

East Larimer County Water District
Board of Directors
Regular Meeting

Tuesday – 5:30 P.M.

June 15, 2010

1. CALL TO ORDER
Vern Sunset, Vice-Chairman of the Board of Directors, called the meeting to order.

2. ROLL CALL
Directors Present: Ed Laudick, Vern Sunset, Randy Siddens, Scott Baker

Directors Absent: Loren Maxey

Others Present: Mike Scheid, General Manager; Kathy Phipps, Administrative Manager and CFO; Lynn Jacquart, Senior Accounting Specialist; Jim Berger, Colotrust; Dan Schommer, Watkins & Schommer, Inc.

3. APPROVAL OF MINUTES FROM MEETING ON MAY 18, 2010
Randy Siddens moved for approval of the May 18, 2010 regular meeting minutes as presented. Ed Laudick seconded and the motion passed unanimously.

4. DISCUSSION AND APPROVAL OF FINANCIAL AND INVESTMENT REPORT
Scott Baker moved for approval of the May 18, 2010 Financial and Investment reports. Ed Laudick seconded the motion and it passed unanimously.

5. PRESENTATION OF 2009 AUDIT
Dan Schommer of Watkins & Schommer, Inc. attended the meeting to present the 2009 Audit.
The annual report was reviewed in detail. The only adjusting journal entry that was out of the ordinary was related to writing-off the remaining 1998 bond discount and issuance costs. The 1998 bonds were refunded when new debt was issued in mid 2009. Operating revenues as well as operating expenses were down slightly when compared with 2008. The minimal variance between the 2009 budget and actual revenues and expenditures indicates staff has a realistic picture of the costs of operating the District, as well as the ability to stay within

the budget.

Dan will submit the audit to the State Auditor on behalf of the District. Staff will handle audit submittals required by other entities.

The following recommendations involving internal controls and District operations were made:

- A. Implement formal policy requiring initials and date for the performance of all duties, reviews and approvals.
- B. Administrative Manager should review the bank reconciliations for any unusual items and document their approval by initialing the form.
- C. Blank check stock should be kept in a locked area accessible only to those with proper authorization. (task completed)
- D. Administrative Manager should examine and verify that all payroll changes are entered correctly.
- E. A person one level above the person generating journal entries review and approve all nonstandard journal entries and initial the supporting documents for the entries to document their approval.

Watkins & Schommer, Inc. presented a letter of engagement for 2010 Audit for the Boards consideration. The letter of engagement indicates the cost for 2010 Audit will not exceed \$6,300.

6. REVIEW OF TRUST ACCOUNT – JIM BERGER, COLOTRUST

Jim Berger attended the meeting to review and discuss District funds currently held with COLOTRUST. The yields from ELCO's account are very low, but still competitive with other institutions. The top priorities of COLOTRUST remain the safety of the public's funds, the maintenance of sufficient liquidity and the offering of a competitive yield.

7. SOLDIER CANYON FILTER PLANT REPORT

Minutes- Draft minutes from the June 3, 2010 Steering Committee meeting were included in the Board packet.

SCFP Update-

Although the Poudre River was high in TOC and algae counts, the Plant treated river water briefly during late May. Finished water quality is good and the flow rate is approximately 20 MGD.

The tank re-coating project is two weeks behind schedule because of the need to re-blast and re-coat some areas of the tank and lid. The thickness of the paint was incorrect in some areas and had to be done over. Additional work on backwash tank three may be negotiated for in lieu of liquidated damages.

Bill Roberts will contact Tom Ullmann and request he attend the July Steering Committee meeting and provide the final Master Plan report.

After meeting with representatives from CSU in May, it was determined the Tri-Districts should prepare a “counter-offer” for the property being considered for future Plant expansion. A tour of the five acre site under consideration will take place at 9:30am on June 17.

Bill Roberts was asked to research the process and costs associated with having a consultant perform a Comprehensive Performance Evaluation of the treatment plant.

8. WATER RIGHTS/STORAGE PROJECTS UPDATE

North Weld and ELCO continue to work with Water Supply and Storage Company to craft a mutually acceptable operating agreement related to the change-of-use case. The agreement will specifically address the needs of the Districts. Thus far, staff is encouraged by its interactions with WSSC representatives.

Greeley has presented the Tri-Districts with a draft IGA on the Overland Trail Ponds. The Tri-Districts would like to incorporate “first right of refusal” in the event Greeley wants to give up ownership of any portion of the project.

The Larimer County No.2 Ditch Company Board of Directors has approved the permanent easement with the City of Fort Collins for their ditch.

9. MANAGER’S REPORT

NEWT Payment Request – Newt Payment Request #10 was included with the Board packet. The project is on time and on budget. Scott let the Board know he has received compliments from various individuals regarding Darwin’s exceptional professionalism as well as that of Garney Construction.

Giddings Road Pipeline Project – Loren signed the “notice to proceed” that will enable Kehn Construction to begin the project. The pre-construction meeting is scheduled for Friday the 18th. Construction will begin Monday June 21st and will likely take 4-6 weeks to complete.

ELCO/Fort Collins Service Area – Mike met with Roger Buffington with the City of Fort Collins last week. A map outlining the District service area as defined by tax codes was reviewed. After lengthy discussion, the ELCO Board and Staff determined that as land re-develops, water service should be provided by the entity best positioned to do so.

10. OTHER BUSINESS

District Engineer, Darwin Williams, recently passed the P.E. exam and is now a Professional Engineer. The Board extended their congratulations. A letter of recognition will be given to Darwin along with a salary adjustment.

11. ADJOURNMENT

As there was no other business to come before the Board, at 8:15 p.m. Scott Baker moved to adjourn. Ed Laudick seconded and the motion passed unanimously.

Secretary

Approved: _____
President