



Genesee

WATER & SANITATION DISTRICT

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

DATE HELD

Tuesday, December 8, 2020 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

Present via Zoom Video Teleconference:

Gary Anderson - Former Board Chairman, Genesee Foundation Board Liaison & Resident, and Residents Marty Carriere, Jim Hurd, Barbara Stanton, Becky Smith, Sally Overton.

CALL TO ORDER

Chairman Pezzutti called the meeting to order and noted a few people may join the meeting that are interested in asking questions about the District. If there are more questions than fit in the time constraints of this meeting, a separate call could be set up.

With no modifications to the agenda, the meeting was started.

RECORD OF PROCEEDING

ENTERPRISE BUSINESS

A. Water Withdrawn & Water Returned to Bear Creek & Stream Flows

Manager Jones:

In November, **8,198,000 Gallons** were taken out.

7,547,000 Gallons were returned to Bear Creek at the District's point of treated affluent discharge.

That represented approximately an **88% Return**.

Year-to-date Return is at **74%**.

On November 25, 2020, Dakota Wells No.1 was turned on, and currently both Dakota wells are operating. The wells are operating in order to satisfy wintertime replacement obligations.

Question & Answer:

Q: D. Pezzutti. Is our reservoir running at capacity at this point?

A: S. Jones. The reservoir is down about 1 foot. No later than this next week it will be topped off. Since the last document draft, stream flows have gone down to about 10 CFS as recent snow melt has not made it down to the stream gauge yet.

Q: B. Russell. Regarding Bear Creek in Morrison, the graphs show the water jumped to 20 Cubic Feet per second. Is that something new with Evergreen, or due to snow melt?

A: S. Jones. Probably snow melt. As of today, we are back down to around 10 CFS. There are constant ups and downs with the stream system; overall, it is still running well below historic averages.

Q: D. Pezzutti. Is the critical level 5 CFS?

A: S. Jones. 4 CFS, is the absolute critical point for Genesee.

District Superintendent's Report

A. Turbidity & Disinfection Report

Superintendent Brownell noted that there was nothing to add to the report in the packet and no new Production and GAC graphs. Updates were provided at the board meeting two weeks ago and are current through the date on the report.

Question & Answer:

Q: There were no questions on the Superintendent's Report.

Administration Report

Manager Jones: As of today, the District has **\$709,451.60** in the bank, and **\$131,000** of that is in the operating account with Wells Fargo. There is **\$578,000** in the ColoTrust investment account.

The December 1 General Obligation bond payment of **\$276,382.50** was done via ACH, making the District complete on all long-term debt obligations for the year. This payment was for the 2014 refunding and loan with Chase Bank.

Question & Answer:

Q: D. Pezzutti. 1) Has that amount been netted out of the balances; and 2) Do you anticipate any surprises?

A: S. Jones. 1) Yes, **\$709,000** ties very closely with the budget for year-end funds. December Water & Sewer utility bills still need to be sent out, but year-end is looking good and balancing; and 2) Not seeing any surprises in the numbers.

RECORD OF PROCEEDING

DISTRICT BUSINESS

Wastewater Treatment Plant

A. Ultraviolet Light Disinfection Project – Update

Manager Jones: The District has received notification from Jefferson County that the building permit approval process has been completed for the Ultraviolet Light Disinfection Project. Payment was sent to the County the same day. Confirmation of payment and the return paper copy of the building permit are pending.

RN Civil is delivering building materials tomorrow (12/9/20); work will commence shortly thereafter.

The project is on track and expected to be up and running by the end of January to mid-February. Weather is not expected to be a slowing factor.

Question & Answer:

Q: D. Pezzutti. What was the cost of the permit and does RN Civil have a reserve?

A: S. Jones. The cost is a little over \$3000. There is no reserve on this project.

Q: D. Pezzutti. Will we decommission gas chlorine at project completion?

A: S. Jones. Yes, there will also be a backup system in the event of a major situation where the UV project fails. In that case, hypochlorite (bleach) can be used. That is the same process being used at the water plant. It important to point out that the UV System is tied to the backup generator and will continue to run if there is a power outage.

Q: D. Pezzutti. Will the UV System also have a sampling requirement similar to the operation side?

A: S. Jones. Yes, the sampling will stay the same. Disinfection efficiencies are determined through E-Coli (Coliform) sampling.

Proposed Reservoir No.1 Enlargement Project

A. Updates

Manager Jones: Packets provided to Board Members include an update on the proposed reservoir expansion project and grant related updates.

Grant Updates are as follows:

- Although not likely, the best-case scenario would be to get the full grant funds requested of \$1.5M. That would reduce the program and project costs by roughly 1/3 or 30%.
- The grant application was submitted for the full eligibility amount. However, there is some competition with three other entities applying for these funds.
- The Colorado Water Conservation Board Meeting upcoming in March 2021, should provide more information about how many potential grants and amounts the District could potentially obtain next year (2021). It is important to note that there is still some turmoil in the state as a result of the Covid -19.
- There are some unknowns going forward, including what if any additional grant funds will be available for the project in the year 2022. The District will pursue those opportunities as applicable.
- There was a brief discussion about the State's expectation on the District to manage the flow of Bear Creek by absorbing the excess flow during spring runoff and/or releasing flow during the drought period. Manager Jones noted, this is something the District already does on a daily basis. Each day is different, and water is administered by the Colorado Water Commissioner and based on the state priority system

RECORD OF PROCEEDING

Proposed Reservoir No.1 Enlargement Project - Continued

In Summary, engineering and permitting takes approximately 20 months. Construction bidding starts after that, and best-case scenario would be to send out the RFP for bids in January or February 2022. This gives contractors a chance to get their schedule filled early in the year. The bidding docs would probably go out at the end of 2021. Realistically once bids are received and verified, construction could feasibly start in March or April of 2022, which are ideal months for a project like this.

Chairman Pezzutti said he likes the way that the program has been laid out in terms of spending the next year doing the clearing and approvals process while going out for the RFP construction costs. That should provide enough time to see what comes back and what the District is able to do in that time.

Director of Administration Mrs. Carriere noted that documents are available for public viewing on the website under the Board Meeting information section.

Question & Answer:

Q: D. Pezzutti. This is a 2.5-year project, do repayments begin in 2022 after the project is complete?

A: S. Jones. Yes, either the end of 2022 or early 2023. A realistic prediction would be early 2023.

Q: F. DeFilippo. When does interest on the loan accrue, assuming it is not interest free?

A: S. Jones. The loan is not interest free. The money stays with the loan provider (Colorado Water Conservation Board), and the District makes draws on those funds until exhausted. The loan repayment and structure are determined at this time.

Q: B. Russell. Are we locked into any administrators' fees?

A: S. Jones. The general amount from the Water Conservation Board indicates a **maximum of 2.5% interest** with a **1% loan administration fee**, which is **\$42K**.

Q: B. Russell. Do we have any indication of competition?

A: S. Jones. It sounded like most other projects were smaller and more for agricultural needs versus municipal needs. There was brief discussion on how the state prioritizes agricultural and municipal needs.

Q: M. Carriere. If you can get this done cheaper than the engineering firm's current budget, do you still get the full grant money for which you applied?

A: S. Jones. My understanding is that it is proportional. In other words, if the project did come in for less money, then there would be a proportionate decrease in the grant funds we get as well.

Public Hearing – Rates and Fees – Proposed 2021 Adjustments

A. Capital Replacement Fee(s) – Discussion

Reservoir Project Considerations:

- The increase in the capital replacement fee would fund the initial phase of the reservoir project. If the reservoir project does not come to fruition due to lack of grant funds or other reasons, then that money could go towards building our reserve. The chart at bottom of reservoir timeline ties in with our rates and fees.
- Manager Jones noted that a board vote will be needed at the March 2021 meeting. By that time, we expect to have more specific information to present regarding actual grant funds.

RECORD OF PROCEEDING

Public Hearing – Rates and Fees – Proposed 2021 Adjustments - Continued

Audit Feedback Considerations:

- Chairman Pezzutti noted that for about 8 years the District's auditor has advised that the District does not have sufficient funds in reserve. Some of the increase in the monthly fees are to help us build back the capital reserve funds as recommended in past audits. This is a long ongoing situation and a progressive attempt to correct the situation while continuing with construction related payments, current loan repayments, and operating needs.
- Once we have some understanding of what grant monies will be awarded, these numbers could be reduced for following years. In the unlikely worst-case scenario where no grant money is awarded, the numbers stand as Manager Jones has worked out in the documents.

Collected Property Tax Reduction Considerations:

- Chairman Pezzutti mentioned the monthly bill is not all usage. Usage is about 15% of the bill. The rest is infrastructure and other costs of running the business
- Former Board Chairman Anderson, noted that the total customer cost of water and sanitation is a combination of the property taxes and the usage fees that customers incur. Collected property taxes have declined more rapidly than the usage fees have gone up, resulting in a modest lowering of the total costs in the District during the period between 2014 and 2021. Following is a detailed quote explanation and comparison between the start of the 2014 average total bill of \$191.95 and the average total bill of \$253.40 at the start of 2021.

‘If you look at that, that is bi-monthly and a \$62 increase from 2014 to 2021. However, if you look at the reduction in the mill rate and look at the decline in the cost in the property tax associated with water and sanitation district, it has fallen 18.6 mills to 9.3 mills and that means the property tax reduction on average has been \$88 bi-monthly for this same time that the bi-monthly rates have gone up by \$64. So, the customers are still better off with a combination of property tax and our usage fees and the rates have actually declined somewhat from 2014. I think that is a story that isn't generally recognized because you don't get a lot of credit for a reduction in property tax. You get a lot of notice for the bi-monthly increase, and I think you will want to find a way in your customer communications to highlight the reality that the property tax fees have gone down more rapidly than the usage fees have gone up.’ Gary Anderson.

- Director Howell asked for clarification what brought down the property taxes. Mr. Anderson noted the property taxes reduction is due to several factors including: paying off several old high-cost loans, borrowing new money at a lower cost, and converting shorter term loans into longer terms dramatically dropping property taxes by 50%. Director Howell added that the District has basically been recapitalized.
- The District had a 10-year term with a 3.0 mills assessment from 2009 through 2018 with a sunset clause at the end of 2018. This 3 mills assessment was voter authorized and set specifically for capital outlay requirements. The district lost this revenue base two years ago and related shortfalls have been rebuilt into the water and sewer service fees.
- During 2014-2021, The District built approximately \$14M in additional and very necessary infrastructure. It is good to document that this is actually a success story in terms of where the District was and where we are today going forward.
- The reservoir expansion is expected to increase the survivability of Genesee in the event of drastic drought conditions by 50% and we will be able to go 3 months with no water flow in Bear Creek.

Question & Answer:

Q: C. Corbett. Would the excess \$700K eventually merge into the capital reserves, or are they not related?

A: S. Jones. Part of the \$700k is operating funds and part of it is capital funds allocated for capital improvements next year. About \$.5M are capital funds, and approximately \$250K are operations. The remaining capital outlay scheduled for next year and the completion of the UV project will consume at least half of the current capital outlay fund.

RECORD OF PROCEEDING

Public Hearing – Rates and Fees – Proposed 2021 Adjustments – Continued

B. Service/Usage Fee(s) – Discussion

Manager Jones: The increase in the capital replacement fee is \$6 per month or \$12.00 bimonthly. This will go toward the reservoir project, and if that doesn't move forward, it then will be applied to reserve funds.

The usage rate increase proposed at the October Board Meeting has not changed. For an average user, their bimonthly increase will be as follows:

- **\$3.35 Water Service**
- **\$4.50 Sewer Service**
- Additionally, the proposed increases include adjustments to the construction usage fee inside and outside of the District as well as the related residential sewer increase to be applied equitably to the Office/Commercial accounts. See bottom of the service fee history in proposal for details.

Question & Answer:

Q: There were no questions on the proposed adjustments to the Rates and Fee(s).

C. Adoption of Rate Increase Resolution

Motion. Chairman Pezzutti Moved to vote on the motion to accept the rate and fee increase as proposed and agree to an effective date of December 26, 2020, for collection in calendar year 2021.

Second. Director Russell seconded the motion.

Votes. 3 Ayes; 1 Abstention. Director Corbett abstained and felt like she needed more time to review the details and Director DeFilippo voted No.

Result. The motion passed 3 to 2. Said resolution is attached to and made part of these minutes.

Public Hearing – Third Draft 2021 Proposed Budget

Motion. Chairman Pezzutti Moved to open the public hearing to review and accept the 2021 budget.

Second. Director DeFilippo seconded the Motion.

Votes. 5 Ayes.

Result. The motion passed unanimously.

Opening Comments:

Manager Jones: The budget has not changed significantly in terms of bottom-line predictions for 2020 year end or 2021 year end, but some of the detailed line items from the second version to this third draft have changed.

The first several pages include the budget message and all of the necessary adopting resolutions. We will go through those in brief form more toward the end when the Board votes. If this is approved tonight, Manager Jones will need to get with each board member to obtain all necessary signatures.

With opening comments made, Manager Jones led the group into the detailed portion of the budget discussion.

RECORD OF PROCEEDING

Public Hearing – Third Draft 2021 Proposed Budget - Continued

Budget Page 16:

Page 16 is the budget summary page. It reflects the Government, Enterprise and Building Authority functions. The Enterprise summary is further divided by capital outlay, operations, maintenance, and administrative functions. Page 16 is a snapshot of the District's overall operations for last year, which matches the audited financials, this year's (2020) year-end best guess, and all proposed planning going forward and through next year.

- **Director DeFilippo.** In the last meeting the specific ownership tax that moves through administrative needs was listed at approximately \$55K and now it is \$85K. Today with projections still being slow, I think it would be more realistic to move the amount of \$85K back to \$55K.
- **Manager Jones.** Yes, we will be short this year there is no doubt about that, and it is currently reflected in the budget as \$48K for this year. We are waiting for additional updates, and Manager Jones has given this item considerable thought. In his opinion, it is better to bump up the 2021 budgeted amount to \$85K, the historical and fully justified amount. Then if by chance the District receives close to this amount it becomes a wash as the associated expense has been bumped up equally as well. However, if we don't budget for it, but do receive more specific ownership tax revenue, we may not be able to justify the associated expense without amending the budget. The District may not be able to use those funds without going through the lengthy process of amending the budget. On the flip side, if we do not receive the full budgeted amount then it is no different than last year or this year, we simply reduce the estimated and/or expected expense.
- **Director DeFilippo** mentioned that he disagreed.
- **Chairman Pezzutti** requested that Director DeFilippo's concern be included in the recording of minutes, and to carry forward with the standard budget recording at this time.

Budget Page 17:

Page 17 relates to Government and property taxation and the Specific Ownership taxes. The bulk of that money goes toward repayment of our voter authorized long-term debt. The District recently received from Jefferson County the next, and most likely final assessed valuation. It decreased slightly. After running the numbers of the proposed mill levy for 2021, and in order to have a 2021 year end zero balance on the government side, 2021 is proposed to be **9.393 mills**. Of note, Jefferson County has until December 10th to make any changes to the final assessed valuation, but more than likely no changes will be made.

- **Former Board Chair Anderson** made a quick reference back to the way he calculated the property tax differential from 2014 to 2021. If you look at the current **\$83,631,570 assessed valuation and multiply that by the mill rate of 18.6 in 2014 ÷ by 1000**, it shows an excess over and above the current year's plan of **\$769,996** which is equivalent to **\$553 savings per customer / per year**.

Budget Page 18:

Page 18 Details the capital outlay program for next year. Revenue to the 2021 water portion of the capital outlay budget reflects the approved rate increase. The primary change from draft 2 of the budget relates to the UV Disinfection Project. Construction progress and associated contractor payments are better known at this time and more accurate year end estimates have been applied to the budget.

Budget Page 19:

Page 19 is the Operations Revenue detail, which funds the bulk of operations, maintenance, and administrative costs. The 2020 water services revenue has been increased \$7K from previous estimations due to a better-than-expected October billing. The 2021 estimations for both water and sewer reflect the approved rate increase.

RECORD OF PROCEEDING

Public Hearing – Third Draft 2021 Proposed Budget - Continued

Budget Page 20 -22:

Pages 20 through 22 reflect the Operations and Maintenance functions of the District. Manager Jones noted he had adjusted the 2020 estimated operations salaries down somewhat for 2020 due to personnel shortages but readjusted back upward for 2021, assuming replacements would be made. There has been quite a bit of turnover both in administrative and operations personnel over the last two years. At this time, we are still short one person on the operations side, but plan to be back to full staff as soon as practical.

Chemicals for the waste water side are way up, and primarily due to the polymer costs associated with our sludge thickening and dewatering treatment processes.

Pages 23 through 24: Reflect the Administrative functions of the District. As previously mentioned, legal fees have increased significantly over the past few years due to various water rights cases the District has opposed. It is anticipated these cases will be settled and related costs will begin decreasing soon.

Page 25: Summarizes the Building Authority, the financial vehicle put in place in 2012 to fund the construction of the District's Administrative facility. This presentation remains unchanged from prior years.

- **Director Corbett and Director DeFilippo** requested to get the correspondence for the water rights cases.
- **Manager Jones** noted these documents are attorney client privileged, but he will ask water legal counsel to copy them on various proposals, statements of opposition, and final decrees.

Budget Page 21:

Sludge disposal costs have increased significantly for both this year and next year, and that applies primarily to the waste water treatment plant. These are ongoing fixed costs that have had a tendency to go up.

For the benefit of Meeting participants, Superintendent Brownell, provided an overview of some of the industry factors related to the increase in sludge handling and removal costs.

- McDonald Farms, the current vendor, has no real competition at this time. The business is being sold, and prices have doubled so the company has a much higher valuation.
- Sludge handling costs have doubled, and the main reason for that is due to hauling costs and significant changes in industry regulations. There are very few vendors who provide this service, and the material has been regulated now to be treated as hazardous waste.
- Comparatively speaking, the cost of sludge removal for the old water plant doubled in price five years ago and was just over \$100K. Sludge handling at the new waste water plant is about \$30K, and while the overall amount is up, the new plant represents about a \$70K savings in cost.
- We pay A1Organics an increase of about 41%. This is mostly due to the fact that we were getting a really good deal rather than an actual cost increase and how product was being weighed.
- Polymer is up 50% for both usage and cost. We are trying to get dryer cake to haul to lower these costs and doing everything we can to save money, but there are some limitations due to aging equipment and polymer types.

The group also briefly discussed creative solutions like reducing chlorines gases, giving the material to farmers, advanced technology such as a fusion incinerator. The bottom line is this is an opportunity if anyone on the board knows someone who has experience in this field and can come up with a new innovation.

This District generates about 10,000 Gallons of biomass a day. There is nothing to communicate to customers at this time, and is just due to normal treatment process and is a standard part of the business.

RECORD OF PROCEEDING

Public Hearing – Third Draft 2021 Proposed Budget - Continued

Budget Page 22:

There is not much change on the District's gas and electric charges. Manager Jones noted that there are a few items he had to increase slightly in the budget. One being the gas and electric costs for 2021 with the bottom line increasing approximately \$4K for next year.

There are three resolutions the board needs to go through and vote on.

A. Discussion and Approval of Resolution Adopting Budget for 2021

Motion. Director Russell moved to Approve the Resolution of Adopting the Budget for 2021.

Second. Director Corbett seconded the Motion.

Votes. 4 Ayes; 1 Opposed (Director DeFilippo).

Result. The motion passed.

B. Discussion and Approval of Resolution Levying General Property Taxes for 2021

Motion. Chairman Pezzutti moved to Approve the Resolution Levying General Property taxes for 2021 with the mill rate to be set and certified at 9.393 mills.

Second. Director Russell seconded the Motion.

Votes. 5 Ayes.

Result. The motion passed.

C. Discussion and Approval of Resolution Appropriating Sums of Money for the 2021 Budget Year

Motion. Chairman Pezzutti moved to Approve Resolution Appropriating Money for the 2021 Budget Year.

Second. Director Russell seconded the Motion.

Votes. 4 Ayes. 1 Opposed (Director DeFilippo).

Result. The motion passed.

Manager Jones Will begin putting final documentation together necessary to certify the mill levy with the county. The county requires a copy of the resolution that was passed, and Manager Jones needs to obtain physical signatures from board members, and he plans to have documents ready this upcoming Thursday (12/10).

Motion. Chairman Pezzutti moved to close the public hearing.

Second. Director Russell seconded the Motion.

Votes. 5 Ayes.

Result. The motion passed. The approved 2021 Budget for the Genesee Water and Sanitation district is attached to and is made part of these minutes.

Minutes Approval – October 27, 2020 and November 23, 2020

Director of Administration Mrs. Carriere sent out minutes for October and November meetings. Forms will be sent to Board Members accordingly, and some forms can be looked up on the Genesee website as well.

Motion. Director DeFilippo moved to Approve Minutes for the October and November Meetings.

Second. Director Russell seconded the Motion and thanked Mrs.Carriere for her hard work on the minutes.

Votes. 5 Ayes.

Result. The motion passed and minutes were approved.

RECORD OF PROCEEDING

Legal Report

There is currently no legal report from Moses, Wittemyer, Harrison and Woodruff, P.C. It was noted the District may be close to settling water rights opposition matters relevant to the Evergreen cases.

Proposed 2021 Regular Board of Directors annual Meeting Schedule

With the exception of the November and December meetings, they are all scheduled on the 4th Tuesday of the month. The November meeting will be on the 16th and the December meeting will be on the 14th.

Motion. Chairman Pezzutti moved to approve the schedule.

Second. Director DeFilippo seconded the Motion.

Votes. 5 Ayes.

Result. The motion passed and the schedule was accepted. The approved 2021 Regular Board of Directors Annual Meeting Schedule is attached to and is made part of these minutes.

Posting Location(s) 2021 for Regular and Special Meeting Notices

Manager Jones reported that the statute regarding posting requirements had previously changed and we are now required to post notices on the District's website and one place within the District. We are no longer required to post at Jefferson County Courthouse. Manager Jones recommended that we continue posting at the Vista and Village club-houses and the Chimney Creek mail boxes, since there are several long-term residents that are used to this method. Additionally, Carolyn Steffl, our legal counsel, has redrafted the resolution she uses with other districts that combine meeting schedules and posting locations. Once Manager Jones has edited/customized it to the Genesee Water and Sanitation District, signatures are needed from Chairman Pezzutti and Director DeFilippo.

Motion. Director DeFilippo moved to Accept Posting locations.

Second. Chairman Pezzutti seconded the motion.

Votes. 5 Ayes.

Result. The motion passed and the posting recommendation was accepted. The approved 2021 Posting Locations for the Regular and Special Board Meeting(s) Notice is attached to and is made part of these minutes.

Old Business

Customer Letter:

Chairman Pezzutti has started a letter that will be sent to customers with the December utility bills. Right now, no special motions are required, and we will get a draft to the board for input prior to mailing that out.

New Business

Option to Purchase Hodgson Ditch Shares

Manager Jones reported the Hodgson Ditch is one of several active ditches remaining on Bear Creek and is the No. 3 right on the stream. Recently 18 shares of Hodgson Ditch rights have become available due to the owner passing away and leaving the rights to the estate. The heirs of the estate have gone through a lot of investigations to determine the value of the rights, if any, but the process is expensive and complicated. The Hodgson Ditch operating association offered to purchase the rights and abandon them, but was informed that process could be burdensome and more expensive than an existing shareholder purchasing them. Evergreen has decided to purchase the rights, understanding they are still in the ditch and transfer of the rights to a different diversion location outside of the ditch could be very costly and may not deliver much wet water for the price paid. Evergreen Metro District's manager along with Manager Jones has proposed Genesee purchase 9 of the 18 subject rights with a 5-year option term for \$100. Manager Jones explained this could be a potential solution for

RECORD OF PROCEEDING

New Business – Continued

Idledale relevant to their long-term water needs. Evergreen has agreed and an option to purchase document has been drafted for Genesee to purchase 9 of those shares. **It is a 5-year option for \$100.** Essentially, this could give Idledale and potentially Genesee an opportunity to work together toward a Future extra-territorial service agreement.

- The idea is to put this out to Idledale within the next year and give them an opportunity to solve their drinking water issues. Idledale has high radioactive (uranium) levels within some of their well(s).
- It would require a pipeline being installed from Genesee to Idledale, but that would be part of the cost to Idledale and their issue to work out. The water rights quantification and transfer would have to go through water court, and most likely involve opposers and related legal costs. In any case Idledale may end up with enough wet water moved up to the Genesee diversion point where Genesee could actually take that water treat it and deliver to Idledale for a cost.
- Currently, it would cost Genesee \$100 for 5 years. If Idledale wanted to pursue it, then the full burden of making it happen is placed upon them. Essentially, Genesee will not be out anything and may be doing Idledale a huge favor.
- It could be a good opportunity for Idledale and Genesee, and Manager Jones is looking for a motion to proceed.

Motion. Director DeFilippo moved to proceed with the opportunity.

Second. Director Russell seconded the motion.

Votes. 5 Ayes.

Result. The motion passed. A copy of the Letter of Agreement with Evergreen Metro District is attached to and is made part of these minutes.

A. General Personnel Matters – Executive Session under C.R.S. § Section 24-6-402 (4)(f)

Motion. Director DeFilippo moved to close the General Meeting and move into the Executive Session under C.R.S. § Section 24-6-402 (4)(f).

Second. Director Russell seconded the motion.

Votes. 5 Ayes.

B. Executive Session

Motion. Director DeFilippo moved to close the Executive Session and return to the General Meeting.

Second. Director Russell seconded the motion.

Votes. 5 Ayes.

Performance Checks:

Motion. Director Russell made a motion to authorize Manager Jones to cut performance checks.

Second. Chairman Pezzutti seconded the motion.

Votes. 5 Ayes.

Result. The motion passed unanimously and Manager Jones was authorized to cut performance checks as soon as possible, including himself and Superintendent Brownell for the amount agreed to, and those checks to be distributed as Manager Jones deems appropriate.

There being no further business; Director Russell made the motion to adjourn the meeting and the motion was seconded by Chairman Pezzutti. The motion passed unanimously.

RECORD OF PROCEEDING

Board of Directors Meeting – December 8, 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