

**City of Greeley
Water and Sewer Board
Minutes of January 17, 2018
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:00 p.m. on Wednesday, January 17, 2018.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Tony Miller, Joe Murphy, Manual Sisneros, Mayor Gates, Roy Otto and Vic Runkle

Water and Sewer Department staff:

Water and Sewer Director Burt Knight, Operations Manager Bob Neal, Water Resources Operations Manager John Thornhill, Water Rights Manager Jennifer Petrzelka, Office Manager Shannon Metcalf, and Senior Administrative Assistant Ettie Arnold

Legal Counsel:

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

Other Guests: Citizen Jack Schneider

2. Approval of Minutes

Mr. Murphy moved and Vice-Chairman Todd seconded to approve the December 20, 2017 Water and Sewer Board meeting minutes as presented. The motion carried 6-0.

3. Approval of and/or Additions to Agenda

Item 7 was removed from the agenda.

4. Action: Election of Officers

The Board members nominated Harold Evans for Chairman and Mick Todd for Vice-Chairman of the Water and Sewer Board for 2018. There were no further nominations. Mr. Miller made motion, which was seconded by Mr. Otis, to nominate Harold Evans as Chairman and Mick Todd as Vice-Chairman. The motion carried 6-0.

5. Action: Approve Cash-in-Lieu

Staff recommends that Cash-In-Lieu remain at \$34,000/acre foot.

A motion was made by Vice-chairman Todd and seconded by Mr. Otis to approve the cash-in-lieu rate of \$34,000.00. The motion carried 6-0.

6. Action: Approve Resolution Regarding Watering Restrictions for Inside the City Single-Family Residential Customers on Water Budget Rates

Mr. Thornhill explained that Greeley citizens are currently subject to the three-day-per-week watering restrictions appropriate to an adequate water supply. The resolution is a recommendation of the Water and Sewer Board to the City Council that the three-day-per-week watering restrictions be removed for the duration of the 2018 irrigation season for inside single-family residential customers who are on water budget rates. He went on to explain that this provides flexibility for citizens under the Water Budget. However, Staff still recommends that citizens continue to only water 3 days per week.

After discussion the board decided to table this item until an adequate water year is determined.

Mr. Murphy moved, seconded by Mr. Otis to table item 6 until the April 18, 2018 Board Meeting. The motion passed 6-0.

7. Report: Water Treatment and Transmission (Third in Series)

Mr. Neal provided a summary on Greeley water resources, transmission, and use of water shares.

8. Executive Session

At 2:44 p.m. Chairman Evans made a motion to move into executive session to address the following matters:

1. Purchase, acquisition, lease, transfer, or sale of property under C.R.S. § 24-6-402(4)(a) and Greeley Municipal Code 2.04.020(a)(1).
2. Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing

negotiators, as authorized by C.R.S. § 24-6-402(4)(e)(I) and Greeley Municipal Code 2.04.020(a)(5).

3. Conferences with an attorney for the purposes of receiving legal advice on specific legal questions under C.R.S. § 24-6-402(4)(b) and Greeley Municipal Code 2.04.020(a)(2).

Chairman Evans identified the following topics for discussion:

1. Matters Related to the Diligence Performed on the Pending Western Equipment & Truck, Inc. Acquisition.
2. Matters Related to the Consideration of an Exception to the Raw Water Dedication Standards of Resolution 3, 1995 for the Grapevine Minor Development.

Mr. Miller seconded the motion. The motion carried 6-0.

Tony Miller recused himself in regards to the matter of Western Equipment & Truck, Inc. Acquisition.

Fred Otis recused himself from both matters in the executive session due to potential conflicts of interest.

Present during the executive session were:

Chairman Harold Evans, Vice Chairman Mick Todd, Tony Miller, Manual Sisneros, Joe Murphy, Mayor John Gates, City Manager Roy Otto, Director of Finance Victoria Runkle, Director of Water and Sewer Burt Knight, Water Resources Manager John Thornhill, Office Manager Shannon Metcalf, Senior Administrative Assistant Ettie Arnold, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Dan Biber, Environmental and Water Resources Attorney Aaron Goldman, and Sewer Board Counsel Jim Witwer

The majority of this executive session was unrecorded because the discussion constituted attorney-client privileged communication.

The Executive Session ended at 3:05 p.m. and the regular meeting resumed.

9. Legal Report

Mr. Witwer stated there were no Statements of Opposition.

Mr. Witwer then provided the following update on federal Windy Gap Firing Project litigation (Civil Action No. 17-cv-2563): Federal defendants (U.S. Army of Corps of

Engineers and Bureau of Reclamation) have filed answer to complaint; a court order notes Municipal Subdistrict's intent to move to intervene in litigation.

12. Director's Report

Mr. Knight spoke to the following:

- Colorado Water Congress Annual Convention, January 24-26
- Poudre Runs Through It, February 2
- Groundbreaking Ceremony for Bellvue WTP Improvements, January 24
- Closed on Waag Farm

Chairman Evans adjourned the meeting at 3:14 p.m.

Harold Evans, Chairman

Shannon Metcalf, Office Manager

WATER & SEWER BOARD AGENDA FEBRUARY 21, 2018

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 4

TITLE: ACTION: APPROVE AGREEMENT FOR
RIGHT OF FIRST REFUSAL WITH SUBURBAN
DITCH COMPANY

RECOMMENDATION: APPROVE AGREEMENT FOR RIGHT
OF FIRST REFUSAL

ADDITIONAL INFORMATION:

This proposed agreement between the City and Suburban Ditch Company contemplates the acquisition by Greeley of water rights in the Greeley Loveland System currently owned by Suburban Ditch, whether by purchase or by dedication of such rights for development inside the City of Greeley, via a right of first refusal.

The agreement will be provided via email for Board review in advance of the February 21 meeting.

WATER & SEWER BOARD AGENDA FEBRUARY 21, 2018

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 5

TITLE: REPORT: 4TH QUARTER FINANCIAL
SUMMARY

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

Please see the attached memorandum and supporting materials.



Water & Sewer Department MEMORANDUM

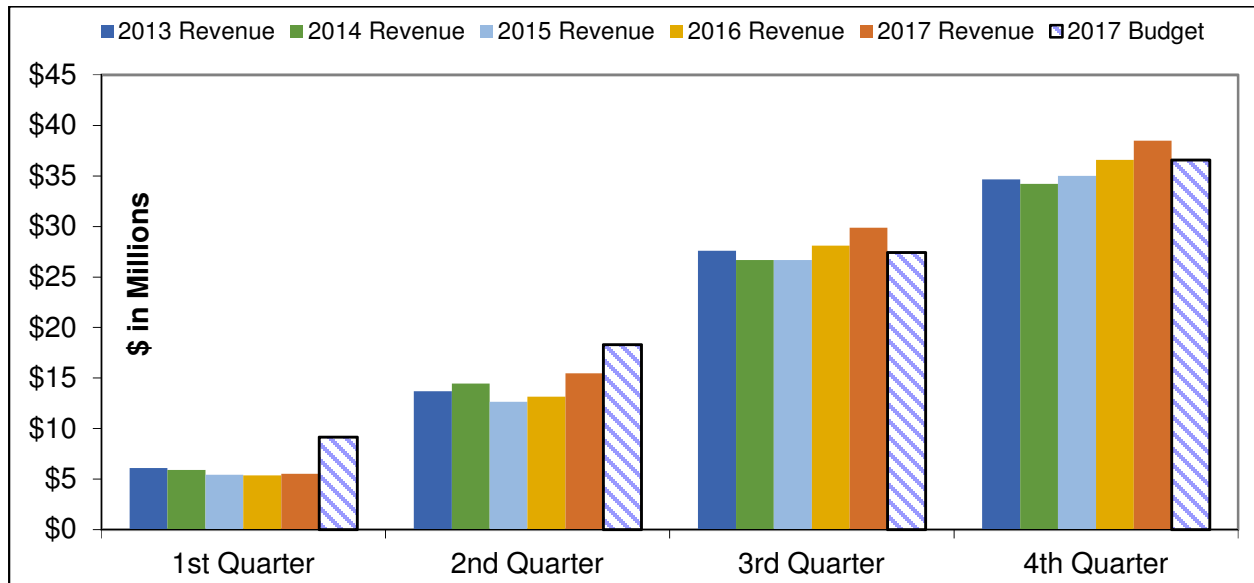
TO: Water & Sewer Board
FROM: Erik Dial, Utility Finance Business Manager
DATE: February 21, 2018
RE: Financial Report 4th Quarter 2017

Overview:

The financial report for the water and sewer funds through the fourth quarter of 2017 is enclosed. Water revenue met the year-end budget while sewer fell short of the budget target. Expenditures for both water and sewer are within budget.

Water Enterprise Revenue

Summary: Revenue through the fourth quarter 2017 exceeded the budgeted revenue for the year. The summer watering season resulted in typical water usage for irrigation purposes. Refer to Appendix B for detailed information on water revenue.



Residential: About 51% of the water revenue was from residential water use through the fourth quarter of the year. Residential revenue exceeded the budgeted revenue for the year. The first

year of the water budget rate structure did not affect revenues in a significant way. Revenue collected equaled 101.8% of the annual budget.

Commercial: Commercial revenue represents 12.7% of the overall water revenue and did not meet budget for the year. Revenue collected equaled 93.2% of the annual budget.

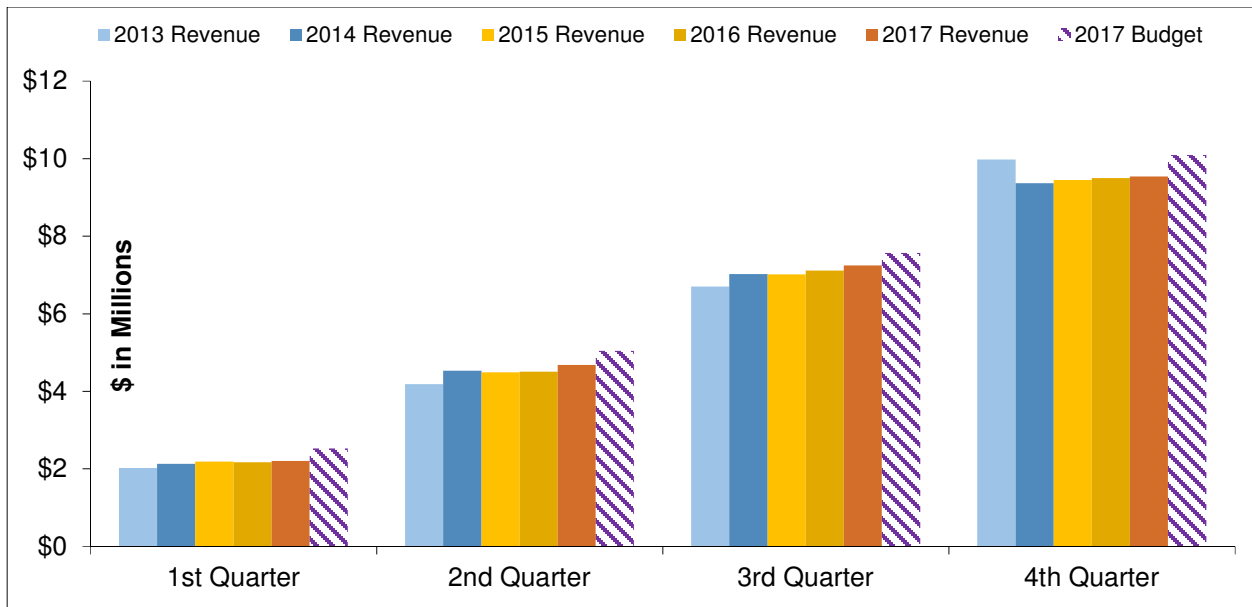
Large Users: Revenue from the large industrial users, Windsor, Milliken, and Evans represented 22.5% of the water revenue through the fourth quarter. Fourth quarter revenues from these customers is about 1.5% lower than 2016 because of lower water use from the industrial users.

Miscellaneous Revenue

Hydrant water sales and augmentation water sales both are significantly higher than 2016 and well above budget. These revenues are volatile and revenue budgets are set conservatively for both items.

Sewer Enterprise Revenue

Overall fourth quarter sewer revenue missed 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 \$2,571,225 through the fourth quarter of 2017. This represents 37% of the annual budget of \$6,828,660.

Sewer PIF revenue totaled \$1,234,693 through the third quarter of 2017. This represents 40% of the annual budget of \$3,121,885.

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.

Conclusion:

Water revenue met while sewer revenue missed the revenue budgets for the year. Expenditures for both water and sewer operations were below budget for the year. PIF revenue for both water and sewer were lower than expected missed their year-end revenue budgets.

2017 4th Quarter Water Demands

Appendix A Water Demand

	2017							2016			
	% 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 2017 v 2016
Consumption:											
Inside Residential	35.29%	2,805,353	22,772	123	130	2,943,279	95%	2,833,109	22,631	125	-1.0%
Multi-Family	12.72%	1,011,159	2,151	470	460	985,903	103%	970,377	2,127	456	4.2%
Inside Commercial	13.01%	1,034,152	1,833	564	607	1,061,495	97%	1,079,657	1,850	584	-4.2%
Industrial User	10.02%	796,146	3	265,382	277,333	832,000	96%	1,029,022	3	343,007	-22.6%
Industrial User	6.97%	554,076	2	277,038	301,125	602,250	92%	558,513	1	558,513	-0.8%
Public Uses	4.16%	330,542	238	1,389	1,439	197,055	168%	227,038	235	966	45.6%
Total inside		6,531,428				6,621,982		6,697,716			
Outside Residential	0.58%	46,430	492	94	105	48,927	95%	47,807	494	97	-2.9%
Outside Multi-Family	0.07%	5,592	18	311	284	5,091	110%	5,298	18	294	5.5%
Outside Commercial	0.14%	11,305	116	97	117	12,414	91%	12,813	118	109	-11.8%
Industrial User	2.27%	180,787	1	180,787	250,000	248,975	73%	222,498	1	222,498	-18.7%
Ag-Special Contract	0.42%	33,160	63	526	522	31,736	104%	32,191	63	511	3.0%
Evans	10.42%	828,313	14	59,165	59,536	830,087	100%	818,260	14	58,447	1.2%
Windsor	2.55%	203,006	3	67,669	69,026	206,229	98%	196,763	3	65,588	3.2%
Milliken	1.37%	109,259	1	109,259	110,000	109,549	100%	107,287	1	107,287	1.8%
Total outside		1,417,852				1,493,008		1,442,917			
Total water demand:		7,949,280				8,114,990	98%	8,140,633			-2.4%

2017 4th Quarter Water Revenue

Appendix B.
Water Revenue

Revenue:	2017 - 4th Quarter				2016 - 4th Quarter		2017 vs. 2016	
	% of Revenue	Revenue	Budget	% Budget Received	% of Revenue	Revenue	\$ Difference	% Actual Change
Inside Residential	50.9%	19,566,003	19,211,417	101.8%	51.9%	18,999,836	566,167	3.0%
Inside Commercial	12.7%	4,889,517	5,247,437	93.2%	12.7%	4,648,305	241,212	5.2%
Inside Industrial	10.8%	4,155,299	5,027,659	82.6%	13.3%	4,854,005	(698,706)	-14.4%
Evans	6.9%	2,664,866	2,523,317	105.6%	6.9%	2,513,410	151,456	6.0%
Hydrant Water Sales	4.6%	1,775,702	375,000	473.5%	1.1%	389,611	1,386,090	355.8%
Windsor	1.8%	688,859	722,962	95.3%	2.0%	746,417	(57,558)	-7.7%
Outside Residential	1.5%	593,785	531,218	111.8%	1.7%	609,603	(15,818)	-2.6%
Milliken	1.5%	592,200	557,639	106.2%	1.5%	559,885	32,315	5.8%
Augmentation Sales	1.5%	578,113	125,000	462.5%	0.5%	176,772	401,341	227.0%
Industrial User	1.5%	571,573	723,950	79.0%	2.0%	718,558	(146,986)	-20.5%
Non-Potable	1.4%	554,723	379,742	146.1%	1.6%	597,835	(43,112)	-7.2%
Rerent fr. Purchases	1.3%	507,369	175,000	289.9%	1.0%	383,602	123,767	32.3%
Labor Reimbursement	0.8%	292,949	300,000	97.6%	0.9%	344,577	(51,628)	-15.0%
Engineering Inspections	0.6%	237,765	40,000	594.4%	0.1%	47,927	189,837	396.1%
Sales to Departments	0.3%	130,514	200,000	65.3%	0.5%	195,468	(64,953)	-33.2%
Outside Commercial	0.3%	129,736	130,903	99.1%	0.3%	119,096	10,640	8.9%
Sales to Outside Agencies	0.3%	103,740	75,000	138.3%	0.1%	41,860	61,880	147.8%
Ag-Special Contract	0.3%	103,563	90,489	114.4%	0.4%	138,184	(34,620)	-25.1%
Rents from Land	0.2%	66,211	65,000	101.9%	0.1%	53,364	12,847	24.1%
Other	0.2%	58,018	0		0.1%	44,284	13,734	31.0%
Royalties	0.1%	57,309	0		0.7%	248,421	(191,113)	-76.9%
Expense Reimbursement	0.1%	55,034	0		0.1%	50,988	4,046	7.9%
Turn On Charges	0.1%	39,105	47,468	82.4%	0.1%	32,713	6,392	19.5%
Mountain Plains Rental	0.0%	19,128	19,900	96.1%	0.1%	19,478	(350)	-1.8%
Mtn View Meadows/Sharkstooth	0.0%	8,022	12,501	64.2%	0.0%	8,617	(595)	-6.9%
Insurance Recoveries	0.0%	6,808	0		0.0%	4,458	2,350	52.7%
Sales of Assets	0.0%	6,253	0		0.1%	23,258	(17,005)	-73.1%
Damages Recovered	0.0%	7,613	0		0.0%	3,975	3,637	91.5%
Labor & Materials	0.0%	1,803	0		0.0%	1,799	4	0.2%
No. 3 Ditch	0.0%	279	0		0.0%	0	279	
Total Revenues:		38,461,859	36,581,602	105.1%		36,576,307	1,885,552	5.2%

2017 4th Quarter Sewer Revenue

Appendix C
Sewer Revenue

Revenue:	2017 - 4th Quarter				2016 4th Quarter		2017 vs. 2016	
	% of Revenue	Revenue	Budget	% Budget Received	% of Revenue	Revenue	\$ Difference	% Actual Change
Residential & Flat Rate	69.5%	6,624,247	7,015,321	94.4%	69.1%	6,511,252	112,995	1.7%
Commercial I (Non-food services)	8.5%	813,710	1,006,190	80.9%	8.5%	803,878	9,831	1.2%
Commercial III (Restaurants)	6.8%	649,964	705,400	92.1%	7.6%	713,436	(63,472)	-8.9%
Commercial II (Bars)	5.3%	508,668	553,851	91.8%	5.5%	516,848	(8,180)	-1.6%
SIC 2026	2.6%	245,136	277,576	88.3%	2.7%	258,365	(13,229)	-5.1%
SIC 2013	2.0%	195,212	209,223	93.3%	2.4%	225,726	(30,514)	-13.5%
Commercial IV (Markets)	1.5%	147,121	132,668	110.9%	1.3%	117,937	29,183	24.7%
Royalties	1.2%	111,687	71,000	157.3%	1.3%	124,415	(12,728)	-10.2%
Labor Reimbursement	0.7%	66,885	0		0.4%	35,133	31,751	90.4%
Engineering Inspections	0.7%	64,681	32,000	202.1%	0.4%	33,853	30,828	91.1%
SIC 7218	0.3%	32,979	45,662	72.2%	0.3%	29,634	3,345	11.3%
Damages Recovered	0.3%	30,000	0		0.0%	3,586	26,414	736.7%
Private Liquid Haulers	0.2%	18,594	12,000	154.9%	0.1%	12,169	6,425	52.8%
SIC 2034	0.2%	15,112	17,837	84.7%	0.2%	17,799	(2,686)	-15.1%
Commercial V (Mfg)	0.1%	5,614	5,171	108.6%	0.1%	6,366	(752)	-11.8%
Labor and Materials	0.1%	4,932	0		0.0%	0	4,932	
Rents from Land	0.0%	2,464	4,000	61.6%	0.1%	5,850	(3,386)	-57.9%
Other Sewer Charges	0.0%	1,080	0		0.0%	1,276	(196)	-15.4%
Insurance Recoveries	0.0%	150	0		0.0%	0	150	
Total Revenues		9,538,084	10,087,899	94.5%		9,417,523	120,561	1.3%

Appendix D
Water Expenditures

<u>Description</u>	<u>2017 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	1,244,472	10,555	1,123,466	1,134,021	110,451	90.3%	
Engineering	413,440	0	370,338	370,338	43,102	89.6%	
Computer/Phone User Charge	378,163	0	378,163	378,163	0	100.0%	
Liability Insurance	330,090	0	330,090	330,090	0	100.0%	
Utility Construction Inspection	83,852	0	110,530	110,530	(26,678)	131.8%	
G&A	2,450,017	10,555	2,312,587	2,323,142	126,875	94.4%	100.0%
Services & Meters	437,978	0	385,559	385,559	52,419	88.0%	
Transmission & Reservoirs	1,054,337	375	953,428	953,803	100,534	90.4%	
Distribution	1,855,417	0	1,504,938	1,504,938	350,479	81.1%	
Inventory	275,000	0	216,790	216,790	58,210	78.8%	
Non-Potable	797,348	0	615,494	615,494	181,854	77.2%	
Transmission & Distribution	4,420,080	375	3,676,209	3,676,584	743,496	83.2%	100.0%
Water Resources	4,526,052	20,841	2,744,824	2,765,664	1,760,388	60.6%	
High Mountain Reservoirs	476,351	0	381,390	381,390	94,961	80.1%	
Water Conservation Program	555,275	0	437,698	437,698	117,577	78.8%	
Water Resources	5,557,678	20,841	3,563,911	3,584,752	1,972,926	64.1%	100.0%
Bellvue Filter Plant	2,165,192	0	1,533,141	1,533,141	632,051	70.8%	
Boyd Lake Filter Plant	2,153,683	16,000	2,021,983	2,037,983	115,700	93.9%	
Water Quality Program	329,000	4,350	214,145	218,495	110,505	65.1%	
Treatment	4,647,875	20,350	3,769,269	3,789,619	858,256	81.1%	100.0%

Appendix E
Sewer Expenditures

<u>Description</u>	<u>2017 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	184,021	0	119,636	119,636	64,385	65.0%	
Administration	267,530	0	256,094	256,094	11,436	95.7%	
Computer/Phone User Charge	165,979	0	165,979	165,979	0	100.0%	
Liability Insurance	330,090	0	330,090	330,090	0	100.0%	
Utility Construction Inspection	117,062	0	100,763	100,763	16,299	86.1%	
G&A	1,064,682	0	972,562	972,562	92,120	91.3%	100.0%
Administration	482,660	214	352,740	352,954	129,706	73.1%	
Laboratory	344,668	0	278,124	278,124	66,544	80.7%	
Maintenance	708,183	44,449	662,307	706,756	1,427	93.5%	
Operations	1,724,307	28,560	1,807,534	1,836,094	(111,787)	104.8%	
Industrial Pretreatment	316,034	0	269,200	269,200	46,834	85.2%	
Wastewater Treatment	3,575,852	73,223	3,369,905	3,443,128	132,724	94.2%	100.0%
Wastewater Collection	1,242,360	4,950	976,545	981,495	260,865	78.6%	
Wastewater Collection	1,242,360	4,950	976,545	981,495	260,865	78.6%	100.0%
Total Sewer:	5,882,894	78,173	5,319,012	5,397,185	485,709	90.4%	100.0%

WATER & SEWER BOARD AGENDA FEBRUARY 21, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 6

TITLE: REPORT: CIP UPDATE

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

Staff will provide a presentation.

WATER & SEWER BOARD AGENDA FEBRAUARY 21, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 7

TITLE: REPORT: DISTRIBUTION AND
 COLLECTIONS (FOURTH IN SERIES)

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

Staff will provide information about the distribution and collection systems.

WATER & SEWER BOARD AGENDA FEBURARY 21, 2018

ENCLOSURE X NO ENCLOSURE ____

ITEM NUMBER: 8

TITLE: ACTION: APPROVE AND RECOMMEND TO COUNCIL THE THIRD AMENDMENT TO THE FIFTH INTERIM AGREEMENT FOR THE WINDY GAP FIRING PROJECT

RECOMMENDATION: APPROVE AND RECOMMEND TO COUNCIL THE THIRD AMENDMENT TO THE FIFTH INTERIM AGREEMENT FOR THE WINDY GAP FIRING PROJECT

ADDITIONAL INFORMATION:

Staff will provide a presentation.

**THIRD AMENDMENT TO FIFTH INTERIM AGREEMENT BETWEEN THE
MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,
AND
THE CITY OF GREELEY AND THE WATER AND SEWER DEPARTMENT
FOR PARTICIPATION IN THE
WINDY GAP FIRING PROJECT**

This Third Amendment is made and entered into as of _____, 2018, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Greeley and the Water and Sewer Department, acting by and through its Water and Sewer Board, whose address is 1000 10th Street, Greeley, Colorado 80631 ("Participant"), for the purpose of amending the Fifth Interim Agreement between the parties (the "Agreement").

RECITALS

WHEREAS, The WGF Enterprise is continuing work on the Fifth Phase of the Project which consists of completion of all 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; and related activities. Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding in 2018; and

WHEREAS, In September of 2016, the City of Loveland executed an Amendment to the Fifth Interim Agreement which adjusted their storage capacity in the Project and which is considered the First Amendment to the Fifth Interim Agreement.

WHEREAS, In March of 2017, all Participants executed an Amendment to the Fifth Interim Agreement which adjusted their storage capacity in the Project and adjusted each Participant's costs to date based on the revised storage allocation, and which is considered the Second Amendment to the Fifth Interim Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, the Parties agree as follows:

1. The Agreement is amended by deletion of paragraph 3 and the substitution of the following new paragraph 3.

3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fifth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fifth Phase of the Project was \$1,398,695 for the 2016 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2016 calendar year costs.

B. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fifth Phase of the Project was \$887,910 for the 2017 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2017 calendar year costs.

C. The WGF Enterprise estimates that Participant's pro rata share of the cost of the Fifth Phase of the Project is \$918,900 for the 2018 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2018 calendar year costs on or before March 15, 2018. This estimated cost will not be increased or exceeded without the prior written approval of Participant.

If the Fifth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fifth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A, B and C are tables showing the pro rata share of the costs of the Project for each Participant for 2016, 2017 and 2018 based upon then-current allocations of capacity in the Project.

2. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

MUNICIPAL SUBDISTRICT, NORTHERN
COLORADO WATER CONSERVANCY
DISTRICT, ACTING BY AND THROUGH
THE WINDY GAP FIRING PROJECT
WATER ACTIVITY ENTERPRISE

By: _____

Name: _____

Title: _____

**THE CITY OF GREELEY, COLORADO,
a Colorado municipal corporation,**

ATTEST:

By: _____
John Gates, Mayor

By: _____
Betsy D. Holder, City Clerk

APPROVED AS TO SUBSTANCE:

By: _____
Roy H. Otto, City Manager

APPROVED AS TO LEGAL FORM:

By: _____
Doug Marek, City Attorney

AS TO AVAILABILITY OF FUNDS:

By: _____
Director of Finance

RECOMMENDED:

By: _____
Chairman, Water and Sewer Board

EXHIBIT A - Amended

Windy Gap Firming Project Amended Allocation of Costs for Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2016: **\$ 13,775,950**

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	25,200	\$ 4,028,243
CWCWD	330	\$ 52,751
Erie	6,000	\$ 959,105
Fort Lupton	1,050	\$ 167,843
Greeley ²	8,750	\$ 1,398,695
Lafayette	1,800	\$ 287,732
Little Thompson WD	4,850	\$ 775,277
Longmont	10,000	\$ 1,598,509
Louisville	2,700	\$ 431,597
Loveland ¹	9,000	\$ 1,438,658
PRPA	12,000	\$ 1,918,211
Superior	4,500	\$ 719,329
TOTAL	<u>86,180</u>	<u>\$ 13,775,950</u>

2016 Phase 5 Costs Per Acre-Foot of Storage: \$ 159.85

Notes: 1. This Exhibit A reflects Loveland's revised storage capacity based on a September 2016 Amendment to 5th Interim Agt.

2. Greeley's "Share of Phase 5 Cost" includes \$279,739 that Greeley will pay as the result of the reallocation of WGFP capacity from Evans to Greeley.

EXHIBIT B

Windy Gap Firing Project Allocation of Costs for Second Amendment to Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2017: **\$ 10,464,291**

Participant	Requested Storage Volume (af)	Total Participant Contributions Through 2015	Phase 4 Participant Contributions Through 2015	Phase 5 2016 Participant Contributions	Phase 4+5 Participant Contributions to Date	2017 Un-adjusted Participant Contributions	Phase 4+5 Participant Obligation to Date	Phase 4+5 Participant Payment Adjustment	2017 Adjusted Participant Contributions
				\$ 13,775,950		\$ 10,464,291			
Broomfield	26,464	\$ 4,814,330	\$ 3,852,466	\$ 4,028,243	\$ 7,880,709	\$ 3,076,966.63	\$ 8,077,903	\$ 197,194	\$ 3,274,160
CWCWD	346	67,624	50,448	52,751	103,198	40,229.39	105,613	2,415	42,645
Erie	6,000	1,127,959	948,081	959,105	1,907,187	697,619.40	1,831,447	(75,740)	621,880
Fort Lupton	1,103	110,720	110,720	167,843	278,563	128,245.70	336,681	58,118	186,364
Greeley ¹	9,189	2,180,569	1,586,660	1,398,695	2,985,355	1,068,404.11	2,804,861	(180,494)	887,910
Lafayette	900	377,587	275,176	287,732	562,908	104,642.91	274,717	(288,191)	(183,548)
Little Thompson WD	4,850	511,419	511,419	775,277	1,286,696	563,909.02	1,480,420	193,724	757,633
Longmont	10,000	2,963,224	2,047,162	1,598,509	3,645,671	1,162,699.00	3,052,412	(593,259)	569,440
Louisville	2,835	567,348	412,762	431,597	844,360	329,625.17	865,359	20,999	350,624
Loveland	9,451	1,971,377	1,284,331	1,438,658	2,722,989	1,098,866.82	2,884,834	161,846	1,260,713
PRPA	14,136	2,881,626	1,904,878	1,918,211	3,823,089	1,643,591.31	4,314,889	491,801	2,135,392
Superior	4,726	1,227,454	711,654	719,329	1,430,983	549,491.55	1,442,570	11,587	561,079
TOTAL	90,000	18,801,237	\$ 13,695,757	\$ 13,775,950	\$ 27,471,707	\$ 10,464,291	\$27,471,707	\$ 0	\$ 10,464,291

Phase 4 Cost per Acre Foot: \$ 305.24

Notes: 1. The calculation of "Phase 5 2016 Participants Contributions" allocated to Greeley includes \$279,739 that Greeley will pay in addition to Greeley's \$887,910 "2017 Adjusted Participant Contributions" as the result of the reallocation of WGFP capacity from Evans to Greeley.

EXHIBIT C, revised

Windy Gap Firing Project Amended Allocation of Costs for Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2018: \$ 9,000,000

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	26,464	\$ 2,646,400
CWCWD	346	\$ 34,600
Erie	6,000	\$ 600,000
Fort Lupton	1,103	\$ 110,300
Greeley	9,189	\$ 918,900
Lafayette	900	\$ 90,000
Little Thompson WD	4,850	\$ 485,000
Longmont	8,000	\$ 800,000
Louisville	2,835	\$ 283,500
Loveland	9,587	\$ 958,700
PRPA	16,000	\$ 1,600,000
Superior	4,726	\$ 472,600
TOTAL	90,000	\$ 9,000,000

2018 Phase 5 Costs Per Acre-Foot of Storage: \$ 104.43

Note: Participation levels for Longmont, Loveland, and PRPA assume pending transfers of 2,000 acre-feet of storage from Longmont to PRPA and Loveland are approved by their respective Councils and Board. If approval is not obtained, the storage amounts will be 10,000 af for Longmont, 9,451 af for Loveland, and 14,136 af for PRPA. All other storage amounts and cost shares will remain unchanged.

WATER & SEWER BOARD AGENDA FEBRAUARY 21, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 9

TITLE: EXECUTIVE SESSION

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA FEBRAUARY 21, 2018

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 FEBRAUARY 21, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 11

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- Poudre Runs Through It Forum
- Colorado Water Congress
- Snow Pack Update

WATER & SEWER BOARD AGENDA FEBRAUARY 21, 2018

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: