

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on August 11, 2016 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT:	Director Taylor Director Strom Director Schwab Director Wyss Director Bush
Manager:	Jessie J. Shaffer
Asst. Manager:	Randy Gillette
Attorney:	Erin Smith
Secretary:	Marsha Howland
Visitors:	Ken Ford - Woodmoor Resident James Howald - Our Community News

I. Call to Order:

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

- II. Reading of the Minutes: Copies of the July 21, 2016 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. **Mid-Year Budget Update:** Shaffer reviewed the mid-year budget, a copy of which is attached hereto. The budget shows the projected revenue and expenses for 2016 year end given the actual information as of 7-31-16. The Board approved the mid-year budget for working purposes.

B. Ratification of WIA Water Tap Permit Terms and Conditions: Shaffer stated that the Woodmoor Improvement Association (WIA) had formally requested to redo their service line with a smaller tap size. Shaffer stated that this project would lower WIA's renewable water investment fee and base charges. Shaffer stated that he did not have any issues with the lower fees, but was concerned about the equity value of the tap if WIA should ever sell the property. Shaffer stated that after discussing his concerns with Smith, he decided to revoke the current tap permit that WIA holds and re-issue a new tap application for the downsized tap. Shaffer explained that the new application would alleviate any future issues with the tap size. WIA agreed with the solution. The Board stated that they were in agreement with revoking the old tap permit and issuing a new permit for the smaller tap and Shaffer's administrative approach to the issue was appropriate.

IV. Old Business:

A. Consider Rescheduling the September Regular Meeting: Shaffer stated that he has been invited by Colorado Springs Utilities to take a tour of the mountain water system. Shaffer stated that the tour will be on September 8th and 9th, which conflicts with the Board Meeting. The Board decided to change the September Board Meeting to Thursday, September 1, 2016 at 1 p.m.

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: None.

VII. **Joint Use Committee Report:** Strom reported that Bill Burks has hired a new employee at the Tri-Lakes Wastewater Treatment Facility. Strom stated that Jim Kendrick reported that there has been a shift in the Water Control Commission and he will have more information for the JUC as it comes in. Strom stated that construction at the plant is moving forward and should be completed soon. Strom reported that it will take three to six months after the project is complete to have the plant up and running to the satisfaction of the JUC. At that time, the JUC will have to make a decision on if they want to shut the plant down and then restart it in caretaker status. Strom stated that the plant upgrade was due to new Regulations, which do not go into effect until 2019, and if they put the plant in caretaker status until that time, they would be able to save on chemical cost. Strom stated that he will keep the Board up to date as decisions are made.

VIII. **Chilcott Ditch Company / The Ranch Report:** Shaffer reported that they had a siphon break at the Chilcott Ditch which has been repaired. Gillette stated that the break in the siphon caused a 15' sinkhole. Gillette stated that the ditch rider and one other employee were at the ditch when the break happened and their truck fell into the sinkhole. Gillette stated that both employees were outside of the truck and no one was injured. The Board planned a trip to tour the Chilcott Ditch on Thursday, August 25, 2016 at 9 a.m.

IX. **Manager's Report:** Shaffer reviewed the manager's report dated August 11, 2016, a copy of which is attached hereto.

A. Collaborative Organizations / Opportunities:

i. PPRWA: None.

ii. Reuse Study Peer Review. Shaffer reported that FEI, Engineers will have a draft copy of their reuse study ready for review in a few days. Shaffer will e-mail the draft to the Board for their comments. Shaffer will have FEI present their final results to the Board in the next couple of months.

B. Operations: Randy Gillette

- i. **Water Report:** Gillette reported that the unaccounted water for July, 2016 is at 12%. Gillette stated that there were four days in between reading the residential and production meters that would cause the large percentage. Gillette stated the Well 16 is back on-line today. Gillette reported that Well 15 will be undergoing chemical treatments and sonar jetting to loosen the deposits on the screens. Gillette stated that WWSD is meeting water demands with no issues. Gillette reported that the project at the Monument Creek Exchange has been completed. Shaffer stated that WWSD is waiting for the ozone equipment to be assembled so that they can begin the ozone study project.
- ii. **Sewer Report:** None.

C. District Construction/Planning Projects:

- i. **The Ranch Range Project:** Shaffer stated that WWSD started planting grass at the ranch three weeks ago, and it is starting to sprout. Shaffer stated that the Colorado Department of Wildlife has started preliminary fish sampling at the Calhan Reservoir, and he will have more information on the project as it moves forward.

D. WWSD Subdivision/Development Status Update:

- i. **Ponderosa/Bald Mountain Estates Presentation & Feedback:** Shaffer reported that the people who represent the Ponderosa/Bald Mountain Estates were very appreciative of the WWSD Board of Directors for allowing the internal analysis that WWSD staff prepared for them. Shaffer stated that the order of magnitude and the cost of the project for the individual homeowners might be a little overwhelming. Shaffer stated that the Ponderosa/Bald Mountain Estates thanked him again for the presentation, and stated that they would let him know if they decide to move forward with the project. Ken Ford, a Woodmoor resident, asked if the Board is now obligated to accept this project if Ponderosa/Bald Mountain Estates decides to move forward. Shaffer stated that the Board has not made any formal considerations for the project at this time. Ford stated that it is his opinion the WWSD needs to bring the water up from the ranch before considering offering services to anyone outside the District. Ford asked the Board if they had any plans to drill new wells. Shaffer stated that the District has a long range plan, and if growth continues, WWSD would be drilling new wells. Mr. Ford talked about water storage at Callahan Reservoir, and the expenses incurred at the ranch. Shaffer explained how revegetation project at the ranch is required for WWSD's water decree. Mr. Ford also asked if WWSD would post the budget and meeting minutes on their website. Gillette stated that he would update the minutes, and Ford could stop by the office anytime to pick up a copy

of the budget.

E. Other Topics:

- i. **Xpress Bill Pay System Integration & Discussion:** Howland reported that WWSD went live with Xpress Bill Pay on July 29, 2016. Howland stated that the Woodmoor residents received a flyer with their August invoice promoting the on-line program. Howland reported that in the first eleven days, 97 residents requested on-line service, and 74 out of the 97 requested to go paperless. Howland stated that the overall customer feedback has been positive.

X. Special Reports & Subjects:

- i. Engineer's Report: None
- ii. Attorney's Report: None
- iii. WIA Meeting Report: Bush reported that the WIA is working on their new water service line.

XI. Executive Session:

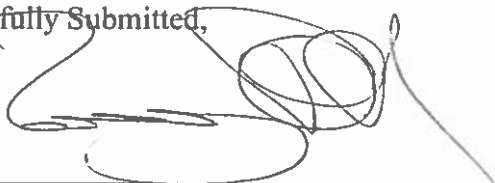
It was moved, duly seconded, and unanimously approved that the Board move into Executive Session pursuant to: C.R.S. Section 24-6-402: (1) Subsection (e) to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators; and (2) Subsection (b) for a conference with legal counsel for the purpose of receiving legal advice on specific legal questions; all related to the Joint Use Agreement; and (3) Subsection (f) (1) for a personnel matter. Session commenced at 2:48 p.m. The Board returned to Regular Session at 2:57 p.m.

Note: Director Bush stated that he thinks it would be a good idea for WWSD to prepare a statement for the press addressing what WWSD's procedures are in case of a major water leak. Shaffer will prepare a draft press release and e-mail it to the Directors for any corrections or comments.

Note: Director Strom stated that he wanted to thank WWSD's staff for their good work through some difficult personnel issues.

XII. 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 3:12 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Tommy Schwab', written over a horizontal line.

Tommy Schwab, Secretary