

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

**April 17, 2019, at 9:00 a.m.**

The regular meeting of the Board of Directors of the Grant Water & Sanitation District was held on Wednesday, April 17, 2019, at the hour of 9:00 a.m., at the Raccoon Creek Golf Course, 7301 West Bowles Avenue, Littleton, Colorado. Directors present were Mike Mulholland, Darren Bradshaw, Bruce Guard and Sam Garza. Michael Cowan was absent. Also attending were Justin Meeks, Judy Simonson, Nicki Simonson, Jennifer Bailey, and Dawn Schilling. Mr. Mulholland 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 members of the public.

3. **Minutes.** The minutes of the regular meeting held on March 20, 2019 were approved on motion of Mr. Garza seconded by Mr. Guard.

4. **Engineering Report.** Mr. Meeks reported as follows:

- **2019 Capital Improvements Project.** The underdrain manhole pre-construction meeting was scheduled for April 16, 2019 but was rescheduled for this afternoon. This will be a two to three week project.

- **Underdrain Cleaning and Remediation.** As of April 1, 2019, DRC has completed cleaning 62% of the underdrain mains. The first pass cleaning and inspection has been

completed on 84% of the underdrain mains. The mains making up the 22% difference require some follow-up cleaning and/or inspection. Additional cleaning has been completed since April 1 but is not reflected on the report. DRC is still on track to complete all the cleaning by May 1. Thereafter, they will begin working in the Hillsboro neighborhood to continue on the calcium remediation cleaning after the new manholes are installed.

- **2019 Sanitary Sewer Maintenance.** DRC has completed the regularly scheduled cleaning of the residential and commercial area sanitary sewer system. They did not CCTV the residential areas this year. The Crossings sag/deformity repair has been moved to next year, but Martin/Martin had already completed the survey field work when the project was postponed. They will still be able to use the survey for the project design. If the budget allows, the design work could be completed towards the end of this year in order to get the project out to bid in January of next year. Replacement of the damaged sod in Blue Heron Park caused by the leaked hydraulic fluid was supposed to have been replaced yesterday. Martin/Martin has not yet received confirmation.

- **Lift Stations.** Last week there was an issue at the NE lift station. Ramey responded to a high-level alarm and discovered that every time pump #2 was called for, the relay would click but it would not trip to activate the pump. Ramey took the relay out, cleaned it, put it back together and then it seemed to work fine. It did start when both pumps were called to operate together. Ramey replaced the relays last Friday.

- **Generator Maintenance** – A quote was provided by Diesel Services. The Diesel Services contract was approved on motion of Mr. Garza and seconded by Mr. Bradshaw.

- **Bowles Crossing Development.** The sale of the Broadstone Bowles Crossing property is scheduled for April 18. They are supposed to sign the sewer main extension agreement at the closing. They hope to get started on the utility construction shortly thereafter but have not yet done the proper utility locates. Martin/Martin is planning on staffing construction observation for the District, consisting of two to three hour daily site visits. They are installing 12 manholes, so Martin/Martin will be there for the concrete testing, too. The project oversight is budgeted at about \$25,000. The District will be asking for a deposit to cover these costs and will return any money not spent. This is going to be a large project which will likely close down Long Drive, with almost 1900 feet of sewer line to be installed, and a large part of that being in the street.

- **Easement Termination.** As part of the Broadstone Bowles Crossing utility construction, there is one easement that has been deemed useless because it has been replaced. A motion was made by Mr. Bradshaw to terminate the old easement. Mr. Guard seconded the motion and it was approved.

- **Longhorn Steakhouse.** The grease interceptor was inspected on March 20<sup>th</sup> and everything looks good.

- **Red Lobster.** Martin/Martin has not heard back from Red Lobster as to when they are going to abandon the dumpster drain. Martin/Martin will continue to monitor the situation.

- **Bowles Village Odor Issues.** Six of the manhole filters have been installed. The remaining five are backordered and are scheduled to be received the week of April 29<sup>th</sup>.

- **Grease Interceptors.** C&L went to inspect the grease interceptor at Qdoba and found no grease at all. This concerned them so they did a dye test in the main dishwashing sink and found that the dye didn't break through to the grease interceptor. Martin/Martin asked the restaurant manager to follow up with a plumber and report back. They have not heard the results of any investigations and will be following up.

Simonson & Associates received a certified letter from the property manager for Plaza on the Green shopping center complaining of "sewer and grease smells". They provided pictures of the grease interceptors for Which Wich, Chipotle and Smashburger showing they were full of grease and requested the District inspect in them. When the District's maintenance contractor inspected the interceptors, it appeared they had recently been cleaned and passed inspection.

- **GIS Database.** Martin/Martin continues to integrate the District's data into the new software. The biggest data push was to update the easement exhibits and they ran into issues. Some of the District easements were not drawn correctly when they were drawn based on parcel linework from the exported CAD data which had differing basis of bearing or incorrect legal descriptions. The easements have been redrawn in the correct geospatial location. Previously, parcel linework had to be purchased from Jefferson County. Now the information is downloadable for free, which Martin/Martin did and merged with the City and County of Denver data. This was a bigger project than was expected but it is now done. With this completed, Martin/Martin and the District Manager will be able to better identify the easements with trees problems using the aerial imagery from last summer. Once they have all the problem areas identified they will discuss those with the Board.

**5. Presentation of 2018 Audit.** Ms. Schilling reported there were no difficulties completing the audit. She thanked Simonson & Associates for their cooperation and organization. The audit process went smoothly. Ms. Schilling discussed with Ms. Simonson the financial obligations the District made to Bowles Metropolitan District (BMD) for splitting the costs of seeding and repairing the irrigation in Blue Heron Park. The obligation to BMD was contingent upon BMD providing an accelerated planting plan for trees outside the easement, which they have not yet done, so the District is not accruing that obligation on the books in 2018. The District will record the expenditures when and if paid to BMD. Schilling & Company audited the District through fiscal year end 2018. The auditor's responsibility is to gather evidence and offer an opinion. Schilling & Company is issuing an opinion that the financials present fairly the financial position of the District. This will be an unmodified opinion, the best opinion offered.

Ms. Schilling reviewed with the Board the financial statements she considered in rendering her opinion. The Statement of Net Position shows current assets of the District increased, the amount of cash in investments increased, and there were system development fees collected. A new line item was added to the Statement of Net Position, Accounts receivable - developers. This is money that developers owe the District for the costs it has incurred to oversee their development plans and construction of new facilities to serve their property. The District's Net Position increased from \$8.34M in 2017 to \$8.79M in 2018. The Statements of Revenues, Expenses and Changes in Fund Net Position showed a decrease in service fees because the District allocated more fees toward capital reserves shown as non-operating revenues. Operating expenses went up, primarily due to catching up on repairs and maintenance that were not completed last year including additional removal of calcium deposits in the underdrain system. General and

administrative expenses decreased for the year. The District's interest earnings are steadily going up, which is good. On the Statements of Cash Flows, the cash flows from operating activities is negative, meaning that the service fees didn't cover operations. However, this is not a concern from the auditor's perspective because the District had positive cash flow overall.

Ms. Schilling then reviewed the Notes to Financial Statements. The District's capital assets increased by approximately \$650,000 from January 1, 2018 through December 1, 2018. With the depreciation additions and decreases, the District's net capital assets increased from \$5,052,030 to \$5,345,934. The District's funds available at the end of the year, which is the District's working capital, increased by \$169,644 to \$3,402,562.

A motion was made by Mr. Garza to approve the District's 2018 audit report, which was seconded by Mr. Bradshaw and approved unanimously. A motion was then made by Mr. Bradshaw to approve the District's representation letter, which was seconded by Mr. Garza and also approved unanimously. Ms. Schilling then left the meeting.

**6. Financial Report.** Mr. Mulholland presented the financial report.

**A. Aged Receivables.** Ms. Nicki Simonson explained the Aged Receivables report. She reported that there were only a few commercial accounts past due and a lower than usual number of residential accounts past due. Many of these are due to a bill pay issue and customers not understanding how automatic bill pay works with banks. Many do not understand that banks will mail payments and that customers must allow for processing and mailing time in order to avoid late charges.

**B. Check Register.** The Check Register report this month showed expenditures in the Underdrain Capital Improvements column for the underdrain manhole project

that has begun. A motion was made by Mr. Garza to approve the Check Register, which was seconded by Mr. Guard and approved.

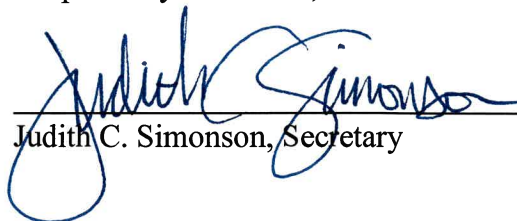
**C. Financial Statements.** A motion was made by Mr. Bradshaw to approve the District's audited financial statements for the period ending December 31, 2018, and the financial statements for January, February and March, 2019 which now include the audited financial information for 2018. The motion was seconded by Mr. Garza and approved.

**D. Investments.** Ms. Simonson commented that some of her other clients have had bonds called and anticipates at least one of the District's bonds being called next week. She requested approval to move \$400,000.00 in excess cash to Colotrust as its rates are better than agency bonds with five years or less maturities. A motion was made to grant authority to move \$400,000 in cash to Colotrust by Mr. Garza, which was seconded by Mr. Bradshaw and approved.

**7. Other Business.** None.

**8. Adjournment.** The meeting was adjourned by Mr. Mulholland.

Respectfully submitted,



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Judith C. Simonson, Secretary