

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE ST. MARY'S GLACIER WATER AND SANITATION DISTRICT HELD MONDAY, FEBRUARY 25, 2019

A regular 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 Monday, the 25th day of February 2019, 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
Glenn Clark, Secretary

Also, in Attendance Were:

Peggy Dowswell, Molly Janzen, and Traci Miller; Pinnacle Consulting Group, Inc.
Colin B. Mielke; Seter & Vander Wall, P.C.
Chris Oeland; St. Mary's Glacier Water and Sanitation District Employee
Bob Orsatti*; Lamp Rynearson (TZA Water Engineers)
Bart Bockman, Tom Meyers, Marc Lamoureux, Beth Ramsey, Derek Barnes, Karl Altenbernd, Mike Ryan, and Tunie and Rene Ortega; St. Mary's Glacier Community Members.

[*Departed meeting where indicated]

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

Director Hohne called the meeting to order at 6:08 P.M.

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: Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote, unanimously carried, the agenda was approved as presented.

Appointment of Board Members: Mr. Mielke reported that his office received emails from three constituents who are interested in serving on the Board and that two vacancies exist on the Board. Mr. Mielke explained that historically the District has posted a notice of vacancy in the boundaries of the District and on the District's website asking interested persons to submit a letter of interest to the Board, as well as attend a Board meeting in order to introduce themselves. The Board directed Pinnacle Consulting Group, Inc. to

prepare and post a notice of vacancy calling for interested candidates to submit their letter of interest and, if available, attend the March 25, 2019 Regular Board Meeting.

Director Hohne reported to the Board and community audience that the District was notified by the Colorado Water Resources and Power Development Authority on February 15, 2019 that the State Revolving Fund Committee reviewed the remaining 2018 Capitalization Grant funds for principal forgiveness and awarded St. Mary's Glacier Water and Sanitation District \$1,200,000 of principal forgiveness. The outstanding principal balance was reduced from \$3,000,000 to \$1,800,000.

Public Comments: Director Hohne opened the meeting for public comment.

Mr. Tom Meyers addressed the Board and asked for increased communication when there are line breaks or needed repairs so that the Metro District can plan accordingly.

Ms. Beth Ramsey reported that the Energy/Mineral Impact Assistance Fund Grant is a state funded, matching grant program that is currently accepting applications. Ms. Ramsey reported that she believes that the District meets the eligibility criteria for the grant. There are two levels of grant assistance available. The first tier encompasses entities that request less than \$200,000 in assistance, and requires an application to be submitted prior to April 1, 2019. The second tier encompasses entities that request up to \$1,000,000 in grant funding, and requires an application to be submitted by August 1, 2019 along with a presentation to the Energy & Mineral Impact Fund Advisory Committee. The Board thanked Ms. Ramsey and directed her to set up a conference call with Pinnacle Consulting Group, Inc. and Lamp Rynearson to discuss pursuing the grant.

There being no further comments made by the community members present, Director Hohne closed the public comment period.

Minutes: The Board reviewed the minutes of the January 28, 2019 regular meeting of the Board of Directors. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark, the Board approved the minutes of the January 28, 2019 regular meeting of the Board of Directors as presented.

FINANCIAL
MATTERS

Review and Consideration of Payables: Ms. Janzen reviewed claims for the period ending February 25, 2019 totaling \$44,407.96.

Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote unanimously carried, the Board ratified the EFT payments and the claims for the period ending February 25, 2019 totaling \$44,407.96.

Review and Consideration of Financial Statements: Ms. Janzen reviewed the financial statements for the period ending December 31, 2018. Ms. Janzen reported that the District is no longer experiencing cash flow issues, and all bills are able to be paid in a timely manner. Ms. Janzen reported that the District is working towards having a three-month operating reserve balance in the enterprise fund account. The amount needed is approximately \$150,000 total and is projected to be established no later than December 2020.

Ms. Janzen reported that due to the \$1.2 million in principal loan forgiveness received by the District, there will not be an enterprise fund transfer to debt service fund in 2019. Director Hohne inquired about the Availability of Service Fee (AOS) rate, and if it needs to be lowered due to the loan forgiveness. Ms. Dowswell reported that the AOS fee will remain at the current rate at this time and its revenue is being set aside in the debt fund. The AOS rate will be re-evaluated in the fall when the District determines the 2020 Budget.

Mr. Tunie Ortega addressed the Board and stated that he feels it is unfair that the District has increased the rates, considering there is a high rate of accounts that are uncollected each year. Ms. Dowswell explained that the delinquent accounts are not the driving factor for rate increases. The driving factors are costs of service and establishing the three-month operating reserve. Ms. Janzen further reported the District has seen an increase in the collection rate since changing from quarterly billing to monthly billing this year. Ms. Dowswell stated that the District will implement the late fees and interest charges this year according to the District Rules and Regulations. These fees have not been assessed in recent years. Management believes that assessing the fees will encourage property owners to pay their bills in a timely manner, further increasing the collection rate.

Ms. Janzen reported that credit cards are now accepted for payment through the Bill.com system, with the credit card fee being passed through to the payer.

WATER SYSTEM
IMPROVEMENTS
UPDATE

Lamp Rynearson's Report: Mr. Orsatti reported that the final assessment for the wastewater system will be presented to the Board during the regular Board meeting in either March or April. The Board will then have the opportunity to assess all project needs and determine the order of priority.

Mr. Orsatti reported that the re-drill of Well #3 near Stuart Court is moving forward as anticipated. Bidding documents have been released. A pre-bid meeting will be held on March 5, 2019 at 10:00 a.m. at the Alice Schoolhouse for all interested contractors. The formal bid opening will occur at the offices of Lamp Rynearson on March 12, 2019. Mr. Orsatti reported that since federal funding is involved in this project; a public hearing is required for the Drinking Water System Improvements Environmental Assessment. The public hearing is scheduled to be held on Monday, March 25, 2019 at 6:00 p.m. and will explain the project and address concerns from the public. Mr. Orsatti further stated that Lamp Rynearson has received verbal confirmation that Well #3 qualifies for a categorical exclusion, and an environmental impact study will not be required.

Mr. Orsatti reported that Well #1 has been identified as being affected by ground water under direct influence (GWUDI). Mr. Orsatti reported the mixture of chemicals that will be used to treat Well #1, as well as the rationale behind the decision. Mr. Orsatti further stated that they will treat Well #3 in the same manner, and if it is determined not to be GWUDI, the associated costs will be used elsewhere.

Mr. Orsatti reported that Lamp Rynearson is moving forward with the design of the remainder of the water improvement project and will provide documents to the Board when they are available. Mr. Orsatti explained that the project will be broken down into smaller sections so that the Board can decide what projects to pursue. It is anticipated that contracts will be awarded at the June Board Meeting.

*Mr. Orsatti left the meeting at this time.

DISTRICT
MANAGER ITEMS

ORC's Report: Ms. Dowswell reviewed a written ORC's Report with the Board.

Operations Report: Ms. Dowswell reviewed a written Operations Report with the Board.

Manager's Report: Ms. Dowswell reviewed a written manager's report with the Board, noting that the owner of 956 Silver Creek exceeded the 60,000 gallons of water allotment by 106,478 gallons in 2018. Mr. Oeland reported that he attempted to notify the owner several times between October and December to determine the cause of the high-water usage. Mr. Oeland was able to contact the homeowner in January and determined that a leaky toilet was the cause of the high-water usage. The homeowner submitted a written request to the Board requesting an exemption from the overage fee. The Board did not take action and will discuss the matter further in a future meeting.

Ms. Dowswell reported that several emails were received from residents who oppose including a local business owner advertisements with the District's mailed invoices. It was the consensus of the Board to not include advertisements in the District's mailed invoices.

Review and Consideration of 2019 Service Agreement with ORC Water Professionals: Mr. Mielke presented the 2019 Service Agreement with ORC Water Professionals to the Board.

Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote unanimously carried, the Board approved the 2019 Service Agreement with ORC Water Professionals.

LEGAL MATTERS

Discussion Regarding Lot Combination Request for Unit 2, Lots 214 and 215: The Board discussed a request from Karl Altenbernd of Lots 214 and 215, St. Mary's Subdivision Unit 2 to combine the two lots into a single lot, and specifically (1) that the Board waive any objection to the combination of those two lots, and (2) the Board vacate easements that exist between the two lots. Chris Oeland has evaluated this situation in the field and found no issue with allowing Mr. Altenbernd to combine these lots.

Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote unanimously carried, the Board determined that (1) it does not object to the combination of the two lots; and (2) the District agrees to vacate the easement interests it may have solely for the 5-foot side lot utility easements located between the two lots, subject to the combination of those lots being approved and completed by Clear Creek County. Furthermore, the District reserves any easement rights it may have on other areas of the lots, including but not limited to the entirety of the easements along street lot lines, rear lot lines, and other side lot lines for the lots.

Discussion Regarding Lot Combination Request for Unit 2, Lots 159 and 160: The Board discussed a request from Ms. Hanie Kim of Lots 159 and 160, St. Mary's Subdivision Unit 2 to combine the two lots into a single lot, and specifically (1) that the Board waive any objection to the combination of those two lots, and (2) the Board vacate easements

that exist between the two lots. Chris Oeland has evaluated this situation in the field and found no issue with allowing Ms. Kim to combine these lots.

Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote unanimously carried, the Board determined that (1) it does not object to the combination of the two lots; and (2) the District agrees to vacate the easement interests it may have solely for the 5-foot side lot utility easements located between the two lots, subject to the combination of those lots being approved and completed by Clear Creek County. Furthermore, the District reserves any easement rights it may have on other areas of the lots, including but not limited to the entirety of the easements along street lot lines, rear lot lines, and other side lot lines for the lots.

DIRECTORS
MATTERS

Director Clark stated that he is a long-term resident of the St. Mary's community and that he is very committed to ensuring that the needs and priorities of the District are met. Director Clark further suggested that the District should have extra pipe and other necessary materials on hand for needed repairs.

EXECUTIVE
SESSION

There was no Executive Session.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:35 p.m.

By: 
Secretary for the Meeting