

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE IDLEDALE WATER & SANITATION DISTRICT HELD March 22, 2022

A Regular Meeting of the Board of Directors of the Idledale Water & Sanitation District (referred to hereafter as "Board") was held on Tuesday, the 22nd day of March, at 6:00 p.m. The meeting was held at Idledale Community Church, 21429 Highway 74, Idledale, CO 80453 and was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jim Jordan, President
Mike Richardson, Treasurer
Todd Vandegrift, Vice President
Hugh Gardner, Assistant Secretary

Also In Attendance Were:

AJ Beckman, District Manager
Bob Orsatti, Orsatti Water Consultants, District Engineer
Debra Sedgeley, CliftonLarsonAllen, LLP, District Accountant
Richard Pintor, Jr., Operator in Responsible Charge, Paul Rufien, Rufien Law, PC
Cheryl Branson, Desire Zamara, Andy Colwell, Renee Colwell, Alex Stutt, Mary McKindry, Erin McCorley, and Anita Johnson; members of the public

ADMINISTRATIVE

Disclosures of Potential Conflicts of Interest: Mr. Beckman advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. The Board reviewed the Agenda for the meeting, following which Directors Jordan, Richardson, Vandegrift, and Gardner confirmed that they have no conflicts of interest in connection with any of the matters listed on the Agenda and the meeting was called to order at 6:04 p.m.

Agenda: Mr. Beckman distributed for the Board's review and approval a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Vandegrift, seconded by Director Richardson and upon vote, unanimously carried, the Agenda was approved as amended.

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Minutes: The Board reviewed the Minutes of the January 25, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Vandegrift, seconded by Director Richardson and, upon vote, unanimously carried, minutes of the January 25, 2022 Special Meeting were approved.

Orsatti Water Consultants, LTD Service Agreement: The Board reviewed the Service Agreement with Orsatti Water Consultants, LTD.

Following discussion and review, upon a motion duly made by Director Gardner, seconded by Director Richardson, and upon vote unanimously carried, the Board ratified the Service Agreement with Orsatti Water Consultants, LTD.

Community Engagement: Following discussion, it was decided that the Board would defer this item in favor of Public Comment.

Public Comment: Several members of the public expressed concern regarding the notifications recently sent by the District regarding the failure to meet new water treatment requirements. Members of the Board, Mr. Beckman and Mr. Orsatti explained that the letters were required by the Colorado Department of Health and Environment (“CDPHE”) because the District did not install filtration now required for groundwater deemed to be under the influence of surface water by the deadline of August 31, 2021. The Board and consultants explained that the District is working on obtaining funding to address the District’s water system needs including the mandated filtration. It was further noted that the requirement is limited to Wells 1A and 1B, which have served the District for over 30 years. In that time the water quality has not changed, however there is now a requirement to treat the water produced by the wells with specialized filtration. The Board and consultants further explained that the District has been forced to purchase delivered water in the past, and may be forced to do so again if water production issues are not addressed concurrently with compliance matters. It was also noted that the Board is planning to address the compliance and water production issues as one project in order to avoid the expense of installing, un-installing and re-installing specialized filtration in advance of other modifications to the water treatment facility that will be necessary to optimize water production. Discussion ensued regarding the quality of the water in wells 1A and 1B. Discussion ensued regarding additional communication to further explain the District’s plan to address water production and water quality issues. Mr. Beckman explained that Director Gardner previously drafted a letter which was reviewed by the Board and the District’s Attorney. Following review, it was recommended that the letter be modified to include additional details.

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Members of the public encouraged the Board to move forward expeditiously with additional communications on the matter.

FINANCIAL MATTERS

Accounts Payable: The Board considered approval of the payment of claims for the period ending March 25, 2022, in the amount of \$ 6,917.94.

Ms. Sedgeley reviewed the payables with the Board. Following discussion, upon motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote, unanimously carried, the Board approved the payment of claims in the amount of \$6,917.94.

The Board considered ratifying payment of claims for the amount of \$42,004.08 for the period ending February 28, 2022.

Ms. Sedgeley reviewed the payables with the Board. Following discussion, upon motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote, unanimously carried, the Board approved the payment of claims in the amount of \$42,004.08.

Unaudited Financial Statements: Ms. Sedgeley reviewed the cash position with the Board.

Following discussion and review, upon a motion duly made by Director Vandegrift, seconded by Director Richardson and, upon vote unanimously carried, the Board accepted the unaudited financial statements.

OPERATIONS MATTERS

Operations Report: Mr. Pintor reported that in addition to his ongoing duties as Operator in Responsible Charge, he is currently checking and adjusting the Pressure Reducing Valves throughout the District.

Director Richardson reported on a recent water leak on Southwest Grapevine Road. He noted that the leak has been repaired. The cause appears to have been grit caught in the fitting which prevented a positive seal and caused a small leak. Over time the leak became larger. Mr. Pintor will monitor the area where the repairs were made.

Tier II Violation Notice: The matter of the Tier II Violation Notice and timeline for compliance with treatment requirements for water classified as Groundwater Under the Direct Influence of Surface Water ("GWUDI") was discussed in large part during the public comment section of the meeting.

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Public Relations Communication: Director Richardson reviewed and discussed the outline for an informational letter for distribution to the community. Mr. Richardson will draft and review the letter with Mr. Beckman and the Board.

Engineering Report: Mr. Orsatti reported that a through needs assessment has been performed. He noted the system is operating at or near a deficit much of the time, and small leaks are having an extremely significant impact. An initial investigation noted leaks account for nearly 50% of consumption. He reported that several alternatives have been explored including connecting to Genesee Water District (an option which proved not to be cost effective). Mr. Orsatti identified certain improvements that were determined to be the most important, including expanding the primary treatment building, installing a new distribution line, installing a new well, adding valves, installing fire hydrant replacements, and installing water service meters.

Grant Funding Opportunities: Mr. Orsatti reported that the Colorado Department of Public Health and Environment (“CDPHE”) requires a Project Needs Assessment Report, which has received approval by CDPHE. He and Mr. Beckman have meet with the CDPHE’s Loans and Grants Unit, and are working with Director Grant and others to pursue funding through the State Revolving Fund.

LEGAL MATTERS

Stutt Vacant Land: Mr. Stutt attended the meeting and noted that he is no longer interested in excluding his property from the District as previously requested. No further action was necessary from the Board at this time.

May 3, 2022 Election: Mr. Beckman updated the Board on the May 3, 2022 election. He noted that due to the District receiving an equal number of self-nomination forms as Director seats available, the election is cancelled. The newly elected Board members are as follows:

Andy Colwell
Nancy Crivello
Hugh Gardner
Mike Richardson

Mr. Beckman explained that the new Board members can take the Oath of Office after May 3rd and will be seated on the Board once the Oath has been administered.

Attorney Rufien joined the meeting by phone at this time.

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Executive Session: Pursuant to Section 24-6-402(4)(f), C.R.S., upon motion duly made by Director Jordan, seconded by Director Richardson, and upon affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 8:20 p.m. for the purpose of receiving legal advice, as authorized by Section 24-6-402(4)(f), C.R.S relating to personnel matters.

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(f), C.R.S.

Upon motion duly made by Director Gardner, seconded by Director Richardson and upon vote, unanimously carried, the Board reconvened in regular session at 8:40 p.m.

Engineering Name Change: Mr. Orsatti advised the board the Orsatti Water Consultants, LTD has been acquired by Anchor QEA, LLC. He explained that this will not affect the service the District is accustomed to receiving.

Following discussion and review, upon a motion duly made by Director Gardner, seconded by Director Richardson and, upon vote unanimously carried, the Board authorized the assignment of all contracts entered into with Orsatti Water Consultants, LTD to Anchor, QEA.

OTHER BUSINESS

There were no other matters brought for discussion.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Vandegrift, seconded by Director Richardson, and upon vote unanimously carried, the meeting was adjourned at 7:35 p.m.

Respectfully submitted,

By Hugh Gardner
Secretary