

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
THE CRESTVIEW WATER AND SANITATION DISTRICT
ADAMS COUNTY, COLORADO
August 23, 2017

The regular 7:00 P.M. meeting of the Board of Directors of the Crestview Water and Sanitation District was held August 23, 2017 at the office of the District, 7145 Mariposa Street, Adams County, Colorado. The meeting was presided over by 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
Henry Dietz	Director
Lori Sakowicz	Director

Also Present:

Ron Forman	Attorney
Mitch Terry	District Manager

The Pledge of Allegiance was recited.

PUBLIC COMMENTS

No one from the public was in attendance. There were no comments made.

MINUTES FOR APPROVAL, August 9, 2017

Director Doak asked if there were any corrections, deletions, or additions to the Minutes for the August 9, 2017 meeting of the Board.

There being no corrections, deletions, or additions, the Minutes for the August 9, 2017 meeting of the Board were accepted as presented.

PHONE PRESENTATION BY CHRIS BATEMAN OF TIME VALUE INVESTMENTS-Chris Bateman of Time Value Investments (TVI) provided a power point presentation by phone to the Board detailing who Time Value Investments is and his credentials. Mr. Bateman explained what the statutory limitations are for Colorado special districts regarding investing of public funds. Mr. Bateman then went on to explain how U. S. Government bonds can work for special districts in Colorado with regard to investing public funds. Bonds are very simply put, loans to the Federal government for a specific amount of time. The bonds provide a set percentage of yield over the specified time of the bond through its maturity. Highlights of financial reports from North Washington Street Water and Sanitation District and Woodmoor Water and Sanitation District's 2015 audits were provided to demonstrate how each district discloses its investment fund amounts and types of investments to show Crestview's Board that U. S. Agencies are accepted vessels for investing public funds. Crestview's 2016 Audited cash and investment amounts were also presented for comparison regarding where Crestview invests compared to the previously mentioned districts. A spread sheet was provided to show how four different bonds will perform based on a time laddering method. Mr. Bateman described how Crestview should purchase the bonds through a "safekeeping" bank. This method is called DVP, Delivery-versus-payment as recommended by the GFOA (Government Finance Officers Association).

Mr. Terry asked how TVI purchases the bonds to provide to Crestview before Crestview provides it any funds.

Mr. Bateman stated that TVI has a line-of-credit with large banks and insurance companies that allow them to purchase prior to receiving monies from their clients.

Mr. Terry asked about the different type of government bonds that TVI is presenting and asked for a description of which government agencies have U. S. Government treasury backing.

Mr. Bateman talked about RFC (Resolution Funding Corporation) bonds, FNMA (Federal National Mortgage Association), FFCB (Federal Farm Credit Bureau) and how they manage risk with Government backing.

Director Sakowicz asked if there were any fees associated with the purchase of the proposed bonds.

Mr. Bateman detailed how brokers make their money. The broker will purchase the bond at cost at 1.55% for example then deliver the bond to the district at 1.6% thus earning .05% of the invested funds. There are no additional fees charged to the district.

Mr. Terry requested that Mr. Bateman go over the references that TVI provided to allow Crestview to discuss their experiences investing through TVI.

Mr. Bateman stated that TVI has provided bonds for the Town of Eaton, Colorado, the Town of Frisco, Colorado and the City of Castle Pines, Colorado.

Mr. Terry has contacted each of the references and received positive responses from each municipality.

Mr. Bateman then ended the call at 7:30 P.M.

The Board then discussed the amounts of funds to invest, how secure the bonds are and how the bonds can be called by the bond issuer.

Director Doak asked if the other members of the Board feel it is worth the risk.

Mr. Forman indicated that he is impressed with the situation and that it is an infinitesimal risk for a considerable gain and that he is impressed with TVI as a company.

The Board chose to proceed with purchasing the bonds as Mr. Bateman presented but needed a resolution to be created before official approval for investing with TVI is granted.

DISTRICT MANAGER REPORT

2018 BUDGET PREPARATIONS-Charlie Poysti of Poysti and Adams is scheduled to be at the Crestview office on September 11th & 12th to begin preparations for the 2018 Budget. Once Mr. Poysti has compiled the requisite information, he will supply me with a Draft Budget around September 18th or 19th. Once I have reviewed the Draft, I will supply each Board member with a copy prior to the September 27th Budget Committee meeting. The 2018 Budget Committee meeting is scheduled for Wednesday, September 27, 2017. Dinner will be served at 6:00 PM with the Budget Committee meeting to begin at 7:30 P.M. The location of the meeting place has yet to be determined. The Old Spaghetti Factory is a possibility but they are not accepting large reservations yet. A Notice of Proposed Budget has been included in your packets. The notice will be in the Westminster Window the weeks of September 14th and 21st and also on our website.

As part of the Budget preparation process, I am now requesting of the Board to approve a three (3) percent across the board Cost of Living pay increase for 2018 based on results obtained from the Employers Council. The Employers Council, formerly the Mountain States Employers Council, annually requests members to participate in the Colorado Benchmark Compensation Survey. The survey compiles information gathered from businesses and governments in the Denver/Boulder, Northern Colorado, Southern Colorado, Western Slope and Resort Areas of the state of Colorado.

The information gathered is focused on salaries and projected pay increases around the state. The 2017 Colorado Benchmark Compensation Survey indicates that the Denver/Boulder area is anticipating a 3.2% increase in wages for 2018. Enclosed in your packet are excerpts of the results of the survey. Also enclosed in your packet is the proposed 3% Salary and Wages increase for 2018 resolution.

Director Martin made a motion to adopt the following resolution:

RES. 13 -17 WHEREAS, it is the desire of the Board of Directors to have the Employee Policy Manual provide employee compensation and benefits comparable to area municipalities and,

WHEREAS, the Board of Directors has determined that certain additional employee compensation is in the best interest of the District,

NOW, THEREFORE, BE IT RESOLVED THAT all District employees be given a 3.0 percent increase in compensation, effective January 1, 2018 and that Appendix A, Section 3, of the Employee Policy Manual be amended effective January 1, 2018 to reflect a 3.0 percent increase in employee compensation as follows:

2018 Proposed Hourly Pay Schedule			
	Grade		
Part time	1	14.13	16.81
CLERK	2	16.32	27.35
MAINTENANCE WITHOUT CDL	3	19.43	28.08
BILLING	4	20.22	28.92
MAINTENANCE WITH CDL	5	22.47	33.01
EQUIPMENT OPER/SR. MAINT. WORKER	6	24.00	35.60
LOCATOR/INSPECTOR	7	25.95	38.39
LEADMAN	8	27.09	39.86
SUPERINTENDENT	9	30.32	44.59
OFFICE MANAGER	10	23.69	36.05
ENGINEER	11		42.37 52.38
DISTRICT MANAGER	12		53.24 64.68

Director Doak seconded the motion.

AYES: Directors Doak, Martin, Sweeney, Dietz and Sakowicz

NAYES: None.

The resolution was adopted unanimously.

Mr. Terry spoke for the entire staff and thanked the Board for passing the resolution.

SPECIAL DISTRICT ASSOCIATION ANNUAL MEETING-During the Special District Association Annual Conference, the SDA holds its Annual Business meeting. The Annual meeting will be Thursday, September 14th from 1:45 – 3:00 pm in the Longs Peak Ballroom at the Keystone Conference Center. The Agenda indicates that the minutes from the 2016 Annual meeting will be approved, nomination and election of SDA Board of Directors will also be conducted, the SDA Treasurer’s Report will be read, and a report by SDA Executive Director, Ann Terry will be presented. Crestview Board President, Mike Doak would need to attend the meeting to cast Crestview’s vote for SDA directors. Director Doak can attend and vote at the meeting or provide a proxy vote if he is unable to attend the meeting. I will provide the proxy vote form at the August 23rd meeting for Director Doak to sign.

Director Doak signed the proxy and Mr. Terry will bring it to the conference. Director Doak intends to attend the meeting.

NORTHGATE WATER DISTRICT- The Pomponio Terrace subdivision is nearing completion of the installation of the 16 inch water main that attaches to Crestview's water distribution system allowing for water supply to the subdivision. Once the new water main is complete and tested, a connection to the northern portion of the Northgate Water District will be made resulting in the official transfer of service from Northgate Water to Crestview Water. This transfer of service is tentatively set to occur sometime between August 21st and September 1st. There are three services that won't be transferred at the same time as the northern portion. The three services are in an area that won't be finished for another month due to the complicated nature of removing the existing Northgate water main servicing them and installing the new Crestview main in its place. These three services are for Goodwill, Autozone and the gas station all located south of 70th avenue along Federal Blvd. Once the new main is installed, the final three services will be transferred, thus completing the total transfer of service from Northgate Water to Crestview Water. A bill of sale will need to be signed by both Boards from Northgate and Crestview and will be presented for signature at the first regularly scheduled meeting of the Board after the transfer of all water services have been made.

CRESTVIEW PIPELINE REPLACEMENT CREW- During the Crestview Board of Directors meeting on August 9, 2017, the Board requested that a study be performed to determine if it would be financially better for the District to self-perform its CIP water main replacements instead of contracting out the work. At the time of the creation of this report, the data has not been fully collected and compiled. I will provide the Board with a detailed report during the August 23rd meeting. The costs for personnel, equipment rental/purchase and supplies look favorable for Crestview staff to continue to proceed with its study. Crestview's water inspector, Larry Hopper, has indicated that he would be grateful for the opportunity to lead the crew and operations if the Board chooses to proceed with self-performing its water main replacement projects.

The Board discussed having the pipeline crew work 4-10s to allow for more efficient operations.

Director Doak asked what the pipeline crew will do when all of the projects for the year are completed.

Mr. Terry stated that the crew could replace rounded nuts on valves, replace outdated fire hydrants, cut in new main line valves and other assorted excavation types of small projects.

The Board also discussed an addition to the UMB 2 building at 64th & Pecos. The addition would be approximately 30' X 60'.

The Board decided that a resolution would not be needed to create the pipeline crew but a more detailed report from District employee, Larry Hopper at the next meeting would be appreciated.

The Board recommended that Crestview start purchasing the needed equipment in 2017 to allow for the pipeline crew to commence their work as soon as possible. Some of the needed equipment would be a skid steer loader with a sweeper attachment, a crew truck with utility box and assorted smaller pieces of equipment.

Enc.

Notice of Proposed Budget

Employers Council 2017 Colorado Benchmark Compensation Survey results, excerpts

2017/2018 Hourly Pay Schedule comparison chart

Historical graph of Crestview vs. Colorado cost of living increases since 2000

RES 3% Salary and Wages increase for 2018

PUBLIC INFORMATION-An ad will be posted twice in the Westminster Window in September detailing Crestview's Budget Public Hearing to be held on October 27th.

NEW BUSINESS-Pomponio Terrace paid for 74 water and sewer stub-ins on August 23rd totaling \$151,700.

There being no further new business to come before the Board, a motion was made and seconded to adjourn the meeting. Director Doak adjourned the meeting at 8:12 P.M.

Respectfully submitted,

Danny Sweeney, Secretary