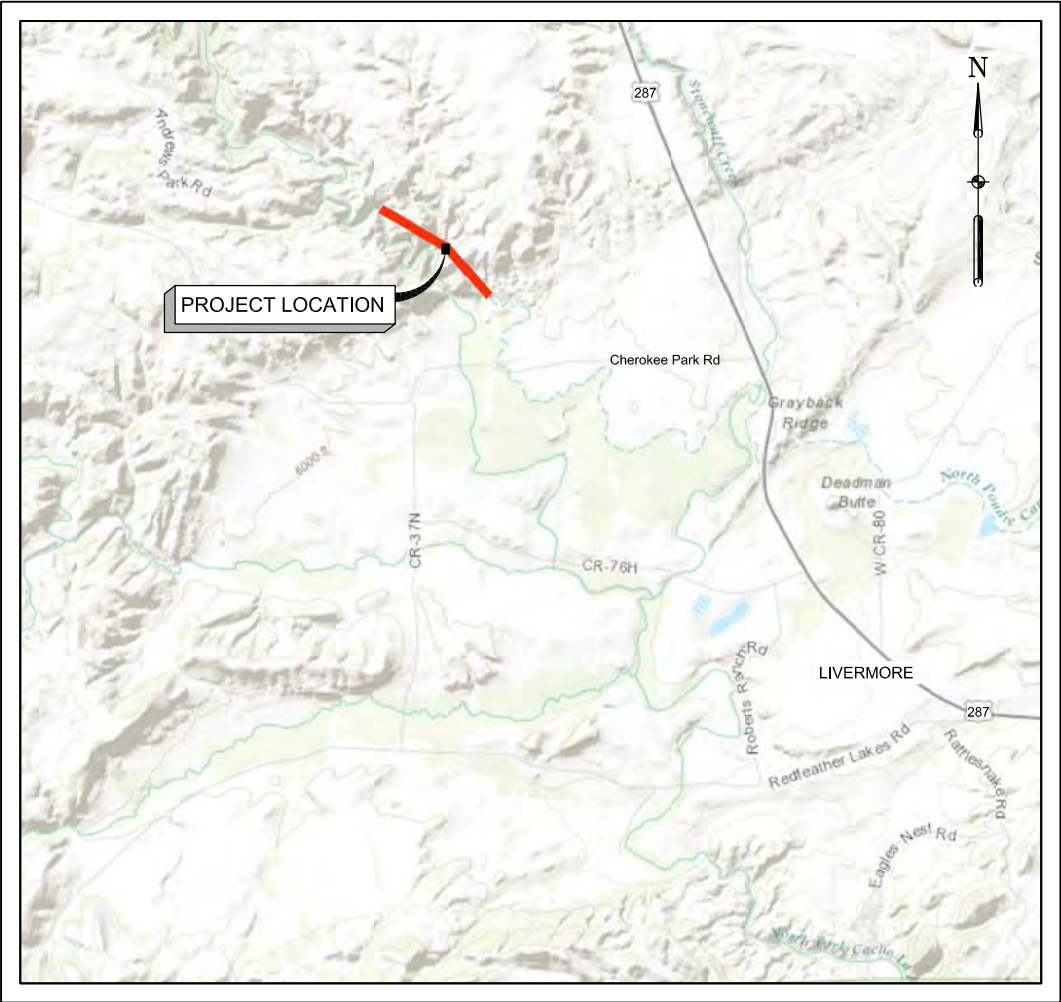
PROJECT
LIVERMORE
IRRIGATION TUNNELS
REHABILITATION
LARIMER COUNTY, COLORADO

CLIENT
NORTH POUDRE
IRRIGATION COMPANY
(NPIC)

CONSULTANT
AECOM
804 COLORADO AVENUE, SUITE 201
GLENWOOD SPRINGS, COLORADO 81601
T (970) 384-4731
F (970) 945-9182



STATE MAP
NOT TO SCALE



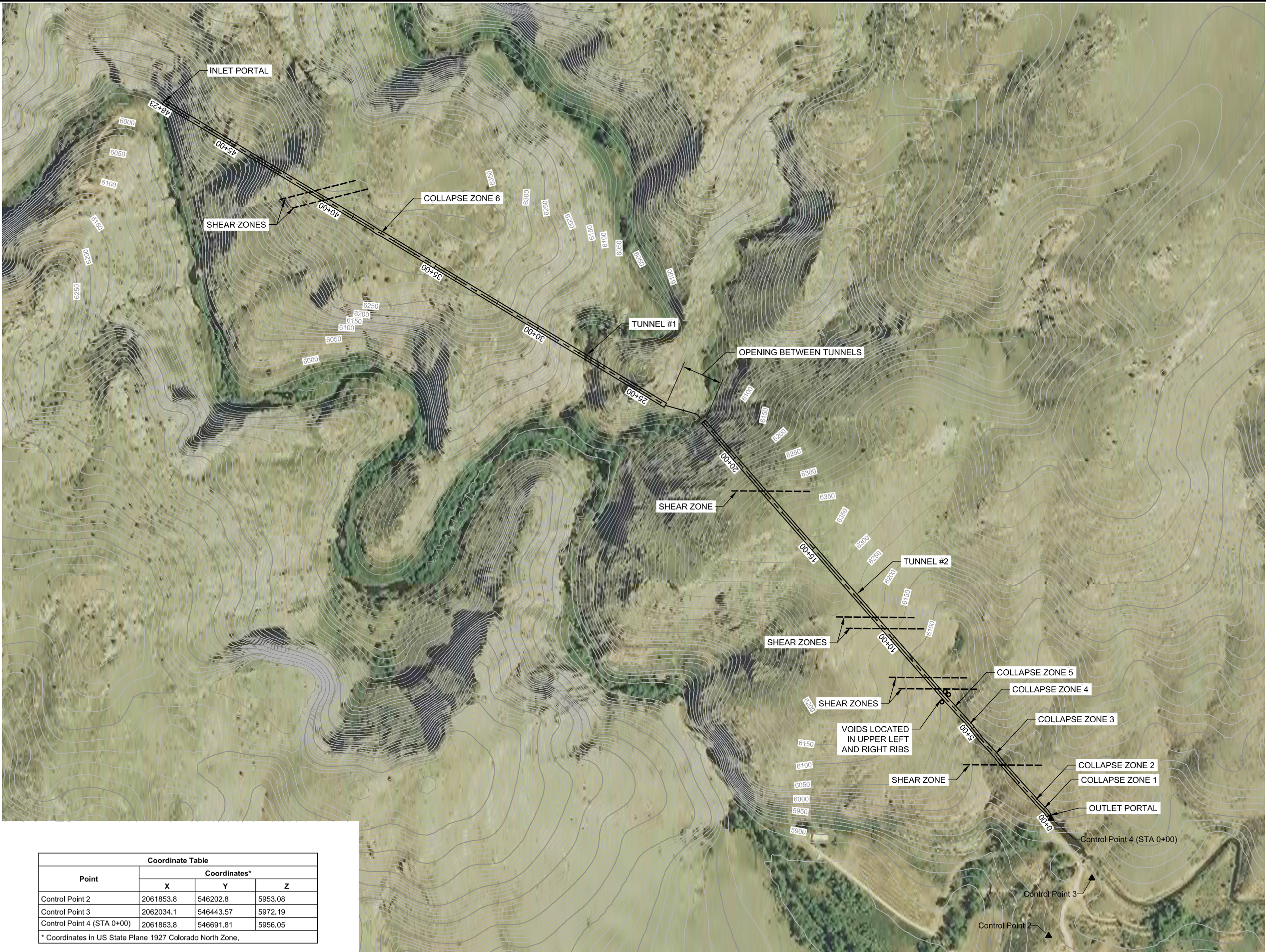
VICINITY MAP
NOT TO SCALE

DRAWING INDEX	
SHEET TITLE	SHEET DESCRIPTION
G-100	COVER SHEET
C-100	PLAN OF TUNNELS
C-101	TUNNEL 1 PROFILE
C-102	TUNNEL 2 PROFILE
C-103	TUNNEL 1 SECTIONS
C-104	TUNNEL 2 SECTIONS
C-105	TYPICAL SECTIONS

REGISTRATION

KEY PLAN

PROJECT NUMBER
60485065
SHEET TITLE
COVER SHEET
SHEET NUMBER
G-100



Coordinate Table			
Point	Coordinates*		
	X	Y	Z
Control Point 2	2061853.8	546202.8	5953.08
Control Point 3	2062034.1	546443.57	5972.19
Control Point 4 (STA 0+00)	2061863.8	546691.81	5956.05
* Coordinates in US State Plane 1927 Colorado North Zone.			



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REGISTRATION

KEY PLAN

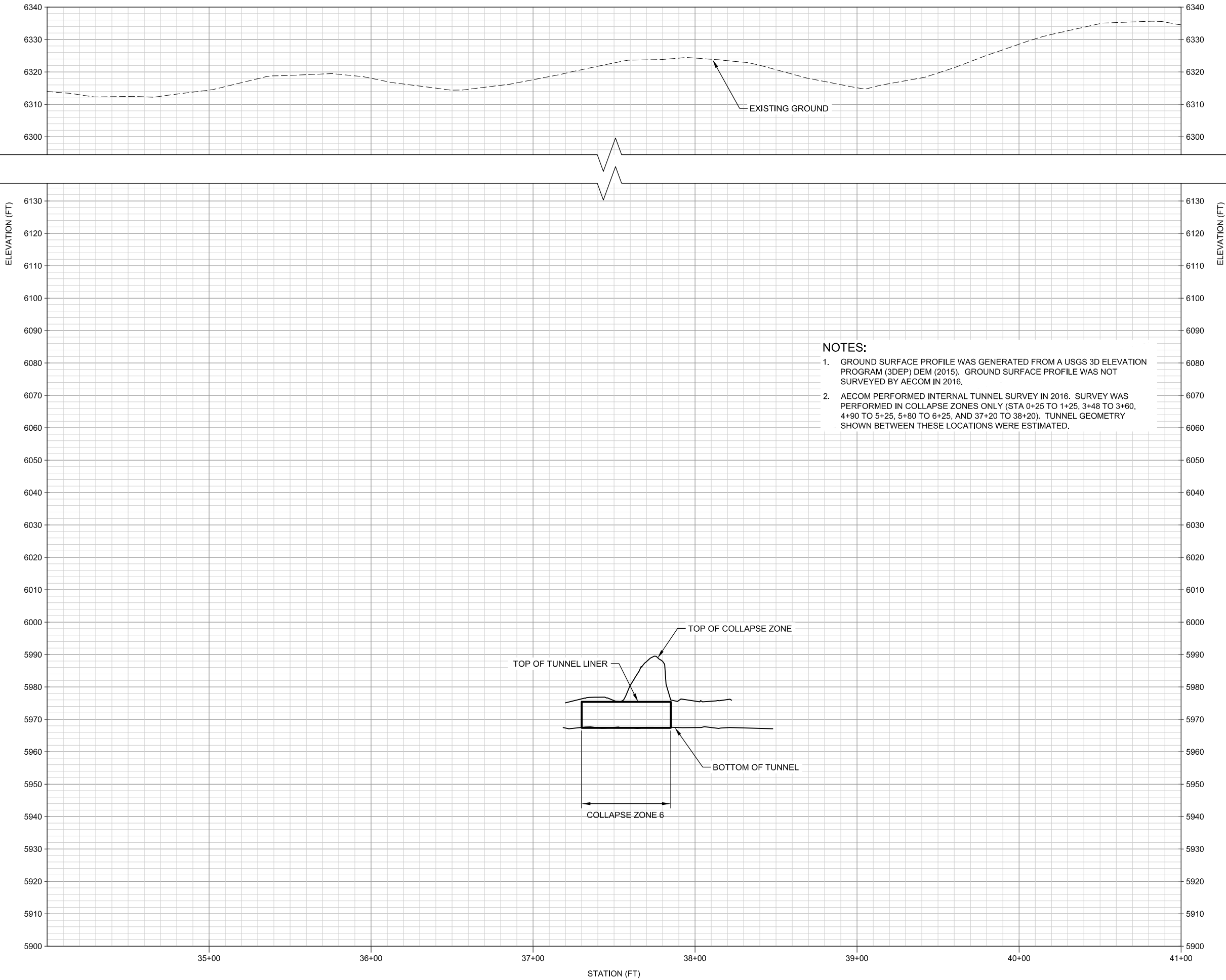
PROJECT NUMBER
60485065

SHEET TITLE

PLAN OF TUNNELS

SHEET NUMBER
C-100

ANSI D 22" x 34" Project Management Initials: Designer: Checked: Approved: Last saved by: MICHAEL.RAU(2016-03-31) Last Plotted: 2016-04-18 Filename: M:\DCS\RESOURCES\WTR\GEOCM\PROJECTS\LIVERMORE TUNNEL\900-WORK\010-CAD\20-SHEET\TUNNEL 1 PROFILE-SECTIONS.DWG



NOTES:

- GROUND SURFACE PROFILE WAS GENERATED FROM A USGS 3D ELEVATION PROGRAM (3DEP) DEM (2015). GROUND SURFACE PROFILE WAS NOT SURVEYED BY AECOM IN 2016.
- AECOM PERFORMED INTERNAL TUNNEL SURVEY IN 2016. SURVEY WAS PERFORMED IN COLLAPSE ZONES ONLY (STA 0+25 TO 1+25, 3+48 TO 3+60, 4+90 TO 5+25, 5+80 TO 6+25, AND 37+20 TO 38+20). TUNNEL GEOMETRY SHOWN BETWEEN THESE LOCATIONS WERE ESTIMATED.



PROJECT

LIVERMORE
IRRIGATION TUNNELS
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REGISTRATION

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PROJECT NUMBER

60485065

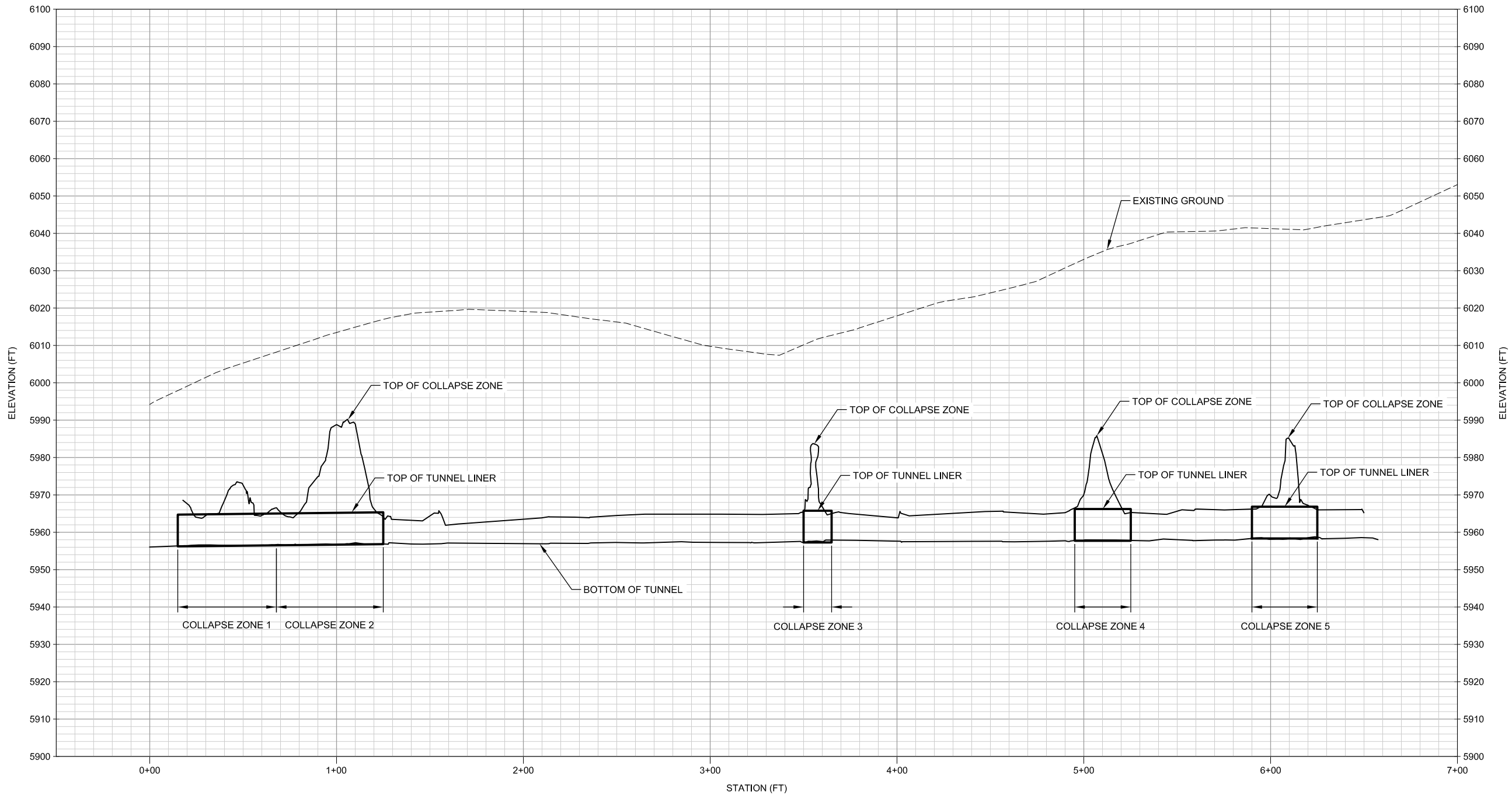
SHEET TITLE

TUNNEL 1 PROFILE

SHEET NUMBER

C-101

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- NOTES:
- GROUND SURFACE PROFILE WAS GENERATED FROM A USGS 3D ELEVATION PROGRAM (3DEP) DEM (2015). GROUND SURFACE PROFILE WAS NOT SURVEYED BY AECOM IN 2016.
 - AECOM PERFORMED INTERNAL TUNNEL SURVEY IN 2016. SURVEY WAS PERFORMED IN COLLAPSE ZONES ONLY (STA 0+25 TO 1+25, 3+48 TO 3+60, 4+90 TO 5+25, 5+80 TO 6+25, AND 37+20 TO 38+20). TUNNEL GEOMETRY SHOWN BETWEEN THESE LOCATIONS WERE ESTIMATED.



PROJECT

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REGISTRATION

KEY PLAN

PROJECT NUMBER

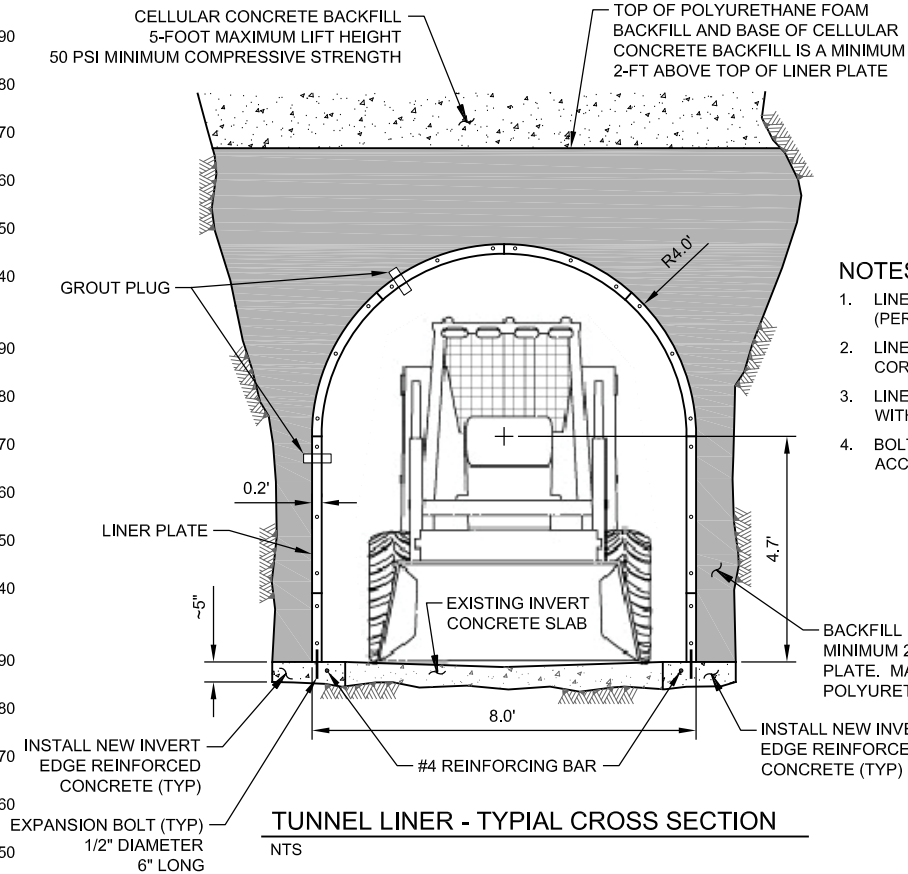
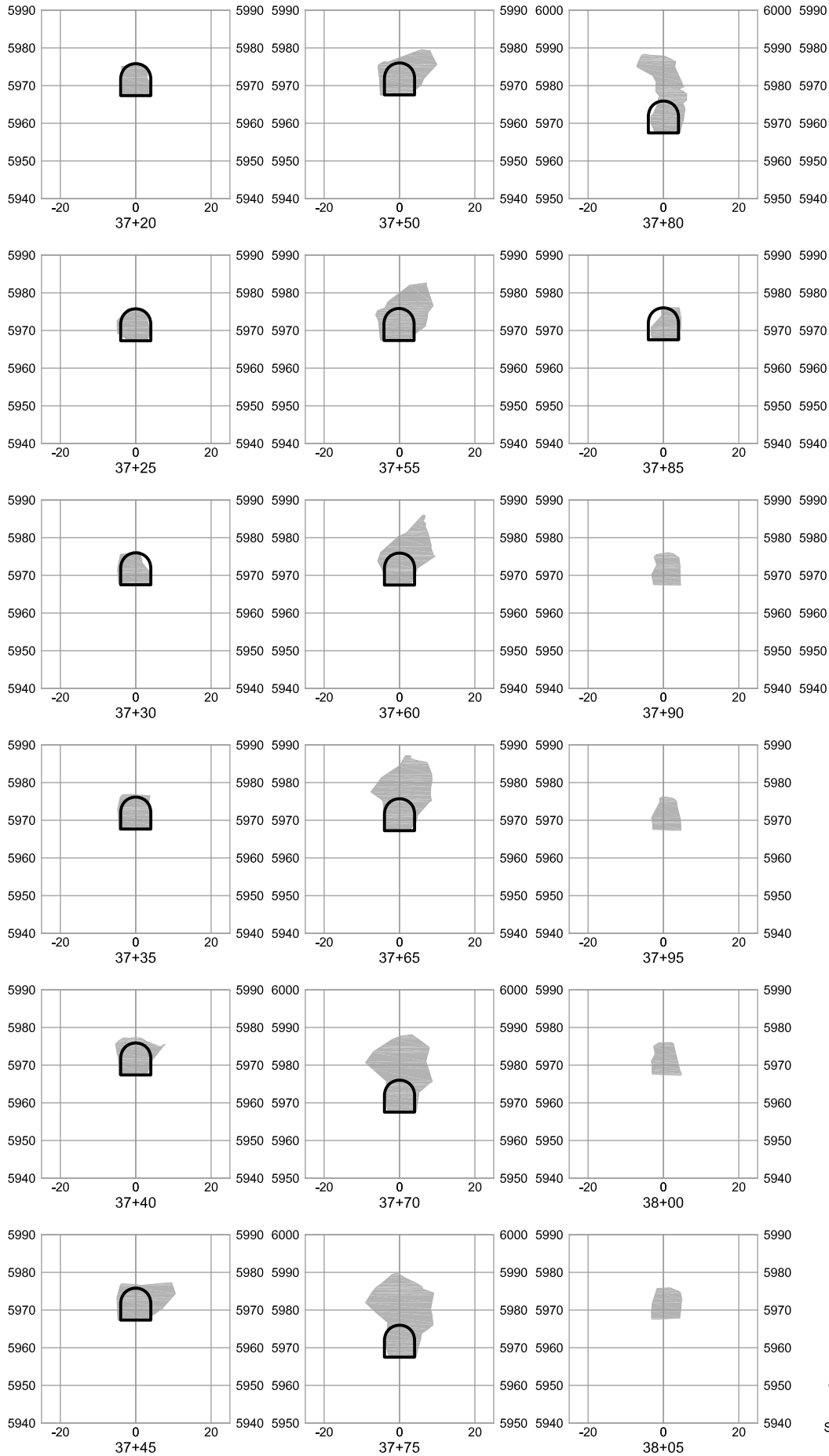
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SHEET TITLE

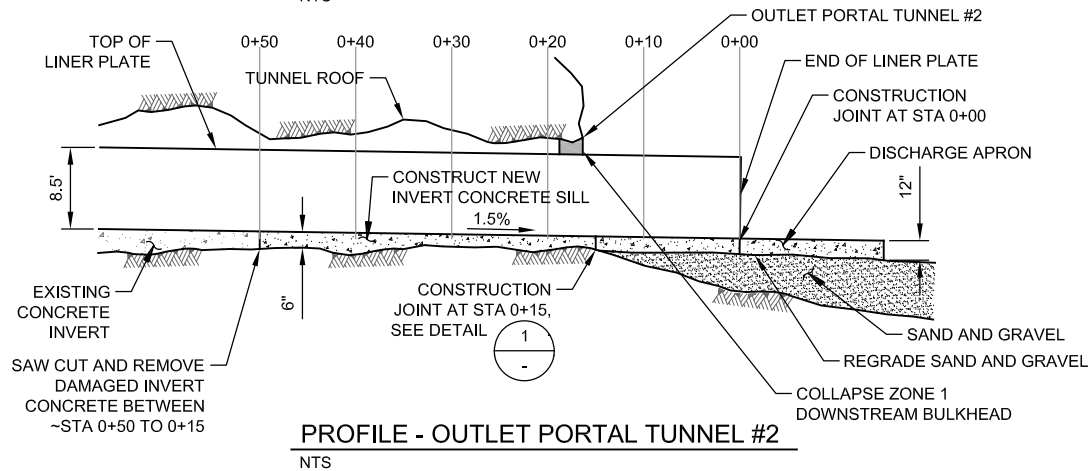
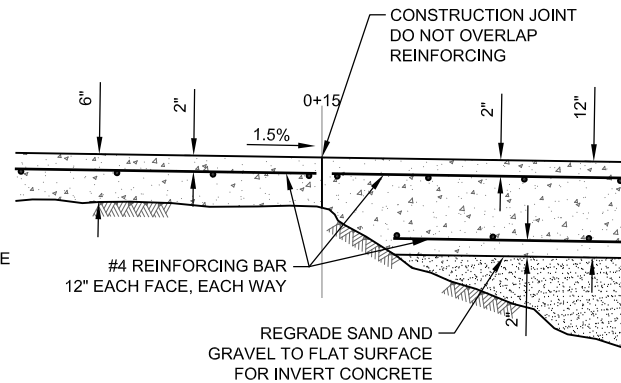
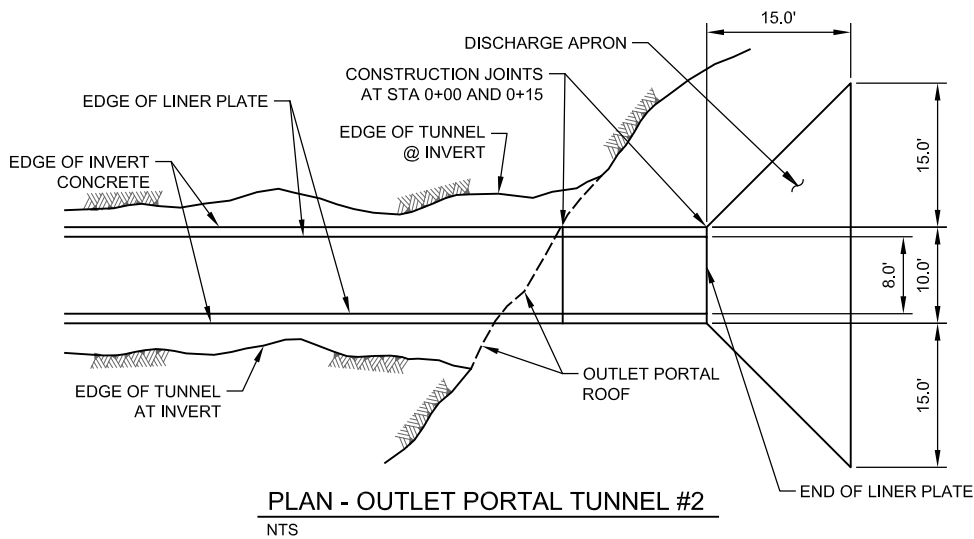
TUNNEL 2 PROFILE

SHEET NUMBER

C-102



- NOTES:
1. LINER PLATES SHALL BE SIMILAR TO DSI LINER PLATES (PER DRAWING SKA-0310161) OR EQUIVALENT.
 2. LINER PLATES SHALL BE 12-GAUGE, 16-INCH WIDE CORRUGATED LINER PLATE.
 3. LINER PLATES SHALL BE GALVANIZED IN ACCORDANCE WITH ASTM A123.
 4. BOLTS AND NUTS SHALL BE GALVANIZED IN ACCORDANCE WITH ASTM A153.



PROJECT

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REGISTRATION

KEY PLAN

PROJECT NUMBER

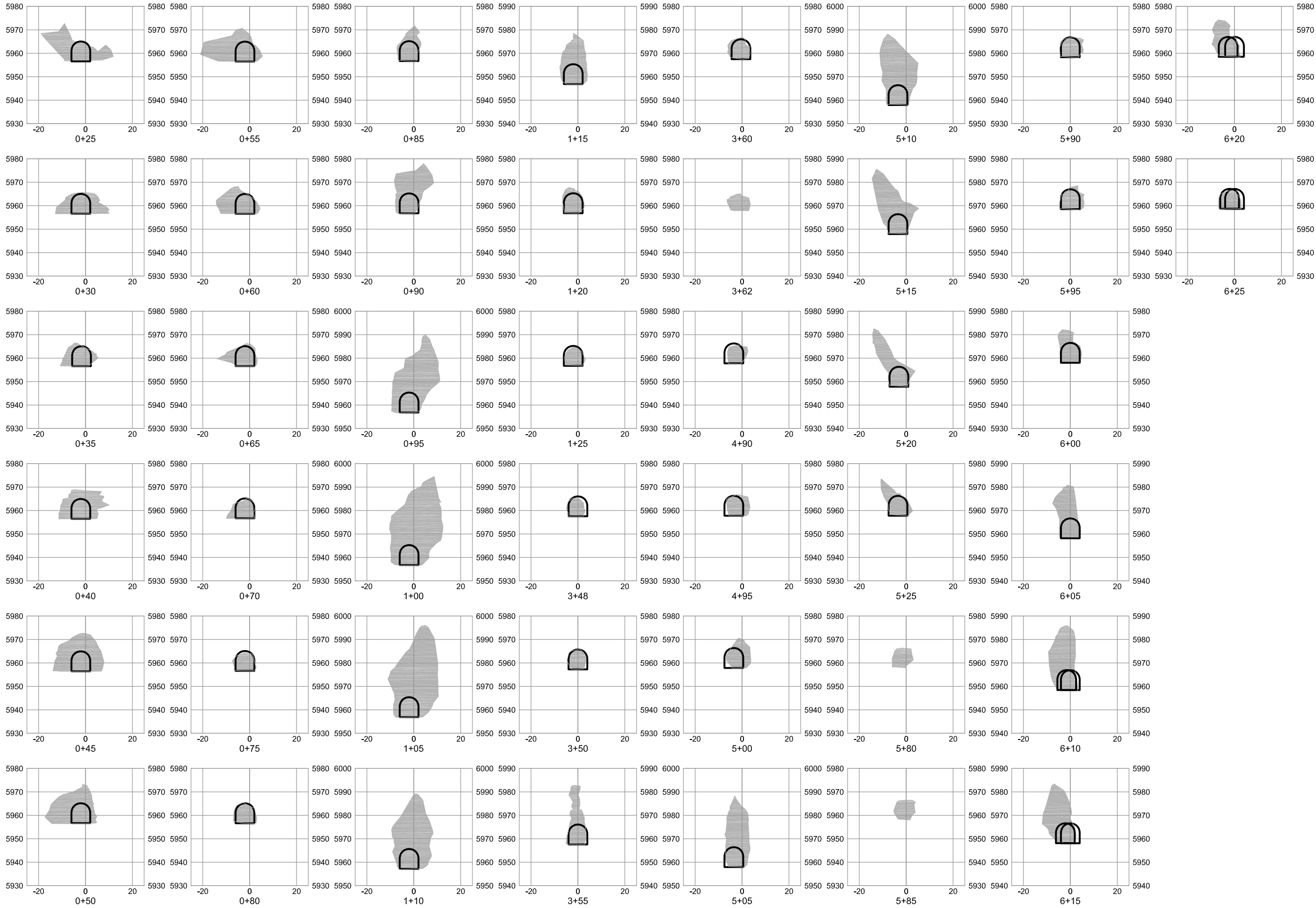
60485065

SHEET TITLE

TUNNEL 1 SECTIONS

SHEET NUMBER

C-103



PROJECT

LIVERMORE
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LARIMER COUNTY, COLORADO

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PROJECT NUMBER

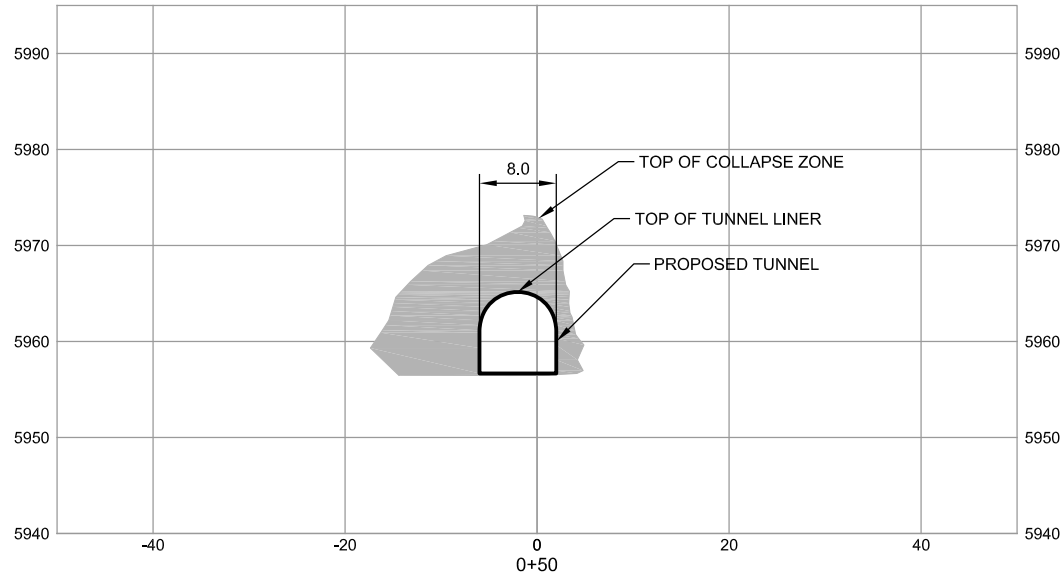
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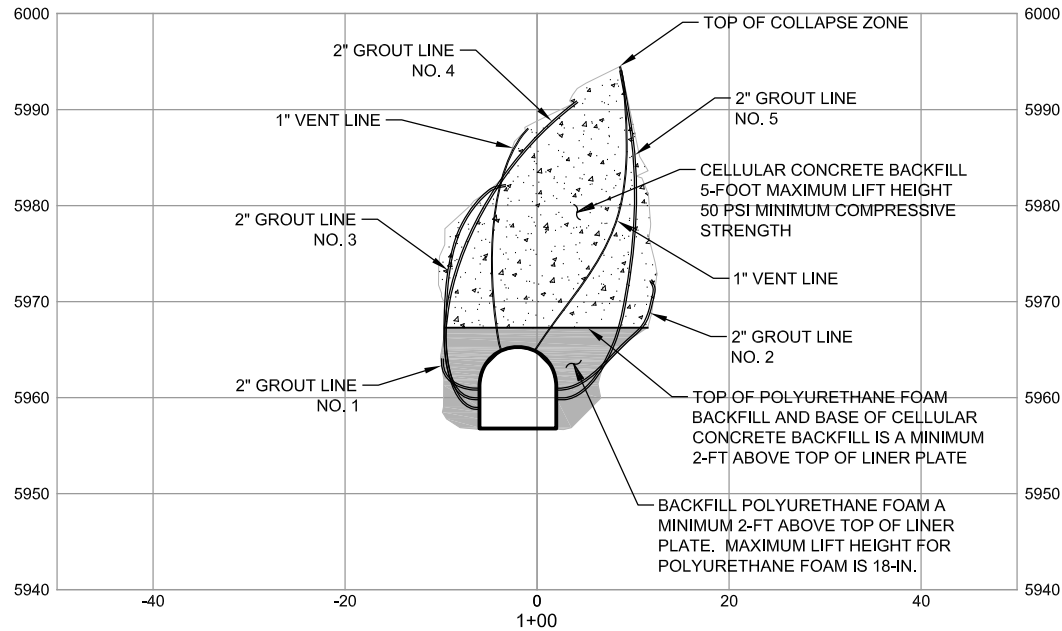
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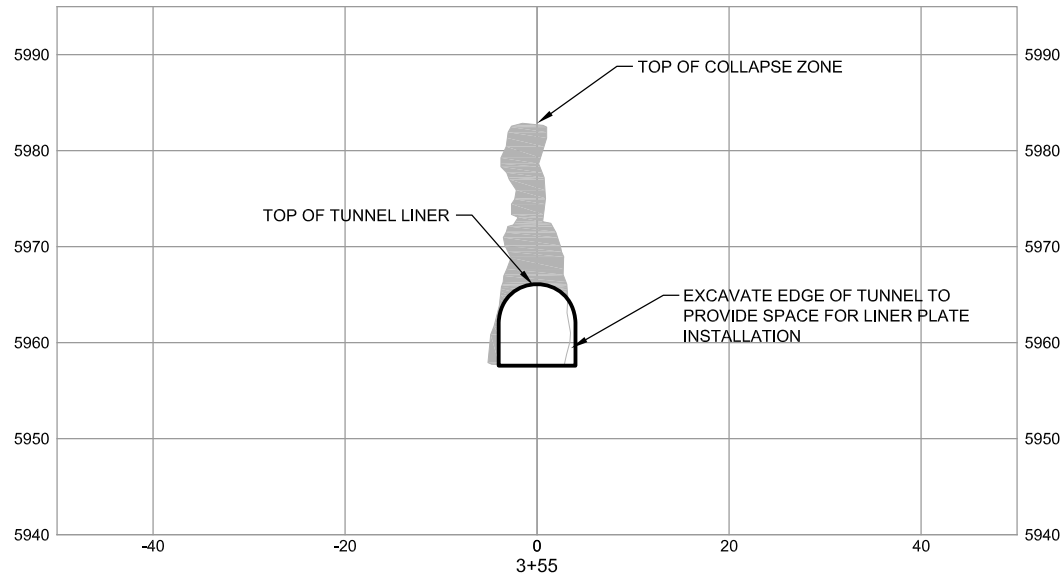
C-104



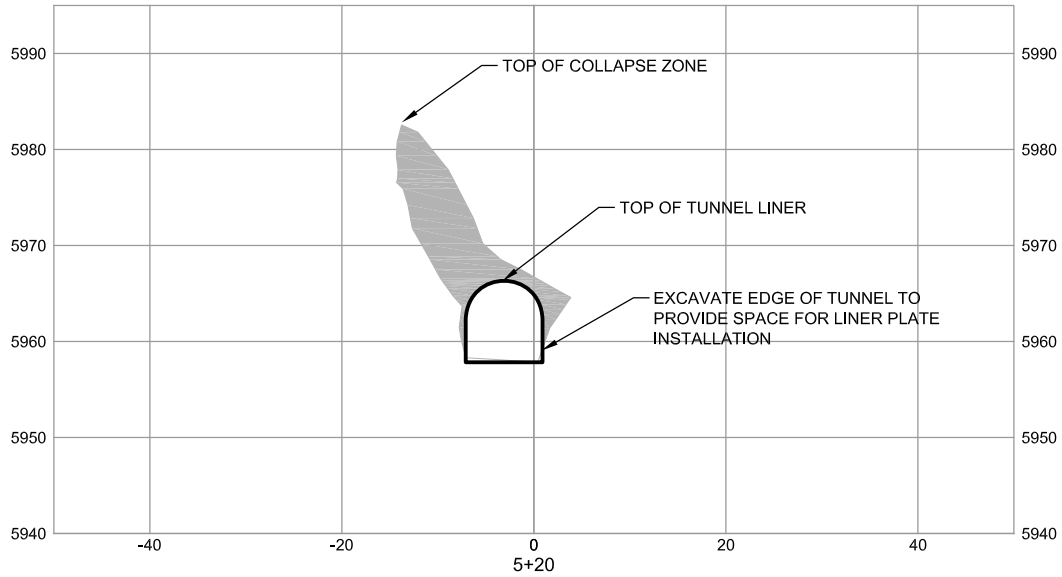
COLLAPSE ZONE 1



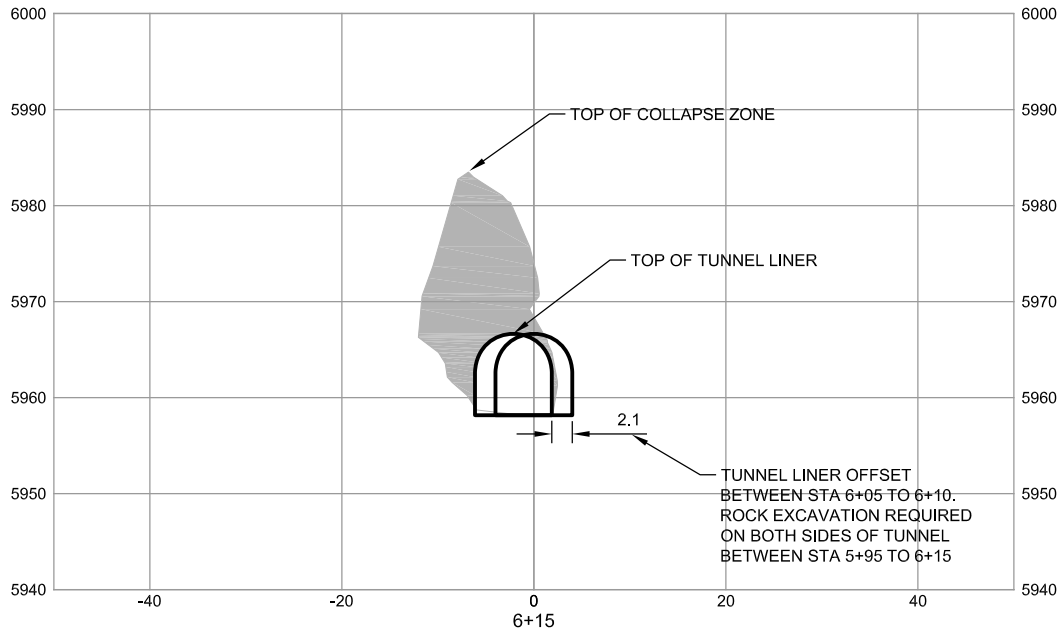
COLLAPSE ZONE 2



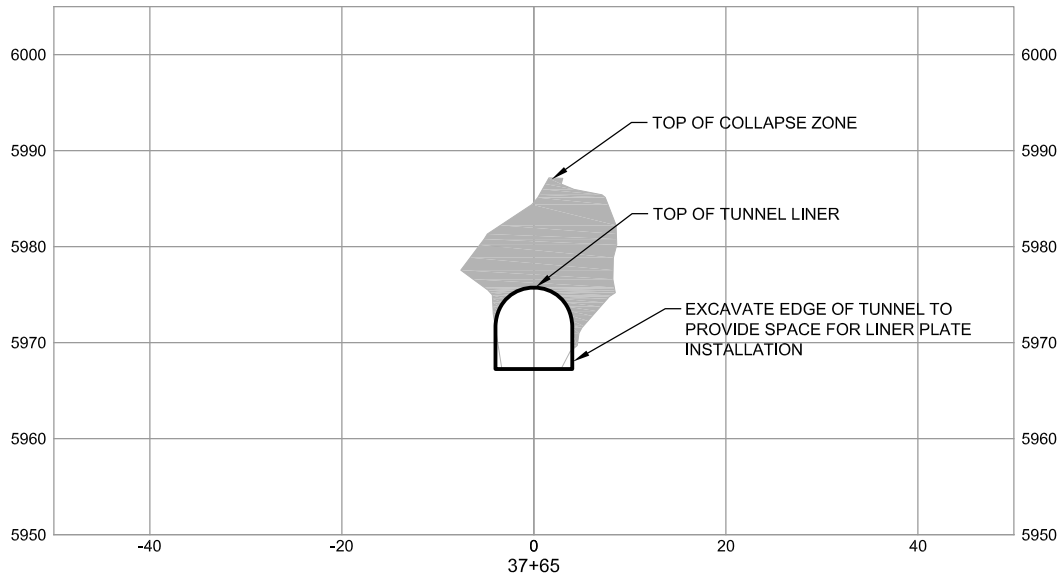
COLLAPSE ZONE 3



COLLAPSE ZONE 4



COLLAPSE ZONE 5



COLLAPSE ZONE 6

NOTES:

1. MAXIMUM LIFT HEIGHT IS BASED UPON A MINIMUM CURE TIME FOR THE BACKFILL MATERIAL. SUBSEQUENT LIFTS CAN NOT BE INJECTED ABOVE A PREVIOUS LIFT UNTIL THE MINIMUM CURE TIME FOR THE PREVIOUS LIFT HAS BEEN ACHIEVED.
2. MINIMUM CURE TIME FOR CELLULAR CONCRETE IS 4 HOURS. MINIMUM CURE TIME FOR POLYURETHANE FOAM BACKFILL IS 45 MINUTES.
3. THE APPROXIMATE LOCATION OF GROUT AND VENT LINES ARE ONLY SHOWN ON COLLAPSE ZONE 2 BUT WILL BE INSTALLED IN ALL COLLAPSE ZONES.
4. EXACT LOCATION OF GROUT AND VENT LINES WILL BE DETERMINED IN THE FIELD BY THE ENGINEER.



PROJECT

**LIVERMORE
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LARIMER COUNTY, COLORADO

CLIENT

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REGISTRATION

KEY PLAN

PROJECT NUMBER

60485065

SHEET TITLE

TYPICAL SECTIONS

SHEET NUMBER

C-105

Appendix B

Construction Cost Estimate

Exhibit B
30% Construction Cost Estimate and Drawings
Livermore Tunnel Rehabilitation

Item No.	Description	Units	Estimated Quantity	Cost	Total
	<i>Site Work</i>				
1.0	Mobilization & demobilization (RSS)	LS	1	\$ 22,500.00	\$ 22,500
1.1	Safety and enviromental	LS	1	\$ 2,500.00	\$ 2,500
					\$ 25,000
	<i>Preparation</i>				
2.0	Scaling/mucking	Days	2	\$ 4,500.00	\$ 9,000
2.1	Rock Excavation/mucking	Days	10	\$ 4,500.00	\$ 45,000
2.2	Invert edge concrete	CY	9	\$ 565.00	\$ 5,085
2.3	Invert slab concrete (tunnel 1)	CY	1.3	\$ 9,000.00	\$ 11,700
2.4	Invert slab concrete (tunnel 2)	CY	12	\$ 450.00	\$ 5,400
2.5	Downstream Portal (tunnel 2) Apron	CY	14	\$ 450.00	\$ 6,300
					\$ 82,485
	<i>Collapse Zones</i>				
3.0	Bulkheads (CZ-1 downstream)	Each	1	\$ 11,250.00	\$ 11,250
3.1	Liner Plate installation	LF	250	\$ 360.00	\$ 90,000
3.9	Bulkheads (tunnel)	Each	9	\$ 3,750.00	\$ 33,750
3.2	grout lines	LF	6250	\$ 15.00	\$ 93,750
3.3	grout vent lines	LF	2500	\$ 9.00	\$ 22,500
3.4	Backfill (foam) installation	CY	928.2	\$ 145.00	\$ 134,589
3.5	Backfill (cellular) installation	CY	618.8	\$ 60.00	\$ 37,128
3.6	Epoxy Coating (inner liner plate)	LF	250	\$ 30.00	\$ 7,500
					\$ 430,467
	<i>NPIC costs</i>				
4.0	Mobilization & demobilization (Hayward Baker)	LS	1	\$ 10,000.00	\$ 10,000
4.1	Backfill (foam) material	CY	928.2	\$ 225.00	\$ 208,845
4.2	Backfill (cellular) material	CY	618.8	\$ 160.00	\$ 99,008
4.3	Liner Plate	LF	250	\$ 272.00	\$ 68,000
4.4	Maintain access to site	LS	1	\$ 7,500.00	\$ 7,500
					\$ 393,353
	<i>Shear Zone Repairs</i>				
5.0	Shear zones - STA 3+23	SF	112	\$ 70.00	\$ 7,840
5.1	Void right rib - STA 6+55	CY	10.7	\$ 840.00	\$ 9,022

Item No.	Description	Units	Estimated Quantity	Cost	Total
5.2	Void upper right rib - STA 6+75	CY	1.2	\$ 7,500.00	\$ 8,889
5.3	Shear zones - STA 7+25	SF	112	\$ 70.00	\$ 7,840
5.4	Shear zones - STA 10+51	SF	112	\$ 70.00	\$ 7,840
5.5	Shear zones - STA 11+35	SF	112	\$ 70.00	\$ 7,840
5.6	Shear zones - STA 18+05	SF	112	\$ 70.00	\$ 7,840
5.7	Shear zones - STA 40+73	SF	112	\$ 70.00	\$ 7,840
5.8	Shear zones - STA 42+25	SF	112	\$ 70.00	\$ 7,840
					\$ 73,458
	subtotal				\$ 1,004,763
	contingency				
	Unlisted items	10%			\$ 100,476.28
	Contingency	35%			\$ 351,666.97
	Engineering (support and oversight)	Weeks	20	\$ 7,000.00	\$ 140,000
	Total Cost (including contingency)				\$ 1,596,906

Appendix C

**Articles of Incorporation
Bylaws**



OFFICE OF THE SECRETARY OF STATE

UNITED STATES OF AMERICA, } ss. CERTIFICATE.
STATE OF COLORADO.

*I, Byron A. Anderson, Secretary of State
of the State of Colorado, do hereby certify that*

the annexed are full, true and complete copies of Articles of Incorporation and Articles
of Amendments to the Articles of Incorporation of

THE NORTH POUDRE IRRIGATION COMPANY

as filed in this office and admitted to record.

... IN TESTIMONY WHEREOF *I have hereunto
set my hand, and affixed the Great
Seal of the State of Colorado, at the
City of Denver, this ----- Seventh -----
day of ----- August ----- A. D. 1970*

Byron A. Anderson
SECRETARY OF STATE
By *Jeremiah J. Connolly*
DEPUTY.

CERTIFICATE OF INCORPORATION OF THE NORTH POUDBRE
IRRIGATION COMPANY.

- - - - -

Know all men by these presents, that we, Burton D. Sanborn, George M. Houston, and Henry C. Luther, residents of the state of Colorado, have associated ourselves together under the name and style of THE NORTH POUDBRE IRRIGATION COMPANY, for the purpose of becoming a body corporate and politic under and by virtue of the laws of the state of Colorado; and in accordance with the provisions of the laws of said state, we do hereby make, execute and acknowledge in triplicate this certificate in writing of our intention so to become a body corporate, under and by virtue of said laws, and in so doing, do hereby certify as follows:

I.

The corporate name and style of our said corporation shall be THE NORTH POUDBRE IRRIGATION COMPANY.

II.

The objects and purposes for which our said company is formed and incorporated, are as follows:

(a) To acquire the canals, reservoirs and lands situated in Larimer county, in the state of Colorado, heretofore owned and operated by The North Poudre Land, Canal and Reservoir Company, its successors and assigns, together with all rights, rights of way, reservoir sites, privileges, franchises, water rights, appropriations of water, from the North Fork of the Cache la Poudre river and its tributaries, and all structures, flumes, headgates, appliances and facilities connected therewith and appurtenant thereto; to own, cultivate and develop said lands, and to operate and develop the said canal and reservoir system, and to apply the water diverted thereby and stored in said reservoirs to the cultivation of said lands, the promotion of agriculture by irrigation, and for other beneficial uses.

(b) To build, construct, and complete, reservoirs for the storage of water for irrigation, so far as the same may remain unconstructed and incompleted, six reservoirs, upon the said lands heretofore located as a part of the said North Poudre Canal and reservoir system, to-wit: reservoir number one (1), being located on section twenty-one (21) in township nine (9) north, range sixty-nine (69) west of the sixth (6TH) P.M.; reservoir number two (2) being located on sections twenty-four and twenty-five (24 and 25) in township nine (9) north, range sixty-nine (69) west, and sections nineteen and thirty (19 and 30) in township nine (9) north, range sixty-eight (68) west of the sixth (6th) P.M.; reservoir number three (3) being situated on sections eighteen and nineteen in township nine north, range sixty-eight west; reservoir number four (4) being situated on sections twenty-nine (29) township nine (9) north, range sixty-eight (68) west of the sixth (6th) P.M.; reservoirs number five and six (5 and 6), these being treated as one, and being situated on sections thirty-one and thirty-two (31 and 32) in township nine (9) north, and sections five and six (5 and 6) in township eight (8) north, range sixty-eight (68) west of the sixth (6th) P.M.; and reservoir number seven (7) or Stuchell reservoir, being situated on sections seven and eight (7 and eight) in township nine (9) north, range sixty-eight (68) west of the sixth (6th) P.M.; and to acquire, ^{construct and build} other reservoirs and reservoir sites for the storage of water to be used in connected with the said system; and also to acquire, own, operate and maintain the property and necessary ditches and laterals for the carriage and distribution of water to said reservoirs, and to discharge, deliver and distribute the water stored therein to the said lands and to be irrigated and brought under cultivation thereby.

(c) To make and acquire further appropriations of water for irrigation through and by means of said canals and reservoirs from the Cache la Poudre river and its tributaries, and from floods, storms,

and seepage water wherever found available and not theretofore appropriated.

(d) To acquire lands for rights of way for its canals, inlet, supply, discharge, and lateral ditches, and for sites for its reservoirs from the public domain over state lands and from private owners under and by virtue of the laws of the state of Colorado, and of the United States, by grant, purchase, condemnation or otherwise, and buy other waters; as aforesaid, both under appropriations already made, and appropriations hereafter to be acquired, and to apply the same to the lands owned by said company, and for the irrigation and cultivation of the same, and to sell and dispose of the right to the use of said waters for irrigation, domestic and other purposes, to such persons and corporations as may require the use of the same, upon such prices and upon such terms and conditions as may hereafter be agreed and determined upon, and for that purpose to make contracts of sale and provide for the conveyance of water rights and privileges, either as connected with the sale of the stock of said company, or otherwise, as may be determined from time to time, by the board of directors, or as its by-laws duly enacted, shall prescribe.

(e) To acquire lands by grant, purchase, lease, or otherwise, from the state, United States, or from private persons, and to use, cultivate, sell, lease, dispose of, and improve the same, in connection with said canal and reservoir system under and by virtue of the laws of the state of Colorado.

(f) To promote the foregoing purposes by the exercise of all the powers necessary for the development and successful operation of said enterprise; to sell, mortgage, and pledge the property and franchises of said company, and any and every part thereof; to borrow money and to secure such loans and procure funds upon the security of its said property for the corporate purposes of our said company, and generally to do and perform all things necessary to be done under and

by virtue of its corporate powers and to do the business and carry out the objects and purposes hereinbefore set forth.

III.

The natural stream from which water is taken to supply said canals and reservoirs, and the supply of water for the purposes hereinbefore named, and from which further appropriations are to be made, is the Cache la Poudre river, and its tributaries, particularly the North Fork of the Cache la Poudre river. Water is also to be taken and supplied for said purposes directly from any and all of the tributaries, water sheds, draws, flood water channels, and water ways, intercepted by the main canal of the company, known as the North Poudre Canal, and by other ditches constructed, and suitable to be constructed for the diversion and storage of water for irrigation in the reservoirs of our said company.

IV.

The main line of the canal, and the headgate thereof, which has heretofore been constructed, and to be acquired by this company, is an irrigating canal described as follows, to-wit: the headgate of said canal, being known as the North Fork canal, has its headgate on the west side of the North Fork of the Cache la Poudre river, situated $35^{\circ} 47'$ E. variation 15° E., 508 feet, from the southwest corner of section 18, township 10, north, range 70, west of the sixth (6th) principal meridian; the said canal extends thence in an easterly course through the county of Larimer and state of Colorado, the description of which more fully appears in those certain proceedings then pending in the district court of Larimer county, wherein, on the eleventh day of April, 1882, a decree of priority of appropriation was rendered in favor of said canal for irrigation purposes, and reference to which is here made, said canal being used for both the direct irrigation of lands lying thereunder, and for an inlet or supply ditch to the reservoirs of said company hereinbefore mentioned and described;

that the waters, water rights and appropriations so diverted and stored are to be used and distributed for domestic purposes for irrigation and other beneficial uses, both directly from said ditch, and indirectly through and by means of storage in said reservoir to and upon the lands belonging to said company, and to other lands lying under said system under and by virtue of proper and lawful contracts of sale or lease and under proper regulations for the use thereof.

V.

That the amount of the capital stock of our said company is one hundred and fifty thousand (\$150000) dollars, and shall be divided into three thousand (3000) shares of the par value of fifty dollars (\$50) for each share.

VI.

The term of existence of our said company shall be twenty (20) years, with power thereafter to extend the term of existence in form and manner as provided by the laws of the state of Colorado.

VII.

That the affairs and management of our said company shall be controlled by a board of directors consisting of five persons, and the names of the board of directors who shall manage the affairs of the said company for the first year of its existence, and until the first Monday in February, 1902, and until their successors are duly elected and qualified are H. C. Andrews, Burton D. Sanborn, George M. Houston, Edwin S. Pinney and Raymond F. Walter.

VIII.

The principal office and place of business of our said company shall be at Greeley, Weld county, Colorado. The company may also have and occupy an office at the city of Ft. Collins, Larimer county, Colorado, and the principal business of our said company shall be carried on in the counties of Larimer and Weld, in the state of Colorado, where the canals, reservoirs and principal part of the property

of our company is located.

IX.

The board of directors of said company shall have power to make such prudential by-laws as it may deem proper for the management of the affairs of said company, not inconsistent with the laws of the state of Colorado, for the purposes of carrying on the branches of business of said company as above set forth.

IN WITNESS WHEREOF we have hereunto set our hands and seals this thirty-first day of July, A.D., 1901.

Burton D. Sanborn (seal)

George M. Houston (seal)

Henry C. Luther (seal)

In presence of

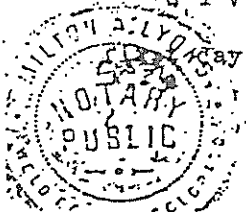
State of Colorado) .

: SS
County of Weld.)

I *Milton A. Lyons* a notary public in and for said county, in the state aforesaid, do hereby certify that Burton D. Sanborn, George M. Houston and Henry C. Luther, of Greeley, Weld county, Colorado, who are personally known to me to be the persons whose names are subscribed to the within and foregoing certificate of incorporation, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument of writing as their free and voluntary act, for the uses and purposes therein set forth.

I further certify that my commission expires *May 25th 1904*.

G I V E N under my hand and *Notarial* seal, on this thirty-day of July, A.D., 1901.



Milton A. Lyons
Notary public in and for the county of Weld and state of Colorado.

#33067

OK
m.w.

STATE OF COLORADO,)
COUNTY OF LARIMER.) SS.

I, BLAINE HAMMOND, do hereby certify that I am County Assessor of the county of Larimer and state of Colorado, and that the North Poudre Irrigation Company is a mutual ditch company owning a system of canals and reservoirs used for the purpose of delivering water to its stockholders, and so far as I am informed, is engaged in no other business whatsoever; said the North Poudre Irrigation Company does not pay taxes on any of its ditch and reservoir property.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of my office.

Blaine Hammond

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is a document from the
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187-21
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attach to #33667

Assessor's Certificate
Lure.

The North Poudre
Irrigation Company

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28. January
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28. January
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187-21

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CERTIFICATE OF INCORPORATION OF
THE NORTH-POUDRE IRRIGATION
COMPANY OF THE STATE OF COLO-
RADO

DOMESTIC.

DXE

Filed in the office of the Secretary
of the State of Colorado

August 20, 1968
Daniel Phillips
Secretary

This document has been inspected
and properly entered in the Re-
cords of The Flat Tax Department.

Date August 20, 1968
Harris Clerk

C E R T I F I C A T E O F A M E N D M E N T S

to

C E R T I F I C A T E O F I N C O R P O R A T I O N

of

T H E N O R T H P O U D R E I R R I G A T I O N C O M P A N Y .

It is hereby certified by The North Poudre Irrigation Company, a corporation duly organized under the laws of the State of Colorado, and by Burton D. Sanborn, its President, that the certificate of incorporation of said Company heretofore filed in the office of the Secretary of State of the State of Colorado, on the first day of August, 1901, has been duly amended as follows:

1st. Article V of said certificate of incorporation has been amended so that the same shall read:

"That the amount of the capital stock of our said Company shall be Four Hundred Thousand Dollars (\$400,000), which shall be divided into Eight thousand shares of the par value of Fifty Dollars (\$50.00) for each share."

2nd. Article II of said certificate of incorporation has been amended by adding thereto another sub-paragraph numbered (G), reading as follows:

"(G) To acquire and become the owner of, by grant, purchase, lease or otherwise, the land embraced in the site of what is commonly known as Fossil Creek reservoir basin, in Larimer County, Colorado, being a part of the following described government subdivisions, viz: Sections Sixteen (16) and Seventeen (17), the South East quarter and the East half of the South West quarter of Section Nine (9), the South West quarter of Section Ten (10), and the West half of Section Fifteen (15), - all in Township Six (6) North, of Range Sixty Eight (68) West of the Sixth Principal Meridian; also to develop said basin,

having an estimated acreage at high water mark of 705.3 acres and a cubical capacity for holding 490,000,000 cubic feet of water, by the construction of dams, embankments, outlet delivery gates, waste ways, and outlet and inlet ditches, so that the same shall be rendered a complete and perfected irrigation reservoir; also to acquire the rights of way for and to construct necessary outlet and inlet ditches; to fill said reservoir and to refill the same from time to time indefinitely throughout the corporate life of this corporation, from the water otherwise unappropriated from Fossil Creek and from the Cache la Poudre River; also to appropriate by means of said reservoir and its outlet and inlet ditches, all unappropriated waters, both from Fossil Creek and from the Cache la Poudre River, in Irrigation District No. 3, for the purposes aforesaid; also to conduct water stored in said reservoir from time to time by the nearest practical route to the Cache la Poudre, and to dispose of said water for irrigation purposes to those desiring to use the same, and to receive in exchange therefor the equivalent amount of water to be delivered at the headgate of the North Poudre ditch of this Company, to fill its other reservoirs, and by means thereof to supplement the water supply of the remaining reservoir system of this Company; also to have power to contract for the delivery of said water for other considerations to irrigation water consumers who may desire to utilize the same; also to have all incidental powers reasonably necessary and essential to own, use, operate and maintain said Fossil Creek reservoir, either with or independently of the other reservoirs of this corporation."

It is further certified that said amendments have been made and effected as the result of the following facts:

1st. At a meeting of the Board of Directors of said corporation, duly held at the office of the Company in the City of Greeley, Weld County, Colorado, on Wednesday the 23rd day of October, 1901, pursuant

to due notice given to each and every director, at which meeting four directors were present, and to the action whereof the fifth director, Harry E. O'Neill, subsequently gave his written assent, a resolution was proposed and unanimously adopted, recommending and submitting said proposed amendments to a special meeting of the stockholders of said corporation then and there called to meet on Tuesday the 24th day of December, 1901, at the hour of two o'clock P. M. of said day, at the office of said Company in the City of Greeley, Weld County, Colorado, for submission separately to a vote of said stockholders, and at said meeting of said Board of Directors the Secretary was instructed to notify all stockholders of said proposed amendments and of the calling of said special stockholders meeting, and the place, date and hour thereof.

2nd. In strict conformity with the statute in that behalf, the Secretary of the Company mailed a notice to each and every stockholder of said Company at his postoffice address, which notice included a copy of said proposed amendments and a statement that the same would be separately voted on at said Special Stockholders Meeting, the date, place and hour whereof was in said notice specified. Said notices were mailed by the Secretary of said Company, as shown by his records, and in fact, thirty days and more next preceding said Special Stockholders Meeting. A like notice of said Special Stockholders Meeting, including a verbatim copy of said proposed amendments, was duly published in The Greeley Tribune, a newspaper of general circulation published in Greeley, Weld County, Colorado, for ten days and more next preceding said 24th day of December, 1901, which fact is shown by the publisher's affidavit of publication on file in the office of the Secretary of said Company and attached to the minutes thereof.

3rd. Special Stockholders Meeting of said Company was duly convened and organized at the hour of two o'clock P. M. on Tuesday the 24th day of December, 1901, at the office of said Company in Greeley,

Weld County, Colorado, being at the place, day and hour specified in said call of the Board of Directors and in said mailed and published notices given as above. At said Special Stockholders Meeting, at which there were present in person and by proxy 2024 shares of the stock of said Company, being more than two-thirds of all the stock thereof then issued, subscribed and in good faith outstanding, said proposed amendments were severally duly submitted to be voted on by said stockholders.

At said Special Stockholders Meeting, as shown by the minutes thereof and in fact, the vote cast in favor of said first amendment, viz: said amendment to article V, was 2024 shares, and the vote cast against said amendment was no shares. The vote in favor of the adoption of said first amendment constitutes more than two-thirds of all the stock of said corporation then and now issued, subscribed and in good faith outstanding. Upon said vote the Chairman of said meeting, being the President of said Company, announced said first amendment duly adopted.

At said Special Stockholders Meeting, as shown by the minutes thereof and in fact, the vote cast in favor of said second amendment, viz: said amendment to Article II, was 2024 shares, and the vote cast against said amendment was no shares. The vote in favor of the adoption of said second amendment constitutes more than two-thirds of all the stock of said corporation then and now issued, subscribed and in good faith outstanding. Upon said vote the Chairman of said meeting, being the President of said Company, announced said second amendment duly adopted.

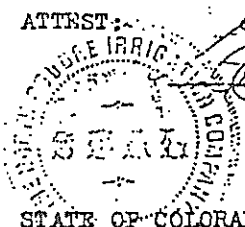
IN WITNESS WHEREOF, said The North Poudre Irrigation Company has caused its corporate name to be hereunto subscribed, by its

President, and its corporate seal affixed attested by its Secretary,
and said Burton D. Sanborn has also hereunto subscribed his name,
this 26th day of December, A. D., 1901, in triplicate.

THE NORTH POUDRE IRRIGATION COMPANY,
By Burton D. Sanborn President.

Burton D. Sanborn
President of The North Poudre
Irrigation Company.

ATTEST:


W. M. D. Smith
Secretary.
STATE OF COLORADO,)
County of Weld.) ss.

Burton D. Sanborn, being first duly
sworn, on oath deposes and says: I am President of The North Poudre
Irrigation Company, a corporation organized pursuant to the laws of the
State of Colorado. I have read the certificate of amendments to
the certificate of incorporation of said The North Poudre Irrigation
Company annexed hereto, and well know the contents thereof. All
and singular the allegations, matters and facts in said certificate
set forth are true of my own knowledge.

Burton D. Sanborn

Subscribed and sworn to before me this

26th day of December, A. D., 1901.

I further certify my Notarial Commission expires January 26, 1904.
W. M. D. Smith
Notary Public.

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CERTIFICATE OF AMENDMENTS
to
CERTIFICATE OF INCORPORATION
of
THE NORTH POUDRE IRRIGATION
COMPANY.

EXU
DOMESTIC.

FILED IN THE OFFICE OF THE SECRETARY
OF STATE OF THE STATE OF COLORADO

On the 28th day of Dec
1968, at the City of Denver,
County of Adams, State of Colorado,
I, David L. Mullen,
Secretary of the State of Colorado,
do hereby certify that the foregoing
is a true and correct copy of the
Certificate of Amendment of the
Certificate of Incorporation of the
North Poudre Irrigation Company,
as filed in the Office of the Secretary
of State of the State of Colorado.

60.00

This document has been inspected
and properly entered in the Re-
cords of the Flat Tax Department.

Date August 20, 1968 OK
W. H. H. H. Clerk

6-27-12
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Horn

A M E N D M E N T

- to -

ORIGINAL ARTICLES OF INCORPORATION

- of -

THE NORTH POUDRE IRRIGATION COMPANY

. - o O o - .

I, L. C. MOORE, of the County of Larimer and State of Colorado, DO HEREBY CERTIFY that I am the President of THE NORTH POUDRE IRRIGATION COMPANY, a corporation, duly organized and existing under the laws of the State of Colorado, which has heretofore filed its original Articles of Incorporation and certain Amendments thereto as provided by law.

I DO FURTHER CERTIFY that in the call for the Regular Annual Meeting of the Stockholders of said THE NORTH POUDRE IRRIGATION COMPANY, held pursuant to the Articles of Incorporation and By-laws of said Company on the 5th day of February, A. D. 1912, notice was given that at said meeting there would be submitted to the Stockholders of said THE NORTH POUDRE IRRIGATION COMPANY a proposal to amend Article five (5) of the Articles of Incorporation by increasing the capital stock of said Company from eight thousand (8000) shares, of the par value of fifty (\$50.00) dollars per share, to ten thousand (10000) shares, of the par value of fifty (\$50.00) dollars per share, and that, as required by the By-laws of

'Article 5. That the amount of the capital stock of our said Company shall be five hundred thousand (\$500,000.00) dollars, which shall be divided into ten thousand (10,000) shares of the par value of fifty (\$50.00) dollars for each share.'

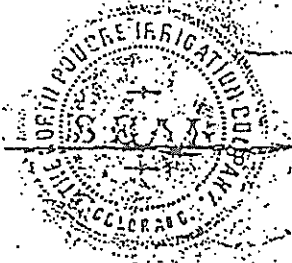
2nd. That the President be, and he is, hereby directed to cause a certificate of said amendment, signed by him, verified by his affidavit and attested by the Secretary, with the seal of the corporation thereunto affixed, to be filed for record in the office of the Secretary of State, and a like certificate to be filed in the office of the recorder of each County wherein the original Articles of Incorporation are filed."

I DO FURTHER CERTIFY that the vote on said resolution was taken by ballot, and that the total number of votes cast on said ballot was seven thousand two hundred fifty-six and six tenths (7,256.6); that the total number of votes cast in favor of the adoption of the resolution was five thousand four hundred ninety-one and six tenths (5,491.6); that the total number of votes cast against the adoption of said resolution was one thousand seven hundred sixty-five (1,765); that said vote was duly announced by the tellers appointed to canvass the same, and that no objection or exception was taken thereto; and that it appearing that more than two-thirds of all stock of the corporation subscribed and in good faith outstanding was voted for the adoption of said resolution, the said resolution was duly declared adopted by the President.

I DO FURTHER CERTIFY that at the Regular Annual Meeting of the Stockholders of The North Poudre Irrigation Company, held on the 3rd day of February, A. D. 1913, due notice having been given in the call of said Annual Meeting that the resolution passed amending the Articles of Incorporation as aforesaid, would be a subject matter for dis-

cussion, and reconsideration if desired, and on resolution duly offered in that behalf and by vote taken by ballot, the said resolution amending the Articles of Incorporation as hereinabove set forth was unanimously reaffirmed.

IN TESTIMONY WHEREOF, I, L. C. Moore, President of THE NORTH POUDRE IRRIGATION COMPANY, pursuant to the laws of the State of Colorado in this behalf made and provided, have hereunto set my hand, as President of said Corporation, and caused the seal of said corporation to be hereunto affixed, attested by the Secretary thereof, this 1st day of March A. D. 1913.



THE NORTH POUDRE IRRIGATION COMPANY

By L. C. Moore President.

ATTEST:

L. C. Buttrick Secretary.

STATE OF COLORADO)
- SS.
COUNTY OF LARIMER)

L. C. MOORE, appearing before Helen Peterson
a Notary Public in and for said County, in the State afore-
said, and being first duly sworn, deposes and says:

That he has read and well knows all of the
facts, statements and matters and things in the foregoing
Certificate of Amendment to the Articles of Incorporation
of The North Poudre Irrigation Company contained, and that
all of the facts, statements, matters and things therein
contained are true of his own knowledge.

L. C. Moore

Subscribed and sworn to before me

this 10th day of March, A. D. 1913.

My commission expires June 16, 1914.



Helen Peterson
Notary Public.

57755

This document has been inspected
and properly Entered on the Re-
cords of The Flat Tax Department

MAR 5 1913

Date Red M. Russell Clark

AMENDMENT TO
ARTICLES OF INCORPORATION
OF
THE NORTH POUDRE IRRIGATION CO.

JAN 20 1913

AMENDMENT

MAR 5 1913

Chas. J. Russell

This document has been inspected
and properly Entered on the Re-
cords of The Flat Tax Department

Date August 20 1962
James Clark

Filed in the office of the Tax Collector
of the County of Lincoln, Nebraska, on the
day of August, A. D. 1913.
Recorded by Clerk James
by James
E. J. Clark

Shaw
2/17/13
Shaw M. Russell
Indorsed by ES

CERTIFICATE OF RENEWAL OF THE
INCORPORATION OF
THE NORTH POUDRE IRRIGATION COMPANY

THE UNDERSIGNED, who are respectively President and Secretary of the NORTH POUDRE IRRIGATION COMPANY, do hereby certify:

That a special meeting of the stockholders of the North Poudre Irrigation Company was duly called to meet at Fort Collins, Colorado, on the 6th day of February, 1922, by stockholders of said company representing more than 10% of the capital stock thereof.

That the call for said meeting and notice thereof, was duly published for two successive weeks prior to said meeting in the "Wellington Sun", the newspaper published nearest to the place where the principal operations of said company are carried on and that notice of said meeting was duly given by mail more than 30 days prior to the date of said meeting to each stockholder, said notices as published and mailed, stating that said meeting was called to convene at Fort Collins on the 6th day of February, 1922, for the purpose of passing upon the question as to whether or not the articles of incorporation of the North Poudre Irrigation Company should be renewed.

We do further certify that on the 6th day of February, at the hour of 10 o'clock A.M., a special meeting of the stockholders was held at Fort Collins, Colorado, for said purpose and that there were present at said meeting, in person or by proxy, 6528.8 shares, the same being more than a majority of the capital stock of said company, issued and outstanding, and more than a majority of the total capitalization of said company.

We do further certify that at said meeting the following resolution was duly passed and adopted by unanimous vote, to wit:

RESOLUTION OF THE STOCKHOLDERS
OF THE NORTH POUDRE IRRIGATION COMPANY

WHEREAS, the corporate existence of the North Poudre Irrigation Company has expired by limitation, and,

WHEREAS, a special meeting of the stockholders of said company has been called by the holders of more than 10% of the entire capital stock of said company, as well as by resolution of the last Board of Directors of said Company to meet at Fort Collins on the 6th day of Feb'y, 1922, for the purpose of considering the question as to whether or not the corporate existence of said company shall be extended for an additional period of 20 years, and

WHEREAS, said meeting has been duly convened at said time and place, and it has been ascertained that there is present at said meeting more than a majority of the capital stock of said company, represented in person or by proxy, to-wit: 6528.8 shares out of 10,000 the total capitalization.

NOW, THEREFORE BE IT RESOLVED by the stockholders of the North Poudre Irrigation Company that the term of existence of said company shall be and the same is hereby extended for an additional period of 20 years.

BE IT FURTHER RESOLVED, that the President and Secretary of said company be and they are hereby directed and required under the seal of said company to certify the fact of the extension of the term of said corporation for an additional period of 20 years and cause the same to be filed in the office of the Secretary of the State of Colorado, and in the office of the County Clerk and Recorder of Larimer County, Colorado.

And the undersigned, pursuant to said resolution so passed and adopted, do hereby certify to the facts hereinabove stated and that the corporate life of said the North Poudre Irrigation Company, has by proper action of its stockholders, at special meeting duly called for that purpose, been and the same is hereby extended for an additional period of 20 years, and the articles of incorporation renewed.

IN WITNESS WHEREOF the undersigned, J.F. Vandewark, as President, and S.M. Newell, as Secretary, have hereunto set their hands and caused to be affixed hereto the corporate seal of said corporation, this 6th day of February, 1922.

J.F. Vandewark
President

ATTEST:

S.M. Newell
Secretary



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and properly entered
records of the Flat

Date Mar-6-22
Van Brock

75260

Certificate of Renewal
The North Poudre
Irrigation Company

FILED in the Office of the Secretary of
State of the State of Colorado, at the
City of Denver, on the 2 day of March
A.D. 1922, at 11:20 P.M.
Countersigned by 212 1922

By Reaky 110-00

Recorded by
Maloney
Date 4/1/22
Compared by
Larson & Casey

MS

COATTCOD 10808 MAR 11 1922

This document has been inspected
and properly Entered on the Re-
cords of The Flat Tax Department.

Date August 20 1968
Nessie Clerk

THE NORTH Poudre IRRIGATION COMPANY

CERTIFICATE
OF
EXTENSION OF CORPORATE EXISTENCE
PROVIDING FOR PERPETUAL EXISTENCE.

The undersigned, who are respectively President and Secretary of The North Poudre Irrigation Company, a ditch company organized and existing under the laws of the State of Colorado, do hereby certify:

1. That a special meeting of the stockholders of The North Poudre Irrigation Company was duly called to meet at Fort Collins, Colorado, on the 26th day of October, A. D. 1936.

2. That the call for said meeting and notice thereof was duly published for two successive weeks prior to said meeting, in the Fort Collins Leader, a weekly newspaper printed and published in the City of Fort Collins, Larimer County, State of Colorado, being the newspaper published nearest to the place where the principal operations of the company are carried on, and that notice of said meeting was duly given by mail or delivery, more than thirty days prior to the date of said meeting, to each stockholder, said notices as published, mailed and delivered stating that said meeting was called to convene at the Municipal Court Room in the City Hall in the City of Fort Collins, Larimer County, Colorado, at the hour of 10 o'clock A. M. on said day, for the purpose of passing upon the question as to whether or not Article VI of the certificate of incorporation of The North Poudre Irrigation Company should be amended so that said Article VI shall read as follows:

VI.

Our said company shall have perpetual existence.

3. That on the 26th day of October, A. D. 1936, at the hour of 10 o'clock A. M., a special meeting of the stockholders of The North Poudre Irrigation Company was held at the Municipal Court Room in the City Hall, in the City of Fort Collins, Larimer County, Colorado, for the purpose above described, and that there were present at said meeting, in person or by proxy, 6876.32 shares, the same being more than a majority of the capital stock of said company issued and outstanding, and more than a majority of the total capitalization of said company.

4. That at said meeting the following resolution was duly passed and adopted by unanimous vote, to-wit:

R E S O L U T I O N

WHEREAS, by the terms of its articles of incorporation and various amendments thereto, the corporate life of The North Poudre Irrigation Company will, unless renewed, expire on, to-wit, the first day of August, 1941; and

WHEREAS, under the laws of the State of Colorado now existing, the stockholders of this corporation may, by appropriate action, provide that the corporation may have perpetual existence; and

WHEREAS, the corporate activities of the company require that the company have perpetual existence;

NOW, THEREFORE, BE IT RESOLVED by the stockholders of The North Poudre Irrigation Company:

1. That Article VI of the certificate of incorporation of The North Poudre Irrigation Company be amended so that said Article VI shall read as follows:

VII.

Our said company shall have perpetual existence.

2. That the President and Secretary of this company shall, under the corporate seal of said company, certify the fact of said amendment, and shall make as many certificates as

253

may be necessary, so as to file one in the office of the Recorder of Deeds in each county where the company may do business, and one in the office of the Secretary of State of the State of Colorado.

3. That the President, Secretary and other proper officers of this corporation be and they are hereby authorized and directed to do all things requisite or proper for the purpose of effectuating the provisions of this resolution.

5. That the undersigned, pursuant to said resolution so presented and adopted, do hereby certify to the facts hereinabove stated, and that Article VI of the certificate of incorporation of The North Poudre Irrigation Company has been amended so that said Article VI now reads as follows:

VI.

Our said company shall have perpetual existence.

IN WITNESS WHEREOF, the undersigned, E. F. Munroe, as President, and Stella M. Newell, as Secretary, have hereunto set their hands and caused to be affixed hereto the corporate seal of said corporation, this 26th day of October,

A. D. 1936.

E. F. Munroe
President.

Attest:

Stella M. Newell
Secretary.

101137

Certificate of Renewal
The North Poudre
Irrigation Company

DOMESTIC

RECORDED

BOOK 396 PAGE 261

FILED in the office of the Secretary of
State on the 29th day of October
A. D. 1936 at 10:25 AM
J. D. Miller
County Clerk

This document has been inspected
and properly Entered on the Re-
cords of The Flat Tax Department.

Date Oct. 31, 1936
M. E. White Clerk

This document has been inspected
and properly Entered on the Re-
cords of The Flat Tax Department.

Date August 29, 1968
Nelson Clerk

AMENDMENT
TO
ORIGINAL ARTICLES OF INCORPORATION
OF
THE NORTH POUDRE IRRIGATION COMPANY

I, Harlan Seaworth, of the County of Larimer and State of Colorado, do hereby certify that I am the President of The North Poudre Irrigation Company, a corporation duly organized and existing under the laws of the State of Colorado, which has heretofore filed its original Articles of Incorporation and certain Amendments thereto as provided by law.

I do further certify that in the call for the regular annual meeting of the stockholders of said The North Poudre Irrigation Company, held pursuant to the Articles of Incorporation and By-Laws of said Company on February 7, 1966, notice was given that at said meeting there would be submitted to the stockholders of said The North Poudre Irrigation Company the proposal to amend a part of Article II of the Articles of Incorporation granting the right of said corporation to borrow money from the United States of America under its Small Reclamation Projects Act of 1956 as Amended for the improvement of the Company's system; and that as required by the By-Laws of said Company and the Statutes of the State, said notice of said regular annual meeting was published not less than ten days previous thereto in the Fort Collins Coloradoan, a newspaper published in the City of Fort Collins, which is the City next closest to the principal office of said Company, and by delivering personally and depositing in the post office thirty (30) days before such meeting said notice properly addressed to each stockholder, signed by the President and Secretary, stating the time, place and, inter alia, as one of the objects of said meeting the proposed amendment to said Articles of Incorporation hereinabove referred to.

I do further certify that at the regular annual meeting of the stockholders of said The North Poudre Irrigation Company, held on the 7th day of February, 1966, out of the 10,000 shares comprising the stock of said Company there was represented in person and by proxy 7,354.95.

I do further certify that at said regular annual meeting of the stockholders of said The North Poudre Irrigation Company so held on the 7th day of February, 1966, and pursuant to the call therefor, and notice thereof, the following Resolution was presented and duly adopted as follows, to-wit:

"BE IT RESOLVED by the stockholders of North Poudre Irrigation Company at said company's regular annual meeting held in the company office at Wellington, Colorado, on Monday, February 7, 1966, as follows:

That Article II(f) be amended to include, among other powers, the right to borrow money from The United States of America under its Small Reclamation Projects Act of 1956 as amended, for the improvement of the company's system.

BE IT FURTHER RESOLVED that the President be and he is hereby directed to cause a certificate of said amendment signed by him, verified by his affidavit, and attested by the secretary, with the seal of the company thereunto affixed, to be filed for record in the office of the Secretary of State, and a like certificate to be filed in the office of the Recorder of each County wherein the original Articles of Incorporation are filed."

I do further certify that the vote on said resolution was taken by ballot and that the total number of votes cast on said ballots was 7,354.95 shares and that all of the total of said votes were cast in favor of the adoption of the Resolution; that said vote was duly announced by the tellers appointed to canvass the same and that no objection or exception was taken thereto; and that it appearing that more than two-thirds of all stock of the Corporation subscribed and in good faith outstanding was voted for the adoption of said Resolution, the said Resolution was duly declared adopted by the President.

426

ATTEST
James F. (67)
 Secretary

By William L. Smith
President

That he has read and well knows all of the facts, statements and matters and things in the foregoing Certificate of Amendment to the Articles of Incorporation of The North Poudre Irrigation Company contained, and that all of the facts, statements, matters and things therein contained are true of his own knowledge.

WILLIAM C. STONE
 ROTARY CLUB
 PUBLIC
 Sub
 My

Subscribed and sworn to before me this 9th day of March, A. D. 1966.

My commission expires July 1, 1967.

William C. Stone
Notary Public

1455-11

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF THE NORTH POUDRE
IRRIGATION COMPANY

**DOMESTIC
NOT FOR PROFIT**

FILED in the office of the Secretary of
State, } of the State of Colorado, on the
11th day of March A.D. 1966
BYRON A. ANDERSON
Secretary of State
Filing Clerk Tapscott Fees \$5.00
Old Age Pension Fund

RECORDED
ROLL 92 PAGE 424

This document has been inspected
and properly Entered on the Re-
cords of The Flat Tax Department.

Date August 20, 1968
Norris Clerk

0321 766 7777

By-Laws

of

The North Poudre Irrigation Company

1988

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**I.
CAPITAL STOCK**

The Capital stock of said company is, and shall be, Five Hundred Thousand Dollars (\$500,000.00), which shall be divided into Ten Thousand (10,000) shares of the par value of Fifty Dollars (\$50.00) for each share.

**II.
AMENDMENTS TO ARTICLES OF INCORPORATION**

Any proposed amendment or amendments may be voted upon by the stockholders at their regular annual meeting; provided, that the published notice of such meeting shall have contained information that such amendment, giving the purpose of the same, would be presented and acted upon at such meeting; or any proposed amendment or amendments may be voted upon at a meeting of the stockholders, called by the Board of Directors, for the purpose of making such amendment, the purpose of such amendment having been stated in such notice.

Provided, whenever the holder or holders of one-third of the outstanding stock, as shown by the stock book of the Company, shall, in writing request the President to call a special meeting of the stockholders for the purpose of considering any proposed amendment or amendments, the President shall, without delay, call a meeting of the Board of Directors and present the same to it, and thereupon the Board shall call a special meeting of the stockholders for the purpose of considering the proposed amendment or amendments to the articles of incorporation.

A two-thirds vote of all the capital stock subscribed and outstanding shall be required in favor of an amendment to said articles of incorporation before the same shall be declared adopted.

**III.
STOCKHOLDERS' MEETINGS**

The annual meeting of the stockholders shall be held on or about the first Monday in February of each year at a place in Larimer County selected by the Board of Directors, and such meeting shall be called to order between nine and eleven o'clock A.M., at the discretion of the Board of Directors. Reasonable advance written notice shall be given by the Board as to time, place and general purpose of the meeting.

The President of the Board of Directors shall call the meeting to order and appoint a committee on credentials, and when it is found by the report of said committee, or otherwise, the majority of the stock is represented in person or by proxy, at such meeting or adjourned meeting, the stockholders' meeting shall proceed.

A. QUORUM. A majority of all of the stock of the Company outstanding must be represented in person or by proxy to constitute a quorum to transact any business.

B. PROXIES. Each stockholder shall have the right to appoint, in writing, any person of his or her choice to vote for him or her by proxy. Such proxies must be registered with the Credentials Committee prior to the opening of the ballot boxes for election of Directors at the stockholders' meeting.

C. DUTIES OF OFFICERS AND COMMITTEES.

1. The President of the Board of Directors, or in his or her absence, the Vice-President, shall preside at all stockholders' meetings; provided, that if neither is present, the stockholders may elect a chairperson from among their number.
2. The Secretary of the Board of Directors shall act as Secretary of all stockholders' meetings and keep all minutes of such meetings; provided, that when he or she is absent the stockholders may choose a Secretary from among their number for such meeting.
3. The Credentials Committee shall register all members attending the stockholders' meeting and shall register all proxies. The Committee shall determine the number of votes to be cast by each member and proxy holder, and shall be responsible for counting the ballots cast for those nominated to the Board of Directors.

D. ORDER OF BUSINESS. The order of business at the stockholders' meeting shall be as follows:

1. Meeting called to order by the Chairperson.
2. Appointment of three stockholders of the Company as a Credentials Committee.
3. Registration of proxies with Credentials Committee.
4. Report of Credentials Committee.
5. Annual report.
6. Nomination of Directors.
7. Opening of polls for election of Directors.
8. Old business.
9. New Business (must include vote on assessment for the following year).

E. FIXING OF RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or in order to make a determination of shareholders for any other proper purpose including their qualifications to serve as director, the stock transfer books shall be closed as of the close of the last business day at least 15 days prior to the meeting, but as near 15 days as possible. Business day means any day other than a national holiday, Saturday and Sunday.

IV.

BOARD OF DIRECTORS

A. MEMBERSHIP OF THE BOARD OF DIRECTORS. Membership of the Board of Directors shall consist of five persons who shall be stockholders,

and who shall have his or her home within a radius of 30 miles from the Town of Wellington and who shall be elected as hereafter provided and hold office until their successors are elected and qualified. This residency requirement has been considered by the entire Board and is adopted because of the desirability of having a Director familiar with the area that the Company serves and residency in the radius aforementioned should assure that the person has an acquaintance or will become acquainted with the area, the geography, the people and the problems of the North Poudre Irrigation Company.

B. ELECTION OF THE BOARD OF DIRECTORS. The Directors to fill expiring terms are elected at the annual stockholders' meeting. Terms are for three years except when elected to fill a vacancy. Regular terms for two Directors expire in February of 1972 and in February of 1973, and the term for one Director expires in February of 1974.

Each stockholder shall have the right to nominate a member for the Board of Directors, and election shall be by ballot on the nominations except for an election by unanimous acclamation.

The polls shall be open for at least one hour; each stockholder having the right to vote in person or by proxy the number of shares owned by him or her, and may vote said number of shares for as many Directors as are to be elected, or may accumulate such shares and give to one candidate as many votes as the number of his or her shares multiplied by the number of Directors to be elected, or may distribute his or her votes among as many candidates and in such proportion as he or she may desire.

All ballots shall contain the name of the Director or Directors for whom the ballot is cast and clearly set forth the number of votes cast for each Director if the ballot be cast for more than one.

The ballot shall be signed by the person casting same. Once a ballot is placed in the ballot box, it shall not be withdrawn.

The Credentials Committee shall count and certify the vote. Any ballot not completed and signed as required in these By-Laws shall be invalid and shall not be counted.

The person or persons having the highest number of votes for any vacancy or vacancies, as certified by the Credentials Committee, shall be declared elected to the Board of Directors for the term being filled.

Any other matter involving the propriety and the authenticity of a ballot shall be resolved by majority vote of the Credentials Committee during the count of the ballots and shall be binding on all concerned unless such determination be arbitrary and capricious.

C. VACANCIES ON THE BOARD OF DIRECTORS. In the event a vacancy occurs on the Board of Directors, the remaining members of the Board shall have the right, at the next regular Board meeting following the creation of such vacancy, to elect from among the stockholders of the Company a successor in such office, who shall assume and discharge the duties of such office until the next ensuing annual stockholders' meeting,

at which time a successor shall be elected by the stockholders to fill the unexpired term, if any, of such Director.

If the Board of Directors shall for any reason be unable to agree upon, or to select a successor to fill such vacancy, they may, in their discretion, call a special meeting of the stockholders of said Company for the purpose of making a choice to fill such vacancy; or if the Board of Directors has failed to fill such vacancy, or fails or refuses to call a special meeting of the stockholders to fill such vacancy, on the written request of the stockholders holding ten per cent (10%) of the shares of said Company, notice by the President shall be given of a special meeting of the stockholders to be held for the purpose of electing a stockholder to fill the vacancy on the Board of Directors; such election to be held as at the annual stockholders' meeting.

D. OFFICERS OF THE BOARD OF DIRECTORS. At the first regular meeting of the Board of Directors following the annual meeting of the stockholders, the Board shall organize and elect a President and a Vice President from their number. Such election shall be by ballot, and the affirmative vote of the majority of the whole Board shall be required for each election.

When a vacancy shall occur in the office of President or Vice President, it shall be filled at the regular or special meeting of the Board of Directors called for that purpose by a vote of a majority of the whole Board. Each member of the Board shall be notified of the proposed election.

E. REGULAR MEETINGS OF THE BOARD OF DIRECTORS. The Board of Directors shall hold its regular meeting on the first Wednesday after the first Monday of each month, beginning at such hour as may be designated from time to time.

F. SPECIAL MEETINGS OF THE BOARD OF DIRECTORS. Special meetings of the Board of Directors may be called at any time by the President, and shall be called by the President upon request, in writing, of any two Directors.

G. QUORUM. At a meeting of the Board of Directors three members present in person shall constitute a quorum for the transaction of business.

H. POWERS OF THE BOARD OF DIRECTORS. All corporate powers shall be and hereby are vested in and shall be exercised by the Board of Directors, who shall have full control and authority over the Corporation, and shall have power:

1. To appoint and remove at pleasure all employees and agents of the Company, prescribe their duties and fix their compensation;
2. To call special meetings of the stockholders;
3. To make all rules and regulations for the guidance of the officers, and for the management of the affairs of the Corporation;
4. To borrow money on the credit or responsibility of the Corporation, for the uses, needs and demands of the objectives

and aims for which the Corporation is organized, as outlined in its articles of incorporation, hereby conferring on said Board of Directors, the power to mortgage or pledge all the rights, properties and franchises of said Corporation;

5. To grant, bargain, sell and convey, in whole or in part, the lands, franchises, rights and properties of the Corporation, rendering the entire, full and absolute consideration therefor to the beneficial uses and needs of the Corporation. Further, to lease, exchange, transfer, and otherwise dispose of all or any part of the Corporation's property and assets;
6. To do all other things necessary to the proper management and control of the Corporation, including the right to make purchases for and on behalf of the Corporation, and, in the name of the Corporation, to enter and carry on suits at law, and to do any and all other things not inconsistent with these rules; subject to the laws of the State of Colorado, which may seem to them wise and for the best interests of the Corporation;
7. To make such prudential By-Laws as they shall, from time to time, deem proper for the management of the Corporation.

V.

OFFICERS AND EMPLOYEES

The elective officers shall be President, Vice President, and the appointive officers shall be a Secretary, a Treasurer, an attorney, and such superintendent or superintendents, manager, or managers, agents, ditch riders, keepers, custodians, or other officers as in the discretion of the Board of Directors may, from time to time, be necessary to appoint and employ, for the furtherance of the best interests of the corporation, subject to the limitations of these rules and of the articles of incorporation.

The Board of Directors shall elect the President and Vice President from their number, who shall hold office for one year, or until their successors are elected and qualified.

The office of Secretary and the office of Treasurer may be combined at the option of the Board of Directors.

The Secretary, and all other appointive officers, clerks and employees, shall hold office during the pleasure of the Board.

The Treasurer shall be such person or institution as in the judgment of the Board of Directors shall be a person of integrity, worth and responsibility, and unless such Treasurer shall be an institution of known responsibility, subject to the examination of a bank examiner, or like officer, said Treasurer shall be obligated to furnish to the Board of Directors, for the benefit of this corporation, a good and sufficient bond in the sum of at least Ten Thousand Dollars in each instance, which bond shall be executed by a reputable surety company, and the Board of Directors shall

pay the premium on such bond, as an expense incurred for this Corporation; provided, if at any time the Board of Directors, on account of the large amount of money held by such Treasurer for this Corporation, may deem a bond of such minimum amount insufficient, they may require an increased bond of such amount as may seem best.

The Secretary shall furnish a like bond, concerning which the foregoing regulations shall also apply.

And, if it seem best to the Board of Directors, they may require bonds from any or all other officers or employees, for such amounts as they think best, the premiums on which bonds shall be paid as above provided.

VI.

DUTIES OF OFFICERS

A. PRESIDENT. The duties and powers of the President shall be those usual to the executive officer of a corporation.

B. VICE PRESIDENT. The duties and powers of the Vice President shall be the same as those of the President, but they shall be exercised only in the absence, resignation, death or removal or other inability of the President.

C. SECRETARY. The duties of the Secretary shall be the usual duties of such an officer in a corporation of this kind and nature, as modified by these rules.

In case of the absence or inability of the Secretary to discharge the usual duties of a Secretary at any time or place, the Board of Directors may appoint a Secretary pro tem, or may supply the vacancy by appointment.

D. TREASURER. The Treasurer shall be the custodian of such money as from time to time shall be deposited with the Treasurer by the Secretary or other officers or agents of the Corporation, or by individuals or Corporations for the account of this Corporation, and shall pay out such money only on properly drawn orders or checks, countersigned by the President or Vice President and Secretary or Treasurer of the Corporation, and shall, as often as may be required by the Secretary or President, or Board of Directors, make a written statement of the sums received on behalf of the Corporation since the Treasurer's last report, the amount paid out on orders as above provided, and the sum remaining to the credit of the Corporation.

E. OTHER OFFICERS. The duties of the other officers and employees of the Company shall be as from time to time prescribed by the Board of Directors.

VII.

COMPENSATION OF OFFICERS AND EMPLOYEES

The officers and employees of this company shall receive such salary and compensation or remuneration for their services as the Board of Directors, in their discretion, shall from time to time determine.

VIII.

ISSUE AND TRANSFER OF STOCK

Certificates of the capital stock of the Corporation shall be numbered and registered as they are issued. They shall exhibit the holder's name, post office address or residence when known, and the number of shares, and shall be signed by the President and countersigned or attested by the Secretary, and shall bear the corporate seal.

The total number of shares outstanding shall never exceed the authorized capital stock of the Corporation. Guaranteed signatures shall normally be furnished for the transfer of stock on the books of the Corporation and shall be furnished whenever North Poudre so requires. Transfers of stock may also be made in the presence of the Secretary or President, by the holder, either in person or by an attorney-in-fact, or by a legal representative who shall surrender the certificate for cancellation, which certificate shall be cancelled and a transfer fee as set from time to time by the Board of Directors paid to the Secretary, before a new certificate shall be issued in lieu thereof. Other transfer requirements shall be as required by the Board of Directors. The surrendered certificate shall be kept on file in the Secretary's office.

The mere possession of a certificate of stock as between the Corporation and the holder shall not be regarded as vesting any ownership of the same in any person other than the registered owner until transfer thereof is made on the books of the Corporation.

Unless waived in writing by the Board for good cause shown, no transfer of stock shall be made or shall be valid, until all assessments against the same have been fully paid. However, if any portion of the stock is being reissued without any change in ownership, or reissued to add or delete a spouse's name, with the spouse's approval, and written proof is furnished as to who is to pay assessments, the assessments as to such stock need to be paid only if delinquent. Assessments do not have to be paid when any stockholder creates a voluntary lien against the stock, for example, by security agreement or deed of trust.

Except for shares now issued which may be transferred as existing, no certificates of stock shall be issued or transferred in any multiple other than one-half share, and the owner of the stock according to the records of the Company shall be liable for all assessments.

On a transfer of stock or preferred water right in Fossil Creek Reservoir other than through a regular assignment without the necessity of supporting documentation the North Poudre Irrigation Company will charge such attorney fees and expenses as are necessary to satisfy itself as to the sufficiency of the transfer documents and may also require an indemnity agreement as a condition of transfer.

Certificates for rights in Fossil Creek Reservoir shall be issued or transferred only on the basis of one preferred right per certificate. No fractional certificates are allowed.

**IX.
STOCK LEDGER**

The Secretary shall keep a book called a stock ledger containing the names of all persons who are or shall have been within one year, stockholders in the Corporation, showing their place of residence, as last known, the number of shares of stock held by them respectively; and the time when they respectively became the owners thereof; which book shall, during the usual business hours of the day, be open for inspection of the stockholders and creditors of the Corporation, and their personal representative, at its principal office; and any and every stockholder, creditor or representative shall have the right to make extracts from said book. The secretary shall also keep a certificate book and stubs. The stub shall show how the certificate was issued.

Upon written request of a North Poudre stockholder of record, stating a proper purpose and payment of \$25.00, such stockholder shall be entitled to a copy of the list of North Poudre stockholders then being used by the Company. On written request for a list of more recent date by a stockholder of record, North Poudre will extend the list to more recent date upon payment in advance of the approximate cost of revising the list. Any stockholder who uses the list and runs for office of director shall be refunded the amount paid, whether or not elected. Any stockholder requesting a list shall state the purpose for which it is to be used, and shall agree and certify in writing that the list will not be sold or released to anyone. The Secretary may decline to furnish the list if, in the Secretary's judgment, the Secretary believes the request improper for any reason. Denial of the list by the Secretary may be appealed in writing to the North Poudre Board within thirty days after the written refusal to furnish same.

**X.
VOTING STOCK**

The stock shall be considered and treated by the Corporation as personal property, and any person pledging or mortgaging the same as security for any debt, shall be considered as holding the same and liable accordingly as a stockholder.

Every personal representative, legal representative, executor, administrator, conservator and guardian shall represent the stock in his or her hands at all stockholders' meetings, and shall vote the same as a stockholder, and shall be liable in the same manner and to the same extent as the testator, intestate or ward would or should if living or competent to act; and every person who shall pledge or mortgage his or her stock as collateral security or as security at all for any debt shall nevertheless be entitled to vote the same at all stockholders' meetings while he or she remains the equitable owner and until the legal and equitable title shall have been forfeited against him or her by foreclosure.

**XI.
PAID UP STOCK**

The stock of the Corporation shall all be issued as fully paid stock, and shall not be liable to future calls.

**XII.
ASSESSMENTS**

When the corporation shall have no income or funds sufficient to meet the necessary expenses of maintenance and repairs of its property, to pay to its officers, agents and employees, to protect and defend its rights, and to pay its legal indebtedness of whatever nature, an assessment shall be levied on its paid up stock, pro rata, on all shares, and payable in money. Except as provided by law, no assessment shall be made unless the question of making the same shall have first been submitted to the stockholders at an annual meeting, or a special meeting called for that purpose and a majority of the stockholders, either in person or by proxy, voting thereon, shall vote in favor of making such assessment.

When such an assessment shall have been duly made, any stockholder who shall fail, neglect or refuse to pay the same when due and after notice thereof, shall not be entitled to draw or receive any water from the canals or reservoirs of the Corporation or to receive other benefits of any kind or nature by reason of his or her ownership in the capital stock of the Corporation, until assessment is fully paid.

The Board, to reduce administrative expense, may prescribe certain minimum assessment payments which shall be made in one lump sum by the date required.

All assessments shall be due and payable as soon as levied, and shall be delinquent at such time as the Board of Directors shall prescribe, and shall draw interest from the date they are delinquent until they are paid, at such rate of interest as may be prescribed by the Board of Directors.

The interest on an unpaid assessment is an integral part of the assessment and no stockholder who fails, neglects or refuses to pay the interest on a past due assessment after notice thereof shall be entitled to draw or receive any water from the canals or reservoirs of the Corporation or receive other benefits of any kind or nature by reason of ownership in the capital stock of the Corporation until the unpaid interest is paid in full.

When assessments are unpaid and interest has accrued thereon any payment received by North Poudre thereafter shall first be applied to the payment of delinquent interest and the balance, if any, toward the unpaid assessment.

When any stockholder shall be in default in the payment of any installment or assessment upon the stock pursuant to the determination and levy of the Board of Directors for the period of thirty days after personal notice thereof, and demand thereof by the Secretary or after a written or printed notice and demand therefor has been deposited in the post office, properly addressed to the last known post office address of such delinquent stock-

holder, the Board of Directors at any meeting may order that the share or shares of stock held by such delinquent stockholder therein be sold by the President at Public Auction at some certain time and place to be designated in such order, to the highest bidder for cash; provided, however, that notice of such sale shall be published in some public newspaper published in Fort Collins, and provided further that the proceeds of any such sale over and above the amount due on such share or shares for delinquent assessments, interest, expenses, and reasonable attorney fees incurred or paid by the company incident to such sale, shall be paid to the delinquent stockholder. Each stockholder shall be liable to pay all interest, costs, expenses and reasonable attorney fees paid or incurred by the company with regard to efforts to collect any delinquent stock assessments and the interest thereon.

The perpetual lien for assessment provided for by C.R.S. 7-42-104 shall be prior in right to any other lien, voluntary or involuntary, and however created, against the stock assessed.

XIII.

NOTICE OF ASSESSMENTS

The Secretary shall, as early as possible after the same is levied, notify each stockholder of his or her assessment and demand payment thereof. Notice shall be made by delivery to each stockholder, either personally or by depositing in the post office such written notice and demand, properly stamped, and addressed to the place last known to be the residence of such stockholder according to North Poudre records. The stockholder shall furnish any changes of address to North Poudre in writing.

XIV.

AMENDMENTS TO BY-LAWS

These By-Laws may be amended at any meeting of the Board of Directors by a majority vote of the full Board.

XV.

PARK CREEK

The Park Creek Dam was constructed by the North Poudre Irrigation Company with an outlet that makes it possible for the Company to deliver water from Park Creek Dam to a supplier of domestic water. The potential to deliver water from Park Creek Dam for domestic purposes is a valuable asset of The North Poudre Irrigation Company, and The North Poudre Irrigation Company intends to receive fair and reasonable compensation for the delivery of any water from Park Creek Reservoir for domestic purposes. Any delivery of water from Park Creek for domestic purposes shall be only on such terms and conditions as The North Poudre Irrigation Company approves after taking into consideration the expense of constructing and paying for the Park Creek Dam. Accordingly, no individual stockholder or stockholders shall be allowed to receive water for domestic purposes directly from Park Creek Dam or at any point where delivery is made possible because of the existence of Park Creek Dam. Nothing in this By-Law shall prevent the delivery of water for irrigation purposes.

This By-Law is further enacted to protect the Company from any claim which might be made by the Northern Colorado Water Conservancy District, it being the Company's present understanding that the Northern Colorado Water Conservancy District may contend that The North Poudre Irrigation Company cannot receive water for \$1.50 per acre-foot unit if it supplies water for domestic use. (4-7-71)

XVI.

APPLICATION FOR A HEADGATE

No applications for a headgate will be accepted unless ten shares of stock or more are owned and water for said shares is delivered through the proposed headgate and measuring device. This By-Law does not require the Company to approve a headgate even if ten shares or more are involved but shall serve as a general guideline. (7/3/71)

XVII.

INDEMNIFICATION

The North Poudre Irrigation Company shall indemnify all present and future Directors, officers and other employees of the company from liability incurred by reason of the performance of their official duties on behalf of the North Poudre Irrigation Company and pay all reasonable fees, costs and expenses incurred with the authority of such attorney in defending legal action in which liability by reason of the performance of such official duties is alleged against such Directors, officers and employees, provided, however, that if in the judgment of the Board of Directors of the Company the director, officer, or employee is guilty of willful or wanton misconduct, willful or wanton neglect of duty, intentional injury, or criminal act, any of which is essential to such asserted liability, there shall be no such indemnity or payment of legal fees, costs or expenses. Any Director served with any process in any action, suit or proceeding shall immediately notify the Company and furnish copies of all papers served upon him or her if a Director claims or may claim that the Company must indemnify him or her as herein provided. The allegations of any action, suit or proceeding shall in the first instance determine the Company's obligation hereunder but there shall be no liability in the event there is a judgment in the Court having jurisdiction in which it is determined that there were acts or omissions which constitute willful or wanton misconduct, willful or wanton neglect of duties, intentional injury, or a criminal act. (3-6-74)

XVIII.

The following shall be a By-Law effective immediately governing delivery of any water within the North Poudre system, namely, that no water shall be delivered for replacement water for any land not irrigated through the North Poudre system of ditches and reservoirs nor shall water from the North Poudre System be delivered where it can be used for replacement water for wells not under the North Poudre system.

This By-Law is necessary to preserve the rights of the North Poudre stockholders and to preserve the flexibility necessary to make water exchanges to keep the total system functioning effectively and to avoid claimed violation of Northern Colorado Water Conservancy District rules, policies, or by-laws. (4-3-74)

XIX.

When no water has been delivered through a headgate for a period of one year or more as disclosed by the Company's records or a report to the Board of Directors, and the stock records of The North Poudre Irrigation Company and other available information indicate the stock is no longer owned to provide water to land below the headgate, upon the direction of the Board of Directors, the Secretary-Manager of The North Poudre Irrigation Company shall cause the headgate to be locked or removed as the Board may direct. At the end of each irrigation season, the Secretary-Manager shall advise the Board of Directors of those headgates to be locked or removed. Thereafter, the headgate may be used or replaced only if there is compliance with the by-laws and rules and regulations of the Company regarding the installation of a new headgate. (4-9-76)

XX.

The Cache La Poudre Water Users Association has objected to the use of water outside the Cache La Poudre Basin, citing the City of Boulder v. the Boulder and Left Hand Ditch Company case, No. 26996, decided December 13, 1976, 192 Colo. 219, 557 P.2d, 1182 (1976), by the Colorado Supreme Court. The Colorado Supreme Court, in this case, again recognized that junior appropriators have rights in return flow to the extent that they may not be injured by a change in the place of use of the irrigation water which provides that return flow.

The Board of Directors in considering the best interest of The North Poudre Irrigation Company and the fact it must exchange water with other users does not wish to cause injury to stockholders in The North Poudre Irrigation Company, nor to other water users in the Cache La Poudre Basin.

The Board of Directors believes and finds that it is in the best interest of The North Poudre Irrigation Company to prohibit the delivery of water which a stockholder would receive because of ownership of stock in The North Poudre Irrigation Company outside of the drainage basin of the Cache La Poudre River and this by-law hereby prohibits the delivery of any water where the use of same would be outside the drainage basin of the Cache La Poudre River.

This By-Law shall be effective on January 1, 1978, but stockholders of record as of August 3, 1977 shall have until January 1, 1981, before delivery to such stockholder under this by-law is prohibited.

XXI.

Rules, regulations, policies, and forms may be adopted, supplemented, or amended by the Board of Directors from time to time to assist the operation of the company.

By-Laws
Of
North Poudre Irrigation
Company

February 2011

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I. Capital Stock

The Capital stock of said company is, and shall be, Five Hundred Thousand Dollars, (\$500,000.00), which shall be divided into Ten Thousand (10,000) shares of the par value of Fifty Dollars (\$50.00) for each share.

II. Amendments to Articles of Incorporation

Any proposed amendment or amendments may be voted upon by the stockholders at their regular annual meeting; provided, that the published notice of such meeting shall have contained information that such amendment, giving the purpose of the same, would be presented and acted upon at such meeting; or any proposed amendment or amendments may be voted upon at a meeting of the stockholders, called by the Board of Directors, for the purpose of making such amendment, the purpose of such amendment having been state in such notice.

Provided, whenever the holder or holders of one-third of the outstanding stock, as shown by the stock book of the Company, shall, in writing request the President to call a special meeting of the stockholders for the purpose of considering any proposed amendment or amendments, the President shall, without delay, call a meeting of the Board of Directors and present the same to it, and thereupon the Board shall call a special meeting of the stockholders for the purpose of considering the proposed amendment or amendments to the articles of incorporation.

A two-thirds vote of all the capital stock subscribed and outstanding shall be required in favor of an amendment to said articles of incorporation before the same shall be declared adopted.

III. Stockholder's Meeting

The annual meeting of the stockholders shall be held on or about the first Monday in February of each year at a place in Larimer County selected by the Board of Directors, and such meeting shall be called to order between eight and eleven o'clock AM, at the discretion of the Board of Directors. Reasonable advance written notice shall be given by the Board as to time, place and general purpose of the meeting.

The President of the Board of Directors shall call the meeting in order to appoint a committee on credentials, and when it is found by the report of said committee, or otherwise, the majority of the stock is represented in person or by proxy, at such meeting or adjourned meeting, the stockholders' meeting shall proceed.

- I. **Quorum.** A majority of all the stock of the Company outstanding must be represented in person or by proxy to constitute a quorum to transact any

business.

- II. **Proxies.** Each stockholder shall have the right to appoint, in writing, any person of his or her choice to vote for him or her by proxy. Such proxies must be registered with the Credentials Committee prior to the opening of the ballot boxes for election of Directors at the stockholder's meeting.

III. **Duties of Officers and Committees.**

- i. The President of the Board of Directors, or in his or her absence, the Vice-President, shall preside at all stockholders' meetings; provided, that if neither is present, the stockholders may elect a chairperson from among their number.
- ii. The Secretary of the Board of Directors shall act as Secretary of all stockholders' meetings and keep all minutes of such meetings; provided, that when he or she is absent the stockholders may choose a Secretary from among their number such meeting.
- iii. The Credentials Committee shall register all members attending the stockholders' meeting and shall register all proxies. The Committee shall determine the number of votes to be cast by each member and proxy holder, and shall be responsible for counting the ballots cast for those nominated to the Board of Directors.

- IV. **Order of Business.** The order of business at the stockholders' meeting shall be as follows:

- i. Meeting shall be called to order by the President.
- ii. Appointment of three stockholders of the Company as a Credentials Committee.
- iii. Registration of proxies with Credentials Committee.
- iv. Report of the Credentials Committee
- v. Annual report.
- vi. Nomination of Directors.
- vii. Opening of polls for election of Directors.
- viii. Old Business.

ix. New Business (must include vote on assessment for the following year.)

V. Fixing of Record Date.

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or in order to make a determination of shareholders for any other proper purpose including their qualifications to serve as director, the stock transfer books shall be closed as of the close of the last business day at least 15 days prior to the meeting, but as near 15 days as possible. Business day means any day other than a national holiday, Saturday and Sunday.

IV. Board of Directors

I. Membership of the Board of Directors.

Membership of the Board of Directors shall consist of five persons who shall be stockholders and who shall have his or her home within a radius of 30 miles from the Town of Wellington and who shall be elected as hereafter provided and hold office until their successors are elected and qualified. This residency requirement has been considered by the entire Board and is adopted because of the desirability of having a Director familiar with the area that the Company serves and residency in the radius aforementioned should assure that the person has an acquaintance or will become acquainted with the area, geography, the people and problems of the North Poudre Irrigation Company.

II. Election of the Board of Directors.

The Directors to fill expiring terms are elected at the annual stockholders' meeting. Terms are for three years except when elected to fill a vacancy. Regular terms for two Directors expire in February 1972 and in February 1973, and the term for one Director expires in February of 1974.

Each stockholder shall have the right to nominate a member for the Board of Directors, and election shall be by ballot on the nominations except for an election by unanimous acclamation.

The polls shall be open for at least one hour, or until all votes are cast; each stockholder having the right to vote in person or by proxy the number of shares owned by him or her, and may vote said number of shares for as many Directors as are to be elected, or may accumulate such shares and give to one candidate as many votes as the number of his or her shares multiplied by the number of

the Directors to be elected, or may distribute his or her votes among as many candidates and in such proportion as he or she may desire.

All ballots shall contain the name of the Director or Directors for whom the ballot is cast and clearly set forth the number of votes cast for each Director if the ballot be cast for more than one.

The ballot shall be signed by the person casting same. Once a ballot is placed in the ballot box, it shall not be withdrawn.

The Credentials Committee shall count and certify the vote. Any ballot not completed and signed as required in the By-Laws shall be invalid and shall not be counted.

The person or persons having the highest number of votes for any vacancy or vacancies, as certified by the Credentials Committee, shall be declared elected to the Board of Directors for the term being filled.

Any other matter involving the propriety and the authenticity of a ballot shall be resolved by majority vote of the Credentials Committee during the count of the ballots and shall be binding on all concerned unless such determination be arbitrary and capricious.

III. Vacancies on the Board of Directors.

In the event a vacancy occurs on the Board of Directors, the remaining members of the Board shall have the right, at the next regular Board meeting following the creation of such vacancy, to elect from among the stockholders of the Company a successor in such office, who shall assume and discharge the duties of such office until the next ensuing annual stockholders' meeting, at which time a successor shall be elected by the stockholders to fill the unexpired term, if any, of such Director.

If the Board of Directors shall for any reason be unable to agree upon, or to select a successor to fill such vacancy, they may, in their discretion call a special meeting of the stockholders of said Company for the purpose of making a choice to fill such vacancy; or if the Board of Directors has failed to fill such vacancy, or fails or refuse to call a special meeting of the stockholders to fill such vacancy, on the written request of the stockholders holding ten per cent (10%) of the shares of said Company, notice by the President shall be given of a special meeting of the stockholders to be held for the purpose of electing a stockholder to fill the vacancy on the Board of Directors; such election to be held as at the annual stockholders' meeting.

IV. Officers of the Board of Directors.

At the first regular meeting of the Board of Directors following the annual meeting of the stockholders, the Board shall organize and elect a President and a Vice President from their number. Such election shall be by ballot, and the affirmative vote of the majority of the whole Board shall be required for each election.

When a vacancy shall occur in the office of President or Vice President, it shall be filled at the regular or special meeting of the Board of Directors called for the purpose by a vote of a majority of the whole Board. Each member of the Board shall be notified of the proposed election.

V. Regular Meetings of the Board of Directors.

The Board of Directors shall hold its regular meeting on the first Wednesday after the first Monday of each month, beginning at such hour as may be designated from time to time.

VI. Special Meetings of the Board of Directors.

Special meetings of the Board of Directors may be called at any time by the President, and shall be called by the President upon request, in writing, of any two directors.

VII. Quorum.

At a meeting of the Board Directors three members present in person shall constitute a quorum for the transaction of business.

VIII. Powers of the Board of Directors.

All corporate powers shall be and hereby are vested in and shall be exercised by the Board of Directors, who shall have full control and authority over the Corporation and shall have power:

- i. To appoint and remove at pleasure all employees and agents of the Company, prescribe their duties and fix their compensation;
- ii. To call special meetings of the stockholders;
- iii. To make all rules and regulations for the guidance of the officers, and for the management of the affairs of the Corporation;

- iv. To borrow money on the credit or responsibility of the Corporation, for the uses, needs and demands of the objectives and aims for which the Corporation is organized, as outlined in its articles of incorporation, hereby conferring on said Board of Directors, the power to mortgage or pledge all the rights, properties and franchise of said Corporations;
- v. To grant, bargain, sell and convey, in whole or in part, the lands, franchises, rights and properties of the Corporation, rendering the entire, full an absolute consideration therefore to the beneficial uses and needs of the Corporation. Further to lease, exchange, transfer, and otherwise dispose of all or any part of the Corporation's property and assets;
- vi. To do all other things necessary to the proper management and control of the Corporation, including the right to make purchases for and on behalf of the Corporation, to enter and carry on suits at law, and to any and all other things not inconsistent with these rules; subject to the laws of the State of Colorado, which may seem to them wise and for the best interests of the Corporation;
- vii. To make such prudential By-Laws as they shall, from time to time, deem proper for the management of the Corporation.

V. Officers and Employees

The elective officers shall be President, Vice President, and the appointive officers shall be a Secretary, a Treasurer, an attorney, and such superintendent or superintendents, manager, or managers, agents, ditch riders, keepers, custodians, or other officers as in the discretion of the Board of Directors may, from time to time, be necessary to appoint and employ, for the furtherance of the best interest of the corporation, subject to the limitations of these rules and of the articles of incorporation.

The Board of Directors shall elect the President and Vice President from their number, who shall hold office for one year or until their successors are elected and qualified.

The office of Secretary and the office of Treasurer may be combined at the option of the Board of Directors.

The Secretary, and all other appointive officers, clerks and employees, shall hold office during the pleasure of the Board.

The Treasurer shall be such person or institution as in the judgment of the Board of Directors shall be a person of integrity, worth and responsibility, and unless such Treasurer shall be an institution of known responsibility, subject to the examination of a bank examiner, or like

officer, said Treasurer shall be obligated to furnish to the Board of Directors, for the benefit of this corporation, a good and sufficient bond in the sum of at least Ten Thousand Dollars in each instance, which bond shall be executed by a reputable surety company, and the Board of Directors shall pay the premium on such bond, as an expense incurred for this Corporation; provided, if at any time the Board of Directors, on account of the large amount of money held by such Treasurer for this Corporation, may deem a bond of such minimum amount insufficient, they may require an increased bond of such amount as may seem best.

The Secretary shall furnish a like bond, concerning which the foregoing regulations shall also apply.

And, if it seems best to the Board of Directors, they may require bonds from any or all other officers or employees, for such amounts as they think best, the premiums on which bonds shall be paid as above provided.

VI. Duties of Officers

I. President.

The duties and powers of the President shall be those usual to the executive officer of a corporation.

II. Vice President.

The duties and powers of the Vice President shall be the same as those of the President, but they shall be exercised only in the absence, resignation, death or removal or other inability of the President.

III. Secretary.

The duties of the Secretary shall be the usual duties of such an officer in a corporation of this kind and nature, as modified by these rules.

In the case of the absence or inability of the Secretary to discharge the usual duties of a Secretary at any time or place, the Board of Directors may appoint a Secretary pro tem, or may supply the vacancy by appointment.

IV. Treasurer.

The Treasurer shall be the custodian of such money as from time to time shall be deposited with the Treasurer by the Secretary or other officers or agents of the Corporation, or by individuals or Corporations for the account of this Corporation, and shall pay out such money only on properly drawn orders or

checks, countersigned by the President or Vice President and Secretary or Treasurer of the Corporation, and shall as often as may be required by the Secretary or President, or Board of Directors, make a written statement of the sums received on behalf of the Corporation since the Treasurer's last report, the amount paid out on orders as above provided, and the sum remaining to the credit of the Corporation.

V. Other Officers.

The duties of the other officers and employees of the Company shall be as from time to time prescribed by the Board of Directors.

VII. Compensation of Officers and Employees

The officers and employees of this company shall receive such salary and compensation or remuneration for their services as the Board of Directors, in their discretion, shall from time to time determine.

VIII. Issue and Transfer of Stock

Certificates of the capital stock of the Corporation shall be numbered and registered as they are issued. They shall exhibit the holder's name, post office address or residence when known, and the number of shares, and shall be signed by the President and countersigned or attested by the Secretary, and shall bear the corporate seal.

The total number of shares outstanding shall never exceed the authorized capital stock of the Corporation. Guaranteed signatures shall normally be furnished for the transfer of stock on the books of the Corporation and shall be furnished whenever North Poudre so requires. Transfers of stock may also be made in the presence of the Secretary or President, by the holder, either in person or by an attorney-in-fact, or by a legal representative who shall surrender the certificate for cancellation, which certificate shall be cancelled and a transfer fee as set from time to time by the Board of Directors paid to the Secretary, before a new certificate shall be issued in lieu thereof. Other transfer requirements shall be as required by the Board of Directors. The surrendered certificate shall be kept on file in the Secretary's office.

The mere possession of a certificate of stock as between the Corporation and the holder shall not be regarded as vesting any ownership of the same in any person other than the registered owner until transfer thereof is made on the books of the Corporation.

Unless waived in writing by the Board for good cause shown, no transfer of stock shall be made or shall be valid, until all assessments against the same have been fully paid. However, if any portion of the stock is being reissued without any change in ownership, or reissued to add or

delete a spouse's name, with the spouse's approval, and written proof is furnished as to who is to pay assessments, the assessments as to such stock need to be paid only if delinquent. Assessments do not have to be paid when any stockholder creates a voluntary lien against the stock, for example, by a security agreement or deed of trust.

Except for shares now issued which may be transferred as existing, no certificates of stock shall be issued or transferred in any multiple other than one share, and the owner of the stock according to the records of the Company shall be liable for all assessments.

On a transfer of stock or preferred water right in Fossil Creek Reservoir other than through a regular assignment without the necessity of supporting documentation the North Poudre Irrigation Company will charge such attorney fees and expenses as are necessary to satisfy itself as to the sufficiency of the transfer documents and may also require an indemnity agreement as a condition of transfer.

Certificates for rights in Fossil Creek Reservoir shall be issued or transferred only on the basis of one preferred right per certificate. No fractional certificates are allowed.

IX. Stock Ledger

The Secretary shall keep a book called a stock ledger containing the names of all persons who are or shall have been within one year, stockholders in the Corporation, showing their place of residence, as last known, the number of shares of stock held by them respectively; and the time when they respectively became the owners thereof; which book shall, during the usual business hours of the day, be open for inspection of the stockholders and creditors of the Corporation, and their personal representative, at its principal office; and any and every stockholder, creditor or representative shall have the right to make extracts from said book. The secretary shall also keep a certificate e book and stubs. The stub shall show how the certificate was issued.

Upon written request of a North Poudre stockholder of record, stating a proper purpose and payment of \$25.00, such stockholder shall be entitled to a copy of the list of North Poudre stockholders then being used by the Company. On written request for a list of more recent date by a stockholder of record, North Poudre will extend the list to a more recent date upon payment in advance of the approximate cost of revising the list. Any stockholder who uses the list and runs for office of director shall be refunded the amount paid, whether or not elected. Any stockholder requesting a list shall state the purpose for which it is to be used, and shall agree and certify in writing that the list will not be sold or released to anyone. The Secretary may decline to furnish the list if, in the Secretary's judgment that the request is improper for any reason. Denial of the list by the Secretary may be appealed in writing to the North Poudre Board within thirty days after the written refusal to furnish same.

X. Voting Stock

The stock shall be considered and treated by the Corporation as personal property, and any person pledging or mortgaging the same as security for any debt, shall be considered as holding the same and liable accordingly as a stockholder.

Every personal representative, legal representative, executor, administrator, conservator and guardian shall represent the stock in his or her hands at all stockholder's meetings, and shall vote the same as a stockholder, and shall be liable in the same manner and to the same extent as the testator, intestate or ward would or should if living or competent to act; and every person who shall pledge or mortgage his or her stock as collateral security or as security for any debt shall nevertheless be entitled to vote the same at all stockholders' meetings while he or she remains the equitable owner and until the legal and equitable title shall have been forfeited against him or her by foreclosure.

XI. Paid Up Stock

The stock of the Corporation shall all be issued as fully paid stock, and shall not be liable to future calls.

XII. Assessments

When the corporation shall have no income or funds sufficient to meet the necessary expenses of maintenance and repairs of its property, to pay its officers, agents and employees, to protect and defend its rights, and to pay its legal indebtedness of whatever nature, an assessment shall be levied on its paid up stock, pro rata, on all shares, and payable in money. Except as provided by law, no assessment shall be made unless the question of making the same shall have first been submitted to the stockholders at an annual meeting, or a special meeting called for that purpose and a majority of the stockholders, either in person or by proxy, voting thereon, shall vote in favor of making such assessment.

When such an assessment shall have been duly made, any stockholder who shall fail, neglect or refuse to pay the same when due and after notice thereof, shall not be entitled to draw or receive any water from the canals or reservoirs of the Corporation or to receive other benefits of any kind or nature by reason of his or her ownership in the capital stock of the Corporation, until assessment is fully paid.

The Board to reduce administrative expense may prescribe certain minimum assessment payments which shall be made in one lump sum by the date required.

All assessments shall be due and payable as soon as levied, and shall be delinquent at such time as the Board of Directors shall prescribe, and shall draw interest from the date they are

delinquent until they are paid, at such rate of interest as may be prescribed by the Board of Directors.

The interest on an unpaid assessment is an integral part of the assessment and no stockholder who fails, neglects or refuses to pay the interest on a past due assessment after notice thereof shall be entitled to draw or receive any water from the canals or reservoirs of the Corporation or receive other benefits of any kind or nature by reason of ownership in the capital stock of the Corporation until the unpaid interest is paid in full.

When assessments are unpaid and interest has accrued thereon any payment of any installment or assessment upon the stock pursuant to the determination and levy of the Board of Directors for the period of thirty days after personal notice thereof, and demand thereof by the Secretary or after a written or printed notice and demand therefore has been deposited in the post office, properly addressed to the last known post office address of such delinquent stockholder, the Board of Directors at any meeting may order that the share or shares of stock held by such delinquent stockholder therein be sold by the President at Public Auction at some certain time and place to be designated in such order, to the highest bidder for cash; provided, however, that notice of such sale shall be published in some public newspaper published in Fort Collins, and provided further that the proceeds of any such sale over and above the amount due on such share or shares for delinquent assessments, interest, expenses, and reasonable attorney fees incurred or paid by the company incident to such sale, shall be paid to the delinquent stockholder. Each stockholder shall be liable to pay all interest, costs, expenses and reasonable attorney fees paid or incurred by the company with regard to efforts to collect any delinquent stock assessments and interest thereon.

The perpetual lien for assessment provided for by CRS 7-42-104 shall be prior to any other lien, voluntary or involuntary, and however created, against the stock assessed.

XIII. Notice of Assessments

The Secretary shall, as early as possible after the same is levied, notify each stockholder of his or her assessment and demand payment thereof. Notice shall be made by delivery to each stockholder, either personally or by depositing in the post office such written notice and demand, properly stamped, and addressed to the place last known to be the residence of such stockholder according to North Poudre records. The stockholder shall furnish any changes of address to North Poudre in writing.

XIV. Amendments to By-Laws

These By-Laws may be amended at any meeting of the Board of Directors by a majority vote of the full Board.

XV. Park Creek

The Park Creek Dam was constructed by the North Poudre Irrigation Company with an outlet that makes it possible for the Company to deliver water from Park Creek Dam to a supplier of domestic water. The potential to deliver water from Park Creek Dam for domestic purpose is a valuable asset of The North Poudre Irrigation Company, and The North Poudre Irrigation Company intends to receive fair and reasonable compensation for the delivery of any water from Park Creek Reservoir for domestic purposes. Any delivery of water from Park Creek for domestic purposes shall be only on such terms and conditions as The North Poudre Irrigation Company approves after taking into consideration the expense of constructing and paying for Park Creek Dam. Accordingly, no individual stockholder or stockholders shall be allowed to receive water for domestic purposes directly from Park Creek Dam or at any point where delivery is made possible because of the existence of Park Creek Dam. Nothing in this By-Law shall prevent the delivery of water for irrigation purposes.

The By-Law is further enacted to protect the Company from any claim which might be made by the Northern Colorado Water Conservancy District, it being the Company's present understanding that the Northern Colorado Water Conservancy District may contend that The North Poudre Irrigation Company cannot receive water for \$1.50 per acre-foot unit if it supplies water for domestic use. (4-7-1971)

XVI. Application for a Headgate

No applications for a headgate will be accepted unless ten shares of stock or more are owned and water for said shares is delivered through the proposed headgate and measuring device. This By-Law does not require the Company to approve a headgate even if ten shares or more are involved but shall serve as a general guideline. (7/3/1971)

XVII. Indemnification

Each Director, officer, employee or agent of the Company (and his heirs, executors and administrators) shall be indemnified by the Company against expenses reasonably incurred by or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his being or having been a Director, officer, employee or agent of the Company or at its request, of any other Company of which it is a shareholder or creditor and from which he is not entitled to be indemnified (whether or not he continues to be a Director or officer at the time of imposing or incurring such expenses), to the fullest extent permitted by the laws of Colorado, as they exist or may hereafter be amended, including in circumstances in which indemnification is otherwise discretionary under Colorado law, in accordance with and subject to the limitations which may be contained in the bylaws of the Company from time to time in effect. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled under

applicable law. (2/9/2011)

XVIII. Augmentation Water

The following shall be a By-Law effective immediately governing delivery of any water within the North Poudre system, namely, that no water shall be delivered for replacement water for any land not irrigated through the North Poudre system of ditches and reservoirs nor shall water from the North Poudre System be delivered where it can be used for replacement water for wells not under the North Poudre system.

This By-Law is necessary to preserve the rights of the North Poudre stockholders and to preserve the flexibility necessary to make water exchanges to keep the total system functioning effectively and to avoid claimed violations of Northern Colorado Water Conservancy District rules, policies, or by-laws. (4/3/1974)

XIX. Abandoned Headgates

When no water has been delivered through a headgate for a period of one year or more as disclosed by the Company's records or a report to the Board of Directors, and the stock records of the North Poudre Irrigation company and other available information indicate the stock is no longer owned to provide water to land below the headgate, upon the direction of the Board of Directors, the Secretary/Manager of the North Poudre Irrigation Company shall cause the headgate to be locked or removed as the Board may direct. At the end of each irrigation season, the Secretary/Manager shall advise the Board of Directors of those headgates to be locked or removed. Thereafter, the headgate may be used or replaced only if there is compliance with the By-Laws, rules and regulations of the Company regarding the installation of a new headgate. (4/9/1976)

XX. Cache la Poudre Drainage Basin

The Cache la Poudre Water Users Association has objected to the use of water outside the Cache La Poudre Basin, citing the City of Boulder v. the Boulder and Left Hand Ditch Company case, No. 26996, decided December 13, 1976, 192 Colo. 219, 519, 557 P. 2d, 1182 (1976), by the Colorado Supreme Court. The Colorado Supreme Court, in this case, again recognized that junior appropriators have rights in return flow to the extent that they may not be injured by a change in the place of use of the irrigation water which provides the return flow.

The Board of Directors in considering the best interest of The North Poudre Irrigation Company and the fact it must exchange water with other users does not wish to cause injury to stockholders in The North Poudre Irrigation Company, nor to other water users in the Cache la Poudre Basin.

The Board of Directors believes and finds that it is in the best interest of The North Poudre Irrigation Company to prohibit the delivery of water which a stockholder would receive because of the ownership of stock in the North Poudre Irrigation Company outside of the drainage basin of the Cache La Poudre River and this By-Law hereby prohibits the delivery of any water where the use of same would be outside the drainage basis of the Cache la Poudre River.

This By-Law shall be effective on January 1, 1978, but stockholders of record as of August 3, 1977 shall have until January 1, 1981, before delivery to such stockholder under this By-Law is prohibited. (8/3/1978)

XXI. Policies, Rules and Regulations

Rules, regulations, policies, and forms may be adopted, supplemented, or amended by the Board of Directors from time to time to assist the operation of the Company.

XXII. Change of Water Rights

I. Application-Review-Standard.

Any stockholder (Applicant) desiring a change of water right as defined in the Water Right Determination and Administration Act of 1967, Colorado Revised Statutes §37-92-101 et. seq., including but not limited to, a change in point of diversion, type of use, or place of use of any water that the Applicant is entitled to receive as a result of stock ownership must first make a written Application to the directors of the Company. A change of water right shall also, without limitation, include the use of water the shareholder is entitled to as a result of stock ownership as augmentation water in a plan for augmentation or exchange. The request should detail the requested change and include adequate terms and conditions to prevent injury to the Company and its shareholders. In evaluating whether the requested change of water rights can be made without injury to the Company and its shareholders, the Company may obtain an engineering and legal analysis of the requested change by the Applicant and the terms and conditions offered by the Applicant.

- a. The Applicant shall include a deposit of One Thousand Dollars (\$1000.00) payable to the Company which shall be used by the Company to pay all costs and expenses incurred by the Company for any initial estimate of reasonable engineering, expert and attorney fees for the review as contemplated in Paragraph Four (4). Any part of the One Thousand Dollar (\$1000.00) deposit remaining after determination of the initial estimate, if any, will be applied toward the deposit required in Paragraph Five (5).