

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

IDLEDALE WATER AND SANITATION DISTRICT

Held: Monday, August 12, 2019, at 7:00 p.m. at the District's Water Treatment facility, 2144 S. Grapevine, Idledale, Colorado 80453

Attendance:

A Special meeting of the Board of Directors of the Idledale Water and Sanitation District was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

M. Rose Zaccaro	President
Michael Richardson	Treasurer
Eric Suich	Secretary
Hugh Gardner	Director
Todd Vandegrift	Director

Also present were:

Paul Rufien	Paul C. Rufien, P.C. (Arrived during the meeting as noted below)
Ted Laves	Colorado Special District Management and Operations
Clay Brown	Colorado Department of Local Affairs
Bob Orsatti	Orsatti Water Consultants
Jim Jordan	District resident
Susan Sweeney	District resident
Phil Sweeney	District resident
Claudia Roulier	District resident
Mike Norris	District resident

1. Call to Order/ Declaration of Quorum:

Director Zaccaro, noting the presence of a quorum, called to order the special meeting of the Board of Directors (the "Board") of the Idledale Water and Sanitation District (the "District") at approximately 7:12 p.m.

2. Directors Matters/Disclosure

Director Zaccaro advised the Board that pursuant to Colorado

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law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member confirmed the contents of any written disclosure 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.

3. Approval of Additions-to /
Deletions-from Agenda;

Director Zaccaro noted that because this is a Special Meeting some items normally on the Agenda were not included for this meeting. After discussion and upon the motion of Director Zaccaro, seconded by Director Richardson, the Agenda was approved without change.

4. Public Comments:

None

5. Financial Matters:

PAYMENT OF CLAIMS:

Mr. Richardson distributed the financial summary which included Claims, payroll and Director payments. Upon the motion of Director Zaccaro, seconded by Director Richardson, the Board unanimously accepted the financial summary as received and approved the payment of claims.

COLLECTIONS:

Mr. Laves explained the process of collecting past due water fees through Jefferson County. The process involves the Board passing a Resolution to put a lien on the two delinquent properties which will be recorded by the County Clerk and Assessor. After the lien is recorded it is filed with the County Treasurer for collection in 2020 as an addition to those properties' tax bills. A copy of the proposed Resolution was included in the previously distributed Board packet.

On motion of Director Vandegrift, seconded by Director Richardson the resolution to put a lien on the two past due properties, to instruct Mr. Laves to record the lien with the Jefferson County Clerk & Recorder and to file the lien with the County Treasurer was unanimously approved.

BUDGET UPDATE – WATER PURCHASES:

Director Richardson reviewed the water situation:

- The District started trucking in water on August 12th.
 - 6,000 gallon shipment from Frederick
 - Subsequent shipments planned from Golden
- Last 2 ½ months: the District's water production has been about half of last year's production.

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- Tank water levels are currently at 5 ½ feet
 - Full tank is 10 feet.
- Level sensors – know that well levels are low.
- Looking at bringing on the Ridgeway well.
 - Well vendor (Dave) working on fixing the well.
 - Electrical problem or well failure?
 - Lightning strikes or cable damage?
 - Ridgeway expected on average to add 3 gpm but the District needs 8 – 10 gpm more to meet demand.
- Sawmill well is not economically viable
 - High uranium content.
 - Cost of treatment would be more than the cost of buying water

The Board and attending residents discussed options:

- Current output is 20 gpm vs maximum of 80 gpm
- Consumption levels – no recent data
 - Think up perhaps 20% - 25%
 - March found two homes with leaks
 - Concern new residents do not understand the need for water conservation.
- Perhaps the lower output is due to homes outside of District installing new wells and draining off available water for the District's wells.
- Fracking to increase production from the current two wells as was done in the past?
 - Concern about risk to these wells.
- Well output trends?
 - Not known due to the lack of consistent data prior to the last two years.
- Cost projection for water hauling
 - Not yet completed.
 - Last year was \$20,000 for 250,000 gallons over 4 months.

Mr. Rufien joins meeting

6. Legal Matters:

EXCLUSION MATTERS:

Director Zaccaro summarized Mr. Rufien's memo on exclusion considerations that was included in the previously distributed Board Packet. Mr. Rufien confirmed that this was an accurate summary.

- An excluded property would continue to be obligated, as a matter of law, to pay its share through property taxes of any existing District debt repayment obligations.

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- An excluded property would not be obligated to help pay for the repayment of any new debt including the repayment of any future existing debt refinancings.
- Debt service helped fund the District's fire hydrant service and so the District would continue to have an obligation to provide firefighting water to an excluded property.
- The District will need to make sure that the County properly assesses the debt repayment mill levy after exclusion.

Mr. Rufien noted that the petition was for only one property.

- Director Richardson stated that several other properties has expressed an interest in being excluded but that none has begun the process.

Mr. Rufien stated that the District should ask the County going forward to collect the debt repayment mill levy on any properties that were excluded in the last two years because the County has not been doing so for previously excluded property. The District may ask the County to collect debt repayment taxes in arrears for previously excluded properties. But if the County refuses, then the District would need to bring legal action to compel the County to act.

Mr. Rufien stated that a vote to exclude would establish a precedent but the District could change its criteria for such reasons as, for example:

- Different situations between the properties
- Changes in the District's finances.
- That a previous decision was made in error, for example due to bad advice.

Upon motion of Director Suich, seconded by Director Richardson, the Board unanimously approved the Exclusion petition of Summer A. Wollin for the property at 2681 SE Grapevine Road, Idledale, Colorado 80453

Mr. Rufien summarized the next steps as follows:

- Mr. Rufien will prepare a clean copy resolution to be signed by the Board President.
- Mr. Rufien will submit the exclusion to the Jefferson County Courts for approval.
- Mr. Laves will file the approval with the Jefferson County Clerk and Recorder for recording.

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- Mr. Rufien will ask the County to collect the debt repayment mill levy for this and other recently excluded properties.

7. Operations:

Update & Consideration of Proposal from Lamp Rynearson

FUNDING FOR AN ENGINEERING STUDY

Mr. Brown of the Department of Local Affairs summarized how the Department could assist the District. He also distributed a summary sheet to the Board.

- The Department provides technical and financial assistance to Districts including grants and loans up to \$100 million.
 - Program funding comes from the State's Severance Taxes.
- To help smaller Districts to make good decisions and to prepare creditable grant and loan applications, the Department can also provide matching grants of up to \$25,000 to help support a District's hiring consultants to assist them with financial and technical analysis and planning.
 - Mr. Brown is the initial evaluator of these assistance matching grants and then he can, if appropriate, submit an application to the State for approval. His recommendations are frequently funded.
 - There is no time limit on filing an application and applications can be made at any time throughout the year.
 - Funding availability should not be an issue going forward so there is no imperative to file soon.

Mr. Brown departs the meeting

DISCUSSION - ENGINEERING STUDY PROPOSAL(S)

Mr. Orsatti stated that he is now with Orsatti Water Consultants and that he intends to submit the same proposal that he previously submitted for Lamp Rynearson.

- The cost will remain the same
- He accepts all the contractual terms mentioned in Mr. Rufien's draft contract, that a Director had shared with him.

Director Vandegrift asked about Lamp Rynearson's interest in continuing with their proposal but with different staff. Director Richardson stated that he had talked with them and

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that they wish to continue. Director Richardson had asked them not to attend this Board meeting for various reasons.

Director Vandegrift asked if there were any legal issues with Orsatti Water Consultants using materials contained in Lamp Rynearson proposal.

- Mr. Orsatti asserted that the materials in that proposal were his property because he had spent the time and effort to understand the District's needs and had prepared the proposal.
 - Mr. Laves asked if the proposal might legally be considered to be Lamp Rynearson's property or work product.

8. Other Business:

APPLICATION TO JEFFERSON COUNTY FOR A ZONING EXCEPTION TO ALLOW COOKING CLASSES

The Board and attending residents discussed the very recently discovered application to the Jefferson County Planning Board by the owners of 2721 SW Grapevine Road for a Special zoning exemption to allow twice weekly cooking classes for up to 12 students at a time.

Mr. Rufien advised the Board that the Board could only address the issue if this exception affects the District's purpose of providing water to the residents.

Director Zaccaro commented that she had three concerns:

- That a cooking class could increase water usage.
- That there are no other businesses in the District except for the Post Office on Highway 74.
- That this zoning exception would set a precedent for allowing other businesses that might consume more water.

The group then discussed:

- Whether the District is required to provide water for a commercial enterprise.
- Whether the property would become a commercial or remain as a residential property
 - Whether the owners live at the property
- Fairness and equity of allowing increased consumption when a Red Alert is in effect.
- How much water the business might use.
- Ways to verify the actual usage

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- Alternate ways for the owners of the property to obtain separate water for their business.

Upon the motion of Director Zaccaro, seconded by Director Suich, the Board unanimously agreed that District representatives would attend the Jefferson County Board of Adjustment hearing on August 21st and express the District's objections to this application. Directors Vandegrift and Richardson indicated that they will attend.

9. Executive Session

At 8:47 PM, the Board went into executive session in accordance with §24-6-402(4)(e), C.R.S. to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators and also in accordance with §24-6-402(4)(f), C.R.S. to discuss personnel matters.

All meeting attendees except for the Directors, Mr. Rufien and Mr. Laves departed at this time.

At 9:12, the Executive Session ended

10. Resume Open Meeting

ENGINEERING STUDY

Director Vandegrift, seconded by Director Gardner moved to only request a proposal from Orsatti Water Professionals. The motion failed 1 to 4 with Director Gardner voting aye and Directors Zaccaro, Richardson, Vandegrift and Suich voting no.

Director Zaccaro, seconded by Director Richardson moved to send a "Request for Proposal" to several engineering firms. The motion passed unanimously.

OPERATIONS RESTRUCTURING

Director Zaccaro, seconded by Director Vandegrift moved:

1. To reduce Richard Pinter, Sr. to 50% during the remainder of 2019
2. To retire Richard Pinter, Sr. on December 31, 2019
3. To limit Richard Pinter, Jr. to no more than 30 hours of service per week unless he is given prior permission to incur additional hours.

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The motion passed 4 to 1 with Directors Zaccaro, Vandegrift, Richardson and Suich voting "aye" and Director Gardner abstaining.

11. Adjournment

Upon motion of Director Vandegrift, seconded by Director Suich, the Board unanimously agreed to adjourn at 9:35 PM.

Respectfully submitted,

By: _____
Edward Laves, District Manager




Rose Zaccaro

Mike Richardson

Eric Suich



Todd Vandegrift



Hugh Gardner