MINUTES
OF THE SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
FEBRUARY 9, 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 February 9, 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):
Mizraim Cordero, President
Heidi McNeely, Ph.D., Vice President
William Frew, Treasurer
Michael Scanlon, Director

SACWSD Staff/Legal Present:
Abel Moreno, District Manager
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:
Jeff Coufal, incoming D&C Manager
Theresa Friess, SACWSD Community Affairs Specialist
Illana Poley, Poley Communications
Glenn Hamilton, Muller Engineering Co.
Steve Hibbeler, Muller Engineering Co.
Rick Donovan, Brannan Construction Co.
Alan McConnell, Board candidate
Rebecca Toczykowski and Leonard Newson, potential Board candidates
David Foster and Rory Blakemore, developer reps
CALL TO ORDER
President Cordero called the meeting to order at 6:00 p.m. and then led everyone in the Pledge of Allegiance.

EXCUSED ABSENCE/APPOINTMENT OF ACTING SECRETARY
President Cordero stated that Director Ennis was ill and had provided advance notice of being unable to attend the meeting.

President Cordero called for a MOTION to excuse the absence of Director Ennis and to appoint Vice President McNeely to serve as acting Secretary for the meeting. Director Scanlon moved and Director Frew 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 Frew has submitted a standing potential conflict of interest letter stating that he is an employee and part-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 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
President Cordero called for a MOTION to approve the Minutes from the Regular Meeting held on January 12, 2022. Director McNeely moved and Director Scanlon 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. Approve Partial Pay Request #6 to Vortex Services, LLC in the amount of $1,133,138.05 for the Irrigation Transmission Main Construction Project
2. Approve a Resolution converting 201.06 expired GID ERUs to Phase 4B ERUs
3. Approve a Resolution terminating 1,000 FRICO ERUs purchased from Oakwood Homes
4. Approve Electronic Payments
5. Approve the Bill Paying Process

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

ACTION ITEMS

ACTION ITEM 1 - Revised release of retainage pay application for Brannan Construction Company in the amount of $189,141.90 for the 2021 Water System R&R Project

Mr. Moreno discussed the final payment and release of retainage approved by the Board at the January meeting. Since that time, Brannan has informed the District that there was a miscalculation regarding the number of tons of asphalt used on the project, which equates to $66,253.32. Mr. Moreno further expressed that staff was disappointed to learn about the error at such a late hour, but they believe it is fair to pay Brannan what is owed for the project as the work was in fact done.

Mr. Moreno went on to explain that the cost for the project still comes in under budget, and it has been negotiated with Brannan that they will pay for Muller’s time associated with the remaining punch list items. This reduces the amount to be paid to Brannan to $56,475.94.

Discussion ensued on how to prevent this type of situation from happening again. Mr. Moreno discussed Brannan’s explanation that there was a change in project management during the course of the project, but that Brannan also recognizes they should have caught the error and notified the District much sooner, especially since it relates to work done back in September. Mr. Moreno further explained the District’s plans for ensuring everything is in order prior to going into a project’s final pay application stage.

Mr. Donovan from Brannan then addressed the Board. He thanked staff and Muller Engineering for the great working relationship on this project and proceeded to discuss how the change in project manager contributed to this mistake, how the billing error was discovered, and
that Brannan takes full responsibility. He assured the Board that senior management will now handle any District projects going forward.

Director Frew had questions regarding the District’s responsibility in this matter. Discussion ensued with Mr. Donovan regarding the retainage amount and how the invoicing error occurred for work that was done back in September. Mr. Moreno discussed the reasoning for honoring Brannan’s payment request, noting that the project was still in the claims period when Brannan brought the error to the District’s attention. He further noted that the work done in September was planned as part of the contract, it was not additional work, but that the administrative piece of bringing it forward for payment in a timely manner was simply overlooked. President Cordero reiterated that Brannan is not asking for anything beyond the agreed contract amount, but that the amount Brannan is currently requesting was not in the amount the Board approved at the January meeting. Director Frew thanked everyone for the clarification.

President Cordero then called for a **MOTION** to approve the revised release of retainage pay application for Brannan Construction Company in the amount of $189,141.90 for the 2021 Water System R&R Project. Director McNeely moved and Director Scanlon seconded. The **MOTION** passed unanimously.

**ACTION ITEM 2 - Contract with Farner Enterprises, Inc. in the amount of $822,876.70 and a contract with Muller Engineering Company, Inc. in the amount of $98,692, for the 85th & Quebec Pump Station Water Line Project**

Mr. Moreno discussed the location of the project and explained that the District’s master plan calls for a looped project going across the UPRR tracks. He explained that this is going to improve reliability, redundancy, and fire protection in that area. Mr. Moreno further discussed the recent bid opening, noting that the lowest responsive and responsible bidder was Farner Enterprises Inc., whose bid was under budget and who has performed work previously for the District. In addition, Muller Engineering has submitted a contract for providing construction management services.

Mr. Moreno then stated that staff recommends approval of the contract with Farner Enterprises, Inc. in the amount of $822,876.70 and a contract with Muller Engineering Company, Inc. in the amount of $98,692 for construction mgmt. of the 85th & Quebec Pump Station Water Line Project.

President Cordero called for a **MOTION** to approve the contract with Farner Enterprises in the amount of $822,876.70 and a contract with Muller Engineering Company, Inc. in the amount of $98,692 for the 85th & Quebec Pump Station Water Line Project. Director Frew moved and Director Scanlon seconded. The **MOTION** passed unanimously.

**ACTION ITEM 3 - Task Order with Brown and Caldwell for a pre-design of 1, 4 Dioxane treatment, concurrently with PFAS pre-design work, in an amount not to exceed $85,000**

Mr. Scott discussed the predesign project and talked about the history of 1,4 Dioxane being a contaminant. He noted there is the potential for a federal standard to be set on this compound in the near future. Mr. Scott also discussed the District’s current predesign process for PFAS.
treatment, and the benefits of combining these two projects into one. He further noted that staff believes that with the federal infrastructure bill, there may be funding available to complete these projects together.

Mr. Scott then stated that staff recommends authorizing the District Manager to enter into a Task Order with Brown and Caldwell for a pre-design of 1, 4 Dioxane treatment, concurrently with PFAS pre-design work, in an amount not to exceed $85,000. President Cordero called for a MOOTION to approve the Task Order with Brown and Caldwell for a pre-design of 1, 4 Dioxane treatment, concurrently with PFAS pre-design work, in an amount not to exceed $85,000. Director Scanlon moved and Director Frew seconded. The MOTION passed unanimously.

Mr. Mock briefly discussed the possibility of expenditure reimbursement with the proceeds of tax-exempt bonds.

**ACTION ITEM 4 - Engagement Letter with CliftonLarsonAllen LLP for the District’s 2021 Audit**

Mr. Jefferson discussed the 2021 Audit and that it needs to be presented to the Board before June. He noted that the Engagement Letter was received from the Auditors just prior to the meeting packet, and that some changes in the letter are being addressed. Mr. Mock discussed the revisions staff has requested, which are primarily for clarification purposes.

Discussion ensued regarding the Board approving the Engagement Letter, subject to final review by Mr. Mock and the District Manager.

Mr. Jefferson then stated that staff recommends approval of the Engagement Letter with CliftonLarsonAllen LLP for the District’s 2021 Audit, subject to final review by Mr. Mock and the District Manager.

President Cordero called for a MOOTION to approve the Engagement Letter with CliftonLarsonAllen LLP for the District’s 2021 Audit, subject to final review by Mr. Mock and the District Manager. Director Scanlon moved and Director McNeely seconded. The MOTION passed unanimously.

**DISCUSSION ITEMS**

**DISCUSSION ITEM 1 – District Communications Plan**

Mr. Moreno referred to his preliminary District Communications Plan as presented in the Board’s meeting packet. He indicated that he’s seeking the Board’s thoughts and direction on the plan, including priorities and goal strategies. Mr. Moreno discussed a recent public outreach event and lessons learned from that event. He also talked about the efforts of Ms. Poley and Ms. Friess in developing the goals and strategies for the communication plan.

Ms. Friess then addressed the Board. She noted that under Mr. Moreno’s direction, communication has become a top priority. Ms. Friess discussed the purpose and objectives of
the communication plan and the three main goals, which include positioning the District as the
trusted source for information about water and wastewater services in the community;
strengthening the perception of the District as a leader in water quality and water and wastewater
services; and, to better engage, communicate and interact with the community’s diverse group of
customers.

Ms. Poley then addressed the Board to discuss the strategies addressed in the communication
plan. The strategies, not in any particular order of priority, include being more physically
present in the community; updating the District’s brand to reflect the new water softening
project; enhancing digital communication tools and increased digital engagement, which would
include investing in a redesigned website that’s more user-friendly; revamping emergency
communications; and, determining current perceptions of the District's community relationships,
water quality and communications, i.e., town hall meetings.

Discussion ensued whether the Board is ready to move forward with a rebranding exercise.
Clarification of some of the strategies and their priority were also discussed. The Board
indicated they would like to see the strategies move forward and that they’d also like to see a
timeline and receive regular reports.

Mr. Moreno further discussed rebranding, noting that he recently attended a presentation on
website development and rebranding. Mr. Moreno is in favor of rebranding the District’s image
based on recent changes in the District’s water, i.e., the new water softening facility. The Board
indicated they would be interested in seeing the presentation if possible.

Mr. Mock discussed the criteria and parameters for when the District is considering which
events to participate in for public outreach. One consideration is the possibility of conflicts of
interest. Discussion ensued. It was suggested that events be looked at on a one-by-one basis and
that a calendar of upcoming events be developed.

There was additional discussion on a process for event organizers to reach out to the District.
Mr. Moreno also discussed a representative from the Board being part of a stakeholder group for
the revamping of the District website. Director McNeely indicated that she’d be happy to be part
of this group.

Director Frew made a MOTION to appoint Director McNeely to the stakeholder group for
revamping the District website. Director Scanlon seconded and the MOTION passed
unanimously.

Mr. Moreno further indicated that he’s expecting to have a cost proposal for the website
development prior to the March meeting, and that the stakeholder group will decide on the best
approach for tackling this project.

DISCUSSION ITEM 2 - Denver Water augmentation storage Change Order
Mr. Scott gave an overview of the partnership that was entered into with Denver Water in
2020 regarding the Hazeltine Reservoir. He discussed that the subcontractor who is removing
dirt to create storage has requested a change order related to the increased cost of diesel fuel.
The request is for a retroactive change order going back to the beginning of the project. Discussion ensued.

Mr. Scott indicated there would be further discussion on this matter in Executive Session.

**DISCUSSION ITEM 3 - Information Session for potential Board candidates**

President Cordero asked for a show of hands from those in the audience who are possibly interested in running for the Board. Three people raised their hands. He then explained the purpose and format of the information session.

President Cordero proceeded to give some background information on the District, noting it is a special district under Colorado law and a political subdivision of the State of Colorado, separate from the City of Commerce City. He talked about when the District was formed, its service area, the number of residents and businesses served, and where the District gets its water. He also discussed the District’s wastewater operations.

President Cordero then talked about the necessity of having good working relationships with Commerce City, Adams County, Denver Water, Metro Water Recovery, the Colorado Department of Public Health and Environment, and an assortment of developers. He also talked about the major focuses of the District, the Board’s role in setting policy and not being involved with day-to-day affairs, hiring the District Manager and Legal Counsel, and approving a budget and the rates and fees.

President Cordero then introduced the other Board members present and discussed the upcoming election to elect directors and the seats that will be open. Each Board member then spent a few minutes sharing their thoughts about serving on the Board.

President Cordero also invited Mr. Moreno and Mr. Mock to say a few words. Mr. Moreno stated that he appreciates the time commitment the Board makes to serve the community. He is also grateful for those members of the community who are contemplating running for the Board. It is an important role and the direction and leadership received on behalf of the community is critical to the District’s future success.

Mr. Mock discussed what a candidate can expect if they run and are elected. He talked about the requirements of being on the Board, how to get on the ballot, eligibility requirements, the Fair Campaign Practices Act and reporting requirements, director compensation, how Board meetings are called and posted, what constitutes a quorum, open meeting laws, and the disclosure of potential conflicts of interest. In addition, Mr. Mock talked about the duty of care, reading Board packets, loyalty, and protecting confidential information.

Potential candidate Becky Toczyłowski of 16100 Fairway Drive then addressed the Board. She had questions pertaining to the different Board officers and their roles, and how the officers are determined. The Board responded to Ms. Toczyłowski’s questions and discussed the other committees that Board members also serve on.
Candidate Alan McConnell of 16821 E. 110th Avenue also addressed the Board. He briefly discussed his background and then asked the Board what is most rewarding and what is most challenging about serving on the Board. The Board members individually responded to Mr. McConnell’s questions.

The Board determined to take a 10-minute break at this time.

DISCUSSION ITEM 4 – J-M Grebenc retirement thank-you

Mr. Moreno stated that after 32 years, Mr. Grebenc is retiring from the District as of March 1. A thank-you card was circulated for the Board members to sign and discussion ensued regarding a parting gift for Mr. Grebenc.

The Board thanked Mr. Grebenc for his service and expressed their regret at not being able to say goodbye in person. Per Mr. Grebenc’s wishes, there will not be a retirement celebration at this time.

EXECUTIVE SESSION

Mr. Mock stated a motion for the Board to consider 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 possible PFAS regulatory changes; under §24-6-402(4)(b & e), C.R.S., for the purpose of receiving legal advice from the District’s legal counsel and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators related to the Wattenberg Reservoir Storage Agreement with the City of Westminster; under §24-6-402(4)(b & e), C.R.S., for the purpose of receiving legal advice from the District’s legal counsel and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators related to the Denver Water augmentation storage Change Order request; and any other matters that are properly authorized to be discussed in Executive Session.

The Board of Directors may take public action on any matter discussed in executive session following any executive session.

Director Scanlon made a MOTION at 8:00 p.m. for the Board to enter into Executive Session, pursuant to the motion stated above by Mr. Mock. Director Frew seconded. The MOTION passed unanimously, and the Board entered into Executive Session.

At 9:15 p.m., a MOTION was made by Director Scanlon for the Board to return to Regular Session. Director McNeely seconded and the MOTION passed unanimously.

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

Mr. Moreno then acknowledged Mr. Cubbon and stated that he has been appointed as the Interim Wastewater Systems Manager. Mr. Moreno also acknowledged Mr. Coufal, who has been hired as the new D&C Manager, starting February 22.
In conclusion, President Cordero asked if the Board members had additional comments on any matters. Director Scanlon offered his congratulations to Mr. Coufal. Director McNeely stated that it was great having the community members there who came to the meeting for the presentation for potential Board candidates. She also welcomed Mr. Coufal to the District. Director Frew welcomed Mr. Coufal as well, and President Cordero thanked staff for another month of great work.

ADJOURNMENT

President Cordero called for a MOTION to adjourn at 9:18 p.m. Director Frew 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