

The Board of Directors of the Left Hand Water District, meeting as the Board of the District and of the Left Hand Water Activity Enterprise, held their regular meeting on April 19, 2018 at the District offices, 6800 Nimbus Road, Longmont, Colorado. The meeting was called to order by President Julie Trumpler at 9:04 a.m.

Directors Present: Julie Trumpler, President
Mark Hochhauser, Vice President
Dan Lisco, Secretary
Sam Barnsley, Treasurer
Bart Fischer, Director
Jim Richard, Director
Alan Pratt, Director

Directors Absent: N/A

Staff and Consultants: Chris Smith, General Manager
Vicki Santos, Finance Manager
Jason Whitmore, Treatment Manager
Scott Holwick, Attorney
Meghan Connolly, Engineer I
Lilah Imes, Assistant Secretary, Board of Directors

Public Present: Paul Niedermuller auditor from CliftonLarsonAllen
Eric Miller from auditor CliftonLarsonAllen

SUBJECT: MINUTES OF THE DISTRICT REGULAR MEETING HELD 3/15/2018

Approval of the Minutes:

As is customary, the minutes of the March 15, 2018, Board meeting were submitted to the Directors in their meeting packets prior to the meeting. Some minor changes were suggested after the original submission; modified minutes were provided to Directors. Discussion.

MSP: *Director Richard moved to approve the minutes, as modified, of the March 15, 2018 meeting. Motion seconded by Secretary Lisco. Motion carried unanimously.*

SUBJECT: PUBLIC HEARING/COMMENT

2017 Audit Presentation:

Paul Niedermuller and Eric Miller from CliftonLarsonAllen presented the results of District's Audit for fiscal year ending December 31, 2017. The Board received a copy of the full audit in their board packets and the audit firm also provided individual copies. Mr. Miller explained to the Board the processes to complete the Audit and stated the auditors work for the Board of Directors. This could possibly be the last time the District will be required to have a single audit performed, as it is unlikely the District will meet the threshold in the future. Mr. Miller noted that

staff should be commended for having great practices in place that did not require any changes from the audit team. Discussion

MSP: *Secretary Lisco moved to accept the CliftonLarsonAllen audit as presented to the Board. Motion seconded by Treasurer Barnsley. Motion carried unanimously.*

SUBJECT: TAPS FOR BOARD CONSIDERATION

New Expressions Homes – Wyndham Hill 5 Blocks Outlots A thru I Irrigation Tap:
New Expression Homes applied for service to 3 townhome building and one irrigation tap to service the common areas of this development. Staff drafted a Subdivision/Multiple Tap Purchase Agreement, which was included in the board packet. The developer, however, has since spoken to staff and he would like to withdraw the contract and request only the irrigation tap. Per District Policy, the approval would require an additional 4.4 units of water dedication. In 2017 Mr. Glaso applied for an irrigation tap, which was approved; however, that agreement expired after it had not been executed after 90 days. Discussion.

MSP: *Treasurer Barnsley moved to approve a ¾-inch Commercial Irrigation Tap for Wyndham Hill Filing 5, Outlots A thru I, with a total of 5.5 units of C-BT dedication subject to all requirements for service. Motion seconded by Secretary Lisco. Motion carried unanimously.*

7561 N. 49th Street – Randy & Debbie Eubanks (submitted: Coburn Development):
The applicant for this parcel of land has requested service for a vacant lot on which he plans to construct a home and an accessory dwelling. According to District Policy, each residential tap can serve one single family residence. However, instead of requiring the land owner to have two taps on one property to serve the home and an accessory dwelling, District Policy allows an applicant to purchase a ¾-inch tap. The applicant has requested to pay cash-in-lieu of dedication for 1.5 shares of LHDC. Discussion.

MSP: *Director Pratt moved to approve to approve ¾-inch single family residential tap for 7561 N. 49th Street subject to all requirements for service. Motion seconded by Director Fischer. Motion carried unanimously.*

SUBJECT: FINANCIAL REPORTS

Monthly Financial Statements

Vicki Santos presented the financial reports and payables for the month of March 2018. Discussion.

Bills and Appropriations

A listing of monthly bills and appropriations was presented for review prior to the meeting. The total payables equaled \$895,554.44.

SUBJECT: UNFINISHED BUSINESS

Northern Water Regional Pool Program:

Northern Water allocated 15,000 acre-feet of water for the regional pool and opened up bidding in March. The price has gone up considerably since last year and staff anticipates receiving a larger pro-rata share this year. Discussion.

Northern Water 2018 Quota/2018 Water Management Report:

The Northern Water Board of Directors has increased the 2018 C-BT quota to 80%. Annually, after Northern releases the quota in early April, staff analyzes the District's anticipated need and supply to determine the amount of C-BT to carry over, the amount of any C-BT to exchange with the Left Hand Ditch Company, and the amount (if any) of shares/units that will be available for lease.

For winter storage, the District's agreement with LHDCo requires the District to exchange at least 500 AF of C-BT; however, for the last five years, we have been exchanging 800 AF. Staff is recommending exchanging 700 AF this year.

Staff analysis indicates up to 2,200 AF of C-BT and 300 shares of LHDCo water could be available for lease this year and recommended that 2,000 AF of C-BT and 300 of LHDCo be made available to start. Board agreed via consensus and approved the General Manager to use his discretion regarding leasing additional units of C-BT. To be clear, only allotment water can be leased, not carryover water. Typically, the District leases allotment water for \$45.00 per AF and the Ditch company gets the first right of refusal. Discussion.

MSP: *Secretary Lisco moved to request 700 AF of exchange with the Left Hand Ditch Co. which moves 700 AF of C-BT into the LHDCo Winter Storage Account for the 2018/19 winter, set the rental fee for LHDCo water at \$45.00 per share and set the rental fee for C-BT at \$45.00 per unit, with the LHDCo having first right of refusal. Motion seconded by Director Richard. Motion carried unanimously.*

Drought Management Plan:

The District's Drought Management Plan was initiated in the early 2000's. With the C-BT quota at 80%, the District does not feel the need to declare a drought. Staff would like to once again ask customers to conserve water voluntarily. The Board gave staff direction to continue voluntary water restrictions.

C-BT Water Purchase – 20 AFU / Pleasant View Farm:

The District is in the process of purchasing 20 units of C-BT from Pleasant View Farms as previously authorized by the Board. There are two contracts for 10 units each. The contracts are identical however, the water is coming from two different accounts. The District will get the appropriate paperwork to Northern Water after today's meeting. Several other people have approved Chris to purchase their water, however, since the District has purchased about 250 units within the past 18

months, staff will hold off looking for more water and re-evaluate at the end of the summer. Discussion.

MSP: ***Director Pratt moved to approve purchase of two allotment contracts (#7946 & #8002) from Pleasant View Farm, LLC, and to execute two (2) copies of the Application To Northern Colorado Water Conservancy District (Northern Water) for Water Allotment Contract, each for 10 AFU's of C-BT Project Water. Motion seconded by Treasurer Barnsley. Motion carried unanimously.***

Niwot Youth Sports Baseball Field Lease Renewal:

The Niwot Youth Sports Baseball Field lease renewal is ready to be executed. Both parties have reviewed the lease and it requires signatures from the District's president and secretary. Discussion.

MSP: ***Treasurer Barnsley moved to approve the lease agreement and authorize signature by Board President and Secretary. Motion seconded by Director Pratt. Motion carried unanimously.***

Southern Water Supply Project II – Allotment Contracts:

The project's design and estimating have been impressive. Their estimates have been within a few thousand dollars of the bid which positioned us well. The next step in the District's participation is the execution of the Agreements between the District and Northern Water for the construction and capacity ownership in the pipeline, as well as capacity in the existing outlet works at Carter Lake. The contracts have been reviewed by staff and the District's attorney's office. The design phase will be complete at the end of this month with construction anticipated to begin in August. Discussion.

MSP: ***Secretary Lisco moved to approve and authorize the General Manager to execute two Agreements with Northern Water for the construction and capacity ownership in the SWSPII: (1) Allotment Contract with the Southern Water Supply Project Water Activity Enterprise for Capacity in the Southern Water Supply Project Pipeline II and (2) Agreement for SWSPII Participants to Reimburse SWSPI Participants for Carter Lake Outlet Works Modifications. Motion seconded by Director Pratt. Motion carried unanimously.***

Guaranty Bank Account with Northern Water:

The District's Allotment Contract with Northern Water requires the creation of a joint bank account for the construction of the SWSPII. Northern's typical financing model is for the municipality to remit 100% of their share of their anticipated construction costs at the time the agreement is executed; Northern then spends it out and any remaining funds are reimbursed following the completion of the project. The District's loan from the CWCB, however, is a construction loan and CWCB will not issue all the funds up front. The District will be presenting CWCB with a monthly invoice for payment. In order to facilitate Northern's receipt of the funds, a joint bank account has been agreed to where funds will be deposited by CWCB and Northern will have access to withdraw funds and transfer them to the primary account for the project. The District's banking policies, Policy 8,

Investments, regarding the requirement for dual signatures among other requirements, will apply to this joint account. Discussion.

MSP: ***Treasurer Barnsley moved to execute the document from Guaranty Bank, establishing a joint bank account with Northern Water to facilitate funding per the Allotment Contract, subject to District policies regarding financial transactions. Motion seconded by Secretary Lisco. Motion carried unanimously.***

Dodd Water Treatment Plant Hydroelectric Feasibility Study:

The Board was presented with a Hydroelectric Feasibility Study recently completed by Burns & McDonnell. The District's payback period is estimated in the report to be approximately 14-18 years. The Board discussed the impact that estimates of future electrical fee as well as initial construction costs would have on the payback period. Discussion. Action tabled pending additional information.

SUBJECT: NEW BUSINESS

Northern Integrated Supply Project – Board Tour of Site Locations: April 30, 2018:

After last month's meeting, Chris emailed the Board with some dates for a tour of the NISP project. This would allow the Board members a first-hand look at the proposed reservoir sites and ask any questions regarding the project with the staff at Northern. The consensus date was April 30, 2018. Staff and Board members will meet at Northern's facility at 9 am. Discussion.

Attorney's Comments:

There were no attorney comments at this meeting.

Meeting adjourned at 12:15 pm.

By,

Lilah Imes, Assistant Secretary, Board of Directors

Dan Lisco, Secretary