



REGULAR BOARD MEETING VIA ZOOM VIDEO

April 2, 2020 Minutes

Called to order at 2:08 p.m.

Roll call: Charles Bogle, Steve Lasswell, Greg Smith, Randy Wilhelm, Peter Ewing, Peggy Quint, Dave Schneider, Courtney Cole, John Johnston, Tracy Ballard, and a dude from Germany (uninvited)

Additions to the Agenda for April 16, 2020

1. Policy for hardship cases for our customers – other than normal delinquencies

Administrative Reports

Dave Schneider, Operations Manager Report:

Update on the WWTP – The Process Design Report (PDR) has already come back with the first review ahead of schedule. They will respond to the number of questions that they have on the PDR. It is moving along much faster than they thought. Dave has been working hard at getting their attention. It appears it has paid off. Dave has talked to Christy at DOLA and they have agreed to extend the grant until 2022. In the next couple of weeks, we should have PDR parts approved. Dave reported that the CDPHE will allow us to self-certify our final drawings so that will really speed up the process. Dave is cautiously optimistic that things will move along quickly. Charles asked if the questions were difficult. Dave said it was more clarification. More so than what SGM had given. They should be easy to address. George said he went over the document and has some concerns that he will go over with Dave in the future. Dave is very encouraged.

Sally Branam's pressure issue has been resolved by Dave ordering a pressure reducing valve and the line into the house has been located.

Carl Hurst has contacted Dave. He is asking if we want to do some work on the meter testing in the next couple of weeks. We are to the point where the 40 meters can be put in, if the Board agrees, because this is outside work. They will bring the new meters, remove the old meters, and then they will take them and test them. They will be replacing anything from ¾ to 4 inches. So, unless the Board disagrees, Dave will call them in to do the switch-out. Steve asked if those 40 meters were a good cross section of those expected low readings. Dave had their engineer give him his perfect, ideal 40 and then give another 40 that could be potential options. Between the 80 meters, the guys researched which ones will be the best. They are satisfied with the cross section and the sizes. It will give a fair representation of how this district is doing. This will be for May and June. That is a good time of year because there will be irrigation taking place. If they can comply with good practices health-wise, the Board agrees that they should come and start the process. The Board agreed unanimously that Dave should get this moving forward. Field Techs are following procedure for COVID 19 and staying a safe distance from each other. With the frost coming out of the ground, we have been able to go back to our surface discharge for wastewater – so we have survived another winter!

Peggy Quint, District Business Manager:

Board received the new contract for Jeff Parker, the district's attorney. If Board agrees, Peggy will sign and send it back to him. George said there was a little confusion as to the position that Jeff has with the district. Jeff wanted to make sure he is "general counsel".

Peggy contacted Trent Stafford regarding the interest rate the Kirkpatrick Bank could offer us. At this time, it would be .25% APY. We are currently getting .20% APY at UBB. When things calm down, we can revisit later.

Virginia Trujillo called and said that since the governor has issued an order that tax payments can be later than normal and waive the late fees etc. So, our tax check will not be as high as it usually is on the 10th of April, but we will receive the money eventually. She just wanted to let us know in advance.

Charles asked how everything was going with Fromm and Company. They had planned on attending today's meeting, however, rescheduled for the first meeting in May. If we are still not able to meet in person, perhaps they can join via zoom. Peggy will contact Cathy and ask her later in the month.

George Medaris, District Consultant:

George talked to Jeff about several things which included the general counsel. Jeff continues to be happy with being our attorney. George was concerned that maybe we didn't have enough work for him to make it worth his while. George talked to him about the soil issues and whether we needed counsel as part of the Letter of Conditions for the USDA grant. At that time Jeff said that the firm didn't do "not to exceed" contracts. George said the USDA required that we have a contract with legal services, and it needs to be a "not to exceed" number. Jeff will get a number back to George as soon as he gets the Letter of Conditions and he will review it and try to figure out how much work is going to be specific on that project. That is one of the conditions of the Letter of Conditions and if we don't go with Jeff, we will need to locate someone else as an attorney. Jeff indicated that he is more than willing to do it, but he is a poor estimator.

With the response from CDPHE on the Process Design Report, and if we get that back in the next week or two, that puts us in the position where we can really start on the final issues of the Letter of Conditions. This includes setting up the accounts required for the loan reserve accounts. Those items should be discussed with Fromm. They are experienced in setting up accounts for these kinds of projects. Now that we are ready to move forward, the interim financing will need to be completed. We would be looking at a 90 to 120-day process to finalize the interim financing. They were requiring that USDA be ready to sign the document saying that we have the money. Some of the other conditions of the Letter of Conditions are reserve accounts that we have already done as part of our rate study. The accounts and numbers have all been set up. The reserve accounts are for small capitol replacement projects. We can prove that our rates are ready to take the grants and repay the loans. What we will have to do is respond to some of the questions which the district already answered 40 years ago which is a requirement that the people be included in the district and that we have the right number of customers that we said we would have. Since we already have them, it should be a relatively easy situation. We have Rules and Regs on getting our money back from people who don't pay. We may need get our attorney involved and collect the money from those accounts. Most of them are well past due. Jeff Parker could advise us on collecting past due accounts. Dave added that he has been in contact with Joe Montgomery with USDA, they are in the process of refining the LOC. He expects to see an amended version probably Monday or Tuesday. All entities need to be in one place at one time and be ready to sign. It's important that everyone is willing to work together. There were no questions for George from the Board.

Old Business:

The Extension Policy and Technical Specs: Board received a few additions to the Rules and Regs, section 3. Responsibility of line pressure and who is responsible to drop that pressure as it goes into the home. The owner is responsible for any unwanted pressure before it goes into the home, i.e., the property or the building. That is standard practice. We are one of the rare exceptions where we try to keep our water main pressure to a usable amount. Normal pressures are anywhere from 100 to 200 psi so that the water mains can produce enough volume to fight fires. We are sadly deficient in that area. Also, Randy brought up the concept that we need to address “transfer of taps”. We still have several taps that have been previously purchased at which they fall under the crack in the baseboards. What Dave would propose is that of those pre-purchased taps that haven’t been installed, the people should come to the board and ask to transfer the taps. Those taps will fall under the most recent tap installation and fee concepts rather than some of them that have been hanging out there since the mid-80s. If those people do install the taps without transfer, then the district will honor the original tap agreements which basically means we put them in as we have in the past. If they have been transferred, then the transferring is subject to whatever the current regulations are concerning taps and tap installations. It is in the process of legal review and should be complete by Monday or Tuesday.

Resolution 2020-10 Approving Extension Policy and Technical Specifications. Subject to final edits recommended by our general counsel, the Board approved Resolution 2020-10. Motion was made by Randy Wilhelm, second by Steve Lasswell, a unanimous vote of 5 to 0 in favor of the motion.

Motion to establish a 30-day Public Comment Notice for New Tap Rate Fee Structure was made by Steve Lasswell with a second by Randy Wilhelm. Vote was 5 to 0 in favor of the motion.

Bulk Water Rate Increase: After some discussion as to the timing of this rate increase and why we shouldn’t raise the rate at this time, Randy Wilhelm made a motion to increase bulk water rates from \$15.00 per 1000 gallons to \$17.50 per 1000 gallons after a 30 day notice. Greg seconded the motion. Motion passed 5-0. Dave brought up another item that should be considered at this time regarding late fees. It has been discussed that \$5.00 late fees are much lower than they should be and with some research staff found that \$15.00 is not as high as some districts charge but may encourage more prompt payments. Randy Wilhelm made a motion to amend the original motion with adding the late fee increase. Greg Smith seconded the motion. Motion passed 5-0. Public Notice will be on District’s website on April 3, 2020 and in the local papers next week.

Pay Schedule for Field Techs: Dave has not had the opportunity to finalize this presentation and wished to table it until a future meeting.

John Johnston arrived to present his issue with a leak at his property. John reminded the board that he had a tremendous leak a couple of months ago. He requested that the bill he has received be changed to his normal use plus 10%. Dave said that he finds it odd that water and wastewater are the only service providers that are asked to forgive bills. It costs the district to produce water. This has happened in the past with other customers. It was determined that the water did not go into the sewer system to be treated. John has already paid Seiferts \$4k and it has been patched but John still needs to have a new line installed. George asked if the leak has been eliminated. George also stated that it was certain that water did not go through the sewer. Steve Lasswell made a motion to adjust the sewer charge based on usage from January and February of last year. Greg Smith seconded the motion. Motion passed 5-0. Business Manager will email John and let him know what will be credited to his account.

Remote Participation and Remote Meetings Policy: Peter Ewing made a motion to approve the Policy presented and included in the Board Packet. Randy seconded the motion. Motion carried 5-0.

Emergency Declaration Order: Motion by Peter Ewing to approve the Declaration Order that will be in place until rescinded. Steve Lasswell seconded the motion. Motion carried 5-0.

Resolution 2020-11 Consent and Extension of Local Disaster Emergency Declaration: Motion by Steve Lasswell to approve Resolution 2020-11 with changes to the wording regarding District Manager to District Operations Manager, District Business Manager or District Board Member, second by Greg Smith. Motion carried 5-0

Meeting adjourned at 3:50 p.m.

Respectively submitted by:

Peggy Quint

District Business Manager