

**MINUTES**  
**FORT COLLINS-LOVELAND WATER DISTRICT**

**April 18, 2017**

The Regular Meeting of the Fort Collins-Loveland Water District was held on April 18, 2017 at 7:00 p.m., at 5150 Snead Drive, Fort Collins, Colorado 80525.

**1. Roll Call**

Present: Directors William Dieterich, George Holter, and James Borland,  
James Petersen and Dale Leach

Excused Absence:

Others Present: Chris Matkins, District Manager, Richard Raines, Water  
Resources

**Business Conducted:**

**2. Reading of The Minutes**

The Minutes of the Regular Board Meeting on March 21, 2017, were read and approved.

**3. Public Comment**

None.

**4. Water Resources Report – Richard Raines**

Mr. Raines stated that streamflow forecasts, for Northern Colorado, are slightly above average for this year. Director Leach stated that he is concerned with abnormally low snow pack conditions near the west portal of the Tunnel Diversion. Mr. Raines also stated that recent inter-agency coordination with North Poudre Irrigation Company, City of Fort Collins and the Soldier Canyon Treatment Authority staff on the influent temporary shutdown was excellent and much appreciated. Mr. Raines also described a new approach for demand planning: using known dry years (2002 and 2012), adjusted for subsequent tap increases. This will reduce the volume of 'excess' CBT water leased back to agricultural users, but will ensure our customers have adequate water for dry conditions.

Mr. Raines also reported that the Jackson Ditch negotiations are going well and he is optimistic that this case may not go to court. Gravel Pit Pond #4 is in third extension of the inspection period, delayed by issues related to title work and easement clarification.

Lastly, Mr. Raines reported that Northern Water recently introduced a bill in the state legislature that may be at odds with the upstream exchanges that Greeley and the Tri-Districts depend on.

**5. Approve Purchase of 11 Units CBT**

The General Manager discussed several opportunities to purchase CBT Shares. After discussion, it was:

**Moved by Director Petersen and  
seconded by Director Leach to authorize  
the General Manager to purchase up to  
181 Shares of CBT from various sellers  
at a per-share sales price of \$26,500.  
Motion carried 5-0**

## **6. Rafetelis Cost of Service Scope**

The General Manager updated the Board of Directors on the status of the pending Cost of Service Study. Currently, the General Manager and the Rate Consultant Raffetelis are finalizing the scope and fee associated with this effort. Director Borland stated that the rate study should reflect increased costs associated with higher-cost water purchased from the City of Fort Collins to fill the new Timnath Tank.

## **7. Managers Update**

- A. *General Information* – The General Manager distributed an Annual Sprinkler Audit Report from the City of Fort Collins, related to the ‘shared’ conservation programs from last year. The Board was also updated on a pending April 20<sup>th</sup> ‘Bill of Costs’ hearing related to the MTimm litigation, with additional expert testimony from Chris Matkins and Jason Mumm.

The General Manager reminded the Board of upcoming SDA Training on June 22 Windsor. Interested board members were requested to contact Sandy directly. Board Directors were also reminded of the upcoming SDA conference in Keystone: September 13-15<sup>th</sup> and requested to contact Sandy with interest in attending.

The General Manager also updated the Board on the recent ransomware incident. The District has restored all affected computer servers and desktop computers. Throughout this process, IT Staff discovered other computer virus and malware issues that require an ongoing investigation, which may or may not be related to the ransomware attack. The District has updated and communicated to staff new computer use policies to reduce the risk of future incidents.

The General Manager updated the Board on pending state legislation which would increase the annual board pay ceiling to \$2,400 per year (\$100 per meeting).

The General Manager updated the Board on Controller Kathy Hawkins pending July retirement and the status of filling her position.

- B. *SCWTA Update* – The General Manager updated the Board of Directors on the preliminary design for expansion of the Soldier Canyon Treatment Authority. This design project is on time and on budget, and offers a significant potential reduction in future capital costs. In addition, increased participation by North Weld County Water District’s Engineer (Mr. Eric Larson) has been well received and most helpful to the design process. Mr. Larson’s time will be reimbursable to NWCWD by FCLWD and ELCO.
- C. *Financial Statements* - The General Manager reported that the Financial Statements prepared by Kathy Hawkins, Controller, are included with the agenda packet for their review.
- D. *Tap Purchases* - The Manager reported that 36 taps have been sold in the month of March for revenues of \$1,290,000 and for the year, 134 taps have been sold with revenues in the amount of \$4,398,800.

## **8. New Business**

The Board discussed a potential policy related to leasing of ‘excess’ CBT water. Generally, the Board supported leasing opportunities to long-term agricultural and HOA users at competitive agricultural lease rates. Initial preference is to be given to lessees inside the District at historical lease volumes. The Board also expressed strong desire that lessees state and certify that CBT water leased for agricultural uses be used in this manner and not for industrial or municipal uses.

The Board also supported leasing CBT water to municipal and industrial users at higher rates to gain a higher return. The Board authorized the General Manager to negotiate these opportunities on behalf of the Board and ratepayers. The Board of Directors was not in favor of long-term leases, however.



**9. Old Business**

The Board of Directors gave the General Manager a satisfactory performance review and a 5% increase in the manager's compensation.

**The Board unanimously approved the  
5% pay increase for the General  
Manager.**

***Motion carried 5-0***

**10. Disbursements**

The Manager presented disbursements for March in the amount of \$1,169,791.24. After discussion, it was:


**Moved by Director Peterson and  
seconded by Director Holter to approve  
the disbursements for March 2017.**

***Motion carried 5-0***

**11. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 9:30 PM.

Respectfully,

/s/ 

/s/ 

Date Approved: 5/16/17