

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

Monday, March 30, 2026

A public 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, March 30, 2026 at 6:00 PM via Google Meet virtual meeting platform.

ATTENDANCE

Directors in Attendance:

Thomas Meyers
Hans Hultgren
Ed Hauschild
Glenn Clark

Directors Absent:

Peter Ward (absence excused)

Also in Attendance:

Russell Newton; Seter, Vander Wall & Mielke, P.C.
Angela Kana-Veydovec, KV Water Engineering
Gabrielle Begeman, ORC Water Professionals
Nickie Holder, NM Holder Financials
Connor McCarty, District Manager
No members of the public.

CALL TO ORDER

The meeting was called to order at approximately 6:03 PM.

It was 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: The Board reviewed the agenda for the meeting, and upon motion made, seconded and unanimously carried, approved the agenda as presented.

Approval of Minutes: The Board reviewed the minutes for the regular meeting held January 26, 2026. After review, and upon motion made, seconded, and unanimously carried, the Board approved the minutes as presented.

FINANCIAL ITEMS

Review Financial Report: The Board reviewed the District's payment of claims reported for January and February of 2026. The Board also reviewed budget vs. actual reports for the District's general, enterprise and capital projects funds. After review, and upon motion made, seconded and unanimously carried, the Board accepted the report as presented.

2022 Audit Corrective and Preventative Action Plan (CAPA): While reviewing materials for the Phase D1 gap funding loan, our loan officer came across a difference of approximately \$187,000 between the audited debt and the amortization schedule for the Phase 2 SRF loan. Upon further investigation, it appears that the financials provided by the accounting firm at the time reset the loan debt back to the original \$1.8M in 2022, despite four years' worth of payments, which was carried over into the 2023 and 2024 audits. After review, and upon motion made, seconded and unanimously carried, the Board approved the 2022 Audit CAPA.

Reconsideration of 2025 Auditor: Due to the previously mentioned issue with the 2022, 2023, and 2024 audits, the District will not be using the same auditor, John Cuter and Associates, for 2025. Lance McMahon provided a Letter of Engagement to complete the 2025 audit. The Board reviewed the letter, and upon motion made, seconded and unanimously carried, accepted the Letter of Engagement.

PUBLIC COMMENT

The Board opened the meeting for public comment. There being no public comment, the public comment period was closed.

DISTRICT OPERATIONS ITEMS

Engineering Report: The District submitted a response to the compliance advisory from November 2025, which focused on the water balance. Original reports with incomplete data showed 50-75% water loss. New data along with AWWA benchmark statistical methods to account for non-reading meters show 10-20% water loss, which is in-line with what the state standards. This could greatly reduce the scope of mandatory capital improvements. We will continue to track these numbers as more meters are replaced.

Quarterly reports were submitted to the drinking water compliance officer.

The District applied for the DOLA Tier 2 application seeking \$1M, but it is unlikely that we will see that full amount given a large applicant pool. There will be a presentation and meeting for that May 5-7 for the District to make their case.

The Phase D1 Project Needs Assessment is nearly complete pending final financial inputs and submission. SRF will review it and likely respond by mid-May.

Ms. Kana-Veydovec also submitted an amendment to Task Order 3, updating the maximum price for General Services and PNA writing, which the Board approved.

ORC Report: Cleanouts were recently installed in the WWTP plumbing to allow for easier access when clogs occurred. Ms. Begemann had very little else to report, which is a positive thing.

District Manager's Report: Mr. McCarty announced his planned time off from April 4 – May 31 and described a coverage plan during that time:

- Seter, Vander Wall and Mielke PC will run the April and May Board meetings.
- Ms. Kana-Veydovec will handle grants, loans, and compliance items.
- Ms. Holder will manage invoices/billing and realty/development questions.
- Mr. Grigsby will run daily operations. He has been given a to-do list of things to complete.
- Ms. Begemann and ORC will be in charge of emergency calls. They will dispatch Mr. Grigsby to respond to the emergencies, report back, and come up with a plan of action to fix the issue.

The tap applications for St. Mary's Unit 3 Lot 385 (701 Alice Rd) and St. Mary's Unit 1 Lot 79 were both approved by the Board.

LEGAL ITEMS

Combination of St. Mary's Unit 2 Lot 260 with 261/262 (405 Alice Rd): The Board reviewed the map for St. Mary's Unit 2 Lot 260 with 261/262. After review, and upon motion made, seconded, and unanimously carried, the Board approved the combination of these lots, vacating the District's easement between them.

Consider Updates to Rules and Regulations – Service Installations, Fee Schedule (including Availability of Service Fee) and Tap Permit Application: Mr. McCarty introduced a comprehensive rewrite of the Rules and Regulations and circulated the draft for review to participants. Specific near-term changes he recommended are:

- Allow only District personnel to excavate in the right-of-way and work on the District's main lines. Penalty for non-compliance is outlined in the new Fee Schedule.
- Add a Right-of-Way Installation Fee of \$6,500 to the Tap Permit to account for the previous point.
- Increase the Availability of Service (AOS) Fee to \$620. The FirstBank Phase D1 gap funding loan will be based on a 10-year amortization schedule, and using the current AOS customer count, FirstBank is requesting a maximum amount of \$420/customer allocated towards their loan. Depending on final loan terms, this amount could be lower.
- Increasing the cost of jetting services, hourly excavation rates, certain penalties, and other minor items.

After review, and upon motion made, seconded, and unanimously carried, the Board approved the near-term changes to the Rules and Regulations. Once the

Board, legal team, and engineering have had a chance to review all the articles, another vote will occur to adopt the full set of changes.

DIRECTOR ITEMS

There were no Director items.

PUBLIC COMMENT

The Board opened the meeting for public comment. There being no public comment, the public comment period was closed.

ADJOURNMENT

There being no further business to come before the Board, and upon motion duly made and unanimously carried, the meeting was adjourned at approximately 7:10 PM.

By:



Secretary