

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

November 8, 2022

A Regular 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 Tuesday, November 8, 2022.

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

Attendance:	<p>A regular meeting of the District was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:</p> <p>Jeff A. Baker, President Karen Morgan, Vice President Dave Wiechman, Secretary Todd Hooks, Treasurer Roger Wendell, Director</p> <p>Also present were:</p> <p>Jeff Tyus, District Manager Dylan Wood, Coaty, Merchant Woods (via teleconference) Jesse Davenport, District Information Technology Terry Larson, Fossil Ridge Metro District No. 1 Dave Garner, former Board Member Alex, former Board Member John Henderson, Former Board Member (via teleconference) Lmara, Resident (via teleconference) Austyn Pantano, District Field Supervisor (via teleconference) Doug Pavlich</p>
Call to Order / Declaration of Quorum:	Director Baker, noting the presence of a quorum of all Directors, called to order the Regular Meeting of the Board of the Green Mountain Water and Sanitation District at 6:00 p.m.
Directors & Disclosure Matters:	There were no disclosure matters.

<p>Approval of/Additions to /Deletions from the Agenda</p>	<p>Director Wiechman <b>MOVED</b> to add the following items to the Agenda.</p> <ul style="list-style-type: none"> <li>- Public comment section for the 2023 Budget, prior to the Budget Discussion</li> </ul> <p>Director Wendell seconded. Upon vote, the Board was split with four in favor and one against. The motion <b>PASSED</b></p> <p>Director Morgan <b>MOVED</b> to add the following items to the Agenda.</p> <ul style="list-style-type: none"> <li>- Addition of the Young case to the Executive Session</li> </ul> <p>Director Baker seconded and upon vote, the motion <b>PASSED</b> unanimously.</p>
<p>Public Comment:</p>	<p>Terry Larson, with the Fossil Ridge Metro District No. 1, brought forth the following informational comment:</p> <ul style="list-style-type: none"> <li>• Filing 21 Soltera sewer – The District engineer had provided a red-line on the sewer drawing. A copy of the red-line was provided to Director Baker.</li> <li>• Fossil Ridge Metropolitan District was in the process of preparing comments on Filing 21 major site plan and plot plan and would submitting those to the City of Lakewood.</li> </ul> <p>Dave Garner addressed the concerns he had regarding the 70-year-old infrastructure in the District and the probability of certain failure. He indicated that the District does not have adequate money set aside to replace the system and that increases need to be made to address these issues. He also addressed the fact that the Board be thoughtful and consider increases in 2023 to begin addressing the shortfall and also be thoughtful and transparent in ensuring the Developers pay their part as well.</p> <p>Former Director Alex spoke on City of Lakewood needing to purchase water rights, the possibility that Green Mountain Water and Sanitation may have water shortage and capacity issues, the Board not taking action toward realistic pricing and protecting the valuable resource and asked the Board to consider the warnings now indicating impending water concerns.</p> <p>John Henderson reported that his information was in regarding the Board discussing the Soltera IGA. He called attention to the fact that the Extra Territorial agreement was done without a public hearing or without amending the</p>

	<p>Service Plan to provide service outside the territorial boundaries. He suggested that if the Board decides to expand the boundaries, they should learn from the events of the Developers and hold a public hearing and disclose the various proposals before making a decision.</p> <p>Lmara echoed the comments made from the three previous speakers during the public comment and what she has heard from other constituents of the District, to take action, instill increases and follow suit from what other Districts and suburbs have done to protect the valuable water resource.</p>
<p>Approval of the Minutes</p> <p>a. September 13, 2022, Regular Board Meeting Minutes</p>	<p>Director Baker <b>MOVED</b> to approve the September 13, 2022, regular board meeting minutes. Director Morgan seconded and upon vote, the motion <b>PASSED</b> unanimously.</p>
<p>District Manager Full Report</p> <p>a. Recognition b. Dashboards c. Maintenance Report d. Project Management e. Operations</p>	<p>To save time, Mr. Tyus provided a summary overview of the detailed full management report that was provided in the Board Packet.</p> <p>Mr. Tyus reported on the number of inbound calls received, outbound calls made, emails, work completed with asset care tasks per month, the number of breaks in the line and maintenance calls year to date, comments to and replies from contractors, and the mobilization of current projects.</p> <p>The following detail was requested by Board Members:</p> <ul style="list-style-type: none"> <li>• Director Morgan asked for details on the main breaks. Austyn responded that the repair of failing cast iron pipes was high on their task list.</li> <li>• Director Morgan requested clarification on the Bridge process and where Management was regarding the barricades, permitting, and why no further work had been completed in 90 days. Management was directed to find out from the City of Lakewood the status of this work.</li> <li>• Director Morgan thanked Mr. Tyus for including her on the introductory meeting with JVA. She indicated she was encouraged that there was a division of duties with JVA handling the wastewater and Merrick handling the water.</li> </ul>

Capital and Construction Projects

- a. Construction Report
- b. Sewer Pipe Lining Bear Creek Golf Course
- c. Collection Sewer Pipe Kipling
- d. Ravines Open Space Crossings

Mr. Tyus reported that a spreadsheet was included in the packet that laid out the list of ongoing projects including, but not limited to, Bear Creek Golf Course, Soltera, would be addressed later in the meeting, and information about the project on Alameda.

There was a request for clarification from Austyn regarding the invoices for the easement review at Alameda behind Mannings, and for reviewing of the plat for 585 S. Parfait. Austyn indicated that when Merrick completes work for construction/developer, the District will pay for the work, and then the developer will reimburse the District for the expenses. The Board reported that would like to see the individual projects better itemized on the invoice so they would know what the work was for.

Mr. Tyus reported that GIS work was being done and crews were mobilizing at Bear Creek, but that the delivery of materials were behind schedule. Austyn reported that Mr. Kenyon had indicated the project was scheduled to begin possibly at the end of the month, or by the first part of December. He reported the contractor had been provided GPS coordinates of the manholes and was measuring manhole to manhole for exact measurements on linear materials.

Financial Matters

- a. October and November 2022 Daily/Monthly Operation Expenses and Capital Expenditures
- b. October 2022 Unaudited Financial and Investment Report
- c. Public Comment on 2023 Draft Budget

Director Hooks **MOVED** to approve the October 2022 / November 2022 Daily/Monthly Operation Expenses & Capital Expenditures as presented. Director Wiechman, seconded and upon vote the motion **PASSED** unanimously.

Director Hooks **MOVED** to approve the October 2022 Unaudited Financial & Investment Report as presented. Director Wiechman, seconded and upon vote the motion **PASSED** unanimously.

There was no public comment regarding the 2023 Draft Budget.

<p>d. Discussion of 2023 Draft Budget Version 2.2</p>	<p>Director Wiechman noted that the current draft budget reflected a 7-8% increase. He asked how that would affect the water rates and tap fees. There was discussion regarding how the District could legally increase the Developer's System Impact Fees and Tap Fees. Mr. Wood indicated that the District would be addressing the increases in the System Access Fees, Tap Fees, and increased water rates to them at the December Budget Hearing Meeting. He indicated that there is a statutory requirement that the District had to post 30 days in advance of the meeting that the Board would be considering said increases. There was further discussion on whether the CPI or ENR and actualization of Capital Project Fees toward those areas could be considered as a component for increases allowed by the District for all increased rates being considered. The Board also agreed that moving forward these allowable items should be included in its increases when considering fee pricing each year.</p> <p>Director Baker brought forth discussion regarding the employee compensation line item. The Board discussed a number of \$50,000 in the budget, keeping the pay bands in place, cost of living increases, bonuses, health insurance, and ways to compensate high performing employees.</p> <p>The Board further discussed having an addendum submitted along with the budget that shows projects, capacity, and other items that support a 10-year plan. The importance of this would be to provide the constituents with the future outlay and why the need for increases.</p> <p>The Board discussed the necessity to either have a separate work session or have management get a list together to they could complete this project to have a product to submit to constituents that can be used year to year along with the budget.</p> <p>Mr. Pavlich asked for clarification points as to what additional items needed to be included in the Budget.</p>
<p>Directors Matters</p> <p>a. Army Corps of Engineers Work around the Yellow Zone Tank</p>	<p>Mr. Tyus reported that a meeting had been set up with the Army Corps of Engineers, who are working on a plan to repair without disturbing the foundation around the tank. The Board suggested a risk plan be followed.</p>

<p>b. 1078 South Alkire</p>	<p>The owners provided drawings for this property and the drawing are currently with the Engineer to make comments. When ready, they would be provided to the Board for final approval. Further discussion on the issue will be had during the executive session later in the meeting.</p>
<p>c. Six Sigma Lean Kaizen</p>	<p>Director Baker suggested that the Board hold a special meeting in January to address a better process to get through this issue.</p>
<p>d. Distribution of Engineering work</p>	<p>Director Morgan suggested the District divide projects between the engineering firms to keep things moving along in the upcoming year. She also requested that Management put together a list of what engineering firm is handling current scheduled projects and which firms Management felt could be assigned upcoming projects that are not yet scheduled to keep them moving. Mr. Tyus reported that while the District has a designated engineering firm, it is prudent to diversify and give projects out to other firms to keep the projects moving along. He would be providing a report in the District Manager report moving forward that lists the projects and what firm projects would be awarded to. The board agreed that Mr. Tyus was hired to move in that direction and just wanted to make sure that is done in the future.</p>
<p>e. Rules and Regs Environmental work</p>	<p>Director Baker <b>MOVED</b> to insert verbiage into the Rules and Regulations that disallows staff to work on sites that are below grade, have hazardous materials, or are hazardous sites. Director Hooks seconded, and upon vote the motion <b>PASSED</b> unanimously.</p>
<p>f. Solterra 21 filing drawings</p>	<p>Director Morgan and Mr. Larson, reported that in reviewing the Solterra 21 filing drawings they had noticed areas defined as geologic hazards on the drawings that could be of possible concern down the road that might need to be addressed. There was discussion regarding swelling and corrosive soils, adequate drainage, mitigation, and standards within the entire District and Solterra 21 Filing. Mr. Larson indicated they would submit their concerns through the City of Lakewood.</p>

Legal Matters

a. FAMILI Resolution

Mr. Woods provided an update on the FAMILI business that was voted on at the previous meeting. He indicated the Resolution had been prepared and needed to be adopted, his office sent notice to the employees, and upon approval of the Resolution, legal will send the post notification requirement informing the employees of the existing benefits.

Director Baker **MOVED** to adopt the Resolution to finalize the Boards decision regarding the District's determination to not offer the Famili benefit and complete all legal obligations. Director Hooks seconded, and upon vote the motion **PASSED** unanimously.

b. Red Zone Tank

Mr. Woods reported that he received correspondence from the attorney that they had received the District's demand letter, had submitted the issue to insurance, insurance had declined the claim, and that it had taken some time to get through the steps. He also reported that Cobloco had not accepted full responsibility but was interested in participating in some sort of pre-litigation, mediation, or alternative dispute resolution with the District. Their wish would be that the other potentially responsible parties also be in attendance. Mr. Woods indicated that he offered to bring this to the Board for consideration. The Board discussed the options of how to get the players to the table.

Director Hooks **MOVED** that the District request mediation with all the potential parties involved in this issue, and try to come to a pre-litigation conclusion. Director Wendell seconded, and upon vote the motion **PASSED** unanimously.

c. General Litigation Update

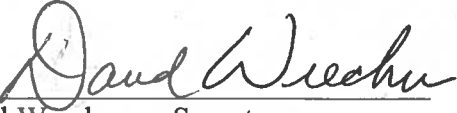
Mr. Woods provide the following litigation summary:

- Blue Sky appeal – Currently waiting. There is a request for oral arguments which will be granted or denied. Could be as early as 2<sup>nd</sup> or 3<sup>rd</sup> quarter of next year.
- Timmons Federal litigation – Currently waiting. There are motions to dismiss entirely and motions to dismiss partially and have been assigned to a newly appointed magistrate to rule on.

	<ul style="list-style-type: none"> <li>• Trial Court Big Sky litigation – The costs matter has been resolved and is completely stayed.</li> <li>• Icenogle malpractice litigation – There is a deadline to provide a status report by the end of November. All the underlying matters are pending resolution. This mater should also be stayed.</li> <li>• Young vs. Green Mountain sewer backup for negligence – Being handled by insurance counsel. There had been a status update, and the immunity hearing to determine whether Governmental immunity applies will be held February 2<sup>nd</sup>. There is a brief hearing conference scheduled the week prior.</li> </ul>
<p>Executive Session</p> <p>a. Executive Session pursuant to §24-6-402(4)(b) C.R.S. for the purpose of receiving legal advice regarding Red Zone Tank, Kentucky Ave sewer flow, Fossil Ridge IGA and Young Case</p>	<p>Director Baker <b>MOVED</b> to enter into executive session at 8:45 p.m. pursuant to §24-6-402(4)(b), C.R.S. for discussing legal advise regarding the Red Zone Tank, Kentucky Ave sewer flow, Fossil Ridge IGA and Young Case. Director Hooks seconded and upon vote the motion <b>PASSED</b> unanimously.</p> <p>The executive session was concluded at 9:54 p.m.</p>
<p>New Business – Notifications for Next Board Meeting</p> <p>a. Newsletter</p> <p>b. Future Development Numbers</p>	<p>Director Morgan expressed interest in emailing a newsletter from the District instead of only providing a link on the bottom of the water bill.</p> <p>Director Morgan mentioned she would like the Board to continue conversation regarding tap fees, in regard to future development and upgrades, and capacity issues. She suggested setting up a committee to help with this. There was discussion that City of Lakewood Master Plan indicates they would be built out and exceed the projections for 2030 well before expected.</p> <p>Director Baker indicated he would like to add the Fossil Ridge IGA public hearing to the December meeting.</p> <p>Director Morgan would like to add a presentation from the Denver Water Committee and a District Manager</p>



	<p>Performance Review to a future meeting agenda. The Board discussed putting these items on a Special Meeting agenda.</p> <p>Mr. Davenport provided an overview regarding mail vs. email blasts as options for discussion of the District Newsletter at a future meeting. Further conversation would need to be had regarding who would write the newsletter, topics to include, and how to deliver it.</p>
Adjourn	<p>Director Morgan <b>MOVED</b> to adjourn the meeting. Director Hooks seconded the motion. The motion <b>PASSED</b> by unanimous consent, and the meeting was adjourned at 10:13 p.m.</p>

  
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David Weichman, Secretary