

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on December 9, 2019 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT: Director Taylor
Director Bush
Director Wyss
Director Hanson
Director Roddam

Manager: Jessie J. Shaffer
Assistant Manager: Randy Gillette

Attorney: Erin Smith

Secretary: Marsha Howland

Visitors: James Howald - Our Community News
Andrew Rheem – Raftelis Financial Consultants, Inc.
Hannah Palmer-Dwore - Raftelis Financial Consultants, Inc.
Richard Hood – JVA, Inc. Consulting Engineers
Josh McGibbon – JVA, Inc. Consulting Engineers
Michael Hess – Woodmoor Resident

- I. **Call to Order:** President Taylor called the meeting to order at 1:30 p.m.

- II. **Reading of the Minutes:** Copies of the November 11, 2019 meeting minutes of the Woodmoor Water and Sanitation District were provided to each Director. It was moved, duly seconded, and unanimously passed that the meeting minutes be approved.

- III. **New Business:**
 - A. Public Hearing on 2020 Proposed Rates: President Taylor opened the Public Hearing at 1:31 p.m.
 1. Presentation of final proposed rates – Raftelis Financial Consultants: Andrew Rheem presented an overview of the proposed 2020 rates, a copy of which is attached hereto. The presentation covered an overview of the District’s ten-year financial plan, a cost of

service review and the 2020 recommended customer rates. Rheem recommended an increase of 2% for the water and sewer base rate and variable usage rate increases for nonresidential, irrigation, and bulk customers. The Board thanked Rheem for his presentation.

2. **Public Comment:** President Taylor opened the Public Comment portion of the Public Hearing. Shaffer stated that he received an email from a customer who wanted to attend the Board Meeting to comment on the rates, but was unable to attend. Shaffer reported that he included a copy of the e-mail in the Board packets, and wanted the minutes to reflect receipt of the letter to be included in the Public Comment. The Board Members acknowledged receipt of the letter. A copy of the letter from the Dixon/Brundrett family dated December 4, 2019 is attached hereto.

B. Close Public Comment on 2020 Proposed Rates: President Taylor closed the Public Comment portion of the Public Hearing at 2:07 p.m.

C. Continuation of Public Hearing on Proposed 2020 Budget:

1. **Presentation of Proposed 2020 Budget:** Shaffer reported that the only change he made to the proposed 2020 budget was to incorporate the recommended rates. The final 2020 draft budget was distributed to the Board. Smith stated that the Public Hearing for the 2020 proposed budget was opened at the November 2019 Board Meeting and remains open at this time. The Board did not have any changes to the draft budget.

2. **Additional Public Comment:** None.

D. Close Public Comment on 2020 Proposed Budget: President Taylor closed the Public Comment portion of the Public Hearing on the 2020 proposed budget at 2:13 p.m.

E. Consider Resolution 19-06 Approving Fees, Rates and Charges for Domestic Water and Sanitary Sewer for 2020: Smith reviewed Resolution 19-06 with the Board.

Motion: Upon motion by Director Bush and seconded by Director Hanson the Board unanimously voted to adopt Resolution 19-06 approving fees, rates, and charges for domestic water and sanitary sewer for 2020.

F. Consider Resolution 19-07 Adopting a Budget and Approving the Appropriation of Money for 2020. Smith reviewed Resolution 19-07 with the Board.

Motion: Upon motion by Director Bush and seconded by Director Roddam the Board unanimously voted to adopt Resolution 19-07 adopting a budget and approving the appropriation of money for 2020.

G. Consider Approval of 2020 Management Contract Between Chilcott Ditch Company and the District: Shaffer reported that this is the same annual management contract the District has had with the Chilcott Ditch for the last few years. Shaffer asked the Board to consider approving the contract.

Motion: Upon motion by Director Bush and seconded by Director Roddam the Board unanimously voted to approve the 2020 management contract between the Chilcott Ditch Company and the District. The Board authorized President Taylor to sign the contract.

H. Consider Approval of the Following Agreements:

1. **JVA General Consulting Services and JVA Letter Agreement for Engineering Services for the Central Water Treatment Plant Upgrade, Lake Pump Station Modification and South Filter Plant Improvements:** Shaffer reported that the general consulting service agreement with JVA is a master contract for general services not to exceed \$75,000 per year. Shaffer stated that this contract allows him to order engineering services for smaller projects when needed. Shaffer stated that the letter agreement with JVA is for three larger specific projects that the District has budgeted for 2020. Shaffer reported that Smith has reviewed the agreements, and asked the Board to consider approving both agreements.

Motion: Upon motion by Director Bush and seconded by Director Wyss the Board unanimously voted to approve the general consulting services agreement between JVA Consulting Engineers and the District. The Board authorized Jessie Shaffer to sign the agreement.

Motion: Upon motion by Director Hanson and seconded by Director Bush the Board unanimously voted to approve the letter agreement for engineering services between JVA Consulting Engineers and the District. The Board authorized Jessie Shaffer to sign the agreement.

I. Set Day and Time for Special Meeting to Consider Award of Well 21 Transmission Pipeline Construction Contract: Shaffer reported that the bid opening for the Well 21 transmission pipeline opens at 1:30 tomorrow. The Board set December 12, 2019 at 1:00 pm for the Special Meeting.

IV. Old Business: None.

V. Financial Report: Director Wyss stated that he has reviewed the financial statements, and does not have any changes. It was moved, seconded and unanimously passed that the financial reports be accepted.

VI. Public Discussion: Mr. Hess stated that he was attending the Board Meeting because he thought the supplemental water agreement with Pro Terra would be discussed today. Shaffer stated that Pro Terra requested a supplemental water service agreement with the District last month, but nothing has been approved at this time. Director Bush stated that the District needs a financial commitment from Pro Terra before a supplemental water service agreement will be considered. Hess stated that if the water rights for the property had been sold once, he didn't understand why the District would consider allowing them to purchase water rights again. Shaffer stated that the District owns all the water rights with its boundary and does not sell them. Shaffer reported that the standard water allocation for the property was transferred to another development. Shaffer explained what a water option agreement with the District entails. Hess thanked the Board for the information.

VII. Joint Use Committee Report: None.

VIII. Chilcott Ditch Company / The Ranch Report: Shaffer reported that the Chilcott Ditch Co. held their annual meeting on December 5, 2019. Shaffer stated that he presented the 2020 Chilcott budget to the Shareholders. The Chilcott Shareholders approved the management contract with the District. Shaffer stated that Chilcott elected Tom Roddam as a new Trustee Member. Shaffer stated that the ranch is shut down for the season.

IX. Manager's Report: Shaffer reviewed the manager's report dated December 9, 2019 a copy of which is attached hereto.

A. Collaborative Organizations / Opportunities:

1. PPRWA: None.

B. Operations

- i. **Water Report:** Gillette reported that operations have had a very busy year with over 40 emergency water main repairs. Gillette reported that the District's water system is getting older and experiencing more failures and breaks. Bush stated that the Board is going to have to consider increasing the renewal and replacement budget moving into the future for water main replacement. Bush asked Gillette to prepare a proposal of water main replacement cost for the Board to consider. Gillette stated that approximately 40% of the system needs to be replaced and he will work on a proposal for the Board. Gillette reported that the unaccounted water percent for November was 7% and year to date is 6%. Gillette stated that operations are also working on pump repairs and replacement.

C. District Construction/Planning Projects:

- i. **Office Interior Painting:** Shaffer reported that the painters will start tomorrow with the interior painting project. Shaffer stated that the office has not been painted since 2006. The interior painting project was budgeted for 2019.
- ii. **Well 21 Site Work and Transmission Pipeline:** Shaffer reported that the site work at Well 21 is close to completion. Shaffer stated that contractors will start up the pumping equipment this week for testing.
- iii. **Lake Woodmoor Driveway Loop:** Shaffer stated that the road work for the Lake Woodmoor Driveway Loop is approximately 80% complete, and should finish the project within the next ten days. The fencing part of the project will also start in the next 10 days.
- iv. **Scrub Oak Circle Water Line Replacement:** Shaffer stated that this project is about 60% complete. Gillette reported that contractors will not work on the water line replacement the week of Christmas to minimize the impact on the residents. Gillette stated that the bad weather has put the project behind schedule, and the project will not be completed until next year.

D. WWSD Subdivision/Development Status Update:

- i. The Beach at Woodmoor: Shaffer reported that this development is moving forward.

E. Other Topics:

- i. Draft End of Year Newsletter: Shaffer reported that he included a draft copy of the Pipeline Newsletter in the Board packets and asked the Board to send him any suggestions and or corrections by next week.

X. Special Reports & Subjects:

- i. Engineer's Report: None
- ii. Attorney's Report: None.
- iii. WIA Meeting Report: Director Bush reported that three contracts were signed in regards to the Walters property last week. Two contracts were with Pro Terra and the third contract was with the Open Space Committee. Bush stated that the Open Space Committee plans on deeding back approximately 30% of the land to the contributors. Bush stated that the Open Space Committee has talked to WIA about possibly assuming control of the remainder as common space, but nothing has been finalized. Bush reported that the Open Space Committee will have a meeting at the Barn on December 17, 2019 from 6:30 pm – 8:30 pm for interested contributors.

XI. Executive Session:

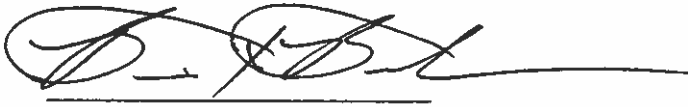
It was moved, duly seconded, and unanimously approved that the Board move into Executive Session pursuant to: C.R.S. Section 24-6-402: (1) Subsection (a) for discussions related to the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest; and (2) Subsection (e) to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators; and (3) Subsection (b) for a conference with legal counsel for the purpose of receiving legal advice on specific legal questions; all related to a potential agreement(s) JUWI, Inc., Origis Energy, and Kings Deer Homeowners. Session commenced at 3:00 p.m. The Board returned to Regular Session at 3:18 p.m.

XII. End of Year Employee Recognition: Shaffer asked the Board to support a token of appreciation for the employees to recognize their hard work throughout the year. Shaffer stated that in past years the District has purchased a Christmas prime rib for each employee and also \$100 each for the hourly employees. The expense is included in the 2019 budget. The Board agreed to do the same this year. Shaffer thanked the Board.

XIII. 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 3:24 p.m.

Record of December 9, 2019 Board Meeting

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'B. Bush', with a long horizontal line extending to the right.

Brian Bush, Secretary