

**City of Greeley
Water and Sewer Board
Minutes of March 16, 2022
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:00 p.m. on Wednesday, March 16, 2022.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Cheri Witt-Brown, Tony Miller, Manuel Sisneros, City Manager Raymond Lee, and Tammy Hitchens on behalf of Finance Director John Karner

Water and Sewer Department staff:

Director Sean Chambers, Deputy Director Adam Jokerst, Utility Finance Manager Erik Dial, Deputy Director Operations Nina Cudahy, Chief Engineer Adam Prior, Water Resources Administrator II Alex Tennant, Water Resources Administrator III Leah Hubbard, Water Resources Administrator III Cole Gustafson, Water Resource Administrator I Megan Kramer, Civil Engineer II Michael Castillo, Senior Administrative Assistant Crystal Sanchez, Administrative Specialist II Erin Maestes

Legal Counsel:

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

Guests:

Emeritus Board Member Robert Ruyle, President of the Greeley Chamber of Commerce Jamie Henning

2. Approval of Minutes

Cheri Witt-Brown made a motion, seconded by Fred Otis, to approve the February 16, 2022 Water and Sewer Board meeting minutes. The motion carried 7-0.

3. Approval of and/or Additions to Agenda

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There were no changes to the agenda.

4. Welcome New Employees and Promotions

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

5. Approve Lowell Property Farm Lease

Mr. Gustafson provided an overview of the proposed Lowell Property Farm Lease. In November 2021, the City acquired approximately 135 acres of land located north of Greeley along F Street between 35th and 59th Avenues (Lowell Property), along with 13.4 shares of the Greeley Irrigation Company (GIC). For the past 20 years, the Adams family has been leasing the GIC water and approximately 86 acres of the Lowell Property for grazing and farming. The Adams family has requested to continue leasing this portion of the Lowell Property as well as the 13.4 shares of GIC from Greeley for one more year. The subject Grazing and Farm Lease would allow the Adams family one additional year of farming the property and would terminate on December 31, 2022. The lease amount is \$9,000.00 and would be paid in two installments of \$4,500.00. The lease amount matches the rate paid by the Adams family to the former owner of the Lowell Property.

City staff are evaluating future uses of the Lowell Property, which could include a new Water and Sewer or multi-department shop facility, City-owned natural areas, and trail corridors. Portions of the property may be divested, with the proceeds re-appropriated for additional water purchases. The subject Grazing and Farm Lease maintains status quo while the city's evaluation proceeds. Staff are satisfied with the Adams family past farming operation, evidenced by their maintenance of the property, and believe a continuation of the lease with a one-year term is in the interest of the Water and Sewer Department. Water and Sewer staff recommends that the Water and Sewer Board approve the enclosed Grazing and Farm Lease Agreement between the City of Greeley and Kurt Adams.

The property's ownership and lease terms were discussed, and thereafter Vice Chairman Todd made a motion, seconded by Mr. Miller, to approve the enclosed lease agreement with Lowell Grazing and Farm Lease. The motion carried 7-0.

6. Approve Ditch Operations Agreement with the Greeley Irrigation Company

Mr. Jokerst provided an overview of the proposed operations agreement with the Greeley Irrigation Company. A key element of the Water and Sewer Department's long-

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range plan to expand the city's non-potable irrigation system is the construction of the Equalizer Project. The Equalizer Project will involve a series of pipelines and pump stations to deliver lower Cache La Poudre River water supplies to the Greeley Loveland Canal for distribution throughout the city. The Equalizer Project will allow Greeley to maximize use of it Greeley Irrigation Company ("GIC") water, reusable wastewater effluent, water stored in Poudre Ponds, and other lower Poudre River water rights, which will offset and preserve the city's Greeley Loveland Irrigation Company ("GLIC") water in Boyd Lake for potable use.

The Equalizer Project will make us of an "in-ditch exchange" on the Number 3 Ditch ("#3 Ditch"). The in-ditch exchange will operate by diverting water from the #3 Ditch at the existing pump station at 71st Avenue (or an alternative nearby location if needed), and replacing the diversions with deliveries from Poudre Ponds downstream at 35th Avenue. This operation allows Greeley to make use of water in Poudre Ponds in the Equalizer Project without constructing a pipeline between 35th and 71st Avenues. The Equalizer Project pipeline between Poudre Ponds and the #3 Ditch at 35th Avenue is under construction, thus necessitating the present need for an agreement with the GIC.

The proposed Ditch Operations Agreement ("Agreement") between the GIC and Greeley will authorize the in-ditch exchange. It will also authorize Greeley to introduce "foreign water," that is, water not associated with the city's 3/8 interest or with its GIC water rights, into the #3 Ditch for delivery to the city's non-potable irrigation systems. In addition, the Agreement authorizes Greeley to use GIC's "excess capacity" in the ditch, that is, unused physical space in the #3 Ditch, to deliver foreign water throughout the system and to the Equalizer Project.

The Agreement is perpetual and contains various protective terms and conditions for Greeley's future operations of the #3 Ditch. As payment for the in-ditch exchange, the right to introduce foreign water, and the ditch's excess capacity, Greeley will make upfront and annual payments. The upfront payment is in the form of reimbursement to GIC, up to \$100,000, towards construction of two in-ditch measurement structures. GIC, the Water and Sewer Department, and the city's Stormwater Department will all benefit from additional measurement on the #3 Ditch, which will allow better water accounting, more accurate deliveries to shareholders, and safer operations during flood events. The annual payment is \$2,500 per year, adjusted upwards by \$1,000 every ten years.

The Agreement terms were discussed, and thereafter Vice Chairman Todd made a motion, seconded by Ms. Witt-Brown, to approve the enclosed Ditch Operations Agreement with Greeley Irrigation Company. The motion carried 7-0.

7. Legal Report

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Jim Noble of Welborn, Sullivan, Meck & Tooley provided the legal report. Based on a review of the January, 2022 Water Court Resume, staff and water counsel did not recommend that the Water and Sewer Board file statements of opposition to any water court applications that would be due at the end of March, 2022. Mr. Noble also provided an update to the board regarding the proposed change of water rights application for Greeley's WSSC shares. The application will be filed with the water court in the near future.

8. Executive Session

The Chair moved to go into executive session. In the motion for an executive session, the Chair announced following matter(s) to be discussed during the executive session in conformance with 24-6-402(4), C.R.S. and the Greeley Municipal Code.

1. For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators in potential water acquisitions based the current water market.
2. For the purpose of providing the Board legal advice and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators in a potential water trade with Platte River Power Authority.

Present during the executive session were:

Chairman Harold Evans, Vice Chairman Mick Todd, Manual Sisneros, Tony Miller, Cheri Witt-Brown, Fred Otis, Director Sean Chambers, Deputy Director Water Resources Adam Jokerst, City Manager Raymond Lee, Tammy Hitchens on behalf of Finance Director John Karner, Water Resources Admin. III Leah Hubbard, Water Resources Admin. III Cole Gustafson, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Dan Biwer, Attorney Jim Noble.

Guest: Emeritus Board Member Robert Ruyle

Crystal Sanchez, Erik Dial, Adam Prior, Nina Cudahy, Megan Kramer, Alex Tennant, Michael Castillo, Erin Maestas and Jamie Henning left the meeting at 2:27 p.m.

This executive session was authorized by Subsection(s) (b) and (e) of Section 24-6-402(4) of the Colorado Revised Statutes, and Subsection(s) (2) and (5) of Section 2-151 (a) of the Greeley Municipal Code.

Executive Session ended at 3:07 p.m.

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Crystal Sanchez rejoined the meeting at 3:09 p.m.

9. Director's Report

Sean Chambers provided an update to the Board on the following topics

- Media Coverage of Water Conservation
- Rescheduled Windy Gap Firing Project Construction Site Tour
- Greeley Boards and Commissions Reception
- '22 Water Enterprise and Sewer Enterprise Revenue Bonds Update

10. 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 3:07 p.m.

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Harold Evans

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Harold Evans, Chairman

DocuSigned by:

Raymond C. Lee III

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Raymond Lee, Board Secretary