MINUTES
FOR THE BOARD OF DIRECTORS
OF THE SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
OCTOBER 12, 2022
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 October 12, 2022, 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):
Heidi McNeely, President
William Frew, Vice President
Vicki Ennis, Secretary
Becky Toczyłowski, Treasurer

SACWSD Staff/Legal Present:
Abel Moreno, District Manager
Kipp Scott, Water Systems Manager
Byron Jefferson, Administrative Services Manager
Jeff Coufal, Distribution & Collections Manager
Gary Smith, Wastewater Systems Manager
James M. Mock, General Counsel
Tricia Williams, Water Resource Engineer
Zachary Gilbert, Water O&M Supervisor
Greg Chol, Project Supervisor

Consultants/Others Present:
Glenn Hamilton - Muller Engineering Company
Richard Mehren - Moses, Wittmer, Harrison and Woodruff, P.C.
Ginny Duncan - South Western Property Corp. (AH Apartments)
Leonard Newson – Resident

1 CALL TO ORDER
2 President McNeely called the meeting to order at 6:00 p.m. and then led everyone in the Pledge of Allegiance. It was noted that Director Bullock had provided advance notice of not being able to attend the meeting.
President McNeely then called for a **MOTION** to excuse the absence of Director Bullock. Director Ennis moved and Director Frew seconded. The **MOTION** passed unanimously.

**DISCLOSURES OF 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.

Director Frew has submitted a standing potential conflict of interest letter stating that he is an owner of Sunshine Plumbing Heating and Air. The company provides various plumbing, heating, and air conditioning services throughout the metro Denver Area, including within the boundaries of the District. Director Frew is also a Board member of the Commerce City Chamber of Commerce.

Director Ennis is an employee of Brighton School District 27J and from time to time the School District has business before the District.

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

**AGENDA REVIEW**

President McNeely asked if the Board would like to see any changes to the Agenda. No changes were made to the Agenda.

**APPROVAL OF MINUTES**

President McNeely asked the Board for any comments on the Minutes from the Regular Meeting held on September 7, 2022. President McNeely provided one clarification regarding her suggestion for a Values statement under Discussion Item 1 – EUM Strategic Plan Discussion.

President McNeely asked the Board for any comments on the Minutes from the Special Meeting held on September 29, 2022. There were no comments.

President McNeely then called for a **MOTION** to approve the Minutes from the Regular Meeting held on September 7, 2022, as edited. Director Frew moved and Director Ennis seconded. The **MOTION** passed unanimously.

President McNeely called for a **MOTION** to approve the Minutes from the Special Meeting held on September 29, 2022, as presented. Director Toczykowski moved and Director Ennis seconded. The **MOTION** passed unanimously.

**PUBLIC COMMENT**

President McNeely called for public comments and stated that members of the public have three minutes to address the Board. There were no public comments.
DISCUSSION ITEMS (part 1)

DISCUSSION ITEM 1 - Presentation by District Water Resources Team on District water portfolio

Mr. Scott explained the presentation that will be given to the Board regarding the District’s Water Resource program. He then introduced Ms. Tricia Williams, District Water Resources Coordinator, and Mr. Richard Mehren, the District’s water rights attorney.

Mr. Mehren shared his background with the Moses Wittemyer law firm and the firm’s long history with the District. He has been working with the District’s Water Resources team since 2007 and during that time he’s successfully completed several Water Court decrees.

Mr. Mehren then began a PowerPoint presentation. The first topic was on the District’s water supply and included the following items: potable alluvial wells; the District’s contract with Denver Water; the NE and NW wells, which are used for the District’s non-potable irrigation system; river wells, of which the only one currently online is the high capacity horizontal well, the first one in the state of Colorado; and non-tributary wells.

He also talked about future physical water demand, which included discussion on District wells and Prospect Valley water. He stated that the District’s wells have junior priorities in the water rights system. Mr. Mehren then provided a basic overview of Colorado water rights. He also showed a map of SACWSD’s river ditches and priorities, followed by discussion on protecting District water rights and water replacement.

Mr. Mehren then shared some graphics explaining depletive effects of well pumping on the South Platte River and depletion response at a stream due to sequential pumping at a particular well. He talked about determining the timing and location of the well pumping depletions by use of the SACWSD District-wide ground water model.

Mr. Mehren’s next topic in the presentation was operation of the District’s augmentation plan, including augmentation supply. He stated that every drop of water pumped must be accounted for (gross depletion). He discussed future needs of augmentation water and showed a map of the District’s augmentation plan as well as the ditch systems that have changed through the Water Court.

Mr. Mehren’s third topic in the presentation was about the value of the District’s water rights portfolio.

His final topic was regarding opposition cases in Water Court. He provided data on the District’s activity in opposition cases. He also discussed Water Court rules, including proceedings before the Referee and the Water Judge.

Mr. Mehren further discussed the ways that the District’s water rights could be impacted by direct injury or indirect injury. He stated that the goal throughout the Water Court process is always to protect the District’s investment in its water rights portfolio.
Additional discussion ensued about Water Court cases and how most of them get settled. There was further discussion on well pumping consumptive use and return flows, as well as the District’s future physical water demand.

Mr. Mehren further explained about the filing and publication of applications in Water Court, and how he reviews the applications and determines whether to recommend the District participate in cases by filing a Statements of Opposition. Mr. Mock also requested Mr. Mehren discuss the timing of the resume and the short amount of time between publication of the resume and the deadline to intervene and that such deadlines may occur prior to the next scheduled Board meeting. It was then noted that for this reason it is sometimes necessary or in the District’s best interests for staff to authorize Mr. Mehren to enter the District into a case and then seek ratification from the Board. The Board was comfortable with this practice.

The Board then thanked Mr. Mehren and Ms. Williams for the presentation.

CONSENT AGENDA

President McNeely 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 President McNeely then read the following Consent Agenda items:

1. Direct staff to file a Statement of Opposition in Water Court Case No. 22CW3102
2. Authorize the sole source purchase of Aerzen USA Corporation AT300 Turbo Blower Replacement Parts package in the amount of $64,902.76
3. Approve Partial Pay Request #4 to Vortex Services LLC in the amount of $335,787.62 for the Monaco Street 2022 Water System R&R Project
4. Approve Partial Pay Request #4 to Insituform Technologies, LLC in the amount of $141,757.10 for the 2022 Wastewater Collection System R&R Project
5. Approve Pay Application #2 to Farmer Enterprises, Inc. in the amount of $452,111.81 for the 85th and Quebec Water Line Looping Project
6. Approve Pay Application #2 to Vortex Services LLC in the amount of $321,164.51 for the 2022 Water System R&R Project
7. Approve Electronic Payments
8. Approve the Bill Paying Process

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

ACTION ITEMS

ACTION ITEM 1 – Vacation of a District easement at the Aspen Hills Apartments near E. 104th Avenue and Chambers Road

Mr. Coufal explained that there has been a new easement dedicated to the District near the same area, resulting in the previous easement no longer being needed and that the District would give up any claim to the easement in the affected land. It was further noted that the District’s consulting engineer, Muller Engineering, had reviewed the easement proposed for vacation and was not concerned with any conflicts with the District’s Master Plan.

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President McNeely called for a **MOTION** to approve the Vacation of Easement Agreement between AH Apartments LLC and the District. Director Ennis moved and Director Toczykowski seconded. The **MOTION** passed unanimously.

**ACTION ITEM 2 – Memorandum of Agreement appointing Craig Machuga of the South Adams County Fire Protection District as the Special District appointee to the Commerce City Urban Renewal Authority**

Mr. Mock provided background information regarding urban renewal authorities, tax increment financing, and the special district appointee to the URA Board, noting that historically the appointee has been from the South Adams County Fire Protection District because the Fire District derives nearly all its revenue from property taxes and most of our revenue comes from fees.

President McNeely called for a **MOTION** to approve the Memorandum of Agreement, in its substantially final form, appointing Craig Machuga and his successor on the Fire District Board to the Commerce City URA seat for special districts. Director Ennis moved and Director Toczykowski seconded. The **MOTION** passed unanimously.

**ACTION ITEM 3 – Resolution for using Integrated Project Delivery procurement for the PFAS and 1,4-dioxane treatment facilities project(s)**

Mr. Scott stated that the final design contract with Brown and Caldwell had been approved at the September meeting. He then discussed the use of the Integrated Project Delivery method and more specifically the Construction Manager-General Contractor (CM/GC) procurement process, and provided support for why this procurement method represents a timely and cost-effective method of procuring the PFAS and 1,4-dioxane treatment facilities project(s).

President McNeely then called for a **MOTION** to approve the Resolution finding that Integrated Project Delivery represents a timely and cost-effective method of procuring the PFAS and 1,4-dioxane treatment facilities project(s) and allowing staff to proceed using the IPD approach, more specifically the CM/GC process for completing the construction of the project(s). Director Frew moved and Director Toczykowski seconded. The **MOTION** passed unanimously.

**ACTION ITEM 4 - Resolution providing for reimbursement to the District of funds from tax-exempt bond or loan proceeds for the PFAS treatment and 1,4-dioxane treatment projects**

Mr. Mock explained that often times an entity will start spending money on a project which will ultimately be funded from tax-exempt bonds or loan agreement. However, there are certain reimbursement requirements, including Board approval of a Resolution. Mr. Mock added that whenever an entity is considering issuing tax-exempt debt, this type of resolution should be approved.

President McNeely then called for a **MOTION** to approve the Resolution preliminarily authorizing financing of certain improvements and providing for reimbursement to the District of money from tax-exempt bond or loan proceeds for the PFAS and 1,4-dioxane treatment projects.
and any other facilities. Director Ennis moved and Director Frew seconded. The MOTION passed unanimously.

**ACTION ITEM 5 – Reauthorization of standard contract and easement forms**

Mr. Mock discussed the District’s various contracts and agreements included in the Board packet and used over many years, noting that prior Boards have approved these forms but that it’s good practice to periodically reapprove them.

Discussion ensued regarding the District’s approach to several common contract issues, and some updates to the forms.

President McNeely then called for a **MOTION** to approve reauthorizing the use of the District’s standard contract and easement forms, in substantially the form presented, with any changes which are determined to be in the best interests of the District in the discretion of the District Manager and General Counsel. Director Ennis moved and Director Toczyłowski seconded. The **MOTION** passed unanimously.

**DISCUSSION ITEMS (continued)**

**DISCUSSION ITEM 2 – District Manager/General Counsel Annual Performance Appraisals**

Mr. Moreno discussed the evaluation form for receiving feedback from the Board and the next steps in the process. He noted that the entire district is currently in the annual review process. Mr. Mock explained that a Word file of the evaluation form will be emailed to the Board members in case they would like to complete the form that way.

Discussion ensued on returning the completed forms to Cheryl Layton in HR or bringing them to the Executive Session at the November meeting. There was additional discussion on the review process in general.

**DISCUSSION ITEM 3 – SDA Conference Follow-up**

Mr. Moreno inquired if the Board had any items they would like to discuss in follow-up to any sessions they attended at the SDA’s annual conference. Discussion ensued regarding cybersecurity and Mr. Moreno indicated that he’ll provide an Information Item in the next Board meeting packet. There was additional discussion regarding specific topics that the Board enjoyed at the conference.

**EXECUTIVE SESSION**

The Board determined that an Executive Session was not needed.

In conclusion, Director Frew referenced a project completed by the Fort Collins Sanitation District that he learned about at the SDA Conference. Director Toczyłowski discussed team building. Director Ennis talked about collaboration with the Fire District in the event of an emergency.
ADJOURNMENT

President McNeely called for a MOTION to adjourn at 7:27 p.m. Director Frew moved and Director Ennis seconded. The MOTION passed unanimously.

Respectfully submitted,

[Signature]

Vicki Ennis
Secretary