

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on October 8, 2018 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT: Director Taylor
Director Wyss
Director Bush
Director Hanson
Director Roddam (Conference Call)

Manager: Jessie J. Shaffer
Assistant Manager: Randy Gillette

Attorney: Erin Smith

Secretary: Marsha Howland

Visitors: James Howald - Our Community News
Bill Kennedy - Woodmoor Resident
Terry Holmes - Woodmoor Resident
Jared Raymond - Mountain Springs Recovery
Tom Kearns - Mountain Springs Recovery

- I. **Call to Order:** President Taylor called the meeting to order at 1:00 p.m.

- II. **Reading of the Minutes:** Copies of the September 10, 2018 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. 2019 Budget Delivery: Shaffer reported that the 2019 1st draft budget will be delivered to the Board Members by October 15, 2018.

 - B. Schedule Budget Workshop: The Board scheduled the budget workshop to be held on Wednesday, October 17, 2018 starting at 1:00 p.m.

C. Consider Supplemental Water Service Request - Mountain Springs Recovery: Shaffer introduced Jared Raymond and Tom Kearns representing Mountain States Recovery to the Board. Shaffer stated that FHAM, LLC a sister company to Mountain Springs Recovery is requesting supplemental water service from the District , a copy of the request is attached hereto. Raymond stated that they are in the process of licensing the property located at 1845 Woodmoor Drive for an inpatient only rehabilitation facility. Raymond stated that they are working on the site development at this time. Raymond reported that the projected opening of the facility is in March or April 2019. Raymond stated that the property has five buildings and initially they plan on opening buildings A and D for an occupancy of 54 available beds. The timeline to expand to 150 available beds has not been determined at this time. Shaffer stated that FHAM, LLC is requesting 14.056 AF of supplemental water with the first 1.162 AF being purchased upon execution of the agreement, and the remainder of 12.894 AF being placed under option for future purchase. Shaffer stated that FHAM, LLC has submitted an alternate methodology for the calculation of monies due based on their Texas facility which is almost identical to this property. Shaffer stated that he has reviewed the methodology and considers it reasonable and rational. Shaffer stated that if the Board allows the alternate methodology, a covenant will be placed on the property and a surcharge will be issued if the water usage exceeds the alternate methodology calculation. Shaffer stated that FHAM, LLC is also requesting to only pay for what they need at this time, and as they grow they will pay for what they have in reserve. Shaffer reported that he feels confident that the District has sufficient water resources to meet the demands of the rehabilitation center.

Motion: Upon motion by Director Bush, and seconded by Director Hanson the Board unanimously voted to approve the supplemental water request from FHAM, LLC and directed staff to bring the agreement back to the Board for consideration.

IV. Old Business:

A. Presentation/Results on District 4-10 work Week Pilot: Shaffer stated that staff started the 4-10 pilot work week on June 17, 2018. Shaffer reported that Howland has been tracking overtime and using an average of the last five years, the overtime has not been impacted with the new schedule. Shaffer stated that at this time, staff has not received any complaints from customers regarding the schedule. Shaffer reported that he interviewed District employees on a one on one basis to get their individual thoughts regarding the schedule, and all the employees stated that they liked the 4-10 work week and would like to keep the schedule. Shaffer asked the Board to consider extending the pilot work week through January 16, 2019 . Shaffer stated that working the schedule during a couple of the winter months might change the employee perception of the schedule, and the overtime tracking will be more thorough. Shaffer stated that if the Board allows the extended pilot period, he would ask them to temporarily change the personnel policy. The change would be that if a variable holiday falls on a Friday or Saturday no office closure will result. Shaffer stated that during the first pilot study, staff had to use two hours of their discretionary time for a holiday to make up the difference between the eight and ten hours off. Shaffer stated that the day after Thanksgiving is a paid holiday and employees will already be off. If the Board allows the pilot period to continue,

employees could use that paid holiday to cover the other two-hour difference for the rest of the holidays during the second pilot study. Director Bush recommended that the Board authorize a continuation of the second pilot study.

Motion: Upon motion by Director Bush, and seconded by Director Hanson the Board unanimously voted to continue the 4-10 pilot work week until January 16, 2019.

Motion: Upon motion by Director Bush, and seconded by Director Hanson the Board unanimously voted to excuse Directors Wyss and Roddam from the Board Meeting.

- V. **Financial Report:** Director Bush stated that he has reviewed the financial statements, and does not have any changes. It was moved, seconded and unanimously passed that the financial reports be accepted.
- VI. **Public Discussion:** Bill Kennedy and Terry Holmes stated that they were attending the Board Meeting to ask about the sale of the Walters property in South Woodmoor. Kennedy asked the Board if the District had the water resources to support the Walters property if it becomes a housing development and if the District would consider purchasing the property. Shaffer stated that the District owns the water rights under the Walter's property, and there would not be a benefit in purchasing the property. Shaffer stated that there is not a water service commitment in place at this time for the property, but the Board could consider issuing supplemental water to the property if requested. Shaffer stated that the District has included servicing that property in their long-range planning guide. Smith stated that the District does not have the authority to make land use decisions.
- VII. **Joint Use Committee Report:** Director Hanson stated that Bill Burks delivered the Tri-Lakes Wastewater Treatment Facility's first draft budget.
- VIII. **Chilcott Ditch Company / The Ranch Report:** Gillette reported that the design for the embankment project at the augmentation station is 90% complete. Construction bidding should go out in November 2018. Gillette stated that he plans on having the project completed by the end of the year.

IX. Manager's Report: Shaffer reviewed the manager's report dated October 8, 2018 a copy of which is attached hereto.

A. Collaborative Organizations / Opportunities:

- i. PPRWA: Shaffer stated that the first meeting of the year for the PPRWA was held last week. Shaffer reported that Amendments 74 and 112 that are being proposed on Colorado's ballot this year was the main point of discussion at the meeting. Shaffer stated that the PPRWA voted to draft a Resolution in opposition of Amendment 74. Shaffer stated that the PPRWA is also opposed against Amendment 112, but did not draft a Resolution opposed to it.

B. Operations

- i. Water Report: Gillette stated that the unaccounted water percent for September was 7%. Gillette reported that the water system is performing well. Gillette stated that the District is back on well water. Gillette reported that the operators are working on making sure that blow-offs are installed at the dead-end mains, which helps with water quality. Mr. Kennedy commented that the water quality has improved in the last year.

C. District Construction/Planning Projects:

- i. Well 21 (Drilling, Site Work and Transmission Line): Shaffer reported that the well drilling is complete, and the well pump testing will begin today. Contractors will be removing the equipment off site this week. Shaffer stated that the site work plans are at about 60% complete, and he hopes to start the bidding process for the construction of the site this month if the pump test is favorable. Staff is working on the transmission line design.
- ii. Monument Hill Road Sewer and Water Line Replacement: Shaffer stated that they had their pre-construction meeting with the contractor, and work should begin this week.

- iii. I-25 Gap Project Impacts, Sewer Replacement and Timing: Shaffer stated that designs for this project are moving along quickly, and construction for Phase II which is from Greenland to Monument should start before the end of the year. In order to construct a wildlife crossing, contractors will have to move a portion of the District's sewer line. Staff has been working with C Dot on this project. Shaffer stated that C Dot representatives will attend next month's Board Meeting to present a letter to the Board stating that they are paying for the sewer line replacement project, and the District will maintain the line after completion.

D. WWSD Subdivision/Development Status Update:

- i. The Beach at Woodmoor: Shaffer reported that the utility pre-construction meeting has yet to be scheduled for this development.
- ii. North Bay at Lake Woodmoor: Shaffer stated that he received a referral from El Paso County on this project, and will send in his comments in regards to the final plat for this development this week.

E. Other Topics: None.

X. Special Reports & Subjects:

- i. Engineer's Report: None
- ii. Attorney's Report: Smith stated that she wants to advise the Board that under State law, the Board is required to hold a Public Hearing on the 2019 budget. Smith reported that in previous years the process for this Public Hearing is for the Board to open the Public Hearing at the November Board Meeting, and to hold it open and take public comments until the December Board Meeting. In December, the Board will consider the new rates and approve a Resolution on the rates and also approve the 2019 budget. Smith stated that it is her recommendation to follow the same practice this year.

Motion: Upon motion by Director Bush, and seconded by Director Hanson the Board unanimously voted to open the Public Hearing on the 2019 budget on November 12, 2018 and to open the Public Hearing on the proposed rate increases for 2019 on December 10, 2018, and ordered notice of publication in the Tri-Lakes Tribune and the Woodmoor Water & Sanitation District's website.

iii. WIA Meeting Report: None.

XI. Executive Session:

It was moved, duly seconded, and unanimously approved that the Board move into Executive Session pursuant to: C.R.S. Section 24-6-402: (1) Subsection (a) for discussions related to the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest; and (2) Subsection (e) to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators; and (3) Subsection (b) for a conference with legal counsel for the purpose of receiving legal advice on specific legal questions; all related to a potential agreement(s) with Hanna Ranch and JUWI, Inc. Session commenced at 2:55 p.m. The Board returned to Regular Session at 3:57 p.m.

XII. 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 3:58 p.m.

Record of October 8, 2018 Board Meeting

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'B. Bush', with a long horizontal line extending to the right from the end of the signature.

Brian Bush Secretary