



**HUNTERS OVERLOOK  
WATER ACTIVITY ENTERPRISE (HOWAE)  
2026**

A prior version of this summary was distributed to homeowners in January 2025. This updated summary is intended to provide additional information regarding the Hunters Overlook Water Activity Enterprise (“HOWAE”), its operations, infrastructure, water supply, and fee structure for the 2026 irrigation season.

The Hunters Overlook Metropolitan District Nos. 1-8 and Severance Shores Metropolitan Districts 1-4 (the “Districts”) are authorized to provide water and stormwater facilities, improvements, and services in accordance with Title 32 and its Service Plan.

The Districts established HOWAE pursuant to Section 37-45.1-101, C.R.S., which authorizes government-owned enterprises to provide water-related services and infrastructure. Most of HOWAE’s revenues are generated through developer advances, fee revenue, or service fees for the provision of irrigation water service. The Districts do not use mill levy revenue to provide irrigation water service to the residents and non-potable water users within the service area of the Districts.

**Summary of Water Operations**

**1. Common Questions Regarding the HOWAE Non-Potable Irrigation System:**

- a. The Town of Severance has a potable water system that provides potable water service to the residents.
- b. The Districts coordinate the financing and construction of water system infrastructure and related improvements necessary to serve the development.
- c. Potable water is dedicated to the Town at the time of building permit.
- d. Use of a non-potable water system to provide irrigation to the common areas and lots within a development requires a raw water dedication for each residential unit of approximately 1/3 of the standard raw water dedication for subdivisions without a non-potable water system.
- e. Non-potable water does not require treatment to the level of drinking water for human consumption and results in considerable potable water conservation.
- f. HOWAE was formed to provide this non-potable water system.





2. **Water Rights and Irrigation Water Rights, Storage and Facilities.**

- a. HOWAE acquires and holds raw water shares and provides irrigation water to each subdivision to satisfy irrigation demands. It also enters into storage agreements and distribution independent of the Town’s potable water system.
- b. Each subdivision connected to the HOWAE non-potable water system leases various water rights, irrigation water, storage, and reservoir rights. Each subdivision utilizes lease-purchase agreements and other obligations with an annual appropriation requirement to meet its multiple-year financing needs as a TABOR-exempt enterprise.
- c. HOWAE has a storage agreement with the Big Horn Reservoir (“BHR”). BHR is a privately owned reservoir. BHR also holds and stores water rights not owned or leased by HOWAE. Because BHR stores water for multiple users and entities, reservoir water levels alone are not an accurate indicator of the amount of water available to HOWAE for irrigation operations.

3. **Cost of Infrastructure related to the HOWAE Non-Potable Irrigation System**

The following reflects the principal costs associated with construction of the non-potable irrigation infrastructure and related storage facilities. In addition to capital costs for public infrastructure (including potable water improvements, sanitary sewer, storm sewer, drainage, streets and roadways, parks and recreation, landscaping, etc.), there were separate costs for the irrigation water system, storage reservoir, pumphouse, distribution system, pipes, pressurization, meters and connections within each subdivision and each home.

<b>A. Big Horn Reservoir – Storage and Non-Pot Infrastructure</b>	<b>\$</b>	<b>11,540,093.57</b>
<b>B. Severance Overlook Subdivision Irrigation Infrastructure</b>	<b>\$</b>	<b>2,034,350.00</b>
<b>C. Severance Shores Subdivision Irrigation Infrastructure</b>	<b>\$</b>	<b>1,509,259.64</b>
<b>D. Hunters Crossing Subdivision Irrigation Infrastructure</b>	<b>\$</b>	<b>2,752,358.25</b>
<b>E. Severance Reserve Subdivision Irrigation Infrastructure</b>	<b>\$</b>	<b>399,154.05</b>
<b><u>Total Non-Potable Infrastructure (Principal)</u></b>	<b>\$</b>	<b><u>18,235,215.51</u></b>

4. **Operational Information Regarding the HOWAE Irrigation System.**

- A. **Operation Dates:** Generally, May 15 to October 15. These dates are adjusted based upon the availability of water provided by the various water sources (each of which have different release and end dates), including, but not limited to, Windsor Reservoir and Canal, Larimer and Weld Irrigation Company, Finley Lateral, Eaton Ditch, Eaton Law “Lateral” and Colorado Big Thompson Water. HOWAE, the Metropolitan Districts, and/or Fromm and Company do not control these dates.

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- B. **Operation Schedule:** The various ditch companies release water to their users based on their schedule. Water is stored for short-term periods in BHR and must be used in accordance with the applicable water rights. Water allocations for the 2026 irrigation season are significantly below the historical ten-year average due to current drought and supply conditions.
- C. **Use credits when the system is not operating and/or undergoing repairs/maintenance:** Irrigation fees are established annually based on the projected costs of operating, maintaining, repairing, and administering the non-potable irrigation system. These costs include, among other things, storage fees, water leases, pumping operations, electrical expenses, contractors, monitoring systems, maintenance, and annual ditch company assessments. Because many of these costs are fixed regardless of actual water delivery volumes, fees are not determined solely by individual water usage or temporary service interruptions. Fees and reserves may be used to lease or rent additional water rights as they come available.
- D. **Fees & Rates:**
1. Fees are budgeted each year and calculated based on annual leases, operations expenses, and costs (see above). Any surplus revenue remaining after operations and administrative expenses may be applied toward capital costs and the reduction of outstanding infrastructure-related promissory notes associated with construction, operation, and maintenance of the system.
  2. Fees are established annually based on projected operational, administrative, infrastructure, and water supply costs, and may be adjusted from year to year as conditions change.
  3. Fees are based on the number of lots, not each lot's size. Water use is not metered.
  4. Installation of individual irrigation meters would require substantial additional infrastructure costs, estimated at \$2,000–\$3,000 per lot, along with increased long-term maintenance and operational expenses.
  5. The total principal cost of the non-potable infrastructure and storage system was approximately \$18.2 million, excluding additional infrastructure completed for the Severance Reserve Subdivision in 2021.





E. **Water Usage:** Water fees charged by HOWAE are significantly lower than those charged by many surrounding water providers. Rate comparisons are based on publicly available 2025–2026 rate schedules and estimated irrigation usage assumptions. The approximate water uses by HOWAE to provide irrigation service in 2025 was:

- 175,951,984 gallons used throughout the entire system
- Average use/lot-avg sized lot: 123,562 (175,951,984/1424 lots)
- Average use/lot-estate sized lot: 370,686 (123,562 \* 3 for increased size)

1. **Rate Comparison:**

Water Rates	Town of Severance	HOWAE Non-Potable	Annual Savings
Fee: \$37.59/Month \$8.75/1000 gallons*	\$ 451.08		
Average Sized Lot	\$ 1,532.25	\$ 648.00	\$ 884.25
Estate Sized Lot	\$ 3,266.07	\$ 1,080.00	\$ 2,186.07

Water Rates	City of Greeley	HOWAE Non-Potable	Annual Savings
Fee: \$23/Month \$4.53/1000 gallons	\$ 252.00		
Average Sized Lot	\$ 811.73	\$ 648.00	\$ 163.73
Estate Sized Lot	\$ 1,931.20	\$ 1,080.00	\$ 851.20

Water Rates	Town of Windsor	HOWAE Non-Potable	Annual Savings
Fee: \$28.33/Month \$8.34/1000 gallons*	\$ 339.96		
Average Sized Lot	\$ 2,064.18	\$ 648.00	\$ 1,416.18
Estate Sized Lot	\$ 7,020.11	\$ 1,080.00	\$ 5,940.11

Water Rates	Raindance Windsor	HOWAE Non-Potable	Annual Savings
Fee: Annual \$277 \$4.53/1000 gallons*	\$ 277.00		
Average Sized Lot	\$ 836.73	\$ 648.00	\$ 188.73
Estate Sized Lot	\$ 1,956.20	\$ 1,080.00	\$ 876.20

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**Notes:**

- **The Town of Severance charges \$8.75 per 1,000 gallons up to 205,000 gallons, after which the charge increases to \$16.99 per 1,000 gallons.**
- **The Town of Windsor charges \$8.34 per 1,000 gallons up to 16,000 gallons, \$12.45 per 1,000 gallons for usage between 16,000 gallons and 22,500 gallons, and \$18.57 per 1,000 gallons for any usage over 22,500 gallons.**

**F. Water Supply:**

1. Each ditch company independently controls the allocation and delivery of its respective water rights and shares.
2. Windsor Reservoir and Canal Company, Larimer and Weld Irrigation Company, Finley Lateral Ditch and Colorado-Big Thompson. Each of the ditch companies supplies the water. Allocation of water delivery in 2026 is significantly reduced.
3. Board members do not receive compensation related to water sales or irrigation operations. Reimbursements and payments associated with infrastructure construction or financing are governed by applicable agreements, District approvals, and public financing documents.
4. Required conflict-of-interest disclosures are filed in accordance with applicable Colorado law. Water is leased to HOWAE through lease/purchase and water supply agreements. Third-party valuations were obtained at the time of initial water dedication, and the water is leased based on initial appraisals. Water can be purchased for fair market value at the time of purchase.

**G. Restrictions:**

1. Watering restrictions are being implemented.
2. HOWAE reserves the right to impose enforcement measures, including fines, penalties, or suspension of non-potable irrigation service, for violations of applicable watering restrictions or non-payment of required fees.
3. Properties outside the Districts' boundaries may water on their own schedule as they own their water rights, including agricultural usage.
4. Exceptions to these restrictions for new sod and seeding may be granted on a case-by-case basis. Homeowners seeking an exception must submit an irrigation exception application detailing the proposed work, requested watering schedule, and applicable dates.





The Districts and HOWAE recognize the challenges associated with reduced regional water supplies and appreciate residents' cooperation during the 2026 irrigation season. The goal of the non-potable irrigation system remains the long-term conservation of potable water resources while maintaining a sustainable irrigation system for the community.

Resident conservation efforts and compliance with watering restrictions play a significant role in maintaining system reliability during reduced supply conditions.

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