

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on February 9, 2017 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT:	Director Taylor Director Schwab Director Bush
Manager:	Jessie J. Shaffer
Assistant Manager:	Randy Gillette
Attorney:	Charles Norton
Secretary:	Marsha Howland
Visitors:	Dina and Roy Newton - Cipriani, LLC 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 January 12, 2017 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:** None.

- IV. **Old Business:** None.

- V. **Financial Report:** Director Bush 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, with one correction to the cash on hand report.

Motion: Upon motion by Director Bush, and seconded by Director Schwab the Board unanimously voted to excuse Director Wyss and Director Strom from this Board Meeting.

VI. Public Discussion:

A. Dina Newton - Supplemental Water Surcharge: Shaffer explained WWSD's policy concerning supplemental water surcharges. Shaffer stated that when a customer chooses to use their own methodology instead of WWSD's standard water demand table, a covenant is placed on the property for the benefit of the District. Shaffer stated the covenant contains a surcharge provision that states if the customer exceeds their calculated demand, a surcharge will be calculated and charged to the customer. Shaffer stated that a company named Paisano, LLC purchased supplemental water back in 2005 using their own methodology, and a covenant was placed on the property now known as Cipriani, LLC. Shaffer stated that as per the covenant, a monetary surcharge was calculated for the excess water used in 2016 in the amount of \$73,306.20. Dina Newton stated that there are five units in the development, and four of them have sub-meters. Newton reported that once a month she reads the sub-meters and bills each unit their usage and does an estimate for the unit without the sub-meter. At the end of the year, Newton stated that she completes a reconciliation report to balance the charges to the units against WWSD's invoices, and any excess goes to the unit without the sub-meter. Newton stated that she uses the auto-draft payment option, and she has not been actually tracking the WWSD invoices. Newton stated that she was not aware that there was a problem until she did her reconciliation. Newton stated that she called the WWSD office, and was told that WWSD had been trying to reach her, and left messages with one of her units. Newton did not receive any of the messages. Newton stated that she was not aware of the covenant until she received the surcharge invoice. Newton reported that once she received a copy of the covenant from Shaffer, she immediately had a sub-meter installed in the last unit. Newton also hired a plumber to try to locate a leak in the unit, and found that they had a toilet that apparently had been running non-stop for months. Newton stated that she knows it was her responsibility to be aware of the water usage for each unit, and that she should have known about the covenant when they purchased the development, but that is hindsight and now the damage has been done. Newton asked the Board for a waiver of the surcharge, and stated that she will keep on top of the water usage going forward. The Board told Newton that they would discuss her situation in Executive Session, and Shaffer would be in touch with her with their decision. Newton thanked the Board for their consideration.

B. Tom Taylor - Pre-paid Taps Transfer Request: Shaffer stated that Mr. Taylor was not in attendance, but that he would need direction from the Board when Mr. Taylor formally makes a tap transfer request. Shaffer stated that back in the day of pre-paid taps, the office tracked pre-paid taps using 3 x 5 cards kept in a little black box, which he showed to the Board. Shaffer stated that according to past management if there is a card in the box, the tap is pre-paid. Shaffer stated that there is a card in the black box that states that as of 7-25-95 the Cove has 39 pre-paid taps, of which 22 belong to Waterside. Shaffer reported that he has a letter written by Phil Steiniger to James Brown dated 12-8-05 that also indicates that WWSD records show that there are 39 pre-paid multi-family taps for the Cove. Shaffer stated the Tom Taylor, who now owns the Cove development, has asked if he can transfer the 39 pre-paid taps to the Dunes development. Shaffer stated that the Dunes is a single family home development, and the pre-paid taps are for multi-homes. This would give Tom Taylor 29.25 single family home water taps and 39 sewer taps after the conversion from multi-

home. Shaffer told Mr. Taylor that he needed a formal request from him to present to the Board for consideration to transfer the pre-paid taps. Shaffer has not received this request to date. Shaffer stated that other than the index card and letter, he has not been able to find any other documentation to confirm the purchase of the 39 pre-paid taps. Shaffer stated that he thinks the owner of the property should provide confirmation of the pre-paid tap purchase. The Board decided to discuss this topic more in Executive Session.

VII. Joint Use Committee Report: None.

VIII. Chilcott Ditch Company / The Ranch Report: Shaffer reported that the Colorado Water Conservation Board granted the Chilcott Ditch Company the loan they applied for in the amount of \$575,000 to replace the siphon. Shaffer stated that construction of the siphon will be completed in 75 days, per the contract. Shaffer stated that other than a few punch items, the construction of the storage shed on the ranch is complete.

IX. Manager's Report: Shaffer reviewed the manager's report dated February 9, 2017 a copy of which is attached hereto.

A. Collaborative Organizations / Opportunities:

- i. PPRWA: Shaffer reported that he has a meeting tomorrow on the Zone 3 engineering study to talk through the preliminary findings. Shaffer should have more information next month.

B. Operations:

- i. Water Report: Gillette reported that the unaccounted water percentage was at 14% last month due to some meter issues at the South Plant. Gillette stated that operations are testing the meters, and the problem should be resolved soon.
- ii. Sewer Report: None.

C. District Construction/Planning Projects:

- i. Ozone Demonstration Scale Evaluation Status: Shaffer reported that he received a proposal from AE Com for the ozone project. Shaffer is going to meet with Forsgren and Tetra Tech to offer them the opportunity to submit proposals for the project. Shaffer will have more information next month.

D. WWSD Subdivision/Development Status Update:

- i. Misty Acres Filing 4: Shaffer stated Misty Acres Filing 4 and the Dunes at Woodmoor have both received conditional acceptance, and the District is issuing tap permits to those developments.

E. Other Topics:

- i. Lodgepole Way Low Pressure: Shaffer stated that Dr. and Mrs. Davis signed all the required paperwork, and are now waiting for Olsen Plumbing to complete the installation of the new booster pump at their home.
- ii. Ranch Lease Opportunity: Reserved for Executive Session:
- iii. Town of Monument Emergency Interconnection: Shaffer stated that he has completed the hydraulic modeling for the interconnection. The model is only for water flowing to the Town of Monument from WWSD's system. Shaffer stated the model shows that in the case of an emergency, WWSD may be able to ship over about 1000 gallons per minute. Shaffer reported that the request for water would be dependent on what is actually happening with the WWSD system at the time of an emergency. Shaffer will provide more information in the next few months.

X. Special Reports & Subjects:

- i. Engineer's Report: None
- ii. Attorney's Report: None
- iii. WIA Meeting Report: Bush stated that the WIA has a new Board.

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, contract for consulting engineering services with FEI Engineers, Inc., supplemental water services agreement with Paisano, LLC, a potential land leasing opportunity, and a pre-paid tap transfer request; Session commenced at 2:13 p.m. The Board returned to Regular Session at 3:50 p.m.

Note: The Board made a final decision regarding Dina Newton's supplemental water surcharge waiver request.

Motion: Upon motion by Director Bush, and seconded by Director Schwab the Board unanimously voted to waive 90% of the supplemental water surcharge for Dina Newton. The surcharge payment due will be \$7,330.62.

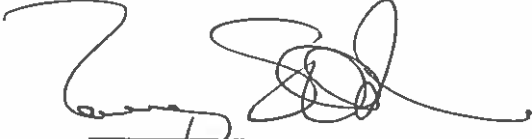
Note: The Board made a final decision regarding payment to FEI Engineers, Inc.

Motion: Upon motion by Director Bush, and seconded by Director Schwab the Board unanimously voted authorize District Manager Jessie Shaffer to make payment to FEI Engineers, Inc. not to exceed \$15,000 and to consult legal counsel to reach a binding agreement with FEI, Engineers, Inc. that will satisfy both parties short of litigation.

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 3:53 p.m.

Record of Board Meeting 2-9-17.

Respectfully Submitted,

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

Tommy Schwab, Secretary