

**City of Greeley
Water and Sewer Board
Minutes of January 20, 2021
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:00 p.m. on Wednesday, January 20, 2021. Due to City Closures related to COVID-19, this meeting was held remotely and was aired via live stream for public viewing at <https://www.youtube.com/user/CityofGreeley>.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Bob Ruyle, Tony Miller, Joe Murphy, Manuel Sisneros, Roy Otto, and John Karner

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 Asset Coordinator Cole Gustafson, Water Resources Planning Manager Kelen Dowdy, Rates and Budget Analyst Kalen Myers, Special Projects Engineer Mary Gearhart, Civil Engineer III Justin Scholz, 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

Other Guests:

Cortney Brand, Leonard Rice Engineering

2. Approval of Minutes

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Mr. Otis made motion, seconded by Mr. Miller, to approve the January 20, 2021 Water and Sewer Board meeting minutes. The motion carried 7-0.

3. Approval of and/or Additions to Agenda

There were no changes to the agenda.

4. Public Comments

There were no comments from the Public.

5. Welcome New Employees

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

6. Approve Resolution in Appreciation of Reagan Waskom

Mr. Chambers explained this is a resolution of appreciation to make known Greeley's sincere and heartfelt appreciation to Dr. Reagan Waskom for his distinguished career, service to the citizens of Colorado, exceptional leadership, commitment, service to the State of Colorado, and his friendship over the past years.

Mr. Miller made motion, seconded by Vice-Chairman Todd to approve the Resolution in Appreciation of Regan Waskom, as contained in the January 20, 2021 Board Packet. The motion carried 7-0.

7. Action: Election of Officers

Mr. Miller nominated Harold Evans for Chairman and Mick Todd for Vice-Chairman of the Water and Sewer Board for 2021. There were no further nominations. Mr. Miller made motion, seconded by Mr. Otis, to elect Harold Evans as Chairman and Mick Todd as Vice-Chairman. The motion carried 7-0.

8. Appoint Water Board Representative Position for Art Commission

Vice Chairman Todd made motion, seconded by Mr. Otis that the Board designate Tony Miller as its representative member on the Greeley Art Commission. Mr. Miller graciously agreed to serve if appointed. The motion carried 7-0.

9. Adopt Drought Emergency Plan and Recommend Code Revisions to City Council

Ms. Petrzalka explained that Greeley's current Drought Emergency Plan is more than 15 years old. Since the last update a lot has changed, the city has introduced a robust water

conservation program, there has been a decline in water use per account, a re-examination of future water needs and system drought performance, the conversion to a water budget rate structure for single-family residential customers, and the city is implementing an advanced metering infrastructure (AMI) project to replace all residential meters with infrastructure that can provide detailed data on water use. Therefore, a re-evaluation of the Drought Emergency Plan is necessary to ensure responsible water supply planning and drought response tools that can be used to respond based upon the severity of future droughts. Ms. Petrzalka gave an overview of the revised Drought Emergency Plan and associated revisions to the Code.

Vice-Chairman Todd made motion, seconded by Mr. Ruyle that the Board adopt the Drought Emergency Plan as presented, and recommend to City Council associated revisions to the Greeley Municipal Code in the form of the enclosed draft ordinance. The motion carried 7-0.

10. Non-Potable Development Policy Update

Mr. Dial explained that Greeley has a long history of utilizing non-potable water to irrigate turfed areas using the extensive ditch systems within the City. Meeting Greeley's long-term water resource needs will require further expansion of non-potable use. Greeley has significant capital investment planned to build out its non-potable system. Investments in non-potable water and infrastructure have a positive return on investment because they are more affordable and more easily developed than developing the same capacity to irrigate with potable rights that would be treated at one of the two treatment plants in Larimer County. However, the city needs non-potable to be utilized in new development at a much greater rate than it has been in the past. Staff has developed a proposal to accelerate the adoption of non-potable water systems for irrigation uses in new development by making non-potable expansion a cost benefit or cost neutral to the development community. After discussion between staff and Board members, the Board asked that staff present examples of how the policy would work at a future meeting.

11. Recommend to City Council the Johnson Subdivision Proposed Local Improvement District

Mr. Scholz gave a detailed overview of the Local Improvement District (LID) proposed for the construction of sanitary sewer collection infrastructure in and near the Johnson Subdivision. A majority of the properties within the subdivision have septic systems with some reaching the point of failure. The Water and Sewer Department would like to facilitate a cost-effective connection strategy by developing a Local Improvement District (LID) on the subdivision to facilitate the construction of a new sewer system for all residents. This strategy would include Engineering staff designing the new sewer system and then Operations staff constructing the sewer system. This strategy will help reduce costs to residents, utilize City resources for the most economical construction, and help with public health by eliminating septic systems as they fail.

Vice-Chairman Todd made motion, seconded by Mr. Miller that the Board recommend to City Council adoption of the enclosed ordinance to establish Local Improvement District 43840. The motion carried 7-0.

12. Overview of Proposed Consolidation and Revisions to Water Dedication Code

Mr. Jokerst explained that Greeley requires that developers dedicate certain water rights or make cash payments to the city in order to receive water service. Policies governing Raw Water Dedication are primarily located in the City of Greeley Municipal Code, but are also contained in several resolutions of the Greeley Water & Sewer Board. The Water & Sewer Department desires to consolidate all policies into Municipal Code to provide developers a single point of reference and to assist staff in administering Raw Water Dedication policies.

In addition, revisions to and consolidation of Raw Water Dedication policies are required by the Master Agreement for the Terry Ranch Project. The Terry Ranch Master Agreement created Raw Water Credits redeemable to meet Greeley's Raw Water Dedication requirements. A code revision is required to allow dedication of Credits and is a condition of closing on Terry Ranch water and storage rights. Furthermore, the Master Agreement prescribes certain defaults for changes to Raw Water Dedication policies that, among other reasons, restrict redemption of Credits or specifically disadvantage Credits relative to other sources of dedication. Consolidating Raw Water Dedication policies in Municipal Code allows Greeley staff and Credit-holders to ensure future changes conform to the Master Agreement.

In addition to consolidating policies, two revisions are proposed to the Raw Water Dedication code. The first codifies graduated raw water requirements for landscaping associated with commercial and multi-family development. Graduated water requirements for landscaping were included in the 2019 policy updates for non-residential and multi-family, but were not ultimately placed in Code. The second clarifies Raw Water Dedication for large parcel, single family developments. Currently, any single family lot that is one acre or larger and has a $\frac{3}{4}$ " tap is required to dedicate 3 acre-feet per acre, regardless of the number of acres that lot may be. The proposed revision aligns the Raw Water Dedication requirement for large parcel, single family developments with their projected water use by taking into consideration just the developed portion of the lot.

13. Terry Ranch Project Diligence Update

Mr. Jokerst explained that in June 2020, Greeley entered into a Master Purchase, Sale and Water Credit Agreement for acquisition of groundwater rights and associated storage underlying the Terry Grazing Association Ranch in northwest Weld County. Since that time, staff and consultants have undertaken extensive inspection and diligence activities

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on the ranch. Such diligence is required per the Master Agreement, and will inform the City whether to close on the project.

14. 4th Quarter Water Court Update

Ms. Petrzelka gave an update on current Water Court cases. She explained since June, Greeley entered statements of opposition in four cases and stipulated to 3 cases bringing the current number of pending Water Court cases where Greeley is an opposer to 39. The Water Resource Division's outside legal and engineering expenses for 2020 is \$399,324.

15. Legal Report

Jim Noble of Welborn, Sullivan, Meck & Tooley stated Greeley's counsel and Water and Sewer Department staff had reviewed the resume of water court applications filed in November of 2020, and that they do not recommend for Greeley to file any statements of opposition in water court cases that would be due this month.

16. Director's Report

Mr. Chambers reported on the following items:

- The Water and Sewer Department has received the copyright for *Confluence, the Story of Greeley Water*
- Wildfire Recovery Update

16. 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 5:25 p.m.

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Harold Evans

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Harold Evans, Chairman

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Shannon Metcalf

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Shannon Metcalf, Office Manager