

1041 Permit Proposed Conditions for Ten (10) Year Extension

In addition to existing Permit conditions:

Modifications to Current Conditions:¹

1. **Transfer of Permit.** Permittee may transfer this Permit to any 51% Nestle S.A. owned subsidiary with written notice to the County. In the case of any other transfers, this Permit may be transferred to another party only with the written consent of the Permit Authority. A proposed transferee shall demonstrate that it can and will comply with all the requirements, terms and condition contained in the Permit. *As a condition to consenting to a transfer, the Permit Authority may impose additional conditions to ensure the transferee will comply with the Permit.*
2. **Annual Reporting.** Permittee shall submit an annual report to the County on March 1 of each year covering the preceding calendar year that describes progress on the Project and compliance with Permit conditions, including but not limited to water pumping operations; wetland and groundwater monitoring; wetlands and hatchery restoration; land management plans; utilization of local work force for construction, trucking and service, local materials and description of any non-local labor use or material purchase; trucking volumes and trucks utilized; a description of community involvement efforts; and endowment funding and disbursements. *Upon submission of the annual report, the County and Permittee will schedule an annual presentation by the Permittee to the Permit Authority of the annual report.*

Proposed Added Conditions:

Tier 1 – Volume for Production below 125 acre-feet in calendar year

1. **Endowment.** Permittee funded an initial endowment of \$500,000, dedicated to projects and activities that are focused on Chaffee County science and/or environmental issues and Chaffee County schools. As part of the renewal, Permittee shall make a one-time donation of \$15,000 for each school district's endowment paid in 2020. Beginning in 2021, and annually each year for the life of the Permit, Permittee shall increase the existing annual endowment from \$1,000 to \$3,000 for each school district's endowment (total of \$6,000 per year). In addition, Permittee shall match, dollar for dollar, other Chaffee County entities' contributions up to \$10,000 for each school district's endowment. In its Annual Report, Permittee shall provide information that documents the nature and amount of its endowment funding.
2. **Local Drivers.** Permittee will endeavor to hire at least 50% of the drivers for all Project-related trucking operations who have a primary residence in Chaffee County, and will endeavor to hire up to 100% local drivers if available. Permittee shall use best business practices for recruitment and document efforts to hire local drivers in the Annual Report. Further, Permittee will fund an initial payment of \$50,000 (paid in 2020) to Chaffee

¹ Black font is language of current Permit Condition. Blue font is proposed additional language.

County Economic Development Corporation to work with Colorado Mountain College, and potentially other similar entities, in support of the development of a mountain truck driver training and apprentice program. In addition, starting in 2021 and annually for the life of the Permit, Permittee will pay up to \$5,000 every year to a scholarship fund to be used by the Chaffee County Economic Development Corporation to provide financial assistance to qualified applicants to attend the course and meet post course criteria. In addition, Permittee shall match, dollar for dollar, other Chaffee County entities' contributions up to \$10,000 towards the scholarship program. In its Annual Report, Permittee shall provide information that documents the nature and amount of its driver training and scholarship funding.

3. **Local Contributions.** Permittee has committed to annual programmatic contributions to local organizations and will continue this commitment in an amount up to \$20,000 each year for the life of the Permit. In its Annual Report, Permittee shall provide information that documents the nature and amount of its annual local programmatic funding.
4. **Chaffee County Community Foundation.** As part of the renewal, Permittee shall make a one-time donation of \$10,000 to the Chaffee County Community Foundation paid in 2020. In addition, Permittee will match, dollar for dollar, other Chaffee County entities' contributions to the Chaffee County Community Foundation up to \$10,000 each year for the life of the Permit. In its Annual Report, Permittee shall provide information that documents the nature and amount of the contributions and its match to the Chaffee County Community Foundation.

Tier 2 – Volume for Production above 125 acre-feet in calendar year

1. **Endowment.** Permittee funded an initial endowment of \$500,000, dedicated to projects and activities that are focused on Chaffee County science and/or environmental issues and Chaffee County schools. As part of the renewal, Permittee shall make a one-time donation of \$15,000 for each school district's endowment paid in 2020. Beginning in 2021, and annually each year for the life of the Permit, Permittee shall increase the existing annual endowment from \$1,000 to \$6,000 for each school district's endowment (total of \$12,000 per year). In addition, Permittee shall match, dollar for dollar, other Chaffee County entities' contributions up to \$15,000 for each school district's endowment. In its Annual Report, Permittee shall provide information that documents the nature and amount of its endowment funding.
2. **Local Drivers.** Permittee will endeavor to hire at least 50% of the drivers for all Project-related trucking operations who have a primary residence in Chaffee County, and will endeavor to hire up to 100% local drivers if available. Permittee shall use best business practices for recruitment and document efforts to hire local drivers in the Annual Report. Further, Permittee will fund an initial payment of \$50,000 (paid in 2020) to Chaffee County Economic Development Corporation to work with Colorado Mountain College, and potentially other similar entities, in support of the development of a mountain truck driver training and apprentice program. In addition, starting in 2021 and annually for the life of the Permit, Permittee will pay up to \$15,000 every year to a scholarship fund to be

used by the Chaffee County Economic Development Corporation to provide financial assistance to qualified applicants to attend the course and meet post course criteria. In addition, Permittee shall match, dollar for dollar, other Chaffee County entities' contributions up to \$15,000 towards the scholarship program. In its Annual Report, Permittee shall provide information that documents the nature and amount of its driver training and scholarship funding.

3. **Local Contributions.** Permittee has committed to annual programmatic contributions to local organizations and will continue this commitment in an amount up to \$30,000 each year for the life of the Permit. In its Annual Report, Permittee shall provide information that documents the nature and amount of its annual local programmatic funding.
4. **Chaffee County Community Foundation.** As part of the renewal, Permittee shall make a one-time donation of \$10,000 to the Chaffee County Community Foundation paid in 2020. In addition, Permittee will match, dollar for dollar, other Chaffee County entities' contributions to the Chaffee County Community Foundation up to \$20,000 each year for the life of the Permit. In its Annual Report, Permittee shall provide information that documents the nature and amount of the contributions and its match to the Chaffee County Community Foundation.

NWNA value goes well beyond just charitable contributions

Summary of economic activity in Chaffee County from 2010 through 2019

| | |
|---|--------------|
| Total expended \$ in Chaffee County* | \$15,943,131 |
| Total expended \$ in Chaffee County (local)* | \$11,358,480 |
| Chaffee Driver <i>wages</i> ** | \$4,615,543 |
| Local professional service contractors | \$1,036,769 |
| Property tax | \$328,818 |
| Local utilities | \$272,956 |
| Direct estimated wages, local site management | \$350,000 |

Recreation and Community Value Added projects and commitments:

- Parking area at entrance of Browns Canyon
- High water fishing easements (East and West of river)
- County Road 300 support and agreement to improve safety going in / out of Browns Canyon
- Additional 3rd fishing easement coming with conservation easement
- Conservation Easement with Wildlife Viewing Area, Parking Area, Fishing Easement and Trail

Endowment Summary

| | |
|---|-----------|
| Initial contribution | \$500,000 |
| Growth in/added to endowment | \$79,498 |
| Endowment distributions to SOSS | \$136,904 |
| Endowment distributions to BVCEAF | \$133,654 |
| Addition direct contributions to Endowment | \$54,000 |
| (note: 2010 contribution was larger to start/enhance growth of endowment) | |

Additional contributions to organizations in County \$161,250

Individual Bottle donations in Chaffee County 288,618

Additional benefit: Buena Vista pipeline under Arkansas River

Chaffee County Drivers:

NWNA has met the 1041 condition through the term of the permit.
Actual 2010-2019 Chaffee County driver load percentage 59.9%

Note:

* Data from Annual Reports, Not including initial capital projects

** 2010 - 2013 estimated at \$400,000