

RECORD OF PROCEEDINGS

MINUTES

FORT COLLINS-LOVELAND WATER DISTRICT

MAY 21, 2019

The Regular Meeting of the Fort Collins-Loveland Water District was held on May 21, 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 and Peter O'Neill

Excused Absence: Director Ron Ruff

Others Present: Chris Matkins, District Manager, Amanda Proctor, District Controller, Chris Pletcher of CivilWorx, Bob Cole, District Counsel, Randy Watkins and Eryn Tolooee of ACM, Jason Ortiz and Dallas Horton

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 Dieterich to approve the
presented consent agenda.
Motion carried 4-0**

4. Fossil Creek Ranch

Dallas Horton informed the Board about his development project of approximately 284 lots. The project will have a non-potable water system to provide for all the outdoor water use. Dallas read through a proposed statement that Richmond Homes will be including in the home purchase agreement.

Dallas requested a reduction in the raw water fees for each tap purchased in the development due to the non-potable water system. Dallas stated that each house will be using about 40% less water than normal taps.

The Board discussed concerns regarding watering during a drought and how to ensure that future home owners are monetarily penalized for using potable water for the outdoor water usage.

Director Leach discussed the current tap fee schedule with Dallas. Director Leach stated that the current tap fee schedule already has reduced raw water requirements according to lot size.

Dallas stated that he wanted to come to an agreement with the District, and to allow his project to have a non-potable water system.

The Board further discussed establishing a written policy for all non-potable developments rather than approving developments as they are brought into the District. Chris Matkins stated that staff will work with legal counsel in order to understand the history of tap fee reductions and a policy that is operational and encourages non-potable water systems.

5. *Overlapping Districts Consent*

District Counsel, Bob Cole, explained that when a metro district is formed within our service area that provides the same service, the metro district must seek approval for the overlapping services. Bob suggested having a developer agreement attached to the resolution.

Director Pruznick requested that Metro District #1 and #2 have separate agreements. Bob Cole stated that he would ensure each had their own agreement.

6. *Financial Audit*

ACM, LLP presented the audited financial statements to the Board. After discussion, it was:

**Moved by Director Borland and
seconded by Director Dieterich to
approve the December 31, 2018 audit.
Motion carried 4-0**

7. *Resolution 2019-05-01 to Transfer 65 Units CBT to NWCWD*

Chris presented a resolution to the Board for the transfer of CBT units to NWCWD. This transfer of CBT units is part of the transaction involving the purchase of Divide Canal shares. After Board discussion, it was:

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

8. *\$56,611 Change Order for Smith and Loveless – Turman/Rock Creek*

Chris presented a change order for the Smith and Loveless pressure reducing vaults. After Board discussion, it was:

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

9. *Water Treatment Plant Expansion Cost-Sharing Intergovernmental Agreement*

Chris presented the cost sharing IGA for the SCWTA expansion. He stated that the IGA only applied to this expansion and improvement project. After the expansion and improvement project is complete, the District will have 22.57 MGD capacity.

Director Leach stated that he had concerns regarding the tracking of who owns what capacity. Director Leach would rather have more definitive definition in the capacity items. After Board discussion, it was:

**Moved by Director Pruznick and seconded by Director Dieterich to approve the cost-sharing intergovernmental agreement.
*Motion carried 4-0***

10. IT Network and Overhaul Stabilization Authorization

Chris stated that the District had received a CORA request regarding the February ransomware event. The request was for all emails and text messages related to the event. District staff is coordinating with Bob Cole.

Chris stated that the proposal for the IT Network overhaul with labor and equipment is approximately \$100,000. Amanda Proctor, District Controller, is recommending that the District pay for 67% of the project, and South Fort Collins Sanitation District pay for 33% of the project. This cost split is the percentage used in the management fee for the office department allocation. There were no Board objections to the cost split.

The Board discussed the project, backups and ongoing support. Chris stated that at the joint Board meeting with South Fort Collins Sanitation District, Greystone will attend to present the IT Network overhaul project, discuss backups, and their on-going monthly service plan. After discussion, it was:

**Moved by Director Leach and seconded by Director Pruznick to authorize the District Manager to execute the contract up to \$100,000.
*Motion carried 4-0***

11. Set Date and Time for Special Board Meeting and Executive Session

Chris stated that Bob Cole would like to provide an update in the joint Board meeting. This will require an executive session. After discussion, it was:

**Moved by Director Pruznick and seconded by Director Dieterich to set the date for the joint Board meeting to be May 24 and to add an executive session to the agenda.
*Motion carried 4-0***

12. Managers Update

A. General Information

The Contract with Garney has been signed for the SCWTA expansion and improvement project. The Tri-Districts have all agreed to the benefit of moving forward with the Ponds project.

Chris acknowledged Director Ruff as being absent and wished him a quick recovery.

Chris stated there were a few water purchase opportunities. There is one share of NPIC for about \$160,000; 2 shares of WSSC with dry up covenant for \$2.7 million; and 96 units of CBT for \$48,500 each. The Board discussed each opportunity and decided to pass.

Chris stated that staff will be engaging with an architect to do a master plan study on the administrative building site on what the future needs will be for build out. There were no objections from the Board.

Currently there is no designation of any individual as the Custodian of Records. Chris suggested that Amanda be named as such. The Board agreed.

Chris provided an update to the Jackson Ditch purchase. He stated that the purchase fell through as the seller was not willing to provide dry up.

SFCSD solicited a proposal from WildRock to provide marketing and PR efforts.

The SCWTA ground breaking will be June 13th.

Chris stated that there will be a joint Board meeting with the SFCSD on May 24th at 9:00 am.

Chris stated that in June SDA will be having their annual Board workshop in Windsor.

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 April for revenues of \$721,784. For the year, 82 taps have been sold for revenues of \$3,104,408.

13. Other Business

None

14. Disbursements

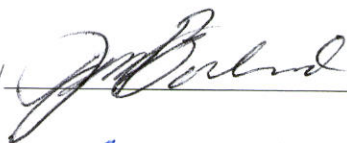
The Manager presented disbursements for April 2019 in the amount of \$9,487,639.08. After discussion, it was:

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

15. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 10:21 PM.

Respectfully,

/s/  _____

/s/  _____

Date Approved: 6/18/19