

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on December 10, 2018 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT:	Director Taylor Director Bush Director Hanson Director Roddam
Manager:	Jessie J. Shaffer
Assistant Manager:	Randy Gillette
Engineer:	
Attorney:	Erin Smith
Secretary:	Marsha Howland
Visitors:	James Howald - Our Community News Rick Giardina - Raftelis Financial Consultants, Inc. Paul Flak - Resource Based International

I. Call to Order: President Taylor called the meeting to order at 1:45 p.m.

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

II. Reading of the Minutes: Copies of the November 12, 2018 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 the 2019 proposed rates: President Taylor opened the Public Hearing on the 2019 proposed rates at 1:47 p.m.

1. Presentation of final proposed rates - Raftelis Financial Consultants: Shaffer introduced Rick Giardina from Raftelis to the Board. Giardina presented the 2019 water and sewer planning rate study update to the Board, a copy of which is attached hereto. Giardina reviewed the study with the Board, stating that he would recommend not changing the rates for water and sewer in 2019, and to lower the renewable water investment fee to \$40.00 per month. Giardina reviewed the cost of service for the non-potable water and stated that he would also recommend no change for the non-potable rate in 2019. The Board thanked Giardina for his work on the cost of service and rate study update.

2. Public Comment: None.

B. Close Public Comment on 2019 Proposed Rates: President Taylor closed the Public Comment on the 2019 proposed rates at 1:57 p.m.

C. Continuation of Public Hearing on Proposed 2019 Budget:

1. Presentation of Proposed 2019 Budget: Shaffer presented the 2019 proposed budget to the Board, stating that he has not made any additional changes since the November Board Meeting to the proposed 2019 budget.

2. Additional Public Comment: None.

D. Close Public Comment on 2019 Proposed Budget: President Taylor closed the public comment on the 2019 proposed budget at 1:59 p.m.

E. Consider Resolution No. 18-07 Approving Fees, Rates, and Charges for Domestic Water and Sanitary Sewer for 2019: Smith asked the Board to consider adopting Resolution 18-07.

Motion: Upon motion by Director Hanson, and seconded by Director Roddam the Board unanimously voted to adopt Resolution 18-07 Approving Fees, Rates, and Charges for Domestic Water and Sanitary Sewer for 2019.

F. Consider Resolution 18-08 Adopting a Budget and Approving the Appropriation of Money for 2019: Smith asked the Board to consider adopting Resolution 18-08.

Motion: Upon motion by Director Hanson, and seconded by Director Roddam the Board unanimously voted to adopt Resolution 18-08 Adopting a Budget and Approving the Appropriation of Money for 2019.

G. Consider Approval of 2019 Management Contract between Chilcott Ditch Company and the District: President Taylor stated that District staff manages the administrative duties for the Chilcott Ditch Company. Shaffer presented the contract, stating that the legal consultant for Chilcott Ditch Co. added that any other services requested by the Chilcott Board of Directors be included in the contract. Shaffer asked the Board to consider approving the contract.

Motion: Upon motion by Director Hanson, and seconded by Director Bush the Board unanimously voted to approve the Management Contract between Woodmoor Water and Sanitation District No. 1 and the Chilcott Ditch Company.

H. Consider District vs. Employee Allocation of CEBT Dividend: Shaffer stated that he was notified by CEBT, which carries the District's employee life, disability, dental, vision, and health insurances, that they have built up a surplus of funds. Shaffer contacted Jim Herman who is WWSD's representative at CEBT to ask how the surplus came to be. Herman stated that CEBT has not paid out the number of claims for employees that were projected for the last five years. Shaffer stated that the dividend for the WWSD is around \$6,600. Shaffer stated that Herman reported that CEBT is not giving any recommendations to their clients on how to disburse the money. Shaffer stated that WWSD allocates employees benefit money based on their salary and then mandate that they buy health, life, dental and disability insurance. The employee can elect to purchase additional insurance to cover family members. Shaffer asked the Board if they want to disburse the surplus back to the employees or if the surplus should go back to the District. The Board asked if they give it back to the employees, how will the amount per employee be determined. Shaffer stated that Howland will total how much each active employee has paid for insurance for the last five years, and then calculate the percentage of the surplus for each employee. Shaffer stated that in his opinion, this would be a fair calculation as some employees have paid out more in premiums depending on what coverage they took and also how long they have been a District employee. Howland stated that if the funds are disbursed back to the employees, the payment will be paid through payroll and the funds will be taxed as income.

Motion: Upon motion by Director Hanson, and seconded by Director Roddam the Board unanimously voted to disburse the CEBT surplus dividend back to the active employees based on the employee's length of employment, and premiums paid for their insurance over the last five years.

IV. Old Business:

A. End of Year Ranch Revegetation Summary and Progress Report: Shaffer introduced Paul Flack to the Board. Flack is the District's ranch revegetation consultant. Flack reported that it has been a good season on the ranch. Flack stated that staff seeded 235 acres, continued weed control on 1500 acres, and fertilized an additional 52 acres. Flack stated that pest control was needed this season for

the grasshoppers that were invading the new seedlings. Flack reported that he signed off on 890 acres this season for a total of 2200 acres signed off. Flack stated that the revegetation project is moving forward and is on track with the projected timeline. The Board thanked Flack for his work on the range revegetation project.

V. **Financial Report:** President Taylor 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:** Director Hanson stated that he did not attend the JUC meeting, but after reading the minutes, the main topic discussed at the meeting was the cost of property insurance. Hanson stated that Bill Burks is going to look into the cost and will have more information at the next meeting. Shaffer stated that Palmer Lake Sanitation exceeded their monthly allotment of biochemical oxygen demand and per the Joint Use Agreement, they will have to pay for the overage. Shaffer asked the Board if they agreed that Palmer Lake Sanitation should pay for the overage. The Board agreed that they should comply with the Joint Use Agreement. The issue will be discussed at the next Joint Use Committee meeting.

VIII. **Chilcott Ditch Company / The Ranch Report:** Shaffer reported that the annual Shareholder's and Trustee meeting of the Chilcott Ditch Company will be held on Thursday, December 12, 2018. Shaffer stated that he will propose an assessment rate of \$650.00 per share for 2019 at the annual meeting.

A. Augmentation Station Armament: Gillette stated the augmentation station armament is going well and they have a pre-construction meeting scheduled on December 17, 2018. Gillette reported that the armament project will not be completed until 2019.

IX. **Manager's Report:** Shaffer reviewed the manager's report dated December 10, 2018 a copy of which is attached hereto.

A. Collaborative Organizations / Opportunities:

1. PPRWA: Shaffer stated that the paperwork and maps have been completed to start the Colorado 811 tier one status.

B. Operations

- i. **Water Report:** Gillette reported that water and sewer operations are running smoothly. The Scada system upgrade is moving forward. Gillette stated that staff completed installation of the new valve at the South Water Treatment Plant.

C. District Construction/Planning Projects:

- i. **Well 21 (Drilling, Site Work and Transmission Line):** Shaffer reported that Hydro Resources ran the 24-hour pumping test, and he is waiting for the results. Shaffer reported that JVA is 90% complete on the well site design. Shaffer reported that he projects that Well 21 will be online by the end of June 2019.
- ii. **Monument Hill Road Sewer and Water Line Replacement:** Shaffer stated that this project is moving forward. Shaffer stated that contractors are performing the pressure test on the water line today.

D. WWSD Subdivision/Development Status Update:

- i. **The Beach at Woodmoor:** Shaffer reported that staff held a pre-construction meeting with the developers for the Beach at Woodmoor last week, and the project is moving forward.
- ii. **North Bay at Lake Woodmoor:** Shaffer stated that the North Bay development is working on some easement issues at this time.
- iii. **Wellness Center Main Extension & Fire Hydrant:** Shaffer stated that staff approved plans to install a water line to a hydrant for the Wellness Center and construction should start on that project soon.

E. Other Topics: None.

X. Special Reports & Subjects:

- i. Engineer's Report: None
- ii. Attorney's Report: Smith reported that she will be bringing the Annual Administration Resolution to the January Board Meeting for consideration.
- iii. WIA Meeting Report: Director Bush reported that a group of Woodmoor residents are gathering signatures for a petition to try to stop the opening of the Wellness Center. Bush stated that the WIA has been informed that a private group of residents in South Woodmoor is looking to purchasing the Walters property. Bush reported that he sent a letter to the Walters stating that WIA was disappointed that they did not do a conservation easement and that WIA is evaluating their options. Bush will have more information concerning this property as things move forward.

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) with Hanna Ranch and JUWI, Inc. and Colorado Springs Utilities. Session commenced at 3:23 p.m. The Board returned to Regular Session at 3:53 p.m.

- XII. 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 2018 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 3:56 p.m.

Record of December 10, 2018 Board Meeting

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brian Bush", with a long horizontal line extending to the right from the end of the signature.

Brian Bush, Secretary