

East Larimer County Water District  
Board of Directors  
Regular Meeting

Tuesday - 7:00 P.M.

May 15, 2007

1. CALL TO ORDER

Loren Maxey, Chairman of the Board of Directors, called the meeting to order.

2. ROLL CALL

Directors Present: Loren Maxey, Vern Sunset, Ed Laudick,  
Scott Baker

Directors Absent: Randy Siddens

Others Present: Mike Scheid, General Manager; Kathy Phipps, Administrative Manager and CFO; Dan Schommer, CPA, Watkins and Schommer; Shawn Hoff, Water Resources Manager, Soldier Canyon Filter Plant; Todd Williams, Williams and Weiss

3. APPROVAL OF MINUTES FROM MEETING ON APRIL 10, 2007

Scott Baker moved for approval of the April 10, 2007 minutes as presented. Vern Sunset seconded and the motion passed unanimously.

4. DISCUSSION AND APPROVAL OF FINANCIAL AND INVESTMENT REPORT

Several items on the disbursements report were discussed including expenditures related to the project at Taft Hill and Vine Drive. The Board authorized increasing the petty cash fund to \$300.00 to help eliminate writing checks for small purchases. Scott Baker moved for approval of the Financial and Investment reports. Vern Sunset seconded the motion, and it passed unanimously.

5. SOLDIER CANYON FILTER PLANT REPORT

Steering Committee minutes from the April 12<sup>th</sup> and May 3<sup>rd</sup> meetings were included with this agenda item.

The 22-inch transmission line in Laporte Avenue that historically served ELCO and Fort Collins-Loveland Water District (FCLWD) was discussed. With the exception of one residential customer serviced off of this line, FCLWD no longer uses the line. It may be prudent for ELCO to take over maintenance and locating responsibilities of the line. Staff will discuss this further with FCLWD. If ELCO takes over maintenance and locating responsibility it will likely be asked to provide service to the FCLWD customer.

In the event the customer is transferred to ELCO, the raw water assigned to that property should also be transferred to ELCO.

Tom Ullmann updated the Steering Committee on the Tri-District response to the Stage 2 DBP requirements. Tom is developing plans and sampling location maps for each District. Beginning October 2008, ELCO will be required to sample eight sites, six times per year. Staff will check to see if the City of Fort Collins Lab is capable of performing the Stage 2 tests.

A "Drainage Agreement" with Mark Linder for Overland Trail Pond #1 was discussed at length.

May 1<sup>st</sup> Snowpack report for the Cache La Poudre Basin is at 95% of average.

6. RED OAK CONSULTING, (IUG) PROPOSAL TO UPDATE ELCO FINANCIAL AND RATE MODELS

The proposal to conduct a Financial Planning, Plant Investment Fee, and Cost-of-Service Rate Analysis Update submitted by Red Oak Consulting was discussed thoroughly. Staff will ask Red Oak to provide a list of deliverables and clarification of after-charges. Ed Laudick moved to accept the proposal from Red Oak Consulting, Scott Baker seconded the motion and it passed unanimously.

7. PETITIONS FOR INCLUSION AND EXCLUSION

The petition for exclusion for property located on the east side of Timnath Reservoir was discussed. Scott Baker made a motion to grant the petition. Ed Laudick seconded and the motion passed unanimously.

The petition for inclusion for property located near Rocky Ridge Lake north of Eagle Lake subdivision, west of Highway 1 was reviewed. The paragraph referring to the petitioner "*purchasing a water tap and signing the tap fee agreement*" raised concern. This parcel is proposed for development and will require numerous water taps. Staff will ask Joe Fonfara to change the wording in the petition to reflect the "*purchase of taps as required by the District Rules and Regulations*". Scott Baker moved to grant the petition conditioned upon changing the wording of the petition as described above. Vern Sunset seconded the motion. The motion passed unanimously.

8. PRESENTATION OF 2006 AUDIT

Dan Schommer with Watkins and Schommer attended the meeting to present the 2006 Financial Statements and Audit Report. Highlights of 2006 were bulleted in the Management Discussion and Analysis. Net assets increased 10.25%; total operating revenues increased 30.32% while total operating expenses increased 1.17% over 2005. Long-term debt decreased 5.97%.

Scott Baker moved to engage the services of Watkins and Schommer, Inc. for preparation the 2007 audit. Ed Laudick seconded and the motion passed unanimously.

9. UPDATE ON ELCO WATER RESOURCES

**East Rigden**

Todd Williams with Williams and Weiss attended the board meeting to provide an update on the East Rigden Storage Project. The price of lined storage was outlined. Options for collateral and construction time table were discussed at length. Collateral could be taken in increments as construction dictates. Details for the operation and maintenance of the decorative reservoir will be negotiated during the drafting of the Purchase and Sale Agreement. Reserved easements, the mining permit and evaporation from the ponds were also discussed. Todd will inform the sellers of ELCO's intentions and the time table regarding financing for the project.

**Spring Green Drainage Agreement**

Scott Baker moved and Ed Laudick seconded a motion to sign the Spring Green Residential Development Drainage Agreement with Mark Linder. Through the Drainage Agreement, Mark Linder has offered to allow the Tri-Districts and the City of Greeley the opportunity to provide input related to the discharge of and control of storm water once it reaches OTP#1. The motion carried unanimously.

**Larimer County Road and Bridge Dry Up and Re-charge Agreements**

Vern Sunset made a motion to assign a pro rata share of the Dry Up Covenant and Recharge Agreement for WSSC shares owned by ELCO (originally used on the Baiamonte Farm) to Larimer County Road and Bridge. Ed Laudick seconded the motion and it passed unanimously.

**Serragota Falls Dry Up and Re-Charge Agreements and Well Covenant**

Shawn Hoff discussed the Dry Up and Re-Charge Agreements and the Well Covenant for the WSSC share that will be used in Serragota Falls.

**Miners Lake**

Dan Brown is preparing a draft agreement for the purchase of Miners Lake.

10. MANAGERS REPORT

Minutes from the April 19<sup>th</sup> Greeley Water and Sewer Board meeting were included with this agenda item.

ELCO is offering free sprinkler audits to customers beginning June 1<sup>st</sup>. A notice will be included in the May bills.

Hotel reservations for the 2007 SDA Conference in Steamboat Springs have been made for all Board members.

The plan to remodel the ELCO office building and reface the original part of the building is progressing. Updates will be provided as the project moves forward.

Staff is reviewing several proposals for xeriscaping Pump Station One.

11. OTHER BUSINESS

There was no other business to come before the Board.

12. ADJOURNMENT

At 10:10 p.m., as there was no other business to come before the Board, Ed Laudick moved to adjourn, Scott Baker seconded and the motion passed unanimously.

---

Secretary

Approved: \_\_\_\_\_  
President