

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

HELD

Monday, September 23, 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 23<sup>rd</sup> day of September 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  
Frank Brown, Assistant Secretary

Directors Absent, but Excused Were:

Beth Ramsey, Assistant Secretary

Also, in Attendance Were:

Jim Nikkel and Traci Miller; Pinnacle Consulting Group, Inc.  
Molly Janzen; 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; Orsatti Water Consultants  
Tom Meyers, Bart Bockman, and Paul and Erin Johnson; St. Mary's Glacier Community Members.

Director Hohne called the meeting to order at 6:02 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: The Board determined to move up the Financial Matters agenda items to earlier in the meeting. 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 amended.

Minutes: The Board reviewed the minutes of the August 26, 2019 regular meeting of the Board of Directors. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Yoho and, upon vote, unanimously carried, the Board approved the minutes of August 26, 2019 regular meeting of the Board of Directors, as presented.

Public Comments: Director Hohne opened the meeting for public comment. Ms. Johnson addressed the Board regarding the incident that occurred on July 3<sup>rd</sup> involving the District employee. The Board informed Ms. Johnson that the incident was addressed during the previous Board meeting, and that the minutes reflecting the Board's decision can be found on the District's website. Ms. Johnson further inquired about a fire hydrant that was alleged to be accessed by residents and the state of the sewer main line. The Board and District management informed Ms. Johnson that the fire hydrant is accessible so that residents who are impacted by water service interruptions can fill personal water storage containers. Mr. Oeland reported that the main sewer service line was jettied in June 2019. Ms. Johnson further stated that Mr. Oeland had accessed her property and refused to leave earlier in the month. The Board noted that it was unaware of any such incident, but agreed to review the allegation with Mr. Oeland to ensure procedures are followed for accessing property when performing District business.

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

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FINANCIAL  
MATTERS

Review and Consideration of Payables: Ms. Janzen reviewed with the Board the claims for the period ended September 12, 2019, totaling \$113,247.16.

Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Yoho and, upon vote, unanimously carried, the Board approved the EFT payments and the claims for the period ended September 12, 2019, totaling \$113,247.16, pending final review by the Board members.

Review of Financial Statements: Ms. Janzen reviewed with the Board the financial statements for the period ending June 30, 2018 and answered questions. Ms. Janzen reported that the District's collections have improved since monthly billing was implemented in January. Ms. Janzen stated that a large portion of the delinquent accounts that were certified to Clear Creek County in 2018 have been collected, and the 2018 ending fund balance was higher than projected. Ms. Janzen informed the Board that one loan was paid off in 2019 and payments will no longer need to be budgeted for it.

Review and Consideration of 2018 Audit: Ms. Janzen presented the audit of the District's 2018 financial statements. The Board inquired about the lack of management analysis in the audit. Ms. Janzen stated that the

management analysis is not a requirement and is costly to include. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark, upon vote, unanimously carried, the Board approved the 2018 Audit, authorized execution of the Representation Letter, and authorized filing the 2018 Audit with the Office of the State Auditor.

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DIRECTORS  
ITEMS

Discussion Regarding Cancellation of Lease Agreement with St. Mary's Glacier Metropolitan District: Mr. Meyers addressed the Board and stated that St. Mary's Metropolitan District intends to terminate the lease agreement that allows the Water and Sanitation District to store equipment in the Metropolitan District's building effective December 31, 2019. Mr. Meyers stated that the Metropolitan District needs to utilize more space within the building, but the Metropolitan District will discuss the feasibility of amending the lease to allow the Water and Sanitation District to use a smaller portion of the building at their next Board meeting. Director Hohne will attend the Metropolitan District Board meeting to gather additional information. There was no action taken regarding this matter.

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WATER SYSTEM  
IMPROVEMENTS  
UPDATE

Lamp Rynearson's Report: Mr. Nikkel reviewed with the Board Lamp Rynearson's written report, noting that well #3 is still being developed and will be winterized.

Mr. Orsatti reported that he is working with CDPHE to address the GWUDI compliance issues for well #1. Mr. Orsatti recommended that a filter be installed in the wellhouse, and stated that the ORC is capable of completing the installation. It was the consensus of the Board to install the recommended equipment.

Mr. Orsatti reported that he is working with District Management to provide an updated financial estimate to Division of Local Affairs .

Mr. Orsatti reported that two contractors have indicated that they would be interested in re-bidding the water improvements project in early winter, with construction beginning in spring 2020.

Consider Termination of Services Agreement with Lamp Rynearson for Phase 2 of Water Improvement Project: Mr. Mielke reported that the Lamp Rynearson services agreement can be terminated in part or whole through written notification. The Board discussed engaging Orsatti Water Consultants, LLC to perform phase 2 of the Water Improvement Project based on Mr. Orsatti being the lead engineer since the beginning of the project. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote, unanimously carried, the Board approved the termination of the services agreement with Lamp Rynearson for phase 2 of the water improvements project. The service agreement with Lamp Rynearson will remain

partially in effect for the scope of work related to well #3.

Consider Approval of Services Agreement with Orsatti Water Consultants for Phase 2 of Water Improvements Project: Mr. Orsatti reviewed with the Board the service agreement with Orsatti Water Consultants for phase 2 of the water improvements project. Following review and further discussion, upon motion duly made by Director Hohne, seconded by Director Clark and, upon vote, unanimously carried, the Board approved the services agreement with Orsatti Water Consultants for phase 2 of the water improvements project.

DISTRICT  
MANAGER  
MATTERS

ORC's Report: Mr. Nikkel reviewed with the Board ORC's written report, noting that a new battery for the DMR extreme temperature probe was installed. Mr. Nikkel stated that new flumes will be installed above Silver Lake, near Stuart Road, and at wellhouse #2 for water rights accounting, and that installation of the flumes is scheduled to be completed prior to the end of the construction season.

Operations Report: Mr. Oeland reviewed a written Operations Report with the Board and discussed recent operations. Mr. Oeland noted that there is a large leak in Winterland subdivision. Mr. Oeland is working to isolate the source of the leak and has Underground Leak Detection on standby to help locate the leak once the potential area has been determined. Mr. Oeland reported that the well is at capacity and holding steady.

Manager's Report: Mr. Nikkel reported that there are several items in the District's Rules and Regulations that will need to be updated.

LEGAL ITEMS

Consider Approval of Services Agreement with Orsatti Water Consultants for Creation of District Construction Standards: Mr. Orsatti reviewed with the Board the Services Agreement for Creation of District Construction Standards. Following review and discussion, upon motion duly made by Director Hohne, seconded by Director Yoho and, upon vote, unanimously carried, the Board approved Services Agreement for the Creation of District Construction Standards. Mr. Orsatti will provide the Board with a draft of the construction standards project at the October Board meeting.

Update Regarding Proposed Easement from Property Owner Adjacent to Well #1: Mr. Mielke reported to the Board that legal descriptions of the property have been provided to the legal firm representing the owners adjacent to the Well #1 site.

Update Regarding Notice of Violation: Mr. Mielke reported that the property owner provided additional documentation to Mr. Mielke's office regarding the tap fees and service lines for 29 and 31 Eva Road, and additional research will be conducted prior to finalizing and

delivering any notice of violation.

Discussion Regarding Comments to County on Camping Regulations:

Mr. Mielke reported that he had a conversation with Clear Creek County regarding the camping regulations and was informed that the County is considering changes only to its commercial camping regulations and not its private camping regulations. The Board discussed ways in which to continue monitoring and reporting camping violations to the County. Director Hohne stated that he will speak to the St. Mary's Property Association Board about this issue to determine if they would be willing to speak to the County as well.

Discussion Regarding Service Fees for 716 and 717 Texas Drive:

Mr. Mielke reported that the Board's determination at the August 27, 2019 meeting regarding service fees for 716 and 717 Texas Drive should be clarified. Those properties are owned by the same property owner. 716 Texas Drive has an active tap application as evidenced by the Board's determination at its January 28, 2019 board meeting. The property owner desires to build a home on the adjacent 717 Texas Drive (which does not have an active tap application) and combine the two lots into a single lot, thereby utilizing 716 Texas Drive's active tap application.

At the August 27, 2019 meeting, the Board approved a request from the property owner's contractor, Mr. Welihan, to extend the expiration of the active tap application to February 1, 2022, at which time the lots must be combined and a home must be constructed and connected to the District's systems. This was the second extension request, with the first request at the January 28, 2019 meeting extending the tap application to February 1, 2020.

At the August 27, 2019 meeting, Mr. Mielke had recommended that in order to be consistent with the District's rules and regulations and the requirements in the District's tap application form, the District would begin charging service fees to the property on February 1, 2021 even if a home was not finished because the District's tap applications allow for only a one-year grace period for service fees.

Mr. Mielke now confirmed that such recommendation would not be consistent with the District's rules and regulations and tap application form because the one-year grace period had already expired, the District had already extended the tap application once before with a condition that service fees be paid during the extension period, and the District has a history of charging service fees during tap application extension periods. The Board agreed that the intention of the Board was to be consistent with its tap application/permit requirements, the District's rules and regulations, and its treatment of other tap application extensions, and therefore directed Mr. Mielke to inform Mr. Welihan that the properties remain responsible for the applicable service fees during the entire extension period.


DIRECTORS  
MATTERS  
CONTINUED

Grants Update: There was no new information to present.

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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