

BOXELDER BASIN REGIONAL STORMWATER AUTHORITY

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AGENDA

Boxelder Basin Regional Stormwater Authority Board of Directors

October 27, 2011

Leeper Center

3800 Wilson Avenue
Wellington, CO 80549

4:00 P.M.

1. Call to order
2. Review and approve minutes of Meetings of September 22, 2011 and October 6, 2011
3. Public Comment
4. Coal Creek Flood Hazard Mitigation Project Update
5. Discussion about Right of Way Acquisition for Eastside Storage Project
6. Planning for Authority Billing of unincorporated areas
7. Recommendation to Member Entities about Financial Scenario
8. Financial Report
9. Manager's Report
 - Progress Report
 - Web Site
 - Monthly Subscription Newsletter
10. Manager Performance Evaluation
11. Adjournment

BOXELDER BASIN REGIONAL STORMWATER AUTHORITY
MEETING MINUTES
September 22, 2011

DIRECTORS PRESENT: Larry Lorentzen
Lee Tucker
Ken Sampley
Vic Meline
George Reed

DIRECTORS ABSENT: None

PRESIDING: Ken Sampley

ALSO PRESENT: Rex Burns, Authority Manager
Lisa Work, Recording Secretary
Greg White, Attorney
Todd Juergens, Larimer County Construction Manager
Andrea Faucett, Ayres Associates
Mark Peterson, Larimer County Engineer
Dave White
Jim Fry
Alex Neilson

1. Call to Order

The meeting was called to order by President Sampley at 4:09 p.m.

ADDITIONS OR DELETIONS FROM THE AGENDA

None

OLD BUSINESS

None

NEW BUSINESS

2. Review and approve minutes of August 25, 2011

Director Meline requested on page 3 end of first paragraph change *is* to *it*.

Director Meline moved to approve minutes as amended. Director Lorentzen seconded motion. President Sampley polled the Board. Motion passed unanimously.

President Sampley pointed out that Agenda item #8, discussion concerning the management services contract with Local Government Solutions, LLC, was discussed in the work session prior to

this Board Meeting. At that time the Board provided some direction to Manager Burns to come back with more detailed information that would help the Board in doing an evaluation of the services that have been provided to date. The Board thinks that would be useful moving forward in providing some additional detail of what type of services that are going to be provided and to evaluate those services. The Board is going to be providing some correspondence and formatting things. The discussion was of the nature that what was listed in the actual contract seems to be more based on general activities and didn't have a lot of metrics in regard to performance. The Board felt there needed to be more detail included in that regard. The Board has asked Manager Burns to go back and do that. The Board intends to then have a work session in advance of the next Board meeting to discuss this and then take a formal action at the next meeting. It wasn't felt that there was enough information to give the evaluation.

Director Meline asked about item 10 for an executive session. President Sampley explained that there is not additional information regarding negotiations for that item so will not be having an executive session tonight.

3. Public comment

None

4. Coal Creek Flood Hazard Mitigation Project Progress Review

Todd Juergens, Construction Manager with Larimer County Engineering Department presented the project update noting that:

- The inlet canal project: They have stripped all the topsoil. The trees have all been removed and they have started to construct the road that will run adjacent to the flood bench this morning. They are scheduled to start excavation on the inlet canal on Monday morning.
- Dredging has been shut down for the past 2 weeks to allow for cleaning out the dewatering ponds. They have reached a point where the ponds were full enough of sediment that they were not effective anymore. They were having a lot of trouble keeping the water clean and had a lot of shut downs because of turbid water. The contractor made the decision to shut down for 2 weeks. Pond number 2, which is the second pond from the north, has been abandoned. They are using that as a stockpile area to take materials out of ponds 1, 3, and 4. Dredging is scheduled to start again this weekend on Sat. When they start dredging again they will be working 12 hour shifts from here on out instead of the previous 24 hour shifts. That is being dictated by the capacity of the ponds and the time needed for the water to settle out to a point that it can be returned to the reservoir.
- President Sampley asked if flocculants are still being used. Mr. Juergens explained that they are still being used. One thing they discovered toward the end of the last week of dredging was that the ponds were so full that they were starting to move sludge from pond to pond rather than turbid water. The flocculants aren't effective at that point. They are designed to treat dirty water and not mud. That was one of the decision points in the last meeting was that things weren't working anymore, not due to a design flaw, but due to the fact that things were just full. They have removed 105,000 yards of material out of the reservoir. They needed some time to clean those out to create some storage space again and be able to go back to work so there is surface area available in those ponds

- Sheet pile started on the inlet canal 2 weeks ago. The North side of the canal is complete. The South side of the canal is about 50% complete. They should be finished in the next couple of days. They needed to bring in some different equipment to get minimum tip elevation on the pile.
- Excavation in the canal is scheduled for 30 days of excavation: about 2000 yards a day; there is 40,000 yards total; that leaves 10 days on the end for fine grading and top soiling of the canal banks.
- On the status report it is noted the unofficial dredging amount as of the week of September 16th was 105,000 yards. That quantity comes from the contractor's calculation of the data that comes from the dredge. The surveyed quantity at the end of August was 92,200 yards which is 54% of the total quantity. They should finish by the end of October with the dredging.
- President Sampley asked if there are any change orders or revisions. Mr. Juergens answered that there are no new change orders. President Sampley asked with changing the dredging schedule to 12 hour shifts if the contractor will still be able to finish dredging within the contracted time period. Mr. Juergens said that he believes they will be done at the end of October. Mr. Juergens stated that there are no financial implications to the Authority regarding the changed dredging schedule.
- Director Lorentzen asked if the CDOT agreement/easement has been signed. Mr. Juergens said that the agreement has been signed. Director Lorentzen then asked if the railroad agreement has been signed. Mr. Juergens explained that the ditch company attorney and the railroad company attorney are dealing with the agreement at this point. The agreement will be between the ditch company and the railroad and that the agreement has been back and forth. Mr. Juergens believes there is an issue with the insurance underwriting and the railroads requirements. Mr. Juergens is not exactly sure where those discussions are right now. President Sampley mentioned that this item needs to be on the Project Status Report so the item doesn't get forgotten in future reports.
- Manager Burns asked if the excavation on the channel west of I-25 is going to proceed upstream or downstream. Mr. Juergens explained that the intent is to excavate starting at I-25 and excavate everything west, jump County Road 7 and continue west so the water runs away from them. The canal is getting lowered as it is re-graded. Manager Burns asked if the trucks will then have a circular route through the CDOT site. Mr. Juergens explained that there is an easement on the CDOT site as a turn around. The trucks come in and out off CR 7 all the way through the project, turn around on the CDOT property then come back in line to get loaded so they can exit on CR 7. The original intent was to cycle through the water district property and the CDOT property but CDOT is going to pave the new road coming into their site. Mr. Juergens didn't want the responsibility of running trucks on a newly paved road. So they worked with CDOT to have a 120 foot by 140 foot easement as a turnaround on their property.
- Director Lee asked if the south bank of the canal is going to be lowered. Mr. Juergens explained that the south bank will not be lowered by this project. The ditch company might be doing some work on the south side but this project will not be lowering the elevation of the existing berm on the south side of the canal.
- Director Reed asked what they are doing with all the material being taken out of the canal. Mr. Juergens explained that the material that comes out of the inlet canal will be disposed of on Larimer County's property on Owl Canyon Road.

5. Eastside Projects Progress Review

Andrea Faucett with Ayres Associates distributed a project update report to the Board and presented the project update noting that:

- After the presentation last month, where 4 alternatives were presented, it became clear that one of the alternatives rose to the top from the Board's perspective. Ayres is now in a holding pattern until some negotiations can occur on that option.
- There was an original budget of \$54,000 and there is just under \$20,000 remaining. Ayres has accomplished what they set out to do with this scope of work. At this point in time it doesn't make sense to keep working as they have answered the questions that the Board had on this project. The Authority now needs to move forward in areas other than engineering and then can catch back up.
- Manager Burns asked what Ayres needs to move forward. Ms Faucett explained that Ayres cannot move forward until the Authority has a better handle on right of way for the project. Ayres has offered to provide exhibits or whatever is needed for meetings. Ayres is not currently working on Authority work at this time.
- Director Reed asked about the topographical information discussion from a previous meeting. Ms Faucett gave a status update regarding the LIDAR flights being that the Authority, the County and the Town of Timnath are all interested in receiving the information provided. There is some delay with Steve Smith with North Poudre to sign the contract with NRCS. Ms Faucett does not know the reason the contract hasn't been signed. The Authority's piece for the data would be \$11,100. Director Tucker asked how far north the flight would go. The Authority would be getting data through the ARDEC site and beyond. Manager Burns asked for an explanation of LIDAR. Ms Faucett explained that it is very detailed topographic data that is cost effective. Director Reed asked if President Sampley could investigate if there is some problem with North Poudre signing the contract.
- President Sampley asked about the east side or middle trib budget. Kevin Howe from CWCB mentioned to President Sampley they have not been invoiced for their portion. Manager Burns will invoice CWCB for those funds.

6. Discussions Concerning Financial Scenarios

President Sampley pointed out that Manager Burns has provided the financial scenario information to the Board via email. He mentioned that some of the internal Fort Collins financial staff looked at the data and he provided some comments to Manager Burns and the Board regarding that information.

Manager Burns distributed a report to the Board that includes all the financial scenario spreadsheets. There are 16 scenarios total. As he explained, there are 8 plus 4 scenarios that are the shorter "pay as you go" time and 4 that have to do with a longer debt period. The reports do not reflect the comments provided by the City. Manager Burns did request similar comments from Larimer County and the Town of Wellington. Manager Burns asked the Board where they would like to have him go from here. Manager Burns has the understanding that the 3 entities are waiting for

the Authority to get back to them with a recommendation on this matter. Manager Burns would like to expedite the process of getting whatever IGA amendment through the 3 governments. If the Board wishes to have a work session to go into this more in more detail that could happen in the next couple of weeks.

President Sampley pointed out that after the last meeting they were looking at scheduling a meeting of the entities to go through the scenarios. Then it was discussed that it might be better as a Board to get the financial models together with any comments and changes needed to provide to the entities. Then provide a recommendation from the Board to the entities and the entities can look at the models and entertain the Board's suggestion. It seems the meeting was premature. Director Lorentzen agreed that there is an extensive amount of data to go through before presenting to the entities. President Sampley asked what direction the Board would like to take on this matter. Director Lorentzen suggested if the Board is going to make a recommendation they should have the language in front of them and take a formal action on that recommendation. President Sampley states the comments on the spreadsheets were pretty extensive so he doesn't feel comfortable with the Board making a recommendation based on the current data. Manager Burns suggested that he will work on the spreadsheets and the Board can have a meeting in 2 to 3 weeks. Director Reed suggested October 6, 2011 for a meeting. President Sampley asked if this would be the only item for that special meeting. Manager Burns explained that the Authority Fees need to be discussed at that time as well. Director Lorentzen suggested that if the Board is going to take action at the meeting it needs to be a Special Meeting versus a Work Session. President Sampley brought up some of the comments he has regarding the spreadsheets. Director Meline asked if the spreadsheets were forwarded to the County if comments could be returned to the Board by October 6th. Mark Peterson agreed the County could return comments in about a week. President Sampley explained that he is leaning toward a bonding approach in order to get the funds to get the projects under construction. Director Lorentzen agreed and added that if the entities are wanting a sunset in the IGA that the paragraph in the IGA requiring unanimous approval of the entities to bond needs to be amended to state the intent is to bond the projects.

7. Financial Report for August 2011

Manager Burns met with the accountants at Rickards & Co. He discussed with them the Board's concerns regarding the letter that accompanies each month's financial statements. Rickards is adamant that the language protects all parties as there is a difference between audited financial statements and monthly financial statements. Each month's accounting is simply a monthly information sheet for the Board to be informed about the financial status of the Authority. Rickards is not willing to change the language of the cover letter with the monthly statements.

Manager Burns also discussed with the accountants some minor changes that the Board had requested. Looking at page 3 (first supplemental) that the percentages are not accurate. What Rickards has done is taken where the Board stands at a point in time as a percentage of the annual budget. The last column, the percent of the budget, is numerically accurate. President Sampley is referring to the very last bottom cell that says 15,036%. He questions that calculation and doesn't feel there should be a calculation in that cell. Manager Burns will bring that up again with the accountants. Director Lorentzen requests they add a column between the variance and the percent of the budget to show percent of the year.

Director Lorentzen also mentioned that the audit was changed but now the accountants report doesn't match the audit. Referencing the budgetary comparison information under the service area rate study, it is still at zero percent. It doesn't show the \$67,000 through the actual 2010 audit. Manager Burns needs to send the corrected year end audit to the accountants and will let them know the change that needs to be made.

Manager Burns explained that on this month's claims that the LGS bill is higher due to time spent on the financial modeling in August and that project is getting finished up.

President Sampley asked about the bill to the Auditor stating past due. Manager Burns explained that the accountants had assumed the first payment and the second payment were equal when they were not. This past due invoice reflects the difference between the 2 invoices.

President Sampley commented that in discussions earlier in the meeting, regarding the services and anticipated services of the Manager, per the contract exhibit B states that the manager should be compensated at the stated rate and shall be compensated for a minimum of 24 hours a week and to a maximum of 40 hours per week. There was a statement that it was anticipated to be a 40 hour per week position and not sure that is accurate. Manager Burns explained that originally it was anticipated to be a 40 hour week position but it didn't turn out to be because the Coal Creek project is being managed by the County. Manager Burns did state that it would be worthwhile to clean up some of the language in the services agreement through this process. President Sampley noticed that 56 hours were for the financial models which are almost a $\frac{3}{4}$ time FTE. As talked about earlier, in retrospect, the preference would be for the Board to consider that a separate task and been given a time period for the Board to review instead of just being billed the hours spent. Manager Burns agreed that if that were the way it was done then it would be treated as a separate project. He also agreed that is probably the way this will be treated in the future with proposals to the Board.

Director Lorentzen motioned to pay the claims for goods and services through August 31, 2011. Director Meline seconded the motion. Director Reed asked about the timesheets and public relation activities that were never charged for but performed. Manager Burns explained that the time period of the timecards does not reflect the same time period as the Manager's Activity Report. President Sampley polled the Board. Motion passed 4 to 1 with Director Lee opposed.

Manager Burns explained that the audit report has been changed to properly reflect the status of the expense for revision of the service area for last year. The Authority received a notice from the State Auditor that they have not received the 2010 audit. Poysti & Adams has sent in the audit and been in contact with the State Auditor. The State Auditor also wants the Authority to submit an application for exemption showing that they don't have to provide an audit for 2008. Manager Burns explained that legally the Authority has to submit an audit for any year in existence. The problem is no financial activity was done until 2009 so the Authority needs to fill out a 4 page form stating that there was no financial activity until 2009.

8. Discussion Concerning Format for Review of Management Services Contract with Local Government Solutions, LLC

President Sampley pointed out this item was discussed earlier.

9. Manager's Report

Manager Burns met with Dennis Harmon of Water Supply and Storage Company. The Water Supply and Storage Company owns the Larimer County Ditch. The Larimer County Ditch comes from the west to the east and circles the ARDEC site and then flows from north to south. So, they will be adjacent to either site a detention pond might be built. Manager Burns met with him to explain what the Authority is working on and get an idea of what their operations are and how that fits with the City of Thornton's operations. Mr. Harmon has asked for a grading plan for the ARDEC site and the Thornton site.

Manager Burns also met with Mark Sears who is the manager of the City of Fort Collins Natural Areas Program. They have had a program for the purpose of separating the Town of Wellington from the City of Fort Collins. Over the years they have purchased several properties in the area of Giddings Road, County Road 9 and County Road 11 going north. Most of their purchases have been west of the interstate as far north as between CR 56 and 58. Because of this, Mr. Sears has recent information about property values in that area. He committed to helping more with real estate work that the Authority may be doing to secure a site for the East Side Storage Facilities. They buy the development rights on farmland and secure that with a conservation easement. The farmer can farm the land but has no right to develop or take it out of farming later. Manager Burns hopes to work with him on some of the right of way acquisition along Boxelder Creek.

Manager Burns discussed the development of the database for a revised Authority fee structure and that has recently been developed further with the outcome of the last Board Work Session and incorporated a factor that allows for the density (the impervious density) that is the ratio of impervious area of a property to the total lot area. When graphed out on a scatter diagram there are slope breaks that correspond to the land uses so Manager Burns has suggested an Authority Fee arrangement that would be based on the slope breaks and has also suggested discount factors for the larger properties that have a much more tenuous connection to the downstream runoff system. The report was handed out tonight and Manager Burns would like to discuss it further at the meeting on October 6, 2011. To discuss the progression, the Authority needs to finalize the authority fee structure so it can be plugged into the database the GIS people have provided to determine how much revenue would be provided by a given base rate. The Authority will have to adopt a base rate based on the change in the IGA by the end of 2011. That base rate will have to go into the billing for the bills sent out in 2012 for fees due in 2011. If a revision to the IGA is not adopted in a timely fashion, the Authority may choose to use the same base rate used in the past.

As to the Authority billing preparation, LGS is taking the County's information and putting it into software that is publically available. This is a necessary precursor to whoever does the billing in 2012. Because the County's database is proprietary software that is not available to LGS, LGS is using Access and QuickBooks software to store that data.

East Side Storage development is at a standstill because of negotiations for property and the question of whether Timnath will be joining the Authority.

The financial management scenarios have been discussed at great detail. That incorporated a sequencing plan that would be important to developing a strategy to maximize the Board's chances of obtaining a second PDM grant. That strategy is to get all of the Board's ducks in a row to write the grant application in the fall of 2013. There are several tasks that are interrelated that will take about 2 years to get the ducks in a row to make that application. If that grant fails, then a second grant application could be made the following year or could be made whenever the East Side Storage development has been completed. The second grant application would be more favorable because the East Side Storage would not be part of the cost side of the benefit cost equation and it would thus have a much more favorable benefit cost ratio. The sequencing is a very important part of the financial management scenarios. Director Lorentzen asked if Manager Burns has talked with the County Emergency Manager about what the Authority would have to do to become eligible as an entity to apply for a PDM grant. Manager Burns has not but will give Eric a call.

Director Reed brought up the need for the database used to compute revenue to be maintained or updated as impervious surfaces are created, i.e. a new residence and also brought up prorated fees and billing. Manager Burns agrees that any database will need to be updated and maintained with owner name changes etc. Director Lorentzen explained that when the Town of Wellington pays the stormwater fees to the Authority they are prorated based on the month of the certificate of occupancy. Director Reed also commented on the target date for the PDM grant application as something that the Authority needs to keep its sights on as far as the steps toward that application. He mentioned maybe in the form of a metric or something similar. Manager Burns explained that President Sampley discussed this in terms of the metric of LGS's performance. Those are milestones that have to be accomplished in a timely fashion to make the grant application. President Sampley suggested that they take what is in the Management plan and the schedule and reflect that in the performance plan of the consultant/manager.

Director Reed commented that he is uncomfortable not having anything documented from Timnath. He would like to know if there is any way to anything in writing such as a letter of intent or a memorandum of understanding. President Sampley explained that it would need to be an intergovernmental agreement or an IGA. Once the Board talks with the entities about the financial models and what the approach is that would be the time to meet with Timnath. Director Reed is concerned that some of the numbers being used in the financial scenarios includes numbers the Authority isn't sure of. President Sampley pointed out that there are with and without Timnath in the scenarios so the ramifications for term or debt payment and how much you are going to charge fee wise. Director Lorentzen added that until Timnath sees what the costs are they aren't going to commit to anything. Manager Burns added that the terms haven't been defined yet so Timnath is holding off until they are defined. Manager Burns mentioned that in his latest discussion with Timnath's representative, Mr. Toronto, he is getting pressure from various directions to get the matter resolved speedily.

Director Lorentzen asked about the signatory for checks. Manager Burns explained that is in process and it hasn't been formally changed so Director Lorentzen needs to sign the checks tonight.

President Sampley asked about the grant application in relation to building a larger storage facility and not needing the amount of improvements downstream then what is the use for the grant. Manager Burns explained that hydrolic improvements will still be needed at the intersection of

Larimer Weld ditch and Boxelder Creek. The objective of those improvements is to lower the surface of the Larimer Weld canal to let more water come from the Cooper Slough area and provide the benefit to that area. President Sampley asked if that means the amount of the grant goes down and the bc ratio goes up. Manager Burns added that it may mean the East Side storage provides the benefit instead of the Middle Basin improvements. President Sampley mentioned that Manager Burns may need to look at it both ways because if you can show higher benefits you might get higher participation.

10. Executive Session for the purpose of discussing the acquisition of property under C.R.S Section 24-6-402(4)(a) C.R.S. and discussing issues relative to matters that may be subject to negotiations, and /or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) C.R.S. regarding the East Side Storage Project.

President Sampley stated the Board will not be moving into Executive Session tonight.

11. Adjournment

Director Reed moved to adjourn and Director Meline seconded. President Sampley polled the Board and with all in favor the meeting adjourned at 5:38 pm.

Approved this _____ day of _____, 2011

BOXELDER BASIN REGIONAL STORMWATER AUTHORITY
MEETING MINUTES
October 6, 2011

DIRECTORS PRESENT: Larry Lorentzen
Lee Tucker
Ken Sampley
Vic Meline
George Reed

DIRECTORS ABSENT: None

PRESIDING: Ken Sampley

ALSO PRESENT: Rex Burns, Authority Manager
Lisa Work, Recording Secretary
Mark Peterson, Larimer County Engineer
Steve Porter, NCBR
Bob Williams

1. Call to Order

The meeting was called to order by President Sampley at 3:31 p.m.

ADDITIONS OR DELETIONS FROM THE AGENDA

None

OLD BUSINESS

None

NEW BUSINESS

None

2. Public comment

Mr. Bob Williams, a new Wellington resident, addressed the Board. He has a concern about the stormwater charge on his utility bill and is at the meeting to learn more about what is involved and to observe and understand the direction of the Authority. He wants to become familiar with the pricing structure and what is involved with flood mitigation.

President Sampley explained that there is a work session following the meeting to discuss the fee structure and the next normal Board meeting is on October 27, 2011 with a work session before the meeting. Mr. Williams asked if he is allowed to sit in on that meeting. President Sampley explained that the Board Meetings and Work Sessions are public meetings.

3. Consideration of purchase of LIDAR

Manager Burns explained that Andrea Faucett informed him that the North Poudre Irrigation Company has signed off on the LIDAR project. There is \$80,000 available to the North Poudre for the project. Manager Burns is asking the Board to approve the Authority participation in the amount of \$11,127.00, which is the prorated cost of the procurement of LIDAR. The contribution is conditioned upon the other parties approving their respective part of the pricing/project.

President Sampley asked for more explanation of the coverage area. Manager Burns explained that the flight coverage will be between the SCS dams north of Wellington through Timnath and that Timnath is a participant in the project. The contour work will be ordered for the areas requested by the parties, such as Larimer County looking at areas on the Upper Indian Creek reaches. The Authority will get more detailed imaging specifically in the areas where they have projects on Boxelder Creek at CR 56 through east Prospect St. The intent is to use the detailed topographic information when doing benefit cost studies to identify first floor levels and to identify the damages that would occur with flooding in the industrial areas. The project costs are portioned out with NRCS paying for the flight and the respective entities paying for the development of the requested contour information.

Director Lorentzen asked how many acres are being covered. Manager Burns explained that roughly 5 square miles or 3,000 - 4,000 acres will be covered. Director Meline asked if the cost is just for the flight. Manager Burns explained that the cost is for the flight and development of topographic information in some of the areas. He believes that NRCS may develop the maps on a greater part of the areas later on as part of their project to map the breached inundations zones below the SCS dams. Manager Burns explained that topographic mapping has gotten much cheaper because of LIDAR technology. Director Meline asked if there will be future costs associated with mapping different areas. Manager Burns explained that the only additional costs would be materials but that the costs cover the digital map product needed to do the engineering of the 1 foot contour interval with 6 inch uncertainty.

Director Lorentzen asked who is being paid for this information. Manager Burns explained that Ayres is the contractor doing the LIDAR work out of their Wisconsin office.

Director Tucker asked what portion Timnath is paying. Manager Burns explained that each entity is paying for the portion that is within their jurisdiction. Director Lee asked what North Poudre Irrigation Company has signed off on. Manager Burns explained that they signed an agreement with NRCS to sponsor the program to do the dam breach mapping. NRCS has money for a study of the dam breach mapping or the area that would be inundated in the event the SCS dams breach. Manager Burns believes that North Poudre was reluctant to sign on as a sponsor because they were concerned that it might be determined that they were responsible more than they want to be for the maintenance of the SCS structures.

Director Tucker asked why NRCS isn't paying for the project and why the Authority is paying for any of it. Manager Burns explained that NRCS is paying for the project and the Authority is paying for the topographic information in the areas of the Authority projects.

President Sampley and Director Lorentzen explained that NRCS is doing the flights anyway so this way the Authority can take advantage and get the topographic information without having to arrange and pay for flights at a later date. Manager Burns explained that the flight is the expensive part of the project. The development of the topographic information is less expensive and done with computers. President Sampley also explained that the timing is ideal for the flights right now because they want “leaves off” and no snow for the best pictures.

Director Reed asked if the technology is reliable. Manager Burns and President Sampley explained that the technology is very reliable and widely used.

Director Lorentzen moved to approve the \$11,127.00 for LIDAR topographic mapping through Ayres. Director Meline seconded the motion. President Sampley polled the Board. Director Tucker opposed. The motion passed 4 to 1.

10. Adjournment

Director Reed moved to adjourn and Director Meline seconded. President Sampley polled the Board and with all in favor the meeting adjourned at 3:45 pm.

Approved this _____ day of _____, 2011



Coal Creek Flood Mitigation Project Project Status Report

October 27, 2011

Contracts

FEMA / State (DOLA)

- Beginning to compile and document compliance with Mitigations and Stipulations as noted in the FONSI (Finding Of No Significant Impact) from the EA (Environmental Assessment). This will be required for project closeout.
- Next quarterly report and reimbursement request going in by October 21st

Significant Work Tasks

Completed

- Sheet Pile Retaining Wall just west of I-25

Ongoing

- Dredging
- Inlet Canal Excavation - ~ 55% Complete
- Modifications to CDOT Drop Structure
- Rip Rap at East end of Inlet Canal
- Roadway construction around perimeter of Clark Lake

Upcoming

- Clark Lake Spillway Modifications
- Containment berms around oil wells

Budget / Schedule

- Total project cost remains at \$ 5.2 million (includes contingency). All costs are funded.
- **Project progress as of September 30, 2011**
 - Coal Creek construction contract:
 - 75% complete by dollars and
 - 65% complete exclusive of mobilization.
 - Dredging: 134,290 cubic yards or 79% of required removal.
- Unofficial dredging amount as of the week of October 17th is ~156,000 cubic yards.

Key Issues

- Nothing significant

Boxelder Basin Regional Stormwater Authority

Project Funding and Timing Scenarios

Executive Summary

Local Government Solutions, LLC

October 2011

Local Government Solutions, LLC (LGS) was directed to construct models representing various scenarios for financing and timing of the Authority's remaining projects. The following report outlines the results of that study and discusses policy issues that will need to be addressed before a financial plan is prepared. For purposes of the discussion below – the Eastside Storage Project is referred to as ESS, and the Middle Basin Project is referred to as MBI.

The Financial Scenarios:

The Board of Directors of the Authority requested that eight scenarios be addressed. These represent all combinations of the alternatives involving whether or not Timnath will participate, whether or not debt financing will be utilized, and whether or not a second PDM grant is awarded. The eight financial scenarios can be logically placed in two groups – those which involve debt financing, and those which do not, since these two groups are very different in their implications for timing and sequencing of improvements. For each group, scenarios were considered which took into account whether or not Timnath participates, and whether or not a grant is awarded. Thus a total of eight financial scenarios were investigated.

Purpose of Study

This study is to be used only to compare the timing and relative cost of the several scenarios on a consistent basis, using consistent assumptions about costs, interest rates, and participation by the Town of Timnath. This study is not intended to be used for the purpose of setting a base rate for assessment of fees by the Authority. The final configuration of the improvements is not known at this time. The study is therefore based on an assumed configuration of improvements. Assumptions about costs used herein are based on the best available information currently available, but as further engineering is conducted these costs may change either upward or downward.

Assumed Project Configuration:

Hydrologic modeling conducted by Ayres Associates shows that as the volume of storage in ESS increases, the residual peak flood flow downstream decreases. Analysis of Middle Basin Improvements

conducted by Ayres has shown that as the residual flow downstream is decreased, the cost of the Middle Basin improvements is considerably reduced. In the event Timnath chooses to participate financially in the cost of Authority improvements, the residual flow will have to be considerably lessened to meet their needs. For this reason, a larger cost figure is used for the ESS for those scenarios in which Timnath participates. Correspondingly, a smaller cost figure is used for the Middle Basin improvements for scenarios assuming participation by Timnath.

Financial Assumptions:

Assumptions are critical to any financial model. Of particular importance are those regarding the rate of interest on debt, the rate of interest on invested funds and the rate of inflation in the cost of construction – particularly for the models which assume that no debt is issued. All of the scenarios were modeled with the same financial assumptions. The following table gives the financial assumptions used:

<u>Factor</u>	<u>Annual percentage</u>
Interest on invested funds	0.10
Inflation in construction costs	3.18
Interest on debt	4.50
Annual growth in Authority revenue	1.00

An additional assumption involves the dollar amount of participation by Timnath. This has been approached initially by approximating the additional cost incurred by the Authority to size East Side Storage to meet Timnath’s needs, or roughly \$4 million in present value funds. That amount is consistent with early discussions with Timnath’s representative.

Length of Fees

For all the scenarios, particularly the no debt scenarios, there is a direct tradeoff between number of years fees are assessed, and the annual revenue requirements, given a fixed construction cost. Put simply, with fixed costs, a higher annual revenue would accommodate a shorter period of fees. This matter was addressed as follows: For those scenarios involving debt, the period of indebtedness was set at 20 years after the issuance of debt. Thus, the period during which fees would be assessed in those scenarios was 20 years plus the time before the debt is issued. In order to achieve a like comparison, the same period was used for analogous scenarios without debt.

Assumed Cost of Tasks and Projects

The following is a compilation of costs that were applied consistently throughout the models, excepting that costs occurring later than five years from present were adjusted for inflation.

Coal Creek LOMR	\$35k
ESS Storage Right of Way	\$2 million

ESS Design	\$650 thousand
ESS Permitting (over three years)	\$1 million
ESS Construction (used for scenarios with Timnath)	\$8 million
MBI Right of Way	\$450 thousand
MBI Design	\$440 thousand
ESS Construction (without Timnath participating)	\$5 million
ESS Construction (w Timnath participating)	\$4 million
East Side CLOMR	\$180 thousand
B/C analysis for grant application	\$60 thousand
MBI Construction (with Timnath participating)	\$2 million
MBI Construction (without Timnath participating)	\$4 million

It is important to note that the amounts used for costs of construction are based on best available information. At this time, the only estimate available for the cost of the Middle Basin improvements is that contained in the Boxelder Creek Regional Master Plan, PBS&J, 2006. In that study, the cost of the Middle Basin Improvement was estimated at \$2.5 million and the cost of the Larimer-Weld Boxelder Crossing was \$1.5 million. Since the configuration, sizing and even location of the improvements as they will finally be constructed is not known at this time, the results of this study can only be used to compare among scenarios. Every effort has been used to provide a consistent and meaningful comparison among alternatives. The results are not intended to be used nor can they be used to estimate Authority revenue requirements.

Timing of Tasks

For reasons of efficiency and process, several tasks should be accomplished in close succession. These include first finalizing the configuration of ESS and downstream improvements. When the configuration is known, the final peak flow figures can be calculated, and revised flood profiles produced. The revised flood profiles will then be used to compute benefits to existing structures being removed or partially removed from the floodplain. In fall, 2013 the information thus produced will be incorporated into an application for a second FEMA grant.

Financial Scenarios

Eight scenarios were examined based on alternatives involving three events. These are – Issuance or non issuance of Debt by the Authority – participation or non participation by the Town of Timnath, and whether or not a second PDM grant is awarded.

Discussion About Debt:

Although municipal bond debt can be issued for a period of ten, fifteen or twenty years, it is most often issued for a period of 20 years, and if an issue were packaged and resold by an underwriter as a larger issue, it would have to be a 20 year issue. Without participation by Timnath, a debt issue would be necessary in 2012 to move forward with the planned timing and sequencing of tasks leading to a grant application in fall, 2013. With participation by Timnath, debt would not have to be issued until 2014.

Municipal bond underwriters generally limit the amount of debt that an organization can issue by requiring some amount of “coverage”, which means that the initial annual revenue must be greater than the annual debt service by a certain amount. Underwriters may also require a reserve fund that is set aside to pay debt service if sufficient revenue is not forthcoming. In the likely event that an underwriter requires a certain amount of coverage, the money collected is not lost and it can be used for debt service payments in later years of the debt period. In this study, the with debt scenarios models do not reflect such a requirement. In effect, any reserve requirement would lessen the amount of interest paid over the debt service period, thus lessening the total amount of fees paid, and making the “with debt” alternative appear more favorable. Stated differently, the models are conservative because they represent a worst case for the cost of interest on the debt.

Initial Annual Authority Revenue Requirements

The following table gives the initial annual Authority revenue requirement for each of the eight respective scenarios based on the models described above:

	With Timnath*	
	<u>With Debt</u>	<u>Without Debt</u>
With PDM Grant	\$615k	\$660k
Without PDM Grant	\$845k	\$870k
	Without Timnath	
	<u>With Debt</u>	<u>Without Debt</u>
With PDM Grant	\$850k	\$895k
Without PDM Grant	\$985k	\$1040k

*With Timnath ESS cost of \$8 million and a \$4 million contribution from Timnath

Total Service Fees Paid:

A computation of total service fees that would be paid from 2012 until all the costs were paid was made for each scenario. The following table contrasts the fees paid for equivalent alternatives with debt and

without debt. Note that the periods of fee payment for scenarios with and without debt were the same for each equivalent case to allow a fair comparison.

With Timnath		
	<u>With Debt</u>	<u>Without Debt</u>
With PDM Grant	\$15,816	\$16,151
Without PDM Grant	\$20,678	\$21,290
Without Timnath		
	<u>With Debt</u>	<u>Without Debt</u>
With PDM Grant	\$19,753	\$20,799
Without PDM Grant	\$22,891	\$24,169

***With Timnath assume ESS cost of \$8 million and a \$4 million contribution from Timnath**

Since there is no way to foretell whether a second PDM grant will be awarded, the Authority Board must initially assume that a grant will not be awarded.

Sensitivity to Rate of Growth in Revenue:

One assumption which strongly affects results of modeling is the annual rate of growth in fee revenue. To give an idea of the effect of this assumption, a sensitivity study was conducted with varying levels of annual growth in fee revenue. The scenario with Timnath, with debt and with grant when modeled with 3 percent annual growth had an initial annual revenue requirement of \$490k as opposed to \$615 when the annual rate of growth was 1 percent. The total fees paid went from \$15,816 to \$15,902.

Conclusions

Several conclusions were reached concerning the scenarios.

1. The without debt scenarios would considerably delay construction of the improvements, depending on the fee levels.
2. Participation by Timnath would increase project benefits by lessening damages to currently improved properties south of Prospect and east of I-25.
3. Other considerations with “pay as you go” scenarios involve the difficulty of “operating” the Authority while funds are accumulating, then resuming administrative activities upon collection of sufficient funds.
4. The without debt scenarios have much greater uncertainty due to uncertainty in the cost of construction and amount of interest on accumulated funds. Cash financing does not work well for upstream projects where the entire project must be complete for it to be functional. This

means that funds must be accumulated until there is sufficient money to build the entire project.

5. Once studies demonstrate that a site is viable, it is important that land for a facility be purchased or secured soon after, since the land may not continue to be available. The “no debt” scenarios would delay the purchase of land until cash is available.
6. The debt versus without debt scenarios are quite dissimilar in terms of timing of improvement construction. The need to delay construction of improvements until funding is available for the no-debt scenarios not only delays construction of the projects, but also would introduce inefficiencies related to prolonged administrative costs and loss of original project intent and opportunity.
7. Participation by Timnath would help enormously in the early years with cash flow. To meet Timnath’s needs, only Eastside Storage is needed, although its size must be maximized. The Middle Basin Project does not affect flood flow reaching Timnath
8. Given rules set up by FEMA, a PDM grant request must include construction of the MBI project. This is because the benefits that are recognized by FEMA are dependent on mitigation of damages to structures which only occurs with completion of the Middle Basin Improvements.

Recommendation:

The combination of alternatives having the lowest annual revenue requirement and the lowest total service fees over the period of fee payment in 2012 and after is the combination in which **debt is issued, Timnath participates, and a second PDM grant is awarded**. While the grant award is not certain, this combination of circumstances and associated sequencing and timing of tasks will strengthen and maximize the Authority’s chances of a second PDM Grant award.



ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Boxelder Basin Regional Stormwater Authority
Wellington, CO

We have compiled the accompanying governmental fund balance sheet of Boxelder Basin Regional Stormwater Authority (the Authority) as of September 30, 2011 and the related statement of governmental fund revenues, expenditures and changes in fund balance for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Authority is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Authority, in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has not presented a statement of net assets or statement of activities, which are required to present a complete set of financial statements in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Management has not presented the management's discussion and analysis information that the governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements. Management does not require complete financial statements to manage the affairs of the Authority on a monthly basis and has determined not to include the above statements, footnote disclosures and management's discussion and analysis. Consequently, as presented, the financial statements are not in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information, on pages 3 through 4, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

The supplementary schedule of changes in cash position information, on page 5, is not a required part of the basic financial statements. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

We are not independent with respect to the Boxelder Basin Regional Stormwater Authority.

Rickards & Company, LLP

Rickards & Company, LLP

October 20, 2011

Boxelder Basin Regional Stormwater Authority
 Governmental Fund Balance Sheet
 As of September 30, 2011

	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Deposits and Investments			
First National Bank	\$ 146,732	\$ -	\$ 146,732
Points West Community Bank	242,229	-	242,229
COLO Trust	527,624	-	527,624
Interfund receivable	-	550,129	550,129
Prepaid items	1,915	-	1,915
	<u>918,500</u>	<u>550,129</u>	<u>1,468,629</u>
Total Assets	<u>\$ 918,500</u>	<u>\$ 550,129</u>	<u>\$ 1,468,629</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities			
Accounts payable	\$ 9,047	\$ 17,524	\$ 26,571
Interfund payable	550,129	-	550,129
	<u>559,176</u>	<u>17,524</u>	<u>576,700</u>
Total Liabilities	<u>559,176</u>	<u>17,524</u>	<u>576,700</u>
 Fund Balances			
Assigned	-	532,605	532,605
Unassigned	359,324	-	359,324
	<u>359,324</u>	<u>532,605</u>	<u>891,929</u>
Total Fund Balances	<u>359,324</u>	<u>532,605</u>	<u>891,929</u>
Total Liabilities and Fund Balances	<u>\$ 918,500</u>	<u>\$ 550,129</u>	<u>\$ 1,468,629</u>

See accountant's compilation report

Supplementary Information

Boxelder Basin Regional Stormwater Authority
 Budgetary Comparison Information
 January 1 through September 30, 2011

General Fund	2010 Audited Actual	2011 Adopted Budget	2011 Revised Budget	Actual Through 9/30/2011	Budget through 9/30/2011	Variance through 9/30/2011	% Budget through 9/30/2011	2012 Adopted Budget
Revenues								
Fee revenue	\$ 491,380	\$ 800,000	\$ 800,000	\$ 457,626	\$ 600,000	\$ (142,374)	76.27%	\$ -
Interest and other Income	1,581	5,000	5,000	1,144	3,750	(2,606)	30.51%	-
Total Revenue	492,961	805,000	805,000	458,770	603,750	(144,980)	75.99%	-
Expenditures								
Accounting	6,911	8,000	8,000	5,173	6,000	(827)	86.22%	-
Audit	5,376	6,000	6,000	5,724	4,500	1,224	127.20%	-
Board Meeting Costs	-	1,000	1,000	-	750	(750)	0.00%	-
Insurance	2,576	2,000	2,000	1,786	1,500	286	119.07%	-
Legal	4,830	10,000	10,000	5,490	7,500	(2,010)	73.20%	-
Management	68,779	70,000	70,000	51,671	52,500	(829)	98.42%	-
Billing Database	-	-	-	6,149	-	6,149	100.00%	-
Financial Modeling	-	-	-	8,330	-	8,330	100.00%	-
Office and Other	2,306	2,500	2,500	2,044	1,875	169	109.01%	-
Web Site and Public outreach	3,450	6,000	6,000	2,237	4,500	(2,263)	49.71%	-
Engineering	14,651	-	-	13,516	-	13,516	100.00%	-
Service Area Rate Study	67,775	-	-	-	-	-	0.00%	-
Transfer to capital projects fund	316,000	691,500	691,500	-	518,625	(518,625)	0.00%	-
Contingency	-	8,000	8,000	-	6,000	(6,000)	0.00%	-
Total Operating Expenditures	492,654	805,000	805,000	102,120	603,750	(501,630)	16.91%	-
Revenues over (Under) exp	307	0	0	356,650	-	356,650	100.00%	-
Beginning Fund Balance	2,367	2,448	2,448	2,674	2,448	-	109.24%	-
Ending Fund Balance	\$ 2,674	\$ 2,448	\$ 2,448	\$ 359,324	\$ 2,448	\$ 356,650	14678.28%	\$ -

See accountant's compilaton report

Boxelder Basin Regional Stormwater Authority
 Budgetary Comparison Information
 January 1 through September 30, 2011

Capital Projects Fund	2010 Audited Actual	2011 Adopted Budget	2011 Revised Budget	Actual Through 9/30/2011	Budget through 9/30/2011	Variance through 9/30/2011	% Budget through 9/30/2011	2012 Adopted Budget
Revenues								
System Development Fees	\$ 14,510	\$ 25,000	\$ 25,000	\$ 58,207	\$ 18,750	\$ 39,457	310.44%	\$ -
Transfers in from General Fund	316,000	691,250	691,250	-	518,438	(518,438)	0.00%	-
Loan Proceeds	-	50,000	50,000	-	37,500	(37,500)	0.00%	-
Total Revenues	330,510	766,250	766,250	58,207	574,688	(516,481)	10.13%	-
Expenditures								
Coal Creek Project								
Non grant reimbursable expenses	65,908	500,000	650,000	1,864	487,500	(485,636)	0.38%	-
Project Management	1,716	2,000	2,000	-	1,500	(1,500)	0.00%	-
Intergovernmental	289,742	-	-	-	-	-	0.00%	-
East Side Floodwater Facility								
Engineering	29,237	150,000	150,000	61,738	112,500	(50,762)	54.88%	-
Legal and Right of Way	-	50,000	50,000	-	37,500	(37,500)	0.00%	-
Project Management	1,864	10,000	10,000	497	7,500	(7,003)	6.63%	-
Contingency	-	-	-	-	-	-	0.00%	-
Total Expenditures	388,467	712,000	862,000	64,099	646,500	(582,401)	9.92%	-
Revenues over (under) Exp	(57,957)	54,250	(95,750)	(5,892)	(71,813)	(198,000)	8.21%	-
Beginning Fund Balance	596,454	682,294	682,294	538,497	682,294	-	78.92%	-
Ending Fund Balance	\$ 538,497	\$ 736,544	\$ 586,544	\$ 532,605	\$ 610,482	\$ (198,000)	87.24%	\$ -

See accountant's compilaton report

Boxelder Basin Regional Stormwater Authority

Supplementary Schedule of Changes in Cash Position
for the period August 31, 2011 to September 30, 2011

<u>First National Bank</u>	
Balance as of August 31, 2011	\$ 160,021.60
Gregory A. White, Attorney	(1,485.00)
Rickards & Company LLP	(511.00)
Poysti & Adams	(682.98)
Local Government Solutions, LLC	(10,610.13)
Balance as of September 30, 2011	<u>\$ 146,732.49</u>
 <u>Points West Community Bank</u>	
Balance as of August 31, 2011	\$ 242,015.17
Interest Earned	213.50
Balance as of September 30, 2011	<u>\$ 242,228.67</u>
 <u>COLO Trust</u>	
Balance as of August 31, 2011	\$ 527,591.45
Interest Earned	32.74
Balance as of September 30, 2011	<u>\$ 527,624.19</u>
 <i>Total Cash Balance as of September 30, 2011</i>	 <u><u>\$ 916,585.35</u></u>

See accountant's compilation report

Boxelder Basin Regional Stormwater Authority
P.O. Box 1091
Wellington, CO 80549

Date: October 27, 2011

Claims made for September 30, 2011, goods and services

<u>Check #</u>	<u>Name</u>	<u>Amount</u>
121	Ayers	\$ 17,027.72
123	Gregory A. White, Attorney	225.00
124	Rickards & Company, LLP	511.00
125	CSU Meat Judging Team	225.00
126	Local Government Solutions, LLC	8,583.06
		<u>\$ 26,571.78</u>

Approved for payment:

This scenario assumes current revenue from fees plus growth and inflation. PDM Grant.

Projects Completed in 2029.

Repayment of loan from IGA governments

		<i>Interest on inv</i>	0.1%
<i>Debt Interest Rate</i>	0.045	<i>ESS Cost PV</i>	\$ 8,000,000
<i>Beginning Annual Service Fee Revenue</i>	660	<i>Mid Bas Cost PV</i>	\$ 2,000,000
<i>Annual Increase in Revenue</i>	1.00%	<i>App cons cost</i>	3.18%
<i>Annual Debt Service</i>	\$0.00		

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Balance		\$60	\$649	\$1,246	\$1,931	\$624	\$877	\$1,538	\$2,207	\$2,884	\$3,569	\$4,138	\$4,764	\$5,398	\$9,041	\$11,306	\$13,295	\$13,744	\$1,251	\$1,955
Revenue																				
PDM Grant														3,000						
Timnath															2,000	2000				
Interest on Invested Funds		0	1	1	2	1	1	2	2	3	4	4	5	5	9	11	13	14	1	2
Service Fee Revenue		660	667	673	680	687	694	701	708	715	722	729	736	744	751	759	766	774	782	789
Impact Fee Revenue		30	30	31	31	31	32	32	32	32	33	33	33	34	34	34	35	35	36	36
Total Revenue		690	698	705	713	719	726	734	742	750	758	766	775	3,783	2,794	2,804	814	823	818	827
Expense																				
Authority Management		100	100	15	15	15	15	15	15	15	140	140	140	140	140	\$15	\$ 15.00	15	15	15
Finish Refine Master Plan	100																			
Coal Creek LOMR																40				
Purchase ROW for East Side Storage					2000															
Hydraulic Studies of Lower Basin																	85			
B/C Studies for PDM II																	50			
PDM II Application																	30			
Purchase Right of Way for Middle Basin Imps						400														
Final Design of Imps																				
Permitting															300	400	300			
CLOMR East Side Storage																185				
Purchase ROW for Middle Basin																				
Transfer to Operation, Maintenance & Replacement Reserve		1	1	5	5	50	50	50	50	50	50				50	50	50	100	100	100
Construct East Side Storage																		13,201		
Construct Middle Basin																				
Repay Loan to IGA Entities																				
Total Expenditures		101	101	20	2,020	465	65	65	65	65	190	140	140	140	530	815	365	13,316	115	115
Ending Balance		649	1,246	1,931	624	877	1,538	2,207	2,884	3,569	4,138	4,764	5,398	9,041	11,306	13,295	13,744	1,251	1,955	2,667
Maintenance and Replacement Fund																				
Beginning Balance		-	-	-	-	-	45	90	135	180	225	270	315	410	505	600	645	690	785	880
Revenue		1	1	5	5	50	50	50	50	50	50	50	100	100	100	50	50	100	100	100
Expenses		1	1	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Ending Balance		\$0	\$0	\$0	\$0	\$45	\$90	\$135	\$180	\$225	\$270	\$315	\$410	\$505	\$600	\$645	\$690	\$785	\$880	\$975

BOXELDER BASIN REGIONAL STORMWATER AUTHORITY

P.O. Box 1091
Wellington, CO 80549

Manager's Activity Report

Board of Directors Meeting – October 27, 2011

1. Public Relations Activities

LGS continues to produce a monthly newsletter going out to individuals who have subscribed through the Authority website. The newsletter is sent by a subcontractor on the first day of each month. We have also begun sending agendas for all Board meetings and work sessions to the subscriber list. The monthly packet of materials relating to Board of Director's meetings is being placed on the website.

2. Authority Fee Structure Development

This activity has been given a lower priority since Greg White gave us his opinion that the Authority could bill stormwater fees for the unincorporated area in early 2012 using the County's previous fee schedule. This is necessary since it appears that a revision to the IGA will not be forthcoming until late in 2011, or early 2012, not in time to allow it to be used for fees being billed in January 2012.

Upon adoption of an Authority fee structure by the Board of Directors, the fee structure will be used to correlate revenue with base rate. For this purpose LGS has obtained a listing of all properties in the Service Area in a form which allows segregation of the information by jurisdiction, so that when a revised Authority Fee structure has been adopted, the database can be used to compute the revenue which would result from various base rate levels and invoice the amounts owing from each of the three jurisdictions.

3. Authority Billing Preparation

LGS continues to develop a database for billing properties in the unincorporated parts of the Service Area. The data has been loaded into a new database. The new database will utilize Quickbooks and Microsoft Access. Lisa is currently working on Access to

- Develop the tables and forms needed to generate invoices
- Also working on the user interface

This work is necessary and needed to prepare for the actual billing to be done in January. It will be available to whomever the Board of Directors hires to do the billing.

3. East Side Floodwater Storage Project Development

Ayres' studies have shown that if ESS could be constructed to hold a greater volume of floodwater, The additional storage would further reduce downstream residual flows which would be necessary to

meet the needs of the Town of Timnath. Since the City of Thornton has initially at least declined to negotiate on the sale of property they own north of County Road 54, LGS met with Ayres Associates to determine if any other sites appeared feasible.

5. Financial Management Scenarios

At the request of the Board of Directors, LGS has developed financial models representing eight scenarios for financing and constructing the remaining projects. This required development of a sequencing plan for tasks leading to and including construction of the projects, and the construction of the eight models. The sequencing plan was developed in consultation with Ayres Engineers who gave recommendations on grant strategy, cost and timing of construction. The models are now complete and a report has been prepared after review by City of Fort Collins staff and County staff. The final report recommends the use of debt financing since it is show to be less expensive to fee payers than all the other alternatives, including the no debt or pay as you go scenarios.

6. Negotiations with Timnath

LGS continues to keep Timnath's contract engineer up to date regarding our work on a financial plan/timeline. LGS also remains in contact with Timnath's representative. Very recently the City of Fort Collins supplied their requirements for a partial opening of the culverts under I-25 ¼ mile south of East Highway 14. This partial opening, in addition to a further reduction in peak flood flow due to a larger sizing of Eastside Storage will meet Timnath's needs for 6 arterial crossings of the flood flow through and downstream of the intersection of County Roads 5 and 40. The Timnath representative has said that a decision must be made soon, due to the needs of those downstream on the drainage system.