

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MARY'S GLACIER WATER AND SANITATION DISTRICT HELD

November 26, 2018

A regular meeting of the Board of Directors of the ST. MARY'S GLACIER WATER AND SANITATION DISTRICT (referred to hereafter as the "Board") was convened on Monday, the 26th day of November 2018, at 6:00 P.M., at Alice School House, 271 Silver Creek Road, Idaho Springs, Colorado, 80452.

ATTENDANCE

Directors in Attendance Were:

Ray Hodge, Treasurer

Glenn Clark, Secretary

Peter Hansen, Director

Directors Absent but Excused Were:

Bruce Hohne, President/Secretary

Also, in Attendance Were:

Peggy Dowswell and Molly Janzen; Pinnacle Consulting Group, Inc.

Colin Mielke; Seter & Vander Wall, P.C.

Chris Oeland; St. Mary's District Employee

Mike Creazzo; ORC Water Professionals

Stephan Wilson; TZA Water Engineers

Peg Hientz, Sharon Healy, Robert Lancaster, Derek and Morgan Barnes, Mike Ryan, Debra Abeyta, Bart Bockman, Randy Pitts, Frank and Christine Capan, Mel Whetstine, Karl Altenbernd, and Ralph Chavez; St. Mary's Glacier Community Members

Director Hodge called the meeting to order at 6:00 P.M.

Director Hodge confirmed that a quorum of the Board was present.

DISCLOSURE MATTERS

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member affirmed their conflicts of interest, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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ADMINISTRATIVE
MATTERS

Agenda: A proposed agenda for the regular meeting was distributed for the Board's review and approval. Following review and discussion, upon motion duly made by Director Hodge, seconded by Director Clark and, upon vote, unanimously carried, the agenda was approved as presented.

Public Comments: Director Hodge opened the meeting for public comment.

Ms. Peggy Heintz address the Board and stated that she has not received a statement for water or sewer service since 2016, and that she recently received a shut-off notice from the District. The Board discussed the address to which bills have been delivered, which was to the tenant. Mr. Mielke explained that under Colorado law the amounts owed are liens upon the property, and that they are owed whether invoices are delivered to a property owner or tenant. The Board discussed whether to adopt a policy to send invoices to property owners, rather than the property address, but took no action at this time. Ms. Heintz was encouraged to contact the District's management company to arrange for copies of all invoices to be delivered to her residential address outside of the District.

Mr. Ralph Chavez addressed the Board and requested information regarding 201 and 240 Little Creek Road. Mr. Chavez noted that he plans to purchase those properties and would like to verify that the properties are connected to the District's water and sewer systems.

Ms. Sharon Healy addressed the Board, stating that she recently purchased property in Winterland and expressed her opinion that the District's water and sewer rates are too high.

Mr. Bart Bockman informed the Board that he recently purchased lots within the District and plans to pay off the balances owed to the District for those properties.

The Board entertained comments from an unidentified person, who stated that the District's rates are too high and that he would like a copy of the District's lead and copper tests. The District stated that a representative can provide those tests to him after the meeting.

Minutes: The Board reviewed the minutes of the October 22, 2018 regular meeting of the Board of Directors. Following review and discussion, upon motion duly made by Director Hodge, seconded by Director Clark, and with Director Hansen abstaining because he was not present at the meeting, the Board approved the minutes of the October 22, 2018 regular meeting of the Board of Directors as presented.

FINANCIAL
MATTERS

Review and Consideration of Payables: Ms. Janzen reviewed claims for the period ending October 31, 2018 totaling \$127,362.73.

Following review and discussion, upon motion duly made by Director Hodge,

seconded by Director Hansen and, upon vote unanimously carried, the Board ratified the EFT payments and the claims for the period ending October 31, 2018, totaling \$127,362.73.

Financial Report: Ms. Janzen reviewed with the Board the financial statements for the periods ending December 31, 2017 and August 31, 2018, noting that 2018 revenues and expenses are projected to come in at budget.

Consideration of Customer Proposed Payment Plans: Ms. Dowswell presented to the Board a list of delinquent accounts, and a list of proposed payment plans received from community members. It was the consensus of the Board not to shut off service to delinquent accounts at this time and the Board recognized that there is a lack of community resources for those that need assistance with their water and sewer bills. Director Hodge noted that he would like everyone on the delinquent list to be contacted by phone or email to request a payment plan prior to such accounts being certified to the County Treasurer for collection, and that he could assist.

Public Hearing and Consideration of Adoption of Resolution regarding Certification of Past Due Accounts to County Treasurer: Ms. Dowswell presented the Board with a list of delinquent accounts that meet the statutory criteria for certification of those accounts to the County Treasurer to be collected with property taxes. Ms. Dowswell confirmed that notice of the delinquencies and public hearing were delivered to the applicable accounts. Ms. Dowswell informed the Board that several property owners had sent in payments and the list would be updated. The public hearing on the delinquent accounts was opened. It was discussed that 210 Little Creek Road would not be certified to the Treasurer because it was on a payment plan. Mr. Bockman noted that he has not received a bill for 48 St. Mary's Court, despite having been connected to the District's system 6 months prior. Management confirmed that they would review the District's records to determine appropriate billing for that address. Mr. Mielke asked if there were any further people present for the public hearing on the certification of delinquent accounts. There being no further comments, the public hearing was closed.

The Board reviewed the list of remaining accounts subject to certification to the County Treasurer.

After further discussion, upon motion duly made by Director Hodge, seconded by Director Hansen and, upon vote unanimously carried, the Board approved the certification of the delinquent accounts as discussed and further directed consultants to contact such account holders one last time by phone to discuss the possibility of arranging a payment plan prior to certifying those accounts to the Treasurer.

Public Hearing to Adopt and/or Increase Fees, Rates, Tolls and Charges, including Availability of Service Fees: Director Hodge opened the hearing for public comment. Ms. Janzen presented and reviewed with the Board three potential rate increases for 2019 for water and sewer customers and properties subject to

availability of service fees (“AOS”). She noted that the District is required to have a reserve of 3 months of operating expenses per the proposed \$3 million CWRPDA loan. That amount is \$150,000 and she is projecting the District can achieve that by the end of 2020. However, that necessitates a rate increase of 8.82% in fees for 2019, from \$170/month to \$185/month. As the debt will increase substantially after the loan close, the proposed increase for AOS Customers is to \$240/year pursuant to the resolution adopted by the District in 2016 and as discussed at recent board meetings. The Board discussed the reasons for the proposed fee increase and discussed the three options presented. Several members of the public expressed concern on the fees increase, and some supported the increase based on the need to repair the District’s systems. After no further questions and comments were presented, the Board closed the public hearing on the fee increase.

Consideration of a Resolution to Adopt and/or Increase Fees, Rates, Tolls and Charges, including Availability of Service Fees: Mr. Mielke presented the Board with a Resolution of the St. Mary’s Glacier Water and Sanitation District Regarding Water and Wastewater Fees, Rates, Tolls, Penalties, and Charges related to the increase in fees discussed previously during the meeting. Following review and discussion, upon motion duly made by Director Clark, seconded by Director Hodge and, upon vote, unanimously carried, the Board approved the Resolution of the St. Mary’s Glacier Water and Sanitation District Regarding Water and Wastewater Fees, Rates, Tolls, Penalties, and Charges. The Board directed Mr. Mielke to update the Rules and Regulations of the District accordingly.

DISTRICT
MANAGER ITEMS

Manager’s Report: Ms. Dowswell reviewed the ORC and Operations reports, and the Manager’s Report and answered questions. Ms. Dowswell noted that there is a 3% convenience charge for customers to pay their bills using a credit card on Bill.com. It was the consensus of the Board to allow customers to use credit cards, with the 3% convenience charge being added to their bill.

Presentation by TZA on Water System Improvements: Mr. Wilson, from TZA Water Engineers, reviewed the memo that was presented in the board packet, noting the District’s three highest priority needs: (1) Treatment of GWUDI Sources, (2) Distribution System Rehabilitation and (3) Source Water Reliability. This memo addresses the need for Rehabilitation and future memos will address the other two priorities. Mr. Wilson also reviewed the system map and answered questions from the Board and community members.

LEGAL MATTERS

Update regarding CWRPDA Drink Water Revolving Fund Loan Status: Mr. Mielke reported that the District is reviewing and providing comments on the Loan documents, to be presented to the Board at the December board meeting, with the loan closing scheduled for late December.

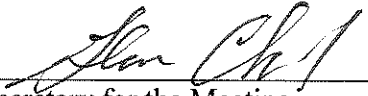
DIRECTORS
MATTERS

There were no Director's Items brought before the Board.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 9:30 p.m.

By:


Secretary for the Meeting