

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF
DIRECTORS OF THE ST. MARY'S GLACIER WATER AND
SANITATION DISTRICT
HELD

Monday, November 18, 2019

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 Monday, the 18th day of November, 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
Jason Yoho, Secretary
Beth Ramsey, Assistant Secretary
Frank Brown, Assistant Secretary

Also, in Attendance Were:

Jim Nikkel and Molly Janzen; 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; Orsatti Water Consultants
Mike Creazzo; ORC Water Professionals
Lyle Riker; St. Mary's Glacier Community Member

Director Hohne called the meeting to order at 6:05 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: Following review and discussion, upon motion duly made by Director Brown, seconded by Director Clark and, upon vote, unanimously carried, the agenda was approved as presented.

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

Public Comments: There was no public comment at this time.

WATER SYSTEMS
IMPROVEMENTS

Lamp Rynearson's Report: No new information was provided from Lamp Rynearson.

Orsatti Water Consultant's Report: Mr. Orsatti reported that he felt the DOLA presentation had gone very smoothly and that the District would see favorable results from its grant application. Mr. Orsatti noted that a second round of flushing is planned for Well No. 3 to remedy turbidity and flow rate issues.

Mr. Orsatti stated that the State is expected to give guidance soon on Optimum Corrosion Control Treatment ("OCCT") requirements and that the State is expected to review construction drawings from the District simultaneously with its OCCT discussions.

Mr. Orsatti confirmed he is drafting a response to the Notice of Non-Compliance received by the State, which will show the District is making progress on reducing water losses.

Mr. Orsatti noted that the District's surveyor has quoted approximately \$9,000 to complete a survey for the proposed acquisition of Lot 70 by the District in exchange for a portion of a District-owned tract of land. The purpose of this exchange is to accommodate the District's planned water infrastructure identified as part of the Water Infrastructure Project.

Mr. Orsatti reiterated his need for Lamp Rynearson to provide him with the Water Improvement Project construction documents so he can re-bid the project. Mr. Nikkel confirmed that DOLA is process a payment request for the remaining amounts owed to Lamp Rynearson, which will facilitate the release of those documents. The Board directed the District's consultants to follow-up on the payments and ensure they are completed as soon as possible.

DISTRICT
MANAGER ITEMS

ORC's Report: Mr. Creazzo distributed and reviewed with the Board the written ORC's report and discussed recent operations. Mr. Creazzo confirmed that new Omnisite radios are being installed to facilitate communication between the District's systems. RAS Pump #2 recently failed, and Mr. Creazzo is obtaining a quote for the repair. Mr. Creazzo confirmed that OCCT tests are in progress.

Operations Report: Mr. Oeland reviewed a written Operations Report with the Board and discussed recent operations. Mr. Oeland confirmed that he completed a recent dig project and that a total of 12 repairs have been made along Silver Creek Road. Mr. Oeland also updated the Board on two frozen service lines that broke and the need for homeowners to request curb stop shutoffs when not using their homes.

Manager's Report: Mr. Nikkel reported that the regular meeting for December is scheduled to be held on the 23rd. The Board determined to hold the meeting as scheduled. Mr. Nikkel commended ORC on an improvement in their services. Mr. Nikkel and the Board discussed curb stop shutoffs, and confirmed that service line maintenance, including thawing of frozen service lines, is the responsibility of property owners. The Board noted that the District could provide the names of a couple contractors that can perform service line thaws that property owners can contact for future service line thaws, and that any thaws previously provided by the District had been a courtesy.

FINANCIAL
ITEMS

Review and Consideration of Payables: Ms. Janzen reviewed with the Board the claims for the period ended November 13, 2019, totaling \$179,303.15. Following review and discussion, upon motion duly made by Director Ramsey, seconded by Director Brown and, upon vote, unanimously carried, the Board approved the EFT payments and the claims for the period ended November 13, 2019, totaling \$179,303.15.

Review and Consideration of September 30, 2019 Financial Statements: Ms. Janzen reviewed with the Board the September 30, 2019 financial statements. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote, unanimously carried, the Board approved the September 30, 2019 financial statements.

Public Hearing to Adopt and/or Increase Fees, Rates, Tolls and Charges, including Availability of Service Fees: Ms. Janzen presented and reviewed with the Board the recommended rate increase for 2020 for water and sewer customers. Director Hohne opened a public hearing regarding proposed increases to the District's fees in order to allow for public comment. The Board discussed with a member of the public the reasoning for the fee increase, stating that water service fees will increase to \$95 per month and sewer service fees will increase to \$95 per month (for a total of \$190 per month, which equals a total \$5 per month

increase). Ms. Janzen and Mr. Mielke confirmed that the District's financial position is stronger than expected a year ago, and therefore the fee increase is lower than projected a year ago. Ms. Janzen confirmed that Availability of Service Fees will be lower in 2020 pursuant to statutory requirements and the resolution adopted by the District in 2016 imposing the Availability of Service Fees. There being no further comments from the public, Director Hohne closed the public hearing.

Consideration of a Resolution to Adopt and/or Increase Fees, Rates, Tolls and Charges, including Availability of Service Fees: Mr. Mielke presented the Board with a Resolution of the St. Mary's Glacier Water and Sanitation District Regarding Water and Wastewater Fees, Rates, Tolls, Penalties, and Charges related to the increase in fees as discussed. Following review and discussion, upon motion duly made by Director Clark, seconded by Director Brown and, upon vote, unanimously carried, the Board approved the Resolution of the St. Mary's Glacier Water and Sanitation District Regarding Water and Wastewater Fees, Rates, Tolls, Penalties, and Charges. The Board directed Mr. Mielke to update the Rules and Regulations of the District accordingly.

Public Hearing to Consider Resolution to Amend the 2019 Budget: Ms. Janzen presented the 2019 draft amended budget, including estimated revenues, expenditures and ending fund balances per the general, enterprise, debt service and capital projects funds. Mr. Nikkel noted that publication of a notice regarding the public hearing for the amended 2019 budget was made in a newspaper having general circulation within the District. Director Hohne opened the public hearing to consider adoption of a Resolution to Amend the 2019 Budget. No written objections or public comments were received prior to the public hearing. There being no comments made by the members of the public in attendance, Director Hohne closed the public hearing.

Following discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2019 Budget.

Public Hearing to Consider Resolution to Adopt the 2020 Budget; Set Mill Levies; and Appropriate Sums of Money: Ms. Janzen presented the 2020 draft budget, including estimated revenues, expenditures and ending fund balances per the general, enterprise, debt service and capital projects funds. Mr. Nikkel noted that publication of a notice regarding the public hearing for the proposed 2020 budget was made in a newspaper having general circulation within the District. Director Hohne opened the public hearing to consider adoption of a Resolution to Adopt the 2020 Budget; Set Mill Levies; and Appropriate Sums of Money. No written objections or public comments were received prior to the public hearing. The Board discussed with the public plans to build financial reserves and funding for preventative maintenance. The Board also discussed researching broadband grant opportunities that could provide cost

savings for the District's excavation activities if water lines are placed within trenches that are excavated for broadband purposes. There being no further public comment, Director Hohne closed the public hearing

Ms. Janzen noted that the proposed budget included a rate increase of \$60/year (\$5/month) to \$2,280 total for those connected to the system, as discussed earlier when the Board considered the resolution to increase District fees. The Board and members of the public further discussed in detail the plans for financing and constructing water and sewer system repairs within the District.

Following discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote, unanimously carried, the Board adopted the Resolution to Adopt the 2020 Budget; Set Mill Levies; and Appropriate Sums of Money, and, further, authorized minor adjustments to the draft budget and Resolution that may be required as a result of the Counties' final Certifications of Assessed Valuation on or before December 10, 2019.

Ms. Janzen was authorized to transmit the Certification of Mill Levies to the Board of County Commissioner of Clear Creek County, the Division of Local Government and the Division of Property Taxation, by the statutory deadline.

Discussion Regarding Receivables and Collections Processes: Ms. Janzen requested the Board's input and direction regarding potential changes to the Rules and Regulations related to due dates and collections processes. Ms. Janzen explained that no accounts were certified with the County in 2019 because collections efforts in 2019 were limited. Ms. Janzen stated that time for the District management team has been budgeted in 2020 to provide quarterly statements to customers. In order to make the process as efficient as possible, Ms. Janzen requested a change to the due date for monthly invoices to 30 days and asked the Board to consider a flat rate late fee rather than a percentage. The Board agreed to change the due date to 30 days and to assess a \$10.00 late fee when payments are not made after a 30-day grace period from the due date. These changes will be effective beginning January 1, 2020.

LEGAL ITEMS

Update Regarding Proposed Easement from Property Owner Adjacent to Well #1: Mr. Orsatti confirmed that the proposed easement to Well #1 has been staked, as requested by Mr. Karoli's attorney. Mr. Mielke reported to the Board that he will inform Mr. Karoli's attorney that the staked easement is ready for inspection.

Update Regarding Notice of Violation for 29 and 31 Eva Road: Mr. Mielke reported that the District's management company reviewed the District's paper files and no further information has been found regarding the circumstances surrounding the service line violation at 29 and 31 Eva

Road. Mr. Mielke stated that the evidence does not support the property owner's contention that the property owner has authorization to connect two buildings on a single service line, but that he will review all the information again and follow up with the Board at a subsequent meeting regarding a final determination.

Consideration of Letter to Property Owner Regarding Tap Application Expiration Date: Mr. Mielke presented a letter to the Board regarding the pending tap application for Lot 39, Winterland Subdivision Unit 2. Mr. Mielke reminded the Board that it approved a request from the prior owner of Lot 39 (Mr. Robert Markey) to extend that property's deadline to connect the property to the District's water and sewer systems until October 31, 2020. Mr. Mielke stated that while researching a separate matter he became aware that Mr. Markey sold Lot 39 shortly after he received the extension, and it is unclear whether Mr. Markey informed the new owners of the deadline. Mr. Mielke noted that the District is not responsible for informing new owners of the deadline, but he recommended sending a letter informing the new owners of the deadline as a courtesy. Mr. Mielke confirmed he will deliver the letter unless there are any objections from board members after their review.

DIRECTORS
ITEMS

Grants Update: Director Ramsey recommended that the Board proceed with a wastewater grant/loan request soon because the process is lengthy. Director Ramsey, Mr. Orsatti, and Mr. Nikkel agreed to meet soon to discuss the submittal process.

Discussion Regarding Lease with St. Mary's Metropolitan District: Director Hohne informed the Board that he has not received an updated Lease Agreement from St. Mary's Metropolitan District.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:27 p.m.

By: 
Secretary for the Meeting