

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE IDLEDALE WATER & SANITATION DISTRICT HELD February 26, 2020

A Special Meeting of the Board of Directors of the Idledale Water & Sanitation District (referred to hereafter as "Board") was held on Wednesday, the 26th day of February, 2020, at 7:00 p.m. at the Idledale Community Church Building, 21429 Highway 74, Idledale, CO 80453. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Mike Richardson, via speakerphone
Todd Vandegrift
Hugh Gardner

Also In Attendance Were:

AJ Beckman, District Manager
Paul C. Rufien, District Attorney
Richard Pintor Sr., District Employee
Richard Pintor Jr., District Operator In Responsible Charge (ORC)
Bob Orsatti, Orsatti Water Consultants, Ltd.
Jim Jordan, Idledale Resident
John Rieser, Idledale Resident
Mike Norris, Idledale Resident

Following discussion, upon motion duly made by Director Gardner, seconded by Director Richardson and, upon vote, unanimously carried, the absence of Director Zaccaro was excused and Director Vandegrift was appointed Acting President for the meeting.

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 Richardson, Vandegrift, and Gardner confirmed that they have no conflicts of interest in connection with any of the matters listed on the Agenda.

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

Following discussion, upon motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote, unanimously carried, the Agenda was

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approved as presented.

Minutes: The Board reviewed the Minutes of the January 13, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote, unanimously carried, minutes of the January 13, 2020 Special Meeting were approved, as presented.

Board Vacancy: Mr. Beckman asked if any of the Directors were aware of anybody interested in filling the vacant seat formerly filled by Eric Suich. Mr. Jordan explained that he is a long-time resident of Idledale and served on the Board in the past. Mr. Beckman confirmed that Mr. Jordan was a Director several years ago, and Mr. Beckman was the District Manager at that time. Mr. Beckman noted that he has verified that Mr. Jordan meets the eligibility requirements to serve on the Board, however an Oath of Office was not prepared in advance of the meeting.

Following motion duly made by Director Gardner, seconded by Director Richardson and, upon vote, unanimously carried the Board appointed Mr. Jordan to fill the vacancy created by the resignation of Eric Suich. Attorney Rufien explained that Mr. Jordan would be able to fill the vacancy and become a voting Director once the Oath of Office is properly administered. Mr. Beckman noted that he will prepare and send Mr. Jordan an Oath of Office.

May 5, 2020 Directors Election: Mr. Beckman discussed the 2020 Directors Election and explained that he is prepared to fill the role of Designated Election Official (DEO), and advised the Board that appointing him to this position would likely be the most economical option.

Following motion duly made by Director Gardner, seconded by Director Gardner and, upon vote, unanimously carried, the Board appointed Mr. Beckman as the DEO for the May 5, 2020 Directors election.

FINANCIAL

Accounts Payable: The check register for the current period was not available. Approval of Accounts Payable was therefore deferred.

Financial Statements and Reports: There were no financial reports available. Mr. Beckman inquired as to who would be providing the financials going forward. Mr. Richardson explained that he can provide the check registers and Director Zaccaro can prepare financial reports through QuickBooks.

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2019 Audit: The Board reviewed the Audit Engagement Letter from Simmons & Wheeler P.C.

Following motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote, unanimously carried, the Board engaged Simmons & Wheeler P.C. to prepare the 2019 Audited financial statements.

OPERATIONS

Status of Water Production and Demand: Mr. Pintor Jr. reported that the level in the water tank has been improving with the recent moisture and with the recent identification of a leaking service line on Shady Lane. He reported that on January 28th the District was able to cease water deliveries to the tank as the demand began to match the production rate. He went on to explain that the water tank is gaining volume by approximately 1,000 gallons per day. Mr. Orsatti asked how the water level is monitored. Mr. Richardson explained the technical details of the SCADA system devoted to this process.

GWUDI Classification by CDPHE: Mr. Orsatti addressed the Board regarding finding by the Colorado Department of Public Health and Environment (CDPHE) that wells 1A and 1B are capturing Ground Water Under Direct Influence (GWUDI) *of surface water*. He explained that this classification will require additional treatment measures such as filtration specifically rated for this purpose. He was asked about the physical size of a filtration unit that would meet the Districts production demands. Mr. Orsatti estimated that a cylindrical unit approximately 10 inches in diameter by three feet long would be sufficient. Bob noted that Richard Pintor Jr. would need to gather data as required by the CDPHE for his review so that treatment equipment options can be determined.

CAPITAL IMPROVEMENTS

Colorado Water Well Corporation Proposal: The Board reviewed and discussed at length the proposal and the various tasks associated with the work. Mr. Richardson expressed concern for having the wells out of service for a week while the work is under way. The Board entered into discussion regarding the work detailed in each task set forth in the proposal.

Following discussion, upon motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote, unanimously carried, the Board approved the proposal by Colorado Water Well Corporation with the condition that each task detailed in the proposal be executed sequentially, with each subsequent step requiring approval by a committee established to determine the need to move forward or conclude the work. Furthermore, the Board established an Oversight Committee consisting of Mr. Beckman, Mr. Richardson and Mr. Vandegrift, for this project and directed Mr. Beckman to work with Counsel to prepare a Service Agreement between the District and Colorado Water Well Corporation.

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Grant Funding: Mr. Beckman explained that Director Gardner has led the efforts to submit a grant application to the Energy and Mineral Impact Assistance Fund for funding in the amount of \$25,000 to pay for 50% of the cost of a Preliminary Engineering Report (PER). The PER will evaluate the infrastructure needs of the District and recommend improvements to address deficiencies. The PER is required in order to apply for additional grant funding. Mr. Gardner noted that the grant must be awarded to the District prior to engaging an Engineer to prepare the PER. The award of the grant is expected in the near future.

Service Agreement between the District and Orsatti Water Consultants, Ltd: The terms of the agreement were discussed in Executive Session

LEGAL MATTERS

Service Agreement between the District and Public Alliance, LLC:

Following discussion, upon motion duly made by Director Vandegrift, seconded by Director Gardner and, upon vote, unanimously carried, the Board ratified the agreement.

EXECUTIVE SESSION: Pursuant to sections 24-6-402(4)(b)(e) and (f) of the Colorado Revised Statutes, upon motion duly made by Director Vandegrift, seconded by Director Gardner and, upon an affirmative vote of at least two thirds of the quorum present, the Board convened in executive session at 8:33 p.m. for the purpose of discussions relating to third party negotiations; developing strategy for negotiation; and instructing negotiators as authorized by Section 24-6-402(4)(e), C.R.S., and receiving from the Board's attorney, legal advice on specific legal questions as authorized by Section 24-6-402(4)(b), C.R.S., and discussing employment matters as authorized by Section 24-6-402(4)(f), C.R.S.

The Board reconvened in regular session at 9:29 p.m.

Upon motion duly made by Director Gardner, seconded by Director Vandegrift and, upon vote, unanimously carried, the Board approved the agreement between Orsatti Water Consultants, Ltd. According to the terms discussed and pending the grant funding award by the Energy and Mineral Impact Assistance Fund. The Board directed attorney Rufien to finalize the contract for execution.

The Board directed Mr. Beckman to compose a memorandum clarifying the reporting structure between the District Manager and staff.

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OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Gardner and seconded by Director Vandegrift the meeting was adjourned.

DocuSigned by:
Jim Jordan
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President