

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE IDLEDALE WATER & SANITATION DISTRICT HELD SEPTEMBER 27, 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 27th day of September, 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:

Nancy Crivello
Hugh Gardner
Mike Richardson
Todd Vandegrift

Also In Attendance Were:

AJ Beckman, Public Alliance LLC, District Manager
Bob Orsatti, Orsatti Water Consultants, District Engineer
Debra Sedgeley, CliftonLarsonAllen, LLP, District Accountant
Mary McHenry, Resident
Norman Treiner, Resident
Arnette Calvi, Resident
Joseph Johnson, Resident

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 Crivello, Gardner, Richardson, and Vandegrift 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 6:05 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 and the absence of Director Colwell was excused.

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Minutes: The Board reviewed the Minutes of the June 27, 2022 Special Board Meeting.

Following discussion, upon motion duly made by Director Vandegrift, seconded by Director Richardson and, upon vote, unanimously carried, the minutes of the June 27, 2022 Special Board Meeting were approved.

Public Comment: There was no public comment.

FINANCIAL MATTERS

Accounts Payable: The Board considered approval of the payment of claims for the period ending September 7, 2022, in the amount of \$8,882.74.

Ms. Sedgeley reviewed the payables with the Board. Following discussion, upon motion duly made by Director Vandegrift, seconded by Director Richardson and, upon vote, unanimously carried, the Board ratified the payment of claims in the amount of \$8,82.74.

Financial Reports: Ms. Sedgeley reviewed the financial reports for the period ending September 13, 2022, with the Board.

Following discussion and review, upon a motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote unanimously carried, the Board approved the financial reports.

2023 Draft Budget: Ms. Sedgeley reviewed the 2023 Preliminary Draft Budget with the Board.

The Board directed Mr. Beckman to set November 10, 2022 for the public hearing regarding the 2023 Budget.

OPERATIONS MATTERS

Engineer's Report: Mr. Orsatti reviewed the preliminary project cost estimates with the Board. Discussion ensued regarding the priority of the various improvement included in the overall project. The Board further discussed funding options and potentially self-performing some aspects of the overall project.

Grant Funding through United States Department of Agriculture ("USDA"): Director Crivello updated the Board on a possible USDA grant of up to \$1.5 million for drought related water supply issues. She explained that she, Mr. Beckman and Mr. Orsatti discussed the grant opportunity with Allison Ruiz with the USDA on September 13, 2022. At this point the grant looks promising. Mr. Orsatti provided engineering information to the USDA for additional analysis.

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Additional information will be provided as it is received.

Tier II Violation: Mr. Beckman reported that the District will need to send another violation letter in early October.

Operations Report: Director Richardson reported that water production is down by approximately 40%, but demand has remained consistent. The District's wells are still producing sufficient water to meet demand but with very little excess production.

LEGAL MATTERS

Resolution to Include Property into the District: Director Gardner opened the public hearing. There being no comment from the Public, the public hearing was closed. Mr. Beckman reviewed the resolution with the Board explaining that the property petitioning the board for inclusion is currently receiving service. The inclusion would be helpful to all parties as District revenues could be collected through property taxes rather than fees.

Following discussion and review, upon a motion duly made by Director Vandegrift, seconded by Director Gardner and, upon vote unanimously carried, the Board approved Resolution 2022-09-01 to Include Property located at 2394 S. Grapevine Rd., Idledale, CO, 80453 into the boundaries of the District.

Colorado Water Resources and Power Development Authority ("CWRPDA") Loan Agreement: Mr. Beckman discussed the terms of the loan and reviewed with the Board Resolution 2022-09-02 approving the Loan Agreement between CWRPDA and the District and authorizing the District's President and Treasurer to execute related documents. Mr. Beckman explained that the terms of the loan include principal forgiveness, therefore the loan is in effect a grant, however CWRPDA will reimburse 80% of the engineering design up to \$300,000. In the event the District enters into a CWRPDA financing agreement through the State Revolving Fund the final 20% will be included as principal forgiveness.

Following discussion and review, upon a motion duly made by Director Gardner, seconded by Director Richardson and, upon vote unanimously carried, the Board approved the Resolution and authorized execution by Director Gardner.

Resolution 2022-09-03: Mr. Beckman presented to and reviewed with the Board a Resolution Certifying Delinquent Accounts to the Jefferson County Treasurer for collection with property taxes in 2023.

Following discussion and review, upon a motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote unanimously carried, the Board Approved the Resolution.

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OTHER BUSINESS

Proposal for Field Operations Services: Director Richardson and Mr. Beckman discussed the possibility of Director Richardson conducting field operations as a contractor to the District. Mr. Beckman discussed the benefits of having Mr. Richardson in this role since he lives in the District, has extensive knowledge of the District's systems, and the skills to perform the necessary tasks. The Board was in agreement that Mr. Richardson would need to resign as a Director in order to become a contractor. Director Gardner requested that Mr. Richardson prepare and present a proposal at the next meeting for Board consideration.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Crivello, seconded by Director Richardson, and upon vote unanimously carried, the meeting was adjourned at 8:10 p.m.

Respectfully submitted,

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By Nancy Crivello
Secretary