

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE ST. MARY'S GLACIER WATER AND SANITATION DISTRICT

HELD
DECEMBER 19, 2017

The Board of Directors of the St. Mary's Glacier Water and Sanitation District, held a regular meeting, open to the public, at 271 Silver Creek Road, Idaho Springs, Colorado, at 6:00 p.m., Tuesday, December 19, 2017. Notice of the meeting was duly posted with the Clear Creek County Clerk and Recorder and posted in three public places within the boundaries of the District.

ATTENDANCE

Directors in Attendance:

Dawn Czajka, President
John Carlyon, Secretary
Ray Hodge, Assistant Secretary
Bruce Hohne, Director (via phone call)

Also in Attendance:

Colin B. Mielke, Seter & Vander Wall, P.C.
Stan Myers and Molly Janzen; Pinnacle Consulting Group, Inc. (Pinnacle)

Absent and Excused:

Dennis Horton, Treasurer

CALL TO ORDER

The meeting was called to order by Director Czajka at 6:07 p.m., noting that a quorum was present. The Directors in attendance confirmed their qualifications to serve.

CONFLICT OF INTEREST DISCLOSURE

Mr. Mielke noted that written disclosures of interests for all Board Members were filed with the Colorado Secretary of State's office and with the District's Board. Mr. Mielke advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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Mr. Mielke pointed out that Director Hohne was free to call into the meeting and express his opinion on matters, but his participation would not count toward the Board's quorum and he would not be allowed to vote because he was not physically present.

PUBLIC COMMENT

Director Czajka then opened the meeting for public comment at 6:21 p.m.: Several people addressed the Board with their concerns. Among the views expressed included the following issues:

- Ms. Tisha Higgins addressed the Board and read a statement regarding her personal concerns with the District's change in management, including her belief that it may increase costs to the District due to the extensive management activities needed by the District. Similar concerns and questions were made to the Board by Mr. Brock Cureton, Ms. Sandra Goff, Ms. Patricia Parsons and Mr. Dan Parsons, and other unidentified members of the public. Various members of the public voiced concern about potential increases in the District's rates. Mr. Mielke described the District's activities related to the CDPHE Notice of Violation, engineering analyses regarding proposed infrastructure repairs, and funding options for system improvements.
- Mr. Bart Bockman addressed the Board and requested an update regarding water service to his property at 48 St. Mary's Court.
- The Board was urged to seek all means available to pursue government grants to pay the costs of the required improvements to the water and wastewater systems.

The public comment period was closed at 8:30 p.m.

ADMINISTRATIVE MATTERS

Approval of Minutes

The minutes of the special meeting held on November 28, 2017 were presented. Upon motion made, seconded and unanimously carried, the Board approved the minutes as presented.

Update on Creation of District Logo

The Board determined to table a decision on the District logo until the next board meeting to allow Director Czajka more time to develop an alternative design for the Board's consideration.

Update of the District Management Transition Activity

Mr. Myers reported that most of the transition activity has comprised of downloads and meetings with Ms. Buck of Centennial Consulting Group (CCG) and Justin Korkus of TZA Engineering. Electronic files have been transmitted through

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Dropbox. The District's hard copy files will be transferred to Pinnacle Consulting later this week.

FINANCIAL MATTERS

Presentation of Claims

Ms. Janzen presented the claims for approval dated November 29, 2017 through December 18, 2017 compiled by CCG, detailing payments to be ratified in the amount of \$20,675.70. Upon motion duly made by Director Czajka, seconded by Director Hodge, and upon unanimous vote, the Board ratified and approved the payables as presented.

Presentation of Pinnacle Management Contract for 2018 Services

Mr. Mielke presented the Pinnacle Consulting Group Inc. contract for services to the Board. Upon motion duly made by Director Czajka, seconded by Director Carlyon, and upon unanimous vote, to the Board approved the contract as presented.

PUBLIC HEARING FOR 2018 FEES, RATES, AND CHARGES

Mr. Mielke addressed the Board and recommended that the issue of any changes to the District's current fees, rates and charges be tabled until the new management team has a chance to review the recommendations of CCG and have further discussions with CDPHE and WQCD regarding the requirements of the Design and Engineering Grant for Wastewater Improvements. Based on this recommendation the Board agreed to table any action on the District's fees, rates, and charges until a later meeting.

LEGAL ITEMS

Update of Litigation by Owner of Lot 310, St. Mary's Subdivision Unit 3:

Mr. Mielke updated the board that the district court was continuing to evaluate this case and that a court order will likely be issued in January.

Update of Ocheltree / Kinnaird Water and Sewer Service Extension:

Mr. Mielke stated that he was in possession of a letter from the attorney of these two parties stating that they were now interested in pursuing the installation of water and sewer main extensions to their properties and negotiating a reimbursement agreement with the District. These line extensions would likely be next summer. These parties are interested in moving forward with an agreement with the District in January. Mr. Mielke stated that Mr. Ocheltree and Ms. Kinnaird would like to get an estimate on the cost of the extension from the District and that their attorney voiced his understanding that the District cannot guarantee any estimate and that the District would not agree to any not-to-exceed amount. Mr. Mielke stated that the attorney understood that the District would provide an estimate solely as a courtesy for the

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property owners' planning purposes.

Update on May 2018 Board Member Election:

Mr. Mielke pointed out that all five directors will be up for re-election in May 2018. . It was pointed out that if an election is needed, it may cost between \$16,000 - \$18,000 to administer. The deadline for submission of self-nomination forms is March 2, 2018.

Discussion regarding Service at 8604 Fall River Road

Mr. Mielke informed the Board of a property owner's email that was forwarded to him by the District's prior management company. Mr. Mielke informed the Board that the owner of 8604 Fall River Road would like to convert an existing storage garage into a duplex that he can operate as a vacation rental. The owner asked the process for connecting the building to the District's water and wastewater systems. Mr. Mielke stated that he talked with the owner and explained that the District's rules require separate service lines and tap applications for each dwelling unit. Mr. Mielke suggested to the owner that the owner attend a board meeting if he has any further questions or would like to discuss the particular nature of his request.

Review of the Variance Request of Daniel and Patricia Parsons:

Mr. Mielke presented a variance request that the Parsons submitted to Clear Creek County to encroach on the setback requirements to facilitate improvements to their property at 435 Beaver Road a.k.a. St. Mary's Subdivision; Lot 630; Unit 4. Mr. Mielke informed the Board that the County requested the District review the variance request. Mr. Oeland reviewed the request and stated that he did not see any reason for the District to object to the request. After discussion and upon motion duly made by Director Czajka and seconded by Director Hohne, and upon unanimous vote the Board approved the variance request and authorized Mr. Mielke to execute the approval.

Request for Line Extension at 73 Mine Road:

Mr. Oeland brought before the board a service line extension request from the owner of the property at 73 Mine Road. After discussion the board instructed to Mr. Oeland to convey to the owner that such requests need to be made in writing and should start with written submittal to Clear Creek County. No determination on this request was made by the Board.

Update regarding 48 St. Mary's Court

Mr. Bockman requested that the Board provide an update regarding water service to his property located at 48 St. Mary's Court. Mr. Oeland updated Mr. Bockman and the Board on the work completed and confirmed that the work to provide water service will be finished the next day. Mr. Oeland stated that weather conditions prevented him from replacing the final 40 feet of an existing service line with a main line in the public right-of-way, and that such replacement would occur in the spring or summer after the ground

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thaws.

Mr. Mielke reminded Mr. Bockman and the Board that the parties agreed Mr. Bockman is responsible for the reasonable costs associated with this work (minus costs associated with Mr. Oeland's compensation). Mr. Mielke asked that Mr. Oeland provide a full itemization of the costs incurred thus far (minus costs associated with Mr. Oeland's compensation) so that it can be presented to Mr. Bockman for payment. Mr. Mielke stated that the additional costs related to the replacement of the remaining 40 feet of service line will be invoiced and delivered to Mr. Bockman after that additional work is completed in the spring or summer. Mr. Bockman agreed with proceeding in this manner.

DISTRICT WATER ISSUES & UPDATE

Mr. Oeland provided the board with a recommendation and an update on his activity since the last board meeting:

- He recommended that the Board make a determination that line extensions not be performed by the District after October 31st due to the cold weather making digging impracticable.
- The heaters in the WWTP were recently replaced.

OTHER BUSINESS

Director Carlyon asked that the board consider moving the its meetings to Monday nights. After discussion and upon motion duly made by Director Carlyon and seconded by Director Czajka, and upon unanimous votethe Board voted to move the board meetings to the fourth Monday of the month at 6:00 p.m. starting on January 22, 2018.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:26 p.m.

Secretary for the Meeting