MINUTES
FOR THE BOARD OF DIRECTORS
OF THE SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
DECEMBER 8, 2021
REGULAR MEETING AT 6:00 P.M.

Regular Board Meeting
A duly called Regular Meeting of the Board of Directors of the South Adams County Water and Sanitation District (the "District") was held on December 8, 2021, at 6:00 p.m. in the District’s Aragon Boardroom at 6595 E. 70th Avenue, Commerce City, Colorado, in accordance with the applicable statutes of the State of Colorado. All Board members received the Agenda and meeting packet in advance of or at the meeting, and the non-confidential portions of those materials were incorporated by reference into the public portion of the meeting and these meeting minutes.

Board Members Present (thereby constituting a quorum):
Mizraim Cordero, President
Heidi McNeely, Ph.D., Vice President
Michael Scanlon, Director

SACWSD Staff/Legal Present:
Abel Moreno, New District Manager
Jim Jones, Outgoing District Manager (via telephone)
Kipp Scott, Water Systems Manager
Byron Jefferson, Administrative Services Manager
Mark Cubbon (for J-M Grebenc), WW Operations & Maintenance Supervisor
James M. Mock, General Counsel
Dawn Fredette, District Clerk/Legal Assistant

Consultants/Others Present:
Glenn Hamilton, Muller Engineering Co.
Laura Hamilton, wife of Glenn Hamilton
Dave Goff, Fleet and Facilities Supervisor

1. CALL TO ORDER
President Cordero called the meeting to order at 6:05 p.m. and then led everyone in the Pledge of Allegiance.
EXCUSED ABSENCES

President Cordero stated that Directors Ennis and Frew were both ill and had provided advance notice of being unable to attend the meeting.

President Cordero called for a MOTION to excuse the absences of Directors Ennis and Frew. Director Scanlon moved and Director McNeely seconded. The MOTION passed unanimously.

President Cordero then called for a MOTION to appoint Vice President McNeely to also serve as acting Secretary for the meeting. Director Scanlon moved and Director McNeely seconded. The MOTION passed unanimously.

DISCLOSURES OF CONFLICTS OF INTEREST

President Cordero called for Disclosures of Potential Conflicts of Interest. Mr. Mock noted that the Board had received and staff had filed with the Secretary of State’s office more than 72 hours prior to the meeting certain disclosures of potential conflicts of interest statements for the Directors indicating their conflicts or potential conflicts as shown below.

President Cordero has submitted a standing potential conflict of interest letter stating that he is an employee of United Airlines. United Airlines has significant business with the City and County of Denver. The District has a potential adversarial relationship with the City and County of Denver related to water contamination.

Director Scanlon is a Director of the Adams 14 Education Foundation, a non-profit that supports education and literacy programs.

President Cordero asked if the Board members had any additional potential conflicts of interest to disclose. There were none.

AGENDA REVIEW

President Cordero asked if there were any changes to the Agenda. No changes were made.

APPROVAL OF MINUTES

The Board discussed a minor change to line 213 of the draft Minutes of the November 10, 2021 Regular Meeting.

President Cordero called for a MOTION to approve the Minutes from the Regular Meeting held on November 10, 2021, as amended. Director Scanlon moved and Director McNeely seconded. The MOTION passed unanimously.

PUBLIC COMMENT

President Cordero called for public comments and stated that members of the public have three minutes to address the Board. There were no public comments.
CONSENT AGENDA

President Cordero inquired whether any Board member would like to discuss any particular Consent Agenda item. No Board member expressed a desire to discuss or move an item from the Consent Agenda and Director Cordero then read the following Consent Agenda items:

1. Authorize the District Manager to execute a Services Agreement with Kleen-Tech for 2022 janitorial services in the amount of $7,923.81 per month for a total not-to-exceed amount of $95,085.72
2. Approve Partial Pay Request #4 to Vortex Services, LLC in the amount of $888,979.90 for the Irrigation Transmission Main Construction Project
3. Approve Partial Pay Request #6 to Brannan Construction Company in the amount of $494,350.42 for the 2021 Water System R&R Project
4. Approve payment of Pay Application #6 to Insituform Technologies, LLC in the amount of $173,674.32 for the 2021 Wastewater System R&R Project
5. Approve Short-term Post Employment Consulting Agreement with Jim Jones
6. Approve Reimbursement Payment in the amount of $399,814.62 to Reunion Metropolitan District for Irrigation Transmission Main Installation in Reunion Ridge Filing 1
7. Approve Electronic Payments
8. Approve the Bill Paying Process

President Cordero called for a MOTION to approve the Consent Agenda items. Director McNeely moved and Director Scanlon seconded. The MOTION passed unanimously.

ACTION ITEMS

ACTION ITEM 1 - Purchase and Sale Agreement for the purchase of 1,000 FRICO ERUs from Oakwood Homes at a price of $6,185,000

Mr. Jones provided a brief history of the FRICO ERUs that are being considered for purchase. He indicated that this is a unique opportunity in that these ERUs can become part of the District’s water resources for properties that do not currently have ERUs. Mr. Jones also discussed the District’s Master Plan and the amount of acre feet of water in storage.

Mr. Jones further talked about the negotiated price of the ERUs, the District’s funding for the purchase, and an amendment to the 2021 Budget if the Board approves the purchase.

Discussion ensued regarding the agreement. Mr. Mock indicated he has been working with Oakwood to finalize the agreement and he does not anticipate any additional changes from the final draft in the Board packet.

Mr. Jones further stated that he believes the price of the ERUs to be fair and reasonable, and he advises that these FRICO ERUs, if purchased, be re-absorbed into the District’s water rights portfolio for repurposing. He recommends the Board approve the purchase of 1,000 FRICO ERU’s from Oakwood Homes at a price of $6,185,000, the execution and delivery of the Purchase and Sale Agreement and Assignment by the President, Secretary, and District Manager in substantially the form presented with any subsequent non-material changes to be approved at the discretion of the District Manager and General Counsel.

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President Cordero called for a **MOTION** to approve the purchase of 1,000 FRICO ERU’s from Oakwood Homes at a price of $6,185,000, and the execution and delivery of the Purchase and Sale Agreement and Assignment as recommended. Director Scanlon moved and Director McNeely seconded. The **MOTION** passed unanimously.

**ACTION ITEM 2 – Public Hearing to receive public comments regarding the proposed 2021 Supplemental Budget and approval of a Resolution adopting the 2021 Supplemental Budget**

Mr. Jefferson discussed the need to amend the 2021 Budget due to the FRICO ERU purchase approved in Action Item 1.

Mr. Jefferson then asked that the Board open the Public Hearing to receive public comments regarding the proposed 2021 Supplemental Budget. Mr. Mock stated that the proposed budget supplement and Public Hearing had been properly Noticed by publication in the Commerce City Sentinel Express.

President Cordero called for a **MOTION** to open the Public Hearing. Director McNeely moved and Director Scanlon seconded. The **MOTION** passed unanimously.

President Cordero called for public comments. There were no public comments.

President Cordero called for a **MOTION** to close the Public Hearing. Director McNeely moved and Director Scanlon seconded. The **MOTION** passed unanimously.

Mr. Jefferson then stated his recommendation that the Board adopt the 2021 Supplemental Budget to account for the purchase of the FRICO ERUs approved in Action Item 1.

President Cordero then called for a **MOTION** to adopt the 2021 Supplemental Budget and to approve the corresponding Resolution. Director Scanlon moved and Director McNeely seconded. The **MOTION** passed unanimously.

**ACTION ITEM 3 – Public Hearing to receive public comments regarding the proposed 2022 Budget and approval of Resolutions adopting the 2022 Budget, assessing the District’s ad valorem property tax mill levy at 3.102, subject to a temporary tax credit, and certifying the mill levy; and**

**ACTION ITEM 4 – Public Hearing to receive public comments regarding the proposed 2022 fees, rates, tolls, penalties, and charges, and approval of a Resolution adopting the increases**

Mr. Jefferson noted that these Public Hearings are continued from the November meeting and were separately Noticed, for the budget in the Commerce City Sentinel Express, and for the fees and rates on the District’s website and the Special District Association’s website. He discussed highlights of the proposed 2022 Budget and the proposed 2022 Rates and Fees. He also noted updates and corrections made to the proposed 2022 Budget since the preliminary version was drafted, presented, and discussed at the Board’s Special Meeting this past September.

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Mr. Mock added a confirmation that Notice had properly been given for both Public
Hearings as required by statute. As no members of the general public were in attendance, it was
determined to consolidate both Public Hearings into one.

President Cordero then called for a **MOTION** to open the Public Hearing. Director Scanlon
moved and Director McNeely seconded. The **MOTION** passed unanimously.

President Cordero called for public comments. There were no public comments.

President Cordero called for a **MOTION** to close the Public Hearing. Director Scanlon
moved and Director McNeely seconded. The **MOTION** passed unanimously.

Mr. Jefferson then stated his recommendation that the Board approve the 2022 Budget and
the corresponding Resolution.

President Cordero called for a **MOTION** to adopt the 2022 Budget and corresponding
Resolution. Director McNeely moved and Director Scanlon seconded. The **MOTION** passed
unanimously.

Mr. Jefferson then discussed the deadlines for receiving the final Assessed Valuation from
the County and for filing the Mill Levy Certification, and noted the small chance that under
Colorado law these numbers could be changed by the County in the next two days and, if so, the
Board may need to reconvene to approve amendments. He proceeded to state his
recommendation that the Board approve the mill levy for 2022 as presented and the
the corresponding Resolution and Certification.

President Cordero called for a **MOTION** to adopt the mill levy for 2022 and the
the corresponding Resolution and Certification. Director Scanlon moved and Director McNeely
seconded. The **MOTION** passed unanimously.

Lastly, Mr. Jefferson recommended that the Board adopt the proposed 2022 Rates and Fees
increases as presented and approve the corresponding Resolution.

President Cordero called for a **MOTION** to adopt the 2022 Rates and Fees and to approve
the corresponding Resolution. Director Scanlon moved and Director McNeely seconded. The
**MOTION** passed unanimously.

**ACTION ITEM 5 - Agreement with Hunt C&T, Inc., to haul and dispose of the calcium
carbonate pellets generated by the EWSF**

Mr. Scott explained how the plan had developed for pellet disposal and the outreach and
solicitation of quotes from many potential service providers. He discussed the preliminary
contract for this year that had been negotiated with Hunt C&T for removal and hauling of the
pellets. He also talked about Hunt C&T’s subsequent use of the pellets. Mr. Scott then
discussed their hauling fees, noting that other proposals received were not as cost effective.
Discussion ensued regarding the current contract with Hunt C&T. Mr. Scott noted they have been very reliable.

Mr. Scott then recommended that the Board approve the new agreement with Hunt C&T, Inc., to dispose of the calcium carbonate pellets generated by the EWSF.

President Cordero called for a MOTION to approve the agreement with Hunt C&T, Inc., to haul and dispose of the calcium carbonate pellets. Director McNeely moved and Director Scanlon seconded. The MOTION passed unanimously.

ACTION ITEM 6 - New and replacement vehicle purchases in the amount of $160,028 from Ken Garff Ford Greeley; $31,800 from Sil-Terhar Motors in Broomfield; and $94,515 from Mike Shaw Ram Greeley

Mr. Moreno introduced Dave Goff, Fleet and Facilities Supervisor. He noted that Mr. Goff had done much of the legwork to present the vehicle purchase information to the Board. Mr. Moreno proceeded to discuss the monetary amounts for the purchases and that the approved 2022 Budget includes these purchases. He also discussed challenges regarding supply issues and delivery timelines. In addition, Mr. Moreno discussed the state bid procurement process, vehicle specifics, and additional pricing information. He believes the prices are fair.

Discussion ensued regarding the electronic vehicle included in the proposed purchases and the installation of a charging station at Klein.

Mr. Moreno then stated that staff recommends the Board authorize the new and replacement vehicle purchases in the amount of $160,028 from Ken Garff Ford Greeley; $31,800 from Sil-Terhar Motors in Broomfield; and $94,515 from Mike Shaw Ram Greeley.

President Cordero called for a MOTION to approve the purchase of the new and replacement vehicles as recommended. Director Scanlon moved and Director McNeely seconded. The MOTION passed unanimously.

ACTION ITEM 7 - Annual Requirements Resolution for 2022

Mr. Mock discussed the Resolution, noting the change in the September Regular Meeting date from Wednesday to Monday due to the dates of the 2022 SDA Annual Conference.

President Cordero called for a MOTION to approve the Annual Requirements Resolution for 2022. Director Scanlon moved and Director McNeely seconded. The MOTION passed unanimously.

ACTION ITEM 8 - Resolution calling a Regular Election for Directors on May 3, 2022, and appointing a Designated Election Official

Mr. Mock discussed the statutory requirements regarding the regular election and the corresponding Resolution. He noted that in addition to authorizing the election, appointing Ms. Fredette as the DEO, and setting forth other provisions for the election, the Resolution also provides for cooperation with the South Adams County Fire Protection District for the sharing of

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polling places should they be holding an election. This is the same as in past election
Resolutions approved by the Board.

Discussion ensued regarding the three 3-year terms of office that will be open at the May
2022 election. Mr. Mock explained that three-year terms for two regular election cycles were
part of the legislative change to move special district regular elections from even-numbered
years to odd-numbered years. The transition back to the usual 4-year terms will occur at the May
2023 election.

President Cordero called for a MOTION to adopt the Resolution calling the May 3, 2022
Regular Election, appointing a Designated Election Official, authorizing the DEO to cancel the
election if three or fewer candidates submit valid self-nomination forms, authorizing cooperation
with the Fire District, and attending to other election matters. Director McNeely moved and
Director Scanlon seconded. The MOTION passed unanimously.

**ACTION ITEM 9 - General Counsel Annual Review**
The Board determined to address this item after the Executive Session.

**DISCUSSION ITEMS**

**DISCUSSION ITEM 1 - District Manager 2022 Work Plan**
Mr. Moreno thanked everyone for this great opportunity to be the next District Manager. He
proceeded to discuss his 2022 work plan and his intent to meet individually with all the
Managers and Board members to understand everyone’s expectations. He also discussed better
engagement with the community and better communication with customers and key stakeholders
in the community.

Discussion ensued regarding the need to improve relations and engagement with the
community, improving the District’s website, emerging contaminants, and workforce
development and retention, which should include continuing education and the ability to obtain
next certifications.

Additional discussion topics included the effects of the pandemic on workforces in general,
the upcoming market analysis to determine if District compensation is competitive, and the
budget aspects of Mr. Moreno’s work plan. There was also general discussion on the status of
finding Mr. Moreno’s replacement at D&C.

**DISCUSSION ITEM 2 - Bravo Cards for District Manager Search Committee**
Bravo Cards were circulated for the Board members to sign. There was no further
discussion.

**EXECUTIVE SESSION**
Mr. Mock recommended that the matters pertaining to Oakwood Homes and Crown
Enterprises be removed from the Executive Session.
Mr. Mock then stated a motion for the Board to enter into Executive Session under §24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice from the District's legal counsel related to PFAS regulatory developments; an Executive Session under §24-6-402(4)(f), C.R.S., for personnel matters regarding the General Counsel’s annual performance and compensation review; and any other matters that are properly authorized to be discussed in Executive Session.

Director Scanlon made a MOTION at 7:10 p.m. for the Board to enter into Executive Session, pursuant to the motion stated above by Mr. Mock. Director McNeely seconded. The MOTION passed unanimously, and the Board entered into Executive Session.

At 8:05 p.m., a MOTION was made by Director McNeely for the Board to return to Regular Session. Director Scanlon seconded and the MOTION passed unanimously.

Mr. Mock stated for the record that in his opinion, the portions of the Executive Session that were not recorded constituted privileged attorney-client communications.

Following the Executive Session, the Open Session portion of the meeting continued as follows:

ACTION ITEM 9 – General Counsel Annual Review

President Cordero stated that the Board has reviewed and evaluated Mr. Mock’s annual review, performance, and compensation, as well as data related to compensation for other local government attorneys in the Denver metro region, including data included in the Employers Council Public Employers Compensation Survey. As a result, the Board determined to increase Mr. Mock’s salary consistent with the median point for managing attorneys and to confirm his continued rate of accumulation of PTO. The Board expressed their appreciation for the value Mr. Mock brings to the District and for all his work over the last few years.

President Cordero called for a MOTION to set Mr. Mock’s salary increase starting in January 2022 and his rate of PTO accrual. Director Scanlon moved and Director McNeely seconded. The MOTION passed unanimously.

Mr. Mock thanked the Board.

In conclusion, President Cordero asked if the Board members had any additional comments on any matters. Director Scanlon thanked Mr. Goff for attending the meeting and for his work on the vehicle purchase presentation. Director McNeely expressed her appreciation for all of staff’s efforts, the Board’s work, and all the work the District is doing. President Cordero thanked staff and fellow Board members.

In addition, Mr. Moreno reported on the recent payment received for the Turnberry Lift Station that closed out a long-standing financial indebtedness to the District. There were no additional comments.
ADJOURNMENT

President Cordero called for a MOTION to adjourn at 8:10 p.m. Director Scanlon moved and Director McNeely seconded. The MOTION passed unanimously.

Respectfully submitted,

Vicki Ennis
Secretary

Attorney Attestation as to not recording portions of an Executive Session:

I, James M. Mock, hereby attest that the portion of the Executive Session discussion not recorded constituted privileged attorney-client communications.

James M. Mock

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