

MINUTES OF THE SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF  
GREEN MOUNTAIN WATER AND SANITATION DISTRICT

February 22, 2022

A Special Meeting of the Board of Directors (the "Board") of the Green Mountain Water and Sanitation District, (the "District") was held at 6:00 p.m. on Thursday, February 22, 2022.

The audio recording of this meeting is available on the District's website.

**Attendance:** A special meeting of the District was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

Jeff A. Baker, President  
Alex Plotkin, Secretary  
Karen Morgan, Vice President  
David Garner, Director  
Todd Hooks, Treasurer

Also present were:

Kristan Buck, Interim District Manager  
Sam R. McKay, District Information Technology  
Jesse Davenport, District Information Technology  
Dylan Woods, Coaty Marchant Woods P.C.  
Alex Carlson, Centennial Consulting Group  
Todd Christiano, Raftelis  
Bobby Tech, Raftelis

Members of the Public in Attendance

Imara  
Angie Baker  
jjblk

**Call to Order / Declaration of Quorum:** Director Baker, noting the presence of a quorum of all Directors, called to order the Special Meeting of the Board of the Green Mountain Water and Sanitation District at 6:00 p.m.

**Reading of the Agenda** Director Baker read the agenda to the Board.

**Directors & Disclosure Matters:** None.

Approval of/Deletions from the Agenda:

None.

Public Comment

Imara had two comments. She asked the Board to reconsider the past pattern of unraised tap fees. She noted water scarcity and the need to increase the fees to offset the expenses with the constrained supply. She urged them to consider the true value of the water supplied to newly constructed homes.

Her second point was that in light of the Marshall fire that fire departments could run out of water when trying to put out the fire. She asked the Board to consider an emergency plan to ensure adequate supply of water during a similar situation.

Director Baker responded that the water belongs to Denver Water and that GMWSD is a pass-through district. He reassured her that they are cognizant of the concerns and the Board is working hard to ensure that tap fees cover the cost of the infrastructure used and needed to supply new homes.

Raftelis Rate Study Presentation

Todd Christiano Presented:

He began by defining system development fees and complimenting the District on the financial planning completed to date. He noted that the study follows state statute as it relates to a District's ability to charge tap fees.

Mr. Christiano continued to describe the buy-in methodology and valuation alternatives. Following the explanation of valuation methods, he described the water and wastewater equity buy-in method based upon the findings of the study.

Director Hooks asked why the System Development Fee cannot be used for repairs. Mr. Christiano clarified that this restriction is delineated by State Statute. Director Hooks asked about how additional development could result in a need to increase the size of a mainline. Mr. Christiano noted that the District could charge two distinct fees to comply with the Statute in this situation. Director Plotkin asked for clarification on the fee structure to ensure development was covering the costs of system upgrades. Mr. Christiano gave an example. Director Garner asked about the analysis and how it accounted for current vs. future capacity and how it can affect its useful life. Mr. Christiano clarified that the assumptions and analysis is conservative and based on their historical experience across a wide range of districts. Director Garner asked about Raftelis

experience as expert witness. Mr. Christiano stated that yes, the firm had experience. The Board discussed the current political, realistic and future environmental impacts on the District. Director Hooks asked about the impact of Debt on system development fees. Mr. Christiano noted that it does impact the fees as it relates to the outstanding principal amount owed and the implications of using system development fees to repay the debt associated with existing improvements. The Board discussed surrounding communities and their utilization of debt to fund future growth.

Director Garner reiterated the importance of constituent input and requested the Board to consider implementing a new fee structure in advance of the new Board taking their seats in May. Director Morgan reiterated the attention to detail needed to comply with state statute to ensure compliance in any fees charged. The Board discussed the master plan and how best to incorporate future-growth and capacity needs in the fees charged.

Director Morgan asked about next steps to ensure the system development fees are charged and set appropriately. The Board discussed how to best provide a master plan to inform a decision on system development fees in accordance with Statute. She also asked about an appropriate schedule for reevaluating increases in fees. Mr. Christiano noted that some communities evaluate them a few times a year, but it is dependent on the situation for each community. He further described the importance of combining all applicable expenses, i.e., transmission, delivery, and treatment. It was reiterated the District does not provide treatment; Denver Water and Metro Water Recovery also charge system development fees to GMWSD customers when they connect.

The Board asked about the scope of a potential Tier II Rate and Fee Study. Mr. Christiano noted that the conversation was very helpful to provide the information needed and that he would send follow-up questions to ensure a Tier II study would be in-line with the Board's goals and desires. The Board asked Mr. Christiano how the District could catch up from an extended period of not raising fees.

The Board took a break at 7:55p.m.

The Board re-convened at 8:07 p.m.

Mr. Christiano presented the financial plan flow of funds and reserve balances.

The Board generally discussed the second half of the presentation. Director Morgan asked about the capital surcharge and how it impacted this analysis. Mr. Christiano noted that the surcharge mostly offset the need for rate increases over the past few years. The Board discussed the history and rationale of the capital surcharge and if that should be re-evaluated moving forward. Director Baker acknowledged that the District's reserves, though large, are small in comparison to today's infrastructure improvement costs. The Board evaluated the Cash Flow tables in the Raftelis preliminary report to discuss conclusions that can be drawn from the findings.

Director Baker asked about requesting a Tier II study that would enhance the Board's decision. The Board discussed. The Board intends to vote on rate and system development fees increases at the next regular meeting.

Executive Session

None.

New Business

Director Morgan asked for an item on a future agenda to discuss legislative updates. Mr. Woods requested an agenda item labeled as legislative advocacy.

Adjourn:

Director Baker **MOVED** to adjourn the meeting. Director Hooks seconded the motion. The motion **PASSED** by unanimous consent, and the meeting was adjourned at 8:57 p.m.



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Alex Plotkin, Secretary