

April 16, 1987

To: Jim Shanks

From: Greg Trainor

Re: Minutes of Water Committee Meeting
April 16, 1987
7:00 a.m. to 8:30 a.m.

Present: Paul Nelson, Chairman, Mark Achen, Leroy Kirkhart, John Whiting, Jim Shanks, Ralph Sterry, Greg Trainor, Tim Woodmansee

1. Whiting offer to sell stock in the Deep Creek Reservoir Company: Discussion was held with John Whiting concerning sale of his reservoir stock. This represents 360 shares of stock in the Company out of 926 shares total. The acrefoot equivalent of 360 shares based on the actual storage available is 136.68 acrefeet. After some discussion with John concerning the value of the water to the City and the value to the Whittings, John indicated a value of about \$2500.00 per acrefoot that he would be interested in. Recent purchase of Deep Creek water by the City has resulted in \$1000.00 per acrefoot prices. Other offers to the City by other shareholders has indicated a market of about \$1,000.00. The Committee indicated that they would take the issue under advisement but with no commitments for further discussion except to allow Whiting to continue contact with the utility division.

2. Smith Lease-Whitewater: Tim Woodmansee discussed with the Committee the lease value for the Smith lease at Whitewater. This lease was originally accepted by the City with a lease value based on the proposed BLM lease values. The BLM did not subsequently increase its rates as a result, Tim was requesting that the Committee approve a lease rate based on the existing BLM rate. This is a difference between the original of \$550.00 for the first year and \$194.40. The Smiths, in addition to the lease payment, will be constructing permanent improvements to the City property in the amount of \$2,000 to \$3,000 for fencing. The area to be leased is 200 acres of dry land with a carrying capacity of 12 head of cattle per month. The committee approved the fee change with report to go to Council. These minutes will serve as this report.

3. Flowline Appraisal-HDR Contract: The Committee reviewed HDR's proposal of \$18,500 to complete an appraisal of the City flowlines from Kannah Creek to the City water plant. This HDR completed two other appraisals in 1967 and again in 1972 and have a background of information on the flowlines. This appraisal is critical to the capital improvements planning of the Utility department because of the estimated \$10 million dollar expense. The Committee approved the proposal pending City Council's review and approval at the first Council meeting in May.

4. Cliff Davis Lease: The Committee reviewed a verbal report by Jim Shanks concerning a meeting that was held with Cliff and Judy Davis on April 15, 1987. The Davises requested at that meeting that, if the City was not interested in selling to them a few acres, would the City consider extending their lease now for another five years beyond the current lease expiration date of 1989. The purpose of this commitment is so that the Davises can make improvements to the property knowing that they would have a few years to make use of the improvements. Cliff discussed the type of improvements that he wanted to make. In addition he discussed sale of his Deep Creek shares at the same price that the City paid Keith Clark. The Committee discussed this further as well as the desirability of keeping the Davises on the property. Jim and Greg are to look at the options with Tim and get back with the Committee. The Committee did not seem to be adverse to an extension or to a possible purchase of shares at the right price or a trade for lease payments for water.

Additional items were reported on by the staff:

a. Reviewed the watershed management plan and the efforts in preparing and submitting a grant application to the Colorado Division of Wildlife for restroom facilities at the Intake and at Carson Reservoir.

b. Juniata Outletworks repair was reviewed and Ralph's pictures were look at. The repair should be completed by April 24.

c. Utility capital projects status was reviewed. Independent Avenue water main bid opening will take place on May 7th at 2:00 p.m. Design is taking place on the Sherwood Park water lines. Crosby Avenue sewer is under construction and is approximately 50% complete. Purdy Mesa spillway design has been submitted to the State engineer for his approval. Chlorine building in under design at the water plant. Predesign work by Arix engineers looked at options of constructing a new building (\$73,000), outside, open storage (\$52,000), or upgrading the inside storage to meet State Health Department requirements (\$21,000). A decision is pending as to the most cost effective method of solving this problem.

d. During the weeks of April 19th and 26th, a series of ads will be run in the Daily Sentinel concerning the City Sanitation operation's commercial trash services. Time has been scheduled by Greg Trainor to make personal contacts with potential customers during these two weeks as well as weekly following the 26th.

e. The quarterly sewer report to the City Council and the County Commissioners is nearing completion. The refunding of the sewer bonds to provide funds for front ending collection system improvements is also in progress and the Committee will be kept abreast of this effort.

f. The refunding of utility deposit issue has not been completed by Greg.

g. The unified Grand Valley water study was discussed. The utility staff's white paper is not complete but nearly so. Clifton has indicated their position and concern and their letter will be sent to the Committee. In addition the Committee has asked for the details of the City's relationship with Clifton Water District.

Written and Submitted: Greg Trainor 4/16/87