

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
GRANT WATER & SANITATION DISTRICT**

NOVEMBER 21, 2018, at 9:00 a.m.

The regular meeting of the Board of Directors of the Grant Water & Sanitation District was held on Wednesday, November 21, 2018, at the hour of 9:00 a.m., at the Raccoon Creek Golf Course, 7301 West Bowles Avenue, Littleton, Colorado. Directors present were Darren Bradshaw, Mike Cowan, Bruce Guard and Sam Garza. Also attending were Justin Meeks, Judy and Nicki Simonson, and Julia Robinson. Mr. Cowan presided.

1. **Disclosure of Conflicts of Interest.** There were no changes to the Board member disclosures.
2. **Open Forum.** The open forum was passed in the absence of any members of the public.
3. **Minutes.** The minutes of the regular meeting held on October 17, 2018 were approved on motion of Mr. Bradshaw seconded by Mr. Garza.
4. **2019 Meeting Schedule.** The proposed 2019 meeting schedule was approved on motion of Mr. Bradshaw seconded by Mr. Garza.
5. **Engineering Report.** Mr. Meeks reported as follows:
 - **Underdrain Remediation.** Good progress has been made on regular cleaning and video but very little progress has occurred in Hillsboro. Only a few feet a day were able to be cleaned near the center of this very long line. Mr. Meeks said the cutter does not operate efficiently at long distances. It was agreed at a recent meeting with DRC that further work on this

line would be deferred until the new manholes are installed in early 2019. The new manholes will be at 200 foot intervals and the cutter handles 70-75 feet very well. The regular cleaning work scheduled for 2018 will be done before the December Board meeting.

- **2018 Sanitary Sewer Maintenance.** The majority of the golf course cleaning is done with some video inspection remaining to be completed. That work is under way this week.

- **Lift Station Improvements.** Mr. Meeks said the valves for the northeast lift station are backordered and not expected to be available until the end of January. He said M/M is seeing a lot of delays with construction materials due to the steel tariffs. The venting was installed at the lift station last week.

- **Bowles Crossing Re-Development.** M/M is close to being able to approve construction plans for the Broadstone apartment project after reviewing six submittals. The developer has added manholes to take service connections. M/M also asked them to move some manholes to reduce the total number of manholes in Bowles Crossing. There will be four new manholes in Long Drive that will be “drop” manholes which will require extra maintenance and odor control at the property owner’s expense (as was required of Vestar for its drop manhole). Mr. Meeks said we need to make sure that Vestar’s drop manhole has a filter.

The Broadstone developer, Alliance, and Vestar need documentation from the District to close the sale from Vestar to Alliance and want this very quickly. At this point the District hasn’t even received easements. The District needs approved easements, lender subordination, title insurance and a main extension agreement.

The Vestar project is ready to close out with title insurance finally received.

- **Red Lobster.** No response has been received to the District's letter on grease trap violations.

- **Bowles Village Odor Issues.** More nuisance odor complaints have been received. The property owner is trying to identify the source and deal with it. Mr. Meeks has noticed that the complaints coincide with cold fronts.

- **Utility Locate Law Changes.** Colorado recently changed its laws relating to underground facilities. Mr. Meeks distributed a summary of the new law. He said M/M is hoping to have a person appointed to the Underground Damage Prevention Safety Commission. M/M recommends that the District move to Tier 1 status with the Utility Notification Center of Colorado (UNCC), now because it is free for two years and mandated after that time. Tier 1 status will require all excavators to contact the District for utility locations, whereas currently as a Tier 2 member, UNCC recommends that excavators contact the District for utility locations. Under the new law, owners must provide locations and details for underground facilities to UNCC and update this information annually. New facilities must be equipped with tracer wire in most cases. Owners have two days to provide locations to excavators and ten days to provide locations for design review. Mr. Meeks noted that under the new law, the District can ask operators to expose their buried facilities. We have had issues with fiber optic cable during construction projects. Ms. Nicki Simonson said she would like to have real time notification of all utility locate requests in the District. Mr. Cowan asked that a monthly report be provided to the Board at each meeting. Mr. Meeks said M/M will add this to the engineering report.

- **Operator in Charge: Request for Proposal.** Mr. Meeks distributed the two proposals which were received. The difference in the cost of base services is very large: a

factor of twelve. After discussion and review of the proposals, Mr. Cowan asked Mr. Meeks to look into splitting the requested tasks to use Ramey for the sewer cleaning and Level 1 manhole inspection and use C&L for the other operator in charge services. Contracts will be considered next month.

- **GIS System.** M/M has received another update from the software company, now called Info Asset. The update is being installed and M/M will meet with the manager next week for more training.

- **M/M Engineering Contract for 2019.** The Board considered the M/M contract for engineering services in 2019. This is on the standard District form and includes an increase in the schedule of rates consistent with what is in the 2019 budget. Mr. Meeks indicated that the rate increases average 3.6%, but noted that other clients received this increase last March. The contract was approved on motion of Mr. Garza seconded by Mr. Bradshaw.

Mr. Meeks then left the meeting.

6. Financial Report. Ms. Nicki Simonson presented the financial report in the absence of Mr. Mulholland. The manager previously notified the Board of four fraudulent checks issued on its account. The four fraudulent checks were issued in late October. The checks were cashed, but the check numbers were out of sequence and the corresponding checks remain in the locked file cabinet in the Simonson offices. Just today, US Bank closed the case and refunded \$9,342.50 to the District. We still have no idea how this happened.

A. Disbursements. Ms. Simonson said there were no unusual checks on the disbursement list. She pointed out a few expenses which do not occur every month: publishing the request for proposal for operator in charge and the premium to the SDA for insurance, which

increased from last year. The checks were approved on motion of Mr. Garza seconded by Mr. Bradshaw.

B. Financial Statements. Ms. Simonson said there was nothing to bring to the Board's attention with respect to the financial statements for October 31, 2018. Year to date capital expenses are over budget by about \$85,000, but overall the District is within budget for the year. The unaudited financial statements were approved on motion of Mr. Garza seconded by Mr. Guard.

C. Investment Report. Ms. Simonson noted that the District needs to change the bank account to which direct deposits of investment interest are paid. She said that the Colotrust interest rate is up to 2.36%. Ms. Judy Simonson moved \$200,000 from Colotrust to checking to pay operating expenses. The District received \$70,000 in tap fees from Vestar for Bowles Crossing projects.

7. Audit Engagement. The Board considered the audit engagement proposal submitted by Dawn Schilling, in the amount of \$5,300, and approved it on motion of Mr. Bradshaw seconded by Mr. Garza. The fee is an increase of \$100 from last year.

8. Budget and Rate Hearing and Approval of Budget and Rates. Mr. Cowan opened the hearings on the 2019 budget and rates. Ms. Nicki Simonson confirmed that the hearings had been published in accordance with law.

Ms. Simonson presented the proposed rate schedule for 2019. There is no overall increase in rates but the components in 2019 will be different. The underdrain and capital portions of the rates will be higher because District costs are expected to be higher. Sewer costs and rates will be lower because we don't video lines each year and will not be doing videos in 2019. For

underdrains, the goal is to finish the remediation in 2019, including installation of four new underdrain manholes. The residential average gallons of water used per household was slightly lower in 2018 than 2017. After discussion, Mr. Garza moved to approve the proposed rates. The motion was seconded by Mr. Guard and approved.

Ms. Simonson then presented the proposed budget for 2019, including the budget message. After review and discussion, Mr. Garza moved to approve 2018 Resolution No. 4 adopting a budget for calendar year 2019. The motion was seconded by Mr. Bradshaw and approved. Mr. Bradshaw then moved to approve 2018 Resolution No. 5, appropriating funds for the 2019 budget year. That motion was seconded by Mr. Garza and approved.

Mr. Garza moved to approve the budget message. The motion was seconded by Mr. Bradshaw and approved.

Mr. Cowan then closed the budget and rate hearing.

9. Other Business.

A. Simonson & Associates, Inc. Contract. The Board considered the contract submitted by Simonson & Associates for management services in 2019. Ms. Simonson said she is giving raises to Nicki Simonson as office manager and is paying more for her new office assistant as the labor market tightens. The contract with Simonson & Associates was approved as presented on motion of Mr. Garza seconded by Mr. Bradshaw.

B. Robinson Bailey Rate Increase. Robinson Bailey PC announced rate increases for attorneys and staff. These were approved on motion of Mr. Garza seconded by Mr. Guard.

C. Maintenance Endorsement for Insurance. Ms. Simonson presented the

annual insurance liability endorsement, affirming that the District has adopted a maintenance policy. This endorsement allows the District to have a zero deductible. Mr. Garza moved to authorize the chairman to sign the endorsement provided. The motion was seconded by Mr. Guard and approved.

D. December Meeting. The Board discussed the December meeting and asked the manager to invite C&L, Ramey, DRC, and retired director Skip Van Valkenburgh to the dinner.

E. Other Updates. Mr. Guard said he went to the Grant Ranch Master Homeowners' Association meeting and said no questions or issues were raised with respect to the District. Mr. Cowan mentioned he went to the Village Voices meeting and said no questions or issues were raised with respect to the District either. He said the next meeting of the easement committee will be in March 2019. In the meantime, Ms. Simonson and Mr. Reid will review easement locations.

10. Adjournment. The meeting was adjourned by Mr. Cowan.

Respectfully submitted,



Judith C. Simonson, Secretary