

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 August 16, 2018 at the District offices, 6800 Nimbus Road, Longmont, Colorado. The meeting was called to order by Vice President Mark Hochhauser at 9:04 a.m.

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

Directors Absent: Julie Trumpler, Excused

Staff and Consultants: Chris Smith, General Manager
Vicki Santos, Finance Manager
Jason Whitmore, Treatment Manager
John Chmil, Attorney
Adam Delaney, Distribution Manager
Steve Buckbee, District Engineer
Lilah Imes, Assistant Secretary, Board of Directors
Jordan Tyson, GIS Specialist

Public Present: Bing Sellers, Fox Chase Subdivision
James Mann, Ehlers

SUBJECT: MINUTES OF THE DISTRICT REGULAR MEETING HELD 7/19//2018

Approval of the Minutes:

The minutes of the July 19, 2018, Board meeting were submitted prior to the meeting.

MSP: *Treasurer Barnsley moved to approve the minutes of the July 19, 2018 meeting. Motion seconded by Director Pratt. Motion carried unanimously.*

SUBJECT: PUBLIC HEARING/COMMENT
There is no Public Hearing scheduled for this month's meeting.

SUBJECT: TAPS FOR BOARD CONSIDERATION
There are no tap requests scheduled for this month's meeting

SUBJECT: UNFINISHED BUSINESS

Fox Chase Subdivision – Bing Sellars:

The Board of Directors approved a subdivision/multiple tap purchase agreement with Fox Chase Subdivision and per the contract have 180 days to receive final plat approval from the Town of Frederick. Bing Sellars the developer of this subdivision addressed the board to request an exception to this condition and

would like Board approval to begin construction ahead of final plat approval from the Town as the approval seems to be further out. They would like to begin prior to the weather changing. In order for the Board to allow this subdivision to proceed prior to approval, an amendment to the existing contract will have to be written and presented to the Board at the September meeting. Staff has some concerns about allowing construction to begin prior to approval by the Town. If the Town does not approve the final plat, the District would own a water line that does not go anywhere and does not generate any revenue. While staff and the Board are sympathetic towards the developer's project, their main responsibility is to protect the District from any unnecessary risk. Discussion.

SUBJECT: FINANCIAL REPORTS

Monthly Financial Statements

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

Bills and Appropriations

A listing of monthly bills and appropriations was presented for review prior to the meeting. The total payables equaled \$779,681.88.

Financial Presentation – Ehlers, Inc. Municipal Advisors:

Jim Mann from Ehlers, Inc. has been working with Chris and Vicki in order to map out the financing of the District's portion of the NISP project. Staff asked Ehlers to review the District's Financial Policy, Policy 36, to ensure it is appropriate for the financing of NISP. The review does not just look at an isolated event, but the situation of the District, which, financially, is very healthy. The rate model involving NISP will need to be reviewed annually by the Board as more information becomes available concerning the movement of NISP water. Financially, the District is very sound to enter into a project like NISP. Ehlers presented 4 payment options from significant rate increases, to structured debt with smaller increases over time. Discussion.

Bond Counsel Engagement Letter – Kutak Rock LLP:

Included in this month's board packet was an engagement letter from Kutak Rock, LLP. This engagement letter is for the loan that will connect the SWSPH to the Dodd treatment plant with Hydroelectric power. Discussion.

MSP: *Secretary Lisco moved to authorize signature of Letter Agreement with Kutak Rock, LLP. Motion seconded by Treasurer Barnsley. Motion carried unanimously.*

Resolution 2018-04 – Reimbursement of pre-loan design expenses from CWRPDA loan:

This Resolution is to approve the intent of the District to reimburse itself with the proceeds of the loan from Colorado Water Resources and Power Development. Discussion.

MSP: *Secretary Lisco moved to approve Resolution 2018-04. Motion seconded by Director Pratt. Motion carried unanimously.*

Budget Committee:

At this board meeting, the Budget committee was selected. President Trumpler and Treasurer Barnsley have agreed to participate. Vicki Santos will set up the first meeting sometime in the beginning of September. Discussion.

SUBJECT: UNFINISHED BUSINESS (cont.)

CBT Cash-in-Lieu of Dedication Rate Review:

The Board reviews cash-in-lieu rates for C-BT quarterly. Our water bank contains a sufficient amount of C-BT and staff is not in a rush to purchase more. Discussion.

SUBJECT: NEW BUSINESS

Attorney's Comments:

The Government Practice Group of Lyons Gaddis prepared a memo regarding bills that were passed and signed during the 2018 legislative session. The memo highlights the major issues that may have some effect on Special Districts. They are general Title 32 considerations. Some legislation of note from a procedural standpoint is the change of the Special District election years from even years to odd years. As a result of that, the terms will be tapered in election years 2020 and 2022, the terms will be 3 year terms as opposed to 4 year terms to get the Districts on the odd year election cycle in 2023. HB18-1140 authorizes the purchase of crime insurance in lieu of public official personal surety bonds. Staff will check with our insurance carrier on the effects of this on our coverage. HB18-1073 is putting into law what has been done in practice, where water districts have the right to sell capacity/storage water. Enforcement requirements for 811 locates will go into effect January 1, 2021. These requirements will make every utility Tier 1. The District's diligence application, Case No. 18CW3043 was issued a final decree by the court on July 24th which will require the District to file its next diligence filing no later than July 31, 2024 in order to maintain these conditional water rights. As for Case No. 18CW3046, we expect a ruling next month. Discussion.

Meeting adjourned at 11:45 am.

By,

Lilah Imes, Assistant Secretary, Board of Directors

Dan Lisco, Secretary