

City of Greeley
Water and Sewer Board
Minutes of August 17, 2016
Regular Board Meeting

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:00 p.m. on Wednesday, August 17, 2016.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Bob Ruyle, Fred Otis, Tony Miller, Manual Sisneros, and Roy Otto

Water and Sewer Department staff:

Water and Sewer Director Burt Knight, Deputy Director of Water Resources Eric Reckentine, Budget Analyst Erik Dial, Water Resources Operations Manager John Thornhill, Water Resource Administrator II Jennifer Petrzelka, Office Manager Rachel Borum, Senior Administrative Specialist Shannon Metcalf and Administrative Specialist Angel Salazar

Legal Counsel:

Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Andy Nicewicz, Environmental and Water Resources Attorney Dan Biwer, Environmental, and Water and Sewer Board Counsel Jim Witwer

2. Approval of Minutes

Vice Chairman Todd moved and Mr. Miller seconded to approve the July 22, 2016, Water and Sewer Board meeting minutes as presented. The motion carried 6-0.

3. Approval of and/or Additions to Agenda

There were no changes to the agenda.

4. Action: Approve First Amendment to MPIC Acquisition Contract

Mr. Reckentine explained that the only change to this contract is that the name of the title company has changed.

A motion was made by Vice-Chairman Todd and seconded by Mr. Otis to authorize the First Amendment to the Agreement for the Purchase and Sale of MPIC Preferred Rights and delegate authority to the Director of Water and Sewer or his designee to make any

additional minor amendments, including but not limited to extensions of the contract deadlines, and to close on the purchase. The motion carried 6-0.

5. Report: Quarterly Water Court Update

Ms. Swanson joined the meeting at 2:10 p.m.

Ms. Petrzelka gave a summary of the current water court cases. She explained that since May, Greeley has stipulated to six cases and filed two Statements of Opposition. This is a 22% decrease since the end of 2015. She also updated the Board on the status of Greeley Case numbers:

- 15CW3099 (99CW234 diligence filed 8/15)
- 15CW3162 (Rockwell Reservoir change of place of storage/exchange)
- 15CW3163 (GIC change case)
- 16CW3047 (99CW231 diligence filed 3/16)

6. Report: Water Budget Public Information Launch

Mr. Reckentine explained that this is a quarterly update regarding the outreach process in the Water Budget process. This is a two phase rollout. Phase 1 will be pre-bill messaging and will include the “what” and “why” of the Water Budget and will encourage customers to check their household information. A majority of the public outreach will direct citizens to the website (efficiencyrewarded.com) for additional information. Phase 2 will be post-bill messaging and will ask customers to check out the new bill. Customers will be reminded to review their bill and see how they can make adjustments to become more efficient with their water use. Post cards and direct mailings will be sent to excessive users. Customers will also see and hear about the water budget through radio advertisements, print ads, The Greeley Tribune, bill stuffers, postcards, banners and social media outlets.

Mr. Thornhill was then introduced and noted that the tagline “Efficiency Rewarded” has been created for the Water Budget. This tagline will speak directly to the customers benefit. He went on to say that feedback to date has been positive. In addition, there has been an increase in the volume of calls for customers requesting to update the number of people living in their home. Lastly, staff has revamped the water budget map and citizens can search on their household to review their personalized information.

7. Executive Session:

There was no Executive Session.

8. Legal Report:

Mr. Witwer stated that staff and counsel recommend filing two statements of opposition this month.

- a. Community Foundation Trust (Sky Corral Ranch) (Case No. 16CW3087): Application for approval of plan for augmentation for wells associated with camp buildings in Poudre River canyon; Greeley is lessor of replacement water and participates in cases involving its leased water to ensure compliance with leases and to explain leased water sources to others in the case.
- b. William O. and Paulette M. Seaworth (Case No. 16CW3093): Application for water storage right and surface water right, and for approval of change of water rights and plan for augmentation near client's Overland Trail Reservoirs; annual evaporative depletions would be 68 acre-feet in a segment of the Poudre River important to Greeley's water rights and water system.

A motion was made by Mr. Ruyle, seconded by Vice Chairman Todd to authorize the filing of a statement of opposition in Case No. 16CW3087 and 16CW3093, and for staff and legal counsel to seek resolution of issues raised by the case as consistent with Water and Sewer Board Resolution No. 3, 2015. The motion carried 6-0.

9. Director's Report:

Mr. Reckentine reported the following:

- **Rule Governing the Subcontracting of Beneficial Use of Colorado-Big Thompson Project Allotment Contracts**
Mr. Reckentine reported on a policy and rule change for alternative transfer method program regarding the subcontracting of beneficial use of Colorado-Big Thompson Project allotment contracts. This program was intended to provide policy for allotment subcontracts of C-BT in relation to alternative transfer methods between agriculture uses and municipal uses. The policy was modified to include all C-BT allotment sub- contracts for leases two years or longer. The City and other entities commented on the rule change extensively for several months. Staff believes that this rule should not affect the existing sub-contracts as approved by Northern's board on August 11, 2016.

- **Temporary Suspension of the Joint Operations Plan**

The Colorado Division of Parks and Wildlife was informed in writing that Greeley will temporarily suspend its releases under the Joint Operating Plan from November 2016-February 2017 during the maintenance of the intake structure at Bellevue.

There being no further business, Chairman Evans adjourned the meeting at 2:50 p.m.

Harold Evans, Chairman

Shannon Metcalf, Senior Administrative Assistant

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE _____

NO ENCLOSURE __X__

ITEM NUMBER: 4

TITLE: REPORT: GREELEY WATER BOOK

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

Authors for the book, Gregory Hobbs, retired Colorado Supreme Court Judge and Michael Welsh, UNC Professor, will present an update on the Greeley Water Book.

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 5

TITLE: REPORT: BELLVUE TRANSMISSION LINE
 AND 5MG TANK UPDATE

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

There will be a presentation on the Bellvue Transmission Line and the Gold Hill 5MG treated water tank projects.

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE

NO ENCLOSURE X

ITEM NUMBER: 6

TITLE: EXECUTIVE SESSION

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 7

TITLE: ACTION: DANIELSON PURCHASE
 CONTRACT, RATIFY PURCHASE PRICE

RECOMMENDATION: APPROVE ACQUISITION DANIELSON FARM
 AND 3 SHARES WATER SUPPLY AND
 STORAGE COMPANY

ADDITIONAL INFORMATION:

The Greeley Water & Sewer Board approved the Purchase and Sale Agreement ("Agreement") between Danielson Inc., (Sellers) and the City of Greeley, Colorado (City). The Sellers are the owners of a parcel of real property containing approximately three hundred thirty two and forty five hundredths (332.45±) acres of land, located in Weld County Colorado and of three shares of the Water Supply & Storage Company ("WSSC"). The total purchase price for the Property shall be an amount equal to Three Million Nine Hundred and Twenty Five Thousand Dollars (\$3,925,000.00). If the Property's valuation is less than the Total Purchase Price, then the Buyer has the sole option and election to terminate this Agreement prior to the expiration of the Governmental Approval Period. If the Property's valuation is greater than the Total Purchase Price, Buyer agrees to increase the Purchase Price accordingly. Based upon the appraised value, staff requests the board to ratify the purchase price prior to closing.

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 8

TITLE: ACTION: APPROVE 5TH INTERIM
AGREEMENT AMENDMENT - EVANS
STORAGE ALLOCATION TRANSFER FOR
WINDY GAP AND RECOMMEND TO
COUNCIL

RECOMMENDATION: RECOMMEND COUNCIL APPROVE THE
WINDY GAP FIFTH ITERIM AGREEMENT
AMENDMENT

ADDITIONAL INFORMATION:

The Fifth Phase of the Project consists of continuation of work to obtain local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; development of contracts and other agreements that will be required to integrate the Project with the Windy Gap Project; development of alternatives for financing the Project; and related activities. Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding.

The Fifth Interim Agreement Amendment allows for the reversion of the storage allocation from the Town Of Evans back to the City of Greeley, based on provisions of previous allocation agreements and the performance provision the Town of Evans Windy Gap Purchase Agreement.

The WGF Enterprise estimated that Greeley’s pro rata share of the costs of the Fifth Phase of the Project was \$1,118,956 for the 2016 calendar year for the original 7,000 acre feet storage allocation. Greeley has paid the WGF Enterprise its pro rata share of the 2016 calendar year costs. The Agreement is amended to provide that Participant’s storage capacity in the Project shall be 8,750 acre feet of storage, an increase of 1,750 acre feet, showing the appropriate increase provided by the Town of Evans storage reallocation. The Agreement is also amended by replacing the amount “\$1,118,956” with the amount “\$1,398,695”, which is an

increase of \$279,739 for the additional storage allocation. The 2016, Greeley budget is sufficient to cover the additional expense.

The Final Environmental Impact Statement for the Project was issued in November 2011. The Bureau of Reclamation's (Reclamation) preferred alternative was the 90,000 acre-foot Chimney Hollow Reservoir. Grand County issued a 1041 permit for the project in December 2012. A settlement was reached with ranchers downstream of the project in June 2013, and a Supplemental Clarity Agreement for Grand Lake was agreed to in October 2013, New Windy Gap Carriage Contract with Reclamation and Record of Decision from Reclamation to move forward with the Project was awarded from 2013 through 2015.

Several major steps remain to be completed prior to design and construction including:

- Completion of Windy Gap bypass channel study
- 404 Permit from Corps of Engineers
- Water Court Decree allowing modified operations

* The Agreement will be sent via email on Monday, September 19th.

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 9

TITLE: ACTION: APPROVE ACQUISITION OF
FABRIZIUS/HEINZE FARM AND ½ SHARE
WSSC

RECOMMENDATION: APPROVE ACQUISITION FABRIZIUS/HEINZE
FARM AND ½ SHARE WSSC

ADDITIONAL INFORMATION:

The Purchase and Sale Agreement ("Agreement") is proposed between Louie and Gina Fabrizious, and Stanley and Carolyn Heinze, (Sellers) and the City of Greeley, Colorado (City). The Sellers are the owners of a parcel of real property containing approximately one hundred twenty five acres (125 ±) acres of land, located in Weld County Colorado and one half shares of the Water Supply & Storage Company ("WSSC"). The purchase price for the Property shall be Nine Hundred Twenty-Five Thousand Dollars (\$925,000.00) ("Purchase Price"). If the Property's valuation is less than the Total Purchase Price, then the Buyer has the sole option and election to terminate this Agreement prior to the expiration of the Governmental Approval Period. If the Property's valuation is greater than the Total Purchase Price, Buyer agrees to increase the Purchase Price accordingly.

* The Agreement will be sent via email on Monday, September 19th.

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 10

TITLE: LEGAL REPORT

POSSIBLE ACTION: STATEMENTS OF OPPOSITION, IF ANY

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE __ __

NO ENCLOSURE X

ITEM NUMBER: 11

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- Varra Farm and 2 Shares WSSC Closed
- Mitigation Property North Fork Cache La Poudre River Licenses Agreement Executed
- Leprino Produced Water Engineering Report and Application Sent to Leprino Outside Legal Counsel for Review
- Greeley Wins Best Water in the Rocky Mountain Region at AWWA Conference

WATER & SEWER BOARD AGENDA SEPTEMBER 21, 2016

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 12

TITLE: SUCH OTHER BUSINESS THAT MAY BE
 BROUGHT BEFORE THE BOARD AND
 ADDED TO THIS AGENDA BY MOTION OF
 THE BOARD

RECOMMENDATION: TO BE DETERMINED

ADDITIONAL INFORMATION: