

RECORD OF PROCEEDINGS

A special meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on March 7, 2013 at the District No. 1 office.

PRESENT:

Director Town
Director Taylor
Director Schwab
Director Courrau
Director Whitelaw

Manager: Jessie Shaffer
Ass't. Mgr.: Randy Gillette
Attorney: Erin Smith
Secretary: Marsha Howland

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I. **Call to Order:**

President Town called the meeting to order at 1:35 p.m.

NOTE: Shaffer asked the Board to strike Item 5 and Executive Session Part 2 (b) from the Agenda.

II. **Manager's Presentation on Rate Setting – Renewable Water Investment Fee (RWIF):**

Shaffer presented a re-cap of the rational of the RWIF rate structure. Shaffer stated that there are 2 concepts when it comes to developing rates, legal and technical. Smith stated that any time the Board sets rates; they are acting in their legislative capacity. Smith stated that the standard that applies is that the Board has a rational basis in which to set the rate. Shaffer stated that early in 2011 when the Board was considering the purchase of the JV Ranch, the process began on how WWSD would pay for this renewable water asset. Several options were considered, such as a fixed fee or a variable fee based on water usage. The rate structure was based on 5 attributes, debt service recovery; equitability; rate volatility; borrowing cost and ease of implantation. Shaffer stated that the Board thoroughly discussed the pros and cons of each option before deciding on the fixed fee rather than the variable fee. Using the fixed fee, the Board was able to reduce the interest rate on the Bonds and it was determined by the Board to be the most logical rational. Shaffer stated that after the decision was made to use a fixed fee, the Board then started the process of fine tuning the fee between customer classes. Smith stated that the rational used to determine the RWIF was logical.

II. **Discussion of Golf Course Announcement & Article; District Response:**

- a. **Review of Customer Accounts Privacy Policy:** Shaffer stated that the Colorado Springs Gazette contacted him concerning the closing of the golf course at the Monument Hill Country Club. Shaffer reported that the Gazette requested actual account information and water cost that the golf course had incurred for the last few years. Shaffer stated due to WWSD's protection of personal financial information, he would not give the Gazette actual account information and advised the reporter to contact Monument Hill Country Club for this information.
- b. **Gazette News Article:** Shaffer stated that the Monument Hill Country Club sent out an announcement about the closing of their golf course, a copy of which is attached hereto. Shaffer stated that the announcement states that the golf course is closing due to the high cost of water. Shaffer stated the information in the announcement concerning WWSD is misleading. Shaffer stated that due to that announcement, the Gazette also printed an article concerning the closing of the golf course, a copy of which is attached hereto. The Board discussed several meetings that they had with Monument Hill Country Club trying to come up with solutions to lower their water costs. The Board decided not to address the media concerning this issue at this time, but for directed staff to be prepared to answer any questions going forward.

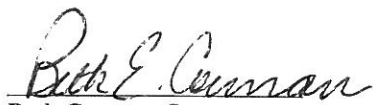
III. **Executive Session:**

It was moved, duly seconded, and unanimously approved that the Board move into Executive Session pursuant to: (1) C.R.S. Section 24-6-402 (4) (e) to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators concerning water supplemental water service. The Executive session commenced at 3:27 p.m. The Board returned to Regular Session at 3:38 p.m.

IV. **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 3:40 p.m.

Respectfully Submitted,


Beth Courrau, Secretary