

East Larimer County Water District  
Board of Directors  
Regular Meeting

Tuesday – 5:30 P.M.

July 21, 2009

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, Randy Siddens,  
Ed Laudick

Directors Absent: Vern Sunset

Others Present: Mike Scheid, General Manager; Kathy Phipps, Administrative Manager and CFO; Shawn Hoff, Water Resources Manager Soldier Canyon Filter Plant; Webb Jones, Water Consulting Group; Cathy Schott and Mark Kerwood, First National Bank Trust Department

3. APPROVAL OF MINUTES FROM MEETING ON JUNE 16, 2009

Ed Laudick moved for approval of the June 16, 2009 regular meeting minutes as presented. Scott Baker seconded and the motion passed unanimously.

4. DISCUSSION AND APPROVAL OF FINANCIAL AND INVESTMENT REPORT

Scott Baker moved for approval of the June 2009 Financial and Investment reports. Randy Siddens seconded the motion and it passed unanimously.

5. SOLDIER CANYON FILTER PLANT REPORT

**Minutes-** Draft minutes from the July 2<sup>nd</sup> Steering Committee meeting were included in the Board packet.

**SCFP Update-** The plant is running well and has been processing approximately 25-30 mgd. Typical flow for this time of year is 36-37 mgd. Shawn Hoff explained the minor sediment problems that occur while the Plant is running between 50%-70% river water.

It was suggested that ELCO hold its September Board meeting at Soldier Canyon.

6. FIRST NATIONAL BANK

Cathy Schott and Mark Kerwood from First National Bank attended the Board meeting to talk about the Districts Investment Management Accounts. Cathy reminded the Board that assets held by the Trust Department are segregated from other funds of First National Bank.

Mark Kerwood reviewed money market funds available to the District. In addition to the First National Money Market Fund, Mark presented a table comparing three institutional money market funds: Dreyfus Cash Management, Goldman Sachs Financial Square Money Market and Goldman Sachs Financial Square Government Fund.

Scott Baker made a motion to use the Goldman Sachs Financial Square Government Fund as the Districts sweep option for the money market portion of ELCO's Investment Management Accounts. Ed Laudick seconded and the motion passed unanimously. Staff will notify the Trust Department.

7. WATER RIGHTS AND STORAGE PROJECTS

Shawn Hoff attended the July meeting to review the current water resources agenda items covered at the July Soldier Canyon Steering Committee Meeting.

The "cap calculation" policy of Northern Colorado Water Conservancy District was discussed at length. A letter from NCWCD and a recently adopted resolution and policy on transfers of water allotment contracts to special districts was included with this agenda item.

Title work for the Coy Ditch was received today. The agreement to purchase the Coy Ditch Water Right may be ready for final Board review in August.

Two Agreements of Sale and Purchase for the John R. Brown Water Right are ready for Board consideration. One agreement is with Treiber, the other is with Warson. Scott Baker made a motion to approve the resolution appointing Shawn Hoff to act on behalf of ELCO at the Treiber closing scheduled for July 30, 2009. Randy Siddens seconded and the motion carried unanimously.

Scott Baker made a motion to enter into the agreements to purchase the Treiber water and the Warson water. Ed Laudick seconded and the motion passed unanimously.

Webb Jones attended the meeting to update the Board on the Halligan-Seamans Water Management Project. The 2004 agreement between the Tri-Districts and the City of Fort Collins and North Poudre Irrigation Company to complete the planning and environmental review for permitting the Project was discussed. The Board evaluated, in depth, reasons to continue participating and reasons to discontinue participating in the Project. There was concern of creating "ill-will" with other participants and of not fully understanding other potential storage alternatives available. In the end, the estimated cost of \$60 million for permitting and constructing the project was determined to be too high. Scott Baker made a motion to no longer expend, budget or appropriate funds for the Halligan-Seaman Water Management Project effective August 1,

2009. Ed Laudick seconded the motion. The motion carried with three votes in favor and one abstaining. Providing all three Districts reach the same conclusion, a letter from the Tri-Districts, signed by each Board President, will be sent to the City of Fort Collins and NPIC. Webb will notify Bruce Kroeker of ELCO's decision.

8. ANHEUSER BUSCH AGREEMENT

An agreement between ELCO and Anheuser-Busch Inc. for the District to manage the design and construction of approximately 8,000 feet of 12-inch diameter waterline was included with this agenda item. ELCO staff along with Joe Fonfara prepared the agreement. Anheuser-Busch will bear all costs related to the project. Ed Laudick moved to approve the agreement. Scott Baker seconded and the motion carried unanimously. Anheuser-Busch representatives have indicated satisfaction with the agreement and anticipate executing it upon receipt.

Any time a local government receives revenues unanticipated at the time of the adoption of its budget, the expenditure of such revenues requires the adoption of a supplemental budget and appropriation to authorize spending the "new" money. Accordingly, Scott Baker made a motion to amend the 2009 budget. Ed Laudick seconded and the motion passed unanimously. Staff will publish the required meeting notice and prepare the resolution for formal action at the August Board meeting.

9. NEWT PIPELINE PROJECT

Included with the Board packet was the Contractor's Application for Payment Number 1. ELCO's portion is \$32,400. Pay requests will be presented for approval at monthly Board meetings prior to wiring funds to Garney Construction.

In June the Districts asked AECOM to provide limited construction services for the NEWT 1 project. Their letter declining the request to provide a reduced scope of services was included with this agenda item.

Access to all properties along the pipeline route has been secured by easement, possession and use, or immediate possession.

10. MANAGER'S REPORT

**Red Oak Consulting** - A proposal from Red Oak Consulting to update the Financial Planning Model and Cost-Of-Service and Rate Analysis was signed after brief discussion. The work is expected to be completed within ten weeks and will correspond with ELCO's 2010 budget preparation.

**Special District Annual Meeting** – The Board was reminded of the Annual meeting to be held in Keystone September 23-25. At this time Scott and Loren plan to attend.

**ELCO Employee Retirement** – Mike informed the Board that Rick Mattingly, ELCO Engineering Manager, plans to retire effective September 30, 2009. Rick has worked for the District for 20 years.

**Mountain Vista Subarea Plan** – An announcement for the 4<sup>th</sup> and final drop-in open house regarding the Mountain Vista Subarea Plan was included as an informational item.

11. OTHER BUSINESS

There was no other business to come before the Board.

12. ADJOURNMENT

As there was no other business to come before the Board, the meeting adjourned at 9:20 p.m.

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Secretary

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