

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
MARY'S GLACIER WATER AND SANITATION DISTRICT
HELD
December 19, 2018

A special meeting of the Board of Directors of the ST. MARY'S GLACIER WATER AND SANITATION DISTRICT (referred to hereafter as the "Board") was convened on Wednesday, the 19th day of December 2018, at 6:00 P.M., at Alice School House, 271 Silver Creek Road, Idaho Springs, Colorado, 80452.

ATTENDANCE

Directors in Attendance Were:

Bruce Hohne, President/Secretary
Ray Hodge, Treasurer (arrived at 7:15)
Glenn Clark, Secretary
Peter Hansen, Assistant Secretary

Also, in Attendance Were:

Peggy Dowswell and Traci Miller; Pinnacle Consulting Group, Inc.
Colin Mielke; Seter & Vander Wall, P.C.
Chris Oeland; St. Mary's District Employee
Gabrielle Begeman; ORC Water Professionals
Bob Orsatti; TZA Water Engineers

David and Suzi Miller, and Tom Meyers; St. Mary's Glacier Community Members

Director Hohne called the meeting to order at 6:27 P.M.

Director Hohne confirmed that a quorum of the Board was present.

DISCLOSURE MATTERS

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member affirmed their conflicts of interest, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

ADMINISTRATIVE MATTERS

Agenda: A proposed agenda for the special meeting was distributed for the Board's review and approval. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Hansen and, upon vote, unanimously carried, the agenda was approved as presented.

Public Comments: Director Hohne opened the meeting for public comment. Ms. Suzi Miller inquired about when the billing cycle would change to monthly invoices. Ms. Dowswell reported that the District will begin billing monthly in January 2019, and the invoices are due within 60 days. Mr. Tom Meyers asked if the Availability of Service Fee will raise again in the foreseeable future. The history of the Availability of Service Fee was discussed and the increases that had been discussed at previous meetings were confirmed, noting that the increase to the Availability of Service Fee, combined with the water and sewer fees, will commence in January 2019 are anticipated to produce enough revenue to cover the annual repayment of the \$3 million-dollar loan related to water infrastructure. The fees are revisited annually in connection with the budget discussion. There being no further comments made by the community members present, Director Hohne closed the public comment period.

FINANCIAL
MATTERS

Review and Consideration of Payables: Ms. Dowswell reviewed claims for the period ending November 30, 2018 totaling \$49,828.78.

Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Hansen and, upon vote unanimously carried, the Board ratified the claims for the period ending November 30, 2018 totaling \$49,828.78.

DISTRICT
MANAGER ITEMS

Presentation by TZA on Water System Improvements: Mr. Orsatti reviewed the construction cost estimate worksheet with the Board and noted that the first priority is expected to be re-drilling well #3. Ms. Begeman agreed that a third source of water is necessary for the system. Mr. Orsatti then noted that addressing the ground water under direct influence (GWUDI) concerns is expected to be the second priority. A transmission main line is anticipated to be constructed to connect well #1, well #3, and the storage tanks. There are not anticipated to be any customer taps in this line, which will decrease the pressure zones. Mr. Orsatti noted that project design will commence in January 2019. It is anticipated that the re-drilling of well #3 will occur in April, with the other projects beginning in June. Mr. Orsatti and Ms. Begeman reiterated that consistent re-evaluation will be necessary throughout the entire project. The total construction timeline is expected to be two years, into late 2020.

Consideration of TZA Task Order: Mr. Orsatti presented TZA Amendment #2 to increase the scope of work to include activities necessary for the water system project. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Hansen and, upon vote unanimously carried, the Board approved the TZA Amendment #2.

ORC's Report: Ms. Dowswell reviewed the written ORC report prepared by ORC Water Professionals. Ms. Begeman noted that lead and copper samplings have been completed per state regulations and noted that the District is prone to problems associated with lead and copper. Copper exceeded the acceptable level determined

by the State. The District will issue a public notice to all property owners to notify them of the issue. The ORC and district staff will add chemicals to the water that will coat the pipes and help reduce copper levels in the water.

Manager's Report: Ms. Dowswell reviewed the Manager's Report and answered questions. Ms. Dowswell noted that there is a 3% convenience charge for customers to pay their bills using a credit card on Bill.com. It was the consensus of the Board to allow customers to use credit cards, with the 3% convenience charge being added to their bill.

LEGAL MATTERS

Consideration and Approval of Resolution and Loan Agreement between the Colorado Water Resources and Power Development Authority and the District, acting by and through its Water and Wastewater Activity Enterprise, and the issuance of a Governmental Agency Bond in the approximated principal amount of \$3,000,000, all for the purpose of financing the acquisition, construction, improvement and completion of certain water and wastewater facilities: Mr. Mielke reviewed the loan documents in detail with the Board. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Hansen and, upon vote unanimously carried, the Board approved the Resolution and Loan Agreement between the Colorado Water Resources and Power Development Authority and the District, acting by and through its Water and Wastewater Activity Enterprise, and the issuance of a Governmental Agency Bond in the approximate principal amount of \$3,000,000, all for the purpose of financing the acquisition, construction, improvement and completion of certain water and wastewater facilities, with closing on the Loan scheduled for December 27, 2018.

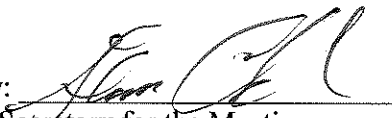
Discussion Regarding Potential Donation of Lot 150 to the District: Mr. Mielke informed the Board that the owners of Lot 150 would like to donate their property to the District, informed the Board of the process and costs that would be associated with accepting the donation. Due to the timeline and costs involved, it was the consensus of the Board to not accept the donation of Lot 150 to the District at this time.

DIRECTORS
MATTERS

There were no Director Matters brought before the Board.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:47 p.m.

By: 
Secretary for the Meeting