

**City of Greeley
Water and Sewer Board
Minutes of June 15, 2022
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:01 p.m. on Wednesday June 15, 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, Kelli Johnson on behalf of City Manager Raymond Lee, Tammy Hitchens on behalf of Finance Director John Karner

Water and Sewer Department staff:

Director Sean Chambers, Utility Finance Manager Erik Dial, Deputy Director Water & Wastewater Operations Nina Cudahy, Water Resource Administrator III Cole Gustafson, Water Resource Planning Manager Kelen Dowdy, Rates and Budget Analyst Virgil Pierce, Senior Administrative Assistant Crystal Sanchez and Interim Office Manager Gigi Allen

Legal Counsel:

Counsel to Water & Sewer Board Attorney Carolyn Burr, Environmental and Water Resources Attorney II Dan Biwer

2. Approval of Minutes

Mr. Miller made a motion, seconded by Mr. Otis, to approve the May 18, 2022, Water and Sewer Board meeting minutes. The motion carried 6-0.

3. Approval of and/or Additions to Agenda

There were no changes to the agenda.

4. Welcome New Employees and Promotions

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Mr. Chambers provided an introduction of new Water and Sewer Department employees starting this month and recognized the departures of Mary Gearhart and Dan Moore.

5. Preliminary 2023 Water and Sewer Budget

Erik Dial presented to the Water and Sewer Board the challenges and opportunities the department is facing when preparing the 2023 capital and operating budgets. Our current environment is characterized by challenging inflation conditions and regulatory compliance obligations. However, our ongoing water and sewer investments ensure Greeley's water and sewer infrastructure resiliency and continuity of operations. The presentation updated the Board on the city budget process, Department work to refine the changes and additions proposed for the 2023 enterprise budgets, and preliminary rate model outputs.

6. Approve and Recommend to Council Divestment of the Thayer Farm

Mr. Otis recused himself from participating due to a potential conflict of interest and left the room at 2:48 p.m.

Cole Gustafson discussed that in 2020, the City of Greeley purchased a 131 +/- acre farm in Weld County, known internally as the "Thayer Farm", along with three shares of the Larimer and Weld Irrigation Company (LWIC) and four shares of the Windsor Reservoir and Canal Company (WRCC). Since 2020, the City has leased the Thayer Farm, along with the LWIC and WRCC Water Rights, to a tenant farmer in order to maintain the use of the Water Rights on the historically irrigated land. In 2022, City staff negotiated an offer of \$1,400,000 to purchase the Thayer Farm. A dry-up covenant, revegetation covenant, and leaseback of the three shares of LWIC and four shares of WRCC to the buyer are part of the proposed agreement. Mr. Gustafson recommended the divestment of the Thayer Farm to the potential buyer.

Ms. Witt-Brown moved that the Board make a finding that the Thayer Farm is not currently being used nor held for a governmental purpose, authorize the proposed divestment of real property, approve the Contract to Buy and Sell Real Estate and exhibits in the forms enclosed, delegate authority to the Director of Water and Sewer or his designee (i) to make minor amendments to the documents, including, but not limited to, corrections to property descriptions and contract extensions, and (ii) to undertake all necessary and appropriate action to close on the divestment, and recommend that City Council authorize the same. Mr. Todd seconded the motion. The motion carried 5-0.

Mr. Otis returned to the meeting at 2:53 p.m.

7. Approve and Recommend to Council West Fort Collins Water District Customer Transfer and Interconnect IGA

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Sean Chambers presented that the City has long planned, budgeted and strategized on how to make an orderly transition of customers outside of Greeley's service area who have been receiving water off our Bellvue water transmission lines for decades. These transmission taps are a challenge for our operations as they are close to the WTP, a long way from our certified water distribution operators, and they are located on gravity driven pipelines that have significant seasonal fluctuations and periodic maintenance outages. It is difficult to provide such taps with consistent pressure and reliable service, and at times the obligation to serve them increases the complexity of major maintenance activities and costs the City money to ensure they continue to have clean safe water.

Over the past 18 months, Greeley staff and the West Ft. Collins Water District (District) have been engaged in a discussion to transfer 35 taps from Greeley to the District, along with a raw water dedication. In exchange, the District would take over responsibility for providing water service to the customers, improving infrastructure to connect the properties as needed, and coordinating with the customers, all of which live within the District's service area. To offset costs and provide water supply resiliency to the City and the District, Greeley would agree to construct a municipal interconnect between the Greeley and District systems, to be located east of the Bellvue WTP.

The proposed agreement would obligate the City and the District to work in cooperation to manage risk, share certain reasonable project expenses and make the transition of transmission customers from Greeley to the District.

This is a capital project that the Water Enterprise budgeted for and considers a high priority for the continued public health of all customers, and for the best-practice operation of our water treatment and transmission infrastructure.

Vice Chairman Todd moved that the Board (i) find that the North Poudre Irrigation Company water rights described in the IGA Concerning Customer Transfer and Interconnect Operation with West Fort Collins Water District are not currently being used nor held for a governmental purpose, (ii) approve the IGA in the form presented and authorize the divestment of NPIC water rights described therein, (iii) delegate authority to the Director of Water and Sewer or his designee to make minor amendments to the agreement before execution, provided the material substance remains unchanged, and (iv) recommend the same to City Council. Mr. Miller seconded the motion. The motion carried 6-0.

8. Executive Session

Crystal Sanchez, Gigi Allen, Erik Dial, Nina Cudahy, Virgil Pierce, Cole Gustafson and Kelen Dowdy left the meeting at 3:02 p.m.

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Chairman Evans moved that the Board hold an executive session to address the following matter as provided by C.R.S. §24-6-402(4)(b), C.R.S., and Greeley Municipal Code Sec. 2-151:

For the purpose of receiving legal advice concerning Case No. 21CW3216, the State and Division Engineers' Final Revised Decennial Abandonment List. The motion was seconded. The motion carried 6-0.

Present at the Executive Session, starting at 3:04 pm were:

Chairman Harold Evans, Vice Chairman Mick Todd, Manual Sisneros, Tony Miller, Cheri Witt-Brown, Fred Otis, Director Sean Chambers, Environmental and Water Resources Attorney Dan Biwer, Attorney Carolyn Burr, Tammy Hitchens and Kelli Johnson.

Executive Session ended at 3:16 p.m.

Crystal Sanchez, Gigi Allen, Erik Dial, Nina Cudahy, Virgil Pierce, Cole Gustafson and Kelen Dowdy returned to the meeting at 3:18 p.m.

9. Legal Report

Ms. Carolyn F. Burr, Esq. with Welborn Sullivan Meck & Tooley, P.C. provided the legal report this month which covers the following cases:

The first case for the legal report for this month covers case number 21CW3216. The Water and Sewer Board previously voted to file a statement of opposition in February of 2022. Upon further analysis, staff and counsel have changed their recommendation.

Ms. Witt-Brown moved that the Board rescind its authorization of February 16, 2022 for staff and legal counsel to file a statement of opposition in Case No. 21CW3216 listing Greeley's Island Grove Well No. 4503 water right, originally decreed in Case No. W-2642, on the State of Colorado's Decennial Abandonment List. Mr. Miller seconded the motion. The motion carried 6-0.

The second case is Case Number: **22CW3055**: Ft. Collins' application for diligence of Halligan Reservoir Enlargement in the amount of 16,520AF, conditional. Ft. Collins is not claiming any portion absolute. Staff and legal counsel recommend filing a statement of opposition in this case to ensure that the diligence decree is consistent with the terms of the original decree; that Greeley's operation of Milton Seaman Reservoir is not impacted by any terms in the diligence decree; and that Ft. Collins has met its burden of diligently developing the water right.

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Vice Chairman Todd moved that the Board authorize the filing of a statement of opposition in Case No. 22CW3055, and for staff and legal counsel to seek resolution of issues raised by this case consistent with Water and Sewer Board Resolution No. 3-15. Mr. Miller seconded the motion. The motioned carried 6-0.

10. Director's Report

Sean Chambers provided a summary or update on additional items of Board interest:

- June 2022 W&S Organizational Chart
 - Position vacancy summary
 - Total positions – growing service area, growing assets under management and operations, and growing complexity of the business.
- Annual Board & Council Tour of Water and Wastewater Infrastructure
- Annual Greeley Citizen Tour of Water & Wastewater Infrastructure – Aug. 5th
- Guest Column on Greeley's water security as a result of planning – 6/10/22
- Confluence Biz West NoCO Water Conference – July 21st 8:30 - 3:30
- June 17th (Friday) Grand Opening of Boomerang South 8 – 10 AM

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

Chairman Evans mentioned that the Tointon Gallery has a Confluence exhibit being presented at the gallery starting June 17th and there will be a reception from 5 to 7 pm on the opening night. Historical water images and modern-day photography will be displayed from June 17th – July 23rd.

Chairman Evans adjourned the meeting at 3:43 p.m.

DocuSigned by:

Harold Evans

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Harold Evans, Chairman

DocuSigned by:

Raymond C. Lee III

Raymond Lee, Board Secretary