

RECORD OF PROCEEDINGS

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MINUTES

FORT COLLINS-LOVELAND WATER DISTRICT

NOVEMBER 20, 2018

The Regular Meeting of the Fort Collins-Loveland Water District was held on November 20, 2018 at 7:00 p.m., at 5150 Snead Drive, Fort Collins, Colorado 80525.

**1. Roll Call**

Present: Directors: James Borland, Dale Leach, William Dieterich and Michael Pruznick

Excused Absence: Director Ron Ruff

Others Present: Chris Matkins, District Manager, Amanda Proctor, District Controller, Terry Farrill, District Engineer, Richard Raines, Water Resources and Annika Demming of WildRock

**Business Conducted:**

**2. Public Comment**

None

**3. Consent Agenda**

Several Items were presented for the consent agenda. After discussion, it was:

**Moved by Director Leach and seconded by Director Dietrich to approve the consent agenda, including Resolution 2018-11-01, establishing Board Meeting Dates and Places and Resolution 2018-11-02 authorizing Richard Raines to act as an agent of the District.  
Motion carried 4-0**

**4. Water Enterprise Public Hearing For Changes to Rates and Fees for 2019**

Chris Matkins, District Manager, started by going through a presentation regarding the history of the rate study and suggested increases for each class of customers for 2019-2022 per the recommendations from the rate study. Chris stated that the District had followed the State's guidelines regarding posting for the rate hearing. Chris stated that the District had not received any comments regarding the rate hearing.

Director Borland stated that he did not want the single family residential or multi-family residential rates to be changed for 2019, considering the recent 4% change effective in September 2018.

Director Leach stated that for single family residential or multi-family residential rates he likes the existing tier ranges and does not support the new tier ranges proposed by Raffelis. He also stated that he disagrees with the rate study report in regards to multi-family having a flat rate that is less than tier one for single family residential.

Chris stated that staff is recommending changing the rates for only commercial and irrigation customers as of January 1, 2019, not either residential class. After discussion, it was:

**Moved by Director Pruznick and seconded by Director Dieterich to approve the Resolution 2018-11-03 and to approve the rates as presented.**  
***Motion carried 4-0***

**5. *Water Enterprise Public Hearing for Proposed 2019 Budget and Accompanying Resolutions***

Chris Matkins, District Manager, opened up the public hearing for the budget. Chris stated that the hearing had been properly noticed, and that he had not received any objections to the budget.

District Controller, Amanda Proctor, reviewed the budget with the Board and answered questions. After Board discussion, it was:

**Moved by Director Leach and seconded by Director Pruznick to formally adopt the 2019 Operating & Capital Budget and the Accompanying Resolutions 2018-11-04.**  
***Motion carried 4-0***

**6. *Drought and Water Supply Planning – Richard Raines***

Richard Raines, Water Resource Manager, stated that during a work session in August the Board had requested additional sensitivity analysis for the drought and water supply planning. Richard and Scott Dickmeyer, Water Resources, had conducted further analysis to aid the Board.

Water Resources' analysis used data to change one factor at a time in order to see the impact on the District's water portfolio during a multi-year drought. Richard stated that all the scenarios showed, did not include any conservation impacts, including demand reduction that would be experienced should the District enact water restrictions or raise rates to signal conservation under drought conditions.

Director Pruznick asked how quickly the Board could raise rates. Chris stated that the Board needed to provide at least a 30-day notice. Director Pruznick also stated that conservation programs, like the sprinkler audits, cost little but show a big impact in water savings.

Director Leach stated that the sensitivity analysis only changed one item at a time; reality is that an actual drought may not be as the analysis predicted. Conversely, the reality of a multi-year drought could be worse.

Chris stated that Board direction is needed on whether drought restrictions should be included as a "water supply" in the drought study. Board agreed that this was reasonable.

The Board and Richard discussed how quickly the Overland Ponds could be completed so that they can be used for storage. Lastly, the Board agreed to consider purchasing native and non-tributary water as an alternate to CBT for water supply.

**7. Tap Valuation for Buyback, Exchanges, and Credits**

Chris Matkins stated that the District had two requests from customers and developers in regards to water taps; the first to buyback water taps, the second to transfer an existing water tap to a new, bigger tap. The Board discussed the two requests and the Districts' historical practice. The Board stated that they would support applying credit for an existing water tap, based on Staff's evaluation of the current value of the existing tap and the current market value of a new tap. The Customer would then only pay the difference. The Board determined that under this scenario, no refunds would be made if existing value exceeded the value of the requested tap.

**8. Contract Approval for Construction Manager at Risk – Waterline and Turman Valve Vault**

Terry Farrill, District Engineer, discussed hiring Connell Resources to do three projects under a Construction Manager at Risk contract (CMAR). First, to resolve pressure issues in the 57<sup>th</sup> Street area in Loveland and Longview, the District needs to add a vault (known as the Turman Valve Vault). Second, to improve the Crossroads and airport area pressure. Lastly, to upsize and move a waterline around Boyd Lake Drive. The guaranteed maximum price for the project is \$2,023,866. After discussion, it was:

**Moved by Director Pruznick and seconded by Director Leach to approve the CMAR contract with Connell Resources.  
Motion carried 4-0**

**9. Employee Holiday Bonus**

Chris Matkins presented the proposed holiday bonuses for staff. The Board unanimously approved the holiday bonus proposal after suggesting modifications

**10. Managers Update**

**A. General Information**

Chris informed the Board about the annual employee holiday party.

Chris informed the Board that the land for the future Cobb Lake Treatment Plant is anticipated to be available to purchase end of this year, or early 2019. The most recent negotiations with the proposed new land owner were based on \$3,500 per acre.

Chris asked the Board if they'd like to see a presentation from Northern in regards to the CBT and the Colorado River compact, as well as firm yield from the NISP project in January. The Board had no objections. The Board also supported increased participation in the NISP project, if the opportunity arose.

Chris confirmed the District's attorney in regards to having non-voting Board members. There is no set limit on how many non-voting Directors there can be. Also, non-voting members can be paid. Director Borland stated that non-voting Board members would be a good succession strategy.

Chris requested to have CPS Hr Consulting provide specialized training to all employees. The training costs would be split with SFCSD. For 2018, the price should not exceed \$3,000; for 2019 the price should not exceed \$5,000. There were no Board objections.

On December 6, 2018 will be the annual joint Board Christmas Party at the Candlelight Dinner Theatre.

**B. Financial Statements**

The General Manager reported that the Financial Statements prepared by Amanda Proctor, District Controller, are included with the agenda packet for their review.

**C. Tap Purchases**

The Manager reported that 24 taps have been sold in the month of October for revenues of \$3,346,288.60 and for the year, 545 taps have been sold with revenues in the amount of \$23,059,847.60.

**11. Other Business**

Director Borland suggested moving the December 18, 2018, meeting one week earlier to December 11, 2018. There were no objections. Chris stated the he would send out a notice to re-schedule the meeting.

Director Borland requested the General Manager to consider adding an administrative staff for front office support if so desired.

**12. Disbursements**


The Manager presented disbursements for October 2018 in the amount of \$664,214.76. After discussion, it was:

**Moved by Director Dieterich and  
seconded by Director Leach to approve  
the Disbursements for October 2018.  
Motion carried 5-0**

**13. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 10:00 PM.

Respectfully,

/s/ 

/s/ 

Date Approved: 12/11/2018