

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

June 14, 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, June 14, 2022.

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

<p>Attendance:</p>	<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 J. Wendell, Director</p> <p>Also present were:</p> <p>Jeff Tyus, District Manager Sam R. McKay, District Information Technology Jesse Davenport, District Information Technology Dylan Woods, Coaty Marchant Woods P.C. Scott Gessler, Gessler Blue Law (joined at 8:50 p.m.) Debbie Crady, Crady, Puca & Associates Terry Kenyon, Merrick Engineering Stephanie Johnson, Centennial Consulting Group, LLC Imara Ludmila Angie Baker 7202262711 Dave Garner</p>
<p>Call to Order / Declaration of Quorum:</p>	<p>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 6:02 p.m.</p>
<p>Directors & Disclosure Matters:</p>	<p>Director Wiechman noted that he and Mr. Tyus attended the SDA training. Director Wiechman reported on items he learned regarding the legislative items that were presented. He also reported that items he had learned during the</p>

	<p>training made it clearer to him that he should have spoken up at the previous meeting when a motion came up to indicate why he was voting against a specific motion so that it would be noted in the records. (unclear statement)</p>
<p>Approval of/Additions to /Deletions from the Agenda:</p>	<p>The Board discussed amendments to the Agenda. Director Baker MOVED to have item 8e. 2021 Audit report by Debbie Crady moved to item 5. Director Hooks seconded, and upon vote, the motion PASSED unanimously.</p>
<p>Public Comment</p>	<p>Imara complimented the Board for running meetings organized and professionally run. She asked the Board to address the following items:</p> <ol style="list-style-type: none"> 1. Disclose a summary or list of litigation that GMS is currently in, with whom, and whether GMS is the defendant or 2. List of applications/projects the District is involved in or discussion/negotiating, that would require a buildout in infrastructure 3. Explanation regarding the motion and vote at the end of the May 10, 2022, meeting to allow a private citizen to negotiate on behalf of the District and there was nothing on the agenda indicating this action. Additionally, why was this action allowed when the District has an Attorney, District Manager & Board that could negotiate? <p>Director Baker, Attorney Dylan Woods, and District Manager Jeff Tyus spoke to the above items:</p> <ol style="list-style-type: none"> 1. The list of litigation matters of the District are as follows: <ol style="list-style-type: none"> a. Formation Case – will stay open in perpetuity for any new filings of the District. Mr. Woods is the attorney of record. Most current action was the filing of Oaths of Office for the newest Board members b. Ongoing Trial Level Big Sky Litigation in Jefferson County Court. Mr. Scott Gessler is the attorney of record. Most current action was the billing of costs hearing c. Big Sky Litigation Appellate Case. Mr. Scott Gessler is the attorney of record. The District is the appellee in this matter. The District achieved result it desired at trial level. The plaintiffs have appealed and are against the District in this case.

- d. Homeowner resident of the District has sued the District regarding a sanitary sewer backup in their basement. The Lane Law firm is the assigned insurance company's counsel of record in this case. Currently on appeal at the trial level. District is appellee in this case.
 - e. Federal District Court Case. Filed by previous legal counsel. District and 3 directors (including one previous Board member) are defendants in the case. William O'Connell has been hired by the insurance company to defend the case.
 - f. Suit against the former, former legal counsel, Icenogle, Seaver, Pogue. The firm and Jennifer Ivy are being sued for malpractice regarding the filing of the Intergovernmental Agreement with the Big Sky case. Dylan Woods is the counsel of record. The case is currently stayed.
2. The District had not received any new development requests. The only item currently being addressed is the 10700 W. Expo project.
 3. The Committee that was previously appointed to speak to the Developer had run out of time prior to the May 10th meeting. The Board was voting to allow the previous members of the committee to continue to finalize the conversation(s) with the Developer and speak on behalf of the District regarding the exposition of development. It was necessary for the Board to conduct a vote to allow David Garner, former Board member and current committee member to lead the negotiation on behalf of the District. The Committee report was on the agenda, which allowed for the executive session and vote following the executive session.

Director Morgan agreed that the District's procedures are very important and wants to be sure that the Board continues to ensure that proper process is being followed. She suggested that homeowner comments and questions be addressed before and after meetings, or via email to get through the Board's business on the agenda.

2021 Audit Report

Ms. Debbie Crady of Crady, Puca & Associates reported on the contents in the 2021 Audit / Financial Statements

	<p>Report. She reported that the 2021 Audit received a clean opinion from their firm, and items that should be addressed in the financials moving forward. It was reported that Crady’s office will file the report with the state no later than July 31, 2022, upon receiving the signed Management Report.</p> <p>Director Baker MOVED to approve the 2021 Financial Audit. Director Hooks seconded and upon vote, the motion PASSED unanimously.</p>
<p>Approval of the Minutes</p> <p>a. May 10, 2022, Regular Meeting Minutes</p>	<p>Director Baker MOVED to approve the May 10, 2022, meeting minutes as presented. Director Hooks seconded and upon vote, the motion PASSED unanimously.</p>
<p>District Manager Report</p> <p>a. Full Employee, Operations and Maintenance report</p> <p>i. Recognition</p> <p>ii. Performance Dashboards</p>	<p>Mr. Tyus and the staff thanked the Board for their attendance. He asked the Board to provide photos for the website, and reported that the website now contains a photo of Green Mountain. The District has signed up with the state for additional grant money that may be available for future capital infrastructure projects.</p> <p>He mentioned the District is staying within budget and they are working with a favorable budget.</p> <p>The District has been able to maintain most of its staff and is getting the job done. The District has only lost one key employee this year in the current competitive market. Many water Districts do not have the staff on hand to handle jobs that need to be completed.</p> <p>Mr. Tyus reported on the performance Dashboard from the website including, but not limited to, quotes from real customers, the customer service metrics that have been captured, asset care,</p>

<p>iii. Goals</p>	<p>The Board suggested they would like to see cost avoidance/savings on the dashboard moving forward showing what the District is subject to when dealing with employee issues.</p> <p>Mr. Tyus provided a report on the District's vision, values, and goals including updates to cast iron pipe, network structure/ asset care and customer tracking.</p> <p>It was reported that the District is following the National Institute of Standards Security guidelines for website security. The Board requested that any information regarding IT be limited in Board meetings and not conveyed publicly to further protect the District.</p> <p>Director Morgan noted the liners and capacity in the clay pipes. If over-capacity, it might trigger discussion regarding replacement vs. lining.</p>
<p>iv. Operations Status</p>	<p>Mr. Tyus informed the Board that the operational status of services is normal, meaning good flow and good water quality.</p> <p>Mr. Tyus reported the District was favorable in labor based on the budget due to postponed raises and lower head count. He proposed that the Board consider providing 80% of the \$125K the District was favorable in budget to the staff members in performance raises (excluding the District Manager). Due to the state of the economy of record high inflation CPI 9.2% and invest in good employees, retain employees</p> <p>The Board agrees that this issue is time sensitive due to the state of the economy, but would like to have this item noted on the agenda for discussion and put together a complete agenda for a future Special Meeting. They would like to take into consideration salary vs. hourly pay, be provided overtime reports for past 3 years, get reports to compare the pay to industry standard, provide job descriptions for each position, to have conversation regarding types of raises (cost of living and/or performance increases). This item was deferred to a future Special Meeting.</p>

Capital and Construction Projects

a. Ravines Open Space Crossing

Mr. Tyus indicated the ravines open space crossing is currently in design stage. Focus is on the center crossing due to erosion. Current concerns are that it could collapse the collection lines under it. The goal is to secure the crossing. There was discussion regarding the pads that had been installed being pipe rated crossing and not bridge rated crossings.

Mr. Kenyon indicated the Board had asked them to proceed with final design. The timeline is usually 2-3 months, but the City of Lakewood is holding things up currently. There was further discussion regarding quoting the engineering project out. Mr. Kenyon described the process of what work had already been completed on this project and indicated that they had begun some of the design work and were about 70% through the design of the project. He also indicated that Kumar still needed to be engaged and that was approximately 2 months out. After discussion the Board determined that due to the amount of work that has been completed, it would not make sense to bid out the work any further at this time. Director Morgan suggested that future projects get bid out for capital improvement projects.

b. Collection Sewer Pipe Lining and Replacement

Mr. Tyus reported the collection sewer pipe was being surveyed and is currently in negotiation. He updated the Board regarding the 700' of 8" line below 10700 W. Exposition being at capacity. Design has been turned over to Mr. Kenyon with Merrick Engineering.

Mr. Kenyon explained that there was a problem line that the District will need to close down Kipling when work needs to be done with this line. Concerns are for the cost of replacing the line. He explained that if they run the line straight, it could reduce the amount of pipe in the ground. The line has been surveyed, it was discussed that the project would benefit the property owners and the District in the long-term, it is a better long-term solution, and the line already meets the requirements to be replaced in the future. There was discussion that this line needed to be replaced in the near future, and the District is negotiating a cost sharing project to have this project addressed sooner due to the Exposition project.

	<p>Historical information regarding this project for the new Board member. Mr. Woods indicated that the District holds the burden to provide service.</p>
<p>Financial Matters</p> <ul style="list-style-type: none"> a. May 2022/June 2022 Daily/Monthly Operation Expenses & Capital Expenditures b. May 2022 Unaudited Financial & Investment Report c. Recommended Transferring Excess Funds from First Bank to ColoTrust Plus Investment Pool d. Update First Bank Signers 	<p>Director Hooks MOVED to approve the May 2022/June 2022 Daily/Monthly Operation Expenses & Capital Expenditures as presented. Director Baker seconded and upon vote the motion PASSED unanimously.</p> <p>Director Hooks MOVED to approve the May 2022 Unaudited Financial & Investment Report as presented. Director Baker seconded and upon vote the motion PASSED unanimously.</p> <p>Director Baker MOVED to transfer excess funds from First Bank to ColoTrust Plus Investment Pool when the funds fall within a 50% level. Director Hooks seconded and upon vote the motion PASSED unanimously.</p> <p>Director Hooks MOVED to update the First Bank signers with current directors, to remove Brad from the signature card, and add Mr. Tyus as a signer. Director Baker seconded and upon vote the motion PASSED unanimously.</p>
<p>Director's Matters</p> <ul style="list-style-type: none"> a. Options from Business Case Report, Engineering Position b. Committee Report Denver Water 	<p>Mr. Tyus provided an update on the Engineer Business case report that as provided to the Board indicating that the District could get Capital Project work done more efficiently, quickly, and provides more flexibility/options, by using a variety of Engineering firms to complete the work. It was reported that the District is not obligated to Merrick Engineering for any specific projects moving forward. Mr. Woods updated the Board that the Board should provide direction on how to handle bids, and the District Manager should have the leeway to select the engineer for each project.</p> <p>Director Morgan provided an update that Denver Water was compiling reports. She reported that a past audit of the water taps indicated the District has 12,000 water taps available, but the number is mute because Denver Water</p>

<p>c. Legislation Update</p>	<p>has agreed to provide the District as much water as it wanted.</p> <p>Director Morgan reported on Legislation that changed in 2022 and how it affected the District. She suggested that the District obtain a lobbyist to be a voice for the District. The estimate would be \$3 - \$5K per month per year to hire a lobbyist to look out for the best interests of the District and be a voice for the District.</p> <p>Mr. Gessler provided recommendations for possible lobbyist if the District chose to move forward. Director Morgan reported that she already reached out to possible options for lobbyists to potentially work with.</p> <p>It was noted that if the District would like to pursue this option, a lobbyist would need to be engaged within over the summer to bring forth to legislature in January. There was discussion regarding the possible return on the District's investment if a lobbyist was engaged.</p> <p>The Board directed Director Morgan to provide the estimates for review so they could consider the possibility of moving forward with hiring a lobbyist as the Board felt the District had no voice, and this could be an avenue to explore. Mr. Woods indicated that the Board may need to amend the Budget to find a place for the expenditure. Mr Tyus replied that the expenditure could fall into the legal category for which we had budget available.</p> <p>Board discussed looking into seats on Denver water and Metro Water Recovery</p>
<p>Legal Matters</p> <p>a. 2022 Jefferson County Coordinated Election Notification Form</p>	<p>Mr. Woods reported that Jefferson County sent the Coordinated Election Notification Form to the District Manager, Mr. Tyus. He indicated that if the District had a need to participate in the November election, it would be cheaper to coordinate with other Districts. However, the District would likely not be participating in the November election unless the District was moving into a contractual multi-year fiscal obligation so no action would be necessary.</p>

b. Litigation Update

The Board did discuss that the District was owed an explanation from the County Clerk as to why 800 ballots were returned as not deliverable. The Board directed legal counsel to send a letter to the County Clerk to get a response.

Mr. Gessler updated the Board on the following items:

Bill of Costs – There was a hearing last month where just under \$10K was awarded of the \$42K request. The judge disallowed some of the filing fees, did not award any of the deposition costs nor video deposition costs, or expert engineering report due to governmental immunity. The judge had requested more evidence on costs which would be filed in the upcoming week.

Appeal – Big Sky and 2 developers appealed. Two appellate briefs were presented, one from Big Sky and one combined brief from the two developers. Mr. Gessler drafted responses to be presented. Mr. Gessler provided an update on the order and timeline of process for this type of case. Any further comments should be addressed during executive session.

c. Red Zone Tank

Following the executive session, Mr. Tyus provided a brief overview of the Red Zone Tank for the new Board members. Mr. Woods provided information regarding the information within the two reports that had been requested regarding the issues with the project. It was reported that the problems had been corrected and the District would be looking toward the experts to allow Mr. Woods to put together a demand letter for return of costs in the approximate amount of \$600K incurred by the District. No further action from the Board was necessary. Mr. Tyus was directed to provide the reports to Merrick Engineering for their information.

Mr. Woods followed up on a Litigation Item update: Timmons Litigation against the District – It was reported the District and the Directors had filed a motion to dismiss, and everyone has agreed to a stay. No action currently being acted upon except the motions to dismiss.

Mr. Woods also reported that Mr. Henderson has asked the Board to pay the \$2,500 deductible on the insurance claim.

<p>d. 10700 West Exposition Ave</p>	<p>Following discussion, the Board did not take any action on this issue during the meeting.</p> <p>Director Morgan asked for clarification and received direction to move forward with the current committee that was previously appointed.</p>
<p>Executive Session</p> <p>a. Executive Session pursuant to §24-6-402(4)(b) and/or §24-6-402(4)(e), C.R.S. for the purpose of receiving legal advice regarding the legal obligations before addressing development projects</p>	<p>Director Baker MOVED to enter into executive session at 9:50 pm pursuant to §24-6-402(4)(e) for the purposes of receiving legal advice regarding the legal obligations before addressing development projects. Director Hooks seconded and upon vote the motion PASSED unanimously.</p> <p>The executive session was concluded at 10.40 pm.</p>
<p>New Business – Notifications for Next Board Meeting</p>	<p>Director Morgan asked for clarification on review of the District Manager. It was determined that this item be addressed along with the staff raise discussion. Further discussion was had regarding how often reviews of the staff should be achieved.</p>
<p>Adjourn:</p>	<p>Director Baker MOVED to adjourn the meeting. Director Hooks seconded the motion. The motion PASSED by unanimous consent, and the meeting was adjourned at 11:19 p.m.</p>



_____, Secretary