

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

WIDEFIELD WATER AND SANITATION DISTRICT

Held: Monday, March 19, 2018, at 12:00 p.m. at 8495 Fontaine Blvd., in Colorado Springs, Colorado, 80925.

Attendance

Directors in Attendance Were:

Mark Watson, President
Mark Dunsmoor, Vice President
Frank Watson, Secretary / Treasurer
Dan Ittner, Director

Directors Absent (excused):

Marlene Buttle

Also in Attendance:

Steve Wilson, District Manager
Lucas Hale, Finance Director
Rob Bannister, District Engineer
Kelly Smith, Human Resource Manager
Joe Norris, Collins Cockrel & Cole, P.C., General Counsel
Members of the Public: Jean Smith

Call to Order

President Watson noted that a quorum of the Board was present and that the Directors had confirmed their continuing qualification to serve, and therefore called the special meeting of the Board of Directors of the Widefield Water and Sanitation District to order at 12:06 p.m.

Notice

Notice of the meeting was properly posted as required by law. The notice also included the agenda items. Certification of such posting is attached hereto.

Disclosure Matters

Joe Norris reported that general conflict of interest statements had been received from all directors and previously filed with the Secretary of State at least 72 hours in advance of the meeting. Copies of the statements are on file with and available online from the Colorado Secretary of State.

RECORD OF PROCEEDINGS

Approval of Minutes

The Board reviewed the Minutes of the February 21, 2018 regular meeting. Upon motion duly made, seconded and unanimously carried, the Minutes of such meeting were approved as presented.

Financial Matters

- Monthly Financials:

Mr. Hale reviewed with the Board the District's financial reports for January 2017 as compared to January 2018. Generally, cash statement increased, and water and wastewater revenues increased over the prior year. The Venetucci water lease no longer shows up due to PFC contamination. Employee payroll increased due to two more employees on staff. Chemical expenses are up by about \$11,000 due to a payment made specifically in January. In January, 2018 the District issued 12 new water and sewer taps and collected 4 water resource acquisition fees.

Question from Director Dunsmoor: What did we budget for taps in 2018?

Mr. Hale: 200 water and sewer taps and 155 water resource acquisition fees were budgeted.

Water Matters

- Enfield Wells

Mr. Wilson stated that the Trujillo sisters are interested in selling their rights to the Enfield wells which are subject to the District's Master Water Lease. They do not agree on the value of the rights and have offered the District \$10 million as a purchase price. District staff currently estimate a significantly lower value, possibly in the range of \$700,000. In particular, the costs associated with treating PFC contaminates in the Enfield wells, which are some of the highest concentration of PFCs in the District, must be taken into consideration.

- H2O Ranch

Mr. Wilson noted that he would like to move forward with selling the land associated with the H2O ranch and then evaluate selling the water rights to Fountain. Fountain is also supportive of selling the land and have asked for the District to take the lead in soliciting bids and selling the property. Mr. Norris added that an appraisal is already complete and that the District can proceed in marketing the property for sale. Upon motion duly made, seconded and unanimously carried, the Board authorized the District staff to proceed with marketing the H2O Ranch property for sale.

- Case No.

The District has hired Janet Williams of Leonard Rice Engineers, a water

RECORD OF PROCEEDINGS

16CW3010
(FMIC change)

engineer, to evaluate the Applicants' FMIC share quantification in Case No. 16CW3010 due to conflict of the District's regular engineer Gary Thompson representing the Applicants.

Executive Session

Upon motion duly made by Director F. Watson, seconded by Director Dunsmoor, and unanimously carried, the Board entered into Executive Session at 12:31 p.m. pursuant to § 24-6-402(4)(f), C.R.S., for the purpose of discussing succession planning for the District's Manager position. At 1:08 p.m., the Board came out of executive session. No action was taken by the Board during executive session.

Manager's Report

- Public Media
Campaign Update

Mr. Wilson shared a direct mailer recently went out to all of the District's customers as part of the effort to educate customers about their treatment of PFCs. He discussed the television commercial that is set to air soon and that there will also be five local radio stations airing 30-second commercials. A longer full video has been posted to the District's Facebook page, which has already received 1,000 plus likes (the highest amount the page has ever seen). Mr. Bannister also has a drone video of progress at the wastewater plant construction. The total price of the media campaign is about \$85,000.

Question from President Watson: Have we seen anything in a public media campaign related to PFCs from Fountain/Security?

Mr. Wilson: Not yet, but they have shared with us that they liked the District's information.

- Operations
Update

Mr. Wilson stated that the District's tap sales in February set a District record for a single month: 89.5 water taps, 54 sewer taps and 75.5 water resource acquisition.

Additionally, Brandon Bernard will be the acting District Manager for one-week while Mr. Wilson is away at a conference.

Engineer's Report

Mr. Bannister reported to the Board regarding ongoing engineering matters. Scrap from the booster 2 tank teardown was hauled away. Director Ittner noted that he saw the demolition happening. Mr. Bannister reported that the Fountain Mesa Park sewer line project is going out to bid soon. The sewer plant construction is approximately 12% complete. Construction of the structure around the PFC treatment vessels at the Southmoor Plant is now complete and the heat has been turned on. We are still waiting on the final garage door to be installed. Regarding the AS-1 project for PFC treatment, plans have been

RECORD OF PROCEEDINGS

submitted to CDPHE for approval. Right now, the District is hoping to have this treatment operational by July 1, 2018. On a separate PFC treatment project, the Air Force now has JDH Hydro under contract to design the header to bring additional water to the Southmoor Plant for treatment.

- VA Pipeline

Mr. Bannister reported that work on the VA Cemetery site has completed with only minor issues remaining.

Question from President Watson: Where does the Air Force stand on the treatment project for AS-1?

Mr. Wilson: Currently, the District is not expecting contribution from the Air Force prior to construction. They are not moving quickly enough and the District needs this system on-line for this summer.

Mr. Norris: Added that the Environmental Services Agreement approved by the Board shows that the Air Force is moving towards agreeing to pay for certain operations and maintenance costs of the Southmoor Plant, and potentially future treatment such as at AS-1.

Attorney's Report

Mr. Norris discussed the need for appointment of the District's vacant Assistant Secretary position. Upon motion duly made, seconded and unanimously carried, the Board appointed Director Ittner as Assistant Secretary to the Board.

Mr. Norris then noted there are a number of utility easements that have been granted to the District in the last month and would like to have the Board ratify and accept these easements. The easements in question include one easement from Lorson School District No. 3 for the Lorson school site and three easements from Lorson, LLC which were presented to the Board. Upon motion duly made, seconded and unanimously carried, the Board ratified and accepted the easements.

Public Comment

Jean Smith mentioned that she received her handout/mailer regarding PFCs. She thinks the District will get questions about watering gardens this spring and whether the water is safe for produce. She also asked about being under-budget on certain capital projects. Mr. Hale explained that the financial statement shows the annual budgeted number and the "under-budget" amount will decrease as the year goes on and projects are completed. Ms. Smith also noted that she was appreciative of Mr. Bannister's run-down and description of ongoing projects.

RECORD OF PROCEEDINGS

Other Business

None.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 1:44 p.m.



Secretary