

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

HELD

Tuesday, July 26, 2022
At 5:00 p.m. at the Genesee Water & Sanitation District Administrative Bldg.
2310 Bitterroot Lane
Golden, CO 80401

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:

Branch Russell – In Person
Frank DeFilippo – Absent & Excused
Jim Hurd – In Person
Bob Leland – In Person
Cynthia Corbett – In Person

Also present in person were:

Chris Brownell, District Manager
Bob Calley, Superintendent
Gary Anderson – Liaison to the Water Board
Christina Jantzeff – Accounting consultant
Dan Sewezok – Resident
Dan Hartmann – Resident
Brandon Smith – Resident
Kevin Doyle – Resident
David Crowder – Resident
J.P. Bauman – Resident
Steve Jamieson – W.W. Wheeler Engineer
Dan Sewczak - Zak Dirt General Contractor

By Zoom video teleconference:

Approx 96 zoom accounts logged on zoom

CALL TO ORDER

President Hurd called the meeting to order.
Motion to excuse Frank DeFilippo
Second Director Russell
Vote All
Motion passed unanimously

ENTERPRISE BUSINESS:

UPDATE ON RESERVOIR NO. 1 PROJECT & APPROVAL OF ENGINEERING/GC COSTS

- A) Steve Jamieson from W.W. Wheeler spoke about project options for “Plan B” and mentioned they would be working closely with Zak Dirt GC to complete value engineering. Manager Brownell mentioned that it looks possible to get down to the point of the original \$4.2M with the \$1.3M grant to do the project. Zak Dirt confirmed the statement that it is possible at the original price for Plan A. Director Russell asked Manager Brownell if the loan was contingent on increasing our storage. Manager Brownell confirmed the loan will be given to us no matter what, the grant is 100% contingent on increasing our storage by 46-acre feet (Plan A). President Hurd asked if the study that WW Wheeler and Zak Dirt will be doing is for Plan B. Mr. Jamieson said the study will be for Plan B and for Plan C unless they are told otherwise. It was confirmed by the engineers that if the Board decided to fully move forward with Plan A only, then all that would need to be done would be value engineering and it could start immediately as all the design engineering is already done. The 404 permitting was discussed, and we still have not heard back from the state yet.
- B) As of right now, Plan A would cost about \$6.129M at most including everything. Once the CWBC approves the new loan request then the project would be fully funded at the highest cost. The CWCB will vote on that in September. However, Zak Dirt has found ways to lower costs, and W. W. Wheeler mentioned ways to cut costs as well. Plan B and Plan C costs are completely unknown.
- C) Zak Dirt confirmed that prices are starting to go back up about 10%-15% a month on things like concrete, liners, etc. W. W. Wheeler stated that if Plan B is decided to move forward, it will cost more money due to the time it takes for design engineering as well as bidding out contractors, etc. He also mentioned that the District would have to find a contractor willing to work with us, as Zak Dirt will have to move on to another project. Lastly Mr Jamieson mentioned that the benefits of value engineering when the engineers can work with the general contractor makes the process more efficient.
- D) President Hurd mentioned that Reservoir No. 1 was never equipped with plumbing. Director Russell explained the reason was that in 2018 it was decided that the augmentation reservoir (aka Res no.1) would be expanded and therefore it did not make sense to spend a lot of money setting it up when we knew we would be expanding it. Manager Brownell also confirmed its purpose before 2018 was augmentation to gain storage rights and was upgraded in order to gain water rights, thus it served a critical function.
- E) President Hurd asked what would happen if the Board delayed the vote to approve value engineering to move forward tonight. Zak Dirt said that he has kept his supplies at bay due to this project, so they are ready for us. If this decision is delayed, then he will have to release his suppliers to take other jobs and he warned costs would likely go up. Furthermore, the bid is good for 90 days and a delay would pass that deadline. President Hurd asked how much Zak Dirt and W. W. Wheeler’s proposals are. Zak Dirt said it will be a little over \$37,500.00. President Hurd asked if it would cost half of that if we went forward with Plan A, and the answer was yes it would cost half of that. W. W. Wheeler’s proposal will cost \$43,000 to evaluate Plan B and Plan C. If the District wanted the firm to look at Plan A and B it will likely cost the same. If Plan B or C is decided to move forward, there will be more costs.
- F) Manager Brownell recommended the Board approve Zak Dirt and W.W. Wheeler. He asked Zak Dirt if they would be willing to put a ceiling on cost for the value engineering and charge by the hour up to an amount. They are fine with that, and they explained that if the District were to go with Plan B or Plan C there is a chance that the design engineering work with W. W. Wheeler could come to a halt if costs went above the budget. He also mentioned if we were to move forward with Plan A, since the pre-work has been done then it would be very simple to get through the design engineering process. If Plan B and Plan C take a lot of time to review, they will likely bow out of the process as they are not in the business of consulting

RECORD OF PROCEEDING

and they make their money by putting equipment on the ground. So, if Plan B or Plan C is to move forward, we could lose them in that process.

- G) Legal Counsel said that if Plan A moves forward, bidding the project out again is not necessary. The Board can modify the contract with Zak Dirt. Director Russell mentioned that he wanted it known that Plan B is as defined on our website. President Hurd confirmed.
- H) President Hurd summarized the questions that were asked in the June Board Meeting, and he summarized 15 out of 30 emails. Residents were allowed to speak.
- I) Request for a motion to proceed with value engineering Plan A and figure out options for Plan B. There was more discussion and Director Leland asked to postpone and have a study session. Manager Brownell recommended the Board approve the proposals tonight.

Motion to proceed with value engineering Plan A and figuring out options for Plan B: Director Russell

Second: Director Corbett

Votes: All

Motion passed unanimously

A working session was scheduled for August 16th at 5:00PM, open to the public but the public may not be allowed to speak.

Motion to resubmit to CWBC for the loan up to \$5.5M: Director Russell

Second: Director Corbett

Votes: All

Motion passed unanimously

MANAGERS REPORT

- A) Water Withdrawn and Water Returned to Bear Creek & Stream Flow reports were reviewed and included in the board packet.

SUPERINTENDENTS REPORT

- A) AWTF Monthly Operating Report is included in the board packet.
- B) We are currently helping Lookout to provide water as they had a main break. Director Leland asked if the water we are sending is coming out of our reservoir, and Mr. Calley said it is water in our system currently and said that whatever we need to do to help our neighbors is a win-win. Manager Brownell also stated that helping our neighbors with water is actually helpful to our system and helps save on chemicals by flushing our whole system. He also stated that the rate increase the Board had voted upon in 2021 for outside water to \$35.00 should not have been increased because outside water is not paying sewer and capital replacement fees, etc.
- C) Mr. Calley told the Board about the amazing work that the operators did for fire mitigation around our property and down Bitterroot. While our operators spent a lot of hours with the cleanup, they were also able to complete all of their regular duties on top of it. Keeping this job in-house saved the District over \$15,000.00.

ADMINISTRATION REPORT

- A) Christina who helps with financials for the District reviewed the financial reports. Christina mentioned that the accounting of this District is very complicated and involved, but revenue and expenses are on track compared to budget. The District has a \$998,000 fund balance for the entire District.

2021 DISTRICT AUDITED FINANCIALS UPDATE – If Applicable

- A) Discussion took place on getting competitive bids for 2022 audit. Other firms will be looked into for next year.

PAYMENT OPTIONS – 2027 Wells Fargo Balloon Payment

- A) President Hurd said that since we have \$602,000 in one of our accounts, he proposed that we make our \$78,000 annual balloon payment right away. Manager Brownell mentioned that a lot of the money in that account is budgeted towards some important current projects being worked on as well as future projects this year. Ms. Carriere mentioned that we have a specific account for the balloon payment which currently has \$28,000 in it, and she suggested if the Board wants to make a payment to use the money allotted. President Hurd said that the staff can make the payment that makes sense without pressure from the Board.

DISTRICT BUSINESS:

MINUTES

- A) Motion to approve minutes with changes: Director Corbett
Second: Director Leland
Votes: All
Motion passed unanimously

LEGAL

- A) General Counsel - Dylan Woods: Audit has been submitted on time and the District Manager is on top of the budget. Handoff from the previous council has gone smoothly. The District will need to decide if they will need to participate in FAML I later in the year.
- B) Water Rights Counsel - Moses, Wittemyer, et. Al. Nothing new to report.

OLD BUSINESS

NEW BUSINESS

ADJOURN

Motion: Thereupon, a motion was made by President Hurd and seconded by Director Russell to adjourn the meeting. The motion passed unanimously.

RECORD OF PROCEEDING

Board of Directors Meeting – July 26th, 2022

Chris Brownell, District Mgr.

Jim Hurd, President/Chairman

Cynthia Corbett, 1st Vice President

ABSENT
Frank DeFilippo, Secretary/Treasurer

Bob Leland, Vice President

Branch Russell, Vice President