

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 its regular meeting on April 15, 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 9:02a.m.

Directors Present: Julie Trumpler, President
Mark Hochhauser, Vice President – joined @ 9:26 am
Sam Barnsley, Treasurer
Alan Pratt, Director
Bart Fischer, Director
Jim Richard, Director

Directors Absent: Dan Lisco, Secretary (unexcused)

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
Jordan Tyson, GIS Technician
Betsy Wheeler, Program Coordinator and Meter Reader
Tina Conilogue, Interim Assistant Secretary, Board of Directors

Public Present: Jon Lee, Executive Vice President, Community Development Group

SUBJECT: MINUTES OF THE DISTRICT REGULAR MEETING HELD 3/18/2021

Approval of the Minutes:

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

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

SUBJECT: PUBLIC HEARING/COMMENT

Development and Water Dedication Discussion

At the invitation of the Board, Jon Lee with Community Development Group addressed the Board regarding projected development in the Frederick area, specifically Wyndham Hill, and provided information related to the experiences the development company has had working with the various jurisdictions where they have active subdivisions in development. Mr. Lee discussed the impact water

dedication requirements have on the return on investment analysis performed by the developers and builders when planning a new development. He noted there is a discrepancy between the cost with which building materials, including raw water sources, have increased vs. the rate of increase of house prices, and the impact of that gap on the return on investment for the developer/builder. Mr. Lee further noted that his group considers the District's contract structure of allowing 50% of tap payments to be paid at completion of the tap to be one of the structures they find most palatable in this area. In answering questions from Chris Smith, Mr. Lee discussed the extent to which water dedication requirements impact subdivision plat planning. He also discussed the separate irrigation system they have built in Wyndham Hill and that they still intend to utilize for separate raw-water irrigation of common areas in the future. Additional discussion followed regarding the difficulty builders experience in trying to obtain raw water to dedicate to water providers.

SUBJECT: TAPS FOR BOARD CONSIDERATION

There were no tap requests for Board consideration.

SUBJECT: FINANCIAL REPORTS

Monthly Financial Statements:

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

Bills and Appropriations:

A listing of monthly bills and appropriations was presented for review prior to the meeting. The total payables equaled \$560,316.89.

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.

Dodd Hydroelectric Updated Performance Estimate

Steve Buckbee presented an update on the performance of the new hydroelectric generator at the Dodd WTP. Historical data presented showed the plant's total electric demand last summer was lower than previous years. The total estimated savings were approximately \$38,000; estimated total savings in future years is estimated at approximately \$73,000. Treatment and Engineering have been working to evaluate how to balance production at the plant to best maximize the hydropower generation, while ensuring hydropower generation does not exceed the electric usage of the plant and administrative building, as it would be unsafe

for electricity to be pushed back onto the grid. The payback period on the cost of the project has been updated to 27 years based on actual data and updated estimates and assumptions. Discussion.

C-BT Cash-in-Lieu of Dedication Discussion

Continuing the discussions from the previous two Board meetings regarding C-BT dedication requirements and cash-in-lieu rates, Chris Smith presented information regarding the anticipated construction and financing costs of NISP and the present market value of an acre foot of yield. Chris also reviewed information from the water rights cost model being used to assist the District in computing an appropriate cash-in-lieu rate for NISP, including any rental of C-BT that will be required to bridge the time between the beginning of construction and the availability of NISP water. Staff's conclusion based on the analysis is that maintaining the District's current cash-in-lieu rate of \$45,000/unit of C-BT will continue to cover the District's cost for both available C-BT and the present value of NISP when accounting for the firm yield of each source. The District will have to determine at what point dedication requirements will be 100% dependent on the cost of NISP. Chris further recommended focusing on leasing additional C-BT later in 2021. Discussion.

SUBJECT: NEW BUSINESS

Resolution 2021-01 Regarding Spurgeon WTP Upgrade

The District is issuing a Request for Qualifications (RFQ) to evaluate and select a contractor to begin work on the Spurgeon Water Treatment Plant. The plan is to continue with the upgrades presented to the Board in 2019 following a Spurgeon WTP Condition Assessment Report completed by Burns & McDonnell. It is anticipated that the work will be constructed during three consecutive winters starting in November 2021 and with an approximate \$800,000 expenditure budget each winter. The District can be flexible with scheduling and the specific work completed during each winter. Because this would fall outside of a typical Design/Bid/Build process, it will require a Resolution of the Board to allow us to seek a qualified contractor through the process allowed under the Integrated Delivery Method for Special District Public Improvements Act. Staff believes this method will allow us the most flexibility in maintaining operations at the plant and provide certainty on scheduling and pricing over the three years of anticipated construction. The Request for Qualifications is available on the District's website. Discussion.

MSP: *Director Richard moved to approve Resolution 2021-01 Authorizing an RFQ/RFP Process for an Integrated Project Delivery Method Pursuant to the Integrated Delivery Method for Special District Improvements Act. Motion seconded by Treasurer Barnsley. Motion carried unanimously.*

2021 Water Management Report

On April 8, 2021, Northern Water's Board increased the 2021 Colorado-Big Thompson Project quota allocation to 70%. This has a significant impact on the

District's ability to meet projected system demands, reserve supplies for carryover into 2022, and potentially lease some of our quota allocation to the agricultural community. Chris Smith presented information summarizing anticipated supply and demand as well as staff recommendations regarding winter water storage and also water shares that might be made available for leasing. Discussion.

The agreement between the District and Left Hand Ditch Company requires the District to exchange at least 500 AF of C-BT for winter storage. Staff is recommending exchanging 700 AF into storage for the 2021-2022 winter. Discussion.

Based on the annual analysis of water availability and demand, staff is recommending making available for seasonal lease 1,100 AF of C-BT at \$47.80 per AF and 500 shares of LHDCo at \$45.00 per share. The Left Hand Ditch Company has indicated it will likely lease all the C-BT that can be made available to it, per the District's agreement with the Ditch Company. Discussion.

MSP: *Director Pratt 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 2021/22 winter. Motion seconded by director Richard. Motion carried unanimously.*

MSP: *Director Pratt moved to make 500 shares of LHDCo water available for lease for the 2021 irrigation season and to set the rental fee at \$45.00 per share. Motion seconded by President Trumpler. Motion carried unanimously.*

MSP: *Director Richard moved to make 1,100 AF of C-BT available to lease to the Left Hand Ditch Company for the 2021 irrigation season and to set the rental fee at \$47.80 per AF. Motion seconded by Director Pratt. Motion carried unanimously.*

Drought Management Plan

The District has analyzed its water supply and determined that, under the criteria outlined in the District's Drought Contingency Plan, no water restrictions are required at this time. That the District does not have to restrict the water use is a testament to the water-wise use and prudent conservation practiced by customers. Staff continues to recommend that the Board issue voluntary watering restrictions based on best practices both inside and outside of the home. The District participated in a group press release with other North Metro water providers requesting users to delay the beginning of lawn watering and to maintain best practices for outdoor water use this summer. The District continues to support water-wise use through website notices, irrigation audits, rebate programs, mailings, and garden classes. After discussion, the Board agreed via consensus to continue to request voluntary conservation activities consistent with the District's Municipal Water Efficiency Plan.

Attorney's Comments:

Scott Holwick noted there are a number of legislative proposals that might impact the District but that none of them have yet proceeded enough to merit in-depth

presentation. Chris Smith also noted PERA announced opposition to proposed legislation that would require divestment from investments in carbon-based businesses. Discussion.

SUBJECT: DIRECTORS' COMMENTS

Chris Smith noted Vice President Hochhauser intends to resign from his seat in the near future. The Board will have the opportunity to appoint a new Director to the seat. Chris and Mark will work toward identifying potential candidates. Discussion.

Meeting adjourned at 11:14 am.

By,

Tina Conilogue, Interim Assistant Secretary, Board of Directors