

RECORD OF PROCEEDINGS

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

November 17, 2020

at 6:30 p.m. at

188 Inverness Drive West, Suite 150,

Englewood, Colorado 80112

This meeting was also offered at <https://zoom.us>

Meeting ID: 878 0734 7133 Meeting Passcode: 055449 **Phone** (346) 248-7799

ATTENDEES

Directors present: Bill Thomas, Linda Dillon, Steve Wasiecko and Josh Stewart all attended via electronic device;

Others present: Randy Warren, Luis Tovar, Toby Austin and Kelly Conover Mulhern MRE, Inc; attended via electronic device;

Carolyn Steffl; Moses, Wittemyer, Harrison, and Woodruff, P.C. attended via electronic device.

Public Present: Cottonwood Residents Mr. James Horine of 8865 Cottonwood Way and Mr. John Dougherty of 8881 Cottonwood Way. Mr. Richard Nielsen of 16907 Blue Mist Circle (attended via phone).

THE AGENDA

The Board considered the proposed agenda. Director Thomas proposed a Resolution authorizing District Managers to sign checks approved at this meeting. Upon motion duly made by Director Wasiecko, seconded by Director Thomas and upon vote, the Board approved the Resolution.

Upon motion duly made by Director Thomas, seconded by Director Dillon and upon vote, unanimously carried, the agenda was adopted.

PUBLIC COMMENT

Mr. Nielsen inquired about the status of the 2020 Trash/Recycling service survey results. Randy Warren informed him that the District received about 466 responses to date with about 62% for and 36% against the service with some undecided responses. The Board is considering all the comments received and has not made a decision on whether or not to provide the service.

Next, Mr. Horine and Mr. Dougherty asked questions regarding the District's ability to legally provide these services and the reason(s) for mandatory participation. Mr. Horine expressed his beliefs that the District cannot legally provide trash services without a service plan amendment and a public vote and that existing trash service is sufficient. Mr. Dougherty asked whether the District could offer optional trash services,

noting that he would only want to participate if there was a cost saving, recycling was included, and the contract was with a responsible trash provider.

Director Wasiecko responded that the Board is aware of the concern about mandatory participation and that the Board has not made any decision whether to provide the service or not, as it is still in the information gathering stage. The reason for mandatory participation was to lessen the administrative burden on account changes related to service, as well as obtaining the best pricing from contractors.

Carolyn Steffl discussed the District's participation with the Special District Association Legislative Committee, proposing and supporting the legislative change to remove population limits. Through the Committee, other special districts expressed an interest in and supported the change.

Mr. Nielson summarized the Cottonwood Metropolitan District's prior discussions regarding whether to begin providing trash services and their decision not to move forward.

Mr. Wasiecko and Mr. Warren outlined prior discussions by the Cottonwood Water and Sanitation District regarding trash services, noting that they pursued the option based on comments and requests from citizens. Director Wasiecko discussed his experiences with another special district that provides trash services. Director Wasiecko noted that the agenda includes further discussion of whether to provide trash services under Director's items.

After approximately 50 minutes of discussion regarding the above topics, the public comment session was closed and the Board moved forward on the agenda.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held October 20, 2020; approval of checks 21549 through 21579 listed on the revised check register provided at the meeting, ratification of auto-payments to Xcel Energy and Century Link, authorization of disconnects, disclosure of potential conflicts of interest and ratification of Director payments.

Staff noted that the minutes of the October 20 meeting did not record the public attendance. Following Board discussion, upon motion duly made by Director Thomas, seconded by Director Dillon, and upon vote, unanimously carried, the Consent Agenda was approved with said correction to the minutes.

The Board considered a Resolution authorizing staff to sign the approved checks for the November meeting. Upon motion duly made by Director Wasiecko, seconded by Director Thomas and upon vote, the Resolution was unanimously passed.

PUBLIC HEARING ON 2021 RATES

At 7:45pm, upon motion duly made by Director Thomas, seconded by Director Dillon and upon vote, the Board unanimously opened a public hearing regarding the proposed 2021 Rates and Fees.

Randy Warren reviewed the memo provided in the Board packet regarding rates and the proposed increase. Staff recommends that the water and sewer base fees remain the same with an increase of 3% to the water and sewer usage fees to offset the District's increased use of renewable supplies and the anticipated increase in sewer costs from ACWWA. Staff also recommends a 2% increase in tap fees to reflect inflationary costs to replace District infrastructure.

Mr. Dougherty commented that commercial users are the largest abusers, observing irrigation systems running in the rain.

At 7:50pm, upon motion duly made by Director Thomas, seconded by Director Dillon and upon vote, the Board unanimously closed the Public Hearing.

PUBLIC HEARING ON 2021 BUDGET

At 7:51pm, upon motion duly made by Director Thomas, seconded by Director Dillon and upon vote, the Board opened the Public Hearing on the proposed 2021 Budget.

Randy Warren reviewed the proposed budget and the proposed mill levy reduction. Director Wasiecko asked if the repeal of the Gallagher Amendment would affect the District. Randy was not sure of the effects on the District over time but commented that the District is fairly distributed between Residential and Commercial assessed values. The District also does not have a mill levy based on operational expenses but on debt service.

Director Wasiecko stated that the proposed budget was provided to the Board for review at a previous meeting and that their consideration today was not based solely on today's meeting.

The hearing was open to public comments, there being none and upon motion by Director Thomas, duly seconded by Director Dillon and upon vote the Board closed the public hearing at 7:56pm.

CONSIDER RESOLUTION ADOPTING 2021 RATES AND FEES

Following Board consideration, upon motion duly made by Director Thomas, seconded by Director Dillon and upon vote, the Board unanimously approved the Resolution Adopting the 2021 Rates and Fees authorizing staff to update Exhibit A of the Rules and Regulations to reflect these changes.

CONSIDER RESOLUTION ON ADOPTION OF BUDGET AND APPROPRIATION OF FUNDS

Following Board consideration, upon motion duly made by Director Thomas, seconded by Director Dillon and upon vote, the Board unanimously approved the Resolution Adopting the 2021 Budget and Appropriation of Funds.

CONSIDER RESOLUTION CERTIFYING 2021 MILL LEVY

Following Board consideration, upon motion duly made by Director Thomas, seconded by Director Dillon and upon vote, the Board unanimously approved the Resolution Certifying the 2021 Mill Levy at 13.5 Mills, subject to minor adjustment based on the final assessed valuation certification.

DIRECTOR ITEMS

Director Wasiecko asked Carolyn about the possibility of providing a ballot question to the electors related to the community trash service. Carolyn Steffl responded that the ballot question could be structured as a TABOR ballot issue. Carolyn discussed the structure of a ballot question. She believes that there is no requirement for a public vote, though she is going to review the statutes cited by Mr. Horine to confirm their inapplicability to the District. These statutes would apply to a different type of District, and the District was formed and is governed under the Special District Act.

The Board discussed the format of a ballot question. Carolyn’s concern is to structure the question so that it would not limit the Board’s discretion in running the program.

Luis Tovar discussed the ability of the District to detail its requirements in developing a Request For Proposals and in selection of a contractor. The District is not required to accept the lowest bidder but would do its due diligence in researching the contractor’s ability to perform services to the District’s satisfaction.

Following the Board discussion, Carolyn was directed to look into some of the comments and questions raised tonight regarding the legal authority of the District and the statutes cited by Mr. Horine.

The Board discussed having the drawing for the gift cards awarded among those who responded to the survey at the December meeting.

MANAGER'S REPORT

Luis Tovar reviewed items in the Manager's Report. The JWPP pilot study was put on hold for about two weeks due to the lack of Phosphorous precipitating with then-current chemical dosing. Now, the pilot is up and running as of yesterday and Jacobs has already observed results in the BTS that were observed in the bench scale testing of the polymer. This 2 week delay could affect the startup scheduled in June of 2021.

Luis informed the Board of the status of the Well D-1 re-drill. He provided a table of costs showing proposed credits from the contractor for the first well drilling and their estimated costs and discounts to complete a second well drill. Luis further explained, for the benefit of the public present, that the District has a well repair and rehab program to maintain the wells to meet District needs, which consists of cleaning, videoing and assessing pumping equipment. He also explained why the well needs to be re-drilled.

Luis informed the Board that the bids for the AMI meter installation project have been moved to the end of the month, and outlined the benefits of installing smart meters.

ACTION ITEMS

There were no action items for approval.

REPORTS

Dashboard – Luis reviewed the dashboard report with the Board. There was no Board action.

Legal Report – Carolyn continues to work with staff on the JWPP Design Build Agreement Amendment.

EXECUTIVE SESSION

At 9:15 pm, upon motion duly made by Director Thomas, seconded by Director Dillon, and upon vote, the Board unanimously moved into executive session pursuant to C.R.S. 24-6-402(4)(b) and 4(e) for conference with an attorney for the District for the purpose of receiving legal advice on specific legal questions and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations and instructing negotiators concerning the Well D-1 redrill.

At 9:50 pm, upon motion duly made, seconded and upon vote, the Board unanimously moved out of executive session.

Upon motion duly made by Director Thomas, seconded by Director Stewart and upon vote, the Board unanimously approved the change order provided by Hydro Resources for an amount not to exceed \$275,000, to bring the total contract amount to \$890,000, subject to possible adjustments to be considered at the December meeting.

ADJOURNMENT Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting is scheduled for December 15, 2020 beginning at 6:30 p.m. to be held at the District Management Office at 188 Inverness Drive West, Suite 150, Englewood, CO.

READ AND APPROVED BY THE BOARD:

Date: December 15, 2020

William C Thomas, acting