

# 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 9, 2022**

The regular 5:30 PM meeting of the Board of Directors of the Crestview Water and Sanitation District was held March 9, 2022, 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:

Kathy Laurienti	Metro Representative
Allison Ulmer	Attorney
Mitch Terry	District Manager

**THE PLEDGE OF ALLEGIANCE WAS RECITED**

**PUBLIC COMMENTS-**

No one from the public joined the meeting.

**2021 FINANCIAL AUDIT REPORT BY CHARLIE POYSTI**

Mr. Poysti started his presentation by thanking the Board for their continued trust.

- Mr. Poysti stated that the District is in excellent financial condition
- Journal entries for the year-end adjustments were normal
- No audit findings, it was a clean audit
- The Skyline Vista report was also presented by Mr. Poysti.

Director Doak asked if anyone in attendance had any questions for Mr. Poysti to which there were none.

**METRO WATER RECOVERY REPORT BY KATHY LAURIENTI**

- Metro is hosting a tour of the Robert Hite treatment facility on April 7th for Metro Board of Directors members. Ms. Laurienti will be attending the tour.
- Metro is currently involved in two separate lawsuits. One suit has the plaintiffs, Farmers Reservoir and Irrigation Company, Burlington Ditch Reservoir and Land Company and Henrylyn Irrigation District, seeking a court order requiring Metro to obtain a water quality discharge permit for an outfall to the Burlington Canal and the second is for a Worker's Comp injury claim.

**MINUTES FOR APPROVAL, FEBRUARY 9, 2022**

Director Doak asked if there were any corrections, deletions or additions to the Minutes for the February 9, 2022, meeting of the Board.

There being no corrections, deletions or additions, the Minutes for the February 9, 2022, meeting of the Board were accepted as presented.

**DISTRICT MANAGER'S REPORT**

**2021 FINANCIAL AUDIT-**

I have asked Mr. Poysti to present the 2021 Audit to the Board during the March 9<sup>th</sup> meeting of the Board. It is likely that he will want to participate via Zoom since he lives in southwest Colorado.

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CDPHE REQUIRED SANITARY SURVEY-

The Colorado Department of Public Health and Environment visits each drinking water provider in the state on a three-year rotation. Crestview's latest Sanitary Survey was February 11<sup>th</sup> this year. When CDPHE comes to perform the Sanitary Survey, they review the records from the maintenance department for valve exercising, fire hydrant flushing, quarterly tank inspections and chlorine testing results. They also review the comprehensive tank inspections that CDPHE requires to be performed every 5 years.

During the February 11<sup>th</sup> Sanitary Survey, it was disclosed to the department's inspector that our 5-year Comprehensive Tank inspections, that were required to be performed before the end of 2021, were not performed until January 9, 2022, nine days past the required date. We explained that due to COVID-19 protocols and labor shortages within the company that Crestview contracted with in June 2021 to perform the inspections, they were not able to make it to Denver until the second week in January, 2022.

Since Crestview missed the 5-year deadline, CDPHE cited Crestview with a Tier 2 Treatment Violation and is requiring a Public Notification for the violation. Crestview doesn't treat its water, but the storage of the water puts it in the treatment category. Missing this deadline did not change the quality of the water nor did it create a health issue for anyone consuming Crestview's water.

CDPHE requires drinking water providers to use their Google Public Notification form for consistency. On March 7<sup>th</sup>, I created the online form and presented it to CDPHE for their required review. Tim Jones at CDPHE read the notice and approved it. I have included the notice in your packet. The notice will be inserted into every bill over the next four weeks and will be posted on the District's website. Once the notices are provided to our customers and a certificate is provided to CDPHE certifying the notification, CDPHE considers the violation to be resolved.

Crestview also had one other issue during the inspection. A hatch seal had been pushed out of the seal area during the comprehensive inspection but wasn't addressed by the contractor. We didn't inspect the tanks prior to the Sanitary Survey therefore, we didn't correct the seal prior to the inspection. This violation is called a Significant Deficiency. The seal has since been corrected and CDPHE is satisfied with the correction. No additional action is required by CDPHE and it is considered resolved.

SKYLINE VISTA 2022-23 SEWER RATES-

As part of Crestview's annual financial audit, Mr. Charlie Poysti of Poysti and Associates 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 0.401 mills in 2022. 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 0.401, a property that is assessed by the County Assessor at \$350,000 would be assessed  $\$350,000 \times .401 / 1000 = \$140.35$  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 (formerly the Baker Metropolitan Water & Sanitation District) 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 statement 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 east of Zuni Street (Crestview's billing 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 2022-23 Skyline Vista rates. Please see the enclosed spreadsheet provided in your

packet. The creation of the Skyline Vista sanitary sewer rates for 2022-23 are a separate item on tonight's agenda under New Business.

2022 ELECTION CANCELLED-

The date for the Colorado Special District biennial election is May 3, 2022. Crestview had three three-year terms set for this election. Friday, February 25<sup>th</sup> was the last day for voters to submit a self-nomination form to be on the ballot and Monday, February 28<sup>th</sup> was the last day for write-in candidate forms to be submitted. Crestview had three self-nomination forms 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 Mike Doak, Tom Ryszkowski and Victor Sanchez for being elected by acclamation to the Board of Directors of the Crestview Water and Sanitation District.

After the May 18<sup>th</sup> 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 18<sup>th</sup> meeting.

REAPPOINTMENT OF KATHY LAURIENTI FOR METRO BOARD REPRESENTATIVE-

Metro is required by statute that all Directors be appointed for two-year terms. Since Kathy is completing Ron Sanchez's term and it expires on June 30<sup>th</sup>, she will need to be re-appointed if the Board chooses to reappoint her. Metro has provided Crestview with an appointment form to be used to either reappoint Kathy or appoint someone else to represent Crestview.

I have prepared the form for Mike and Danny to sign. Once the form is completed, I will send it back to Metro so that they can swear in Crestview's representative.

*The Board chose to reappoint Kathy Laurienti to represent Crestview.*

Director Martin made a motion to adopt the following resolution:

**RES. # 5 - 2022 WHEREAS** Crestview Water and Sanitation District (Crestview) is a Member Municipality of the Metro Wastewater Reclamation District (Metro), and

**WHEREAS** Metro requires Crestview to bi-annually appoint a representative to serve on Metro's Board of Directors, and

**WHEREAS** Kathy Laurienti currently serves as Crestview's appointed representative to Metro's Board and is willing to continue to serve in that capacity, and

**WHEREAS** at the regular meeting of the Crestview Board of Directors, March 9, 2022, the Board elected to re-appoint Kathy Laurienti as its representative to serve on Metro's Board,

**NOW THEREFORE BE IT RESOLVED** that Kathy Laurienti be appointed to serve as Crestview's representative to the Board of Directors for the Metro Wastewater Reclamation District effective March 9, 2022.

Director Sanchez seconded the motion.

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

NAYS: None.

The resolution was unanimously adopted

*Ms. Laurienti thanked the Board for reappointing her to represent Crestview on the Metro Board of Directors.*

BONDS-

Crestview has two bonds that will mature in 2022. The first bond will mature in April and the second bond will mature in September. Currently, Crestview has ten \$1 million bonds. The bond that is maturing in April is a 2.5-year bond with a yield to maturity rate of 1.56%. The bond that is maturing in September is a three-year nine-month bond with a yield to maturity rate of 2.55%.

Due to the "COVID" rates and inflation, 2021 was not a good year for the bonds that Crestview currently holds. With the bond values dropping and the lower yield rates, the District lost \$98,334 based on the 2021 audit.

Due to COVID, many of our bonds were called and replaced with quite low yields ranging from .29 to .84. With the current market rates being back in the 1.5 yield range, does the Board want to purchase any additional bonds at this time to counter the lower yielding bonds? Crestview's auditor indicated that

purchasing additional bonds is not a bad idea as Crestview has enough cash to carry through about a year and that 6 months is a healthy number.

During the February 9, 2022, meeting of the Board, Crestview's Board approved the purchase of two additional \$1 million bonds.

On February 10<sup>th</sup>, Crestview purchased two additional \$1 million bonds. The First bond is four-year eight-month bond with a yield of 1.835% at maturity. The bond price was \$962,061.00 with an accrual of \$3,527.78 for a total cost of \$966,488.78 and will mature at \$1 million. This bond is a callable bond. If called in October of 2022, the bond will yield 6.948%.

The second bond is a four-year five-month bond with a yield of 1.815% at maturity. The bond price was \$949,222 with an accrual of \$241.71 for a total cost of \$949,463.71 and will mature at \$1 million. This is a non-callable bond.

**2022 WATER MAIN REPLACEMENT PROJECT -**

The pipeline crew has started installing water mains for this project. The tie-in for at 68<sup>th</sup> & Larsh Drive was made on Wednesday, March 2<sup>nd</sup>. Larsh Drive will be replaced from 68<sup>th</sup> avenue north to 72<sup>nd</sup> avenue and Jordan Drive will be replaced from Fern Drive east to Samuel Drive. This project will have approximately 4,800 linear feet of water main replacements. It is anticipated that the work will begin the week of March 1<sup>st</sup> and will last until sometime in August.

**CLEAR CREEK VILLAGE -**

The developer, Crestview staff and representatives of Denver Water met on January 27<sup>th</sup> 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.

The connection to Berkeley's water main will be on an eight-inch main and with that we have asked that the meter be an eight-inch meter then transition the piping downstream to a twelve-inch main per Denver Water requirements. Denver Water, like Crestview, charges monthly meter service charges. An eight-inch meter is \$1104.86 per month and a twelve-inch is charged \$2,477.80 per month. By using an eight-inch meter, Crestview will save \$1,372.94 per month.

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 can be created to be in effect for up to 15 years. 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.

**WESTMINSTER STATION/POMPONIO TERRACE -**

Filings 3 & 4 are progressing well with both the water and sewer mains installed. All of the water and sewer taps purchased from Crestview have also been paid to both Metro Water Recovery and to Denver Water.

Denver Water February purchase  
31,603,000 gallons  
Average since 2006 is 31,617,000 gallons

**ATTORNEY'S REPORT – ALLISON ULMER**

Ms. Ulmer stated that there are no legal issues to discuss to date

**BILLS -**

Director Doak made a motion to adopt the following resolution:

**RES # 6 - 22 – BE IT RESOLVED THAT** Bills be paid.

Director Martin seconded the motion.

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

NAYS: None.

The resolution was unanimously adopted

**OFFICE DATA -**

The February Office Data was accepted as presented

**FINANCIAL REPORT -**

The February Financial Report was accepted as presented

**TAP REPORT -**

The Tap Report was accepted as presented.

**PUBLIC INFORMATION -**

Notices have been posted detailing the election cancellation at the Adams County Clerk and Records office, Crestview's website and the front door of the office.

**NEW BUSINESS – SKYLINE VISTA 2022 SEWER RATES DISCUSSION -**

The Skyline Vista 1954 Connectors Agreement was discussed during Mr. Poysti's 2021 Financial Audit presentation and in the District Manager's report

Director Doak made a motion to adopt the following resolution:

**RES. # 7 - 2022 WHEREAS** each March, the Board of Directors of the Crestview Water and Sanitation District (Crestview) reviews the rate that is assessed to the customers of the Skyline Vista subdivision for the collection and treatment of sanitary sewer. The Skyline Vista subdivision is not within Crestview's service boundaries and therefore are not assessed a Crestview mill levy. Sanitary sewer service is provided to the Skyline Vista subdivision through a contract created in 1954 between the Skyline Vista developer and Crestview which dictates how the rates for sanitary sewer service are developed and applied to the residential properties within the Skyline Vista subdivision, and

**WHEREAS**, within the 1954 Connectors 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 Water Recovery'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 statement 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 determine the annual rate applied to the residential properties within the Skyline Vista subdivision without their rates being more favorable than the rates of the In-District residential properties, and

**WHEREAS**, the Board uses a comparative method of Adams County assessed home values from within the Skyline Vista subdivision and homes within Crestview boundaries due east of Zuni Street (Cycle 2). The Board also uses the district average of 4,000 gallons per month as baseline sewer flows from each home. The property values of fifteen homes within the Skyline Vista subdivision were compared to fifteen homes within Cycle 2. The comparison finds that the average property values are nearly the same. The average property value of the fifteen homes within Crestview's boundaries then have the 2022 Mill Levy of 0.401 added to the 4,000-gallon average to determine the total average cost of sanitary sewer service to the homes within Crestview's boundaries, and

**WHEREAS**, the Board has determined to match the annual charges to the residential properties of the Skyline Vista subdivision for the months of April through December of 2022 and the months of January through March of 2023 to the sum of the 4,000-gallon average rate plus the assessed mill levy on each in-district residential property, and

**WHEREAS**, the Board has determined that the fair and reasonable annual charge for all residential customer accounts within the Skyline Vista Subdivision for sanitary sewer service provided by the District to be \$525.09 (Five hundred, twenty-five dollars, and nine cents) or \$43.76 (forty-three dollars, and seventy-six 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 customer accounts within the Skyline Vista Subdivision effective April 1, 2022, regardless of delivery date of the service, shall be \$43.76 (forty-three dollars, and seventy-six cents).

Director Ryszkowski seconded the motion.

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

NAYS: None.

The resolution was unanimously adopted

**HOUSE BILL – 1110 -**

HB-1110 directs each state agency, on or before July 1, 2022, must have a plan to meet website accessibility standards for people with disabilities including auditory, cognitive, neurological, physical, speech or visual impairment.

Crestview's current website is not ADA compliant however, Mr. Terry will be meeting with a website design consultant, Streamline, to get more information including pricing. Mr. Terry will also reach out to the current website provider to get pricing from them to bring the current website inline with the new law. HB-1110 requires all state agencies to meet the standard by July of 2024.

*Mr. Terry informed the Board that he contacted Media Works, the company that currently manages Crestview's website to get a quote to have the website brought into compliance with the requirement.*

*Media Works provided a quote to have our website meet all of the requirements for the ADA compliance law totaling \$815.00 with a statement requiring Crestview to purchase a plug-in annually for \$250 through Media Works. No monthly fees after installation of the ADA Compliance work is completed. Streamline Quoted \$300 per month after installation of the ADA Compliant software installation.*

*The Board agreed that staying with Media Works is the best plan of action.*

There being no further business, Director Doak adjourned the meeting at 6:34 pm.

Respectfully submitted,

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Danny Sweeney, Secretary/Treasurer