

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

HELD

Tuesday, July 28, 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 - In Person

Also present in person were; Scott Jones, District Manager; Chris Brownell, Superintendent, Bee Cessar, Director of Administration, Erin Carriere, Administrative Assistant and Resident, Bob Calley, District Operator, Marty Carriere, Resident, Brad Knickel, Resident and by video teleconference; Gary Anderson, Former Board Chairman & Resident, Greg Bruskvage, Genesee Foundation Board, Mary Monet, Resident,

CALL TO ORDER

Chairman Pezzutti called the meeting to order. No changes to the agenda were requested.

OLD BUSINESS

MANAGER'S REPORT

The Water Withdrawn and Returned Report(s) for the month of June will be incorporated within and made part of these minutes by attachment. During the month of June, we took out 13,946,000 gallons from the stream and returned 8,282,000. The irrigation, to some degree, has begun, with return flows, about 59%. This is comparable to 2016 and 2017. The streamflow is at 17cfs but before we got rain, had dropped down to about 4-5 cfs. Historical average is 65cfs.

Chris Brownell comments on the fact that the intake to the Bear Creek reservoir has been zero since the first week of June. Typically, it sees around 10-12 dry days. Denver is taking every drop.

Manager Jones clarifies that the outtake that Mr. Brownell is referring to is the Harriman Ditch. Denver owns the Harriman Ditch, has their own Bear Creek rights as well as provides carriage to at least 20 other users of Bear Creek water – some of which are old irrigation rights and some are municipal rights, like ours.

Director Corbett inquires about historical flow rates and Manager Jones clarifies that there was not an accurate low flow measurement device to measure Bear Creek flows until the end of season, 2002.

SUPERINTENDENTS REPORT

The Turbidity and Disinfection Report for the month of May will be incorporated within and made part of these minutes by attachment. Nothing else to add with regards to these reports. Usage is up approximately 50,000 gallons per day, from June, to 485,000. This is a 30% variation likely due to irrigation.

ADMINISTRATION REPORT

Elizabeth (Bee) Cessar, Director of Administration gives an update –

Cash Disbursements

No objections to the June 2020 cash disbursements.

Cash & Investments

No exceptions noted.

Financial Statements

No report available at this time – report continues to be work in progress

Aging Report

No exceptions noted.

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

Mr. Brownell states that over the last 4 years we have dropped our annual Xcel Energy costs by over \$70,000 due to technological advances.

Chairman Pezzutti mentions that the more efficient pumping system was going to save us approximately 25% but the nano filter added 8% back because of the backpressure. The District is still saving over \$70,000/year.

Director DeFilippo requests to work together with Manager Jones on property tax information.

MINUTES

Minutes from the Regular Board Meeting held on June 23rd, 2020 were tabled until proposed changes from Carolyn Steffl are sent and reviewed.

Motion: Thereupon, motion made by Director DeFilippo and seconded by Director Corbett to table the June minutes until the next Board Meeting on August 25, 2020. The motion passed unanimously.

WASTEWATER TREATMENT PLANT

UV Disinfection Project -

Manager Jones provided the Board with an update on the project – To recap, the project went out to bid on June 3, 2020 with bid receipt/opening on June 30, 2020. The low bidder was RN Civil Construction with a bid of \$349,626.00. That is \$115-\$120,000 more than the engineering construction estimate from last year. To date, the District has spent \$64,669.00 on the project and \$80k for the equipment, for a total of approximately \$144,000. The remaining expense projection is \$538,000. We will be approximately \$120,000 over original estimates but this has been calculated into last year's budgeting for this year. Manager Jones' recommendation is to move forward with RN Civil.

Director Corbett questions the underbid/overbid and whether or not a company can be held to its numbers. Manager Jones clarifies that it was an engineering estimate vs. the construction company bid.

Director Howell asks if there are options to moving forward and Manager Jones discusses the timing and how it was always the plan to get rid of the chlorine gas – as promised to the residents on both Bitterroot Lane and Daisy Lane.

Motion: Thereupon, motion made by Director DeFilippo and seconded by Director Howell to move ahead with the UV project. Vote was 4-1 in favor with Director Corbett voting no.

LEGAL REPORT

Manager Jones updated the Board on the water rights questions that were posed at last month's meeting. Mrs. Steffl prepared a memo defining the Service Plan of the District. The Service Plan does not dictate to the District whether the District can continue to include properties. As long as the District has the capacity, the infrastructure and the water rights to provide additional service.

Manager Jones briefly discusses water rights and water restrictions. He met with Evergreen staff in an ongoing attempt to resolve opposition with Evergreen so that it does not need to go to court. They have been responsive. To recap, Manager Jones talks about the stream running dry in 2002 and meanwhile, Evergreen was irrigating their golf course with their treated effluent. Evergreen staff has assured us that they will not be making that mistake again.

Solar Feasibility Investigations

Director Russell provided a brief summary of the latest project information -

Director Russell – The District executed a contract with Solar Institute Technologies (SEI). The initial kick off meeting will take place in August. A copy of the contract will be incorporated within and made part of these minutes by attachment.

Proposed 17 Acre Development

Manager Jones discusses the letter drafted to Stratera Partners. Chairman Pezzutti clarifies the District can service the proposed development and we are working within our means to do it. Also, it will not do any harm or cause the District to run out of resources to service it. There is also potential for several other subdistricts on Lookout Mountain to tie in if we service the development. In a customer comment, it was noted that providing services to this development, would have the potential of not only solving all the District's proposed capital expense, but the added potential of lowering the water rates. If you increase the District's customer base by 8% it will provide an opportunity to lower the cost of both water and sewer treatment. The possibility to retire existing debt exists in water taps.

There is continued discussion on whether it is beneficial to add taps when there is a drought as well as the benefits of taking advantage of the available grants. Adding 120 taps will increase our customer base by 9%, adding 46-acre ft of reservoir expansion will increase our drought survivability by roughly 50%

Chairman Pezzutti addresses the per acre foot cost of increasing the reservoir as well as the fact that either way, the District will still have to replace the liner at a cost of \$350,000. The District is on track with the CWCB 5 year rolling plan.

Directors Corbett and DeFilippo request more transparency and more information in a timely matter from Director Pezzutti.

Discussion around the funding provided by CWCB – 50% up to a maximum of \$1.5 million. Latest estimate to expand the reservoir is \$4.2 million. This leaves a cost to the District of +/- \$2.5 million. The Engineers are submitting the feasibility study and Manager Jones will be submitting the loan application for \$4.2 million (maximum needed amount). However, this does not obligate the District in any way. The offsetting effect of the grant may not be known until December.

Director Corbett asks the question, if the grant is denied, what is the next course of action? Shelving the reservoir, poll residents or ask for a vote with regards to a rate increase? Manager Jones informs the group that when considering a revenue pledge, the Board has the authority to set fees and tolls without a vote of the people. If it was a major project, for example the water plant, and the District wants to fund it through a general obligation bond, that would require a vote of the people.

Proposal for Inclusion of Undeveloped or Lightly Developed Land

Director DeFilippo discusses the potential of providing water and sewer to surrounding properties as a means of adding revenues without increasing taxes or rates. A couple of possibilities are:

- The Macy Price property – new owner wants to put a house on it
- 3- 35 acre lots off of Northridge Ct
- Jeffco school property east of the Fire Station
- Down payments to hold taps

The group continues to discuss some other possibilities – Idledale is attempting to get grants. Chairman Pezzutti inquires whether or not grants are available for all of these proposed integrated properties? That may make a \$10,000 or \$15,000 difference in their tap fees.

Manager Jones shows the group, on the photo in the boardroom, where the mainline goes from Genesee, under I70 and towards The Crossings on the north side of the interstate.

Director DeFilippo requests administrative help to generate letters to proposed homeowners/landowners.

Mr. Anderson comments that it would not be a viable business case to focus on one or 2 properties given the limited staff within the District. 8+ properties would make more sense.

Director Howell asks whether or not we could incorporate a portion of Riva Chase. Manager Jones relays that the District has talked with Riva Chase on a number of occasions but it comes down to money and they don't have the money for \$65,000 tap fees.

Director DeFilippo suggests that we may consider financing or carrying the debt for a fee for those unable to pay the \$65,000. Director Howell expresses confusion as to why we would carry debt for a customer when the main point was to raise money to fund projects and avoid our own debt.

A conversation takes place around not wanting to sell taps to a developer that wants to buy taps vs marketing and trying to sell taps to residents that are not inquiring about taps. Director Corbett opposes allowing a large structure across I70 to be included into the District and would prefer to market taps.

Director DeFilippo requests an answer to his proposal today. Director Russell requests more time to digest the information. Director DeFilippo will send the information to Director Russell via email. Director DeFilippo requests comments and feedback as well as assistance from Manager Jones. Manager Jones clarifies that he is open minded and follows the Board's recommendation. However, he has spent considerable time over the last 41 years talking to potential customers and having it go nowhere. As a District with only 10 employees, there is not enough time to devote to this. Manager Jones suggests that we send an email to C.A.R.E. (Canyon Area Residents for the Environment), so that they can forward it to residents that are near to our existing boundaries, letting them know that we have the ability to service them and then see what kind of feedback we get.

Manager Jones points out that the Board has the authority to take into consideration negotiating tap fees. He also agrees with the idea of perhaps allowing taps to be put on hold over a maximum of 3 years with payments divided up into 3 payments. Chairman Pezzutti agrees that something needs to happen.

Director Howell comments that years ago when he was on the Water Board in Morrison, it was a seller's market, now, it is a buyer's market and we are having a hard time selling our taps. Manager Jones states that Morrison is a high-density area and Genesee is a low-density area and there is more of a profit margin for the developer in a high-density area.

Chairman Pezzutti states that the District supports 9 homeowners associations – not just the Genesee Foundation, the largest. With these discussions the District is looking to possibly add 2-4 more.

Director DeFilippo voices his disappointment in the lack of decision. Chairman Pezzutti asks Director DeFilippo what he would do if he was given the go-ahead. Director DeFilippo states he will not put his reputation on the line and if he can't look the customer in the eye and tell them what the District can deliver, then he will not move forward with this proposal.

A copy of the proposal and PowerPoint will be incorporated within and made part of these minutes by attachment.

NEW BUSINESS

Manager Jones reviewed an anonymous letter that was received. Director DeFilippo recommends not responding to it.

ADJOURN

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

Board of Directors Meeting – July 28, 2020

Scott Jones, District Mgr. & Secretary of the Meeting

David Pezzutti, President/Chairman

Branch Russell, 1st Vice President

Frank DeFilippo, Secretary/Treasurer

Cynthia Corbett, Vice President

Roger Howell, Vice President