

RECORD OF PROCEEDINGS

MINUTES

FORT COLLINS-LOVELAND WATER DISTRICT

MARCH 19, 2019

The Regular Meeting of the Fort Collins-Loveland Water District was held on March 19, 2019 at 7:00 p.m., at 5150 Snead Drive, Fort Collins, Colorado 80525.

1. Roll Call

Present: Directors: James Borland, Dale Leach, Ron Ruff, William Dieterich, Michael Pruznick and Peter O'Neill

Excused Absence:

Others Present: Chris Matkins, District Manager, Amanda Proctor, District Controller, Richard Raines, Scott Dickmeyer, and Leif Lesoing, Water Resources, Bob Cole, District Attorney, and Annika Demming, WildRock Public Relations and Marketing

Business Conducted:

2. Public Comment

Terry Farrill asked the Board to re-instate his job.

Jeff Donaldson, 3400 E. County Road 30, Fort Collins, appealed to the Board to re-instate Terry Farrill. Jeff stated that he valued Terry's character and integrity.

The Board thanked them for their comments.

3. Consent Agenda

Several items were presented for the consent agenda. Director Leach requested to have the Horsetooth shutdown IGA removed from the consent agenda to discuss item. After discussion, it was:

**Moved by Director Dieterich and seconded by Director Pruznick to remove the Horsetooth shutdown IGA and to approve the other items on the consent agenda
*Motion carried 5-0***

4. Executive Session to Receive Legal Advice from Counsel Regarding use of District Computers. Section 24-6-402(4)(B). C.R.S.

**Moved by Director Borland and seconded by Director Pruznick to move to enter executive session to receive legal advice from Bob Cole, District counsel, regarding use of District computers according to Section 24-6-402 (4)(B) of the Colorado Revised Statutes.
*Motion carried 5-0***

Upon exiting the executive session, Chris provided the Board with correspondence that was received and addressed to the Board. After discussion, it was moved:

Moved by Director Borland and seconded by Director Ruff to have more IT network and system security.
Motion carried 5-0

5. *WildRock PR Update*

Annika Demming from WildRock PR, presented an update to the Board. In the update Annika showed examples of content from other water providers that was repurposed and used in the social media marketing. Annika also reviewed the Garden-In-a-Box program and its effects on the District's Facebook page and website.

6. *Public Hearing for Petition of Inclusion for Steamboat Partners Investment, LLC and River Bluffs Ventures, LLC for a Total of 27.25 Acres of Land*

The public hearing for the presented petitions was opened.

Chris Matkins, District Manager, read through the petition for inclusion of 27.25 acres of land and answered questions regarding the inclusion process. He stated that there had been no communication received against the inclusion.

The public hearing was closed.

After Board discussion, it was:

Moved by Director Ruff and seconded by Director Pruznick to accept the Petitions of Inclusion for 27.25 Acres of Land.
Motion carried 5-0

7. *Approval of Larimer No. 2 Carriage Contract*

Richard Raines, Water Resource Manager, presented the annual Carriage contract with Larimer No. 2. Richard stated that the term is for twelve months. He stated that the amount of the agreement changed from the prior year. He stated that there is now an \$800 minimum charge, and each acre foot carried through the ditch is \$8.

Director Ruff inquired into a limitation on the amount of water that can be ran through the ditch. Richard stated that the limitation is not set by the ditch, but set by the Treiber Headgate.

After Board discussion, it was:

Moved by Director Pruznick and seconded by Director Dieterich to approve the Carriage contract with Larimer No. 2.
Motion carried 5-0

8. *FCLWD Drought and Supply Plan*

Scott Dickmeyer, Water Resources, presented the drought and supply plan. The Board discussed the presentation and report with Scott, Richard and Leif.

9. Water Purchase Opportunities

Chris discussed two opportunities to purchase water with the Board. The first is a block of 80 CBT units. The seller is asking for \$42,000 - \$42,500. The second is the purchase of 0.43 shares of New Mercer.

After discussion the Board passed on the CBT units and asked Chris to continue discussion with the New Mercer shares unless the seller would not come down in price.

10. Increased NISP Participation Opportunity

Chris stated that the City of Evans is no longer interested in selling any NISP participation, but the City of Fort Lupton would be interested in selling part of their NISP participation. Chris discussed the purchase price.

The Board had discussions regarding the uncertainty and risk of the NISP project. The Board tabled the discussion of purchasing any more NISP participation until later in the year.

11. Horsetooth Shutdown IGA

Chris presented an IGA regarding the Horsetooth shutdown. The Bureau of Reclamation needs to perform work on the intake which results in about 45 days of no water being taken out of Horsetooth. Originally this work was going to be completed in the fall of 2019, but now has been delayed until 2020. The IGA is to conduct a study to determine how to get water to SCFP during the shutdown.

The Board discussed the IGA and the study. After discussion, it was:

**Moved by Director Leach and seconded
by Director Dieterich to approve the IGA
and contribute up to \$20,000 for the
study.
Motion carried 5-0**

12. Managers Update

A. General Information

Chris stated that there will be a joint meeting with the SFCSD Board on May 24, 2019 at 9 am at the old Egg and I off of Harmony.

Chris provided an update to the Board regarding the ransomware. He stated that the Districts have recovered from the ransomware. He stated that the ransom was not paid. District personnel have looked several times to confirm that customer data was not a part of the event. As a precaution, the District and the new IT firm will be going over this one more time to ensure that customer data was not compromised in any way. Also, there will be IT specific staff training this year for employees.

Chris stated that the District has changed IT firms. The new IT firm is more expensive and there are IT projects what will need to be completed by them before they can fully start to support us. If there are any negative budget ramifications, we will bring them to the Board.

Chris and Director Dieterich provided an update on the Overland Ponds. The Tri-Districts are now ready to prioritize the investments in the Overland Ponds in order to pump water into the SCFP. Richard will be providing more detailed direction to the water resource subcommittee.

On April 12, 2019 at 11 am there will be a dedication of the Watson Lake Fish Hatchery Diversion Fish Passage. This was a joint project completed between the NISP participants, Morning Fresh Dairy, and Noosa Yogurt. The Board is invited to attend.

The Amendments to the SCWTA agreement will be completed soon. The amendment requires all three Districts to agree to major expansions in the future. North Weld is going out to bond for the current expansion. Construction is scheduled to begin in May 2019.

The annual Tri-City Water Board meeting will be on May 2, 2019 at 6 pm. City of Loveland is hosting. The Board discussed hosting this meeting in the future.

Chris stated that the annual financial statement audit has started. The auditors will be presenting the financial statements in May 2019.

Chris stated that he and other staff are covering the District Engineer position for the short term. He stated that and Engineering Consultant, Chris Pletcher with CivilWorx, will be used to fill in the gaps and aid with plan review. Director Borland stated that he would like to hire two engineers permanently.

Chris provided an update on the two PRV vaults being delivered. He stated that he I-25 bore will also start in April.

Chris informed the Board about the sound system that was installed in the front office. Also, the new TV's for the Board room have been delivered and are waiting installation.

Chris stated that he would like to take the water resource team and their spouses out to dinner as a thank you for the hard work put into the drought and supply plan. The Board did not object.

Lastly, Chris stated that on April 30, 2019 from 6-8 pm there will be an open house with both Districts.

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 20 taps have been sold in the month of February for revenues of \$815,990. For the year, 63 taps have been sold for revenues of \$2,382,624

13. Other Business

Director Leach stated that he had been presented with a trade deal for the District. There is a broker who has 85 shares of Divide Canal and Company who is willing to take a trade of CBT units, NPIC, or WSSC. The broker needs to obtain 60 firm yield acre feet.

The Board discussed the trade and asked Chris to find out more details to determine whether this trade could be facilitated.

14. Disbursements

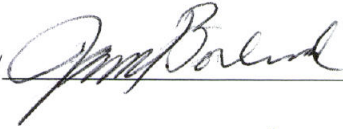
The Manager presented disbursements for February 2019 in the amount of \$2,091,549.69. After discussion, it was:

**Moved by Director Leach and seconded
by Director Pruznick to approve the
Disbursements for February 2019.
Motion carried 5-0**

15. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 11:05 PM.

Respectfully,

/s/  _____

/s/  _____

Date Approved: 4/16/19