

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

ST. MARY'S GLACIER WATER & SANITATION DISTRICT

Held: Wednesday, March 8, 2017 at 5:00 p.m., at 271 Silver
Creek Road, Idaho Springs, Colorado.

Attendance

The special meeting of the Board of Directors of the St. Mary's Glacier Water and Sanitation District was called and held in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Jan Wood
Dawn Czajka
Dennis Horton
John Carlyon
Bill Spialek

Absent: None.

Also present were: Colin B. Mielke, Seter & Vander Wall, P.C.*; Kristan Buck and Tisha Higgins, Centennial Consulting Group; Wayne Ramey, Ramey Environmental Compliance, Inc.; and Chris Oeland, District Employee.

[*Arrived when indicated]

Call to Order

Director Wood noted that a quorum of the Board was present and that the Directors had confirmed their qualifications to serve, and therefore called the regular meeting of the Board of Directors of the St. Mary's Glacier Water and Sanitation District to order.

Disclosure Matters

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member affirmed their conflicts of interest, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was

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necessary to obtain a quorum or otherwise enable the Board to act.

Public Comment

There was no public present at the meeting.

Discussion regarding Selection of Engineering Firm for Design of Water and Wastewater Project

The Board discussed proposals received from various engineering firms to enter into a services agreement to provide engineering design services in preparation for the public bidding of a public works construction contract.

[*Mr. Mielke arrived at this time]

After further discussion, and upon motion, seconded and unanimously carried, the Board approved negotiating a services agreement with TZA Water Engineers to provide design services for the District's water and wastewater project

Financials

- Financial Statements

Ms. Higgins presented the Board with the payment of claims for March. Director Czajka read out loud the invoices and check amounts to be paid for consideration by the Board. The Board discussed the payment of claims presented and upon motion, seconded and unanimously carried; the Board approved the payment of claims as presented.

Minutes – January 11, 2017 and February 8, 2017

The Board reviewed the minutes from the regular meetings of January 11, 2017 and February 8, 2017. After discussion, and upon motion, seconded and unanimously carried, the Board approved the minutes as presented.

- Financial Statements Continued

The Board reviewed the payment of claims report for February. After discussion, and upon motion, seconded and unanimously carried, the Board ratified the payment of claims as presented.

- Discussion regarding Dump Truck and Excavator Sale

Ms. Higgins informed the Board that Mr. Glenn Clark would like to purchase the District's dump truck and excavator for the \$5,000 purchase price previously discussed, but that he would like to do so through monthly payments of \$200. Mr. Mielke discussed the possibility of using a promissory note and security instrument to ensure the District's would receive the total purchase price.

After further discussion, and upon motion, seconded and unanimously carried, the Board approved selling the dump truck

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and excavator through use of a payment plan of \$200 per month by Mr. Clark, and instructed Mr. Mielke to prepare the necessary documentation in the event Mr. Clark still desires to proceed with the purchase and sale.

- Discussion regarding
Approval of Ramey
Environmental Compliance
("REC") Amendment

Ms. Buck presented the Board with an amendment to REC's contract with the District related to interactions and responsibilities for REC, the District, and the District's employees. Ms. Buck informed the Board that REC accepted all the changes proposed by the District's legal counsel to a draft amendment to REC's contract. After review and discussion, and upon motion, seconded and unanimously carried, the Board approved the revised addendum as presented.

- Discussion regarding Bidnet
Website

Ms. Buck explained that the District is able to use an online service called Bidnet free of charge to post bids for the District's construction, maintenance, and repair projects. The purpose of Bidnet is to expand the scope of contractors that may submit proposals for District projects. Ms. Buck discussed a plan to post the District's installation of new pressure release valves as a project on Bidnet.

The Board discussed the desired bonding requirements to post on Bidnet for the pressure release valve work. Mr. Mielke informed the Board that if the project exceeds \$50,000, contractors are required to post a payment and performance bond equal to at least 50% of the project cost. Mr. Mielke also discussed the possibility of requiring a bid bond. The Board discussed the use of a bid bond and determined to require a bid bond for the project, with the amount subject to additional research by the Board and consultants on what a standard amount would be for a similar project.

District Water Issues

- Discussion regarding
Engagement of Water
Attorney for Application of
Finding of Diligence for
Water Rights

Mr. Mielke discussed with the Board the requirement that the District submit an Application for Finding of Diligence for the District's water rights associated with Wells 3, 4, and 5. Mr. Mielke provided an overview of the process and the potential costs associated with the application. Mr. Mielke informed the Board that the application must be filed no later than March 31, 2017, and that a failure to file by then could result in a loss of the District's conditional water rights. Mr. Mielke informed the Board that Ms. Sperling from Buchanan Sperling & Holleman PC had performed these services for the District in 2011 and

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recommended using Ms. Sperling again for these services because of her familiarity with the District and because of her focus on water law.

After discussion, and upon motion, seconded and unanimously carried, the Board approved the engagement of Buchanan Sperling & Holleman PC for its Application for Finding of Diligence.

Discussion regarding
Agreement with Metro
District

The Board discussed its agreement with the Metro District to share costs related to electricity, propane, and gas for the Metro building and the Schoolhouse. The Board discussed how those costs were historically distributed and compared it to how they are currently distributed. Ms. Higgins informed the Board that CCG will review a proposed revision to the agreement for future consideration by the Board. No action was taken by the Board regarding this issue.

- Operations Report

Mr. Oeland updated the Board regarding the District's operations. Mr. Oeland stated that routine maintenance has been completed as normal, and that the culvert recently installed near the Parsons property appears to have solved the pipe freezing issue previously reported by the Parsons. Mr. Oeland requested that the Board clarify with REC the tasks that are included in the scope of work in REC's agreement. Mr. Oeland addressed the Board regarding additional charges by REC that he believes fit within the agreement's scope of work. The Board discussed the matter and will continue to look into the issue to determine whether REC is performing the full scope of work set forth in its agreement with the District.

Public Hearings on
Delinquent Accounts

Director Wood opened the public hearings for delinquent accounts. There being no members of the public present, Director Wood closed the public hearings. The Board discussed the delinquent accounts and the shut-off notices delivered to particular properties. The Board discussed that account number 100300060 has not yet received a final notice, but all other accounts not highlighted on the list have received final notices. The final notices that were delivered to all persons provide that water service will be shut off unless they pay in full or appear at the public hearing.

Update regarding District
Litigation

Mr. Mielke updated the Board on the completion of the trial held on March 2, 2017, in which the District was a defendant and the owners of Lot 310, St. Mary's Subdivision Unit 2 were plaintiffs.

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Mr. Mielke stated that a court order will be issued by March 16, 2017.

Meeting Schedule

The next regular Board meeting is scheduled for April 12, 2017 at 6:00 p.m. at 271 Silver Creek Road, Idaho Springs, Colorado.

Adjournment

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 8:40 p.m.

Secretary for the Meeting