

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
GENESEE WATER & SANITATION DISTRICT**

**HELD**

Tuesday, August 25, 2020

At 5:00 p.m. at the Genesee Water & Sanitation District Administrative Bldg.

2310 Bitterroot Lane

Golden, CO 80401

And;

Of Special Note: Due to the ongoing COVID-19 issue, and to protect the health, safety and welfare of all meeting participants, it was determined to support the scheduled Board of Directors meeting via a Video Teleconferencing platform known as ZOOM, with said notice and information duly posted at all of the District's listed posting locations.

**ATTENDANCE**

A Regular Meeting of the Board of Directors of the Genesee Water & Sanitation District of Jefferson County, Colorado was held as shown above, and in accordance with the applicable statutes of the State of Colorado with the following Directors present and acting:

David Pezzutti – In Person

Branch Russell – In Person

Frank DeFilippo – In Person

Cynthia Corbett – In Person

Roger Howell - In Person

Also present in person were; Scott Jones, District Manager; Chris Brownell, Superintendent, Bee Cessar, Director of Administration, Erin Carriere, Administrative Assistant and Resident, Bob Calley, District Operator, and by video teleconference; Gary Anderson, Former Board Chairman & Resident, Greg Bruskevage, Genesee Foundation Board, Mary Monet, Resident, Don Buscarello, Resident, Allison Ruge, Resident

**CALL TO ORDER**

Chairman Pezzutti called the meeting to order. No changes to the agenda were requested.

## MANAGER'S REPORT

The Water Withdrawn and Returned Report(s) for the month of July will be incorporated within and made part of these minutes by attachment. During the month of July, we took out 15,501,000 gallons from the stream and returned 8,385,000. The return flows are about 54% of that withdrawn, indicative of considerable irrigation, which is typical for July. This is comparable to 2016 and 2017. The weekend before last Bear Creek dried up and reflected a zero flow at the Morrison gauging station. This required the District to pull from storage for a couple days. Stream-flows have come back slightly and are currently averaging around 3cfs. We are once again pulling from the stream and we have turned both Dakota Wells on, in attempts to slowly begin replacing water which has been taken from storage reserves.

Director Russell discussed the NOAA website ( <https://www.cpc.ncep.noaa.gov/>) regarding their climate predictions. The long-range model predicts dry conditions well into 2021. The information will be made part of these minutes by attachment.

Chairman Pezzutti introduced 2 charts showing stream-flows and asked Manager Jones to discuss. Manager Jones mentioned; that essentially flows in Bear Creek are on a downward trend and during summer months, the stream is drying up. Historically, there have been dry spells in the 50's, 70's, 1999-2002 and again now. Bear Creek flows are now 5% of normal historical flows. This compounded with ever increasing upstream demands indicates the District should be considering expansion of their storage options, which has been contemplated since day one, and water rights have been put in place to do exactly this.

## SUPERINTENDENTS REPORT

The Turbidity and Disinfection Report for the month of July will be incorporated within and made part of these minutes by attachment.

## ADMINISTRATION REPORT

Elizabeth (Bee) Cessar, Director of Administration gives an update –

### Cash Disbursements

No objections to the July 2020 cash disbursements.

### Cash & Investments

No exceptions noted.

### Financial Statements

No report available at this time – report continues to be work in progress

### Aging Report

No exceptions noted.

At the end of July, we had \$484,917 in our bank account for operations and payroll is at \$16,054.00 for a total of \$500,971. Director DeFilippo discusses updating the ageing report to make it easier to read as well as easier for data entry. Any financial reports available for the month of July will be incorporated within and made part of these minutes by attachment.

## MINUTES

Minutes from the Regular Board Meeting held on June 23rd, 2020 were tabled until further review. These minutes have since been reviewed and are now presented for approval.

Motion: Thereupon, motion made by Director DeFilippo and seconded by Director Russell to approve the June minutes. The motion passed unanimously.

Minutes from the Regular Board Meeting held on July 28th, 2020 were discussed. Chairman Pezzutti raised a question regarding Director DeFilippo and Director Corbett's comment on lack of transparency at Board meetings. Director DeFilippo clarified that it was not at the Board meetings but getting information earlier. He further clarified that he felt that there were conversations between Chairman Pezzutti and Manager Jones that all members of the Board should have been copied on. This comment in the July minutes was directed at Chairman Pezzutti and Manager Jones and not the Board. This change will be reflected in the July minutes. Director Howell pointed out a date error on page 3 of the July 28<sup>th</sup> draft minutes. Change will be reflected on the July 28<sup>th</sup> minutes.

Chairman Pezzutti makes a motion that going forward, that if there is a no vote, we get that rationale behind the "no" vote, document the reason in clear English, in the minutes, so that if we have subsequent litigation, that is clear why the vote was no. It will also help clarify why someone said no – an understanding issue, a clarification issue or a communication issue. Director Howell asks if this needs to be done for yes votes as well. Chairman Pezzutti says no and that it also does not need to be done if all votes are no. Director DeFilippo inquires as to whether this is legal. Chairman Pezzutti will confirm with legal. **(AI)**

Motion: Thereupon, motion made by Chairman Pezzutti and seconded by Director Russell to document all NO votes in the meeting minutes. Vote was 2 in favor, 2 against (Directors DeFilippo and Howell) and 1 abstain (Director Corbett).

Director DeFilippo moves that we strike the last 2 sentences of the first paragraph under "Proposed 17 Acre Development" (page 4 of the July 28 draft minutes), to reflect that it was a customer comment and not the position of the Board. Changes will be made and reflected in the final version of the July 28, 2020 Board of Directors Meeting minutes.

Director DeFilippo requests two further changes to the minutes. 1. A change in wording to page 5, first paragraph - change "the other members of the Board to Chairman Pezzutti. 2. The fourth paragraph from the bottom of page 5 – remove "35". The changes will be made and reflected in the final version of the July 28, 2020 Board of Directors Meeting minutes.

Chairman Pezzutti updates the room on the request to have C.A.R.E. help distribute Director DeFilippo's proposed letter to residents on the north side of I70, regarding the proposed service provided by GW&SD. They have agreed.

Director Russell requested the final 2 sentences, under the Solar Feasibility Investigations, be removed. The change will be made and reflected in the final version of the July 28, 2020 Board of Directors Meeting minutes.

Motion: Thereupon, motion was made by Director DeFilippo and seconded by Director Russell to adopt the July minutes with proposed changes. The motion passed unanimously.

### Solar Feasibility Investigations

Director Russell provided a brief summary of the latest project information -

Director Russell – There was a review of the feasibility study and there was some confusion between the engineers (SEI) and us. That has been taken care of and we should have an answer on Monday, August 31<sup>st</sup> as to whether or not this is an economically viable project. Currently, as presented, the case to move forward would not be recommended. Director DeFilippo requests a copy of the report when it is received. Director Russell agrees.

Mr. Anderson comments that he recently attended meetings presented by the Colorado Scientific Society and The Center of the American West. It was centered on the water and energy demands of the state of Colorado. One of the participants was Xcel Energy. Xcel Energy told the group that as of 2019, they had reduced carbon dioxide generation from their facilities by 44% from their peak year. Their goal is an 80% reduction by 2030 and to become carbon-free by 2050. Part of how they will achieve that is by promoting solar and wind throughout Colorado, particularly in communities just like Genesee. They know how to reach their goal of 80% but do not know how to reach their goal of 100% carbon-free because the technologies to do that have not been invented yet. Between now and 2030, they will be promoting projects exactly like the one that Director Russell is trying to bring to our district because it is their interest to do so and part of their Corporate goal. Mr. Anderson offers to share the slides, as well as his notes with the board or anyone joining in via zoom.

### Potential New Development

Director DeFilippo asks for any questions regarding his proposal from last month's Board of Directors meeting. Mr. Anderson brings up 4 options that Director DeFilippo proposed. First, the 20-year contract between the district and property owners which guarantees a tap. Since the District would not be receiving payment in advance, it would not be wise to guarantee the taps. Second, allowing the deferment of tap fees was a bit too friendly to developers and less friendly to the Water & Sanitation District. Mr. Anderson pointed out that the asset on the table is the water and as the resource gets more in demand, that resource is going to be more valuable, and we own the asset. Recognize the asset. Third, collecting property taxes immediately – a good idea except undeveloped property has minimal value in the county's book. Lastly, the annual per tap service fee sounds like a potential plan depending on the pricing associated with it. Mr. Anderson feels that since we are a small district that it would be difficult to manage 82 contracts for taps over a 20-year period.

Motion, Thereupon, motion made by Director DeFilippo and seconded by Chairman Pezzutti to move his proposal from last week. Final vote was 2 in favor (Directors DeFilippo and Corbett), 3 against (Directors Pezzutti, Russell and Howell). Director Corbett expressed confusion as to what she voted on. Director DeFilippo explains that they were voting to make the proposal again. Director Howell asks to hear a different point of view from Mr. Anderson's. Director DeFilippo further clarifies his proposals. Director Russell reiterates the fact that we need to be flexible because we have the asset and that there will be a change in disposition from the neighboring communities that have turned down the option to become part of the district due to the cost of the taps. Director Howell agrees.

#### Properties Near To/Not In District

Manager Jones recommends to the Board that they read the inclusion process in the Rules and Regulations as the set of 11 inclusion guidelines, located at the end of the Rules and Regulations. Those were developed over many years by several Boards. Manager Jones stated; each possible inclusion or extraterritorial service agreement should be looked at individually and based on its own merits. There may be some properties bringing something more beneficial and of substantial value to the District as a whole.

There has been no further contact from Stratera Partners regarding the 17 Acres on the north side of I-70.

Manager Jones discussed Idledale's interest in receiving drinking water from the District. Preliminarily, this may be best viewed as an extraterritorial service agreement situation, similar to prior discussions related to Riva Chase. Idledale is looking for potable water, not sewer. They do not have any Bear Creek water rights. This may be a fact-finding mission for Idledale as they potentially have some grant money coming to them to investigate their water supply issues. Manager Jones requested one or two board members to join him in any future conversations with Idledale. Director Russell offered his assistance.

#### WASTEWATER TREATMENT PLANT

##### UV Disinfection Project -

Manager Jones provided the Board with an update of the project – The contract is signed with RN Civil Construction and we will give them notice to proceed on September 9<sup>th</sup>. We also received word from Jeffco that the District will not have to undergo their public hearing process for site approval. The project remains on track for this year. Director DeFilippo requests a GANT chart when available **(AI)**. Director Russell inquires about the construction timeline. Manager Jones states that since the equipment was pre-purchased and there are no permitting hurdles, it should only take 3 months.

Manager Jones provided an update on the increased raw water storage feasibility study which is complete and was previously provided, via SharePoint link, to the Board. The Colorado Water Conservation Board (CWCB) has approved the study and we have received related grant funds in the amount of \$37,387. This was a grant that was applied for and approved last year. Manager Jones has prepared and submitted a loan application,

basically a pre-qualification which will be acted upon by the CWCB at their September meeting. Manager Jones and Steve Jamieson of W.W. Wheeler and Associates recently met onsite with the CWCB Project Manager of their Finance Section assigned to our proposed project and have since received positive feedback. Additionally, we will not hear back on any potential and cost offsetting grant funds available for our project until December. CWCB grant criteria is 50% of construction costs up to \$1.5 million dollars.

## LEGAL REPORT

Manager Jones updated the Board on various water rights opposition cases that the District is involved with. There was a meeting with Evergreen's legal counsel and water engineers and they have agreed to some but not all of Genesee's concerns. This is ongoing. Director Corbett requested past documents to get up to speed. Manager Jones responded with a basic overview to the group and stated Evergreen is filing for rights that would potentially further reduce stream-flows to Genesee and they are doing it via an exchange with rights that they have down in Soda Lakes and some of the ditches down below. They would put water back in the stream via that supply but it wouldn't be useable to us. Essentially, we are guarding against a further reduction of our supply at our point of diversion.

### Reservoir Expansion Project

Chairman Pezzutti reminds the Board that the storage of water at the Reservoir No. 1 site now chosen to be developed will cost far less per acre-foot of storage. Our goal was 30-acre feet and now we will be getting 46-acre feet, 50% more storage than originally targeted. This is possible by making the current 16-acre foot in the pond, useable. Right now, it is not tied into the water treatment system.

Ms. Ruge inquires about the rumored condo development north of I-70. Some residents are concerned about added traffic. Chairman Pezzutti clarifies that we have had legal clarification and that this is a land use issue and the District has no involvement in a land use decision. The C.A.R.E group and the various Foundations would make a decision, if it is approved, only then will we come up with estimates that it will take to support that. We have had no further discussion with the developer. Ms. Ruge asks whether this potential development is of financial benefit to the District. Chairman Pezzutti re-states that this development could potentially bring in \$8-9 million to the District which could be used for future projects, such as the reservoir expansion project, without increasing, actually decreasing, the cost to our existing customers.

## **ADJOURN**

Motion: Thereupon, motion made by Director Russell and seconded by Director Howell to adjourn the meeting. The motion passed unanimously.

RECORD OF PROCEEDING

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Board of Directors Meeting – August 25, 2020

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Scott Jones, District Mgr. & Secretary of the Meeting

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David Pezzutti, President/Chairman

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Branch Russell, 1<sup>st</sup> Vice President

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Frank DeFilippo, Secretary/Treasurer

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Cynthia Corbett, Vice President

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Roger Howell, Vice President