

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

IDLEDALE WATER AND SANITATION DISTRICT

Held: Monday, July 8, 2019, at 7:00 p.m. at the Idledale Community Church Building, 21429 Highway 74, Idledale, Colorado 80453

Attendance:

A regular 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
Hugh Gardner	Director
Todd Vandegrift	Director
Eric Suich	Director

Also present were:

Paul Rufien	Paul C. Rufien, P.C.
Stephanie Ceccato	Paul C. Rufien, P.C.
Debra Sedgely	CliftonLarsonAllen, LLP
Ted Laves	Colorado Special District Management and Operations
Richard Pintor, Jr.	District's ORC
Richard Pintor, Sr.	District's Operator
Bob Orsatti	Lamp Rynearson

Sandy Bowen	District resident
Susan Sweeney	District resident
Pat Sweeney	District resident
Jon Becker	District resident
Craig Hook	District resident
Mary McKenney	District resident

1. Call to Order/ Declaration of Quorum:

Director Zaccaro, noting the presence of a quorum, called to order the regular meeting of the Board of Directors (the "Board") of the Idledale Water and Sanitation District (the "District") at approximately 7:05 p.m.

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2. Directors Matters/Disclosure Matters: Mr. Ruffen advised the Board that pursuant to Colorado 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; After discussion and upon the motion of Director Zaccaro, seconded by Director Vandegrift, the Revised Agenda was approved without change.
4. Public Comments: Mr. Sweeney expressed concern that using taxes instead of water fees had raised his annual District costs from \$100 to \$1,200. After discussion, the Board agreed to table the issue until the October meeting in order to allow Directors to individually study and evaluate the issue.
- Mr. Hook asked where to find the amount of his tax payments to the District. Mr. Richardson directed him to the Jefferson County Assessor's web site.
- Ms. Bowen stated that the County Assessor's office had told her that water charges were separate from property taxes. Mr. Laves explained the source of the confusion by the Assessor's office.
- Mr. Hook asked if with this year's greater rainfall, it would be possible to occasionally water his garden. Ms. Zaccaro and Mr. Richardson explained that the District was not yet clear about the water situation because consumption appeared to be higher. However, residents under state law can utilize rain barrels to collect outside water.
- Ms. Bowen asked about the status of the Ridgeway well. Mr. Richardson explained the current situation.
5. Approval of Meeting Minutes: Director Zaccaro noted that in the April 8, 2019 minutes under "Financial Matters" the amounts stated for Payroll and Payables had been reversed. Director Richardson requested that the first paragraph on page 3 was in error and should be

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deleted After review and discussion, upon the motion of Director Zaccaro, seconded by Director Vandegrift the Board unanimously approved the April 8, 2019 regular meeting minutes as modified.

7. Financial Matters:

The Board discussed the engagement letter with CliftonLarsonAllen LLP (CLA) for accounting services and audit support. Upon motion of Director Zaccaro, seconded by Director Vandegrift unanimous approved the engagement letter.

The Board discussed the engagement letter with Simmons & Wheeler to perform the District's 2018 audit. Ms. Sedgeley commented that the audit fee has been reduced by \$400 from last year because CLA is performing some preparatory work. Director Zaccaro asked if the District could be exempted from auditing for 2020 because of its limited revenues. Ms. Sedgeley responded that being exempted depends upon the District's bond agreements. Director Richardson will send the bond documents to Ms. Sedgeley for review. Upon motion of Director Zaccaro, seconded by Director Vandegrift the engagement letter was unanimously approved.

The Board discussed requesting an extension to file the 2018 Audit. Ms. Sedgeley noted that the State would grant a request if the District had not done so the in previous year but Mr. Richardson said that the District may have done so. Ms. Sedgeley suggested that the District file a request. A motion to approve filing a request was made by Director Vandegrift, seconded by Director Suich and unanimously approved.

Directors Richardson and Zaccaro reviewed the preliminary financials for the period ending June 30, 2019 and the claims to be paid. The Board discussed such over budget line item variances as testing, payroll, projections of water hauling costs and accounts receivables. Director Zaccaro directed Mr. Laves to send a collection letter to the past due accounts and if they do not respond, then after 90 days to certify the collections to Jefferson County for their collection. Upon motion of Director Vandegrift, seconded by Director Richardson, the Board unanimously approved the financial reports and the payment of claims.

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8. Corrected 2018 Budget Filing:

Ms. Sedgeley stated that no revisions of the budget are necessary provided that the total actual expenditures do not exceed the budgeted total expenditures

9. Legal Matters:

The Board discussed appointing a Board Secretary and the duties of that position. Upon motion of Director Gardner, seconded by Director Richardson, the Board unanimously appointed Director Suich to the position of Secretary.

The Board discussed the Annual Resolution. Director Zaccaro requested that this document be tabled to allow Board members to study it further.

10. Public Inclusion Hearing:

At 8:00 PM, Director Zaccaro opened the Public Inclusion hearing. Mr. Rufien explained that the Board needs to determine that the District is capable of serving the new property prior to passing a Resolution. After passage and signing of the Resolution, Mr. Rufien will file the Inclusion Resolution with the Jefferson County Court and once the Court approves, then the Inclusion will be recorded with the Jefferson County Clerk and Recorder. When the included property is taxed and concurrently water fees cease will depend upon when the Court approves and the County deadline for such changes. Mr. Rufien noted that an Inclusion Notice had been published in the Canyon Courier on June 26, 2019.

There were no public comments made.

After discussion, the Board determined that the District is capable of providing services to the 2475 S Grapevine Road, Idledale. Upon motion of Director Suich, seconded by Director Richardson, the inclusion of 2475 S Grapevine Road, Idledale was unanimously approved.

The Public Inclusion Hearing was closed at 8:10 PM

11. Public Exclusion Hearing:

At 8:10 PM, Director Zaccaro opened the Public Exclusion hearing. Mr. Rufien explained that to Exclude a property, the Board need to determine whether an exclusion: (i) will negatively affect employment by the District; (ii) will have a negative impact on Jefferson County services; (iii) will have a negative financial affect on the District and (iv) if that

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property has an adequate alternative water source. After the passage and signing of the Resolution, Mr. Rufien will file the Exclusion Resolution with the Jefferson County Court and once the Court approves, the Exclusion will be recorded with the Jefferson County Clerk and Recorder. Mr. Rufien noted that an Exclusion Notice had been published in the Canyon Courier on June 26, 2019.

There were no public comments made.

The Board then discussed the Exclusion of 2681 SE Grapevine Road, Idledale, Colorado (the "Property"). Mr. Richardson noted that the Property had an independent well and that there would be no affect on the District's employment or on Jefferson County.

Director Zaccaro asked about fire hydrant service and Mr. Richardson noted that there is a fire hydrant in close proximity to the Property. Director Zaccaro also inquired if an exclusion of the Property would also cover the District's debt service obligations and Mr. Rufien noted that this was not part of the Property owners' petition. To maintain the debt service obligation would require the Property owners to modify their petition.

The Board then discussed the fairness to all District property owners of allowing the Property to utilize fire hydrant services and shed their obligation to fund debt service. On the other hand, the Board was concerned about precedent with previous exclusions. Mr. Rufien advised that precedent would not hold if the previous decision was made in error. After further discussion, the Board agreed to table the decision on exclusion until the October meeting to allow Mr. Rufien to review the situation.

The Public Exclusion meeting was closed at 8:25 PM

12. Communications:

The Board discussed updating the District's website. Director Richardson requested more time to review the SIPA alternative. Director Zaccaro suggested pushing the new website into 2020. Director Gardner suggested that the District consider using mailed letters and postcards to communicate with residents but Mr. Richardson noted that

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30% of previous mailings were returned by the Post Office due to either out of date mailing addresses or Post Office error.

13. Responsibilities Matrix:

The Board reviewed the Responsibilities Matrix that was included in the Board packet. Director Zaccarostated that she was fine with the stated responsibilities of the Board, Ms. Sedegely and Mr. Rufien but felt addition consideration was needed on the duties of Directors Zaccaro, Director Richardson and Mr. Laves. She also stated that the District would continue to have Directors Richardson and Zaccarohandle the bookkeeping functions.

14. Operator's Report

Director Zaccaronoted that the Board had previously decided not to have an operator's report and that item should not be included on Agendas going forward.

Mr. Richardson reported that the water tank was currently full and that well #1B for the last 30 days had been producing 13 gallons per minute while Well #1B was producing 6 gallons per minutes. However, production graphing has not been updated since February and usage per day data is not being collected. Leak detection work will resume now that runoff ambient noise has diminished.

15. Lamp Ryerson Proposal

The Board discussed at length with Mr. Orsatti the proposal by Lamp Ryerson to study the District's water system.

Issues discussed included:

- Whether the District can afford the \$65,000 cost of the proposal.
- Whether parts of the project were redundant to work previously completed by the District and whether parts of the proposal could be eliminated.
- The probability of receiving the matching grant funding and long term larger funding.
- Whether funding would come from the Department of Local Affairs (DOLA) Energy and Mineral Impact Assistance Program and/or from the Department of Public Health and Environment (CDPHE) and whether larger scale funding would be in the form of grants or loans.
- What benefits to the District might come from this study.

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At the conclusion of this discussion, the Board agreed that:

- The GIS mapping of the water system would be removed from the project.
- Mr. Orsatti will scrub his proposal to see if the costs can be reduced.
- Directors Gardner, Vandegrift and Richardson will meet with Clay Brown of DOLA's Energy and Mineral Impact Assistance Program on July 12th to clarify grant conditions.
- Mr. Laves will send Lamp Ryerson's proposed contract draft to Mr. Rufien for review.
- The Board will hold a Special Meeting on August 12th to further discuss Lamp Ryerson's proposal.

16. Executive Session:

Upon motion of Director Vandegrift, seconded by Director Zacarro, the Board unanimous agreed to enter an executive session to discuss Personnel matters in accordance with the Colorado Revised Statues §24-6-402(4)(f). Mr. Laves recorded the executive session as required by law.

[All persons present except for the Directors, Mr. Rufien, Ms. Ceccato and Mr. Laves departed at this time.]

At 10:40 PM, upon motion of Director Zacarro, seconded by Director Richardson, the Board unanimously agreed to terminate the executive session and return to an open session.

17. Operator Salary

Upon motion of Director Vandegrift, seconded by Director Suich, the Board unanimously agreed to increase the salary of the District's ORC, Richard Pintor, Jr., by \$1.25 per hour.

18. Adjournment

Upon motion of Director Zacarro, second by Director Vandegrift, the Board unanimously adjourned the meeting at 10:22 PM.

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Respectfully submitted,

By: _____
Edward Laves, District Manager




Rose Zaccaro

Mike Richardson

Eric Suich



Todd Vandegrift



Hugh Gardner