

## RECORD OF PROCEEDINGS

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A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on November 4, 2010 at the Woodmoor Water and Sanitation District No. 1 office.

### PRESENT:

Director Courrau  
Director Taylor  
Director Town  
Director Wyss

Manager: Jessie J. Shaffer  
Ass't. Manager: Randy Gillette  
Attorney: Erin Smith  
Consulting Engineer: Steve Tamburini  
Secretary: Hope Winkler  
Visitors:  
Jim Manier – BLX  
Roger Hartman – the

### I. **Call to Order:**

President Town called the meeting to order at 1:04 p.m. It was moved, duly seconded and unanimously passed that Director Whitelaw be excused from the meeting.

### II. **Reading of the Minutes:**

A copy of the October 14, 2010 meeting minutes of the Woodmoor Water and Sanitation District was provided to each director. It was moved, duly seconded, and unanimously passed that the minutes be approved.

### III. **Financial Report:**

There was no Financial Report available due to the early date of the rescheduled meeting. Winkler said that Financials will be available next week.

### IV. **Public Discussion:**

1. Gillette stated Vic Harshberger of the Woodmoor Pines Country Club is asking for a regular payment plan for the golf course irrigation accounts only. He is requesting the ability to pay the September bill in three equal installments and the October bill in two equal installments. Harshberger said that water costs may make the operation unviable. Shaffer said that in a meeting frustration had been expressed over the District's ten day payment requirement for

accounts over \$5,000 in aggregate. Harshberger would also probably like some special rates for the golf course. Harshberger mentioned Donala's rates. They have a different set-up in both their rates and their mill levies. A lengthy discussion ensued as to possible solutions and it was agreed that the matter would be taken up in Executive Session.

2. Public Hearing – 2011 Proposed Budget: Town opened the Public Hearing on the 2011 Proposed Budget at 1:27 p.m. Smith stated that notice of the hearing was duly published according to State Law. Shaffer summarized the changes that were made in the proposed budget after the Budget Workshop. The sewer tiered rate that was investigated was rejected for the time being and sewer rates will increase 5%. The District staff will be maintaining the District's WEB site in the future. Professional Fees for water acquisition were separated out and will be charged to the enterprise. The remaining Professional Fees will be charged as usual 50% to the enterprise and 50% to the government. Shaffer reviewed the recommended use and tap fees rates. There were no members of the public present. The Public Hearing will remain open until the December 9, 2010 Board Meeting.
3. Rates Modeling: Roger Hartman (thc) reviewed the reasoning behind the recommended use and tap fee rates. Jim Manier (BLX) reviewed a Water Resource Acquisition Cash Flow scenario. He covered the fundamental choices for any necessary financing. Among the choices is a bond issue – either a Revenue Bond (for the enterprise) or a General Obligation Bond (government). Arbitrage applies to both kinds. Manier reviewed the bond issuance process and the types of people that would be involved. Shaffer said that the District would need an infusion of cash in about 2012. He stated that Manier's function is to advise the District on how to set up the debt structure. The debt structure would then go to Hartman for rate modeling.
4. **EXECUTIVE SESSION:**  
It was moved, duly seconded, and unanimously passed that the Board move into Executive Session 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;" related to water rights, property rights and the sale of securities. The Executive Session commenced at 2:27 p.m. and ended at 3:15 p.m.

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

Taylor reported that:

1. The JUC Meeting is out of synch and has not yet taken place.

VI. **Manager's Report:**

Shaffer reviewed the Manager's Report dated November 4, 2010, a copy of which is attached hereto.

1. **Pikes Peak Regional Water Authority (PPRWA):** Shaffer asked if the Board were still interested in participating in Frank Yaeger's Flaming Gorge project. The transfer of Donala's share to the PPRWA has been completed. Work on the project may end temporarily with Yaeger's feasibility study. It looks like an EIS can not be completed until 2016. \$5,000 would pay the District's share

for participation. It was the consensus that the District should pay the \$5,000 to give it at least one more year's participation.

2. **EL Paso County Water Authority (EPCWA):** Merger of the PPRWA with the EPCWA is getting underway. Both parties have assignments to complete for the merger.
3. **Operations: Randy Gillette:** Gillette reported that water sale vs water pumped was 91% for the month of October. Lake Woodmoor is currently at 7090.3 feet. Water demand has dropped considerably. 42% of the water used in October came from the lake.
4. **Subdivision Update:** No new subdivisions to report at this time.
5. **Construction:** Gillette said that the Lake Pump Station VFD has been installed and tested and is operating exactly as staff had hoped it would.
6. **Well 22 Well Site:** The boundary line documents for the Well 22 property have been recorded and Erin Smith is reviewing the title policy.
7. **Rate Change:** No formal public relations work has been done on the new rates being proposed for 2011. An increase is budgeted for 2011. It will be announced in the note field of the January Billing.
8. **Large Volume Users:** Shaffer said that he would develop a proposed policy for payment by large volume water users.
9. **Stillwater Resources Contract:** Shaffer said that Ketellapper's contract calls for 30% of the 5% broker's fee to be paid when contract closing is more than 180 days from contract acceptance. Payment will be made in the next few days.
10. **Holbrook Mutual Irrigating Co.:** After discussion, it was moved, duly seconded and unanimously passed that the Board ratify the Addendum to Escrow Agreement and the Work Session Process Agreement with the Holbrook Mutual Irrigating Co. both having been signed by Jessie Shaffer on October 20, 2010.

#### VII. Special Reports and Subjects:

1. **Engineer's Report:** There was nothing more other than for Executive Session.
2. **Attorney's Report:** Smith said that she had nothing other than Executive Session items.

#### VIII. Old Business:

There was no other Old Business to come before the Board at this time.

#### IX. New Business:

1. Courrau will be out of town from Dec. 18<sup>th</sup> to Jan. 2<sup>nd</sup>. Director Town will be out of town from December 3<sup>rd</sup> to the 8<sup>th</sup> and December 20<sup>th</sup> to Jan. 1<sup>st</sup>.

#### **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; pursuant to Section 24-6-402(4)(b), C.R.S., for "Conferences with an attorney for the district for the purpose of

receiving legal advice on specific legal questions;” related to the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest, negotiations with Super Ditch, and in regard to Vic Harshberger’s (Woodmoor Pines Country Club) request; 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” related to property including but not limited to water and storage rights and Super Ditch negotiations; and pursuant to Section 24-6-402(4)(f), C.R.S., “Personnel Matters”. The Executive Session commenced at 4:08 p.m. The Board returned to Regular Session at 5:26 p.m.

**Motion:**

It was moved by Director Taylor, duly seconded by Director Courrau and unanimously passed that the Board approve the contract to Buy and Sell 147 shares of FMIC from Morley Golf, LLC, Morley Companies Family Development, LLLP, and Morley Companies Family Investment LLLP subject to approval as to form by legal counsel and District Manager and a requirement that the contract come back before the Board in case of any substantive change and that the Board delegate authority to the District Manager to execute such amendments and other contract related documents that are not substantively different from the contract approved by the Board.

**Motion:**

It was moved by Director Taylor, duly seconded by Director Courrau and unanimously passed that the Board approve the contract to Buy and Sell 8 shares of Chilcott Ditch Company from Morley Companies Family Development, LLLP subject to approval as to form by legal counsel and District Manager and a requirement that the contract come back before the Board in case of any substantive change and that the Board delegate authority to the District Manager to execute such amendments and other contract related documents that are not substantively different from the contract approved by the Board.


**Motion:**

It was moved, duly seconded and unanimously passed that the Board approve the employee incentives as per the list given to Shaffer.

X. **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 5:30 p.m.

Respectfully Submitted,

  
James W. Taylor, Secretary