

RECORD OF PROCEEDINGS

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

March 11, 2020

The regular 7:00 P.M. meeting of the Board of Directors of the Crestview Water and Sanitation District was held March 11, 2020 at the office of the District, 7145 Mariposa Street, Adams County, Colorado. 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:

Mitch Terry	District Manager
Ron Sanchez	Metro Wastewater Board representative

Absent: Excused

Jill Martin	Vice-President
Ron Forman	Attorney

Guests:

Charlie Poysti	Poysti & Associates to present the 2019 financial audit
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THE PLEDGE OF ALLEGIANCE WAS RECITED

PUBLIC COMMENTS-

No one from the public was present.

METRO REPORT, RON SANCHEZ

- Over the next 10 years, Metro is planning on spending \$789 Million for capital improvements. Such asset renewals, water conveyance, and treatment capacity needs.
- Metro had a project with Carrillo Engineers that was due to be completed in November with final completion in December. They didn't meet that goal and asked for \$1.3 million to complete it, Metro has granted them the funds.
- Sewer tap revenue is going up 2.5% a year.

Ron Sanchez attendance report- Only missed one meeting in the last year.

2019 FINANCIAL AUDIT REPORT – CHARLIE POYSTI

No issues were documented, all aspects of Crestview Water and Sanitation District's financial statements are appropriate.

2020 Skyline Vista Calculations were presented by Mr. Poysti. Mr. Poysti calculates the initial

Rates for the Skyline Vista subdivision based on the 1954 connectors agreement that requires the rates to be calculated based on a ratio of connections within the subdivision as compared to the total number of connections within Crestview's service area.

MINUTES FOR APPROVAL, February 12, 2020

Director Doak asked if there were any corrections, deletions, or additions to the Minutes for the February 12, 2020 meeting of the Board.

There being no corrections, deletions, or additions, the Minutes for the February 12, 2020 meeting of the Board were accepted as presented.

DISTRICT MANAGER'S REPORT

MARCH BIRTHDAYS- Happy March birthdays go out to maintenance Foreman Mike Valadez, pipeline members Jose Molinar and Michael Hoff. Happy birthday!

2019 ANNUAL AUDIT- The 2019 annual financial audit for the Crestview Water & Sanitation District was performed by Charlie Poysti of Poysti and Associates on January 22, 2020. Mr. Poysti will present his findings at the March 11, 2020 regular meeting of the Board.

2020 ELECTION CANCELLED-The date for the Colorado Special District biennial election is May 5, 2020. Crestview had two three-year terms up for re-election and one 2-year term up for election. Friday, February 28th was the last day for voters to submit a self-nomination form to be on the ballot and Monday, March 2nd was the last day for write-in candidate forms to be submitted. Crestview only had two self-nomination forms for the three-year terms and one self-nomination form for the two-year term submitted. With an equal number of candidates as positions to be filled, the election was cancelled, and all three candidates are elected by acclamation. Congratulations to Jill Martin, Danny Sweeney and Victor Sanchez for being elected by acclamation to the Board of Directors of the Crestview Water and Sanitation District.

After the May 20th meeting of the Board is called to order, the newly elected directors must take an oath or affirmation to complete the election process. Once the oaths or affirmations are completed, they must be submitted by email to the Adams County Clerk & Recorder prior to any actions taken by the Board during the May 20th meeting.

SKYLINE VISTA 2020 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 its In-District customers of 0.399 mills in 2020. 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 0.399, a property that is assessed by the County Assessor at \$250,000 would be assessed $\$250,000 \times .399 / 1000 = \99.75 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.

With all the growth that has occurred 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 be lower than the in-district customer's rates. In 2019, the Board chose to use a comparative method of Adams County assessed home values from within the Skyline Vista subdivision and properties due east of Zuni Street (Cycle 2). The property values of fifteen homes within the Skyline Vista subdivision were compared to fifteen homes within Cycle 2.

I have provided a spreadsheet showing these comparisons for the Board to review and make their determination for the 2020 Skyline Vista rates. Please see the enclosed spreadsheet provided in your packet. The creation of the Skyline Vista sanitary sewer rates for 2020 are a separate item on tonight's agenda under New Business.

Director Ryszkowski made a motion to adopt the following resolution:

RES. # 7 -2020 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 decrease the annual charges to the residents of the Skyline Vista subdivision for the months of April through December of 2020 and the months of January through March of 2021, 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 \$514.76 (Five hundred, fourteen dollars, and seventy-six cents) or \$42.90 (forty-two dollars, and ninety 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, 2020, regardless of delivery date of the service, shall be \$42.90 (forty-two dollars, and ninety cents).

Director Sanchez seconded the motion.

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

NAYS: None.

The resolution was unanimously adopted.

FRONT LOADER PURCHASE-In the 2020 budget, the Board approved \$135,000 to purchase a new backhoe for the pipeline crew. The pipeline crew has since requested a front loader instead of a backhoe. The pipeline crew has been renting a front loader from Honnen Equipment for the past month to determine if a front loader would be more efficient than a backhoe. Larry Hopper, the pipeline superintendent has decided that a front loader is considerably more beneficial than a backhoe. With that said, Larry requested a quote from Honnen Equipment to purchase the machine that is currently being rented. The quote came in at \$109,406. Crestview was given a credit of \$2,464 for the rental fees paid in February. I have provided a resolution to purchase the front loader from Honnen Equipment if the Board so chooses.

Director Sanchez made a motion to adopt the following resolution:

RES # 8 -2020 BE IT RESOLVED THAT the Board of Directors, Crestview Water & Sanitation District accept the proposal to purchase from Honnen Equipment a 2018 John Deere 444K Loader at the proposed price of \$109,406.00 and,

BE IT FURTHER RESOLVED THAT the District Manager is authorized and directed to execute the purchase of the aforementioned vehicle.

Director Ryszkowski seconded the motion.

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

NAYS: None.

The resolution was unanimously adopted.

Amending of Rules and Regulations- Crestview's Rules and Regulations don't currently state who owns what part of the sewer system and more specifically, the property owner's responsibility vs. Crestview's responsibility. Historically, Crestview has required its customers to repair, at their cost, their sewer service line from the tap at the main to inside the building. If the Board so chooses to make this change to the Rules and Regulations, I have enclosed a resolution to amend the Rules and Regulations to delineate ownership of sewer services.

Director Ryszkowski made a motion to adopt the following resolution:

RES # 9 -2020 BE IT RESOLVED THAT, The Board of Directors of the Crestview Water and Sanitation District desires to amend the Rules and Regulations of the Crestview Water and Sanitation District Part IV Sewer Rules and Regulations, Article VI, Section B to read

"SECTION B – RESPONSIBILITY FOR MAINTENANCE OF BUILDING OR PRIVATE SEWERS

Maintenance of other sewer lines including connections to the public sewer, be they private or building sewers, shall be at the owners' expense, including if the portion of the line which requires repair extends outside the owner's property line. If such work is done by District, the cost thereof shall be borne by the owner of the premises involved." And,

NOW THEREFORE BE IT RESOLVED THAT, effective March 11, 2020 the Crestview Water and Sanitation District Rules and Regulations Part IV Sewer Rules and Regulations, Article VI – Section B be amended to read

"SECTION B – RESPONSIBILITY FOR MAINTENANCE OF BUILDING OR PRIVATE SEWERS

Maintenance of other sewer lines including connections to the public sewer, be they private or building sewers, shall be at the owners' expense, including if the portion of the line which requires repair extends outside the owner's property line. If such work is done by District, the cost thereof shall be borne by the owner of the premises involved."

Director Doak seconded the motion.

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

NAYS: None.

The resolution was unanimously adopted.

DENVER WATER LEAD REDUCTION PROGRAM APPROVAL-On December 16, 2019, Denver Water received notice from the Environmental Protection Administration and the Colorado Department of Public Health and Environment that Denver Water's variance request to raise the pH in the water they produce and to also remove all of the known lead service lines within Denver Water's service area instead of having to add orthophosphate to the water for corrosion control. Denver Water is still working to determine how many lead service lines are in their system along with the systems of their distributors. It is estimated that there are 64,000 lead service lines, with 4,477 being replaced each year for the next 15 years. Denver Water is proposing to remove all the lead service lines within the next fifteen years. Denver Water has begun the replacement work as of March 2nd. Crestview has no lead service lines in its system. Denver Water also raised the pH of the water they treat from 7.8 to 8.8 on March 2nd.

The estimated cost of the pH increase in treating the water, supplying of lead filtering drinking water pitchers and the replacement of the lead service lines at today's costs is \$605 million. Many discussions are on the horizon at Denver Water to determine how these lead service line replacements will be funded

MIDTOWN FILING 12-On January 10, 2020, Crestview staff met with the engineer for Midtown to discuss a proposed Filing 12. Filing 12 is designed to have 144 units that will be considered townhomes. The engineer was informed of the reimbursement resolution that Crestview created in October of 2018 to collect connection fees from any developer who directly connects to the new 16-inch water main that was constructed by Pomponio Terrace development. The resolution requires a \$2,871 reimbursement fee to be added to Crestview's water tap fees. With 144 proposed units in Filing 12, Crestview will collect \$413,424.00 to be paid to Pomponio Terrace Developments.

Representatives from the Midtown development requested a meeting with me to discuss the reimbursement resolution. I met with Brookfield's Vice President, Shannon Robbins and Brookfield's engineer Mike Pietschmann on February 27th to discuss the reimbursement resolution and how the total amount of reimbursement was determined. As the filing 12 project was being created financially, they were unaware of the reimbursement resolution and were unable to plan for the increased expense. After the discussion, both Brookfield's representatives had a better understanding of the reimbursement fees.

WESTMINSTER STATION/POMPONIO TERRACE- The engineers for the Westminster Station Development presented a set of plans for review on January 16th to redirect flows from 76th 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. Construction of these sewer mains is near completion. Filings 3 & 4 water plans are now at Denver Water for their review. Once Denver Water provides their review comments back to Crestview, Crestview will pass those comments on to the Westminster Station engineers so they can make any needed changes to the plans.

2020 WATER MAIN REPLACEMENT PROJECT- The pipeline crew has finished the replacement of the water main in Heather Place completing this portion of the project. The water main in Westchester is being replaced at this time. After completion of the water main installation in Westchester, the pipeline crew will move to Meadowbrook to begin replacement of that water main. After these three streets have had the water mains replaced, the crew will relocate to replace the water mains in Ruth way, Avrum drive and Warren drive from 68th avenue north to Jordan drive. This project is approximately 4690 linear feet long. Once the 2020 Water Main Replacement project is complete, the pipeline crew will begin replacing the District's sewer force main in 68th from Huron Street west to Mariposa Street.

Denver Water February purchase
31,373,000 gallons
Average since 2006 is 33,161,000 gallons

Enc.

RES. To amend Rules and Regulations regarding ownership of sewers

RES. To purchase a model 444K Loader from Honnen Equipment

RES. Skyline Vista rates for 2020

Skyline Vista worksheet for 2020

BILLS –

Director Sanchez made a motion to adopt the following resolution:

RES #10-2020 - BE IT RESOLVED THAT the Bills be paid.

Director Ryszkowski seconded the motion.

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

NAYS: None.

The resolution was unanimously adopted.

OFFICE DATA

The Office Data was accepted as presented.

FINANCIAL REPORT

The Financial Report was accepted as presented.

UNFINISHED BUSINESS – No current unfinished business was addressed

NEW BUSINESS – No new business was addressed

There being no further new business to come before the Board, a motion was made by Director Ryszkowski and seconded by Director Doak to adjourn the meeting. Director Doak adjourned the meeting at 8:25 P.M.

Respectfully submitted,

Danny Sweeney, Secretary