

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

WIDEFIELD WATER AND SANITATION DISTRICT

Held: Wednesday, June 20, 2018, at 12:00 p.m. at 8495 Fontaine Blvd., in Colorado Springs, Colorado, 80925.

Attendance

Directors in Attendance Were:

Mark Watson, President
Marlene Buttle, Director
Dan Ittner, Director

Directors Absent (excused):

Frank Watson
Mark Dunsmoor

Also in Attendance:

Steve Wilson, District Manager
Lucas Hale, Finance Director
Rob Bannister, District Engineer
Joe Norris, Collins Cockrel & Cole, P.C., General Counsel
Steve Hochstetter, Stockman Kast Ryan and Co., LLP
Lewis Malloy, Stockman Kast Ryan and Co., LLP
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 regular meeting of the Board of Directors of the Widefield Water and Sanitation District to order at 12:05 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 April 16, 2018 special meeting. Upon motion duly made, seconded and unanimously carried, the Minutes of such meeting were approved as presented.

Financial Matters

- 2017 Audit:

Mr. Hochstetter and Mr. Malloy of the firm Stockman Kast Ryan & Co, LLP, presented the 2017 draft Audit to the Board. Mr. Malloy described that it was a clean audit and that the District staff and management was fully cooperative in the audit. In the statement of net position, the District's operations and cash increased by over \$2 million while capital assets increased by approximately \$2.5 million. Liabilities of the District stayed substantially similar to previous years and the overall net position increased by \$6.6 million. After discussion and upon motion duly made, seconded and unanimously carried, the Board approved the 2017 Audit as presented and directed District staff to have the 2017 Audit filed with the Division of Local Government.

- Monthly Financials:

Mr. Hale reviewed with the Board the District's financial reports ending April 30, 2018. There was a \$1.4 million increase in cash due to significant tap fees and increased water sales. Construction in progress increased primarily for projects related to the VA Cemetery pipeline and wastewater plant projects. Water payments increased due to increased water usage and annual CSU augmentation plan payment. Two pumps were replaced at Southmoor Plant and chemical purchases were replenished in April and should be enough for about two months. Mr. Hale noted the "bad debts" row that reflects the District not collecting on damage to hydrant caused by a vehicle because the driver was not insured and the expected cost of collect exceeded possible collection. In April, 105.5 water tap and 54 sewer taps were issued bringing the year to date total up to 255 water and 158 sewer taps. The difference between the two is largely due to the Mesa Ridge Apartments that the District is only serving water (not sewer).

Manager's Report

- Monthly Report:

Mr. Wilson stated that as of July 1, 2018 Mr. Bannister will take on a new position as Director of Operations for water and sewer. Regarding staffing, there is currently one vacancy in the water/operations department. During the first week of August the EPA is coming for a public event regarding PFC's. The District asked CDPHE what they wanted to accomplish with the visit and have not received any feedback yet.

RECORD OF PROCEEDINGS

- Employee Handbook: Mr. Wilson then discussed the need for revisions to the Employee Handbook, primarily due to insurance and disability policy changes. Other proposed employee handbook changes include, increasing employee meals stipend for work travel, increasing the District's payment for health insurance during long-term disability, and increasing employee tuition reimbursement opportunity. Mr. Wilson described the current process for employee tuition reimbursement and that the current limit was very low considering increases in tuition across the country. The District staff is recommending up to the IRS maximum contribution of \$5,250 per year. Director Dunsmoor suggested that the policy allow for reimbursement up to the IRS limit with Manager approval and available funds. Upon motion duly made, seconded and unanimously carried, the Board approved the revisions to the Employee Handbook as presented.
- Hail Damage: Mr. Wilson reported that eight vehicles were totaled by a recent hail storm. Looking at constructing roofing material to protect the vehicles in the future. All roofs, skylights, siding and vents on District buildings and structures were damaged, with an estimate of approximately \$2 million in damages. Mr. Wilson is working with independent roofers to verify insurance reports.
- Media Training: Mr. Wilson reported that the media training was very successful and had live scenarios and required on-camera responses from multiple District staff.
- Engineer's Report** Mr. Bannister reported that Fountain Mesa's sewer replacement work is 95% complete and there have been about \$24,000 in changes to accommodate sagging lines. The wastewater plant project is now approximately 35% complete. They have replaced the concrete supplier and demolition of the dewatering buildings have begun. Mr. Bannister noted that the ion exchange tanks for the AS-1 facility were scheduled for delivery in June and should be arriving soon.
- Air Force/Army Corps: Will send them info on what the District wants in a facility/piping/etc. for the manifold system and additional treatment facilities. They have indicated they do not want to construct a "permanent" building and will not help acquire land. Mr. Norris added that the process to get to a final "action memo" will still take some time.
- VA Pipeline Mr. Bannister then reported that work on the VA Cemetery pipeline project is about 85% complete. Development is still moving quickly but the timeline of completion has been extended due to delays in the VA's own on-site construction.

RECORD OF PROCEEDINGS

- Development: Lorson East (Filing No. 1) is close to complete with water and sewer improvements. Carriage Meadows North is also close to complete with water and sewer improvements. The District has also issued commitment to serve letters for Lorson East (Filing No. 2) and Creekside at Lorson. Additionally, the Cygnet property is finalizing easements outside of the State Land Board and progressing in its development.

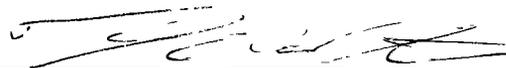
Attorney's Report Mr. Norris presented to the Board the two easements from CS 2005 Investments, LLC related to the VA Cemetery pipeline project. Upon motion duly made, seconded and unanimously carried the Board ratified and accepted the easements.

Executive Session Upon motion duly made by Director Ittner, seconded by President Watson, and unanimously carried, the Board entered into Executive Session at 1:28 p.m. pursuant to § 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice regarding litigation related to PFC contamination in the Widefield Aquifer. At 1:57 p.m., the Board came out of executive session. No action was taken by the Board during executive session.

Public Comment None.

Other Business It was noted that Sarah Klahn has left White and Jankowski and is joining another firm. Mr. Wilson also noted that next month will be the District's annual summit gathering for District staff and its consultants.

Adjournment There being no further business to come before the Board, the meeting was adjourned at approximately 2:00 p.m.



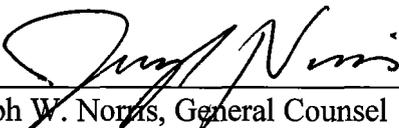
Secretary

RECORD OF PROCEEDINGS

Attorney Statement

REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Widefield Water and Sanitation District, I attended the executive session meeting of the Widefield Water and Sanitation District convened at approximately 1:28 p.m. on June 20, 2018 for the sole purpose of providing advice as the District's attorney regarding litigation related to PFC contamination in the Widefield Aquifer. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S. The Board did not adopt any proposed policy, position, rule, regulation, or take any formal action during the executive session.

By: 

Joseph W. Norris, General Counsel

Dated: 7/18/18