

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on July 8, 2019 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT: Director Taylor
Director Bush
Director Wyss
Director Hanson
Director Roddam

Manager: Jessie J. Shaffer
Asst. Manager: Randy Gillette

Attorney: Erin Smith

Secretary: Marsha Howland

Visitors: James Howald - Our Community News
John Cutler – John Cutler & Associates
Shane Crippen – Woodmoor Homeowner

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

- II. **Reading of the Minutes:** Copies of the June 10, 2019 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. 2018 Financial Audit Presentation- John Cutler & Associates: Shaffer stated that the Board accepted the 2018 final audit last month, but John Cutler was not available for questions. Cutler stated that the independent auditor's opinion was passed, which is the most important part of each year's audit. Cutler reported that WWSD had a good year and was in a good financial position. The Board did not have any questions and thanked John for his work on the audit.

Note - Well 21 Property Site: President Taylor stated that a Woodmoor resident asked him if there is enough property at the Well 21 site to build a playground. Shaffer stated that the land that would be available is on a hill that has some serious drop-offs on it. Director Bush stated that the cost for the insurance liability for a playground from his experience is very costly. The Board decided against the playground.

Note – Lake Woodmoor Drinking Water: President Taylor asked if it would be a good idea to let the Woodmoor residents know the cost savings contributed to using Lake Woodmoor as a drinking water source. Shaffer stated that he has run the number difference in the past and to his recollection, the electrical cost of well water is around \$500 per acre-foot and \$250 per acre-foot for surface water pumping. Gillette stated that he wanted to be sure residents understood how the water rate is determined each year and that the cost savings for surface water are imbedded into the water rate.

IV. **Old Business:** None.

- V. **Financial Report:** Director Wyss stated that he has reviewed the financial statements. Wyss stated that water usage was down due to the wet weather, but is still in the targeted range. Wyss reported that expenses are lower than the targeted percent at this time. It was moved, seconded and unanimously passed that the financial reports be accepted.

- VI. **Public Discussion:** Shane Crippen introduced himself to the Board. Mr. Crippen stated that he owns a property in Woodmoor which he uses as a rental. Crippen stated that he has concerns about the rate structure for vacant houses, especially the renewable water investment fee (RWIF). President Taylor explained the history of purchasing the ranch, and the bond issued to pay for it. Taylor explained how the Board came to the decision on the monthly fee to pay back the bond, which also had to comply with the issuers of the bond. Director Bush stated that Woodmoor would always have water which is the most important factor. Crippen stated that he is looking for fairness and equitability with the RWIF. Crippen asked the Board to consider changing the flat fee that is now based on tap size to basing the fee on individual water usage. Shaffer reported that when the District was going through the process of borrowing the money for the ranch, many options including the fee based on usage was looked at. Shaffer stated that the water usage changes every year due to the weather, and when it's a wet spring and summer revenues go down. This could jeopardize the District if we could not make the bond payment. Shaffer stated that the Board ultimately decided on the flat fee to satisfy the bondholders and the rating agency. Crippen asked the Board to consider issuing a refund for homeowners on the months when their property is vacant. Crippen asked how the budget process worked and Shaffer explained the process to him. Crippen asked the Board to run two rate models at budget time to include one based on water usage. Shaffer stated that the rate models are very expensive. Bush stated that he understands Mr. Crippen's concerns, but it would require the Directors of this District to direct the staff to run two models. Bush stated that personally, he does not think it is a wise expenditure to change the model

for the RWIF which has worked very well for the last nine years. Bush proposed that the Directors consider Crippen's concerns over the next month and discuss the issue in Executive Session next month. Crippen stated that he would appreciate his concerns being taken into consideration, and he would attend the next Board Meeting.

VII. Joint Use Committee Report: None.

VIII. Chilcott Ditch Company / The Ranch Report: Shaffer reported that the armament project at the Chilcott Ditch is 100% complete. Shaffer stated that the augmentation station will now be protected and he is satisfied with the completed project. Shaffer stated that he will finalize the loan for the armament project in August. Shaffer stated that the ranch operations are going well. Shaffer stated that the weather has been a challenge, but operations are on schedule. Shaffer reported that staff has planted and are irrigating about 200 acres.

IX. Manager's Report: Shaffer reviewed the manager's report dated July 8, 2019, a copy of which is attached hereto.

A. Collaborative Organizations / Opportunities:

- i. PPRWA: None.

B. Operations

- i. Water Report: Gillette reported that the unaccounted water for June 2019 was at 1%, and year to date is at 6% unaccounted. Gillette reported that staff has re-calibrated and checked all the meters at the well sites. Gillette reported that Well 20 is still down, but should be back downhole this week. Gillette reported that the operation staff along with contractors completed a large project replacing a valve on Highway 105 and Fairplay and did a great job.

C. District Construction/Planning Projects:

- i. Well 21 Site Work and Transmission Line: Shaffer reported that staff is moving forward with the Well 21 site and transmission line project. Contractors should be ready to start building the actual structure and moving in the electrical portion shortly. Shaffer stated that the transmission line bidding process will also be starting soon.

D. WWSD Subdivision/Development Status Update:

- i. The Beach at Woodmoor: Shaffer reported that contractors are continuing to work on the water and sewer infrastructure at the Beach.

Note: Shaffer informed the Board that he will start working on the mid-year budget, and plans on presenting it to the Board next month.

E. Other Topics: None.

X. Special Reports & Subjects:

A. Engineer's Report: None.

B. Attorney's Report: None.

C. WIA Meeting Report: Bush reported that the Open Space Committee has reached a preliminary agreement to purchase 100 acres of the Walter's property. Bush stated that they cannot finalize the agreement until Pro Terra Properties finalizes their agreement to purchase the other 33 acres.

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 La Plata Communities and Colorado Springs Utilities. Session commenced at 1:28 p.m. The Board returned to Regular Session at 2:07 p.m.

XII. Consider Allocating Funds for Construction of Driveway:

Motion: Upon motion by Director Bush, and seconded by Director Hanson the Board unanimously voted to allocate \$61,570 for the construction of the driveway by the spillway at Lake Woodmoor.

XIII. 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 3:17 p.m.

Record of July 8, 2019 Board Meeting

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Brian Bush', written over a horizontal line. The signature is stylized and cursive, with a long horizontal stroke extending to the right.

Brian Bush, Secretary