

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

WIDEFIELD WATER AND SANITATION DISTRICT

Held: Tuesday, April 18, 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
Marlene Buttle

Directors Absent (Excused):

Mark Dunsmoor, Vice President

Also in Attendance:

Steve Wilson, District Manager
Lucas Hale, Finance Director
Brandon Bernard, Water Department Manager
John McGinn, JDS Hydro Consultants, Inc.
Joe Norris, Collins Cockrel & Cole, P.C.
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 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 March 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 February 28, 2017. Cash increased mostly due to tap fees paid. There was an increase in depreciation due to assets being placed into operation. A substantial decrease was noted from January-February of about almost \$70,000 due to payment of the annual FMIC assessment and payment of the variable FVA expense. Regarding the Venetucci water lease, the District typically sub-leases this water to the City of Fountain, however they are unwilling to take it due to PFC concerns for the time being. Mr. Hale also noted that the employee payroll expense was down because February is the shortest month of the year. Maintenance and repair decreased due to a sewer main repair and camera expenses in January. The meter replacement program cost was approximately \$42,000 in January. Fifty-five water and fifty-seven and a half sewer taps were issued in February.

Following further discussion and review, and upon motion duly made, seconded and unanimously carried, the Board accepted the financial report as presented.

District Water Issues

- PFC Treatment: Mr. Wilson noted that the first purchase of resin for ion-exchange treatment has been ordered for use in the new expanded treatment facility. Construction is currently on schedule for a May 2nd startup for treatment. Early dry and hot temperatures have increased District water demands which could require early pumping of wells for spikes in demand. Mr. Wilson and Mr. Bernard noted that they have had proactive discussions with CDPHE if pumping prior to May 2nd is required.

- FVA Pipeline: The District staff met with FVA engineers and Keith Riley of CSU regarding the proposed secondary lateral tie-in to the FVA system for receiving the District's FVA allocation. Mr. Wilson stressed in these discussions that relationships with their neighbors are more important than having the lateral. Mr. Wilson expects that the District's use of the lateral would be completely interruptible and subject to CSU's and Stratmoor's use of capacity in the line. Mr. Wilson believes they are making positive progress towards a solution acceptable to all parties.

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- VA Cemetery The U.S. Department of Veterans Affairs responded and can't thank the District enough for the flexibility. Mr. Wilson, Norris and McGinn are currently working on the revised agreements necessary and will present those to the Board at a later date.

- Venetucci Lease: Mr. Wilson noted that there is a clause in the water lease that states there may be a reduction in lease rate for water quality issues. This could have big impacts due to the PFC issues, but at the earliest, in 2018. Currently, the District is unable to sub-lease this water to the City of Fountain and is not using the water in the District system either.

- Water Conservation Plan: Brandon Bernard presented to the Board and discussed the proposed revisions to the District's Water Conservation Plan. The Colorado Water Conservation Act requires revisions to the Water Conservation Plan every seven years. There has been a 19.5% increase in single family customers and there has been about a 2% increase in residential usage since the last plan, indicating the District's conservation efforts are succeeding. New additions to the proposed Water Conservation Plan include collection of data and profiling customer usage, audits, and finding and locating wastage help determine water loss. The District's 2014 Water Loss Audit showed low water loss system wide. An added goal in the Water Conservation Plan is to investigate and consider incorporation of a rebate program and look for specific opportunities for conservation in commercial and agricultural customers.

Mr. Norris noted that rebates provided by water providers are currently considered taxable income by the IRS and have not been granted a similar exemption that energy-related rebates have been given by Congress.

Following further discussion and review, and upon motion duly made, seconded and unanimously carried, the Board adopted the revised Water Conservation Plan as presented.

District Manager's Report

- Monthly Report: Mr. Wilson reported that landscaping at the Administration Building will start on Thursday, April 20, 2017. The District is still in the recruiting process for the open engineer position. The exercise room is done and it looks great. Mr. Wilson thanked the Board for their support of this benefit to the District employees.

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Engineer's Report

Mr. McGinn shared pictures with the Board of the Southmoor Treatment Plant and construction progress.

Mr. Wilson: What is the total flow capacity?

Mr. McGinn: The approximate maximum flow capacity is about 200 gallons per minute. Also, we will be drilling another well on-site there. Operations will dictate how it will fit into the system long-term and how much of the pumping capacity is used. Will be continuing the ion-exchange pilots through 2018 and still need testing on useful life of resins to determine which are most economical.

Director Mark Watson: What will public notice be when the plant is up and running?

Mr. Wilson: The District is presenting to various organizations and plan to notify citizens through mailers. Brandon Bernard plans to do an exclusives interview with a local paper as well.

Mr. Bernard: Mentioned that the District will be the first water utility in the industry using this type of treatment for PFC's.

Mr. McGinn: Noted that the tanks holding the resin are situated to allow for flexibility and using different types of media (resin/GAC).

- Jimmy
Camp/West
Interceptor

Mr. McGinn noted that they are moving forward with preliminary plans for the Cygnet development.

- Sewer Plant:

Mr. McGinn then updated the Board on the sewer plant. The design is going forward for reducing nitrate and phosphorous (bio-nutrient). This is expected to go to bid in the fall and should be completed by 2019. Also, we will also convert the sludge handling from liquid to cake (adding dewatering). This should save about \$200,000 a year in hauling costs.

Attorney's Report

Mr. Norris stated that the Pedro claim is proceeding to trial in the El Paso County District Court. The District's insurance has selected defense counsel and Mr. Norris will be overseeing and working with defense counsel throughout the process.

Mr. Norris also noted that the necessary agreements and documents needed for service to the VA Cemetery are being drafted.

Public Comment

Jean Smith: Reported that the Fountain City Council approved a rate increase of 5.1% this year and 4.3 % next year to pay for PFC treatment

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costs. Jean encouraged the District to include the cost of Widefield's new PFC treatment and how is it being paid for, in any public relation handouts.

Other Business

None.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 11:57 a.m.



Brian J. Huth, Secretary