

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

ST. MARY'S GLACIER WATER & SANITATION DISTRICT

Held: Monday, November 13, 2017 at 9:30 a.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:

Dawn Czajka
Dennis Horton
John Carlyon

Absent: None.

Also present were: Colin B. Mielke, Seter & Vander Wall, P.C.; Kristan Buck, Centennial Consulting Group; Chris Oeland, District Employee; Mr. Korkus, TZA Water Engineers; and various members of the public.

Call to Order

A quorum of the Board was present and the Directors confirmed their qualifications to serve. Therefore, the special meeting of the Board of Directors of the St. Mary's Glacier Water and Sanitation District was called 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 necessary to obtain a quorum or otherwise enable the Board to act.

Public Comment

Director Czajka opened the meeting for public comment. There being no public comment, Director Czajka closed the public

RECORD OF PROCEEDINGS

comment period.

Discussion regarding Bart Bockman Property (48 St. Mary's Court)

Mr. Bockman addressed the Board regarding construction of a home at his property at 48 St. Mary's Court and his belief that he's entitled to connect to an existing $\frac{3}{4}$ inch water line that runs adjacent to his property.

Mr. Mielke presented the Board with his research regarding the matter, stating that he talked with people in the community, the District's employee, and Mr. Bockman over the past couple weeks. Mr. Mielke informed the Board that he performed research concerning the water line and found no evidence that the $\frac{3}{4}$ inch water line is owned by the District. Mr. Mielke explained that the $\frac{3}{4}$ inch line appears to be a service line owned by the neighboring property, and which connects to a water main line located further down Brook Drive.

Mr. Hedgecock, a member of the public and prior Board president, explained that the Board had discussed the connection of Mr. Bockman's property to the water line previously around the time Mr. Hedgecock visited Mr. Bockman's property. Mr. Mielke explained that the Board has never taken official action regarding Mr. Bockman's request to connect to the $\frac{3}{4}$ inch water line, to which Mr. Hedgecock agreed.

Mr. Mielke discussed a proposal presented by Mr. Bockman, which includes Mr. Bockman paying for all costs associated with extending the water main line to the far end of his property along Brook Drive, minus any costs allocated to Mr. Oeland's time to perform the dig and installation by the District. Mr. Mielke informed the Board that it could consider Mr. Bockman's proposal in executive session.

At approximately 10:00 a.m., Director Czajka moved that pursuant to section 24-6-402(4)(b) and (e), C.R.S. and upon an affirmative vote of at least two-thirds of the Board members present for the motion, the Board entered into executive session for the sole purpose of receiving legal advice and discussing negotiating positions related to the proposal made by Mr. Bockman for service to 48 St. Mary's Court. Upon second and unanimous vote, the Board approved the motion to enter into executive session for the above-stated purpose.

The Board reconvened from executive session at approximately 10:20 a.m. and affirmed that no actions had been taken during

RECORD OF PROCEEDINGS

executive session.

A motion was made to accept Mr. Bockman's proposal, the motion was seconded and discussion ensued. Mr. Mielke informed Mr. Bockman and other members of the public that the Board is amenable to Mr. Bockman's proposal because the prior Board president, Mr. Hedgecock, acted on his own and gave Mr. Bockman incorrect information outside of a Board meeting regarding the ability to connect to the ¾ inch line. Mr. Mielke reminded Mr. Bockman that the District's Rules and Regulations require property owners to extend main lines to the far side of their property at the property owners' sole cost, and that Mr. Bockman had signed and submitted the District's application for service which stated that information as well.

Following discussion, the Board voted unanimously to approve Mr. Bockman's proposal, specifically that Mr. Bockman will pay for all costs to extend the existing water main on Brook Drive, minus any costs allocated to Mr. Oeland's time to perform the extension services. If such costs related to shoring or equipment rental become unreasonably expensive compared with industry standard, the District will share a portion of those costs. The main line shall be extended to the far side of Mr. Bockman's property, subject to ground conditions that may require the line be stopped short of the far end of the property. The District will perform the dig and the extension at Mr. Bockman's cost, rather than having Mr. Bockman use an independent contractor.

Discussion regarding Sanitary Survey Results

Ms. Buck and Mr. Korkus discussed the CDPHE sanitary survey results for the District's water and wastewater systems. Ms. Buck informed the Board that the CDPHE wants the District to replace the entire distribution system and the entire collection system. Ms. Buck discussed that replacing these systems entirely will require additional time and funding, and that the schedule for such a project will require further discussions with the CDPHE.

Ms. Buck informed the Board that the District needs to purchase two additional pumps for flow pacing within the District's water system. The Board discussed whether to purchase LMI pumps or another type of pump. The Board discussed that ORC Water Professionals ("ORC") has recommended using Stenner brand peristaltic pumps because ORC has had trouble with LMI pumps locking up, but that using LMI pumps would create more consistency with regard to the types of pumps installed throughout the District. Mr. Korkus addressed a question from the Board

RECORD OF PROCEEDINGS

regarding which brand of pumps he recommends using, and he stated LMI is the brand he prefers. Upon motion, seconded and unanimously carried (with Director Carlyon abstaining), the Board approved the purchase of two LMI pumps.

Mr. Korkus informed the Board that GWUDI testing may continue into the spring/summer based on requirements by the CDPHE. The Board also discussed the possibility of converting Well #2 to a monitoring well so it would not need to be capped and plugged, and could also be brought back online at a later date.

Discussion regarding
Services Agreement with
Mike Carlson

Ms. Buck updated the Board regarding the proposed services agreement with Mike Carlson for electrician services. Ms. Buck informed the Board that Mr. Carlson does not have the insurance required by the proposed contract. The Board directed Mr. Mielke to research whether the District's insurance can cover licensed electricians as employees and to present the research findings at a future meeting for consideration by the Board.

Financial Matters

- Discussion regarding Rates
and Fees Structure for
Purposes of Proposed State
Revolving Fund Loans

Ms. Buck informed the Board that the State Revolving Fund representatives want a commitment from the Board regarding the amount of the loans that the District intends to enter into for purposes of improving the District's water and wastewater systems. Ms. Buck informed the Board that the District may qualify for 0% interest loans, and that an alternative may be 1% interest loans. The Board discussed the proposal that the District incur indebtedness in the amount of \$6 million (split evenly amongst the water and wastewater systems) in order to address the most pressing infrastructure improvements needed to bring the District into compliance with CDPHE regulations. Ms. Buck presented the Board with a spreadsheet identifying different rate and fee structures, and options on how to distribute the loan repayment costs amongst properties within the District. Ms. Buck presented the Board with a survey of rates for comparable water, sanitation, and metropolitan districts within the state for the Board to consider when determining the appropriate rates to impose for repayment of the proposed loan.

Discussion regarding
Enforcement of Tampering
Regulations

The Board discussed increased enforcement of the District's prohibition on tampering with water meters and theft of water, as described in the District's Rules and Regulations. The Board discussed that Mr. Oeland should identify potential violations and

RECORD OF PROCEEDINGS

give the information to the District's management company or legal counsel, who will then either send notice to the property owner of the violation or provide the information to the Board at a public meeting to make a determination on whether a violation has occurred and the need to deliver notice of the violation to the property owner. The Board discussed that Mr. Oeland should not personally inform property owners of any violations.

Appointment of Director to Board Vacancy

Mr. Mielke informed the Board that his office received a letter of interest from Mr. Bruce Hohne regarding serving as a director on the Board. The Board discussed Mr. Hohne's interest and qualifications, and upon motion, seconded and unanimously carried, the Board appointed Mr. Hohne to the open seat on the Board to serve through the 2018 term.

Mr. Mielke updated the Board that Mr. Hodge, who was appointed at the previous meeting, will officially become a member of the Board when his office verifies the completeness of the appointment documents that had been submitted to Mr. Mielke today.

Discussion regarding Independent Contractors and Temporary Employees

Mr. Mielke presented the Board with a resolution regarding the engagement and duties of independent contractors and temporary employees, as discussed at a prior Board meeting. The Board tabled action on the resolution due to the pending research by Mr. Mielke regarding the District's insurance coverage that was discussed earlier in the Board meeting.

Discussion regarding Updating Employee Handbook

Mr. Mielke informed the Board that the Employee Handbook is missing information in Section 4.1 regarding how much personal leave time can be rolled over from year-to-year. The Board listened to input from Mr. Oeland and discussed the maximum amount of time that can be rolled over per year.

Upon motion made, seconded and unanimously carried, the Board approved updating Section 4.1 of the Employee Handbook to allow for a maximum of 80 hours (i.e. 10 days) of personal leave time to be rolled over each year. Any amounts of rolled over time not used in the immediately succeeding calendar year are forfeited. The Board discussed that personal leave time must be approved in advance by an employee's supervisor, as described in Section 4.3 of the Employee Handbook.

Discussion regarding

At approximately 1:30 p.m., Director Czajka moved that pursuant

RECORD OF PROCEEDINGS

Management Company Proposals

to section 24-6-402(4)(b) and (e), C.R.S. and upon an affirmative vote of at least two-thirds of the Board members present for the motion, the Board enter into executive session for the sole purpose of receiving legal advice and discussing negotiating positions related to the proposed contract for services from various management consulting groups.

Ms. Jan Wood, a member of the public, addressed the Board and provided comments regarding her experience with the District's current management company, Centennial Consulting Group, and her belief that switching companies may result in a loss of institutional knowledge. The Board noted her comments.

Upon second and unanimous vote, the Board approved the motion to enter into executive session for the above-stated purpose. All persons other than Board members and legal counsel left the meeting at this time.

The Board reconvened from executive session at approximately 2:05 p.m. and affirmed that no actions had been taken during executive session.

Meeting Schedule

A special Board meeting is scheduled for November 28, 2017 at 6:00 p.m. at 271 Silver Creek Road, Idaho Springs, Colorado. The next regular Board meeting is scheduled for December 19, 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 2:05 p.m.



Secretary for the Meeting