

**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

**March 13, 2019 rescheduled to be combined with the  
April 10, 2019**

The regular 7:00 P.M. meeting of the Board of Directors of the Crestview Water and Sanitation District was held April 10, 2019 at the office of the District, 7145 Mariposa Street, Adams County, Colorado. The meeting was presided over by Board Vice President, Jill Martin. Board Secretary, Danny Sweeney was present to record the minutes.

Members Present:

Jill Martin	Vice-President
Danny Sweeney	Secretary/Treasurer
Tom Ryszkowski	Director
Everett Patterson	Director

Also Present:

Mitch Terry	District Manager
Ron Sanchez	Metro District Representative
Ron Forman	Attorney

Not Present:

Mike Doak	President
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**THE PLEDGE OF ALLEGIANCE WAS RECITED**

**PUBLIC COMMENTS**

No one from the public was present

**METRO REPORT, RON SANCHEZ**

- Adams County signed an agreement with Metro for Adams County to be a connector to Metro's sewer collection and treatment system but Metro will not assume any responsibility for the lagoon from around the "Dunes" golf course.
- Pre-treatment Compliance Regulations, there were 7 companies that were not in compliance. One company in Crestview's system met Metro's pre-treatment requirements in 100% compliance, C W Elaborations.
- Pension fund seems to be \$44 Million in the negative. Ron keeps asking questions about it and he's not being received well for raising questions about the retirement fund.
- Metro revised its Board Member Code of Conduct over the last few months. Mr. Forman outlined the specific responsibilities that a Metro Board member must perform. Mr. Forman agreed for the most part that Mr. Sanchez wears many hats as a member of Metro's Board; rate payer, representative of Crestview and Metro Board member however, Mr. Sanchez is not representing Crestview's customers however, he is representing Crestview's Board. Crestview's Board represents Crestview's customers and will direct Mr. Sanchez how to represent Crestview's Boards positions on Metro matters. The Crestview representative on Metro's Board is there to help run Metro and has a fiduciary relationship with Crestview's Board and a fiduciary relationship with Metro. It is a balancing act for any Metro Board member.

**Presentation of the 2018 Financial Audit by Charlie Poysti of Poysti & Associates**

Mr. Poysti thanked the Board for allowing him to perform the District's 2018 Financial Audit and the Skyline Vista calculation.

Mr. Poysti stated that Crestview had a good year in 2018. The District established the new Pipe line crew, The District's financial position increased by a \$3 million gain for the year but half of that was from investing in fixed assets (new water mains, sewer rehabilitations) it looks like a big gain but what the District did was invest in its infrastructure. In 2017 Crestview only spent \$300 thousand on infrastructure and 2018 it was \$1.7 Million. Mr. Poysti had no objections to the management letter and stated that it was a clean audit.

Mr. Poysti asked the Board if they had any questions about the 2018 financial audit. The Board had no questions for Mr. Poysti. Cash went up by \$1.4 million due to the increase in fixed assets. The balance sheets were clean. Inventory went up due to the purchasing of new equipment for the pipeline crew. The District brought in \$972,856 more in revenue than budgeted and expenditures were \$1,375,537 less than budgeted due to the pipeline crew not spending as much as was budgeted.

Mr. Terry explained that it was difficult to determine the appropriate amount of funding the pipeline crew would need since there was no historical data to assist in the determination. The pipeline crew was also diligent in keeping spending as minimal as possible.

Mr. Poysti also calculated the Skyline Vista Calculation based on the 1954 Connectors Contract- \$386 per account per year however, the Board does add in additional amounts to the monthly cost of service amount to keep the Skyline Vista accounts from having a lower monthly bill than the average in-district accounts that also pay a mill levy on their property taxes.

Mr. Terry thanked the Crestview staff for being proactive in keeping spending to a minimum while still providing the district customers with quality water and sewer services.

Director Ryszkowski made a motion to adopt the following resolution:

**RES # 9-19 WHEREAS** the Board of Directors of Crestview Water and Sanitation District has requested that Poysti and Associates, LLC perform an Annual Financial Audit for the year ending December 31, 2018, and

**WHEREAS** Poysti and Associates, LLC has performed said Annual Financial Audit and provided the Board with a Draft Audit Report and a 2019 Skyline Vista Billing Rate Computation, and

**WHEREAS** the Board has reviewed said Audit and Skyline Vista Billing Rate Computation;

**NOW, THEREFORE, BE IT RESOLVED THAT** the Draft Annual Financial Audit for the year ending December 31, 2018 and the 2019 Skyline Vista Billing Rate Computation be accepted as presented.

Director Patterson seconded the motion.

AYES: Directors, Martin, Sweeney, Patterson, and Ryszkowski

NAYS: None.

The resolution was adopted unanimously.

The Board thanked Mr. Poysti for his work and presentation of the 2018 Financial Audit.

Mr. Poysti then left the meeting.

**MINUTES FOR APPROVAL, February 23, 2019**

Director Martin asked if there were any corrections, deletions, or additions to the Minutes for the February 23, 2019 meeting of the Board.

There being no corrections, deletions, or additions, the Minutes for the February 23, 2019 meeting of the Board were accepted as presented.

Director Ryszkowski made a motion to adopt the following resolution:

**RES # 10-19 - BE IT RESOLVED THAT** the minutes for February 23, 2019 are accepted as presented

Director Patterson seconded the motion.

AYES: Directors, Martin, Sweeney, Patterson, and Ryszkowski

NAYS: None.

The resolution was adopted unanimously.

### **DISTRICT MANAGER'S REPORT**

MARCH 13, 2019 MEETING OF THE BOARD CANCELED DUE TO WEATHER. THIS IS A COMBINED REPORT FOR BOTH MARCH 2019 AND APRIL 2019.

EDDIE TORGERSEN - 5 YEAR ANNIVERSARY- Eddie celebrated his 5-year anniversary with the Crestview Water and Sanitation District on March 5th. Eddie was hired March 5, 2014. Eddie is the District's Construction Observer and back-up locator and devotes much of his time at Crestview observing the installations of water and sewer mains in the various developments in the district. Congratulations Eddie.

MARCH BIRTHDAYS- Crestview has three employees celebrating their birthdays in March. Happy birthday to Mike Valadez, Jose Molinar and Michael Hoff.

APRIL BIRTHDAYS-Crestview has two directors celebrating their birthdays in April, Board Vice-President, Jill Martin and director Everett Patterson. Crestview also has two employees celebrating their birthdays in April, office clerk, Kerry Strong and pipeline team member, Alejandro Yopez. Happy birthday to Jill, Everett, Kerry and Alejandro.

2018 FINANCIAL AUDIT REPORT-The 2018 annual financial audit for the Crestview Water & Sanitation District was performed by Charlie Poysti of Poysti and Associates on January 17 and 18, 2019. Mr. Poysti was scheduled to present his findings during the March 13<sup>th</sup> meeting of the Board but due to weather canceling the meeting, Mr. Poysti will present his findings during the April 10, 2019 regular meeting of the Board. Once the Board accepts the 2018 annual financial audit by resolution, I will provide it to the State Auditor's Office, the Department of Local Governments, the Adams County Commissioner's Finance Department and publish it in the Westminster Window and on Crestview's website.

SKYLINE VISTA 2019 SEWER RATES- As part of Crestview's annual financial audit, Mr. Poysti performs the Skyline Vista 1954 Connector's Agreement calculation to determine the ratio of Skyline Vista sewer only customers versus in-District customers. The Skyline Vista subdivision is located fully within the City of Westminster. Crestview assesses a sewer mill levy to all of its In-District customers of 0.457 mills in 2019. A mill levy is the "tax rate" that the district applies to the assessed value of a property within the District. One mill is one dollar per \$1,000 dollars of assessed value. With Crestview's mill levy at 0.457, a property that is assessed by the County Assessor at \$250,000 would be assessed  $\$250,000 \times .457 / 1000 = \$114$  per year. The homes in the Skyline Vista subdivision are not assessed a Crestview mill levy.

Crestview provides sewer collection service to the Skyline Vista subdivision through the 1954 Connectors Agreement that Crestview and the developer created in 1954 to determine the cost of collection and treatment of the sanitary sewer that is created within the subdivision. In the agreement, there is a calculation that the District's auditor uses to determine the cost to the District for providing this service. The calculation takes into account the expenses to the District for insurance, maintenance, salaries, office expenses, payroll taxes and Metro's annual charge to Crestview. Part 6 of the Agreement also states "Nothing herein shall be construed as giving the connectors or users hereunder the right to be placed in a class as favorable as users located within the territorial limits of the District". This means that the Board of Directors of the Crestview Water and Sanitation District will use the calculated sewer rate as provided by the District's auditor then will add a specific amount to the calculated rate to charge to the residents of the Skyline Vista subdivision without their rates being more favorable than the rates of the In-District residents. For 2018, the Board determined that the calculated rate plus 25% of the rate to be combined to create the 2018 Skyline Vista subdivision rates.

With all of the growth that has and is occurring within Crestview over the past five years, the calculated sewer rate by the District's auditor for the Skyline Vista subdivision decreases each year and in doing so causes the Board to make necessary adjustments to the calculation to avoid creating rates for the Skyline Vista subdivision customers to have lower rates than the in-district customers. I have provided a spreadsheet with several options for the Board to review and make their determination for the 2019 Skyline Vista rates. Please see the enclosed spreadsheet provided in your packet. The creation of the Skyline Vista sanitary sewer rates for 2019 are a separate item on tonight's agenda under New Business.

Director Ryszkowski made a motion to adopt the following resolution:

**RES. # 11 -19 WHEREAS** the Board of Directors of the Crestview Water and Sanitation District has determined that present revenues are adequate to provide for the financial needs of the District, and,

**WHEREAS**, the Board has determined to not increase the annual charges to the residents of the Skyline Vista subdivision for the months of April through December, 2019 and the months of January through March of 2020, and

**WHEREAS**, the Board has determined that the fair and reasonable annual charge for all customers within the Skyline Vista Subdivision for sanitary sewer service provided by the District to be \$537.54 (Five hundred, thirty-seven dollars, and fifty-four cents) or \$44.79 (forty-four dollars, and seventy-nine cents) per month.

**NOW, THEREFORE, BE IT RESOLVED THAT** Appendix C, Section (B) of the Rules and Regulations be amended to read as follows:

The monthly charge for all residential customers within the Skyline Vista Subdivision effective April 1, 2019, regardless of delivery date of the service, shall be \$44.79 (forty-four dollars, and seventy-nine cents).

Director Patterson seconded the motion.

AYES: Directors, Martin, Sweeney, Patterson, and Ryszkowski

NAYS: None.

The resolution was adopted unanimously.

2019 WATER MAIN REPLACEMENT PROJECT-Formerly labeled as the 2018 Water Main Replacement Project #2 will now be called the 2019 Water Main Replacement Project #1-2. Crestview's pipeline replacement crew began installation of the new 8" PVC piping on 71<sup>st</sup> Place on January 14<sup>th</sup>. The mainline was installed completely on January 18<sup>th</sup> with clear water testing performed on January 25<sup>th</sup>. All of the services were transferred on February 4<sup>th</sup> with the old main being abandoned on February 5, 2019. The next water main in the project set for replacement is 72<sup>nd</sup> avenue from Huron Street west to Pecos Street and is currently being replaced.

2019 SEWER MANHOLE LINING- I have signed a contract to have Twenty-5, 4-foot diameter manholes spray lined by Concrete Conservation, Inc. Concrete Conservation spray lined twenty-seven manholes for Crestview in 2018. The contracted amount was provided to Crestview at last year's pricing. The estimated cost to have the twenty-five manholes sprayed, including above and beyond traffic control, is \$59,966.50. To date, 90% of the project has been completed for a cost to the District of \$52,185.00.

MIDTOWN FILING 6 AND 9- Filing 6 is filling up quickly. Filing 9 is slow to grow but is moving forward. Midtown continues to purchase water and sewer taps in both filings.

WESTMINSTER STATION/POMPONIO TERRACE- The engineers for the Westminster Station Development presented a set of plans for review on January 16<sup>th</sup> to redirect flows from 76<sup>th</sup> avenue and Zane Street from flowing west into the Zuni Street sewer main to flow east to the Pecos Street collector main. By redirecting these sewer flows, it allows the Westminster Station development to build and connect all 245 planned homes within the development without having to create a new sewer outfall south of the development. No revised plans have been submitted recently.

BACK-HOE THEFT- on February 28<sup>th</sup>, our pipeline crew reported to me that one of the District's back-hoes was stolen overnight. I instructed the crew to split up and search the area in and around the District to look for the machine. We have had luck in the past finding stolen district vehicles within the day they were stolen. About 1.5 hours after the crews and I began searching, I received a call from one of the crew members that he found the back-hoe. They found the machine at Softball Country and it was unharmed and locked. The Sheriff that responded to the original call of the loss met us at Softball Country and allowed us to take the machine back. Since then, we have taken proactive steps to minimize the chances for this to happen again.

DUMP TRUCK ADDITIONAL COSTS-The representative from Transwest Trucks has informed us that the bed for the new dump truck that we ordered in February won't be available until next February. We looked at the bed that is available this summer and decided that it is comparable to the original bed.

Unfortunately, it is more expensive by \$4,873. I approved the new bed at that price and also added a 45-ton air cushion pintle hitch as part of the difference. We will need the hitch assembly in order to pull the asphalt roller we will be wanting to purchase in 2020.

Denver Water February purchase  
32,417,000 gallons were purchased in February  
Average since 2006 is 33,218,000 gallons

Denver Water March purchase  
32,206,000 gallons were purchased in March  
Average since 2006 is 36,399,000 gallons

Enc.

RES Acceptance of 2018 Financial Audit  
1954 Connectors Agreement (Skyline Vista Subdivision)  
2019 Skyline Vista Sewer Billing Rate for the year ending December 31, 2018  
Comparison of In-District sewer rates including assessed mill levies and the 1954 Agreement calculation  
RES 2019 Skyline Vista sewer rates (proposed)

**BILLS – February**

Director Sweeney made a motion to adopt the following resolution:

**RES # 12-19 - BE IT RESOLVED THAT** the Bills be paid.

Director Martin seconded the motion.  
AYES: Directors, Martin, Sweeney, Patterson, and Ryszkowski  
NAYS: None.  
The resolution was adopted unanimously.

**BILLS – March**

Director Ryszkowski made a motion to adopt the following resolution:

**RES # 13-19 - BE IT RESOLVED THAT** the Bills be paid.

Director Martin seconded the motion.  
AYES: Directors, Martin, Sweeney, Patterson, and Ryszkowski  
NAYS: None.  
The resolution was adopted unanimously

**OFFICE DATA**

The Office Data was accepted as presented.

**FINANCIAL REPORT**

The Financial Report was accepted as presented.

**UNFINISHED BUSINESS**

No unfinished business

**NEW BUSINESS**

Ron's attendance at the Metro meetings is good, he hasn't missed a meeting.  
Trevor is leaving the Pipe Line crew  
Breakfast with Jim at Denver Water 3/21/19 9:00-11:00 (Danny and Mitch)  
SDA Workshop coming up  
Sign Easements

There being no further new business to come before the Board, a motion was made and seconded to adjourn the meeting. Director Martin adjourned the meeting at 8:43 P.M.

Respectfully submitted,

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Danny Sweeney, Secretary