

East Larimer County Water District
Board of Directors
Regular Meeting

Tuesday – 5:30 P.M.

April 20, 2010

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, Randy Siddens
Directors Absent: Scott Baker, Ed Laudick
Others Present: Mike Scheid, General Manager; Kathy Phipps, Administrative Manager and CFO; Shawn Hoff, Water Resources Manager Soldier Canyon Filter Plant; Cathy Schott, Mark Kerwood, Sarah Zeller, First National Bank
3. APPROVAL OF MINUTES FROM MEETING ON MARCH 9, 2010
Vern Sunset moved for approval of the March 9, 2010 regular meeting minutes as presented. Randy Siddens seconded and the motion passed unanimously.
4. DISCUSSION AND APPROVAL OF FINANCIAL AND INVESTMENT REPORT
Expenditures for sign repair at Super-8 and Halligan-Seaman 2009 project costs were discussed briefly. Randy Siddens moved for approval of the March 9, 2010 Financial and Investment reports. Vern Sunset seconded the motion and it passed unanimously.
5. REVIEW OF MANAGED ACCOUNTS – CATHY SCHOTT, FIRST NATIONAL BANK
Cathy Schott, Mark Kerwood, and Sarah Zeller with First National Bank attended the meeting to provide an update on the Districts managed investment accounts. Graphs depicting leading economic indicators, jobless claims and home price index were reviewed. From an investment standpoint the outlook is positive. Questions regarding Goldman Sachs were answered. ELCO's portfolio includes securities in the Goldman Sachs Financial Squared Government Money Market Fund. These funds are held in trust, separate from the "bank-side" of Goldman Sachs and therefore not affected by recent problems reported in the news media. The investment strategy for the Bond Proceeds Managed Account

will be adjusted when the NEWT pipeline project is completed later this summer.

6. SOLDIER CANYON FILTER PLANT REPORT

Minutes- Draft minutes from the April 1, 2010 Steering Committee meeting were included in the Board packet.

SCFP Update-

Copies of the management letter and auditor recommendations from Dan Schommer, CPA, were included for discussion. The complete Soldier Canyon Filter Plant Audit is available upon request.

Mike shared information derived from the presentation made by CWD expert, Joel Pedersen, University of Wisconsin. The intent of the presentation was to ascertain the potential risk associated with the proposed CSU land purchase. The land is adjacent to SCFP and would be used for drying beds. This and other possible solutions to the drying bed needs will continue to be explored before a decision is made.

7. WATER RIGHTS/STORAGE PROJECTS UPDATE

Shawn Hoff attended the Board meeting to discuss Tri-District water resources activities.

Attorneys continue work on the Districts WSSC change-of-use case. The trial date is June 2011.

The conditional storage rights and rights of exchange at Overland Trail Reservoirs are moving forward. Tri-District Managers are scheduled to meet with Scott Holwick, Bruce Kroeker, and Greeley, later this week to discuss the case.

The City of Fort Collins is continuing its effort to resolve ownership and easement issues regarding the Larimer County No.2 Ditch extending from the river head gate to Bingham Hill Road.

A draft agreement prepared for the City of Greeley and Water Supply and Storage Company was included with this agenda item. As a condition of its change-of-use case, ELCO will likely be subject to a very similar agreement with WSSC. Areas of particular concern include the overall restrictive nature of the agreement, the ambiguity surrounding possible injury to other shareholders, and the fee-per-share that will be assessed as soon as the agreement is signed. The ramifications of selling the District's WSSC shares were discussed at length.

Geosmin levels in the Poudre River are elevated. Shawn is working on trading the Tri-Districts 1,516 acre feet of water in Chambers Lake to avoid delivering this poorer quality water to the treatment plant and to reduce the chance of spilling.

8. MANAGER'S REPORT

NEWT Payment Request – Newt Payment Request #8 was included with the Board packet. The project is approximately 70% complete. Challenges presented by crossing a City of Fort Collins waterline have been resolved favorably. Darwin is working through concerns related to crossing under

a WAPA power line. Because WAPA is working on other areas of their system at the same time the NEWT line is crossing under the WAPA line, it leaves their system vulnerable. A meeting is scheduled tomorrow with WAPA representatives.

Recalibration of U.S. Public Finance Ratings – Information from Fitch Ratings related to the recalibration of U.S. Public Finance ratings was included with this agenda item. The intent of the recalibration is to ensure a greater degree of comparability across Fitch’s global portfolio of credit ratings.

Giddings Road Pipeline Project – Don Kehn Construction was awarded the contract to construct the new waterline on Giddings Road. The bid was well-under the engineers estimate. They expect to begin the project the 2nd week of May.

9. OTHER BUSINESS

Developers of Maple Hill have contacted ELCO regarding service to the next phase of their project. The lots had initially been designated as multi-family; however current market conditions are more conducive to single-family development. Because of this change, extensive asphalt removal and replacement will be required to install water mains and service lines in the traditional configuration. To help offset their costs; the developer’s have proposed running the customer’s water service line in a narrow side-lot easement entering the home through the back yard for half of the lots. This would also result in the meter pits for the “interior lots” being physically located on the “exterior lots”. The proposal was discussed at length. Staff has expressed concern with the developers proposed design; however, ELCO considers everything downstream of the meter to be an extension of the customers plumbing and therefore falls outside the Districts area of influence and responsibility. Feedback from City of Loveland and City of Fort Collins and Boxelder Sanitation indicates this design would not be approved in their service areas.

There was no other business to come before the Board.

10. ADJOURNMENT

As there was no other business to come before the Board, at 9:45 p.m. Randy Siddens moved to adjourn. Vern Sunset seconded and the motion passed unanimously.

Secretary

Approved: _____
President