

Minutes
2nd May meeting, May 20, 2008

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

Secretary's Report

Mr. Morey moved that the minutes of the May 6 meeting be accepted, and Mr. Pfohl seconded. The motion passed.

Treasurer's Report

Payables for the period May 16-30, 2008 were \$14,890, and there were no unusual expenses. The statement of revenues and expenses for the first four months of the year indicates that the revenue stream is ahead of budget. In the expense categories, only water operations are above the budgeted amount, and this expense is due to water main repairs. All other expenses are on track or below budget. In summary, the District's financial position looks excellent. Mrs. Saltzman moved acceptance of the report, and Mr. Morey seconded. The motion carried.

District Report

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

Dale Davis paid tap and capital improvement fees for the property at 11537 Green Circle, and the Board President will sign the tap fee certificate.

Sherri Jones, engineering consultant with RTW, submitted a letter addressing issues regarding the well head located on Elk Run Plaza. The Board asked that Mr. Cohen receive a copy of the letter.

Water samples were taken on May 13 for fluoride in well 134-5; nitrates in wells 134-5 and 26-6; and uranium in wells SA-1, 17-5, 5-1, 5-2, 123-5 and 121-5, as well as six home locations.

An extension until July 21, 2008 has been granted by Colorado Department of Public Health and Environment regarding the radionuclide enforcement order. The Board is concerned that there may not be sufficient testing data by that date, but will inform the state of progress at that time.

Results of the ammonia tests done by the District's testing machine compared to those analyzed by the independent lab show that the District has an accurate machine.

Sherri Jones with RTW submitted a letter recommending that the Board accept the grading plan for Russell's Way. A letter will be submitted to Jefferson County regarding District approval of the plan.

In addition, Sherri Jones recommended that the District accept the lift station design for Russell's Way. Mr. Pfohl moved acceptance of the plan, and Mrs. Drennan seconded. The motion carried.

The Colorado Department of Public Health and Environment requested an explanation of the residual chlorine readings on the DMR report of Nov. 30, 2007. The District learned there was a decimal point error, and a letter of explanation was sent to the state.

Attorney's Report

Mr. Lindholm noted that the unemployment request of a former Board member is not a legitimate submittal since he was not an employee of the District. Mr. Lindholm will provide information so that a response can be sent to the state.

Mr. Lindholm reviewed some testing history of the spring gallery well. Tests conducted in 1995 and 1998 showed high radionuclide levels. Mr. Lindholm suggested pulling another sample this spring to see if it is feasible to begin using the gallery well in the future. Mr. Lindholm also noted that eight wells feed the main tank, and two consistently meet EPA standards but aren't productive enough to meet demand. The Board wants to be able to use wells 121-5 and 123-5 because they have never had uranium problem. The District will use SA-3 for three weeks, sample the water and switch to SA-1 for three weeks. One option is to propose to the state that none of the wells be permanently shut off.

Guests

Mr. Monaghan came to report that the Russell's Way Development is filing plans with the county on Friday. He thanked the Board for its cooperation and said the service agreement will be sent to Attorney Lindholm for review this week.

John McMichael with Conifer Water LLC attended the meeting to discuss the water pipeline project. Mr. Lindholm has written a response to the proposed Conifer Water contract, and the Board agreed with his concerns. Concerns included the permissible levels of ammonia in the wastewater; infiltration and whether there is capacity for effluent above 95 percent; escrowing the deposit with a firm timeline for project implementation; per acre-foot costs; and the per-gallon price.

Mr. McMichael said he plans to file individual water augmentation cases because some are more difficult than others. He noted that any deposit money would be escrowed and fully refunded if something went wrong with the project. He also stated he is willing to make the contract more flexible so the District doesn't have to buy the entire additional 25 acre-feet but could buy a smaller amount above the initial 50 acre-feet if needed. Mr. McMichael said he is willing to change the contract to fix the per gallon price for 10 years as was promised in earlier discussions.

Another issue is the District believes that for some specified period of time the District should not have to pay for repairs. Mr. McMichael agreed.

Mr. Lindholm also raised the issue of a 100-year contract since the District needs a perpetual water supply. Mr. McMichael said the contract could include an automatic renewal clause.

Mr. McMichael and his attorney will meet with Mr. Lindholm to discuss these and other concerns in the proposed contract.

Old Business

Resident Shawn Eichelberger attended the meeting to express interest in the Board vacancy. The Board noted that another resident has also written a letter of interest, and the Board will vote on a new Director after meeting the other candidate.

The Board discussed the adjustments to the personnel manual as presented by Mr. Pfohl. Mrs. Saltzman will revise the manual per Board discussion, and the Board will vote on the final policy manual at its June 3 meeting.

Mr. Pfohl is making final changes to the utility plan based on Board input. Mr. Lindholm will also review the plan.

New Business

Mrs. Saltzman raised the need for the District to develop a disaster recovery plan that includes backing up financial information, billing, legal records, maps, etc. The plan should also include contingencies for such disasters as fire, earthquake, long-term power outages, etc.

The District will look into the fuel tax exemption.

The District received a letter from the Western Colorado Congress asking for support of an issue regarding oil and gas. The Board didn't feel that it had sufficient information to take any action.

Mr. Pfohl made a motion to adjourn, and Mr. Morey seconded. The meeting was adjourned at 9:30 p.m.