



I. ROUTINE ITEMS

A. Call to Order – *President Yanchunas*

The Board of Directors held their meeting via Zoom. President Yanchunas called the meeting to order at 1:02 PM and asked that Assistant Secretary Lee call roll.

B. Roll Call – *Assistant Secretary Lee*

Board members present: President Yanchunas, Vice President Smith, Secretary Carlson, Treasurer Rademacher and Directors Golden, Sigg, Sutherland, Varra and Wolford were present. Director Golden left the meeting at 2:38 PM.

Staff members and consultants present: Executive Director Sean Cronin, Legal Counsel Scott Holwick, Engineer Mark McLean, Water Resources Specialist Jason Roudebush and Assistant Secretary Donna Lee.

Presenters present: Mr. Paul Niedermuller, CliftonLarsonAllen; Ms. Lori Weigel, New Bridge Strategy; Mr. John Chmil, Lyons Gaddis Attorneys and Counselors.

Public: Members of the Strategic Advisory Group, and Andy Breiter, Farmer, joined via Zoom Audio

C. Amendments or Additions to the Agenda – *President Yanchunas*

President Yanchunas asked if there were any changes or additions to the Agenda and there were none.

II. CONSENT AGENDA

A. Motion: Approval of July Meeting Minutes – *President Yanchunas*

B. Motion: General Fund Finance Reports – *Executive Director Cronin*

C. Motion: Enterprise Fund Finance Reports --- *Executive Director Cronin*

President Yanchunas asked if there were any changes needed on the July Meeting Minutes to which Director Sigg then asked that the minutes accurately reflect that she did attend that meeting. President Yanchunas then asked if there was any discussion regarding the Finance Reports and since there were none he called for a motion. Secretary Carlson moved to approve the Consent Agenda with the change noted to the July Meeting Minutes. Director Wolford seconded the motion and the motion passed unanimously.

III. PRESENTATION

A. 2019 Audit – Paul Niedermuller, CliftonLarsonAllen

Mr. Niedermuller was introduced, and he informed the Directors that he did file the audit with the State Auditor before the July 31st deadline as required and following the Board of Directors approval at its July meeting. Paul apologized for not being at the July meeting to present the audit findings and proceeded to go through the audit documents explaining the 3 reports being presented: 1) Management Letter, 2) Letter of Governance and 3) the Financial Statement disclosures. Mr. Niedermuller stated there were adjustments made but they were similar in nature to prior years related to property tax and accounts payable. President Yanchunas asked a question about Mr. Niedermuller's statement that the District had no new accounting policies, noting the District did move from cash to accrual in 2019. Paul responded by stating this kind of change is not considered a change in policy.

Mr. Niedermuller then continued by referencing the secondary letter. He noted three items in the management letter comments that warrant the Board's attention: 1) The District does engage with CLA to perform and prepare financial statements and disclosures and they work with the Executive Director and Bookkeeper to go over the financial statements; 2) Information Technology – Paul stated that Quickbooks does not provide a good segregation of duties and who has access to that information is limited based on the number of staff; and 3) The Journal Entry process was not as clean as it could be because the District operates in a governmental fund realm (GF & EF) and since the current software is not a fund-based accounting system, the District needs to reconcile the General and Enterprise Funds due to Quickbook's limitations. President Yanchunas asked if Quickbooks would have limitations if the District were to realize increased revenue funds. Paul stated that any time you upsize your organization, you should review your systems in place, he further stated Quickbooks is not a fund-based system so he does think it has limitations handling the segregation of funds.

Director Golden asked about the checks and balances if the Executive Director and Bookkeeper are the only two with access to Quickbooks. Executive Director Cronin stated the Financial Policies adopted by the Board outline the signature authority for checks over \$1,000 requiring two signatures either by the President or the Treasurer. He further stated that other staff are required to obtain approval on purchases and the Bookkeeper has no authority to sign checks. President Yanchunas added that the Finance Committee meets quarterly, and they review the previous quarter's disbursements and go through all the folders and documentation. President Yanchunas asked if there was anything else Paul would recommend. Paul said he likes to see rotating Board members through the committee and being unpredictable.

Paul stated that the last document is the Financial Statements themselves as of December 31, 2019. He noted the Auditor's Opinion explaining they offered an unmodified opinion and he said the District should be proud to receive that standing. President Yanchunas asked whether the District is accurately showing the time and salary for the portion of the Executive Director's time worked on the Enterprise Fund. Paul stated that the way it is being handled now is the current best practice.

IV. REPORTS

A. District Residents' Views of Funding for Conservation – Ms. Lori Weigel, New Bridge Strategy

Executive Director Cronin introduced Ms. Lori Weigel and directed the Board to the letter from Lori that was included in the Board packet. Lori provided insight into the work she does and shared a PowerPoint presentation explaining how they reached out to residents in the basin and the process used to collect data, as well as the questions asked. She stated that generically residents indicated they want to protect water and have it available for farming irrigation. Another important thing she wanted to note is that more residents were supportive of a mill levy increase of 1.25 rather than 1.5. Finally, Ms. Weigel stated that when voters were asked to weigh in, they were interested in how long they are being asked to pay and they like the idea of a sunset for the mill levy increase.

The Board asked Ms. Weigel her opinion on some of the specific survey results.

Executive Director Cronin thanked Fay Hartman and Eleanor Morris who were on Zoom audio today and are part of the strategic advisory team.

B. Business Plan Update – Executive Director Cronin

Executive Director Cronin provided a PowerPoint presentation updating the Directors on the changes made to the Business Plan and offered a slightly revised recommendation on how to best implement the Plan. Mr. Cronin asked the Directors to consider a 1.25 Mill. He stated the .25 reduction is a responsible response to feedback from the survey. Mr. Cronin also recommended considering the 10-year sunset provision. President Yanchunas asked each Director three questions: 1) do you believe the District should be going to the voters this year, yes or no; 2) what amount should the District ask for, 1.25 or 1.5 or something else?; 3) should there be an addition of a sunset provision? President Yanchunas reported the results:

- Question 1: - Directors Golden and Sutherland were not in favor of going to the ballot and the other 7 Directors were in favor of going to the ballot;
- Question 2: - Vice President Smith was in favor of 1.5 but agreed to go with the consensus of the board, Director Golden thought either 1.25 or 1.5 were too high and was not in favor and the other 7 Directors were in favor of a 1.25 mil increase;
- Question 3: - Vice President Smith was not in favor of a sunset but agreed to go with the consensus of the board, Director Carlson stated the 10-year sunset would be difficult to manage but agreed to go with consensus of the board and the other 7 Directors were in favor of the sunset. President Yanchunas then opened it up to comments.

V. ACTION ITEMS

A. Motion – Resolution 2020-004 – Executive Director Cronin

Executive Director Cronin pointed the Board to the Resolution in the packet stating the resolution identifies a Designated Election Official. It was explained that adopting the Resolution is an initial step and does not bind the Board to putting a tax question on the ballot. A question was asked of the attorneys if having an outside entity serve as the District's Designated Election Official was common practice and would it be in line with the election guidelines. Mr. Chmil stated that it is common and often what the consultant does for their clients, since the consultant can focus on the details required. Director Varra moved to adopt Resolution 2020-004. Vice President Smith seconded the motion and Director Golden noted he was not in favor and the other 8 Board members voted in favor, therefore, the motion passed.

B. Motion – Resolution 2020-005 – Executive Director Cronin

Executive Director Cronin pointed the Board to the Resolution in the packet calling for an election. President Yanchunas requested that any motion specifically mention the 1.25 or 1.5 mils and reference the ten-year sunset clause. President Yanchunas called for a motion. Vice President Smith moved to adopt Resolution 2020-005 with the 1.25 mils, ten-year sunset, the audit, and the inclusion of the appointed “Board of Residents” language. Director Wolford seconded the motion. The motion passed unanimously.

C. Motion – Boulder County Election IGA – Executive Director Cronin

Executive Director Cronin pointed the Directors to the IGA in the packet. President Yanchunas called for a motion. Director Varra moved to approve the IGA. Treasurer Rademacher seconded the motion and the motion passed unanimously.

D. Motion – Larimer County Election IGA – Executive Director Cronin

Executive Director Cronin pointed the Directors to the IGA in the packet. Director Varra moved to approve the IGA. Director Sigg seconded the motion and the motion passed unanimously.

E. Motion – Weld County Election IGA – Executive Director Cronin

Executive Director Cronin pointed the Directors to the IGA in the packet. Director Varra moved to approve the IGA. Treasurer Rademacher seconded the motion and the motion passed unanimously.

VI. REPORTS

A. Water Commissioners Report – Ms. Shera Sumerford

Executive Director Cronin read Ms. Sumerford’s email report into the record.

B. Legal Report – Mr. Scott Holwick

Mr. Holwick stated there was no activity of interest or of concern in the June resume. He further stated that the application for the conditional exchange rights under the Augmentation Plan has been filed. He is now waiting until the end of August to find out if there is any opposition; if not, the decree could be entered by the end of the calendar year. The District is an opposer in an active water court application (Firestone’s application to change New Lower Boulder shares and Rural shares on Boulder Creek). He noted there are several elements of the Town’s comprehensive plan that involve St. Vrain Creek as well. Mr. Holwick said he had a phone conference with Sean, Mark McLean, and the City of Longmont staff and the City’s attorney. The thought was there could be value in exploring coordination of concerns or seeing if there were any common concerns to work on, however, no conclusion has yet been reached. He stated that they will make a presentation to the District and the City in the month of August and Counsel and staff will be reevaluating the District’s position on comments. He said the impacts and effects of the request will be on the lower end of the basin which has historically been less active than the upper end. He stated the Lake 4 District Conditional Water Storage Rights item could be moved to September when the Lake 4 Presentation will be made. Mr. Holwick stated he shared the 2020 Preliminary Abandonment List with Director Golden and he discussed what is on the list. He stated people can oppose the structures

on the list by the end of May 2021 and he noted that the District does not have any structures on the list. Mr. Holwick concluded by talking about the Gross reservoir expansion and that they did get FERC approval, however, there are issues that have not been resolved yet.

C. Engineers Report – Mr. Mark McLean

Mr. McLean stated the Lake 4 Project is complete except for some minor punch list items. There are still pay request items and he is vetting those for justifications. Mark stated they are coordinating the leak test for Lake 4 and met with County staff to show them the preparations made. He said the County staff will be monitoring instruments daily and then logging the data which he will review periodically. Mark stated that a drone was used to make a photometric survey of the area. In addition, Mark has been involved in communications regarding a potential augmentation member in Left Hand Creek basin for next year's program. Mr. McLean also provided support in reviewing the Stream Management Plan draft report. Mark participated in a phone conversation with Sean, Mr. Holwick, and CEMEX. Mr. McLean stated he also provided support on the voter list.

D. Executive Director Report – Executive Director Cronin

Executive Director Cronin stated the Directors received an email message from him regarding the stream management plan and that it is still being wrapped up. He noted that a 3-month extension was granted by the state, and that Jason Roudebush will be leading the final effort. Mr. Cronin reiterated what Mr. McLean stated about the Lake 4 project being complete absent a few punch list items and the liner test, although Boulder County has announced the construction project officially complete. Executive Director Cronin stated plans are to get the Board out to see it and that a presentation will be made to the Board at the September Board meeting.

Executive Director Cronin updated the Directors on the ongoing office space issue, reminding them that they recommended looking at exploring new space by either retrofitting existing space or to follow the Board's recommendation to explore leasing or purchasing a new and different space. Executive Director Cronin stated the landlord is exploring the cost of renovating the space and Jason may have information to share at next month's meeting.

E. Items from the Board President – President Yanchunas

President Yanchunas asked if the Directors had anything they wanted to share. He thanked the Board for all the time and work everyone put into the going to ballot discussion. Mr. Yanchunas noted the Irrigation Leader Magazine that Kurt held up earlier and suggested everyone get a copy to read the article regarding the catastrophic failure on a Montana Project. Mr. Cronin stated a copy of the magazine will be sent to all Directors. Mr. Yanchunas stated there would be some housekeeping items needed going forward. President Yanchunas asked about the architects that have been contacted in regard to the renovation and Jason responded he has only spoken with two so far but is holding off on bringing any others in until the landlord has made some decisions. There were no additional comments, therefore, at 3:16 PM, Vice President Smith moved to adjourn the meeting. Treasurer Rademacher seconded the motion and the motion passed unanimously.

Respectfully submitted,



Donna Lee, Assistant Secretary



Dennis Yanchunas, President