

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

WIDEFIELD WATER AND SANITATION DISTRICT

Held: Tuesday, March 21, 2017, at 10:00 a.m. at 8495 Fontaine Blvd., in Colorado Springs, Colorado, 80925.

Attendance

Directors in Attendance Were:

Mark Watson, President
Brian Huth, Secretary / Treasurer
Frank Watson, Asst. Secretary

Directors Absent (Excused):

Marlene Buttle
Mark Dunsmoor, Vice President

Also in Attendance:

Steve Wilson, District Manager
Lucas Hale, Finance Director
Brandon Bernard, Water Department Manager
Joe Norris, Collins Cockrel & Cole, P.C.
John McGinn, JDS Hydro Consultants, Inc.
Jean Smith
Member of the public interested in Appletree Golf Course agenda item

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 10:02 a.m.

Notice

Steve Wilson stated that notice of the meeting had been 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.

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Approval of Minutes

The Board reviewed the Minutes of the February 21, 2017 regular meeting. Upon motion duly made, seconded and unanimously carried, the Minutes of such meeting were approved as presented.

Financial Report

Mr. Hale reviewed with the Board the District's draft financial report for the period ending January 31, 2017. Land and buildings value increased over the year due to new buildings. The largest increase was from Cody Water and due to the fact that the District bought out the remaining water rights in 2016; long-term debt increased in turn. Water payments increased due to several annual assessments due in January. Regarding the Venetucci Lease: the District cannot lease this water to Fountain due to PFC concerns, so there will not be a reimbursement payment on that lease this year. Mr. Hale also noted that health insurance payments decreased slightly. Sludge hauling has seen large increase due to vendor increases in pricing and will be mitigated by upcoming dewatering program. Twenty-seven water and twenty-seven sewer taps were issued in January.

District Water Issues

- Disinfection Byproducts Violation:

Mr. Wilson stated that the Notice of Disinfection Byproducts Violation will go out this week and the District has a plan in place for handling customer calls on the topic. Also of note, the Fountain Valley Authority is in the process of making changes to the coagulant/Ph treatment of their water to address TOC concerns which should help our disinfection byproducts issue as well.

Question from President Watson: Who does the notice go to and who does it affect?

Mr. Hale: It only affects a portion of the homes in Peaceful Valley but notice goes to everyone within the District.

Question from Director Huth: Where was testing?

Mr. Bernard: Many locations throughout the service area; the testing locations were set many years ago.

- PFC Treatment:

Mr. McGinn discussed the PFC treatment process and progress at the new treatment plant expansion. April 4, 2017 is the targeted date for setting tanks and treatment will be starting up before there is a structure around the new treatment facilities.

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District Manager's Report

- Monthly Report: Mr. Wilson reported that he has met with Morley Group to discuss providing a backup supply to the Appletree Golf Course – in general, they will most likely need FMIC shares. The District expects to build raw water system in the future, but the treated system is not financially feasible now. The goal is to re-develop and have the golf course, but it is a problem of financing currently. Mr. Wilson has given the golf course a cost memo and a full update.

Question from Public: Didn't the golf course used to own water shares?

Director Mark Watson: Yes, but they sold to CSI. Triview just bought some shares that could be leased as an alternative, but not many FMIC shares available.

Question from Jean Smith: Asked about schedule for next board meeting due to the note about Steve Wilson's schedule for next month on the Agenda.

Mr. Wilson: The Board's meeting schedule will remain the same.

Mr. Wilson reported that final selection and interview for the District's open engineer position is expected to occur in May.

Mr. Wilson pointed out they are projecting over-budget for the projected budget, but that will not continue - this is due to the annual assessments which are due once per year and have already been paid.

Mr. Wilson also noted that the landscaping at the Administration Building will begin in three weeks.

Executive Session

Upon motion duly made, seconded and unanimously carried, the Board entered into Executive Session at 10:35 a.m. pursuant to §24-6-402(4)(b) and (e), C.R.S., for the purpose of receiving legal advice on special legal questions and to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instruction negotiators with respect to negotiations with FVA and FVA members for approval of contract for operation of unused capacity through new 16" lateral. At 11:39 a.m., the Board came out of executive session. No action was taken by the Board during executive session.

Executive Session

Upon motion duly made, seconded and unanimously carried, the Board entered into Executive Session at 11:40 a.m. pursuant to §24-6-402(4)(b) and (e), C.R.S., for the purpose of receiving legal advice on special

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legal questions and to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instruction negotiators with respect to a potential service agreement with the VA Cemetery. At 11:42 a.m., the Board came out of executive session. No action was taken by the Board during executive session.

Engineer's Report

Mr. McGinn reported that Lorson moving up to Marksheffel (which will be a mixed subdivision) east of Jimmy Camp Creek.

Managing Sludge: Changing the way the District handles sludge which includes switching from liquid to cake – hauler will just be taking solid – not converting to cake on-site – this should reduce hauling costs. Locally, companies have merged and there is now a monopoly with not much competition which has impacted costs significantly.

Attorney's Report

Mr. Norris discussed the renewal of Agricultural Lease for H2O Ranch property for 2017. Upon motion duly made, seconded and unanimously carried, the Board approved such Lease.

Mr. Norris then discussed the need for authorization of Steve Wilson as District Manager to sign and/or execute documents on behalf of the District to receive state grant funding from the State for certain capital projects. Upon motion duly made, seconded and unanimously carried, the Board authorized the District Manager to sign and/or execute any and all documents on behalf of the District necessary or incidental to receiving or applying for State grand funding.

Public Comment

None.

Other Business

Mr. Wilson noted that the District's lobbyist stated that she will be meeting with a member of President Trump's transition team to discuss PFC issues.

Widefield Summit has been organized by Mr. Wilson to bring the District's leadership team together with its consultants to discuss ongoing operations and future planning.

Human Resources recommends purchasing exercise equipment for the basement such as a stationary bike and treadmill for the employees.

Comment from Director Huth: Should have competition year-to-year to encourage employee participation.

Mr. Norris indicated that an injury waiver or hold harmless waiver would be drafted and required for employees to use the equipment.

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The Board gave direction to Mr. Wilson to move forward with purchasing the equipment as discussed, on the condition that the District encourage employee participation through some form of competition or participation incentive.

President Watson noted that Ron Wolsey was retiring next month. This was announced at the last FMIC meeting.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 12:14 p.m.



Brian J. Huth, Secretary

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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 10:35 a.m. on March 21, 2017 for the sole purpose of providing advice as the District's attorney on specific legal questions regarding negotiations with the FVA and FVA members for approval of a contract for operation of unused capacity through new 16" lateral. 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) and (e), 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

Dated: _____

4/18/17

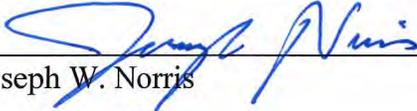
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