

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
THE CRESTVIEW WATER AND SANITATION DISTRICT
ADAMS COUNTY, COLORADO
JANUARY 11, 2023

The regular 5:30 PM meeting of the Board of Directors of the Crestview Water and Sanitation District was held January 11, 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
Jill Martin	Vice-President
Danny Sweeney	Secretary/Treasurer
Tom Ryszkowski	Director
Victor Sanchez	Director

Also, present:

Allison Ulmer	Attorney
Mitch Terry	District Manager

Members absent:

Kathy Laurienti	Metro Board Representative
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THE PLEDGE OF ALLEGIANCE WAS RECITED

PUBLIC COMMENTS-

No one from the public joined the meeting.

METRO WATER RECOVERY PRESENTATION BY MOLLY KOSTELECKI AND DAWN AMBROSIO-

Ms. Kostecki provided a PowerPoint presentation detailing how Metro budgets, samples and creates rates for Crestview. Crestview's Board has concerns about the unstable rates for treatment each year.

Director Doak asked Ms. Kostecki why the treatment charges are not consistent year in and year out.

Mr. Terry asked why Metro doesn't use Crestview's three-year or even 5-year average to charge Crestview.

Ms. Kostecki heard the concerns and explained that the calculations are based on a "piece of the pie" theory that if one connector dips in discharges in one year, the other connectors will need to make up the difference in the next year since Metro requires the full budgeted revenues for their annual needs.

Ms. Kostecki stated that COVID-19 had an impact on Metro that ultimately affects the connectors.

- *Annual charges are calculated every year with Metro now working on 2024 and 2025.*
- *Annual charges are based on 4 factors: Flow, Bio oxygenated Demand (BOD), Suspended Solids (SS) and Total kjeldahl nitrogen (TKN)*
- *These four factors have different costs associated with them which may vary from year to year.*
- *60% of the budget is labor*
- *40% of the budget is for capital improvement and treatment costs*
- *Metro asks the connectors for their estimated flows and loadings for the upcoming year annually.*
- *For 2023, the total revenues needed are \$145,057,122. Once Metro determines the estimated revenue requirements to provide all of its services for the upcoming year, the costs are divided by the percentages of the four categories of flows and loadings. Those cost percentages are then applied to each connector's estimated flows and loadings thus creating each individual connectors treatment charges for the upcoming year.*

- As previously mentioned, the “piece of the pie” theory comes into play two years later based on the difference of what the connector predicted and the actual sample totals. If a connector, say the City of Denver, were to overestimate their flows and loadings and had lower than estimated totals, the other connectors will need to make up for the difference since Denver would be paying less.
- Crestview has one connection at 64th & Pecos (Class B) that has 5-7 sample periods of seven days per year. These samples dictate the average amount that Crestview’s system contributes per year. Per Metro’s Rules & Regulations, they cannot provide the specific dates of sampling prior to sampling.

Mr. Terry mentioned the close proximity of one of its customers that collects porta-let waste, pre-treats it then releases it into Crestview’s sewer collection system. There are many issues with the discharge from this facility such as pretreatment discharge violations of various heavy metals. This facility is less than 1,100 feet from Metro’s sampling station. Mr. Terry stated that with the close proximity of this facility to Metro’s sampling station, the heavy load discharges from the facility may be causing abnormally high sample readings that could affect Crestview’s treatment costs. He asked if Crestview’s sampling station could be reclassified to a Class A to help smooth out the possible high samples.

Ms. Kostelecki indicated that the sample dates are random. If a sample is found to be compromised, Metro will throw those numbers out and resample.

Ms. Kostelecki then explained how the Certified Estimates from two years ago and the Revised Estimates from the previous year impact the charges for the upcoming year. If your estimates are close, the charges should be similar unless another connector estimates their flows and loadings then has something change in their system to increase or decrease their actual flows and loadings at which point would impact the cost allocation to all connectors.

Director Doak added that Denver could have had a 20% increase due to COVID-19 which would put less burden on Crestview based on the revenue requirements. If Denver were to decrease by 20% it would put a higher burden on Crestview and the other connectors to make up the difference and that was the piece of the puzzle that Crestview’s Board and Mr. Terry were missing.

Ms. Kostelecki agreed with Mr. Doak’s analogy.

Mr. Terry then asked if Metro’s main line from the sampling station is assessed for capacity and how often. Crestview may get upwards of 1,000 to 2,000 new connections in the next couple years that could possibly cause overflows if Metro’s main isn’t large enough to accept our flows.

Ms. Kostelecki stated that Metro performs a 5-year master plan every year to assess mains and metering stations.

Ms. Ambrosio said that she would connect Mr. Terry with Kelsey Gedge, Metro’s Senior Transmission Systems Engineering Manager to help with that concern.

Mr. Terry asked why the connector’s District Managers aren’t allowed to be their district’s representative.

Ms. Kostelecki indicated that state statute dictates who can serve on Metro’s Board. The connector’s representative needs to either live in the connector’s district or own property in the connector’s district. If their District Manager doesn’t live or own property in the district, they don’t qualify to be a representative of their district.

Director Doak asked if anyone else had any questions.

With no additional questions put forth, the Board thanked Ms. Kostelecki and Ms. Ambrosio for their presentation and time.

METRO WATER RECOVERY REPORT –

No report was provided.

MINUTES FOR APPROVAL, December 14, 2022

Director Doak asked if there were any corrections, deletions or additions to the Minutes for the December 14, 2022, meeting of the Board.

There being no corrections, deletions or additions, the Minutes for the December 14, 2022, meeting of the Board were accepted as presented.

DISTRICT MANAGER'S REPORT

BIRTHDAYS-

Happy January birthdays to Pipeline Superintendent, Larry Hopper and Office Manager, Lori Lucero.

MOLLY KOSTELECKI FROM METRO WATER RECOVERY-

Molly Kostecki will be attending the January 11th meeting of the Board to discuss how Metro creates the annual charges for treatment of Crestview's sewer.

MITCH TERRY 40-YEAR ANNIVERSARY-

Mitch Terry started his career with Crestview as an entry-level maintenance worker on January 8, 1983. Mitch was promoted to Maintenance Foreman in May of 1988, Maintenance Superintendent in October of 2001 then appointed to serve as District Manager in 2012. Congratulations!

The Board thanked Mr. Terry for his dedication and service to the District.

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.

Director Martin notified the Board that she will not be seeking re-election.

The Board thanked Director Martin for her time and work as a member of the Board of Directors.

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.

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 1st, 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.

Global Underground is working on a quote and will provide it to me soon.

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.

INVESTMENT BOND MATURITY-

Crestview has a bond maturing on January 19th. On January 5th, I spoke with Chris Bateman of Time Value Investments, the firm that Crestview uses to purchase its bonds, about reinvesting the \$1 Million from the maturing bond. During our conversation, Chris stated that current interest rates for 3-month, 6-month, 9-month and 1-year bonds are averaging 4.5%. With the bore and water main replacement in Zuni street looming, I'm guessing the cost will be somewhere around \$750,000. Would the Board be interested in investing an additional \$4 million in 3-month bonds to help recover the costs of the bore?

If Crestview purchased four 3-month bonds at \$1 million each, Crestview could earn approximately \$180,000 from those bonds. If the rates are still around 4.5% after the bonds mature, we could reinvest them again. If the rates go down, we could revisit the new rates or just keep the \$4 million and take the earnings and be happy. If the bond rates stay around 4.5% for one year, we could nearly pay off the bore and new water main in a year's time.

After a lengthy discussion about the District's \$11 million dollars making very little money in the bank, the Board chose to invest in additional investment bonds.

Director Sanchez made a motion to adopt the following resolution:

RES. # 1 - 23 WHEREAS the Board of Directors of the Crestview Water and Sanitation District has determined that it is desirable for the District to seek maximum possible investment income on its accumulated funds, and

WHEREAS, the Board has determined that an investment through Time Value Investments, Inc., of Seattle, Washington (TVI) in bonds approved in the Colorado Revised Statutes is a permissible and appropriate investment for a Colorado Special District; and

WHEREAS, the Board has determined that such investments may provide additional investment income beyond what is being obtained through current investments,

NOW, THEREFORE, BE IT RESOLVED THAT the District make investments totaling \$8,000,000 (Eight Million Dollars) in approved bonds, with \$4,000,000 in 5-year bond/s and an additional \$4,000,000 in short term bonds through TVI as described.

Director Sanchez seconded the motion.

AYES: Directors Doak, Martin, Sweeney, Ryszkowski and Sanchez

NAYS: None.

The resolution was unanimously adopted

2023 WATER MAIN REPLACEMENT PROJECT-

The 2023 Water Main Replacement Project will consist of Alan Drive from 68th avenue north to 72nd avenue, Raritan Street from Jordan Drive north to 72nd avenue and Quivas Street from Raritan Street north to 72nd avenue. The pipeline crew is waiting on Adams County to complete their review of the 2023 water main replacement project at after which, they will commence installing the new water mains.

The water main in Worley Drive was replaced in 1983 but the fire hydrants and laterals were not replaced as part of the project. To continue working between projects, the pipeline crew has been replacing the old fire hydrants and laterals on Worley Drive.

ADAMS COUNTY 70TH AVENUE, BROADWAY TO PECOS RECONSTRUCT PROJECT-

Adams County hosted a progress meeting on November 30th 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 70th 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 70th 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 58th avenue north to 62nd 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 64th avenue and the south boundary of the District.

Denver Water December purchase
34,286,000 gallons
Average since 2006 is 34,960,000 gallons

BERKLEY SHORES 13D FIRE SYSTEM BACKFLOW-

On December 10th, I received a call from Eric Cancanon from Denver Water informing me that the homes in the Berkley Shores subdivision that have the NFPA (National Fire Protection Association) 13D fire suppression systems installed are all out of compliance with CDPHE regulations for backflow protection. The 13D systems installed were not to Denver Water specifications and therefore need double check valves installed. There are 78 homes with these systems. Per the construction plans, each of these homes are shown to have the required double check valves. These double check valves were not installed and because of this non-installation, they are out of compliance.

Crestview hosted a meeting on January 10th, with Denver Water, Adams County Fire and Rescue, Adams County building, AAA Fire Protection and Highland Development Company (the developer) to discuss the situation. After a lengthy discussion of why the backflow devices weren't installed, the developer indicated that he would investigate the omission during construction and notify each homeowner of the need for a double check valve to be installed in their homes.

Another discussion came about regarding who is responsible to inspect the homes for the type of 13D system installed and if needed, was a double check valve installed. Crestview has no requirement to inspect inside of buildings. For the fire system inspections, it is supposed to be either Adams County Fire & Rescue or Adams County Building. We are now going to have our inspectors enter each home prior to setting the meter and if there isn't a backflow preventer, the meter won't be set and the developer will be notified.

More to come on this one.

ATTORNEY'S REPORT, ALLISON ULMER -

Ms. Ulmer stated that she has nothing to report.

BILLS -

Director Doak made a motion to adopt the following resolution:

RES # 2 - 23 – BE IT RESOLVED THAT Bills be paid.
Director Ryszkowski seconded the motion.

AYES: Directors Doak, Martin, Sweeney, Ryszkowski and Sanchez
NAYS: None.
The resolution was unanimously adopted

OFFICE DATA -

The December Office Data was accepted as presented

FINANCIAL REPORT -

The December Financial Report was accepted as presented

There being no further business, the meeting was adjourned at 7:31 PM.

Respectfully submitted,

Danny Sweeney, Secretary/Treasurer