

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
THE ST. MARY'S GLACIER WATER AND SANITATION DISTRICT  
HELD  
MONDAY, APRIL 22, 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 22<sup>nd</sup> day of April 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  
Glenn Clark, Treasurer\*  
Frank Brown, Assistant Secretary  
Beth Ramsey, Assistant Secretary

Also, in Attendance Were:

Jim Nikkel; Pinnacle Consulting Group, Inc.  
Peggy Dowswell, Molly Janzen\* and Traci Miller; Pinnacle Consulting Group, Inc.  
(via teleconference)  
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)

[\*Arrived where indicated]

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

Director Hohne called the meeting to order at 6:04 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: Director Hohne proposed removing District 101 presentation from the agenda. Following review and discussion, upon motion duly made by Director Ramsey, seconded by Director Brown and, upon vote, unanimously carried, the agenda was approved as amended.

Minutes: The Board reviewed the minutes of the March 25, 2019 regular meeting of the Board of Directors and the March 31, 2019 special meeting of the Board of Directors. Following review and discussion, upon motion duly made by Director Ramsey, seconded by Director Brown and, upon vote, unanimously carried, the Board

approved the minutes of March 25, 2019 regular meeting of the Board of Directors and the March 31, 2019 special meeting of the Board of Directors, as presented.

\*Director Clark arrived at this time.

Public Comments: Director Hohne opened the meeting for public comment. There were no comments made by the community members present. Director Hohne closed the public comment period.

Director Ramsey inquired about the requirements of the CWRPDA loan and about the amount of money that would be able to be used as matching funds for various grant applications. Ms. Dowswell reiterated that the District will not be able to apply for additional loan funding in 2019 due to the amount of grant money that has already been received and its impact on the District's enterprise status. The Board discussed its enterprise status for future years.

Director Ramsey inquired about the ability of the District to hold a special election in November regarding TABOR issues. Mr. Mielke provided an overview of the election process, including a general estimate of the expenses involved. Director Ramsey volunteered to campaign on behalf of the District to inform the constituents of the District what the issues on the ballot are addressing.

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WATER SYSTEM  
IMPROVEMNTS  
UPDATE

Lamp Rynearson's Report: Mr. Orsatti explained that he and Pinnacle have been working on the pre-qualification form for a potential loan for the wastewater system improvements.

Mr. Orsatti, informed the Board of his request to have Mr. Oeland, District Employee, and Mr. Creazzo, ORC, complete a gate valve assessment project and why the information gathered is important to the first step in identifying areas of potential water leaks.

The Board was informed by Mr. Orsatti that the Environmental Assessment had been finalized, submitted, and accepted.

Mr. Orsatti discussed with the Board certain well house site and encroachments issues.

Mr. Orsatti informed the Board that he is anticipating to have plans and an Engineers Estimate of Probable Costs to the Board at the May meeting with anticipation of bidding the first phase of the water improvements such that construction can start July 1, 2019.

\*Ms. Janzen arrived at this time.

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DISTRICT  
MANAGER ITEMS

ORC's Report: Mr. Nikkel reviewed a written ORC's Report with the Board.

Operations Report: Mr. Oeland discussed recent Operations Report with the Board.

Manager's Report: Mr. Nikkel reviewed a written manager's report with the Board, noting that Directors Ramsey and Brown, as the water project's Design Review Committee, had attended two meetings with Lamp Rynearson. The Design Review

Committee reviewed and advised on design concepts for the proposed well houses, locations of the well houses, locations of emergency generators and their associated fuel tanks, and issues with certain lots and encroachments.

Change in Scope of Work: Mr. Nikkel reviewed the Change in Scope of Work from Pinnacle Consulting Group, Inc. with the Board to include attendance at Water System Design Review Meetings. Following review and discussion, upon motion duly made by Director Ramsey, seconded by Director Brown and, upon vote, with Director Hohne voting “aye” and Director Clark voting “nay”, the Board approved the Change in Scope of Work from Pinnacle Consulting Group, Inc. to include attendance at Water System Design Review Meetings.

May Meeting Date: Mr. Nikkel reported to the Board that the regular meeting in May is currently scheduled to be held on Memorial Day. Following review and discussion, upon motion duly made by Director Ramsey, seconded by Director Brown and, upon vote, unanimously carried, the Board rescheduled the May meeting to be held on Tuesday, May 28<sup>th</sup> at 6:00 p.m.

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FINANCIAL  
ITEMS

Review and Consideration of Payables: Ms. Janzen reviewed with the Board the standard payables process and stated that the District Administrator will email the unpaid bills report, invoices, and budget-to-actual reports to each Board member. Following a 48-hour review period, the Board Treasurer will login to Bill.com and approve the monthly payables if there are no objections from other board members.

Ms. Janzen reviewed with the Board the claims for the period ended April 22, 2019, totaling \$103,748.29.

Following review and discussion, upon motion duly made by Director Brown, seconded by Director Ramsey and, upon vote unanimously carried, the Board ratified the EFT payments and the claims for the period ended April 22, 2019 totaling \$103,748.29.

Review and Consideration of Financial Statements: Ms. Janzen reviewed the financial statements for the period ended March 31, 2019. Ms. Janzen noted that the required three-month operating reserve is increasing steadily and noted that the District may fund this reserve sooner than originally anticipated.

Ms. Janzen reported that the District is continuing to improve its financial health and stated that the Board should be commended for taking the necessary action to facilitate the District’s financial viability. Ms. Janzen informed the Board that the Enterprise Fund’s balance is approximately \$20,000 higher than previously anticipated and that the District’s projected expenditures are lower than originally budgeted.

Following review and discussion, upon motion duly made by Director Brown, seconded by Director Hohne and, upon vote unanimously carried, the Board accepted the financial statements for the period ended March 31, 2019.

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LEGAL MATTERS

Board Member Resignation: Mr. Mielke reported that Director Higgins submitted her letter of resignation to the Board of Directors on April 16, 2019.

Discussion of Delinquent Accounts: Mr. Mielke reported that there are approximately seven to ten accounts that are delinquent and meet the criteria to be foreclosed upon. Mr. Mielke further stated that the process to foreclose a property can be very long and costly. Mr. Mielke recommended that the Board does not foreclose upon the delinquent accounts at this time because the costs to foreclose on the properties would likely exceed the value of the properties and would divert the District's operating revenue during a year with numerous capital projects being completed.

Relinquishment of Tap Rights Agreement: Mr. Mielke reviewed with the Board the Relinquishment of Tap Rights Agreement related to the Buccas' property known as Lot 80, Winterland Subdivision Unit 2. Mr. Mielke explained that the Buccas' contacted the District and requested that the District allow them to relinquish their tap for the property. In exchange, the District ceasing to charge service fees and would charge availability of service fees for the property instead. The Board discussed the circumstances surrounding the request and directed Mr. Mielke to present the agreement to the Buccas for signature. The Board will consider the agreement after it is signed by the Buccas.

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DIRECTORS  
MATTERS

Website, Communication and Proper Notification Procedures: Mr. Nikkel suggested that the Board consider the creation of a website specifically for the District. Director Ramsey stated that the District could set up a website through Rural Water Users for a relatively low fee that includes several features including text messaging and bill pay.

Mr. Nikkel encouraged the Board to refrain from posting information on Facebook because it does not constitute official correspondence from the District and it can create confusion regarding the District's operations.

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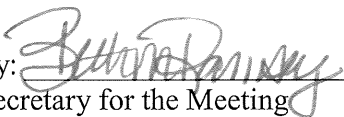
OTHER ITEMS

There were no Other Items brought before the Board.

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ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:32 p.m.

By:   
Secretary for the Meeting