

Minutes
2nd March meeting, March 17, 2009

The meeting was called to order at 7 p.m. Present were Directors Saltzman, Morey, Pfohl, Kleinvehn and Drennan. Superintendent Miers and Attorney Lindholm also attended.

Secretary's Report

Mr. Morey moved that the minutes of the March 3 meeting be approved, and Mr. Pfohl seconded. The motion passed.

Treasurer's Report

Checks processed for the period March 17-31,2009 totaled \$20,823.72 and included check#14831 for \$6,250 to Jaspers and Hall for the financial audit and check # 14824 for \$1,600 to Columbia Sanitary Services for sludge hauling.

The Board reviewed the statement of revenue and expenses for first two months of 2009, which indicates that the District is on track.

Mrs. Saltzman moved approval of the treasurer's report, and Mr. Morey seconded. The motion passed.

District Report

A report was submitted in writing and is included with these minutes.

WWTP: The concrete pad for the generator has been completed, and delivery of the generator is expected in two weeks. The District needs to buy a new blower for the wastewater plant.

WTP: Samples were collected and delivered for wells 17-1, Track A/B, Tract C and 21-A. The District will try a new lab in Wyoming for testing since the price is only \$10 per test.

The District received a bid from CW Divers to inspect and clean the three tanks in April or May. Mr. Pfohl made a motion to contract with CW Divers to clean the three tanks, perform the ultrasound on the main and the turbine and collect samples of sediment. Mrs. Saltzman seconded the motion. The motion carried.

Uranium test results for February were included and are all over the place as is common.

The District was chosen to participate in a free study regarding technical, managerial and financial (TMF) Capacity Development Program through the Colorado Department of Health in conjunction with the CO-RADS project.

The District received one additional bid for repair of KVS, and it was higher than the other bid. Mr. Morey made a motion and Mr. Pfohl seconded that the District hire Renegade Systems to repair the well at a cost of \$7,636. The motion carried.

There was a report on the static levels of the District wells. The numbers are looking good.

TVing of sewer pipes is scheduled for mid-April.

Attorney's Report

Status of ammonia study: A report is due to the Department of Health by March 24 for the hearing in June. Mr. Lindholm and Mr. Canton of GEI will take care of submitting the materials. Mr. Lindholm explained the first step is to have the Water Quality Control Commission agree to adopt the new ammonia calculation and to divide Gooseberry Gulch into two segments. The next step is to convince the permitting division that the upper section of Gooseberry Gulch should get new ammonia limits. Steve Canton sent the report to the Department of Health and the EPA. The Board also wants him to immediately confer with the permitting division.

Conifer Water LLC: Representatives of Conifer Water LLC came to discuss the latest agreement, which was submitted to the District on March 15.

Board members discussed concerns regarding project viability and financing, timeline and the District's vulnerability if the company goes out of business. Mr. McMichael reported that they are forming a special district and working with George K. Baum as underwriter for \$24 million in bonds, which will include the water treatment plant in Bailey, water and effluent line installation and purchase of some augmentation water.

Board concerns in the newest version of the contract include the guaranteed per gallon price for water, capital costs and language regarding leasing. The Board will review the contract and asked Conifer Water LLC to set up a meeting with other potential customers.

Old Business

Pat Hall from Jaspers+Hall, certified public accountants, presented the independent audit for 2008 and gave a clean opinion on the District's financial statements, which is the best opinion an entity can receive. The auditors took the inventory down to zero and wrote off accrued vacation and sick pay because of the change in District personnel policy. Mr. Hall noted that the District could operate for 880 days if the revenue stream stopped. There was a change in net income of \$294,000. Mr. Hall believes the District's funds are safe in COLOTRUST. The management letter noted that there are no issues on segregation of duties. Adjustments were made at the end of year to get to accrual accounting. Mr. Pfohl moved acceptance of the audited financial statements and audit report. Mr. Morey seconded. The motion passed.

Mrs. Drennan reiterated her suggestion that the District look into the costs of using our own wells and piping the water up the mountain to create blending.

New Business

There was no new business.

Mr. Pfohl made a motion to adjourn. Mrs. Saltzman seconded. The meeting was adjourned at 10:30 p.m.