

# RECORD OF PROCEEDINGS

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MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
THE CRESTVIEW WATER AND SANITATION DISTRICT  
ADAMS COUNTY, COLORADO  
JANUARY 25, 2023

The regular 5:30 PM meeting of the Board of Directors of the Crestview Water and Sanitation District was held January 25, 2023, in-person and on Zoom. The meeting was presided over by Board President, Mike Doak. Board Secretary, Danny Sweeney was present to record the minutes.

**Members present:**

Mike Doak	President
Danny Sweeney	Secretary/Treasurer
Tom Ryszkowski	Director
Victor Sanchez	Director

**Also, present:**

Allison Ulmer (by Zoom)	Attorney
Kathy Laurienti	Metro Board Representative
Mitch Terry	District Manager

**Members absent:**

Jill Martin (not notified)	Vice-President
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**THE PLEDGE OF ALLEGIANCE WAS RECITED**

**PUBLIC COMMENTS-**

No one from the public joined the meeting.

**MINUTES FOR APPROVAL, JANUARY 11, 2023**

Director Doak asked if there were any corrections, deletions or additions to the Minutes for the January 11, 2023, meeting of the Board.

There being no corrections, deletions or additions, the Minutes for the January 11, 2023, meeting of the Board were accepted as presented.

**METRO WATER RECOVERY REPORT** – Kathy Laurienti

- Starting this month, Metro must begin testing for PFAS (a forever chemical) in the wastewater using the EPA 1633 method and sampling 12 times per year.

*Director Doak asked what happens if the samples exceed the limits?*

*Ms. Laurienti stated that Metro will need to face a special council to discuss how to proceed. Metro CEO Mickey Conway and Metro's legal counsel Emily Jackson are involved on a national level to help create laws addressing PFAS.*

- Litigation- A slip lawsuit by a delivery person. Metro filed a motion to dismiss the suit and was denied. The case will go to trial.

**DISTRICT MANAGER'S REPORT**

**2023 ELECTION-**

The date for the Colorado Special District regular election is May 2, 2023. Crestview will have two directors whose terms will expire in May of 2023. The two Directors up for re-election are Jill Martin and Danny Sweeney. Both seats will be four-year terms in the 2023 election. Self-nomination forms will be available January 3rd at the District office.

Once elected to the Board, per state statute, each Director will be paid \$100 for each meeting they attend not to exceed \$1,600 total per year per director.

The Board meets sixteen times per year with two meetings in January, August, September and October.

Crestview voters have voted to eliminate term limits for directors, so both directors are eligible for re-election.

One of the first responsibilities of the D.E.O. is to publish notice of election and call for nominations. Although this information has been provided to all of our customers in the transparency notice, it also must be published between January 20, 2023, and February 15, 2023 in a local newspaper. The Call for Nominations notice will be published in the Westminster Window in the February 2nd edition.

Self-nomination applications must be returned no later than 4:00 PM, Friday, February 24th. Mail-in ballot applications will be accepted at any time through April 25, 2023 or cancellation of the election. A mail-in ballot will be provided to any applicant that is an eligible elector who cannot or chooses not to vote at the polling place on Election Day.

To date, we have had two self-nomination applications provided for this election.

#### WATER BREAK US 36 & ZUNI STREET-

As we have discussed in the last Board meeting, Crestview had a large water main break on a 10" water main in Zuni Street at the south sound wall of US 36 on November 16, 2022

On December 1<sup>st</sup>, Crestview's maintenance crew replaced a 45" section of 10" pipe to make the repairs. A 14" X 12" hole blew out of the east side of the water main. The 10" pipe has been returned to service.

We met with Global Underground on December 16 to discuss boring a new 24" casing pipe under US 36 and having a new 12" pvc water main installed inside the casing pipe. Global Underground would perform the bore and install the water main inside the casing. Crestview's pipeline crew will perform the tie-ins at each end of the bore and will replace approximately 100 to 200 linear feet of water main to both the south and north of the new bore to eliminate old pipe from valve to valve in Zuni Street.

Crestview's staff met with BTrenchless on Friday, January 20<sup>th</sup> to discuss the project with them and get a quote. I hope to have a preliminary quote before the January 25<sup>th</sup> meeting of the Board.

Denver Water was contacted to gain authorization for an emergency repair. Denver Water authorized the emergency replacement of both the 10" and 14" existing water mains under US-36.

Global Underground and BTrenchless have provided bids for the work:

Global Underground provided a bid of	\$649,750.00
BTrenchless provided a bid of	\$420,261.00

*Directors Doak suggested that we require a Performance Bond*

*Director Sanchez found that Global Underground states that they will provide a Performance Bond*

Director Sanchez made a motion to adopt the following resolution:

**RES # 3 - 23** – **BE IT RESOLVED THAT** the Board of Directors, Crestview Water and Sanitation District requested bids to have a new 24-inch steel casing pipe including a 12-inch fusible PVC water main bored under US-36 in Zuni Street as a design build project, and

**WHEREAS** Crestview received two bona-fide bids for the project and after careful consideration has chosen to hire BTrenchless Construction to perform the work per their proposal dated January 25, 2023 in the amount of \$420,261.00, and

**NOW THEREFORE** the Board of Directors authorizes District Manager, Mitchell T Terry, to negotiate and execute a contract with BTrenchless Construction to auger bore 380 linear feet of 24-inch steel casing pipe and install Crestview supplied 12-inch fusible pvc water main in the casing pipe located at 7500 Zuni Street traveling north under US-36 approximately 380 linear feet for a quoted price of \$420,261.00 to be constructed beginning March 13, 2023.

Director Ryszkowski seconded the motion.

AYES: Directors Doak, Sweeney, Ryszkowski and Sanchez

NAYS: None.

The resolution was unanimously adopted.

INVESTMENT BOND MATURITY-

On January 17<sup>th</sup>, I met with Chris Bateman of Time Value Investments to reinvest the \$1 million for the bond that is maturing on January 19<sup>th</sup> and to purchase \$8 million in additional bonds. The Board wanted \$4 million invested in 5-year bonds and four 1-year bonds at \$1 million each. The bond market is very volatile these days making the percentages for 5-year bonds lower than anticipated.

The long-term bonds that were purchased on January 19<sup>th</sup> were:

- One 4-year 10-month non-callable bond for at \$2 million with a return rate of 3.535
- One 4-year 5-month non-callable bond for \$2 million with a return rate of 3.56
- One 4-year 3-month callable bond for \$1 million with a return rate of 4.04

As for the short-term bonds, I asked Chris about selling any of our lower interest returning bonds if we needed to liquidate any funds and how it would affect the sale of the bond before maturity. Basically, with the bond rates as high as they are currently, selling a lower rate bond to liquidate funds would be a double penalty. With the lower rate bonds that we have, there is no desire for anyone to purchase them which will cause us to lose our earnings and have to sell the bond at a discount. With that said, I purchased some bonds that were less than one year in length to allow for possible liquidation if needed. My thoughts about liquidating are due to the cost of the bore that we are looking to have installed under US36 at Zuni.

The short-term bonds that were purchased on January 19<sup>th</sup> were:

- One 6-month non-callable bond at 4.65%
- One 9-month non-callable bond at 4.70%
- One 11-month non-callable bond at 4.57%
- One 16-month non-callable bond at 4.43%

The combined interest earnings from these bonds at maturity will provide the District \$927,852.

2023 WATER MAIN REPLACEMENT PROJECT-

The 2023 Water Main Replacement Project will consist of Alan Drive from 68<sup>th</sup> avenue north to 72<sup>nd</sup> avenue, Raritan Street from Jordan Drive north to 72<sup>nd</sup> avenue and Quivas Street from Raritan Street north to 72<sup>nd</sup> avenue. The pipeline crew has been trying to install the new water mains however, the ice buildup on the street along with the spoils dirt freezing to the street is making their progress slow and inefficient. The crew is hoping the weather will warm up soon to melt the ice and raise the temperature of the street surface to help with the construction.

ADAMS COUNTY 70<sup>TH</sup> AVENUE, BROADWAY TO PECOS RECONSTRUCT PROJECT-

Adams County hosted a progress meeting on November 30<sup>th</sup> to discuss the project. Their design is currently at the 30% phase. Crestview staff is planning on designing the replacement of the water main sections within 70<sup>th</sup> avenue that will need to be replaced prior to the start of the Adams County project once their plans have reached the 60% phase. There are two 8" water mains that will be impacted by this project. One water main runs in 70<sup>th</sup> avenue from Pecos Street east to Lipan Street and the other segment runs from Huron Street east to Kidder Drive of which both will need to be replaced prior to the commencement of construction of the project. Clarice O'Hanlon will be designing the replacement and our pipeline replacement crew will be performing the replacements.

The Adams County project is to start construction in June of 2024.

#### CLEAR CREEK VILLAGE-

The developer, Crestview staff and representatives of Denver Water met on January 27, 2022 to discuss the horizontal location of the proposed twelve-inch water main and new master meter to be constructed in Lowell Blvd. from 58<sup>th</sup> avenue north to 62<sup>nd</sup> avenue. This project is moving forward and may create the need for the Board to adopt a resolution in the future to allow for specific reimbursements to the developer as other developments are built in the west pressure zone. State statute dictates that reimbursement agreements or resolutions can be set for a maximum of 15 years however, past reimbursement resolutions from Crestview's Board have been ten years with the possibility of an additional 5 years afterward if the Board allows it. The west pressure zone is bordered by Tennyson Street on the west, the railroad tracks traveling southeast from Lowell Blvd. to 64<sup>th</sup> avenue and the south boundary of the District.

#### 2022 ANNUAL FINANCIAL AUDIT-

Charlie Poysti of Poysti and Associates was in the office on Monday, January 23, 2023, to perform the 2022 annual financial audit. He will provide his findings in a few weeks.

#### BERKLEY SHORES 13D FIRE SUPPRESSION SYSTEM ISSUES-

On December 29<sup>th</sup>, I was informed by Denver Water's Backflow and Cross Connection staff that there are 71 homes in the Berkley Shores development that have an NFPA (National Fire Protection Association) 13D fire suppression system installed in them that currently do not meet CDPHE standards for fire suppression system backflow protection.

Denver Water has two different standard drawings for 13D systems that can be installed that do not require backflow preventers. The developer hired AAA Fire Protection to create a design that meets NFPA 13D standards. AAA Fire Protection created a 13D passive Purge system that meets NFPA but not Denver Water standards.

Passive Purge is a system that starts at the domestic water supply line in the home and runs through the home ending at the fill line for a toilet. The main line for the fire line will then have tees with supply lines in various locations that allow for a sprinkler head to be installed at the end of each line. This design creates multiple dead-ends. Passive Purge allows for the main line to have fresh water at all times but the dead-ends to the heads end up holding water within them allowing the water to stagnate. Denver Water's two approved 13D standards do not allow dead ends.

During construction of the homes, the design plans showed that double check valves were to be installed on the fire lines in each home. The NFPA design doesn't account for water quality only water supply and does not require backflow prevention. No one is saying how or why the double check valves were not installed per the plans.

On January 10<sup>th</sup>, Crestview Water, Denver Water, Adams County Fire and Rescue, Adams County Building, AAA Fire Protection and the developer met to discuss the situation. During the meeting, it was decided that the developer, Paul Malone, would investigate the issue and provide everyone his findings soon. I instructed Mr. Malone that Denver Water has started the notification time clock to inform the homeowners of the violation and that he only has 75 days to bring the homes into compliance or they will have their water shut off for non-compliance.

On January 20<sup>th</sup>, I received an email from Mr. Malone stating that he was going to "be sending emails out to homeowners over the next few days. We have had no luck getting plumbers to respond to this work request and I am not sure AAA has the capacity to assist either. Our messaging is going to be essentially Denver Water and Crestview Water have notified us backflow prevention devices are required to be installed on all homes with a fire sprinkler system. For ease of coordination and install we are hoping to be able to provide a reference to a plumber the homeowners can contact directly and we will be issuing a \$500.00 visa card towards the cost of the backflow install.

We quite simply don't have the resources at this time and in this market to coordinate and install these in all 72 units. We do understand the difficult situation this has put the homeowners in, and I don't believe anyone did anything willfully wrong here. We believe it is quite simply an oversight. We also believe this is the fairest and easiest solution to rectifying this.

As at this time, the homeowners have taken over full occupancy and maintenance of these homes and it sounds as if this ultimately is a homeowner's responsibility to ensure no disruption in services. We feel we are covering the cost of a plumber installing these with (t)he \$500 visa card.

Hopefully Denver Water and Crestview can also work with these homeowners in terms of timing and enforcement. I think we all know how difficult this market is in terms of labor and getting trades to respond and scheduled for any type of work."

I took exception to many items in his email. I was able to contact a plumbing company that could perform the installations and was eager to meet with Mr. Malone. I provide Mr. Malone's information to the plumber who did contact Mr. Malone.

With the assistance of Crestview's engineer, Clarice O'Hanlon, I provided an email to Mr. Malone in response to his email as shown below.

"Paul,

In reading your response, there seems to be a veering from what was discussed at our meeting, or at least some misunderstanding. At the end of our meeting last week, it was our understanding that you were going to research to figure out what happened during construction that led to the omission of the backflow preventors that were shown on both the waterline and fire system plans. You do not indicate in your response what the result of your research was, but we will assume by your response that you confirmed that the omission was an oversight by your contractors.

As far as your proposed solution to place all coordination on Crestview, Denver Water and the homeowners and issue Visa cards, we strongly disagree with this approach. Quite simply, Crestview does not have the resources to coordinate with your 72 homeowners and each of their plumbers. We agree that this was not a willful omission. However, the installation was to be performed while there was one contact (you / contractor) to confirm they were installed. Crestview, Denver Water and the homeowners have no more control over plumber schedules than you, and I would venture that as you are in the construction business, have more access to plumbers than we do. It could also be that the work should be performed under one of the contracts you had with your contractors. Finally, your purchase contract with the homeowners may be closed out (although, I would assume you have a warranty that covers issues for a few years), but I would remind you that you still have not received final acceptance from Crestview for the water system and sanitary sewer system. Your warranty period with Crestview is 2 years and that started in August 2022. During the warranty period, you are still responsible for any necessary repairs.

Brad brought up some interesting thoughts in his response to you this morning. Along with Brad, we will want to preview any messaging that you will be sending to the homeowners. We look forward to your plan for addressing Brad's concerns and ours.

In a conversation I had a short time ago with Greg from Good Plumbing, he estimated that \$1,200 would be a more realistic amount to have the double check valves installed. By providing only \$500 to each customer, you would be placing the new homeowners under a considerable burden to have these devices installed. Greg will be giving you a call soon to talk about providing you with his services for all of the addresses needing the backflow devices.

I respectfully ask that you provide detailed information to the homeowners of the situation in front of them and why it exists and how it needs to be remedied. Please do not place Crestview or Denver Water at fault for these required repairs to their homes in your correspondences with the homeowners."

Mr. Malone contacted me by phone on January 20<sup>th</sup> to say that he had no intention of placing blame on Crestview or Denver Water and that he had heard from Good Plumbing already. I have not received any non-verbal official responses from Denver Water, AAA Fire Protection or Mr. Malone.

More to come...

*The Board suggested that information regarding the Berkley Shores 13D fire suppression system changes be posted on the District's website.*

**END OF YEAR REPORTS-**

On the second Board meeting in January, I provide various end of year reports to the Board.  
Enclosed, you will find:

2022 Water Purchases and Sales  
2022 Sewer Sales  
2022 Distribution System Repair Summary  
2022 Water Break Timeline report  
Water Breaks per Year History  
Acre Feet Sold per Year

**ATTORNEY'S REPORT, ALLISON ULMER -**

Ms. Ulmer indicated that she had been working with Mr. Terry about a property conveyance from Crestview to Mr. Terry and asked Mr. Terry to provide the Board with information as to the location and reason for the conveyance.

*Mr. Terry reminded the Board of the discussion during the January 11<sup>th</sup> meeting of the board with Molly Kostelecki and Dawn Ambrosio from Metro Water Recovery about the qualifications to be a Crestview representative on Metro's Board of Directors and why some District Managers cannot be the representative. Ms. Kostelecki indicated that, per statute, to qualify to be a director, the representative must either live in the District or own property in the District they will represent on Metro's Board.*

*Mr. Terry stated that several years ago, Adams County provided Crestview with a list of properties it owns to assess storm water fees to. One of the properties Crestview owns is located in the alley east of Federal Blvd and just south of 80<sup>th</sup> avenue. The property is 15' X 88' and is of no use to the District. Maybe he should just purchase that property from the District and then he would qualify to represent Crestview on Metro's Board.*

*Mr. Terry was advised by Ms. Ulmer to contact a real estate agent to get an approximate value. The agent I spoke with was not a commercial property agent and suggested that I contact a land appraiser.*

*I contacted an appraiser and was told that their minimum fee is \$1,997.*

*The Adams County Assessor shows the assessed value as \$34.00. This amount is not representative of the true value of a property.*

*Mr. Terry brought up Google Maps to show the Board the property and its location. Mr. Terry stated that he has no clue as to why Crestview owns this property. The sewer main is south of the property and the water main is east of the property. There would be no reason for water or sewer to be associated with the property.*

*Mr. Terry also showed the Board another property on 66<sup>th</sup> Place & Federal that is similar in size however, it has a sewer main running through the property which includes a Crestview easement.*

*Mr. Terry requested that the Board sell the 80<sup>th</sup> & Alley property to him so that he would qualify to be on Metro's Board of Directors.*

*Director Doak asked what the price per square foot is compared to the property at 64<sup>th</sup> & Beach that the District was interested in purchasing to build a new central facility.*

*Director Doak asked how many square feet the property is.*

*Mr. Terry stated that the property is 15' X 88' equaling 1,320 square feet.*

*Mr. Terry provided the Board with comparisons of other commercial properties that have sold in the past year to year and a half. Based on those comparisons per square foot, it would make this subject property valued at approximately \$9,820.*

*This property is zoned as C-5. C-5 zoning requires a 15' setback for any structure from the property line and since the property is only 15' wide, the property is of no commercial value unless it is combined with an adjacent C-5 zoned property.*

*The four properties in the comparison are:*

<u>Address</u>	<u>lot size</u>	<u>sale price</u>	<u>avg. \$/acre</u>	<u>zoning</u>	<u>Crestview equivalent</u>
3095 Ellis Lane	.86 acre	\$291,200	\$338,605	C-5	\$9,820
7125 Mariposa St.	1.43 acres	\$2,000,000	\$1,393,728	R-1-C	\$40,418
3214 W 64 <sup>th</sup> ave.	2.38	\$1,600,000	\$672,269	R-2	\$19,496
2805 W 64 <sup>th</sup> ave.	2.45	\$916,605	\$373,364	P-U-D	\$10,828

*Director Doak stated that we're not comparing apples to apples on these properties.*

*Director Doak asked Ms. Ulmer what her concerns are about this action.*

*Ms. Ulmer stated her concerns related to conflict of interest, none. Her office evaluated if there was a need for a competitive bid process, not needed, and the only thing the Board needs to do is adopt a resolution determining that this is surplus property that the District has no use for, and authorize the sale of the property at fair market value, which the Board determines to be based on its size and "uselessness" of the property using any methodology to determine fair market value would be defensible. This is not a high value property therefore there is not a lot of risk in undervaluing the property.*

*Director Doak asked if the Board could put a stipulation in the resolution that at Mr. Terry's separation of employment from the District he would have to give the property back and that the only reason for selling the property to Mr. Terry is to certify that Mr. Terry as a property owner in the District which will qualify him to represent Crestview on the Metro Water Recovery Board of Directors.*

*Ms. Ulmer indicated that yes, the Board could stipulate that.*

*Director Doak asked Ms. Ulmer if the Board needed to go into executive session to determine the price.*

*Ms. Ulmer noted that the price could be determined in open session and suggested that we bring back a resolution to the February 8<sup>th</sup> meeting stating the Board determined price.*

*Director Doak asked how much paperwork would be involved? Just a quit claim deed?*

*Ms. Ulmer stated that a resolution and a quit claim deed would suffice.*

*Director Sanchez stated that it makes sense to move forward with the sale.*

*Director Doak asked the Board what dollar amount should be assessed, \$50.00?*

*The Board agreed with the valuation of \$50.00 and a memo to also include the return of the property to Crestview at Mr. Terry's separation of employment and to have a resolution prepared for the February 8<sup>th</sup> meeting of the Board.*

*Director Ryszkowski asked if Mr. Terry would have to insure the property to protect himself.*

*The answer to that question is yes.*

*Mr. Terry stated that if the liability insurance is a guess of \$100 to \$150 per month that there would be no value to him to own the property and that he would check with his wife to see if she wants to proceed.*

*Director Doak stated that vacant property is usually only about \$200 per year.*

*Ms. Ulmer asked Mr. Terry if he knows of any uses of the property that could have led to environmental contamination like a dry cleaner or a gas station?*

*Director Ryszkowski stated that there was and is now a gas station adjacent to the property.*

*Ms. Umer stated that she would check to see if the District could indemnify Mr. Terry for any liability that arises under Mr. Terry's ownership since his ownership of the property would benefit the District.*

*Ms. Ulmer needed to drop from the meeting and exited Zoom at 6:30 PM.*

No Public information

No New business

There being no further business, the meeting was adjourned at 6:32 PM.

Respectfully submitted,

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Danny Sweeney, Secretary/Treasurer