

## **RECORD OF PROCEEDINGS**

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on December 14, 2020 at the Woodmoor Improvement Association Barn.

PRESENT:	Director Bush Director Roddam Director Hanson Director Wyss Director Clewe
Manager:	Jessie J. Shaffer
Operations:	Dan LaFontaine
Engineer:	Ariel Hacker
Attorney:	Erin Smith
Secretary:	Marsha Howland
Visitors:	James Howald - Our Community News John Mills – Inclusion Request Andrew Rheem – Raftelis Financial Consultants (Microsoft Team) Rob Wadsworth – Raftelis Financial Consultants (Microsoft Team) Several Woodmoor Residents

- I. **Call to Order:** President Bush called the meeting to order at 1:00 p.m.
  
- II. **Reading of the Minutes:** Copies of the November 16, 2020 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 2021 Proposed Rates: President Bush opened the Public Hearing on the 2021 proposed rates at 1:05 p.m.

1. Presentation of Proposed Rates – Raftelis Financial Consultants: Rheem and Wadsworth joined the Board Meeting via Microsoft Teams. Wadsworth asked the Board to review the new water rate recommendation that was included in their Board packets, a copy of which is attached hereto. Wadsworth stated that after they received the Board’s direction in November, 2020 they refined the water rate recommendations. Wadsworth stated that they created three scenarios for rate revenue increases for the next ten years, assuming that the District would enter into partnerships for their long-range capital improvement projects. The Board looked at the rate increases ranging from 1% to 3%, and the customer impact for each increase. Shaffer stated that he embedded a 2% average increase in the water rates in his final 2021 budget, but could change that if needed. The Board agreed to a 2% increase in water and sewer rates, no increase for the renewable water investment fee or tap fees. The Board thanked Rheem and Wadsworth for their work on the cost analysis.

2. Public Comment: President Bush opened the Public Comment portion of the Public Hearing at 1:23 p.m. A Woodmoor resident asked about the water rate increase being at 2% now but going up much higher in 2023. Shaffer responded, stating that with the current economy and COVID 19, the Board decided to relax the increase this year. The cost analysis projects ten years of rate increases to cover capital improvements with the information they currently have. Shaffer stated that when the District updates their long-range plan, the picture will be clearer on projected growth in the District and the cost of projected future capital projects. Shaffer stated that the projected rate increases change annually after the Board receives the new cost analysis each year.

B. President Bush closed the Public Comment on the 2021 proposed rates at 1:27 p.m.

C. Continuation of Public Hearing on Proposed 2021 Budget:

1. Presentation of Proposed 2021 Budget: Shaffer reported that the only change in the budget from last month was embedding the 2% overall revenue increase for water services defined by class. Shaffer reported that budgeted revenues total \$8,176,648 and budgeted expenditures total \$14,914,615 which includes the capital projects projected for 2021. Shaffer stated that the District will be spending close to \$6,737,936 out of the District reserves to cover capital projects in 2021.

2. Additional Public Comment on 2021 Proposed Budget: President Bush opened the Public Comment on the 2021 proposed budget at 1:31 p.m. No comments.

D. President Bush closed the Public Comment on the 2021 proposed budget at 1:32 p.m.

E. Consider Resolution 20-06 Approving Fees, Rates, and Charges for Domestic Water and Sanitary Sewer for 2021:

**Motion:** Upon motion by Director Wyss, and seconded by Director Roddam, the Board unanimously voted to adopt Resolution 20-06 Approving Fees, Rates, and Charges for Domestic Water and Sanitary Sewer for 2021.

F. Consider Resolution No. 20-07 Adopting a Budget and Approving the Appropriation of Money for 2021:

**Motion:** Upon motion by Director Clewe, and seconded by Director Wyss, the Board unanimously voted to adopt Resolution 20-07 Adopting a Budget and Approving the Appropriation of Money for 2021.

G. Consider Approval of 2021 Management Contract between Chilcott Ditch Company and the District: Shaffer presented the annual Management Contract for the Chilcott Ditch Company. Shaffer reported that the Chilcott Ditch Company's Board approved this contract earlier this month. Shaffer stated that District staff provides administrative services such as accounting and ditch operations. Shaffer stated that the District changes a monthly fee for the administrative services and an hourly rate for the man-hours for ditch maintenance. Shaffer reported that the District was charging between \$17.00 and \$20.00 per hour for these services, but after completing an audit of the cost of man-hours, the hourly rate was raised to \$31.00. Shaffer stated that this was the only change made to the contract from previous years. Shaffer asked the Board to consider approving the contract.

**Motion:** Upon motion by Director Clewe, and seconded by Director Wyss, the Board unanimously voted to approve the 2021 Management Contract between Chilcott Ditch Company and the District upon the date correction. The Board authorized President Bush to sign the contract.

H. Consider Approval of Second Amendment of Ranch and Grazing Lease between the District and JV Ranches, LLC: Shaffer presented the second amendment to the ranch and grazing lease between the JV Ranches, LLC. and the District. Shaffer stated that this amendment reduces the acreage leased by 79 acres, bringing the total acreage leased to 490. Shaffer stated that the reason for this change is that District staff will start the revegetation process in that area in 2021. Shaffer asked the Board to consider approving this amendment.

**Motion:** Upon motion by Director Roddam, and seconded by Director Hanson, the Board unanimously voted to approve the second amendment of the ranch and grazing lease between the District and JV Ranches, LLC.

I. Public Hearing on Mary Mills Inclusion: President Bush opened the Public Hearing at 1:43 p.m.

1. **Mary Mills Inclusion Request Staff Analysis and Presentation:** Shaffer reported that Hacker prepared an analysis for the Board for this inclusion request. Shaffer stated that a few months ago the District received an inclusion request from John Mills. Shaffer stated that when staff started going through John Mill's request, they ran into some issues. Shaffer stated that due to a shared well between John and Mary Mills that is on Mary's property, it made sense for Mary Mills to also request inclusion with the District to resolve this issue. Hacker stated that they analyzed how the District would provide water service, sanitary sewer service, fire codes, and easements. Hacker reported that this parcel is 5.65 acres. Hacker stated that the analysis includes the property as it stands now and the impact to the District at full build-out. Hacker stated that the lot could be developed into 42 single-family homes at full build-out. Hacker reported that as the property stands now it would need an additional water hydrant. At build-out several hydrants would be needed along with a new lift station for sewer services. Hacker reported that there would not be any impact on the District's water and sewer systems. Shaffer stated that there would be a financial advantage to the District if the property was developed. Hacker stated that the District would also need a 20-foot easement. Shaffer reported that John Mills paid a \$5,000 deposit for any fees in regards to his inclusion request, and is using the balance to cover any cost for this inclusion request.

President Bush asked for Public Comment – None.

President Bush closed the Public Hearing at 2:03 p.m.

**J. Consider Resolution and Order Granting Mary Mills' Petition for Inclusion:**

**Motion:** Upon motion by Director Clewe, and seconded by Director Hanson, the Board unanimously voted to adopt Resolution 20-08 and Order granting Mary Mills' Petition for Inclusion.

**K. Consider Authorizing Execution of Inclusion Agreement with Mary Mills Pending Receipt of Easements:**

**Motion:** Upon motion by Director Clewe, and seconded by Director Hanson, the Board unanimously voted to authorize execution of the Inclusion agreement with Mary Mills pending receipt of easements.

**L. Consider Authorizing Execution of Revised Inclusion Agreement with John Mills Pending Receipt of Easements and Execution of Mary Mills Inclusion Agreement:** Shaffer stated that both inclusion requests for John and Mary Mills mirror each other. Shaffer stated that the District's policy states that a customer can use their well until it should fail at which time they would need to connect to the District's water system. At this time, the customer would have to pay the tap fee to connect. The shared well between John and Mary Mills, which is located on Mary's property caused an issue regarding that policy. Shaffer stated that the solution to the issue is to include

Mary Mills' property in the District. Shaffer stated that the issues with John's inclusion request will go away if both properties are included as one item. Shaffer stated that Mary's property needs to come into the District first or simultaneously with John's for everything to work according to policy.

**Motion:** Upon motion by Director Hanson, and seconded by Director Roddam, the Board unanimously voted to authorize execution of revised inclusion agreement with John Mills pending receipt of easements and execution of Mary Mills inclusion agreement. The Board authorized President Bush to sign the inclusion agreements.

#### **IV. Old Business:**

A. Lake Woodmoor Signs – Proposed Policy Enforcement Guidance: Shaffer presented a map of Lake Woodmoor and a preliminary sign makeup, a copy of which is attached hereto. Shaffer stated that it has been a challenge to come up with a way to protect District property, the concerns of the residents on the east side of the lake, and address the issue of residents wanting to walk on the west side. Shaffer stated that staff has come up with a series of signs for different areas of the lake. On the east side of the lake, signs will be posted as No Trespassing. Shaffer reported that the District is not in any way opening Lake Woodmoor for recreation purposes. Shaffer stated that on the west side of the lake signs will be posted stating DANGER – Enter at Your Own Risk, also No Lake Access. The signs will also inform people the property is only maintained for maintenance personnel. Shaffer reported that he plans to talk to Public Safety about upping their patrols on the left side of the lake. Bush stated that the signs should also state that the District is not liable for any accidents or injuries incurred on the property. Shaffer stated that he will have communications with the HOA's in the area before posting the signs. The Board and Shaffer agreed that the west-side of the maintenance road should be maintained to remove vehicle and pedestrian safety hazards. After a lengthy discussion with the Board, staff, and residents, the Board directed Shaffer to move forward with posting the signs, and they would allow residents to walk on the west side of the lake. Several residents thanked the Board and staff for their consideration and work on this issue.

V. **Financial Report:** Director Wyss stated that he has reviewed the financial statements for November 2020 and did not have any changes. The Board accepted the November 2020 financial reports.

VI. **Public Discussion:** None.

- VII. **Joint Use Committee Report:** Director Hanson reported that the generator at the wastewater plant should be replaced in two weeks. Hanson stated that South Woodmoor had large levels of biochemical oxygen demands in November. Hanson stated that the JUC approved the 2021 budget for the plant.
- VIII. **Chilcott Ditch Company / The Ranch Report:** Shaffer reported that operations at the ranch and the ditch are shut down for the season. Shaffer stated that staff completed the deep cleaning of the ditch and made some improvements to the head gate.
- IX. **Manager's Report:** Shaffer reviewed the manager's report dated December 14, 2020, a copy of which is attached hereto.

**A. Collaborative Organizations / Opportunities:**

- i. PPRWA: Shaffer reported that he will discuss items that came up at the meeting in Executive Session. Shaffer stated that the Court ruled that ditch companies are responsible for the initial installation of culverts, but ownership and maintenance will fall under County responsibilities.

**B. Operations**

- i. Water Report: LaFontaine reported that the unaccounted water percent for November was at 4%, and the running annual average is 8%. LaFontaine stated that North Tank did overflow due to a bad pressure transducer. LaFontaine reported that the part has been replaced and there was not any damage. LaFontaine reported that the District had two shear breaks in November.

**C. District Construction/Planning Projects:**

- i. 2020 Capital Improvement Projects Update: Shaffer stated that the 2020 capital projects are on time and running smoothly. Shaffer stated that as materials for Central and South Filter Plants start arriving in January 2021 construction will move forward as scheduled. Shaffer stated that the design for the Lake Pump Station is at 60%. Shaffer stated that the purchase of the property from

the School District should be completed in 2020.

**D. WWSD Subdivision/Development Status Update:**

- i. Cloverleaf and Northbay: Hacker reported that both of these projects are moving forward.

**E. Other Topics:**

- i. COVID 19: Shaffer stated that Colorado should receive 2% of the COVID-19 National vaccine shipment. Shaffer stated the front-line workers and the elderly will receive the vaccine first, and it will probably be mid-summer before the rest of the population receives the inoculation. Shaffer stated that at this time, if the Board agrees, staff will continue with their normal schedule, the Board Meetings will continue to be held at the “Barn”, and the District office will remain closed to the public. The Board agreed.

**X. Special Reports & Subjects: None.**

**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 agreements with Colorado Springs Utilities and other water providers in the Pikes Peak Region. Session commenced at 3:10 p.m. The Board returned to Regular Session at 3:57 p.m.

**XII. Adjournment: There being no other business before the Board, it was moved and duly seconded that the meeting be adjourned. The motion passed unanimously and the meeting adjourned at 3:59 p.m.**

**Record of December 14, 2020 Board Meeting**

Respectfully Submitted,

  
William Clewe, Secretary