

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

WIDEFIELD WATER AND SANITATION DISTRICT

Held: Tuesday, August 15, 2017, at 10:00 a.m. at 8495 Fontaine Blvd., in Colorado Springs, Colorado, 80925.

Attendance

Directors in Attendance Were:

Mark Watson, President
Mark Dunsmoor, Vice President
Frank Watson, Asst. Secretary
Brian Huth, Secretary / Treasurer
Marlene Buttle, Director

Directors Absent (Excused):

None.

Also in Attendance:

Steve Wilson, District Manager
Lucas Hale, Finance Director
John McGinn, JDS Hydro Consultants, Inc.
Joe Norris, Collins Cockrel & Cole, P.C.

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 10:09 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 July 18, 2017 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 draft financial report for the period ending June of 2017. Water Revenue was up in June due to the high temperatures and lack of precipitation. The District's wells were used more at the new PFC treatment plant which caused an increase in expenses for operations. Employee payroll was down due to less days in June and bonuses being paid in May. Postage expense was also paid in June. Chemicals were purchased for wastewater treatment and sludge hauling payments increased from May to June due to increased development in the District and increasing sewer flows. Forty-six water taps and forty-four sewer taps were issued in June.

Question from Director Huth: What is the permitted capacity of the wastewater treatment plant?

Mr. McGinn: 1.65 million gallons a day ("MGD") is the approximate volume now. 2.5 MGD is the permitted capacity. Flow is okay but organic base is getting close to maxed out. An additional 7% of organic capacity is expected due to the Bio nutrient removal Reg 85 compliance project. Mid 2020's could be due for expansion with a 4-year time-frame for design/construction.

Question from Mr. Wilson: Is there any way to expedite the sludge dewatering project?

Mr. McGinn: Will look into it and report back to the Board.

District Water Issues

- Water Court:

Mr. Wilson reported regarding several water court matters. The case involving the Greenview Ditch was resolved on a successful summary judgment motion filed by the District's water counsel, Sarah Klahn. The applicant wanted to pump without an augmentation plan and the State Engineer contacted the District and commended Sarah Klahn on her briefing.

In addition, the State Engineer has indicated they are going to limit delivery of FMIC shares without a change case being filed. The District plans to file a change and/or SWSP in October or November.

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President Watson: Commented that the FMIC change would make sense and it is a small cost for the benefit and Colorado Springs Utilities recently got their FMIC Shares changed so the District would have a model to work from for the change.

- PFC Treatment Plant:

Mr. Wilson reported that the PFC treatment plant (Southmoor) is working well and is keeping up with all of the demands.

District Manager's Report

- Monthly Report:

Mr. Wilson reported that the District is scheduled to hold a training, succession planning, and customer service seminar for District employees the week of August 21, 2017. The District has hired Rob Bannister as the District's engineer; Mr. Banister has fourteen years' experience and has pipe lining and rehabilitation experience. He will complete his Master's Degree in Project Management soon. The District is thrilled to have such a well-qualified engineer joining their team.

The Board discussed changing the regular meeting date and time to the third Wednesday of every month beginning at noon to accommodate the various Board member's schedules. Upon motion duly made, seconded and unanimously carried, the Board approved a change to the date and time of the regularly scheduled meetings to the third Wednesday of every month.

Engineer's Report

Mr. McGinn reported that the building structure will finally be going up around the PFC Treatment Plant; the building permit is being approved now. He anticipates using PFC Treatment/ion exchange plant through the winter. This plant will be difficult to shut-down entirely from an operations standpoint. The pilots are still running and getting more info on resin lifespan and costs. Regarding the cemetery project, the VA opened bids about two months ago and have not awarded a contract yet. This delay could affect schedules, but the District is still trying to stay on track to be able to provide water to the site by April 15, 2018.

Question from Director Huth: How are the ion exchange resin suppliers involved and are they asking about the results?

Mr. McGinn: We are providing the results but cautious not to be taking sides with the various suppliers or identifying which product is the best.

Executive Session

Upon motion duly made, seconded and unanimously carried, the Board entered into Executive Session at 11:16 a.m. pursuant to § 24-6-

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402(4)(f), C.R.S., for the purpose of discussing personnel matters regarding the District Manager's annual review and contract renewal. At 11:26 a.m., the Board came out of executive session. No action was taken by the Board during executive session.

Upon motion duly made, seconded and unanimously carried, the Board approved the renewal of the District Manager's contract.

Executive Session

Upon motion duly made, seconded and unanimously carried, the Board entered into Executive Session at 11:30 a.m. pursuant to § 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice regarding potential litigation options related to PFC contamination. At 11:46 a.m., the Board came out of executive session. No action was taken by the Board during executive session.

Upon motion duly made, seconded and unanimously carried, the Board approved the renewal of the District Manager's contract.

Public Comment

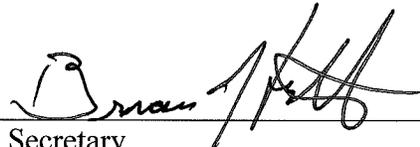
None.

Other Business

None.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 11:48 a.m.


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 11:30 a.m. on August 15, 2017 for the sole purpose of providing advice as the District's attorney regarding potential litigation options related to PFC contamination. 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

Dated: _____

9/20/17