



Genesee

WATER & SANITATION DISTRICT

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

DATE HELD

Tuesday, February 23, 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 Video Teleconferencing platform 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 – In Person
Director Cynthia Dean Corbett – Via Zoom
Director Frank DeFilippo – Via Zoom
Director Roger Howell – Via Zoom

Also Present:

District Manager Scott Jones – In Person
District Superintendent Chris Brownell – In Person
Director of Administration and Resident Erin Carriere – In Person
Administrative Assistant Carole Marie – via Zoom

Present via Zoom Video Teleconference:

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

CALL TO ORDER

Chairman Pezzutti called the meeting to order and noted that all board members were present except Director Corbett, who will be joining the meeting shortly.

ENTERPRISE BUSINESS

Manager's Report

A. Water Withdrawn & Water Returned to Bear Creek & Stream Flows

For January 2021:

- The District took out **8,990,000** gallons of water from Bear Creek.
- **896,000** gallons were used to refill the reservoir from last summer's draw downs.
- Returned **11,064,000** gallons;
 - **7, 231,000** gallons of that was from the Wastewater Treatment Plant.
 - **3,833,000** gallons was from the Dakota Wells; this was used for wintertime replacements in addition to running an exchange up the stream in order to refill our reservoir.

Manager Jones compiled an updated stream flow graph for the Board. Flow bumped up from last Thursday and from what was in the Board packet. We were **averaging just under 20CFS**, but **flows are now back down to 5-6 CFS**.

Superintendent Brownell noted that Bear Creek remains dry at the East end of Morrison, as the Harriman Ditch continues to divert all remaining flow.

Q: D. Pezzutti. Do we have a credit now towards future draws?

A: S. Jones. We do have a credit on returns, but those are time limited. We plan to shut off wells today, and estimate needing to turn them back on mid-March. Once we get into April, we don't have the same limitations which require wintertime replacements.

Q: B. Russell. Those two wells are two of the bigger 6 for power on the commercial rates.

A: S. Jones. Yes, that is correct.

Q: D. Pezzutti. 1) Did we violate the 5CFS when we had the freeze, and 2) My understanding is we can't handle much less than 5CFS?

A: S. Jones. 1) The 5CFS is just how low the stream is now. We may see a little bit of a bump up here tomorrow morning as a result of the little snow we have melting and getting into the stream, but that is probably more indicative of the true stream flow, which is approximately 5-6 CFS. Earlier in the month, we were running about 7-8 CFS.

Q: G. Anderson. Does Harriman have priority over our most senior rights?

A: S. Jones. The Harriman actually consists of dozens of various ditches and rights with varying priorities. Some of the water being conveyed by the Harriman Ditch is senior to Genesee's rights, but the bulk of the water is junior and being used to refill downstream reservoirs from drawdown's experienced last summer.

District Superintendent's Report

A. Turbidity & Disinfection Report

Superintendent Brownell noted that the typical report is in the packet.

B. Pipe Break Discussion

We had two different pipe breaks at the Advanced Water Treatment Facility, but there were no concerns with health, safety, or water quality. If there were any serious concerns, the board would be notified. The first pipe break was a minor issue, and we had the plant back up within a day. The first pipe break caused no major flooding or water loss, but did teach us a few things about the plant that going forward we will have to address. We are doing everything to keep it from being repeatable. We found some weak links, and the operators are working on those.

B. Pipe Break Discussion - Continued

The second break took place in the water plant about 4:10 a.m. A pipe broke and flooded the water plant. We dumped about 300,000 gallons through the plant out the doors. We had minor damage and about a 15-hour day with outstanding operators getting everything back up and running. The Water Plant was up and running again by 10:30 p.m. We have alarms for plant shut down and water sensors. Matt was on call, and saw the tank levels and did a phenomenal job of responding immediately. By the time Superintendent Brownell arrived, Matt already had parts ordered and another operator was on the way to get the parts. There will be some additional changes to make to ensure this can't happen again. At the very least automated valves would be utilized to shut down the water to prevent a loss of water or damage from flooding. We also moved some electronics off the floor. We estimate that about half of the flooding from the second break went into the pond. The plant is stable and within compliance.

Administration Report

A. Cash Disbursements, Cash Investments, Aging Report

The Check Register is included in the report for January 31, 2021. Manager Jones reported there was a large disbursement for property and liability insurance, which is about **\$80K** for a year. Cash & Investments is not split between water and sewer because that would be a major undertaking and would require going back to October of 2019 to move that data forward. Status as of January 31, 2021 is as follows:

- Cash is at **\$385,218**.
- That is about **\$250,000** Less than year-end 2020 due to a bond payment to the Colorado Water Resources and Power Authority that was **\$240K**. This is one of two payments that will be made this year and primarily for the Water Treatment Plant construction loan taken out in 2015.

DISTRICT BUSINESS

Wastewater Treatment Plant

A. Ultraviolet Light Disinfection Project – Update

Manager Jones: Everything was going great on the UV Project, and startup of the facility was scheduled for yesterday (Feb 22, 2021). Unfortunately, early last week, we found out the electrical design engineer had missed whether there was an onsite neutral for the 3-phase equipment. The UV equipment is made in Germany and definitely requires a neutral. We are currently going through a change-order process and think a second transformer could be put in that would drive the UV equipment and provide for the neutral that is needed. It does change a few things. It could take approximately another 6 weeks for startup now. Everything in the facility looks good, and it is down to just the electrical. Regarding the Schedule of Values everything is at 100% complete, with the last division No.16 Electrical, which is about 50%. All equipment is on site, and remaining payout will take place later. Manger Jones believes final project cost will be known simultaneous with the resolution of the electrical issue.

Q: B. Russell. Are we liable for the Change Order?

A: S. Jones. Yes, to some degree, but I am already in negotiations on that.

Q: F. DeFilippo. Approximately what ball park figure is this going to add to the cost?

A: S. Jones. The number is unknown, basically it will be the cost of another transformer and small ancillary equipment and the labor to hook up the second transformer. An initial guess would be around \$10K for electrical.

Q: Becky Smith. It seems like it would be an easy claim against the electrical engineer's errors and omissions insurance since it seems like such an obvious mistake?

A: S. Jones. Possibly. Our general engineer is looking into that. One of the issues is that the staff member that started the job has left and the person that took over the job has left as well, and it is with a third person now, possibly the owner. We are checking into the insurance issue for sure though.

RECORD OF PROCEEDING

Proposed Reservoir No.1 Enlargement Project

A. Updates

Manager Jones noted there are no updates on this item presently. At this time next month, we should know if and how much grant funding may be allocated to Genesee Water.

DISTRICT ADMINISTRATIVE OFFICES AND SHOP BUILDING

A. Current Mortgage Agreement & Terms – Wells Fargo Bank

Manager Jones. Sent various materials to US Bank, but has not received any response back from them. Director DeFilippo noted he has not been heard anything back yet either, and he will reach back out and inquire about status and if any other information is needed.

MINUTES APPROVAL – January 26, 2020

Chairman Pezzutti. The January minutes were sent out and one small change was requested by Chairman Pezzutti. That edit has been made. There were no other questions or comments on minutes.

Motion. Director DeFilippo moved to approve the January minutes as presented.

Second. Director Corbett seconded the motion.

Votes. 5 Ayes.

Result. The motion passed and minutes for the January Board Meeting were approved.

LEGAL REPORT

A. Water Rights Matters

Manager Jones reported that a letter was received from Moses, Wittemyer, Harrison Et Al recommending that Genesee enter into a couple new water rights application cases. One of them involves the City of Brighton, and the other one involves Denver Water. Waters Rights legal counsel Richard Mehren and Manager Jones had a conversation, and Genesee is actively involved in another Brighton case. As a note of reference, Richard Mehren has other clients that are in this case as well so costs will be divided accordingly. Because the Brighton case is similar to our other cases, the main thing we want to do on this one is to make sure it is consistent with the other cases already being worked on. The cost should be minimal and more for monitoring purposes at this time.

The other case with Denver Water is similar, and Manager Jones had a conversation with the water Commissioner about this case. Denver Water is wanting to take water from the City Ditch and move it down stream to different points. Historically the City Ditch headgate is somewhere near the Chatfield Reservoir, which is actually upstream of the confluence of Bear Creek and the Platte. Water rights administration as it is today would not allow Denver Water to call out Bear Creek water because historically the water right would only have available to it the amount flowing at the original point of diversion. We need to enter into this case to make sure no injurious transfers are taking place. Manager Jones doesn't anticipate either case to be expensive, and he recommends we give legal counsel the ok to file **The Statement of Opposition**. These items require a vote from the board because this could result in potential litigation. The only way to get information and be involved if necessary is to file The Statement of Opposition.

Motion. Director Russell moved to follow through with the recommendation of Moses, Wittemyer Et Al.

Second. Chairman Pezzutti seconded the motion.

Votes. 5 Ayes.

Result. The motion passed and it was agreed that Manager Jones will work with legal counsel to file necessary statements of opposition.

RECORD OF PROCEEDING

B. Proposal for Annual Auditing Requirement(s)

In a past Board Meeting Manager Jones reported that Eric Barnes with Fiscal Focus Partners (Genesee's long-term auditor) was going to transition out of doing audits for special districts and move into municipal work only. He provided a few referrals/recommended firms for us to talk with and consider. Manager Jones also reached out to legal counsel, and a past connection that used to do audits for Genesee to see if either had any additional referrals or recommendations for us to consider. The past connection is not able to help, and did mention that it is getting very difficult for special districts to find auditing firms.

Of the viable recommendations, the only responders back to Manager Jones was the past contact and Greg Livin with Wipfli. Following a very good phone interview with Manager Jones, Greg Livin also sent a proposal for auditing services (see price on page 8 and scope is page 4 of Wipfli's marketing brochure).

Wipfli is a little more expensive, but they are also a national firm and have more resources available to help the District moving forward. Manager Jones noted the additional resources are a beneficial reason to move forward with this firm. They have more staff on board to assist us, and we have a substantial transition to work through. The Price is \$12,700 for 2020 auditing. Manager Jones anticipates cost to go up because more field work may be involved for the 2020 audit and also due do a few other findings he has discovered in the past few months. There really are no other alternatives at this point. This is an annual commitment, and if things go well, we can stay with this firm; if not, we have the flexibility to shop around for future needs.

Motion. Director DeFilippo moved to go forward with Wipfli LLP.

Second. Director Howell seconded the motion.

Votes. 5 Ayes.

Result. The motion passed and Manager Jones will move forward with Wipfli and coordinate next steps.

OLD BUSINESS

A. Idledale Water District – District Offering and Response

Manager Jones received a response back from both Idledale's engineer and also one of their Board members. Director Russell, Director Howell and Manager Jones had previously met with both of these gentlemen to discuss Idledale's water supply situation. Following this meeting, Manager Jones had prepared a summary to assist Idledale with evaluating logistics of connecting on to the Genesee Water and Sanitation District system. The summary included water rights issues, construction concepts and various associated costs, including tap and usage fees. Manager Jones has since received correspondence back from Idledale indicating their intent to continue exploring other options. At this time, it was the consensus of the Genesee Water Board to retire this topic for now and for management to not spend any more time on the matter.

B. 3rd Pump Installation & Startup at Base/Larkspur Pump Stations Completed

Early last year following installation by staff of both third pump/motor/VFD equipment configurations at the Base and Larkspur pump stations, it was determined there was an issue with the Larkspur pump and/or motor. Therefore, Manager Jones had held \$15,000 in retainage from the manufacturer (Cogent) until the matter could be rectified. Late last year, Manager Jones and District Operator Randy Rooney met onsite with the pump manufacture's local representatives. At this time various tests were performed and it was first determined the motor head-shaft may be bent. The shaft was removed and taken to their local machine shop for straightening and upon receipt back was reinstalled by staff. Following reinstallation, a performance test was done and all results were favorable. Both pumps are currently fully operable and actually have smaller motors, with 25 less horsepower rating than the newer pumps installed in 2017. Additionally, they pump more water, have a wider pumping range and use less electricity as verified by amperage draws. Essentially, they are more efficient pumps than the 2017 installations. Accordingly, Manager Jones has since released (paid) the entire retainage of \$15,000 to the manufacturer.

RECORD OF PROCEEDING

NEW BUSINESS

A. Old Water Treatment Facility

Genesee Water & Sanitation District is in discussions with the Genesee Fire Department personnel regarding repurposing the District's old Water Treatment Plant into a fire training facility. It definitely makes sense, and a meeting is set for February 24, 2021, at 10 a.m. at the District's Administrative Office. This will be a brain storming session, and we are working to get an agreement in place that satisfies needs on both sides. The Fire Department will be picking up the cost on all. Director DeFilippo requested a quick email update/summary be sent to the board after the February 24th meeting. The meeting is more of a brain storming meeting, but Manager Jones will provide a short paragraph or two. The Fire District wants to make sure all the liabilities, costs and insurance are stipulated upfront and that everything is very clear. The meeting will discuss agreement structure to include discussion of inter-government agreement and/or a lease agreement.

B. Update on Fire Egress

Over the last weekend, Gary Anderson, Genesee Foundation Board President, sent Manager Jones a 6-page report on the best options for an emergency egress route from Genesee. Dave has a copy of the report as well, and Gary noted they are welcome to send on to the Board as they see fit. Gary will be presenting some form of the information in the report to the Foundation Meeting tomorrow evening (February 24, 2021). It has also been sent to the Genesee Fire Safety Committee for their general information. Gary is mildly optimistic. It could be expensive, and he has a few people researching loan and grant opportunities.

Chairman Pezzutti mentioned that in looking at the map, it seems about 1/3 of the paved area could be cut out if you could get some egress route more direct to Hwy 74 without looping around. That could be a large savings. Second comment was about it being 2-lane would be total of 20' feet and practical enough in size to get around someone if there was a stall, etc.

Gary Likes Option A because it is a more gradual slope. Option B comes off the west side at Bitterroot just south of where the 2310 Private Road begins. There was a quick discussion of pros and cons of both routes.

ADJOURNMENT

There were no other items for discussion.

Motion. Director DeFilippo moved to adjourn the meeting.

Second. Director Russell seconded the motion.

Votes. 5 Ayes.

Result. The motion passed and the meeting was adjourned.

RECORD OF PROCEEDING

Board of Directors Meeting – February 23, 2021

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