

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on December 10, 2009 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT:

Director Hacker
Director Nasser
Director Whitelaw
Director Wyss

Manager: Jessie J. Shaffer
Ass't. Manager: Randy Gillette
Attorney: Erin Smith
Consulting Engineer: Mike Rothberg

Secretary: Hope Winkler

Visitors: Harriet Halbig – OCN
Bishop-Brogden Assoc. – Charlie Stanzione & Dan Niemela
Buchanan & Sperling – Veronica Sperling
Stillwater Resources
Al Wolff – WWSD Resident

I. **Call to Order:**

President Nasser called the meeting to order at 1:40 p.m. It was moved, duly seconded and unanimously passed that the absence of Director Town be excused.

II. **Reading of the Minutes:**

Copies of the November 12, 2009 meeting minutes of the Woodmoor Water and Sanitation District were provided to each director. It was moved, duly seconded and unanimously passed that the minutes be approved.

III. **Financial Report:**

Director Wyss reviewed the November Financial Report and said he had no comments. It was moved, duly seconded, and unanimously passed that the Financial Report be accepted.

IV. **Public Discussion:**

1. There was no one who wished to appear before the Board. Mr. Wolff said that he was in attendance only to observe.

V. **Joint Use Committee (JUC) Report:**

Whitelaw reported that:

1. **2010 Budget:** All three individual Districts having approved the proposed budget, the JUC approved the 2010 Proposed Budget and appropriated the necessary monies to fund the budget.
2. The plant is running well and all test results on the DMR were within State limits.
3. **Annual Meeting of the Boards:** The Annual Meeting of the Boards occurred on December 8, 2009 at 11:00 a.m. The plant manager, Burks, reviewed the year to date. The plant operated well, passed all tests and had no violations. 450 tons of sludge were hauled. The operational expenses are under budget to date.
4. **AJUA Amendments 2009:** It was confirmed that all three respective Boards of Directors had approved the proposed 2009 AJUA Amendments 2009 and the AJUA will be updated to reflect them. It was suggested that Tim Schutz complete the revising of the AJUA document.
5. Nasser requested that the WWSD Board pick a replacement for him as representative to the JUC. Directors Town and Whitelaw are currently alternate representatives to the JUC.

VI. **Manager's Report:**

Shaffer reviewed the Manager's Report dated November 12, 2009, a copy of which is attached hereto.

1. **Pikes Peak Regional Water Authority (PPRWA):** Shaffer said that the PPRWA is tracking the Colorado Springs Utilities (CSU) UPAC Committee discussions. Their report to CSU has been postponed until the CSU February meeting. UPAC is currently wrapping up the CSU Staff's recommendations. The El Paso County Water Authority will exist in 2010 and will try to decide what to do with the Transit Model – who will administer it, cost splitting, etc. Dues to the El Paso County Water Authority and Transit Model costs will total approximately \$13,000 for the WWSD in 2010. Shaffer said that he would reserve the discussion of Super Ditch negotiations (leasing of fallowed land water) for Executive Session.
2. **Operations: Randy Gillette:** Gillette reported that the Pumped VS Billed water is very poor because of the meter reading differential. 21,900,000 was pumped versus 15,400,000 billed gallons. There was one main line break. On a better note, meter reading only took two days due to a stronger signal from a new device. The District is currently using only ground water out of the South Water Treatment Plant. To date there have been 15 service failures and 12 shear breaks (cast iron) along with 2 PVC splits. The District has no violations and has met all water quality standards. Lead and Copper Testing will take place in 2010.
3. **Construction:** The cold temperatures are interfering with the contractor on the White Fawn/Deer Creek project. However, all of the pipe will soon be in the ground. Asphaltting will have to wait until warmer weather in 2010. There is about 18 inches of frost in the ground currently. The District has had some complaints but all have been worked through. The contractor will be responsible to El

Paso County for maintaining the roads until asphaltting takes place. The Monument Creek Exchange Project has been finished, the exchange is now completely automated, and the project came in under budget.

4. **Subdivision Update:** The District has received one preliminary plat – Knollwood Village Filing IV.
5. **Senate Bill 09-087 (Transparency):** District Staff has chosen to place the transparency information required on the Special District Association Website (as is allowed). Shaffer said that a link to the Special District Association Website has been added to the WWSD Website. The number of “hits” on the WWSD Website information was lost in the transition from the old server to the new one.
6. **Colorado Lakeshore Holdings Company Agreement:** The agreement conveying easements and a piece of property to the District has been completed. Bob Irwin, the owner, will complete and file a 404 application on his own. The District will give its permission and a letter of support but will not be a co-applicant.
7. **Donala Water and Sanitation District Survey:** Donala released a statement to the press giving the results of a survey of its constituents. The survey results are encouraging – it shows that their customers are knowledgeable and aware of current water issues.
8. **Public Relations Workshop:** Shaffer requested that the Board set a date for a Public Relations Workshop Meeting. It will cover public relations and media training. A spokesperson for the District should be appointed. The meeting will be on Tuesday, the 22nd of December at 1:30 p.m. and will take two to three hours.

VII. Special Reports and Subjects:

1. **Engineer’s Report:** Rothberg said he had nothing other than Executive Session material.
2. **Attorney’s Report:** Smith said that she had nothing other than Executive Session material.

VIII. Old Business:

1. **2010 Budget:** Shaffer reviewed the proposed 2010 Budget. He stated that since the workshop date, it had become clear that another \$50,000 in construction costs would need to be carried forward in to 2010 for the White Fawn/ Deer Creek project. Smith said that the Public Hearing had been held on November 12, 2009 and had been duly noticed as required. Smith presented Resolution 09-04 certifying the Mill Levy at 6.95 Mills, approving the proposed 2010 Budget and appropriating the monies necessary to fund the budget. Director Whitelaw moved that Resolution 09-04 be passed and the motion was seconded by Director Wyss. The motion passed unanimously and a copy of the resolution is attached. It was moved, duly seconded, and unanimously passed that Director Hacker be appointed as “Special Secretary”. It was moved, duly seconded, and unanimously approved that staff be authorized to complete the annual report to the county.

IX. New Business:

Executive Session:

It was moved, duly seconded, and unanimously approved that the Board move into Executive Session pursuant to Section 24-6-402(4)(a), C.R.S., for “discussions related to the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest”; and pursuant to Section 24-6-402(4)(e) C.R.S., “Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators” all related to water and storage rights negotiations, property interests, Well 22 Site acquisition, and Super Ditch negotiations; and pursuant to Section 24-6-402(4)(f), C.R.S., “Personnel matters”. The Executive session commenced at 2:30 p.m. The Board recessed the Executive Session and returned to Regular Session at 4:25 p.m.

The following motion was made by President Nasser, duly seconded by Director Wyss and unanimously passed:

I move to appropriate the following appropriative rights of substitution and exchange, and to use, reuse and successively use water diverted by substitution and exchange for all municipal purposes:

- a. Arkansas Exchange No. 1, in the amount of 50 cfs conditional, from the confluence of the Arkansas River with Horse Creek, upstream on the Arkansas River to the East Reservoir Diversion No. 1 located approximately 2.5 miles downstream from the confluence of the Arkansas River and Fountain Creek, and locations between said points;
- b. Arkansas Exchange No. 2, in the amount of 50 cfs conditional, from the confluence of the Arkansas River with Horse Creek, upstream on the Arkansas River to Pueblo Reservoir, and locations between said points;
- c. Arkansas Fountain Exchange No. 1, in the amount of 20 cfs conditional, from the confluence of the Arkansas River and Chico Creek and from Pueblo Reservoir, upstream or downstream respectively on the Arkansas River to the confluence of the Arkansas River with Fountain Creek, and upstream on Fountain Creek to the Fountain Creek Diversion No. 1 located just downstream of the City of Fountain wastewater treatment plant outfall, and locations between said points.
- d. Arkansas Fountain Exchange No. 2, in the amount of 20 cfs conditional, from the confluence of the Arkansas River and Horse Creek, upstream on the Arkansas River to the confluence of the Arkansas River with Fountain Creek, and upstream on Fountain Creek to the Fountain Creek Diversion No. 1 located just downstream of the City of Fountain wastewater treatment plant outfall, and locations between said points;
- e. The sources of substitute supply to be diverted by exchange are water rights represented by shares in the Holbrook Mutual Irrigating Company, the Rocky Ford High Line Canal Company and the Excelsior Ditch Company, either directly or after storage in one or more existing or proposed reservoirs on the Arkansas River within the exchange reaches for Arkansas Exchange

Reach No. 1 and Arkansas Exchange Reach No. 2, and any other source of fully consumable water legally available to the District from the Arkansas River or its tributaries.

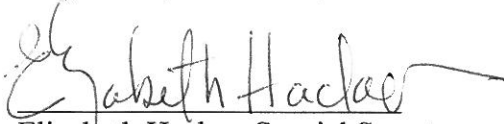
In addition, I move that the Board of Directors of the Woodmoor Water & Sanitation District No. 1 ratifies and confirms the actions of its officials in initiating the appropriations previously described and in directing the District's attorneys, engineers and consultants to conduct investigations, to perform acts on the ground to initiate the appropriations, to locate water supplies to be used as substitute supplies in the appropriations, and to give notice of the intent of the District to initiate the appropriations and hereby directs the District's attorneys to prepare and file an application and such pleadings in connection with said appropriations as may be necessary in the courts of the State of Colorado, and hereby authorizes its Board President to sign the verification to the application prior to filing.

The Board Executive Session reconvened at 4:30 p.m. The Board moved out of Executive Session and returned to Regular Session at 4:50 p.m.

XI. **Adjournment:**

There being no other business to come before the Board, it was moved and duly seconded that the meeting be adjourned. The motion passed unanimously and the meeting adjourned at 4:51 p.m.

Respectfully Submitted,


Elizabeth Hacker, Special Secretary