

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

July 20, 2017

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Bill Thomas, and Steve Wasiecko. Others present: Randy Warren, Luis Tovar, Pat Mulhern, and Kelly Conover, Mulhern MRE, Inc.; Carolyn Steffl, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Melanie Goetz, Hughes & Stuart. Kyle Logan with Logan and Associates LLC. Public Present Linda Dillon at 17651 Junegrass Place, Parker. Upon motion duly made, seconded and upon vote the Board unanimously excused Director Perez.

CONFLICT of INTEREST Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA The Board considered the proposed agenda. Upon motion duly made by Director Thomas, seconded by Director Wasiecko and upon vote, the Board unanimously approved the agenda.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held June 15, 2017, checks listed on the check register numbered 19716 to 19774, ratification of electronic payment to Xcel Energy of \$48.86, authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated July 14, 2017 and ratification of Director payments. Upon motion duly made by Director Thomas, seconded by Director Wasiecko and upon vote, the Board unanimously approved the Consent Agenda.

DIRECTOR ITEMS Director Thomas proposed installation of a short ramp for easy access up the step into the meeting room. Staff will look into pricing and installation.

Director Thomas also informed the Board that he had emailed a proposal to them regarding public use of the meeting house for their review and comments. There was no action necessary.

PUBLIC COMMENT Director Thomas introduced Cottonwood resident, Linda Dillon at 17651 Junegrass Place. Ms. Dillon expressed an interest in the vacant Board position and was present to observe the meeting.

Randy Warren introduced Kyle Logan from Logan and Associates as the auditor for the District's 2016 Financial Statements.

2016 DRAFT AUDIT

Kyle Logan discussed his audit procedure with the Board. The Board was provided an electronic copy of the financial statement and the management letter for review.

Following Board discussion and questions addressed by Mr. Logan and upon motion duly made by Director Wasiecko, seconded by Director Thomas, and upon vote, the Board unanimously accepted the 2016 Draft Audit as presented.

AMENDMENT TO BYLAWS REGARDING APPOINTMENTS TO FILL VACANCIES ON THE BOARD

Carolyn Steffl provided draft language to amend the Bylaws regarding filling a Board vacancy. Currently the publication requirements listed exceed statutory requirements. Director Wasiecko suggested that we require the listing in the water bills and on the website with no requirement for newspaper publication. The Board would also interview not more than 3 candidates (depending on # of applicants).

The Board asked Carolyn to make appropriate changes for consideration of approval next month.

CONSIDER APPROVAL OF LEASE OF WELL DD-1A

Luis Tovar discussed a proposed lease with ACWWA for use of Well DD-1A for 90 days to meet ACWWA's usage demands, explaining that the District had also leased the well to ACWWA in 2014. Carolyn reviewed the document. If we have a need to use well DD-1A to send water to the JWPP, the District needs to provide 48 hours written notice.

Due to changes since the original lease in 2014, under existing water court decrees and applications of ACWWA and Cottonwood, ACWWA would be required to augment depletions from well DD-1A under the UCCWA regional augmentation plan. Carolyn modified the lease to add the requirement for ACWWA to augment depletions and to file any applications for administrative approvals or SWSPs required for use of the well, due to these changes.

Upon motion duly made by Director Thomas, seconded by Director Wasiecko, upon vote, the Board unanimously approved the agreement.

CONSIDER WISE EASEMENT AGREEMENT TO SMWA; CONSIDER WISE LICENSE AGREEMENT FROM SMWA; CONSIDER BILL OF SALE FOR CONNECTION TO WISE PIPELINE

Luis Tovar discussed the need of the three agreements listed in order to transfer infrastructure of WISE improvements to the South Metro WISE Authority ("SMWA"), as originally presented for the project.

Following Board discussion and upon motion duly made by Director Thomas, seconded by Director Wasiecko, and upon vote, the Board unanimously approved the WISE Easement Agreement with SMWA, the

WISE License Agreement from SMWA to the District, and the Bill of Sale for Connection to WISE Pipeline, in substantially the form presented.

CONSIDER AMENDMENT TO AGREEMENT FOR USE OF WELL CCC-4

Luis Tovar reviewed the 2009 agreement with ACWWA for ACWWA's use of Well CCC-4. ACWWA is asking for an extension to allow use for another year to meet their current demands. When the District wants to have use of the well, the District is required to pay ACWWA a depreciated value of the well, and provide one year notice.

Upon motion duly made by Director Thomas, seconded by Director Kasaris, and upon vote, the Board unanimously approved the amended agreement.

CONSIDER APPROVAL OF AMENDED AND RESTATED WATER AND SANITATION INFRASTRUCTURE FUNDING AGREEMENT WITH COMPARK LAND CO; CONSIDER APPROVAL OF INFRASTRUCTURE FUNDING AGREEMENT WITH PARKWOOD EAST AND LENNAR

Randy Warren reviewed the agreements related to funding the new development area. The proposed cost split with the District and several developers and the proposed reimbursement plan is listed in the agreements.

Upon motion made by Director Thomas, seconded by Director Wasiecko, upon vote, the Board unanimously approved the Amended and Restated Water and Sanitation Infrastructure Funding Agreement with Compark Land Co. and the Infrastructure Funding Agreement with Parkwood East and Lennar subject to verification of the exhibits related to legal descriptions and a final review by legal counsel.

RECONVERSION PROJECT UPDATE

Pat Mulhern discussed the previous authorization for \$30,000 for CH2M to review options related to costs and reconfiguring the treatment process.

Staff met with CH2M two weeks ago to make sure they had all the information needed from operations. CH2M is expected to provide a report by end of the month.

Staff also attended the ACWWA technical committee meeting and Board meeting to keep them informed. There was no board action

MANAGER'S REPORT

Luis Tovar reviewed the manager's report and addressed Board questions.

Randy Warren provided a monthly operating report for review and discussion.

CONTRACT ITEMS

Luis Tovar reviewed the contract items.

1. **Crown Point Potable Loop** – There was only one bid received for the project from American West for \$89,446. Staff recommends approval of this expenditure.
2. **Snowberry Line Replacement** – 2 Bids were received for the project. Staff requests further time to review and will provide a recommendation at the September meeting.
3. **Well 2 Repairs** – Applied Ingenuity was the lowest bidder for the proposed project of \$63,017. Staff recommends approval of this expenditure.
4. **Ice Pigging in Crown Point** – Suez would complete 12 days of ice pigging in the Crown Point commercial area in October for \$120,000. Staff recommends approval.
5. **SCADA communication system as-builts** – Browns Hill will prepare as-built documents for the district to use to bid an upgrade to the system for \$5,000.

Staff recommended further review of the proposals related to the Snowberry Line Replacement project with a recommendation to the Board at next month's meeting.

Upon motion duly made by Director Thomas, seconded by Director Wasiecko, and upon vote, the Board unanimously approved items 1, and 3-5 listed above; total amount of expenditures totaling \$277,463.

REPORTS

Hughes & Stuart – Nothing new to report.

Financial Report – There was no financial report due to bi-monthly schedule.

Legal Report – Carolyn Steffl had nothing new to add to her report provided in the Board packet.

ADJOURNMENT Upon motion duly made, seconded and unanimously carried the meeting was adjourned at 7:45pm. The next regular meeting is scheduled for August 17, 2017, beginning at 6:30p.m. to be held at 8334 Sandreed Circle, Parker, CO 80134

Date: 8/17/2017
READ AND APPROVED BY THE BOARD:

