

**BOARD OF TRUSTEES
SPECIAL MEETING
FEBRUARY 5, 2013
BOARD ROOM
6:00 P.M.**

Board Members Present:

Mayor David Gregg
Mayor Pro Tem Jan Dowker
Trustee Dick Shepard
Trustee Paul Alaback
Trustee Thomas Jones
Trustee John Bauer
Trustee Suzie White

Staff Members Present:

Town Administrator Mike Hart
Engineer Stephanie Brothers
Attorney Greg Bell
Attorney Paul Zilis
Town Clerk Mary Cowdin
Administrative Clerk Jory Haslett
Economic Development Director Ron Schneider

The Mayor led the Pledge of Allegiance.

Supplemental Budget Appropriation – Water Plant

Engineer Brothers presented the request for a supplemental budget appropriation of \$300,000 for an upgraded power supply for the new pumps at the water plant.

Administrator Hart notified the Board that he has discussed with Little Thompson Water District about extending the Town's agreement for water treatment through the end of the year.

Mayor Gregg asked if there was money in the enterprise funds for expenses. Administrator Hart stated that there was enough funding without raising rates.

Trustee White asked why the engineering firm did not identify the power supply issue. Administrator Hart stated that it was in part due to increasing the capacity of the plant. It made sense to upgrade the power with the increase now while it is under construction.

Mayor Gregg stated that the power upgrade and the capacity enlargement will increase the value of the water plant.

Trustee Shepard asked if there were any other issues that could arise in the foreseeable future. Administrator Hart stated that the plant will be able to accommodate another 1,000 homes. When there is a need for another increase in capacity, the new homes will have generated enough funding.

Trustee Bauer moved to approve Resolution 1-13, a Supplemental Budget Request for the Town of Berthoud's Water Department. Trustee White seconded the motion. The motion passed unanimously.

Supplemental Budget Appropriation – Water Acquisition

Administrator Hart notified the Board that a property in the Berthoud area recently became available for purchase that includes units of Colorado-Big Thompson and shares of Handy Ditch Company. The water shares have been offered to the Town.

Staff has prepared a request for an appropriation for a refundable, good-faith deposit of \$10,000, which will be held in escrow while a formal agreement is negotiated.

Trustee Shepard moved to approve Resolution 2-13, a Supplemental Budget Request for the Town of Berthoud's Water Acquisition. Mayor Pro Tem Dowker seconded the motion. The motion passed unanimously.

Water Issues

Paul Zilis presented a brief overview of the history of water rights and water law in Colorado to the Board.

Mr. Zilis explained that Berthoud has a unique and valuable water right in owning the senior water right of 3 cubic feet per second (cfs) on the Big Thompson River. Previously, it has been diverted through Handy Ditch, which took ½ of the water right in exchange for using the system. However, the Town filed change of use to take the right through the Carter Lake and the Colorado-Big Thompson (CBT) system, which was granted and the Bureau of Reclamation and Northern Water agreed to carry the water. Now that the new pipeline is in place, the Town can carry all its river water through CBT system for potable uses. There is also a carriage agreement with Handy Ditch Company to deliver any non-potable water.

Mr. Zilis stated that the Town also owns 419 acre-feet of CBT units calculated at 50% allocation, as well as 36 shares of Handy Ditch Company and rights in Loveland Lake & Reservoir and Welch Reservoir.

Ed Arbruster and Jordan Dimik from Leonard Rice Engineers presented an overview of the development of the Town's water resources master plan. They plan to identify the physical

availability of the water as well as modeling demand over time. The plan will not be timeline dependent, rather it will focus on usage.

Eric Wilkerson, Manager of Northern Colorado Water Conservancy District, presented an overview of the Northern Colorado Water Conservancy District system. He stated that it is estimated that by 2050, 1 million to 600,000 additional acre-feet of water will be needed in Colorado. The identified methods to acquire the needed water include conservation, new water projects, enforcing compact entitlements, and agricultural to municipal/industrial conversions.

Mr. Wilkerson stated that currently, oil and gas currently is not a significant user of Colorado's water resources.

Mr. Wilkerson reviewed the current Windy Gap project. Windy Gap is filled by the Colorado River and the project has 15 participants. A unique feature of this project is that the water rights will be trans-basin, meaning it is fully reusable water. However, it is a junior water right and there are wet year storage issues.

Attorney Zilis presented current Berthoud water policy. Currently the Town accepts CBT at .7 acre/feet per unit and Handy Ditch at the dry-year yield at 6.2 acre-feet/share.

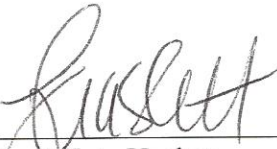
The discussion was whether the Town should accept only CBT, as well as looking toward future projects like Windy Gap and NISP.

Currently the code requires developers building on over 50 lots to dedicate CBT, however the Board has the option to accept cash-in-lieu, which would require the Town to purchase the water when it is needed.

Mr. Zilis recommended that the Board refine the thresholds for CBT dedication or implement a phasing dedication.

Administrator Hart stated that the next step in the process will be to come back to the Board with some proposals for updating Town water policy.

Mayor Gregg adjourned the meeting at 8:54 PM.



Jory Kate Haslett
Administrative Clerk



Mayor David Gregg