

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 March 18, 2021, at the District offices, 6800 Nimbus Road, Longmont, Colorado via Zoom Video Conference to comply with State's safer-at-home order as part of the COVID-19 outbreak. The meeting was called to order by President Julie Trumpler at 9:01a.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: None

Staff and Consultants: Chris Smith, General Manager
Vicki Santos, Finance Manager
Scott Holwick, Attorney
Jason Whitmore, Treatment Manager
Adam Delaney, Distribution Manager
Steve Buckbee, District Engineer
Martin Harders, Engineering Tech I
Rhonda Price, Executive Assistant

Public Present: Jessie Olson, Executive Director, Left Hand Watershed Center

SUBJECT: MINUTES OF THE DISTRICT REGULAR MEETING HELD 2/18/2021

Approval of the Minutes:

Draft minutes of the February 18, 2021, Board meeting were submitted to the Board prior to the meeting.

MSP: *Director Richard moved to approve the minutes of the February 18, 2021, meeting. Motion seconded by Director Fischer. Motion carried unanimously.*

SUBJECT: PUBLIC HEARING/COMMENT

Left Hand Watershed Center (LHWC) Update:

Jessie Olson, Executive Director of the LHWC, provided an update of the Center's work related to watershed recovery in the areas of the CalWood and Left Hand Fires. Ms. Olson discussed one of the recovery activities on which the Center is focusing, aerial mulching the severely burned areas. Boulder County was successful in getting an Emergency Watershed Protection (EWP) Program agreement through the NRCS. This agency provides funding on a match basis to allow federal funds to be used on private properties as well as on county/state/local owned properties. Boulder County's grant will provide funding for aerial mulching

on 300 acres within lands owned by the USFS. Ms. Olson discussed the remaining unmet needs and described the Center's efforts in exploring additional funding opportunities or potential collaboration with the Colorado Water Conservation Board, the St. Vrain & Left Hand Water Conservatory District, and the City of Longmont, all of whom have expressed interest in collaborating. In addition, Ms. Olson stated that the Center is looking for funding for work within the Left Hand Fire burn footprint which had no EWP funding. The Center was notified this week that it received funding for this work from The Boulder Community Foundation, with the largest grant the Foundation has ever awarded.

Ms. Olson's presentation included a chart reviewing the fire recovery needs, broken down between needs that have been funded vs. unmet needs. The LHWC has prioritized the items within the request to the Community Foundation that need to be completed before the monsoon season. The list includes the restoration of gap areas on the Left Hand burn area as well as other federal properties, and setting up the adaptive management monitoring site this spring.

Ms. Olson also announced the Center has hired an additional full-time employee as an Education and Outreach Coordinator. The new Coordinator comes from the St. Vrain Valley School District with a fifteen-year career as a STEM Coordinator and has also volunteered for the past two years with the LHWC.

Assistant Secretary to the Board

Chris Smith introduced Rhonda Price, who started as the District's Executive Assistant on March 15th. The Executive Assistant position also serves as Assistant Secretary to the Board of Directors. Tina Conilogue has been serving as Interim Assistant Secretary since the position was vacated; Board approval would be needed to appoint Rhonda to the position permanently. Discussion.

MSP: ***President Trumpler moved to appoint Rhonda Price as the Assistant Secretary to the Board of Directors. Motion seconded by Vice President Hochhauser. Motion carried unanimously.***

SUBJECT: TAPS FOR BOARD CONSIDERATION

Skyway Food LLC – 1689 Skyway Drive

This tap request is for a 1.5-inch Commercial Tap Upgrade to an existing 1.0-inch Commercial tap for a vacant lot in Vista Commercial Center Filing 1 (Lot 13, Block 2). Pressure and flow are available to serve the proposed tap and the engineering review indicates that the amount of water associated with the 1.5-inch tap will be adequate for the use. The applicant will receive credit for the existing tap equivalents toward the cost of the upgrade. The existing account has 3.31 units of C-BT so the upgrade will require an additional 1.69 units for a project total of 5.0 units of C-BT. The applicant has requested paying cash-in-lieu of dedication for the remaining 1.69 units of C-BT required. Discussion.

MSP: *Director Pratt moved to approve a 1.5-inch Commercial Tap Upgrade to Block 2, Lot 13, Vista Commercial Filing 1, conditional on meeting all requirements and fees for service. Motion seconded by Director Richard. Motion carried unanimously.*

SUBJECT: FINANCIAL REPORTS

Monthly Financial Statements:

Vicki Santos presented the financial reports and payables for the month of February 2021. Discussion.

Bills and Appropriations:

A listing of monthly bills and appropriations was presented for review prior to the meeting. The total payables equaled \$535,574.50.

SUBJECT: UNFINISHED BUSINESS

Information Items and Reports:

Treatment, Distribution, Engineering, and Water Management reports were included in this month's packet to provide information related to operations. Discussion.

C-BT Cash-in-Lieu of Dedication Discussion

Chris Smith followed up on last month's discussion regarding the current cash-in-lieu of dedication rate as well as current policy regarding water dedication versus accepting cash-in-lieu of dedication. Chris reviewed District Policy 20.1 and noted that under current policy, the District could require any applicant to bring water to dedicate rather than granting the option of paying cash-in-lieu of dedication. Chris further noted that under the same policy, the District may allow or require cash-in-lieu of such raw water to be paid to the District by an applicant utilizing the cash equivalent amount which is established by the Board of Directors from time to time. Chris is recommending leaving the policy structured in this way as the District anticipates moving away from acquiring C-BT to serve new taps and utilizing NISP water or leased C-BT water. As the construction of NISP progresses, the funding provided by cash-in-lieu payments will be needed for the District's share of the project. The District is not in position of needing to own more C-BT at this time; what will be more critical is to bridge the time between the issuance of the permit for NISP and the actual delivery of water. NISP is getting close to receiving that permit from the Army Corps of Engineers; Chris recommends it is appropriate at this time to start looking for lease possibilities and to look at the basis for the District's cash-in-lieu rate.

Chris Smith and Vicki Santos have worked with Raftelis to establish a model that takes into consideration the construction costs, the financing expectations and possible lease agreements to forecast appropriate cash-in-lieu rates. This is a tool that would be utilized as part of the analysis of rates in the future, based on NISP and C-BT leases, rather than replacement cost of C-BT.

Chris does recommend a comprehensive review of the policy, as there are a few items that may be obsolete and would be appropriate to update.

Related to the cash-in-lieu rate of C-BT, Vicki presented information on the current value of C-BT units that are available for dedication, based on various rates of return. Chris then discussed the consideration of replacement cost of C-BT versus the District's cost of units that might be dedicated.

In the final part of the discussion related to cash-in-lieu rates and water dedication requirements, Chris Smith and Steve Buckbee presented information related to anticipated future development and tap sales. Chris noted he had corresponded with Jon Lee, who represents the Community Development Group, the primary developer in Wyndham Hill, which is the most active currently-developing area in the District. Chris suggested inviting Mr. Lee to attend next month's Board meeting to provide additional information related to development and water requirements. After discussion, the Board agreed via consensus to direct Chris to invite Mr. Lee to attend the April Board meeting.

After discussion, the Board directed staff via consensus to investigate potential long-term leases of C-BT, to identify some potential lessors, and to update the analysis of the appropriate cash-in-lieu rate based on the cost of NISP shares including a long-term lease of C-BT.

SUBJECT: NEW BUSINESS

Hydropower Loan – Principal Reduction

Vicki Santos addressed the Board regarding the letter received from the Colorado Water Resources & Power Development Authority confirming reduction of the principal of the District's Small Hydropower Loan Program loan, which was used to fund the Dodd Hydro/SWSPH Connection project. The project was completed for less than was originally borrowed, and the unused funds were applied against the principal of the loan. The remaining principal will be amortized over the remaining term of the loan, which will decrease the annual loan repayment. Chris noted that Steve Buckbee and Jason Whitmore will bring updated information related to the new facility and the actual savings being realized via the reduction in electric cost as a result of the hydropower generation. Discussion.

Northern Water Spring Water Users Meeting

Chris informed The Board of the upcoming Northern Water Spring Users Meeting being held on Tuesday, April 6, 2021. This year the meeting will be virtual due to State social distancing guidelines. Scott Holwick noted if 3 or more District Board members attend, public notice should be provided as that would constitute a meeting of the Board. Board members were asked to notify Rhonda Price by March 31st if they will be attending, so notice can be posted if applicable. Discussion.

Attorney's Comments

Scott Holwick presented information on Colorado Legislature activity related to water law and other items that might impact the District. Discussion.

SUBJECT: DIRECTORS' COMMENTS

There were no Directors' Comments.

Meeting adjourned at 10:54 am.

By,

Vicki Santos, Finance Manager

Dan Lisco, Secretary