

RECORD OF PROCEEDINGS

MINUTES

FORT COLLINS-LOVELAND WATER DISTRICT

MAY 15, 2018

The Regular Meeting of the Fort Collins-Loveland Water District was held on May 15, 2018 at 7:00 p.m., at 5150 Snead Drive, Fort Collins, Colorado 80525.

1. Roll Call

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

Excused Absence:

Others Present: Chris Matkins, District Manager, Amanda Proctor, District Controller, Terry Farrill, District Engineer, Richard Raines, Water Resources, Rick Giardina, Raftelis and Lionel Perez from Observatory Village HOA

Business Conducted:

2. Reading of The Minutes

The Minutes of the Regular Board Meeting on April 24, 2018, were read and approved.

3. Public Comment

Lionel Perez, Board member of the Observatory Village HOA, addressed the Board in relation to a social media presence, increased communication to HOA's in regards to fee increases, and requested more information on non-potable water systems.

4. Oath of Office For New Board Members

The following Directors were elected to the Board and took their oath of office: Jim Borland (4-year term), Dale Leach (4-year term), Michael Pruznick (4-year term), and Ron Ruff (2-year term).

5. Election of Officers

Following the oath of office, the Board elected officers of the Board: Jim Borland (President), Ron Ruff (Vice President), William Dieterich (Treasurer) and Chris Matkins (Secretary). After discussion, it was:

**Moved by Director Leach and seconded
by Director Pruznick to approve the
motion.**

Motion carried 5-0

6. **Bank Signature Cards**

A resolution was presented to authorize all bank and investment account signatories to be updated to: Jim Borland, William Dieterich, Ron Ruff and Chris Matkins. After discussion, it was:

**Moved by Director Leach and seconded
by Director Dieterich to approve the
resolution.
Motion carried 5-0**

7. **Town of Windsor IGA**

This agenda item was tabled until June 2018.

8. **Cost of Service Study – Fees and Rates**

Chris Matkins started the discussion off by going through the decisions that the Board has made to date:

1. Fees and Rates are out of alignment. The District should move towards a cost of service model for designing rates and fees.
2. Plant Investment fees (which consists of a Water Resource fee and Infrastructure fee).
 - a. In January the Board decided to:
 - i. Scale water resource fee component according to lot size for single family residences. The lot size scaling would start at 5,000 square feet and cap at 12,000 square feet.
 - ii. Incorporate a water resource recovery fee into the third tier for single family residential.
 - iii. The infrastructure component of the Plant Investment fee should not be scaled for single family residential. This is based on a maximum flow rate for a ¾ " meter (in which lot size is irrelevant).
 - iv. Utilize a hybrid approach to determine the Plant Investment fee.
 - v. Adjustments to Irrigation and Commercial fees to achieve a cost of service methodology were unreasonably high. The Board directed Raftelis to develop a blended approach to include some increase in Plant Investment fees and additional monthly service charges to recover the costs.
 - b. In February the Board decided to implement Plant Investment fees for single family residences in May, concurrent with a 4% across the board increase in all monthly service charges.
3. Service Charges
 - a. In January the Board decided to replace the one-size-fits all volumetric service fee with fees specific to each customer class according to the cost of service.
 - b. In February the Board decided that in the coming months to implement an across the board 4% increase to service charge revenue.

In addition to these decisions, in February the Board decided to implement the Plant Investment fee adjustments in January of 2019, with the first of three phases of a water resource recovery fee for Commercial and Irrigation water taps. In February the Board asked for an outreach plan to be developed for HOA's, Dairies, and Commercial taps for the summer months in preparation of changes in January 2019. This proposal, by Raftelis, was accepted in March 2018. In March 2018 the Board decided to delay all decisions until after the election in May 2018.

Chris then communicated to the Board the staff recommendations for proceeding. First staff is recommending to start the scaling of water resource fees for single family residences at 3,000 square feet. Next, staff recommends a 4% across the board increase in monthly rates to start in the near future. Third, staff recommends updating the rate study amounts with and updates NISP dollar figure and also using a hybrid of CBT and native water resources as the anchor for the water resources fees. Then, staff is recommending tht the Board consider non-potable water systems, whey they make sense. Lastly, staff is recommending setting a public rate hearing for June.

The Board started by discussing the assumptions that were used in the rate study. They also discussed that Plant Investment fees provide the means to buy water and build infrastructure, rather than have rate payers pay for it.

The Board discussed the importance of outreach before moving to a class cost of service model for monthly rates.

The Board directed Raftelis and staff to update the rate study using \$31,000 as the CBT unit cost for the water resource portion of the Plant Investment fee and to also increase the estimated amount for the NISP project.

The Board also directed staff to prepare tap fee schedules, to increase the water resource portion to \$31,000, and monthly service charge schedules, 4% across the board, for the June Board meeting. After discussion, it was:

**Moved by Director Pruznick and
seconded by Director Leach to set a
public rate hearing for June 19, 2018.
Motion carried 5-0**

9. Managers Update

A. General Information

Chris started by giving an update on the NISP project. He shared a copy of an article in which the Colorado River District endorses the NISP project. He stated that the project is on track for being permitted the summer of 2019. Northern Water is also meeting Larimer Weld Irrigation Company and the New Cache La Poudre Irrigation Company to come to an agreement.

The Soldier Canyon Water Treatment Plant expansion's 30% design and cost estimates were released in April. Due to the costs being higher than anticipated, the three Districts, the Project Manager, and the Engineering firm are working together to develop a better estimate and ensure the project comes in budget.

The City of Greeley has contacted Chris to set up a regional meeting about sharing infrastructure and treatment capacity. The District will start to participate in these meetings.

The City of Fort Collins and Larimer County are updating their master and comprehensive plans. The district is providing information to the entities to help them with drafting their plans.

Chris stated that he'd like to explore getting a new website built and designed. This would also play into the increased communication that our customers want.

Chris reminded the Board that the Tri-City annual meeting will be on May 31, 2018 at the Hilton Double Tree (919 7th Street) in Greeley.

Lastly, Chris reminded the Board about various SDA training opportunities. The District has reserved spots for those interested, but if others would like to attend the trainings, to contact Chris.

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 55 taps have been sold in the month of April for revenues of \$1,892,000 and for the year, 140 taps have been sold with revenues in the amount of \$4,677,000.

10. Other Business

Chairman Borland requested the District look into hiring a public relations firm.

Chairman Borland also stated that the Board should reimburse Board members to have their travel expenses covered. After discussion, it was

**Moved by Director Leach and seconded
by Director Ruff to approve the
reimbursement request.
Motion carried 5-0**

11. Disbursements

The Manager presented disbursements for April 2018 in the amount of \$1,892,536.24. After discussion, it was:

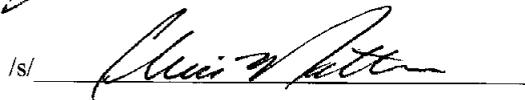
**Moved by Director Leach and seconded
by Director Dieterich to approve the
disbursements for April 2018.
Motion carried 5-0**

12. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 10:31 PM.

Respectfully,

/s/ 

/s/ 

Date Approved: 6/19/18