

WATER & SEWER BOARD AGENDA

Wednesday, February 19, 2020
2:00 p.m.

GREELEY CITY CENTER

1001 11TH Avenue

Greeley, CO 80631

1. Roll Call: _____ Chairman Harold Evans _____ Vice Chairman Mick Todd
_____ Mr. Bob Ruyle _____ Mr. Fred Otis
_____ Mr. Joe Murphy _____ Mr. Tony Miller
_____ Mr. Manuel Sisneros _____ Mayor John Gates
_____ Mr. Roy Otto _____ Mrs. Renee Wheeler
2. Approval of Minutes
3. Approval of and/or Additions to Agenda

Consent Agenda

The Consent Agenda is a meeting management tool to allow the Board to handle several routine items with one action.

The Board or staff may request an item to be “pulled” off the Consent Agenda and considered separately under the next agenda item in the order they were listed.

4. Thayer Farm Lease
5. Star Pit Closing

End of Consent Agenda

6. Any Pulled Items from Consent Agenda
7. Welcome New Employees
8. Approve Irrigation Water Lease (Kaltenberger)
9. 2019 Financial Report
10. Legal Report
 - Update on Leprino Case
11. Executive Session
 - Matters Related to Potential Acquisition of Water Storage
 - Halligan DEIS Comments



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact Shannon Metcalf at 970-350-9818.

- Leprino Case

12. Director's Report

- Industrial Pre-Treatment Permit No. ICO-003
- Water Rental Round-Up
- Poudre River Forum on February 28th
- NISP 401 Certification

13. Such Other Business That May Be Brought Before the Board and Added to This Agenda by Motion of the Board



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact Shannon Metcalf at 970-350-9818.

**City of Greeley
Water and Sewer Board
Minutes of January 15, 2020
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:01 p.m. on Wednesday, January 15, 2020.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Joe Murphy, Tony Miller, Manny Sisneros, and Roy Otto

Water and Sewer Department Staff:

Director Sean Chambers, Deputy Director Water Resources Adam Jokerst, Deputy Director of Operations Nina Cudahy, Utility Finance Manager Erik Dial, Water Resources Manager Jen Petrzelka, Water Resources Planning Manager Kelen Dowdy, Water Resource Admin. I Leah Hubbard, Water Resource Admin. II Cole Gustafson, Water Resource Analyst Alex Tennant, and Office Manager Shannon Metcalf

Legal Counsel:

Counsel to Water & Sewer Board Attorney Jim Noble, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Dan Biwer, Environmental and Water Resources Attorney Aaron Goldman

Guests:

Craig Stith, Great Western Industrial Park and Cheri Wit-Brown, Habitat For Humanity

2. Approval of Minutes

Mr. Miller moved, seconded by Vice-Chairman Todd, to approve the December 18, 2019 Water and Sewer Board meeting minutes. The motion carried 6-0.

3. Approval of and/or Additions to Agenda

There were no changes or additions to the agenda.

4. Welcome New Employees

Mr. Chambers provided an introduction of new Water and Sewer Department employees starting this month.

5. Action: Election of Officers

Mr. Miller nominated Harold Evans for Chairman and Mick Todd for Vice-Chairman of the Water and Sewer Board for 2020. There were no further nominations. Mr. Miller made motion, seconded by Mr. Sisneros, to elect Harold Evans as Chairman and Mick Todd as Vice-Chairman. The motion carried 6-0.

6. Report: 4th Quarter Water Court Update

Ms. Petrzelka gave an update on current Water Court cases. She explained since the last update in October, Greeley entered statements of opposition in seven cases and stipulated to 2 cases bringing the current number of pending Water Court cases where Greeley is an opposer to 26. This is double the number of cases at the end of 2018.

Greeley is an Applicant in four cases: 17CW3020 (Leprino), 19CW3164 (Linn Grove Diligence), 19CW3191 (Lower Equalizer Diligence), and 19CW3239 (Overland Diligence).

The Water Resource Division's outside legal and engineering expenses for 2019 is \$579,060. This is 102% of the total money spent on these services in 2018.

7. Executive Session

Vice Chairman Todd moved, seconded by Mr. Miller, to hold an executive session to address the following matters, as provided by C.R.S. § 24-6-402(4)(a), (b) and (e) and Greeley Municipal Code § 2.04.020(a) (1), (2) and (5):

1. To receive advice from their attorney and determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators on matters related to potential acquisition of water storage.
2. To receive advice from their attorney and determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators on matters related to the potential acquisition of the Alm Farm.

The motion carried 6-0.

Present during the executive session were:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Manual Sisneros, Tony Miller, Joe Murphy, Renee Wheeler, Roy Otto, Director Sean Chambers, Deputy Director Water Resources Adam Jokerst, Deputy Director of Operations Nina Cudahy, Utility Finance Manager Erik Dial, Water Resources Operations Manager Jennifer Petrzela, Water Resources Planning Manager Kelen Dowdy, Water Administrator II Cole Gustafson, Counsel to Water and Sewer Board Jim Noble, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Aaron Goldman, Environmental and Water Resources Attorney Dan Biver, and Office Manager Shannon Metcalf

This executive session was authorized by Subsections (a),(b) and (e) of Section 24-6-402(4) of the Colorado Revised Statutes, and Subsections (1), (2) and (5) of Section 2.04.020 (a) of the Greeley Municipal Code.

The Executive Session ended at 2:44 p.m. and the regular meeting resumed.

8. Purchase and Sale Agreement for Alm Farm

Mr. Cole Gustafson provided an overview regarding the purchase and sale of the Alm Family Farm and the water rights that are attached. Greeley would gain 4 shares of Windsor Reservoir and Canal Company stock, 3 shares of stock in Larimer and Weld Irrigation Company, 8 shares of stock in Owl Creek Supply and Irrigation Company, and a 142 +/- acre farm. The total price is \$2,100,000.

Vice Chairman Todd moved, seconded by Mr. Miller, to approve the Purchase and Sale Agreement for the Alm Farm and delegate authority to the Director of Water and Sewer, or his designee, to close on the purchase and make minor contract amendments, including but not limited to, property descriptions and contract extensions. The motion carried 6-0.

9. Legal Report

Jim Noble of Welborn, Sullivan, Meck & Tooley provided this month's legal report to the Board.

1. **Statements of Opposition:** Based on review of the December, 2019 Water Court Resume, Mr. Noble reported that staff and water counsel recommend that the Board authorize filing a statement of opposition in the following cases:

- a. Case Number: **19CW3226** Application of Raindance Metropolitan District No. 1 for a change of water rights for four shares of the Whitney Irrigating Ditch Company. The applicant is seeking to change the use of these shares for use within its service area, which will consist of 2,800 residential units, commercial units, open space, and a golf course. Applicant proposes to quantify the water rights based on a prior ditch-wide analysis. Mr. Noble recommended that Greeley file a statement of opposition to ensure that the applicable legal standards have been satisfied and to protect against any injury to Greeley's water rights on the Cache la Poudre River.
 - b. Case No. **19CW3225** Application of the City of Fort Collins for findings of reasonable diligence. This is an application for a finding of diligence for Fort Collins' "Halligan/Seaman Delivery Exchanges." These conditional exchange water rights contemplate use of water released from Greeley's Milton-Seaman Reservoir as a source of substitute supply for diversions at the North Poudre Supply Canal and the City of Fort Collins Pipeline. Mr. Noble recommended that Greeley file a statement of opposition to stay fully informed regarding the plans for use of this exchange, and to protect Greeley's rights in Milton-Seaman Reservoir.
2. Vice Chairman Todd made a motion, seconded by Mr. Miller, that the Board authorize the filing of a statement of opposition in Case Nos. 19CW3226, and 19CW3225, and for staff and legal counsel to seek resolution of issues raised by these cases consistent with Water and Sewer Board Resolution No. 3 (2015). The motion carried 6-0.

10. Director's Report

Mr. Chambers reported on the following items:

- Poudre River Forum – Feb. 28th 8:00 – 4:30
- WPCF Name Change to Wastewater Treatment & Reclamation Facility
- Industrial Pre-treatment Enforcement Update
- News Articles

11. Such Other Business That May be Brought before the Board and Added to This Agenda by Motion of the Board

There were no additional items brought before the Board and added to the agenda.

Chairman Evans adjourned the meeting at 3:15 p.m.

Harold Evans, Chairman

Shannon Metcalf, Office Manager

WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 4

TITLE: ACTION: APPROVE THAYER FARM LEASE
AGREEMENT WITH BARTMANN COMPLETE
HAY SERVICES, INC PIT

RECOMMENDATION: APPROVE THAYER FARM LEASE
AGREEMENT WITH BARTMANN COMPLETE
HAY SERVICES, INC

ADDITIONAL INFORMATION:

The City has recently acquired approximately 129 acres of irrigated farm land (Thayer Farm) in Weld County along with 3 shares of Larimer and Weld Irrigation Company along with 4 shares of Windsor Reservoir and Canal Company. In order to secure continue agricultural use of the water rights and maintenance of the land, Water Resource Staff has negotiated the enclosed Farm Lease Agreement with Bartmann Complete Hay Services, Inc. The initial lease term is for 10 years (or December 31, 2029), with an option to renew for 4 consecutive 1 year terms. The lease amount has been set at \$100 per acre for a total of \$12,900.00 the first year. Every year thereafter, the lease amount will increase in accordance with the increase in the CPI.

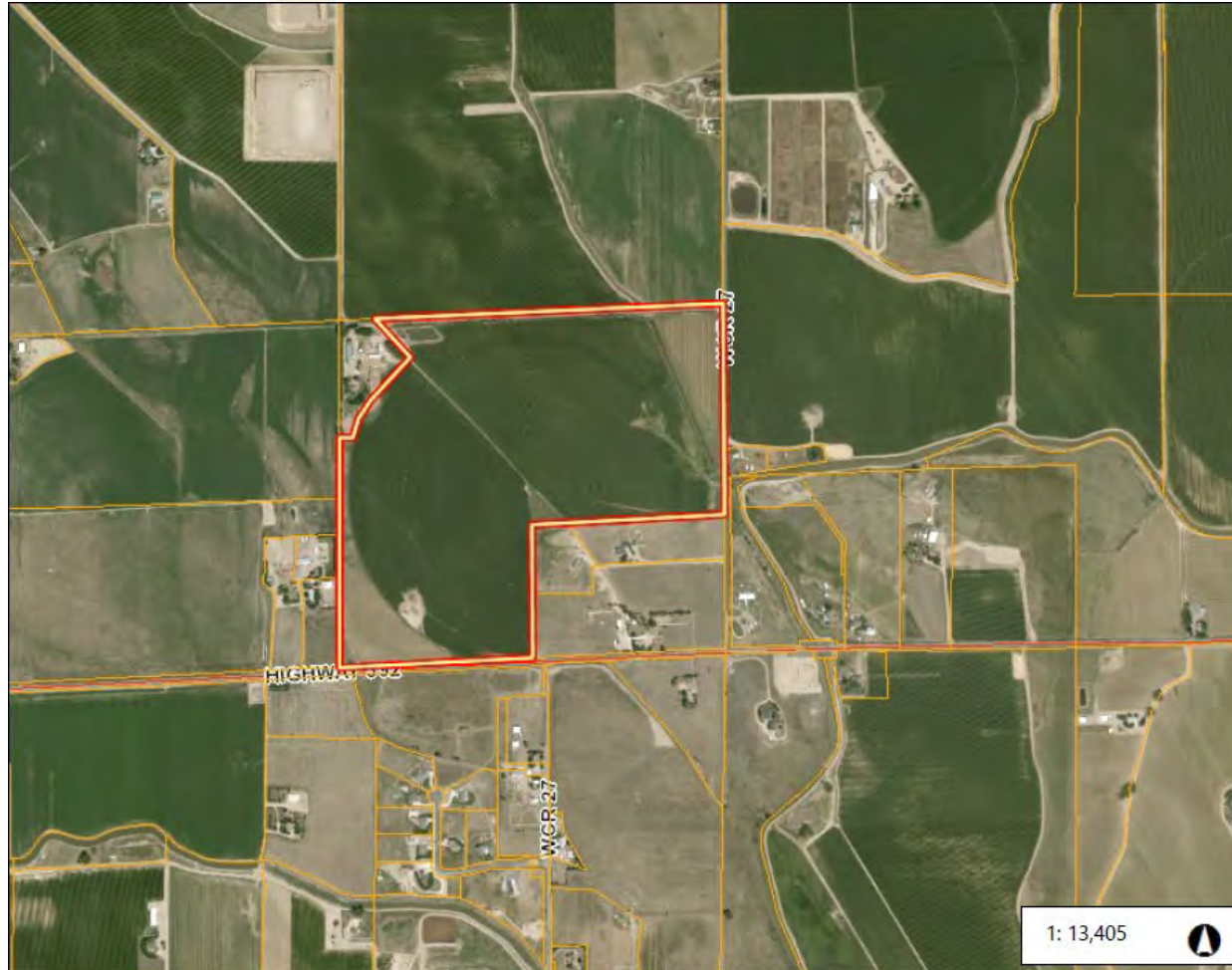
Recommended action for Consent Agenda: Water Resources Staff recommends that the Water and Sewer Board approve the enclosed Farm Lease Agreement with Bartmann Complete Hay Services, Inc.

Thayer Farm Lease Agreement W/ Bartmann Complete Hay Services, INC

- **Property:** Approximately 129 acres of irrigated farm land in Weld Count
- **Water:** 4 Shares of Windsor Reservoir Company & 3 Shares of Larimer and Weld Irrigation Company
- **Term:** Through December 31, 2029 with option to renew for up to four subsequent terms of one year each
- **Amount:** \$100/acre = \$12,900.00 paid in two installments of \$6,450.00 each, Every year thereafter, the lease amount will increase in accordance with the increase in the CPI.



Thayer Farm Property



FARM LEASE AGREEMENT
(Bartmann – Thayer Farm)

This FARM LEASE AGREEMENT ("Lease Agreement") is entered into this ____ day of _____ 2020, by and between the CITY OF GREELEY, a municipal corporation of the State of Colorado, ("City"), whose address is 1100 10th Street, Suite 300, Greeley, Colorado 80631 and BARTMANN COMPLETE HAY SERVICES, INC, whose address is 33499 County Road 27, Greeley, CO 80631,

RECITALS

WHEREAS, Greeley owns agricultural property consisting of approximately 129 acres of irrigated cropland located at 33499 County Road 27, Greeley, CO 80631, which is legally described on Exhibit A, attached hereto and made a part hereof, (the "Real Estate"); and,

WHEREAS, Greeley owns Three (3) Shares of capital stock in the Larimer and Weld Irrigation Company represented by Stock Certificate No. _____; Four (4) Shares of capital stock in the Windsor Reservoir and Canal Company represented by Stock Certificate No(s). _____; and One-half (1/2) Share of capital stock in the Roullard Lateral Company represented by Stock Certificate No. _____ (collectively the "Water Rights"), which have been historically used to irrigate the Real Estate; and,

WHEREAS, Greeley desires to lease, under the terms of this Lease Agreement, the Water Rights Real Estate, and all improvements located thereon, (collectively, the "Property") to Lessee for agricultural purposes; and,

THEREFORE, for and in good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Greeley and Lessee agree as follows:

LEASE AGREEMENT

1. FARM LEASE. Greeley does hereby lease to Lessee the above-described Property, together with all included Improvements (defined below) located thereon, for agricultural purposes, subject to the terms and conditions of this Lease Agreement.

2. TERM OF LEASE. This lease of the Property shall begin on the effective date of the Lease Agreement set forth above, and end on December 31, 2029 (the "Lease Term"). The Agreement expires at the end of this initial term, but may be renewed for up to four subsequent terms of one year each, upon execution of a written mutual agreement of renewal by the parties. Notwithstanding the foregoing, this Lease Agreement may be terminated for any reason by Lessee or the City prior to any irrigation season by delivering an advance written notice to the other party on or before November 1 of the proceeding calendar year.

3. LEASE AMOUNT.

a. Lessee shall pay to Greeley, Twelve Thousand Nine Hundred Dollars (\$12,900) ("Lease Amount") for the use and occupancy of the Property, which is equal to One Hundred Dollars (\$100) per acre of approximately One Hundred Twenty Nine (129) acres irrigated cropland. The Lease Amount shall be due and payable in two equal installments. The first installment of Six Thousand Four Hundred Fifty Dollars (\$6,450) shall be due March 31st. The second installment of Six Thousand Four Hundred Fifty Dollars (\$6,450) shall be due December 15th.

b. Each year this Lease Agreement is in affect, the Lease Amount shall be adjusted in accordance with the increase in the Consumer Price Index ("CPI") for the Denver-Aurora-Lakewood Region, using the CPI level on the date this Lease Agreement is mutually executed as the basis for comparison. Regardless of any future decrease in the CPI, the Lease Amount shall never be less than One Hundred Dollars (\$100) per acre.

4. IMPROVEMENTS; CONDITION OF PROPERTY. The Property includes all existing improvements, structures, and fixtures placed, constructed, installed or located on the Real Estate except for the residential dwellings. Prior to signing this Lease Agreement, Lessee has inspected or caused to be inspected the Property and acknowledges that the Property is being leased "as-is." No additional representation, statement or warranty, express or implied, has been made by or on behalf of Greeley as to the condition of the Property or of any improvement located thereon and used in connection with the Property. In no event shall Greeley be liable for any defect in the Property or for any limitation on the use of the Property as irrigated cropland. In addition, Lessee acknowledges that the minerals have been severed from the surface rights, and the surface rights may be subject to the development of the mineral rights.

5. WATER RIGHTS.

a. Greeley shall be responsible for any ditch, reservoir, or augmentation company assessments or other charges and expenses attributable to the Water Rights.

b. Lessee shall have no right to any rebates or other payments from Greeley for the lease of transmountain return flows associated with the Water Rights.

c. Lessee agrees to use the Water Rights, and the water delivered pursuant to this Lease Agreement, only for agricultural irrigation of the Real Estate.

d. Lessee agrees to take and use the water delivered pursuant to the Water Rights to the fullest extent possible, and shall undertake no action which could be construed as abandonment of the Water Rights. Lessee shall provide advance written notice, on or before February 1, of any year, to Greeley if he no longer intends to irrigate the Real Estate, or any portion thereof, with the Water Rights during the following Lease Term.

e. Lessee agrees to deliver to the City, on or before May 15 of each calendar year, a completed Historical Use Affidavit and Questionnaire, in the form attached as Exhibit B. Lessee acknowledges that the City may file an application to change the use of the Water Rights with the Division 1 Water Court for the State Colorado during the term of this Lease Agreement. Lessee agrees to cooperate with the City and its agents or representatives in the review and analysis of the historical use of the Water Rights. Upon request from the City, Lessee shall provide information regarding use of the Water Rights and reasonable access to the Real Estate during and in preparation for any proceeding before the Division 1 Water Court.

f. Lessee shall not sublease or rent the Water Rights to others or allow others to use the Water Rights or water delivered pursuant to said Water Rights on lands or for uses other than those described in this Section 5.

g. Lessee shall comply with all of the rules, regulations, and policies of the ditch and reservoir companies that delivers the Water Rights.

h. Greeley makes no warranties or guarantees of, or representations about, the amount of water that will be yielded or delivered pursuant to the Water Rights.

i. Greeley shall not be liable for any failure of delivery of water pursuant to the Water Rights due to drought or other force of nature or failure of any ditch and/or reservoir delivery systems.

6. AUTHORIZED USE OF THE PROPERTY.

a. Lessee shall occupy and use the Property solely for agricultural purposes.

b. Lessee shall be responsible for the proper care of the Property consistent with sound agricultural practices.

c. Lessee shall apply all weed control chemicals and fertilizers in compliance with applicable federal, state, and local regulations.

d. Lessee shall irrigate the Real Estate with the Water Rights and the water delivered pursuant to this Lease Agreement.

e. Lessee shall furnish, at Lessee's sole expense, all labor, machinery, fertilizer, weed spray, and other items needed for farming the Real Estate.

7. LESSEE'S COVENANTS AND AGREEMENTS.

a. Lessee shall maintain and make any necessary repairs, to (i) any lateral ditches, headgates, and other personal property necessary to deliver the Water Rights to the Real Estate and (ii) the irrigation system, which includes but is not limited to, the pivots, wells, siphons, and pumping lagoons necessary to irrigate the Real Estate with the Water Rights. Lessee shall be solely responsible for all maintenance and repairs up to Seven Hundred Fifty Dollars (\$750.00), per incident. If the cost of a repair exceeds Seven Hundred Fifty Dollars (\$750.00) Greeley shall pay the balance, subject to prior approval. Before making any repairs that exceed Seven Hundred Fifty Dollars (\$750.00), Lessee shall provide Greeley, in writing, a description of the repairs and a cost estimate for its approval. Notwithstanding the foregoing, if any necessary repairs are the result Lessee's negligence, then the Lessee shall be responsible for the entire cost of the repair or replacement.

b. Lessee shall keep the Property, including any non-irrigated land, clear of weeds.

c. Lessee shall not assign this Lease Agreement nor sublet the Property or any part thereof without the prior written consent of Greeley, which consent shall not be unreasonably withheld.

d. Lessee shall not construct, nor permit construction of any structure, building or other improvement, temporary or otherwise, on the Property without Greeley's prior written consent, which consent shall be in the sole discretion of Greeley.

e. Lessee shall not erect, paint, or maintain any signs on the Property without securing the prior written consent of Greeley, which consent shall be in the sole discretion of Greeley.

f. Lessee shall not allow any noise, odors, fumes, or vibrations on the Property other than those caused by normal agricultural practices that would cause disruption of normal activities on adjacent properties.

g. Lessee shall not use or permit to be used any insecticide, pesticide, rodenticide, herbicide, or other chemical substance on the Property for weed, pest, or rodent control or fertilization which is prohibited by any federal, state or local statute, ordinance, resolution, rule or regulation.

h. Lessee shall not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property.

i. Lessee agrees, covenants, and warrants to maintain the Property throughout the term of the Lease in as good repair and condition as at the commencement of this Lease Agreement.

j. Lessee agrees to deliver up and surrender to Greeley possession of the Property at the expiration or termination of this Lease Agreement.

k. Lessee agrees to pay all utilities, including but not limited to, gas, water, electricity, and trash, that are used in connection with the Property.

8. INDEMNIFICATION.

a. Lessee assumes the risk of loss or damage to any crops on the Property whether from windstorm, fire, earthquake, snow, water run-off, soil conditions, or any other causes whatsoever.

b. Lessee releases and agrees to indemnify, defend and hold harmless Greeley, its agents, officers, employees, and volunteers from and against all damages, claims, actions, causes of action, demands, judgments, costs, expenses of every kind and nature, predicated upon injury to or death of any person or loss of or damage to any property, arising, in any manner, from Lessee's operations or use of the Property under this Lease Agreement.

c. Nothing in this Lease Agreement is intended constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§24-10-101 et seq., as applicable now or hereafter amended.

9. HAZARDOUS WASTE.

a. Lessee shall not cause or permit any "Hazardous Material" (defined below) to be brought upon, kept, or used in or about the Property by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Greeley. Greeley shall not unreasonably withhold consent so long as Lessee demonstrates to Greeley's reasonable satisfaction that such Hazardous Material is necessary or useful to Lessee's use of the Property for agricultural purposes, so long as any chemicals (including without limitation fertilizer, herbicides, insecticides) are applied in conformance with good farming methods, applicable rules and regulations and the label directions of each chemical and kept, and stored in a manner that complies with all laws regulating such chemicals.

b. If Lessee breaches the obligations stated herein, or if the presence of Hazardous Material on the Property caused or permitted by Lessee results in contamination of the Property, or if contamination of the Property by Hazardous Material otherwise occurs for which Lessee is legally liable to Greeley for damage resulting therefrom, then Lessee shall indemnify, defend, and hold Greeley harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during or after the lease term as a result of such contamination. This indemnification of Greeley by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local

governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Property.

c. Without limiting the foregoing, if the presence of any Hazardous Material on the Property caused or permitted by Lessee results in any contamination of the Property, Lessee shall promptly take all actions at its sole expense as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Material to the Property; provided that Greeley's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse effect on the Property.

d. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Colorado, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under appropriate state law provisions; (ii) petroleum; (iii) asbestos; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321; (v) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6903; (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601; or (vii) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks), 42 U.S.C. § 6991.

10. RESERVATIONS. Greeley reserves its rights under this Lease Agreement to (i) have its officers, employees, and representatives enter and inspect or protect the Property at any time; (ii) use any portion of the Property for public utilities and as ingress and egress for public use and rights of way; (iii) use, repair, install, replace, and maintain public utilities and rights-of-way on, over, or under the Property; and (iv) use any portion of the Property as a site for the application of digested biosolids.

11. TERMINATION FOR CAUSE.

a. Lessee agrees to observe and perform the terms and conditions of this Lease Agreement. If Lessee fails to make payment of the Lease Amount, or any part thereof, or if Lessee fails to observe or perform any term or condition of this Lease Agreement, including but not limited to Lessee's obligation to maintain the Property under Section 7 and put the Water Rights to beneficial use under Section 5, then Greeley, upon written notice to Lessee, may in its sole discretion terminate this Lease Agreement and re-enter and repossess the Property, with or without legal proceedings, using such force as may be necessary, and remove any property belonging to Lessee without prejudice to any claim for rent or for the breach of covenants hereof. Lessee agrees to indemnify and hold Greeley harmless from and against any costs for the removal and storage of Lessee's property incurred by Greeley under the provisions of this section.

b. If Greeley determines that Lessee has created a public safety hazard, then Greeley may immediately take action to secure the safe operation of the Property, including without limitation, terminating this Lease Agreement and/or removing Lessee and any of Lessee's equipment or crops from the Property.

c. If Lessee, after the expiration or termination of this Lease Agreement, shall remain in possession of the Property without a written agreement, the holding over shall constitute a month-to-month tenancy at a monthly rental rate equivalent to one-twelfth of the Lease Amount as adjusted in accordance with Section 3(b) above, payable in advance on the first day of each month. No

payments of money by Lessee after the expiration or termination of this Lease Agreement shall constitute a renewal of this Lease Agreement in the absence of a written mutual agreement.

12. INSURANCE REQUIREMENTS.

a. Lessee shall purchase and maintain for the full period of this Lease Agreement, including any additional extension periods, at Lessee's sole expense, insurance policies providing coverage as follows:

i. Farm liability insurance, including coverage for bodily injury, property damage, contractual liability, and broad-form property damage and owner/contractor's protective coverage, with a minimum coverage of not less than One Million Dollars (\$1,000,000) or as approved by the City of Greeley Risk Manager; and

ii. Workers' compensation and employers' liability insurance, if applicable, which shall cover the obligations of Lessee in accordance with the provisions of the Workers' Compensation Act of Colorado, as amended.

b. Before commencement of the lease term, Lessee must present all applicable insurance policies, certificates of insurance, and endorsements, along with a signed copy of this Lease Agreement, to the City of Greeley Risk Manager, and receive the Risk Manager's written approval as to the adequacy of such insurance coverage.

c. The insurance policies shall contain an endorsement naming the City of Greeley, Colorado, a municipal corporation, and its council members, officers, agents, employees, and volunteers as additional insured parties with respect to all activities Lessee may perform under this Lease Agreement. Moreover, such endorsement shall include a notice provision requiring 30 days written notice to Greeley before any cancellation.

d. Only insurance companies with authority to issue policies in the State of Colorado shall provide insurance coverage under this Lease Agreement.

e. For the term of this Lease Agreement, Lessee shall not cancel, materially change, or fail to renew the insurance coverage, and Lessee shall notify Greeley of any material reduction or exhaustion of aggregate policy limits. If Lessee fails to purchase or maintain the insurance coverage stated in this Lease Agreement, Greeley shall have the right to procure such insurance coverage at Lessee's expense.

f. Nothing in this Section 12 shall limit the extent of Lessee's responsibility for payment of claims, liabilities, damages, fines, penalties, and costs resulting from Lessee's occupancy, use, or control of the Property or Lessee's performance or nonperformance under this Lease Agreement.

13. NO VESTED INTEREST IN SHARES OR JOINT VENTURE. This Lease Agreement is made expressly subject to Section 17-4 of the Charter of the City of Greeley. Greeley grants no interest in the Property to Lessee other than as explicitly set forth in this Lease Agreement. Lessee shall make no claim to any rights, title, or interest in the Property other than as explicitly set forth in this Lease Agreement. This Lease Agreement does not create a partnership or joint venture of any kind between the Parties, and Lessee shall bear the entirety of any loss, cost, or expense incurred through its use of the Property.

14. MISCELLANEOUS PROVISIONS.

a. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

b. No waiver or default by Greeley of any of the terms, covenants, warranties, or conditions hereof to be performed, kept, or observed by Lessee shall be construed as, or operate as, a waiver by Greeley of any of the terms, covenants, warranties, or conditions herein contained, to be performed, kept, or observed by Lessee.

c. Lessee agrees that Greeley shall be under no obligation to maintain the Property in a particular condition or for a particular use, and Lessee waives all claims for damages of any kind or nature, whatsoever, resulting therefrom.

d. Article and section headings shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Lease Agreement.

e. The provisions of this Lease Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party of the language in question.

f. Lessee shall perform all obligations under this Lease Agreement in strict compliance with all applicable laws, rules, charters, ordinances and regulations, as now exist or are later enacted or amended, of Greeley, and all county, state and federal entities having jurisdiction over the Property.

g. None of the terms, conditions, or covenants in this Lease Agreement shall give or allow any claim, benefit, or right of action by any third person not a party hereto. Any person other than Greeley or Lessee receiving services or benefits under this Lease Agreement shall be only an incidental beneficiary.

h. Invalidity of any specific provisions of this Lease Agreement shall not affect the validity of any other provision of this Lease Agreement.

i. Lessee acknowledges that this Lease Agreement may not be recorded.

j. This Lease Agreement shall extend to and be binding upon the heirs, successors, and permitted assigns of the parties. Notwithstanding the foregoing, Lessee acknowledges and agrees that Greeley may sell the Real Estate and intends to retain the Water Rights. In the event the Real Estate is sold, Greeley may assign or terminate, in full or in part, the Lease Agreement by providing notice to Lessee of the assignment or terminating in accordance with Section 2.

k. This Lease Agreement is an integration of the entire understanding of the parties with respect to the matters set forth herein. No representations, warranties, or certifications, expressed or implied, shall exist as between the parties, except as specifically set forth in this Lease Agreement. The parties shall only amend this Lease Agreement in writing with the proper official signatures attached thereto.

15. NOTICE. Any notice or payment required by this Lease Agreement shall be provided by U.S. mail or hand delivery to Greeley or to Lessee at the addresses set forth above, unless the party to

receive such notice or payment provides to other party written notice of a change of the address listed above.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date stated in the preamble.

CITY OF GREELEY, COLORADO,
a Municipal Corporation, acting by
and through its Water and Sewer Board

Attest:

By: _____
Mayor

City Clerk

BARTMANN COMPLETE HAY SERVICE INC.

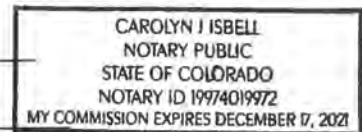
By: [Signature]
Milton Bartmann
Title: [Signature]

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this 5th day of February 2020
by Milton Bartmann as President of the Bartmann Complete Hay Service Inc.

Witness my hand and official seal.

My commission expires: 12/17/2021
Carolyn J Isbell
Notary Public



WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 5

TITLE: ACTION: RATIFY PURCHASE AND SALE
 AGREEMENT FOR STAR GRAVEL PIT

RECOMMENDATION: RATIFY PURCHASE AND SALE AGREEMENT
 FOR THE STAR GRAVEL PIT

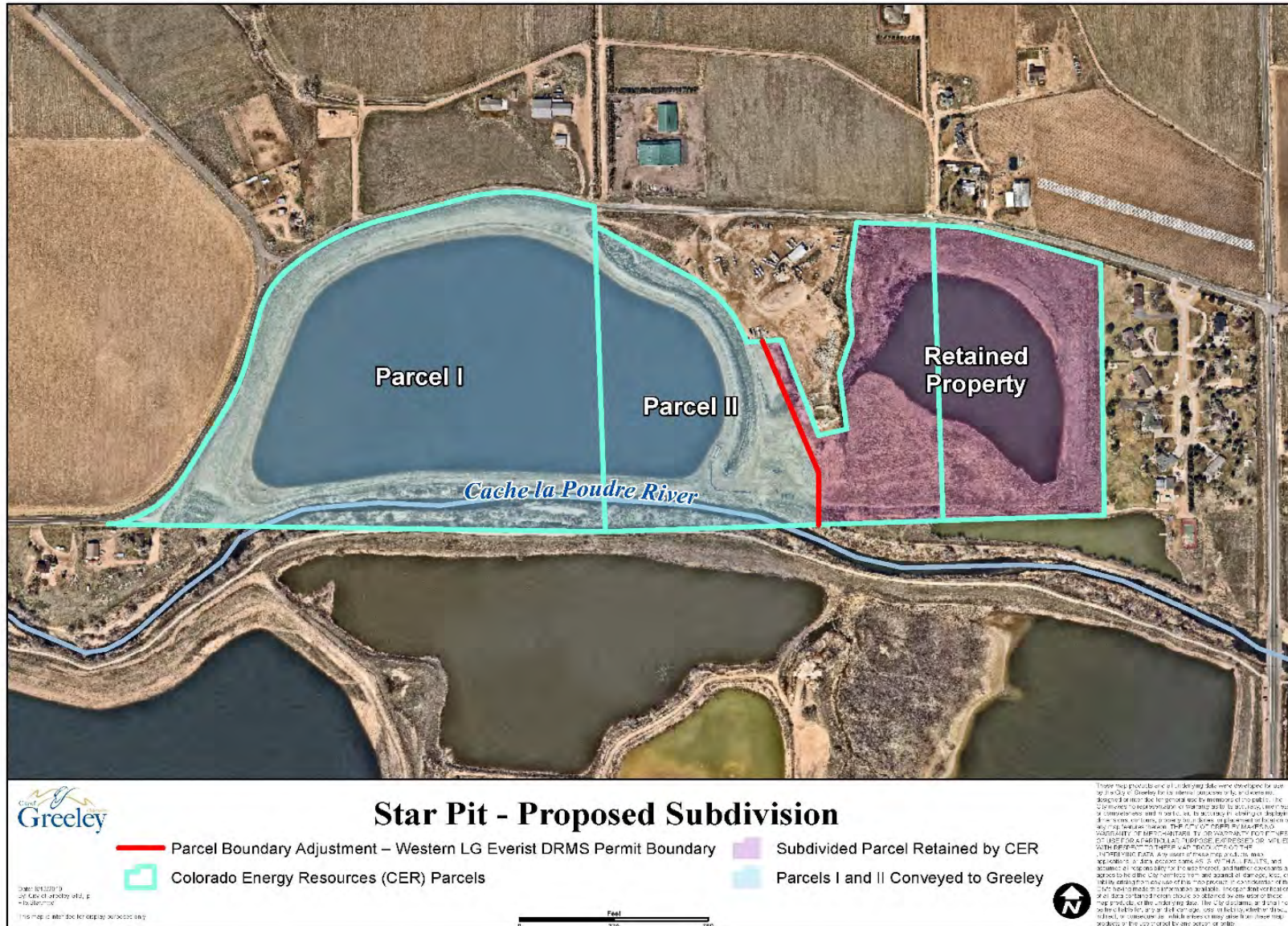
ADDITIONAL INFORMATION:

On August 21, 2019, the Water and Sewer Board approved the Purchase and Sale Agreement (“Agreement”) with Colorado Energy Resources (“CER”) for the acquisition of the Star Gravel Pit. The Agreement is for the purchase of the gravel pit with the 930 Acre-feet of operational storage and surrounding land. Under Article 6 of the Agreement, the closing is conditioned on the Water and Sewer Board’s appropriation of funds and ratification of the Agreement after diligence is completed.

Staff has completed due diligence on the property and gravel pit and has reviewed the Subdivision and Lot Line Adjustment. Based on its findings, staff is recommending that the Water and Sewer Board ratify the Agreement.

Recommended action for Consent Agenda: Water Resources staff recommends that the Water and Sewer Board ratify the Agreement and delegate authority to the Director to close on the property.

Star Pit



Star Pit

- Property: Gravel Pit Storage
 - 62+/- acres land
 - 36+/- acres water with approximately 930 acre-feet of operational storage
- Due Diligence: No notable concerns
 - Property Subdivision and Lot Line Adjustment has been reviewed and approved



WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

ENCLOSURE _____ NO ENCLOSURE ____X____

ITEM NUMBER: 6

TITLE: WELCOME NEW EMPLOYEES

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

Kalen Myers – Rates and Budget Analyst
Crystal Sanchez – Administrative Specialist II
Derek Hannon – Development Reviewer

WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 7

TITLE: ACTION: APPROVE IRRIGATION WATER
LEASE AGREEMENT WITH ROBIN AND
DOUG KALTENBERGER

RECOMMENDATION: APPROVE IRRIGATION WATER LEASE
AGREEMENT

ADDITIONAL INFORMATION:

Water Resources staff recommends that the Water and Sewer Board approve the enclosed Irrigation Water Lease Agreement with Robin and Doug Kaltenberger. The lessees purchased a parcel of real property commonly known as the Waag Farm from Jacobs Land Investment and Wes & Angela Johnson in 2019, and desire to lease back one (1) WSSC share that historically irrigated this farm. The share has already been changed by the City in water court.

This standard lease agreement is for an initial term of 10 years and may be terminated by the City in advance of any irrigation season if the water is needed for municipal use.

IRRIGATION WATER LEASE AGREEMENT

This IRRIGATION WATER LEASE AGREEMENT ("Agreement") is entered into this ____ day of _____ 2020, by and between the CITY OF GREELEY, a Colorado home rule municipal corporation whose address is 1001 11th Avenue, Second Floor, Greeley, Colorado 80631 ("City"), and ROBIN AND DOUGLAS L. KALTENBERGER, whose address is 274 Duesenberg Lane, Fort Collins, Colorado 80524 ("Lessees").

Recitals

WHEREAS, the City owns those certain water rights represented by one (1) share of capital stock in the Water Supply and Storage Company (one of three total shares attributable to Certificate No. 6432) ("Water Rights"); and

WHEREAS, the Lessees desire to lease the Water Rights from the City for agricultural irrigation on Larimer County Parcel Number 8711200003, a parcel of real property consisting of approximately 35 acres located at 401 Desert Eagle Drive, Fort Collins, Colorado 80524 ("Property");

WHEREAS, the City is willing to lease the Water Rights to the Lessees for agricultural irrigation on the Property;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Lessees agree as follows.

Agreement

1. Water Rights Lease. The City hereby leases to the Lessees, and the Lessees hereby lease from the City, the above-described Water Rights for the purpose of agricultural irrigation on the Property.

2. Term of Lease. The term of this Agreement begins on the date of mutual execution and ends on December 31, 2029. Notwithstanding the foregoing, this Agreement may be terminated for any reason, or for no reason, by the Lessees or the City prior to any irrigation season by delivering an advance written notice to the other party on or before November 1 of the preceding calendar year.

3. Annual Lease Amount and Administrative Fee. The Lessees shall pay to the City an Annual Lease Amount equal to all assessments, charges, and other expenses due and attributable to the Water Rights paid by the City to the Water Supply and Storage Company. The Annual Lease Amount shall not be reduced to reflect rebates or other credits attributable to leasing transmountain return flows associated with the Water Rights. Lessees shall also pay to the City an Annual Administrative Fee in the amount of one hundred and fifty dollars (\$150.00) per year. The City will provide an invoice of the Annual Lease Amount and Annual Administrative Fee to the Lessees, and Lessees shall deliver payment of that total amount to the City no later than (i) May 15 of the then current irrigation year, or (ii) within fifteen days of receipt of such invoice from the City. The Lessees shall also remit to the City an additional charge equal to fifteen percent of the Annual Lease Amount for every thirty days that payment required under this Agreement is late.

4. Use of Water Rights. Lessees shall use the water delivered pursuant to the Water Rights only for agricultural irrigation on the Property. Lessees shall not use the water delivered pursuant to the Water Rights on any land other than the Property. Lessees shall use the Water Rights in accordance with

all rules, regulations, bylaws and policies of the Water Supply and Storage Company. Lessees shall comply with Title 14 of the Greeley Municipal Code, and all rules, regulations, and laws of the State of Colorado pertaining to use of the Water Rights. Lessees shall take and use the water delivered pursuant to the Water Rights to the fullest extent possible, and shall undertake no action that could be construed as abandonment of the Water Rights. Lessees shall provide advance written notice to the City of at least thirty days if they no longer intend to irrigate the entirety of the Property with the Water Rights.

5. Restriction on Sublease and Assignment. Lessees shall not rent, sublet, or otherwise convey the right to use the Water Rights. Lessees shall not assign this Agreement, except to a successive owner or operator of the Property for agricultural irrigation of the Property, and only with written consent from the City. Lessees shall request consent from the City prior to any purported assignment of this Agreement by advance written notice of at least thirty days. Such consent may be given or withheld in the sole discretion of the City.

6. No Vested Interest in Shares or Joint Venture. This Agreement is made expressly subject to Section 17-4 of the Charter of the City of Greeley. The City grants no interest in the Water Rights to the Lessees other than as explicitly set forth in this Agreement. Lessees shall make no claim to any rights, title, or interest in the Water Rights other than as explicitly set forth in this Agreement. This Agreement does not create a partnership or joint venture of any kind between the parties, and the Lessees shall bear the entirety of any loss, cost, or expense incurred through their use of the Water Rights on the Property.

7. No Guarantee of Yield. Lessees are entitled to receive the amount of water yielded by the Water Rights, subject to the terms and conditions in this Agreement. The City makes no warranty, guarantee, or representation of any kind regarding the quality or physical yield of water to be delivered pursuant to the Water Rights. Lessees shall not hold the City liable for any failure in delivery of the water pursuant to the Water Rights, including, but not limited to, that caused by force of nature or failure of water supply infrastructure.

8. Maintenance of Infrastructure. Lessees shall maintain the lateral ditches, headgates, and other personal property necessary to deliver water pursuant to the Water Rights at their own cost and expense. Lessees shall make all repairs and restorations necessary to keep the lateral ditches, headgates, and other personal property in good working condition during the term of this Agreement.

9. Indemnification. Lessees agree to exercise their rights under this Agreement at their own risk. Lessees shall indemnify and hold harmless the City from and against any cost, expense, or liability arising out of this Agreement or related activities. Nothing in this Agreement is intended to constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§24-10-101 et seq., as applicable now or hereafter amended.

10. Notice. All notices to be given under this Agreement shall be (1) sent by certified or registered mail, return receipt requested, or (2) hand-delivered at the addresses set forth above. The Lessees shall provide written notice to the City if the appropriate contact information changes.

11. Default and Termination. If either the City or the Lessees fail to comply with a term or condition herein, such failure constitutes a default of this Agreement. The non-defaulting party may declare the default by providing written notice to the defaulting party in accordance with Paragraph 10 above. Upon receipt of this notice of default, the defaulting party will have fifteen days within which to cure the default. If, in the sole discretion of the non-defaulting party, the default remains uncured after the aforementioned fifteen-day cure period, or after any written extension thereof mutually agreed upon by the parties, the non-

defaulting party may declare the Agreement terminated by written notice in accordance with Paragraph 10 above.

(a) Notwithstanding the above, failure by the Lessees to comply with the terms and conditions of Paragraph 4 or Paragraph 5 of this Agreement constitutes a material breach. In the event that the Lessees commit a material breach, the City may immediately terminate this Agreement by written notice to the Lessees.

(b) The failure of either party to declare a default or material breach does not establish a precedent or constitute an implied waiver of any subsequent breach of the terms and conditions in this Agreement.

12. Cessation of Irrigation. Upon expiration or termination of this Agreement, Lessees shall immediately cease agricultural irrigation of the Property with the Water Rights.

13. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies upon any parties other than the Lessees and the City, or their respective permissible successors in interest.

14. Recovery of Costs and Fees. In addition to any remedies otherwise available, a party that is successful in a legal action commenced against the other due to a default or material breach of this Agreement may recover from the defaulting party reasonable costs and attorneys' fees incurred during the course of such legal action.

15. Governing Law and Venue. This Agreement shall be governed by and enforced in accordance with the laws of the State of Colorado. Proper venue for any action arising out of this Agreement is the District Court for Weld County, Colorado, or the Division 1 Water Court for the State of Colorado.

16. Severability. In the event a provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any other provision herein, and the remainder of the Agreement should be interpreted in accordance with the intent of the parties.

17. Integration. This Agreement constitutes a complete integration of the understanding and agreement between the City and Lessees with respect to the subject matter herein, and supersedes all other lease agreements regarding the Water Rights. No representations, negotiations, or warranties, express or implied, exist between the City and Lessees except as explicitly set forth in this Agreement. This Agreement may only be modified in a written form duly authorized, approved, and executed by the City and Lessees.

18. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by electronic means. The parties agree to accept and be bound by signatures hereto delivered by electronic means.

19. Recording. Lessees shall not record this Agreement in the real property records of any jurisdiction. This Agreement is not intended to run with the land as a covenant burdening real property.

IN WITNESS WHEREOF, the undersigned parties have executed this Irrigation Water Lease Agreement on the date first set forth above.

CITY OF GREELEY

ATTEST:

By: _____
Mayor

By: _____
City Clerk

LESSEES

ROBIN AND DOUGLAS L. KALTENBERGER

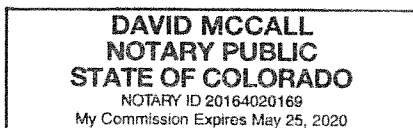
By: Douglas L. Kaltenberger

By: Robin Kaltenberger

STATE OF COLORADO)
) ss.
COUNTY OF Lincoln)

The foregoing instrument was acknowledged before me this 6th day of February 2020 by Robin Kaltenberger and Douglas Kaltenberger, whose signatures appear above as the Lessees.

Witness my hand and official seal.



[Signature]
Notary Public
My commission expires: 5/25/20

Water Lease Agreement with Doug and Robin Kaltenberger

Lessees purchased a parcel of property known as Waag Farm from Jacobs Land Investment and Wes and Angela Johnson in 2019 and desire to lease the water associated with the property

- **Water:** 1 out of 3 shares under Cert. 6432 in Water Supply & Storage Co.
- **Acreage:** Approx. 35 acres
- **Term:** 10 years, through December 31, 2029
- **Termination:** Either party may terminate the lease on or before November 1
- **Amount:** Assessments due to the water rights + \$150 administrative fee
- Mr. Kaltenberger expressed interest in adding 1 share of the 3 historically used on the property to the lease in the future to potentially expand operations



Waag Farm Property Map



Recommendation

- Board approve this lease and delegate authority to staff to add amendments for future water needs.



WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 8

TITLE: 2019 FINANCIAL REPORT

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

Please see the attached memorandum and supporting materials.



Water & Sewer Department MEMORANDUM

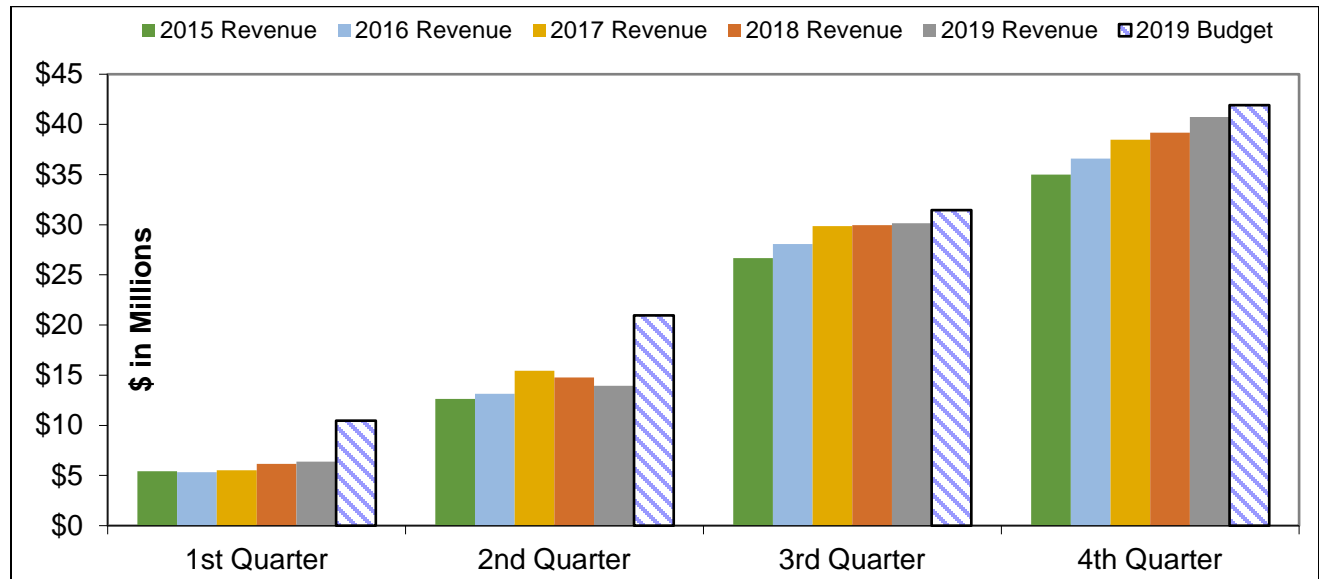
TO: Water & Sewer Board
FROM: Erik Dial, Utility Finance Manager
DATE: February 19, 2020
RE: Financial Report 4th Quarter 2019

Overview:

The financial report for the water and sewer funds through the fourth quarter of 2019 is enclosed. Both water and sewer revenue were slightly below the year-end budget target. Expenditures for both water and sewer were within budget.

Water Operating Revenue

Summary: Revenue through the end of 2019 was below the budgeted revenue projection for the year by \$1.6 million. Refer to Appendix A for a summary of water usage and Appendix B for detailed information on water revenue.



Residential: About 52% of the water revenue was from residential water use through the fourth quarter of the year and was well below budget. Revenue collected equaled 84.6% of the annual budget. The summer irrigation season started cooler than normal and depressed water sales.

Commercial: Commercial revenue represents 13.5% of the overall water revenue and exceeded its budget for the year. Revenue collected equaled 110.4% of the annual budget.

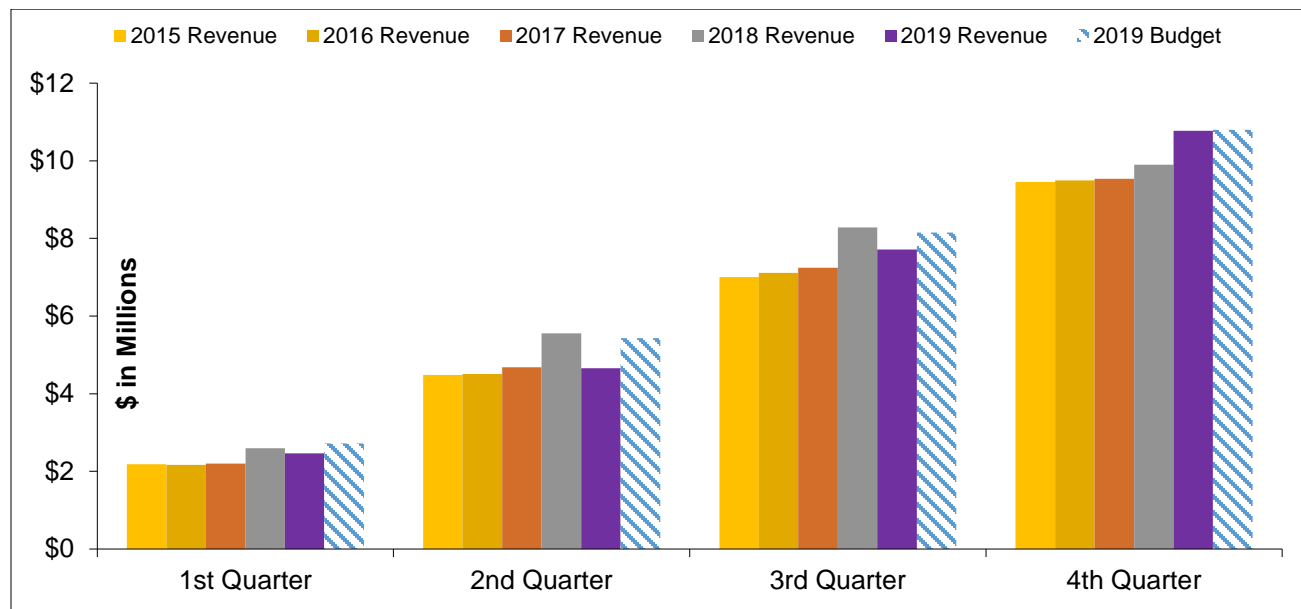
Large Users: Revenue from the large industrial users, Windsor, Milliken, and Evans represented 24.4% of the water revenue through the end of 2019. End of the year revenue from these customers was about 3.6% higher than 2018.

Miscellaneous Revenue

Hydrant water sales and augmentation water sales both were lower than 2018 but hydrant water sales were still well above the budget target. Water rental revenue to agriculture was higher than 2018 and well above budget. Revenues from these sources are volatile and revenue budgets are set conservatively.

Sewer Operating Revenue

Overall fourth quarter sewer revenue was slightly below the year-end budget target. Refer to Appendix C for detailed information on sewer revenue.



Plant Investment Fees

Water plant investment fee (PIF) revenue totaled \$4,450,604 through the end of 2019. This represents 87% of the annual budget of \$5,096,648.

Sewer PIF revenue totaled \$2,243,300 through the end of 2019. This represents 48% of the annual budget of \$4,646,476.

The projected PIF revenue is determined through the rate modeling effort. The sewer rate model was projecting account growth in a different way than the water rate model and it was overestimating PIF revenue. The sewer rate model has been adjusted to be consistent with the water rate model and the PIF revenue for the two funds should more closely track in the future.

Cash-in-Lieu of Raw Water Revenue

Fifteen taps were sold that paid cash-in-lieu in 2019. The volume of water sold represented 45.5 acre feet and generated \$1,439,788.

Water Operations Expenditures

Water operations expenditures were below budget at year-end. See Appendix D for a summary of operating expenditures.

Sewer Operations Expenditures

Sewer operations expenditures were below budget at year-end. See Appendix E for a summary of operating expenditures.

2019 4th Quarter Water Demands

Appendix A Water Demand

2019								2018			
Consumption:	% of Usage	Consumption (Kgal)	Taps	Usage per tap	Modeled Use per tap Annual (Kgal)	Modeled Consumption Annual (Kgals)	% Consumed vs. Modeled	Consumption (1,000s gal)	Taps	Usage per tap	% Change 2019 v 2018
Inside Residential	33.66%	2,687,579	23,334	115	124	2,789,722	96%	2,901,733	23,060	126	-7.4%
Multi-Family	12.35%	986,094	2,166	455	458	985,552	100%	1,038,767	2,163	480	-5.1%
Inside Commercial	13.71%	1,094,853	1,883	581	601	1,028,968	106%	1,148,557	1,880	611	-4.7%
Industrial User	10.12%	807,986	3	269,329	238,333	715,000	113%	816,095	3	272,032	-1.0%
Industrial User	8.59%	686,183	2	343,092	372,850	745,700	92%	659,244	2	329,622	4.1%
Public Uses	4.05%	323,370	245	1,320	901	204,682	158%	293,793	242	1,214	10.1%
Total inside		6,586,065				6,469,624		6,858,189			
Outside Residential	0.56%	44,325	484	92	101	45,892	97%	47,466	487	97	-6.6%
Outside Multi-Family	0.06%	4,625	18	257	284	5,071	91%	5,051	18	281	-8.4%
Outside Commercial	0.14%	11,529	114	101	109	11,462	101%	11,846	115	103	-2.7%
Industrial User	2.26%	180,708	1	180,708	190,000	188,483	96%	191,344	1	191,344	-5.6%
Ag-Special Contract	0.42%	33,467	58	577	547	28,873	116%	34,046	60	567	-1.7%
Evans	10.28%	821,083	14	58,649	58,631	814,280	101%	870,708	14	62,193	-5.7%
Windsor	2.56%	204,486	3	68,162	70,700	210,407	97%	210,039	3	70,013	-2.6%
Milliken	1.24%	99,126	1	99,126	85,000	84,321	118%	108,927	1	108,927	-9.0%
Total outside		1,399,349				1,388,789		1,479,427			
Total water demand:		7,985,414				7,858,413	102%	8,337,616			-4.2%

2019 4th Quarter Water Revenue

Appendix B Water Revenue

	2019 - 4th Quarter				2018 - 4th Quarter		2019 v 2018	
	% of Revenue	Revenue	Budget	% Budget Received	% of Revenue	Revenue	\$ Difference	% Actual Change
Revenue:								
Inside Residential	51.6%	20,809,452	24,587,076	84.6%	51.7%	20,186,344	623,108	3.1%
Inside Commercial	13.5%	5,432,617	4,918,757	110.4%	13.2%	5,162,510	270,107	5.2%
Inside Industrial	12.0%	4,829,846	4,631,930	104.3%	11.6%	4,518,371	311,475	6.9%
Evans	8.0%	3,230,066	3,204,050	100.8%	7.7%	3,007,596	222,470	7.4%
Windsor	2.1%	842,693	796,348	105.8%	2.1%	829,092	13,601	1.6%
Hydrant Water Sales	1.7%	704,840	375,000	188.0%	2.1%	817,990	(113,151)	-13.8%
Rerent fr. Purchases	2.3%	943,754	250,000	377.5%	1.8%	693,685	250,069	36.0%
Non-Potable	1.5%	603,479	425,000	142.0%	1.7%	670,358	(66,880)	-10.0%
Industrial User	1.0%	410,588	633,269	64.8%	1.5%	599,120	(188,532)	-31.5%
Outside Residential	1.5%	623,001	645,793	96.5%	1.5%	595,089	27,912	4.7%
Milliken	1.2%	503,112	388,335	129.6%	1.3%	519,484	(16,371)	-3.2%
Royalties	0.3%	122,425	0		0.6%	240,013	(117,588)	-49.0%
Ag-Special Contract	0.4%	165,008	140,000	117.9%	0.4%	154,146	10,863	7.0%
Augmentation Sales	0.2%	92,066	125,000	73.7%	0.3%	130,584	(38,519)	-29.5%
Engineering Inspections	0.1%	48,558	0		0.4%	147,035	(98,476)	-67.0%
Labor Reimbursement	0.6%	251,621	250,000	100.6%	0.4%	139,856	111,765	79.9%
Other	0.2%	87,841	0		0.4%	138,859	(51,018)	-36.7%
Outside Commercial	0.3%	105,744	144,774	73.0%	0.3%	136,428	(30,684)	-22.5%
Sales to Departments	0.4%	149,140	175,000	85.2%	0.3%	103,934	45,207	43.5%
Expense Reimbursement	0.4%	149,203	0		0.2%	59,279	89,924	151.7%
Rents from Land	0.2%	62,983	65,000	96.9%	0.1%	58,426	4,557	7.8%
Sales to Outside Agencies	0.1%	41,140	75,000	54.9%	0.1%	56,420	(15,280)	-27.1%
Turn On Charges	0.1%	43,267	50,000	86.5%	0.1%	45,260	(1,994)	-4.4%
Sales of Assets	0.0%	3,688	0		0.1%	19,548	(15,860)	-81.1%
Mountain Plains Rental	0.0%	19,221	19,500	98.6%	0.0%	19,128	93	0.5%
Mtn View Meadows/Sharkstooth	0.0%	11,245	18,801	59.8%	0.0%	18,665	(7,420)	-39.8%
Labor & Materials	0.0%	3,726	0		0.0%	2,760	966	35.0%
Damages Recovered	0.0%	1,518	0		0.0%	2,590	(1,072)	-41.4%
Insurance Recoveries	0.0%	8,749	0		0.0%	794	7,955	1001.8%
No. 3 Ditch	0.0%	0	0		0.0%	186	(186)	
Total Revenues:		40,300,591	41,918,633	96.1%		39,073,548	1,227,042	3.1%

2019 4th Quarter Sewer Revenue

Appendix C Sewer Revenue

Revenue:	2019 - 4th Quarter				2018 - 4th Quarter		2019 v 2018	
	% of Revenue	Revenue	Budget	% Budget Received	% of Revenue	Revenue	\$ Difference	% Actual Change
Residential & Flat Rate	67.2%	7,232,289	7,412,182	97.6%	66.9%	6,630,175	602,114	9.1%
Commercial I (Non-food services)	7.9%	851,435	1,059,003	80.4%	9.0%	888,000	(36,566)	-4.1%
Commercial III (Restaurants)	7.0%	748,359	774,737	96.6%	6.9%	681,138	67,221	9.9%
Commercial II (Bars)	5.9%	637,121	604,497	105.4%	5.5%	541,033	96,088	17.8%
SIC 2026	3.0%	317,797	355,284	89.4%	2.5%	249,329	68,468	27.5%
SIC 2013	1.4%	155,987	208,035	75.0%	2.0%	196,882	(40,895)	-20.8%
Commercial IV (Markets)	1.9%	199,436	148,180	134.6%	1.6%	162,596	36,841	22.7%
Royalties	3.7%	396,755	100,000	396.8%	1.7%	172,256	224,499	130.3%
Engineering Inspections	0.3%	36,866	0		1.3%	129,657	(92,790)	-71.6%
Sale of Assets	-0.1%	-9,780	0		0.8%	80,228	(90,009)	-112.2%
Labor Reimbursement	0.7%	71,960	30,000	239.9%	0.6%	56,720	15,240	26.9%
SIC 7218	0.6%	59,841	129,553	46.2%	0.5%	46,001	13,840	30.1%
Other	0.1%	8,318	0		0.3%	31,690	(23,372)	-73.8%
SIC 2034	0.2%	21,577	20,936	103.1%	0.2%	20,016	1,561	7.8%
Private Liquid Haulers	0.0%	3,344	15,000	22.3%	0.2%	16,155	(12,811)	-79.3%
Expense Reimbursement	0.1%	10,008	0		0.1%	5,959	4,049	67.9%
Commercial V (Mfg)	0.1%	14,538	5,749	252.9%	0.0%	4,058	10,480	258.2%
Rents from Land	0.0%	2,400	4,000	60.0%	0.0%	4,350	(1,950)	-44.8%
Insurance Recoveries	0.0%	3,356	0		0.0%	2,284	1,072	47.0%
Labor and Materials	0.0%	2,747	0		0.0%	0	2,747	
Damages Recovered	0.0%	980	0		0.0%	0	980	
Total Revenues		10,758,250	10,867,156	99.0%		9,916,243	842,007	8.5%

Appendix D
Water Expenditures

<u>Description</u>	<u>2019 Budget</u>	<u>Encumbrances Outstanding</u>	<u>YTD Exp</u>	<u>YTD Exp. + Enc.</u>	<u>Budget \$'s Remaining</u>	<u>Budget Used</u>	<u>Target %</u>
Administration	1,464,214	219,956	1,282,899	1,502,855	(38,641)	87.6%	
Engineering	400,908	98	401,049	401,147	(239)	100.0%	
Computer/Phone User Charge	353,460	0	353,460	353,460	0	100.0%	
Liability Insurance	206,808	0	206,808	206,808	0	100.0%	
General Management	2,425,390	220,053	2,244,216	2,464,269	(38,879)	92.5%	100.0%
Services & Meters	458,964	0	413,064	413,064	45,900	90.0%	
Transmission - Reservoirs	1,107,730	0	913,351	913,351	194,379	82.5%	
Distribution	2,119,372	0	1,813,215	1,813,215	306,157	85.6%	
Inventory	275,000	0	168,412	168,412	106,588	61.2%	
Non-Potable	824,044	0	701,654	701,654	122,390	85.1%	
Instrumentation and Control	154,280	0	422,617	422,617	(268,337)	273.9%	
Transmission & Distribution	4,939,390	0	4,432,313	4,432,313	507,077	89.7%	100.0%
Water Resources	4,885,457	0	3,702,041	3,702,041	1,183,416	75.8%	
High Mountain Reservoirs	519,529	0	402,079	402,079	117,450	77.4%	
Water Conservation Program	645,336	0	498,373	498,373	146,963	77.2%	
Water Resources	6,050,322	0	4,602,493	4,602,493	1,447,829	76.1%	100.0%
Bellvue Filter Plant	2,125,986	38,881	1,711,218	1,750,098	375,888	80.5%	
Boyd Lake Filter Plant	2,437,446	49,646	1,639,704	1,689,350	748,096	67.3%	
Water Quality Program	345,450	4,390	233,379	237,769	107,681	67.6%	
Treatment	4,908,882	92,917	3,584,300	3,677,217	1,231,665	73.0%	100.0%

Appendix E
Sewer Expenditures

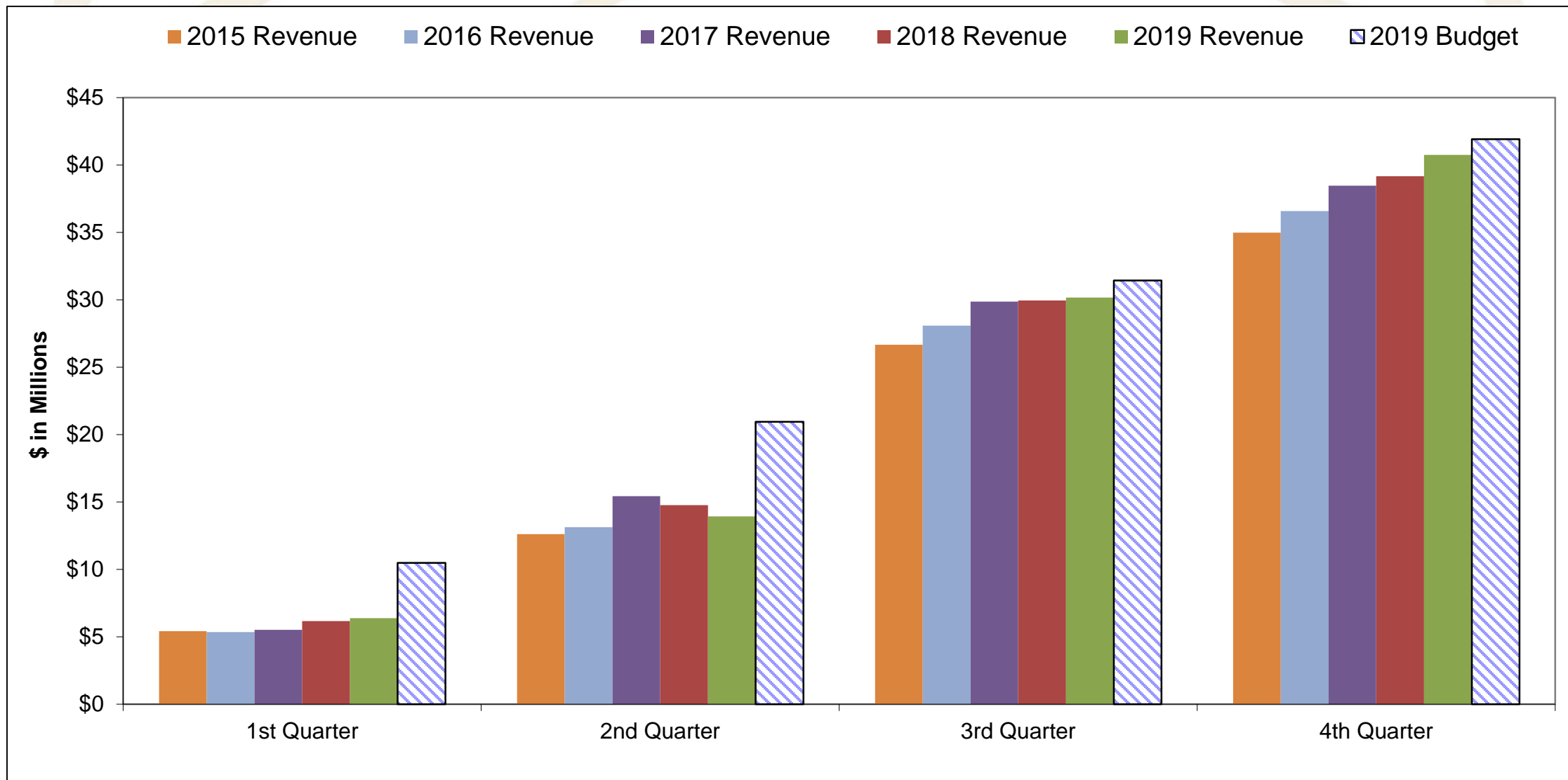
<u>Description</u>	<u>2019 Budget</u>	<u>Encumbrances Outstanding</u>	<u>YTD Exp</u>	<u>YTD Exp. + Enc.</u>	<u>Budget \$'s Remaining</u>	<u>Budget Used</u>	<u>Target %</u>
Engineering	364,140	0	209,339	209,339	154,801	57.5%	
Administration	1,486,139	0	1,471,064	1,471,064	15,075	99.0%	
Computer/Phone User Charge	141,746	0	141,746	141,746	0	100.0%	
Liability Insurance	206,808	0	206,808	206,808	0	100.0%	
General Management	2,198,833	0	2,028,957	2,028,957	169,876	92.3%	100.0%
Administration	525,691	0	588,459	588,459	(62,768)	111.9%	
Laboratory	373,659	8,900	302,544	311,444	62,215	81.0%	
Maintenance	895,313	0	731,055	731,055	164,258	81.7%	
Operations	2,184,922	14,250	2,151,937	2,166,187	18,735	98.5%	
Industrial Pretreatment	238,876	0	286,971	286,971	(48,095)	120.1%	
Wastewater Treatment	4,218,461	23,150	4,060,966	4,084,116	134,345	96.3%	100.0%
Wastewater Collection	1,141,810	0	1,116,931	1,116,931	24,879	97.8%	
Wastewater Collection	1,141,810	0	1,116,931	1,116,931	24,879	97.8%	100.0%
Total Sewer:	7,559,104	23,150	7,206,854	7,230,004	329,100	95.3%	100.0%

Water and Sewer 2019 4th Quarter Financial Report

February 19, 2020



Water Operating Revenue

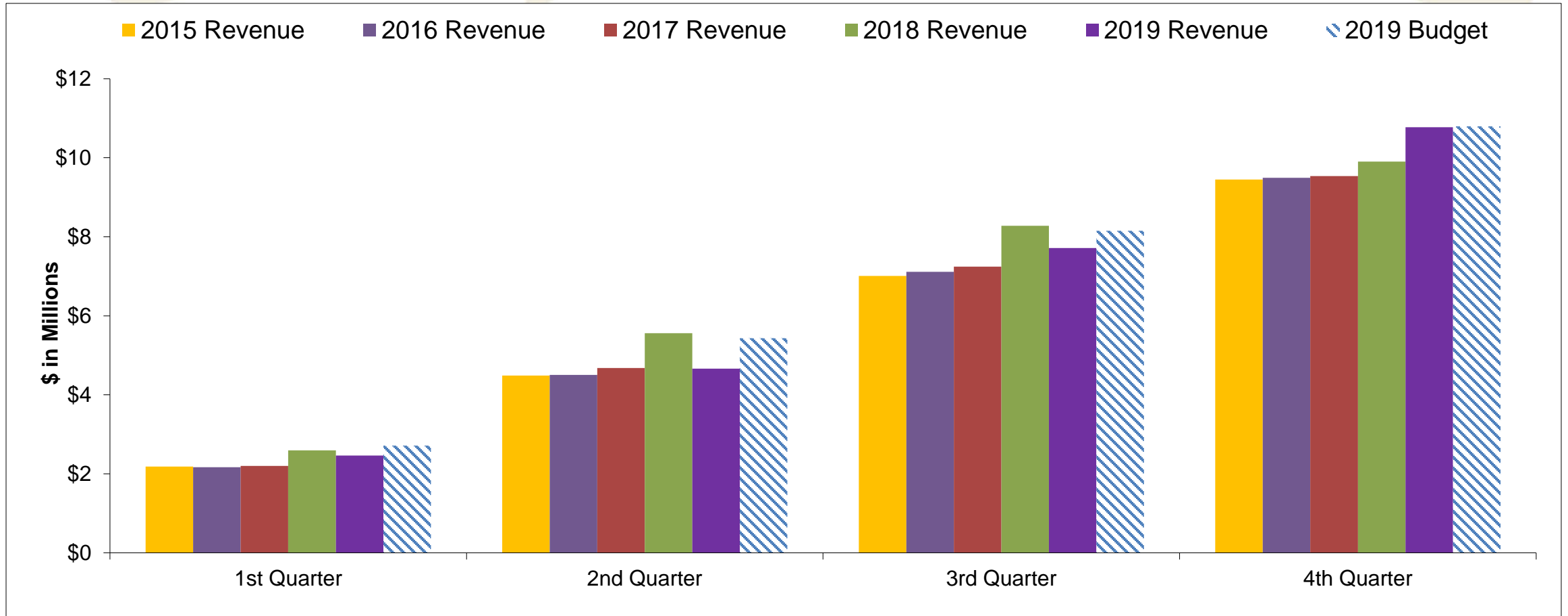


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Water Highlights

- Account growth less than modeled
- Residential usage per account less than modeled
 - Cool start to irrigation season
- Commercial and Industrial usage per account generally above volumes modeled
- Large water customers account for nearly 25% of revenue
- Overall revenue 4% below annual budget

Sewer Operating Revenue



Sewer Highlights

- Account growth less than modeled
- Most customer classes didn't meet annual budget
- Royalty payments increased
 - Oil/Gas
- Overall revenue just below annual budget



Plant Investment Fees

	Water	Sewer
2019 Budget	\$5,096,648	\$4,646,476
2019 Actual	\$4,450,604	\$2,243,300

2019 Cash-in-Lieu Summary

- 2019 Revenue = \$1,439,788
- Taps that paid cash-in-lieu = 15
- Volume of water sold = 45.5 acre feet





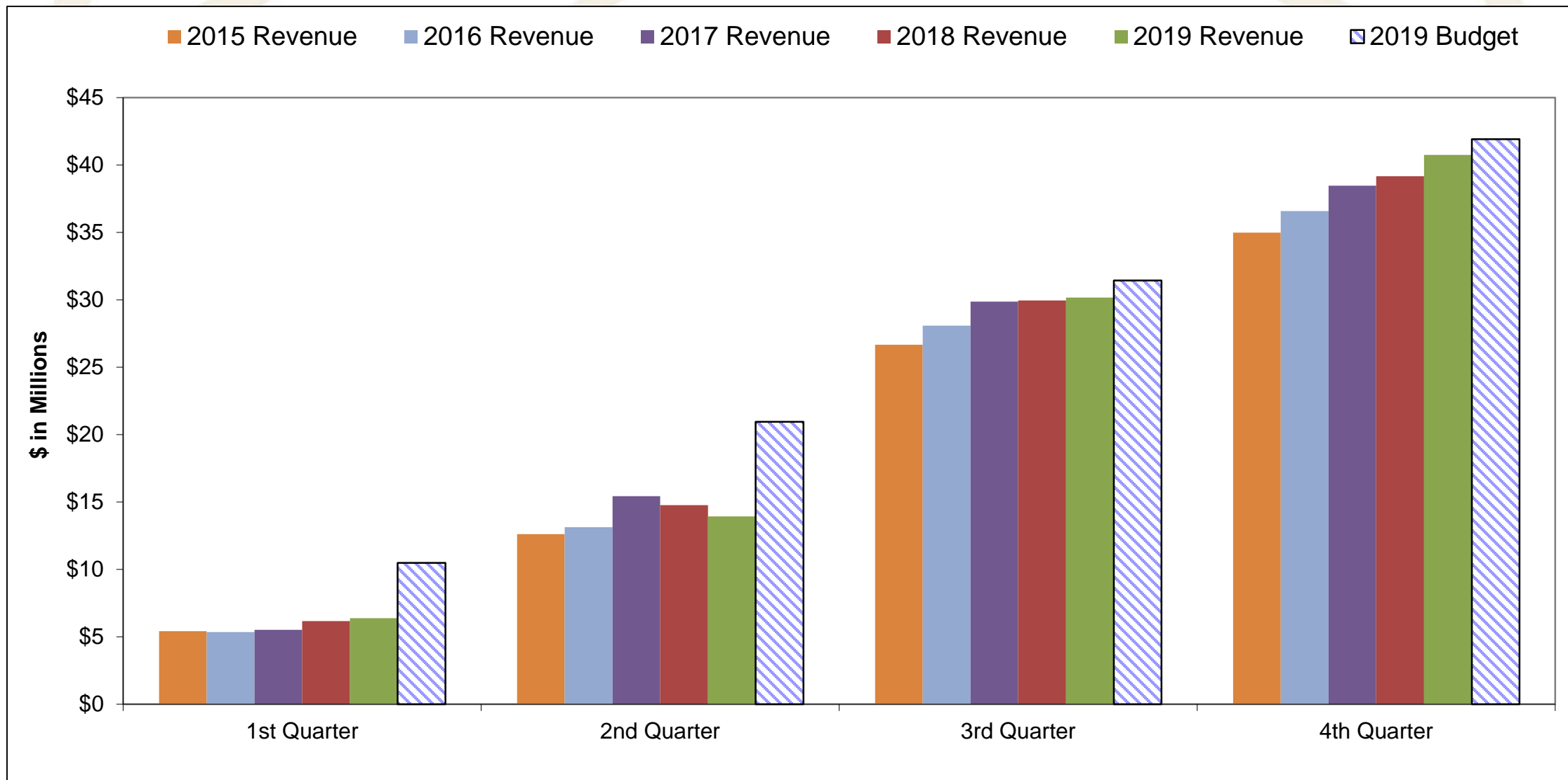
Questions?

Water and Sewer 2019 4th Quarter Financial Report

February 19, 2020



Water Operating Revenue

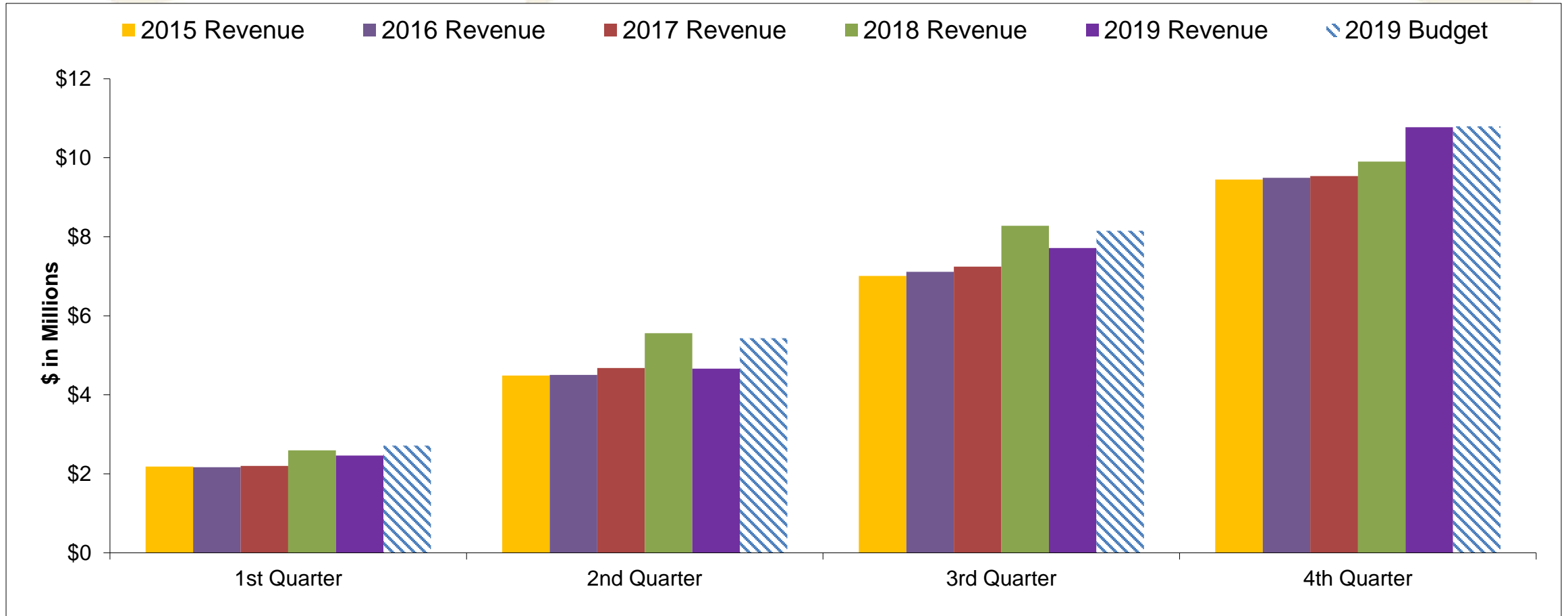


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Questions?

WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 9

TITLE: LEGAL REPORT

RECOMMENDATION: STATEMENTS OF OPPOSITION, IF ANY

ADDITIONAL INFORMATION:

I. Statements of Opposition: Based on review of the December, 2019 Water Court Resume, staff and water counsel recommend that the Board file statements of opposition in the following cases:

- a. Case Number: **19CW3246** Application of Fort Morgan Farms, LLC and High Plains Grazing, LLC for conditional storage rights in the amount of 12,000 AF per year. The applicant is seeking to develop gravel pits near the confluence of the Platte and Poudre rivers. Water would be diverted from both rivers to fill the gravel pits at rates of up to 100 cfs. The uses include irrigation, augmentation and recharge. The appropriation date of the water right is Aug. 2019. We recommend that Greeley file a statement of opposition to stay fully informed regarding the operation of Fort Morgan Farms augmentation plans, including the new, conditional storage right, and to protect Greeley's rights on the Poudre River.

Proposed Motion Language: "I move that the Board authorize the filing of a statement of opposition in Case No. 19CW3246, and for staff and legal counsel to seek resolution of issues raised by these cases consistent with Water and Sewer Board Resolution No. 3-15."

II. Applications filed on Behalf of the City of Greeley acting by and through its Water and Sewer Board.

- a. **19CW3191** – Lower Equalizer Diligence Application (filed in Sept, 2019). This case involves conditional surface rights on the Big Thompson (Lower Equalizer Pump Stations 1 & 2), conditional storage rights on the Big Thompson (Lower Equalizer Reservoirs 1 & 2 and Boomerang Reservoirs 1 & 2) and conditional exchanges, all of which are part of Greeley's non-potable system, as well as use to replace return flows and for augmentation. The only statement of opposition was filed by GIC.
- b. **19CW3239** – Diligence Application for Overland Trail Reservoirs and Overland Trail Reservoir Exchanges. Filed in December in conjunction with Soldier Canyon Filter Plant, Ft. Collins – Loveland Water Dist., North Weld County Water Dist. and East Larimer County Water Dist. There were two statements of opposition filed – one by the State Board of Land Commissioners and one by the Murry R. and Linda McMurry Trusts.
- c. **20CW3009** – Rockwell Reservoir and Rockwell Exchange Diligence Application. This application was filed in January, 2020. Statements of opposition are due the end of March.

- d. **20CW3004** – Diligence on Exchange from Greeley WTRF and Lone Tree WTRF up the Big Thompson to the GLIC system. This case was filed at the end of January. Statements of opposition are due by end of March.
- III. Update re: 17CW3020 – Joint Application of Greeley and Leprino.** Only remaining opposer is Central. Greeley filed a motion for determination of law to address an issue raised by Central alleging that the industrial return flow generated from processing milk into cheese was tributary to the river. Greeley and Leprino claimed this water as a fully consumable return flow that could be exchanged into Greeley’s system and used to offset depletions and return flow obligations. The water court issued an order on Jan. 30 ruling in favor of Greeley and Leprino.

WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 10

TITLE: EXECUTIVE SESSION

RECOMMENDATION:

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

ENCLOSURE _____ NO ENCLOSURE ____X____

ITEM NUMBER: 11

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

- Industrial Pre-Treatment Permit No. ICO-003
- Water Rental Round-Up
- Poudre River Forum on February 28th
- NISP 401 Certification



QUALITY COLLABORATIONS


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clean water for a healthy,
working river




FRIDAY | 2020

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Conference Center
Loveland, CO

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and student
scholarships
available

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of the
2020 Poudre
Pioneer Award

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FROM THE POUDRE RIVER TO FARM,
HYDRATE, BREW, AND RECREATE**

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WaterCenter.ColoState.edu/Poudre-River-Forum

*Presented by The Poudre Runs
Through It Study/Action Work Group*

#PoudreRiverForum

WATER & SEWER BOARD AGENDA FEBRUARY 19, 2020

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: