

East Larimer County Water District  
Board of Directors  
Regular Meeting

Tuesday – 5:30 P.M.

May 13, 2008

1. CALL TO ORDER

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

2. ROLL CALL

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

Directors Absent: none

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

3. OATH OF OFFICE

The Oath of Office was administered to Ed Laudick, Scott Baker and Loren Maxey. They were declared elected by affirmation as there were no more candidates for the Board than offices to be filled.

4. NOMINATION AND ELECTION OF OFFICERS

Ed Laudick made a motion to keep the same Officers. Vern Sunset seconded and the motion passed unanimously. Loren Maxey will continue as Chairman, Vern Sunset as Vice-Chairman and Scott Baker as Treasurer.

5. APPROVAL OF MINUTES FROM MEETING ON APRIL 15, 2008

Scott Baker moved for approval of the April 15, 2008 regular meeting minutes as presented. Ed Laudick seconded and the motion passed unanimously.

6. DISCUSSION AND APPROVAL OF FINANCIAL AND INVESTMENT REPORT

Scott Baker moved for approval of the Financial and Investment reports. Vern Sunset seconded the motion. The motion passed unanimously.

7. SOLDIER CANYON FILTER PLANT REPORT

Minutes from the May 1<sup>st</sup> Steering Committee meeting were not available. Mike reviewed significant items from the meeting.

A plant operator recently accepted a position with another entity and his

replacement has been hired.

Work on the de-watering system is nearing completion.

The Regulatory Compliance Officer for Soldier Canyon continues to work closely with the State Health Department on the integration plan.

Snow pack and the 3-year comparative usage graphs were included with the Board packet.

All Tri-District Board members are invited to a luncheon and tour of the Overland Ponds, Pleasant Valley Pipeline Screen and the new dewatering building on June 5, 2008.

8. WATER RESOURCES/EAST RIGDEN UPDATE

Shawn Hoff attended the meeting to provide an update on water resources.

The John R. Brown Water Right Decree has been awarded by water court. As with all converted, wholly consumable water rights, when diversions begin, accounting for the water right will be complex.

Scott Baker moved for approval of the Water Lease between ELCO and Larimer County Road and Bridge for 5/8 of a share of WSSC owned by Larimer County. Ed Laudick seconded and the motion carried unanimously.

An article from the Denver Post regarding the \$9 million settlement between Water Supply and Storage Company (WSSC) and the National Park Service for the May 2003 breach of the Grand River Ditch was included for discussion. Insurance will pay approximately \$5 million. WSSC will likely utilize a combination of asset liquidation, loans and increased shareholder assessments to generate funds needed to pay the balance of the settlement. ELCO owns 18.54 shares of WSSC.

Staff continues to work with consultants to estimate the construction costs for the East Ridgen Storage Project. When the project is defined and a "statement of work" is prepared, a loan feasibility study will be completed.

9. HEALTH REIMBURSEMENT ARRANGEMENT (HRA) PLAN

The final draft of ELCO's Health Reimbursement Arrangement (HRA) Plan Document was included with this agenda item. The final draft included a vesting schedule and death benefit provision requested at the March 2008 meeting. Scott Baker moved to accept the HRA Plan Document. Ed Laudick seconded and the motion passed unanimously.

10. MANAGERS REPORT

The Statewide Snow Pack map was discussed briefly.

The Annual SDA Conference will be held in Breckenridge from September 17th-19th. Room reservations should be made in June for those planning to attend the conference.

The Annual Tri-City Meeting will be held on May 22, at the Fort Collins Country Club. All ELCO Board members and the District Manager plan to attend. Staff will RSVP for the group.

Meeting summaries from the Halligan and Seaman Project, prepared by

Water Consulting Group were discussed at length. Loren Maxey and Mike Scheid plan to attend the Shared Vision Planning workshop scheduled for June 3<sup>rd</sup> and 4<sup>th</sup>.

Minutes from April 17<sup>th</sup> Greeley Water and Sanitation meeting and NCWCD March 14<sup>th</sup> meeting were included with the Board packet as informational items.

Using information supplied by ELCO staff, financial analysts with Colorado Water and Power Development Authority (CWPDA) will soon complete the credit report. The credit report will be submitted for consideration to the CWPDA Board on June 6, 2008. Assuming ELCO is accepted into the loan program, the District will be required to hire bond counsel to review the loan agreement and bond documents on behalf of ELCO.

11. OTHER BUSINESS

Dan Schommer with Watkins & Schommer attended the meeting to present the 2007 Audit. The Audit field work was completed in late February.

Highlights of 2007 were bulleted in the Management Discussion and Analysis. Net assets increased 3.36%; total operating revenues decreased .16% while total operating expenses increased 5.10% over 2006. Long-term debt decreased 6.55%.

Dan will submit two copies of the audit to the State Auditors office on behalf of ELCO.

Dan complimented the Districts accounting staff for the quality of its workmanship.

Scott Baker moved to engage the services of Watkins and Schommer, Inc. for preparation the 2008 audit. Vern Sunset seconded and the motion passed unanimously.

12. ADJOURNMENT

As there was no other business to come before the Board, Vern Sunset moved to adjourn the meeting. Scott Baker seconded and the meeting adjourned at 8:00 p.m.

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Secretary

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

President