

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

HELD

Tuesday, October 27, 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 – Via Zoom

Also present in person were:

Scott Jones, District Manager
Chris Brownell, Superintendent
Erin Carriere, Director of Administration and Resident

By Zoom video teleconference:

Carolyn Steffl, GWSD Attorney with Moses Wittemyer, Harrison and Woodruff, P.C.
Gary Anderson - Former Board Chairman & Resident
Greg Bruskvage - Genesee Foundation Board Liaison

Residents: Becky Smith, Barbara Stanton, Marty Carriere, Jim Hurd, Joe Peraino

CALL TO ORDER

Chairman Pezzutti called the meeting to order.

ENTERPRISE:

MANAGERS REPORT

A) Water Withdrawn and Water Returned to Bear Creek & Stream Flow –

During the month of September, the District took out 12,745,000 gallons from the stream returned 7,924,000 gallons to the stream through the treated effluent. Stream-flows are significantly below average.

The Water Withdrawn and Returned Report(s) for the month of September will be incorporated within and made part of these minutes by attachment.

SUPERINTENDENTS REPORT

A) Turbidity & Disinfection Report - No exceptions noted.

Mr. Brownell explains that Genesee, because of its size, is required to sample water from 40 points throughout the District, twice per year and test for lead and copper levels. Pass/fail is at the 90th percentile – so if 10% of samples hit a certain level then it triggers further actions. Genesee has never failed. Chairman Pezzutti further explains that there is no lead or copper in our production facilities yet we are still required to test samples provided behind the meter within a home. If there is an issue with the plumbing within the home, we will be responsible.

ADMINISTRATION REPORT

- A) Cash Disbursements – no anomalies noted
- B) Cash and Investments – not available at this time
- C) Financial Statements – no anomalies noted
- D) Aging Report – SO taxes are down around 50% which will result in a shortfall at year end

Any financial reports available for the month of September will be incorporated within and made part of these minutes by attachment.

DISTRICT BUSINESS:

WASTEWATER TREATMENT PLANT

- A) UV Disinfection Project Update – RN started critical work early to beat the bad weather. Concrete work is complete. Expect the first invoice shortly – approximately \$120,000. Schedule still to come.
Jefferson County changed their fire code which results in the shed needing to be 100% fire proof. Anticipating that the contractor will want to design/build the building which will expedite the process while still meeting all of the codes.

COLORADO WATER CONSERVATION BOARD

- A) Reservoir No. 1 Proposed Enlargement Project – Manager Jones put together a preliminary schedule/timeline/milestones. Manager Jones requests consideration from the Board on this as well as potential financing options.
- B) Preliminary Funding - Applied for the loan with the CWCB. The 40 year, 2.5% interest loan for \$4.242 million was approved by the CWCB. This loan structure does not have any prepayment penalties. GWSD will not know of any grant monies until closer to the end of 2020.

Mr. Anderson noticed that Manager Jones proposed a \$6 fee increase and that if the reservoir enlargement project does not get done in 2021, then that increase can go towards rebuilding the capital funds that were recommended by the auditor. If the expansion does go ahead then the money in reserves can be transferred to the payment budget.

Director Corbett questions whether now is the right time to go forward with the expansion after reviewing Denver snowfall statistics. The statistics show that we are due for a heavy snowfall. Chairman Pezzutti mentions that if we postpone this then it will take another 2.5 years to reactivate with a new Board and potential subsidies etc. Manager Jones explains that in the 80's, the Board went to the voters to build storage due to the fact that mountain streams are up and down. The voters handily voted it down in 1988. In 2002 there was a drought and GSWD was criticized by the community for not having enough storage. Director Russell comments on the fact that there are many more parties pulling water out of the same source now. We are pulling water as the snow melts and unless we have storage to put it into, it will continue to flow downstream and we will have lost the ability to grab it. Potential storage projects are sponsored by the CWCB because they see the need in order for Colorado to sustain its growth. The water supply is there – if storage is utilized. Mr. Jones noted that Evergreen can double in size which will result in a significant increase in usage and they have rights that are senior to Genesee. Mr. Anderson reiterates a study that shows a very short window to pull water and a year-long window of usage.

- C) Capital Replacement Fund Increase – Originated in June of 2010. It started out as a way to build up a capital reserve for infrastructure replacements. It supplemented the property tax revenue that has since gone away – which is part of the reason for the increase in CRF fees over the years. This fund helps pay for the loan for the Water Treatment Facility from the Water and Power Authority. Mr. Jones is proposing a \$6/month increase to the water side of the CRF, which brings it to \$37/billing cycle. Director Russell proposed looking into a line of credit.

PUBLIC HEARING – FIRST DRAFT 2020 PROPOSED BUDGET

Motion made by Director DeFilippo to move to a Public Hearing, seconded by Director Russell. The motion passed unanimously.

- A) General Discussion – Preliminary budget for 2021. Board received a copy, as required by law, on October 15, 2020. This is the first public hearing to discuss. There will be subsequent hearings at the November and December Board meetings. It is a requirement to adopt the budget at the December Board meeting.

Manager Jones explains that the District budget is broken out into 3 categories:

- Government - property tax assessment and repayment of voter approved long term debt which is based on the assessed valuation of each property in the district (Director DeFilippo points out that this amount cannot exceed 10% of those revenues, if they are coming from the Government, in order to maintain Enterprise status). This is funded through property taxes.
- Enterprise – which is the Capital Replacements, Operations, Maintenance and Administration. This is funded through the rates and fees, billed bi-monthly.
- Building Authority – Financing that was put into place to fund the Administration Building.

Government - Manager Jones reviewed the preliminary assessed valuation received from the County and discussed how it ties in with the Districts Property Tax Mill Levy. The Preliminary Valuation will generate \$785,528 which will go towards our related long term debt next year. Enterprise – Not showing any rate increases currently. The Reservoir Project is listed as a placeholder, assuming that the entire project happens in 2021 – which is unlikely. Manager Jones will have a better idea about that project in time. Discussion around the preliminary budget specifics continues. Further details regarding various capital projects were updated by Manager Jones.
Building Authority – Nothing changes here.

No questions from the public were voiced.

Motion made by Director DeFilippo to close the Public Hearing, seconded by Director Corbett. The motion passed unanimously.

MINUTES

Minutes from the Regular Board Meeting held on September 22, 2020 were reviewed. No additional changes or comments were suggested.

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

NEW BUSINESS

- A) Rescheduling of the November 17, 2020 Board Meeting – Meeting is now rescheduled for November 23, 2020

Motion: Thereupon, motion made by Director Russell and seconded by Chairman Pezzutti to approve the new November Board of Directors Meeting date. The motion passed unanimously.

- B) Personnel – Bee Cessar, Director of Administration resigned, effective October 16, 2020. Manager Jones has been discussing her replacement with Chairman Pezzutti and both recommend Erin Carriere to replace Mrs. Cessar. Full Board consensus of approval.

LEGAL REPORT

Motion: Thereupon, motion made by Director DeFilippo and seconded by Director Howell to enter into an Executive Session S24-6-402 (4)(b) CRS. The motion passed unanimously.

- A) Executive Session – the purpose of the Executive Session was for a conference with an attorney for the District for the purpose of receiving legal advice on specific legal questions relating to Director ethical responsibilities and liability risks and Board procedure. Director DeFilippo will send out a link to the SDA information regarding Board Member responsibilities.

Motion made by Director Russell to close the Executive Session, seconded by Director DeFilippo. The motion passed unanimously.

Director Russell volunteers as the new Building Authority President and Director DeFilippo as the new Secretary/Treasurer.

Motion made by Chairman Pezzutti to vote on the new signing authorities, seconded by Director Corbett. The motion passed unanimously.

ADJOURN

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