

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on July 9, 2015 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT: Director Town
Director Courrau
Director Taylor
Director Strom
Director Schwab

Manager: Jessie J. Shaffer
Asst. Manager: Randy Gillette
Consulting Engineer:
Attorney: Erin Smith
Secretary: Marsha Howland

Visitors: Mike Fink - Fountain, CO Utilities
Uli Keeley - John Cutler and Associates

I. Call to Order:

President Town called the meeting to order at 1:03 p.m.

II. Reading of the Minutes:

Copies of the June 11, 2015 meeting minutes of the Woodmoor Water and Sanitation District were provided to each Director. It was moved, duly seconded, and unanimously passed that the meeting minutes be approved.

III. New Business:

- A. Auditor's Report/Presentation on 2014 Audit:** Uli Keeley from John Cutler and Associates presented the 2014 WWSD annual audit. Keeley stated that the audit went well. Keeley reported that the statement of net position shows the ending balance to be \$42,803,714 which is an increase from 2013 of \$ 2,043,456. Keeley stated that there was a decrease in cash flow due to the final payment for the water rights. Keeley reported that WWSD is in a solid financial status. The Board thanked Keeley for her presentation and work on the audit.

Motion: Upon motion by Director Schwab and seconded by Director Taylor, the Board unanimously voted to approve the 2014 financial audit.

IV. Old Business: None.

V. Financial Discussion:

Director Schwab stated that he had reviewed the financial statements and did not have any changes. It was moved, duly seconded, and unanimously passed that the financial reports be approved. Schwab asked how the District decides on investments. Shaffer reported that he looks at the cash flow statement each month comparing it to the expected expenditures and needed cash reserve in case of an unexpected expense. Shaffer stated that if the District has available cash, he consults with WWSD's investment managers for new investments. President Town asked for footnotes on the balance sheet to show detailed explanations concerning certain line items. Shaffer and Howland will update the balance sheet next month to include this request.

VI. Public Discussion:

- A. Unscheduled People:** Mike Fink from Fountain, CO utilities stated that the Pikes Peak Regional Water Authority (PPRWA) appointed him as a representative to the Arkansas Basin Round Table. Fink reported that several water providers and either their Board members or City Council members in Colorado have been attending the Arkansas Basin Round Table meetings to talk about their concerns and opinions concerning water issues. Fink stated that he would like to invite members of WWSD's Board along with Shaffer to the next meeting which is held the second Wednesday of each month at 2 p.m. Fink stated that the Board would gain valuable information concerning water resources. The Board members will let Shaffer know if they are interested in going to the meetings.

VII. **Joint Use Committee Report:** Shaffer reported that the construction for the Phase 1 project is moving forward.

VIII. **Chilcott Ditch Company/ JV Ranch Report:**

Taylor stated that he received an e-mail from Michael Fink stating that the easement language was approved by the Planning Commission and would be forwarded to the City Council, a copy of which is attached hereto. Taylor stated that the Chilcott Ditch received a violation notice from the City of Fountain concerning weed control. Gillette stated that he is taking immediate action to solve the weed issue.

IX. **Manager's Report:**

Shaffer reviewed the Managers Report dated July 9, 2015, a copy of which is attached hereto.

A. Collaborative Organizations / Opportunities:

- i. Pikes Peak Regional Water Authority (PPRWA): None.
- ii. Zone 3 Preliminary Engineering Study: Shaffer reported that they had their kickoff meeting for the Zone 3 Engineering Study earlier in the week. Shaffer stated that the meeting went well, and they made progress outlining items to start the study. Shaffer stated that the study will be looking at infrastructure possibilities starting at Palmer Lake down to the Cherokee District. Shaffer reported that the study will also look at different reservoir sites.

B. Operations: Randy Gillette

- i. Water Report: Gillette reported that the unaccounted water for June, 2015 was at 8%. Gillette stated that Lake Woodmoor did not spill, and the elevation is now at 7097. Gillette reported that WWSD is at 75% surface water, and working towards 100%. Gillette stated that there is no turbidity in the lake, which makes it difficult to filter the water. Gillette stated that the District has been receiving a few taste and odor calls, and staff is working on these issues.

C. District Construction/Planning Projects:

- i. **JV Ranch Re-vegetation Project Update:** Shaffer stated that Paul Flak is moving forward with the JV revegetation project. Shaffer stated that staff has started on the mapping for the project. Shaffer stated that he received prices from two companies for the herbicide application at the JV Ranch, and as soon as the weather dries up, the project will move forward. Shaffer reported that WWSD purchased a portable storage unit for equipment storage at the ranch, and also a four wheeler to use on the ranch.

- ii. **Lake Woodmoor Access Road:** Shaffer stated that he is working on an easement agreement with LA Plata needed for the Lake Woodmoor access road. Shaffer reported that La Plata asked WWSD to waive the inspection deposit and fee requirement for their Dunes project in exchange for the easement. Shaffer stated that the inspection cost would be approximately \$4,000.00, which would be comparable to the cost of the easement. The Board agreed to the exchange.

- iii. **Aquatic Weed Control at Lake Woodmoor:** Shaffer stated that Andrew Skibo from Sepro will have a presentation for the Board next month regarding the aquatic weed control project Sepro performed at Lake Woodmoor.

D. WWSD Subdivision/Development Status Update:

- i. **Potential Inclusion/Extraterritorial Service Request:** Shaffer reported that he was approached by a couple of residents in a sub-division located north of the District in Douglas County. Shaffer stated that they have a small community system that serves them, and are looking at potential alternatives to their situation. The residents asked if WWSD would consider servicing them extraterritorially. Shaffer stated that the community build out is approximately 60 homes. Shaffer stated that the community is on septic, so they would only need water services. After a lengthy discussion, the Board directed Shaffer to explore the opportunity for both inclusion and extraterritorial services for the community. The Board also stated that Shaffer should let the residents know that any financial burden for this exploration will be theirs.

- ii. **Village Center Filing 4A:** Shaffer stated that the weather has slowed the Village Center Filing 4A project down. Shaffer reported that the second phase of Village Center Filing 3A was awarded conditional acceptance yesterday, and Saint Aubyn Homes purchased nine tap applications today for that area.

E. Other Topics:

- i. Employee Health Insurance for 2016: Shaffer reported that due to the affordable healthcare act (ACA), WWSD is going to have to change some policies and procedures related to employee benefits. Shaffer stated that he is working with an attorney from Sherman & Howard to bring WWSD into compliance with the ACA. Shaffer stated that the District will need to look at different solutions for employees with Tri-Care and Medicare benefits, also different plans between small age banded products and large group products. Shaffer stated that he will offer several alternative solutions to the problems next month.

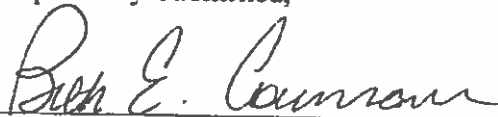
X. Special Reports and Subjects:

- A. Engineer's Report: None.
- B. Attorney's Report: None.
- C. WIA Meeting Report: None.

XI. Adjournment:

There being no other business to come before the Board, it was moved and duly seconded that the meeting be adjourned. The motion passed unanimously and the meeting adjourned at 2:52 p.m.

Respectfully Submitted,


Beth Courrau, Secretary