

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on June 9, 2011 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT:

Director Town
Director Taylor
Director Wyss
Director Courrau
Director Whitelaw

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

Secretary: Marsha Howland

Visitors: Walraven Ketellapper – Stillwater Resources
Candice Hitt – Our Community News
Ronnie Sperling – Buchanan & Sperling P.C.
Zach Collins – Woodmoor Water and Sanitation District No. 1
Jim Manire – BLX Group

I. **Call to Order:**

President Town called the meeting to order at 1:00 p.m.

II. **Reading of the Minutes:**

Copies of the May 12, 2011 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:**

Wyss stated that he had reviewed the Financial Report and had no comments.

IV. **Public Discussion:**

1. There was no one who wished to appear before the Board.

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

1. The JUC meeting will be on June 14, 2011.

Motion:

It was moved by Director Wyss, duly seconded by Director Taylor and unanimously passed to excuse Director Whitelaw from the July 14, 2011 Board Meeting.

VI. **Manager's Report:**

Shaffer reviewed the Manager's Report dated June 9, 2011, a copy of which is attached hereto.

1. **Pikes Peak Regional Water Authority (PPRWA):**

- A. **Flaming Gorge Task Force Assessment:** Shaffer reported that the task force assessment is complete. The assessment was found to be a viable way to move the Flaming Gorge project forward. The next step is to seek nominees for the task force appointment. There will be 17 positions on the task force. Shaffer reported the PPRWA submitted Rich Landreth and Betty Konarski for nomination. The first task force meeting will be in either June or July, 2011.
2. **Operations – Gillette:** Gillette reported that the water pumped vs. water billed is at 77% for the month of May, 2011. This percentage is down due to meter reading problems. Gillette stated that he was not concerned; the percentage should be back to normal next month.
3. **Source Water Protection Plan:** Gillette reported he held a stakeholders meeting for the source water protection plan on June 7, 2011. Gillette stated that several members of the community attended the meeting. Gillette will present the source water protection plan to the Board for consideration at the August, 2011 Board Meeting.
4. **Construction:** Gillette reported that Wells 10 and 16 are both back on-line. Gillette stated that WWSD was able to use some of our stock inventory for repairs which saved on the cost. Gillette stated that Wells 7 and 17 are both down. Well 17 has been pulled, the pump tested okay, so they are not sure what the issues are at this point. Well 7 has not been pulled yet. Shaffer added that we will be addressing the well repair cost issues in the mid-year budget. Gillette reported that Lake Woodmoor is in good shape at 7096.40 feet. Gillette stated that he has received construction plans for a new Come & Go gas station. Also, Challenger Homes purchased seven taps for new homes in Village Center II.

5. **Other Topics:** Shaffer requested direction from the Board concerning two public relation proposals, a copy of which is attached hereto. The first proposal is for a special public relations campaign aimed at the purchase of renewable water resources. The cost of this campaign is \$18,000.00. The campaign would not start until the end of the due diligence period for the JV Ranch purchase. It would include informational seminars, public meetings, social media, and general information concerning water rate increases. The Board decided not to use social media until they have more information concerning quality control. The second proposal ties back to the WWSD's public opinion survey. The cost of this campaign is \$3,500.00. Shaffer stated the objective of this PR proposal is to raise public awareness in the District. The campaign would include conservation plans, web-site information and general knowledge. After a lengthy discussion, the Board approved the public relation proposals.

6. **Special Reports and Subjects:**

1. **Engineer's Report:** Nothing to report.
2. **Attorney's Report:** Nothing to report.

VIII. **Old Business:**

1. **2010 Budget Amendment Public Hearing:** Smith reported that the notice for this public hearing was duly published in the June 1, 2011 Tri-Lakes Tribune. Director Town opened the public hearing. Shaffer presented Resolution 11-06 to amend the 2010 budget. The hearing was then opened for public comment. There was no public comment. Director Town closed the public hearing. Resolution 11-06 will be considered for Board approval at the July 14, 2011 Board Meeting.
2. **Consider cancellation of MAG II, LLC supplemental water services:** Shaffer reported that MAG II, LLC failed to make payment by the June 1, 2011 deadline. Shaffer requested approval from the Board to formalize the termination of the MAG II, LLC supplemental water agreement.

Motion:

It was moved by Director Taylor, duly seconded by Director Courrau and unanimously passed to approve the notice of cancellation of excess water service reserve between MAG II, LLC and Woodmoor Water and Sanitation District No. 1.

3. **Consider adoption of Water Conservation Plan:** Gillett reported that he did not make any changes to the draft copy of the Water Conservation Plan the Board previously received. Gillette asked for Board approval to adopt this plan. Shaffer presented a draft press release, a copy of which is attached hereto, concerning the Board's approval of the 2011 Water Conservation Plan. The press release was approved by the Board after making a few corrections.

Motion:

It was moved by Director Courrau, duly seconded by Director Whitelaw and unanimously passed to adopt the water conservation plan.

4. **Consider award for annual pipeline maintenance agreement:** Shaffer reported that WWSD completed the public bidding process for the annual pipeline maintenance agreement. Zach Collins stated that we only had one bidder, TES Incorporated. TES Inc. base unit price is \$31.00 per linear foot for in-situ resin impregnated cured-in-place pipe and \$28.75 per linear foot of blow molded fold and form pvc pipe. Collins reported that WWSD can complete 3,500 linear feet of pipe renewal and stay within budget.

Motion:

It was moved by Director Taylor, duly seconded by Director Whitelaw and unanimously passed to award the annual pipeline maintenance agreement to TS Inc.

New Business:

1. **Disposal of office furniture:** Shaffer reported that WWSD has several pieces of office furniture that we need to dispose of.

Motion:

It was moved by Director Taylor, duly seconded by Director Wyss and unanimously passed to declare surplus property and directed to sell on Craig's List, charitable donations, or as management deems appropriate for disposal.

2. **Financing Reimbursement Resolution:** Smith presented Resolution 11-07. This Resolution is necessary for the District to use bond proceeds for reimbursement of capital expenditures. Smith recommended the Board's approval.

Motion:

It was moved by Director Wyss, duly seconded by Director Taylor and unanimously passed to approve Resolution 11-07.

3. **Overview of potential debt structures, processes and timing:** Jim Manire, the Board's financial advisor, presented a preliminary timetable of events concerning the JV Ranch purchase.

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 property including but not limited to water and storage rights and to water related services contracts. The Executive Session commenced at 3:07 p.m. The Board returned to Regular Session at 4:33 p.m.

Note: Walraven Ketellapper, Ronnie Sperling, Randy Gillette and Marsha Howland left the Exec Session at 4:20 p.m.

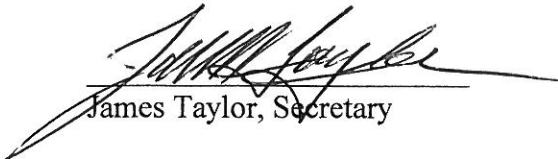
Motion:

It was moved by Director Whitelaw, duly seconded by Director Taylor and unanimously passed to excuse Beth Courrau from the May 12, 2011 Board Meeting.

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 4:40 p.m.

Respectfully Submitted,


James Taylor, Secretary