



Genesee

WATER & SANITATION DISTRICT

RECORD OF PROCEEDING REGULAR MEETING AND PUBLIC HEARING(S) BOARD OF DIRECTORS MEETING

DATE HELD

Tuesday, January 26, 2021 at 5:00 p.m.

LOCATION

Genesee Administration Building

2310 Bitterroot Lane, Golden, CO 80401

and

Video Conferencing Via Zoom, Meeting ID 447 424 1943

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.

The following Directors were Present and Acting:

Chairman David Pezzutti – In Person
Director Branch Russell – Via Zoom
Director Cynthia Dean Corbett – Via Zoom
Director Frank DeFilippo – Via Zoom
Director Roger Howell – Via Zoom

Also Present in Person:

District Manager Scott Jones
District Superintendent Chris Brownell
District Operator Bob Calley
Director of Administration and Resident Erin Carriere
Administrative Assistant Carole Marie
Resident, Marty Carriere

Present via Zoom Video Teleconference:

Patrick Barrett US Bank, Ricardo (Rick) Gonzales US Bank

Gary Anderson - Former Board Chairman, Genesee Foundation Board Liaison & Resident, and Residents, Becky Smith, Jim Hurd

CALL TO ORDER

Chairman Pezzutti called the meeting to order and invited Director DeFilippo to introduce the two guests joining the meeting from US Bank to discuss refinancing options for the Admin Building.

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US BANK REPRESENTATIVES

Context – Balloon Payment:

Genesee Water and Sanitation District has a balloon payment for the Admin Building due in about 7 years. There is a concern about the impact of having to make the nearly \$400K (\$392K) payment in April of 2027. Director DeFilippo went shopping to see if there was a reasonable deal that could help mitigate that impact of the balloon payment. Director DeFilippo contacted 5 banks with mixed responses, and 2 possible decent proposals; one being from US Bank.

Introductions:

Director DeFilippo has been in communication with Rick Gonzales and PJ (Patrick) Barrett from US Bank's Golden Location to discuss potential refinance options and longer payment term options. Rick's primary role is commercial banking and commercial lending, and PJ's expertise is specific to treasury and cash management. They partner together to provide support to government entities in the Colorado market.

A full review from Rick and PJ could include:

- Look at the rate to ensure it is competitively priced.
- Re amortization, to lower payments across the board.
- Draft Proposals of different terms to lower payment amounts and reduce/eliminate any potential end term balloon payment (10 year, 15 year, 20 year).

US Bank Draft Proposals Could Include:

- Treasury Management Services comparable in functionality to the current Wells Fargo relationship.
- What a full underwriting process might look like.
- Additional services that are currently evolving.

No motion is needed from the board at this time since the present goal is just to collect information. Director DeFilippo will coordinate with Manager Jones, Rick and PJ to get an informational call or meeting set up with the ultimate purpose of obtaining draft proposals that could be presented to the Board at the February meeting to adopt or reject accordingly. Manager Jones noted with that he would like to get an idea of what the upfront costs would be as far as the appraisal fee, a draft settlement sheet, and some budgetary numbers. Manager Jones stated he would continue gathering any and all documents necessary for review by US Bank.

ENTERPRISE BUSINESS

Manager's Report

A. Water Withdrawn & Water Returned to Bear Creek & Stream Flows

For December 2020:

- The District took out **8,256,000** gallons of water from Bear Creek.
- Returned **7,272,000** gallons through treated effluent.
- Also returned another **3,830,000** gallons from the Dakota Wells to the Harrimon Ditch headgate for wintertime replacements.
- Monthly return was **88%**.
- For the full year we returned **75%** of all water taken out through the treated effluent.

Manager Jones said that Reservoir No. 2 has been refilled as a result of summertime depletions. This was done by running an exchange upstream via Dakota Well water. December remained mostly dry, and Mount Evans is still looking bare as well. The stream is still averaging about 7CFS, which is still down and about 50% of the historical average. An updated graph is included on the stream, but there haven't been any changes since the update that went out on January 20th.

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B. Equivalent Residential Unit (EQR) Service Report – December 31, 2020

Manager Jones. The EQR report stands for Equivalent Residential Unit. Some people refer to these as SFE or Single Family Equivalents. Prior EQR reports were submitted to the board on a monthly basis, but that is now done annually. The report indicates how many water taps we are obligated to serve and how many of those obligated taps are developed.

- GWSD is currently **obligated** to serve **1,612.33** EQRs.
- The district **currently** serves **1,606.33** (with only 6 remaining undeveloped taps).
- Of the **6 undeveloped** but obligated there is one that has not been paid.
- **2 taps** were developed last year – one in Genesee Estates, and one on Foothills Drive North

C. Other/Miscellaneous Items, Year End Filings and Reporting

Manager Jones noted that there are multiple priorities and statutory deadlines at year end. This is a busy time for the team, and Manager Jones wanted to let the board know that as far as is known everything is up to date from a legal standpoint. He also provided a quick update on various requirements and filings due at year end. The list includes but is not limited to the following:

- ✓ **Property and Liability Insurance** was reinstated and renewed for the district. This is a major undertaking and requires thorough review and updating of all property schedules and assigned values.
- ✓ **Workers Compensation Insurance** was renewed. Workers compensation also requires an audit that was due at the end of January 2021. The renewal is based on estimated wages, and we have to provide an update of actual wages for 2020 to obtain a credit back or pay the difference. Either way the credit or difference is generally less than \$1k each year.
- ✓ **Employee Health Insurance** was renewed.
- ✓ **Board Approved Budget for 2021** was completed along with various Budget Filings.
- ✓ **Mill Levy Certification** with Jefferson County was accomplished.
- ✓ **Updated District Boundary Map** or a letter stating there are no changes must be sent out. In this case there were no changes and a **Letter from the District** was submitted.
- ✓ **Transparency Notice** was completed and posted to Division of Local Government, Special District Association, and the District's website(s).
- ✓ **Various other Filings** were completed to the Divisional Local Government (DLG), Jefferson County Commissioners and Treasurer, Assessor and Clerk and Recorder, the Special Districts Association, Wells Fargo Bank, Colorado Water Resources, Power Development Authority, Colorado Department of Health, Chase Bank, and additional Required Postings on the Genesee Water and Sanitation District Website.

District Superintendent's Report

A. Turbidity & Disinfection Report

Superintendent Brownell noted that the typical report is in the packet. There are no concerns at this time, and there is nothing to add unless anyone has any questions. There were no questions.

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Administration Report

A. Cash Disbursements, Cash Investments, Aging Report

Director of Administration Erin Carriere provided year-end numbers for December 31, 2020 as follows:

- **Cash Disbursements for the month were just below \$380K.**
- **Aging Report shows outstanding balance from customers of \$33,231.**
- **Operating Account** month ending balance was **\$148K.**
- **Payroll Account** month ending balance was **\$32K.**
- **ColoTrust Account** month ending balance **\$378K.**

Question & Answer:

Q: D. Pezzutti. Is there anything we need to be focused on?

A: E. Carriere. Not that I am aware of; we are just doing the final reconciliation for more than the last quarter. Turns out there was some information that needed to be caught up since August, and we are at the tail end of reconciling the bank records with our accounting software for the period of August through December 31, 2020.

A: S. Jones. Based on the information received, we did have a 99.8% collection rate from the property tax assessment by the District. This property tax is used to pay off long-term debt we have with Colorado Water Resources, Power Development Authority, and Chase Bank. Those both are General Obligation Debt and right in line with past years. We did get about \$7k more in Special Ownership (SO) taxes last year than what was estimated. These numbers do not come in until after the budget is finalized so that is a good thing but still below the original budgeted amount. This is promising and hopefully things will pick up again in 2021.

Q: D. Pezzutti. Does anyone in the meeting know anything about the property taxes and what is likely to happen in Jeffco? Will they continue on as they are?

A: S. Jones. Frank could probably help out on this item, but I think the residential assessment rate is going to stay at 7.15% for the time being due to the Gallagher Amendment being repealed.

A: F. DeFilippo. Agrees with Scott, and thinks it will remain the same until they are finished deciding on the amendment. The property tax source of revenue is pretty stable so we will be ok, but he is a little concerned about the SO tax. If he hears more, he will let the board know.

DISTRICT BUSINESS

Wastewater Treatment Plant

A. Ultraviolet Light Disinfection Project – Update

Manager Jones: The UV Project is coming along well. The building is 100% complete, which had not even been started by the December Board Meeting. RN Civil subbed out the project to Colorado Shed, a one-man crew that got in there and got it done and did a great job.

- Interior treatments are a work in progress right now. We have an octo-form (board) that is going in and is basically the same kind of treatment in commercial restrooms, and it is waterproof.
- The equipment has started going in and should be complete within the next couple weeks (February timeframe).
- HVAC and electrical will be going in as well in the next couple of weeks. They have to spread the trades out a little bit just because it is small building and not a lot of room to work.
- Water is not flowing through the chamber at this time, it is bypassed. The bypass itself is not creating any issues. It is also the effluent metering facility. We installed a temporary metering system on the tail end, and that is what we are using to report to the state.

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A. Ultraviolet Light Disinfection Project – Update - Continued

- Currently the start up for the UV equipment is scheduled for February 22, 2021. If we have nice weather before the February Board Meeting, we can take the board down and tour the new building.
- Jeffco building permits were applied for in August of 2020, and finally received on January 11, 2021.
- Other than that, at this time everything is status quo with the project. Manager Jones does not know of any potential change orders we will have, but if any come up he expects them to be relatively small. We should have a better report on that item next month.

Proposed Reservoir No.1 Enlargement Project

A. Updates

Manager Jones noted there is not a lot of new information relevant to the Reservoir No.1 enlargement. The Colorado Water Conservation board staff will be making a recommendation to their board sometime in February. The staff are the ones that recommend the divvying up of the grant money for the year, and he hopes to have an idea of status after their internal meeting.

The Colorado Conservation Board themselves will take action March 10-11 as far as either approving or disapproving staff recommendations.

Question & Answer:

Q: D. Pezzutti. Do we need to provide any additional support or alternative scenarios to them to encourage their decision? One thing I'm thinking of instead of getting \$1.5M grant, we get a \$.5M grant would it benefit our case by indicating what we might do to alter our proposal even though that is not what our objective is?

A: S. Jones. I'm staying in contact with them, and that is really all that we can do right now. To the second question, I don't think so because we applied for the maximum, and it will be based on that. The one big unknown for me is if we only get a portion of the \$1.5M, which is likely going to be the case, then, can we reapply for additional funds in 2022 since that will be a new grant year under the State's program.

DISTRICT ADMINISTRATIVE OFFICES AND SHOP BUILDING

A. Current Mortgage Agreement & Terms – Wells Fargo Bank

Manager Jones. We already talked about the potential refinance and it will be interesting to see what US Bank comes back with on their proposal. There are no other items to report at this time.

MINUTES APPROVAL – DECEMBER 8, 2020

Manager Jones. The December minutes were sent out to the board this afternoon. Staff apologizes for that, but they were lengthy and hit during end of year requirements. I don't know if everyone has had a chance to read them. If so, great, if not we can table that until the next meeting. Minutes were passed on to Carole Marie. Dave had a couple edits to suggest. Manager Jones asked board members to send edits back by email.

Motion. Director DeFilippo moved to Approve Minutes contingent upon edits.

Second. Director Russell seconded the Motion.

Votes. 5 Ayes.

Result. The motion passed and minutes were approved contingent upon edits that will be sent by email.

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LEGAL REPORT

Manager Jones noted there is currently no legal report from Moses, Wittemyer, Harrison Et Al. The Evergreen cases previously mentioned are close to settlement. The legal team has been working on the Grant Properties and the Brighton cases, which shouldn't require much legal work. Information regarding potential service has not been given to Ideldale yet, and there are no updates on that at this time.

Additional Discussion Points – Potential Upcoming Concerns:

Small Development Between Evergreen and Genesee. Chairman Pezzutti mentioned there was another proposal for a smaller development with its own sanitation and water system above Evergreen. The water rights are in place for this to occur. It is 70 single family units located between Evergreen and Brook Forrest, and it is in the watershed above Genesee's diversion point.

Evergreen Growth Plan. Chairman Pezzutti noted that Evergreen is moving forward with a rezoning of various properties. They are going to move to 1C Zoning, which means they can have store fronts and living units above it to meet some of the goals they have outlined for growth. They are looking to resolve the major roads in Evergreen to build potentially 8000 additional living units, and this is a major battle going on right now. This is very large and very impactful. The group discussed potential impacts on water rights. Gary Anderson mentioned that when in his experience if conflicts arise between growth and water rights the state is sympathetic to growth scenarios. This emphasized the continued need to have adequate storage.

Cragmont Development. Director DeFilippo inquired whether there was any documentation on this item that could be passed on to the board. Manager Jones believes he received the latest information from Jefferson County Planning and Zoning Department in an email and will forward what he has on to the Board for review.

OLD BUSINESS

December Customer Letter Feedback:

One negative unsigned letter was received from an individual that has done this in the past, and not really worth discussing. This individual is clearly not understanding of reality, nor does he/she want to be educated regarding the requirements and functions of the District. Some customers raised the question of why there was an increase, overall, the consensus on feedback received was that the letter was clear and accepted the increase for what it is.

NEW BUSINESS

Old Water Treatment Facility

Manager Jones. The District is considering allowing the Genesee Fire Department to use the old water treatment facility down on Bear Creek as a training facility. It would be a good thing for the community, Genesee Water, and the Fire Department. Everything is preliminary at this point, and we will be working on an agreement to accomplish all goals.

Director Russell noted that there is no fire hazard in using the facility as a training center as they are using cold fire. It's not an actual fire, but creates the atmosphere that is dark and smoky, allowing the use of self-contained breathing apparatus while carrying 120 pounds of hose up flights of stairs.

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Old Water Treatment Facility – Continued

Question & Answer:

Q: F. DeFilippo. One question is we support two fire districts, will there be a problem with the constituents in Foothills. I would think not, but it is something to think about.

A: B. Russell. I can't speak for the fire department or adjacent management, but my guess is since we are in mutual agreements with Foothills that they would be more than happy that we have become a better trained group. They call on us a lot, and we call on them a lot. I can tell you the Genesee Fire Department is very excited about the possibility to train locally as opposed to going other places that are far less convenient. This has a lot of positives – the Fire Department is going to clean the place up, which is a high priority for the Genesee Fire Team and Genesee Water so a real win-win.

Q: D. Pezzutti. Does that mean we won't have to buy any insurance for injuries?

A: S. Jones. Believes that Genesee Fire would put the Water District on their property and liability policy and vice-versa as additional insured(s).

Several Board Members agreed that it was a wonderful idea and support investigating this further.

ADJOURNMENT

There were no other items for discussion. -

Motion. Director Russell moved to adjourn the meeting.

Second. Chairman Pezzutti seconded the motion.

Votes. 5 Ayes.

Result. The motion passed and the meeting was adjourned.

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Board of Directors Meeting – January 26, 2020

Scott Jones, District Manager

David Pezzutti, President/Chairman

Branch Russell, 1st Vice President

Frank DeFilippo, Secretary/Treasurer

Cynthia Dean Corbett, Vice President

Roger Howell, Vice President