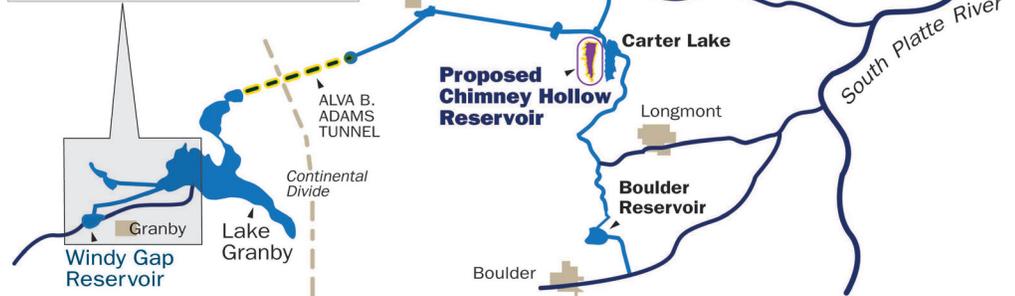


WINDY GAP FIRMING PROJECT

WHAT IS THE WINDY GAP FIRMING PROJECT?

The Windy Gap Firming Project is a collaboration between 12 Northeastern Colorado water providers to improve the reliability of, or make firm, water supplies from the Windy Gap Project, which started delivering water in 1985 and is operated by Northern Water's Municipal Subdistrict.

The firming project proposes to build a new East Slope reservoir called Chimney Hollow to provide dedicated storage to supply a reliable 30,000 acre-feet of water each year for future generations. The new reservoir would be immediately west of the existing Carter Lake in southern Larimer County.



WHY DO THE PARTICIPANTS NEED THE PROJECT?

There are 12 participants: Nine municipalities, two water districts and one power provider. Northern Water's Municipal Subdistrict has coordinated the permitting process and will oversee design, construction and operation of Chimney Hollow Reservoir.

By 2050, the water providers' combined population will have far more than doubled what it was in 2005, to about 825,000. Projections show a shortage in supply of 64,000 acre-feet in 2030 and 110,000 acre-feet by 2050.

To address this shortage, participants are relying on multiple approaches: conservation, alternative transfer methods with farms, reuse, and additional supplies – including the firming project.

- Broomfield
- Greeley
- Longmont
- Loveland
- Erie
- Fort Lupton
- Lafayette
- Louisville
- Superior
- Platte River Power Authority
- Central Weld County Water District
- Little Thompson Water District

HOW DOES CHIMNEY HOLLOW RESERVOIR FIT INTO THE COLORADO WATER PLAN?

In 2015, the Colorado Water Conservation Board released its Colorado Water Plan, which identified the need for more water for Colorado's growing population. The plan calls for increased water conservation, additional reservoir storage, temporary water transfer alternatives with farms and making full use of the water available to Colorado through its compacts with neighboring states.

Endorsed by Colorado Gov. John Hickenlooper, Chimney Hollow is a regional, cooperative storage solution, saving money and reducing environmental impacts by building one reservoir for the 12 providers to share.

The reservoir connects to existing infrastructure by storing water diverted into Windy Gap's system, which pumps water into Lake Granby and uses C-BT Project facilities for delivery to participants. The firming project would efficiently fill Chimney Hollow Reservoir using the original Windy Gap water rights decrees.

The reservoir is part of Larimer County's open space plan and will offer fishing and non-motorized boating. Larimer County owns the land next to the reservoir site – an ideal location for trails and initiatives to protect native habitat and vegetation.

WHAT MITIGATION WILL BE PROVIDED?

“Northern Water and its many project partners have worked diligently, transparently and exhaustively in a collaborative public process that could stand as a model for a project of this nature.”

- Colorado Gov. John Hickenlooper

“The Subdistrict and project participants are to be commended for their efforts to address our concerns and do the right thing for the river.”

- Mely Whiting, counsel for Trout Unlimited

“Grand County has secured protections for water quantity and quality in the Colorado River that never would have happened without the project and this permit.”

- Nancy Stuart, former Grand Co. commissioner

The Subdistrict, on behalf of project participants, is committed to mitigating environmental impacts and improving the Upper Colorado River habitat. Through collaboration with West Slope stakeholders and environmental groups, these efforts include a nearly \$100 million investment in the Colorado River.

The Subdistrict worked with biologists to develop the state fish and wildlife mitigation plan, which offers ways to address higher stream temperatures, increase flushing flows to clean sediment in the stream, and address the factors that impede water quality in Grand Lake and the Colorado River. Federal reviews incorporated the plan in the Final Environmental Impact Statement.

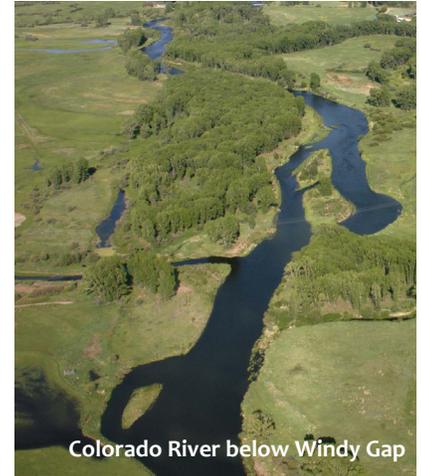
The participants authorized a

voluntary enhancement plan to fund future stream restoration and habitat-related projects. The Subdistrict will provide other benefits outlined in a 1041 permit and agreements with Grand County, West Slope stakeholders, Trout Unlimited and others. They include water supply for the Middle Park Water Conservancy District and more water for stream habitat on the river below Windy Gap.

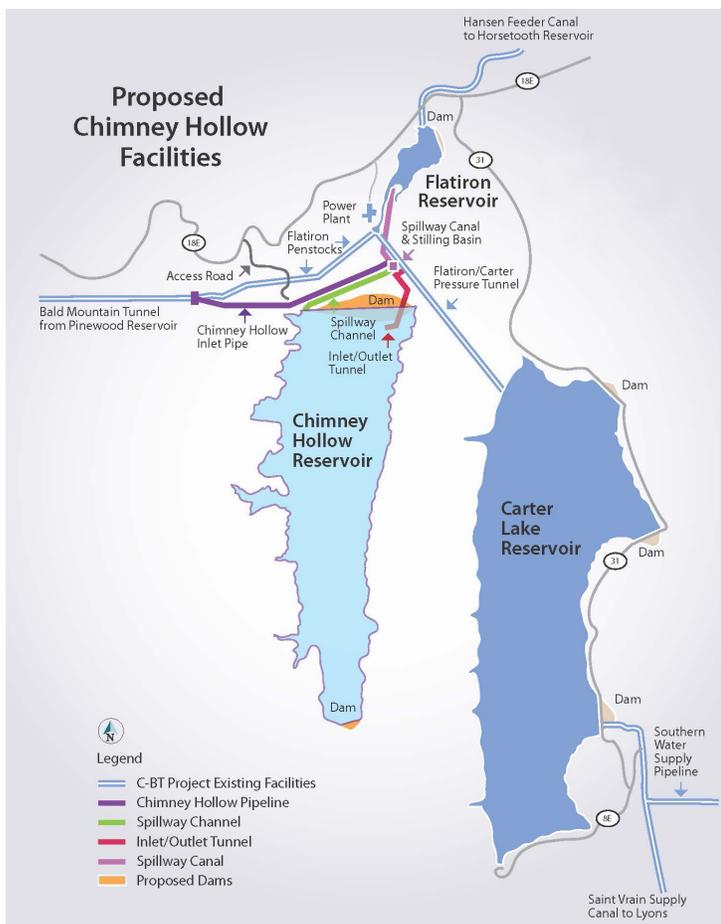
The Subdistrict also reiterated its support for Northern Water’s long-term commitment to work with Reclamation and Grand County to address existing clarity concerns in Grand Lake.

The Subdistrict will provide \$2 million for construction of a bypass for Colorado River water around Windy Gap Reservoir, and restore the one-mile reach of the Colorado River to a predeveloped condition.

The participants’ commitments leave a legacy that goes far beyond the requirement to mitigate for the firming project alone. Their collaborative efforts take a much bigger step and will improve Colorado River conditions from what they are today.



Colorado River below Windy Gap



CHIMNEY HOLLOW RESERVOIR TIMELINE

1985: Windy Gap Project construction completed

2003: Thirteen water providers enter the formal federal permitting process for Windy Gap Firming Project; The Subdistrict publishes an alternatives report detailing 170 methods to potentially accomplish project goals and how they were narrowed down to seven

2005: Reclamation publishes two reports, one describing the purpose of and need for the project, and one identifying a range of alternatives that could meet the needs

2008: Reclamation publishes the Draft Environmental Impact Statement

2009: The Subdistrict offers West Slope benefits to facilitate project implementation

2011: State officials approve the fish and wildlife mitigation plan and a voluntary enhancement plan; Reclamation publishes a Final EIS

2012: Grand County and the Subdistrict board approve agreements to create improvements to the Colorado River

2014: Reclamation issues its Record of Decision and signs a carriage contract to transport water to Chimney Hollow Reservoir

2016: Colorado issues a 401 Water Quality Certification

2017: U.S. Army Corps of Engineers issues its final Record of Decision

2019 (projected): Construction of an asphalt-core dam will commence at the Chimney Hollow site in Larimer County