

MINUTES

FORT COLLINS-LOVELAND WATER DISTRICT

JUNE 18, 2019

The Regular Meeting of the Fort Collins-Loveland Water District was held on June 18, 2019 at 7:00 p.m., at 5150 Snead Drive, Fort Collins, Colorado 80525.

1. Roll Call

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

Excused Absence:

Others Present: Chris Matkins, District Manager, Amanda Proctor, District Controller, Chris Pletcher of CivilWorx, Bob Cole, District Counsel, Jon Turner, Steve Pfister, Jason Ortiz and Dallas Horton

Business Conducted:

2. Public Comment

Jon Turner, 6379 Crooked St Windsor: Jon stated that Timnath Ranch Filing 6 has 54 lots. This subdivision requested the District to have a nonpotable water system in 2015. At that time the District agreed to provide a discount on tap sales for this filing. This filing is using coffin wells to provide sustainable nonpotable water for outdoor irrigation. Recently the District stopped selling taps for this filing and it is unclear when tap sales will resume. This has been a hardship for the home builders. Jon is requesting for tap sales to be resumed for the filing.

Steve Pfister, 2706 Balmoral Ct Fort Collins: Steve stated that he is a minority owner in the Fossil Creek project with Dallas Horton. He requested to have the District approve the overlapping consent IGA for the two metro districts that will be part of the project. He stated that the move to nonpotable water systems is viewed as a positive by the public and the surrounding area. He stated that other municipalities and Special Districts provide credits for nonpotable water systems. He provided a summary of the credits to the Board.

Dallas Horton, 2451 Taylor Lane Fort Collins: Dallas read part of a letter the District issued on 10/24/16 that stated the Fossil Creek project would receive a 0.6 reduction on the standard tap price if a nonpotable water system was installed. Dallas used this letter to sell the development to Richmond Homes. The difference in a reduction and using the standard tap fee schedule is not negligible. Dallas is requesting the Board to determine a better solution for developments that have a nonpotable system.

Director Borland thanked the public for their comments. He stated that the Board's goal is to treat all customers the same and develop a policy for nonpotable water systems.

Director Leach stated that there was a procedural issue and the Board wants to integrate the lot size tap schedule with a nonpotable water reduction of some sort. The Board is trying to make it a consistent transparent policy and schedule.

3. Consent Agenda

Several items were presented for the consent agenda. Director Pruznick requested to correct the date of the minutes that are a part of the consent agenda. After discussion, it was:

**Moved by Director Leach and seconded by Director Dieterich to approve the presented consent agenda as modified by Director Pruznick.
*Motion carried 5-0***

4. Executive Session to Receive Legal Advice from Counsel Regarding Patio Homes and Non-Pot Irrigation Systems. SECTION 24-6-402(4)(B), C.R.S.

**Moved by Director Leach and seconded by Director Dieterich to move to enter Executive Session to receive legal advice from Bob Cole, District Counsel, regarding patio homes and non-pot irrigation systems according to Section 24-6-402(4)(b) of the Colorado Revised Statutes.
*Motion carried 5-0***

Upon exiting the Executive Session and after discussion, it was:

**Moved by Director Pruznick and seconded by Director Dieterich to authorize staff to administer water tap sales to developments with non-potable outdoor irrigation systems to include a 40% reduction off the water resource fee based on the actual lot size, but in no case less than the minimum lot size water resources fee according to the fee schedule at time of tap purchase, contingent on a functioning non-potable water system within 1 year of the date of tap approval.
*Motion carried 4-0***

**Moved by Director Pruznick and seconded by Director Dieterich to authorize staff to retain Raftelis to perform additional rate work to define a new tap class: "Conservation Tap" that includes very limited opportunity for using FCLWD water for outdoor irrigation use, and specific rate structure for this class to be applied to previous 'patio home' tap classes, and future 'Conservation Tap' taps.
*Motion carried 4-0***

Director Ruff left the meeting at 8:45 pm.

5. Fossil Creek Ranch Draft Development Agreement

Tabled until the next Board meeting.

6. Water Resources

Tabled until the next Board meeting.

7. Proposed Northern NISP Resolution

Northern Water requested a motion from the District to provide to the Northern Water board to show support for opting to pay property taxes on farms purchased for the NISP project. After Board discussion, it was:

**Moved by Director Leach and seconded
by Director Dieterich to approve the
resolution.
Motion carried 4-0**

8. Managers Update

A. General Information

The SCWTA groundbreaking occurred. Currently SCFP has redundancy for everything except the intake and control valve. The control valve broke recently and the SCWTA Board authorized the emergency repair of the valve. Also, Ditesco is studying rates; it is anticipated that there will be a rate increase.

Chris stated that the CDPHE and Northern Water have received several CORA requests related to the NISP project from Save the Poudre. This may be in preparation for litigation against the NISP project. Also, Northern Water will be talking to the SFCSD Board regarding wetlands and other mitigating efforts that are required of the NISP project. Regarding the New Cache Ditch system, their shareholders seem excited by the draft term sheet that Northern Water provided. While Larimer and Weld Ditch shareholders are reluctant. Northern Water is continuing the conversation with both ditch systems.

Regarding the NISP instream flow legislation, Scott Holwick, Chris and Richard are talking to Northern Water and working together to ensure the language doesn't harm FCLWD's interests.

The closing for the Divide Canal shares occurred and the New Mercer closing will be at the end of the week.

Amanda provided an update on the conservation garden fair attendance at Northern Water.

Chris stated that the new IT backups are working properly both locally and on the cloud. Each night the backups are being tested to ensure they can be restored properly. The major IT project is broken into three smaller projects. The first project involving network overhaul and stabilization has started.

Chris provided an update on the SFCSD inclusion regarding River Bluffs. He stated that the SFCSD board wants assurance that the Ptarmigan Lift Station is protected from flooding and have not approved the request for inclusion. They have asked for more information.

Chris will be working on the job description for the Civil Engineer position. He will work with Employers Council to determine the appropriate salary range for the position

The architect master plan for the administrative building has been kicked off. The administrative building also had a garden in a box planted and a new bike rack installed.

There have been no responses received from the recent Coloradoan article.

Chris will be participating in the BizWest panel discussion regarding rising water prices on July 18.

Northern Water has also asked Chris to take more of a leadership role with the NISP project.

In September, Chris and Carol Webb from the City of Fort Collins will be meeting with Northern Water's leadership team for discussions and networking.

Chris also reminded the Board of the upcoming SDA annual conference (September 17-20).

Lastly, Chris made a vacation request: July 22 – 26 and Aug 5 -9. There were no board objections.

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 19 taps have been sold in the month of May for revenues of \$979,492.80. For the year, 101 taps have been sold for revenues of \$4,083,900.80.

9. Other Business

Director Pruznick made inquiries of the Garden in a Box Program. Chris stated that it was a success and all boxes were sold ahead of schedule.

10. Disbursements

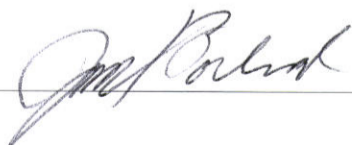
The Manager presented disbursements for May 2019 in the amount of \$779,629.65. After discussion, it was:

**Moved by Director Leach and seconded
by Director Dieterich to approve the
Disbursements for May 2019.
Motion carried 4-0**

11. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 10:25 PM.

Respectfully,

/s/  _____

/s/  _____

Date Approved: _____