MINUTES
FOR THE BOARD OF DIRECTORS
OF THE SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MARCH 8, 2023
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 March 8, 2023, 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 Toczyloski, Treasurer
René Bullock, Director

SACWSD Exec Staff/Legal Present:
Abel Moreno, District Manager
Byron Jefferson, Finance Manager
Gary Smith, Wastewater Systems Manager
Zachary Gilbert, Water Systems Manager
Rachel Harlow-Schalk, D&C Manager
Derek Lusk, Information Systems & Technology Manager
Jim Mock, General Counsel
Dawn Fredette, District Clerk/Legal Assistant

Consultants/Others Present:
Glenn Hamilton - Muller Engineering Company

CALL TO ORDER
1 President McNeely called the meeting to order at 6:00 p.m. and then led everyone in the Pledge of Allegiance.

DISCLOSURES OF CONFLICTS OF INTEREST
2 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 Ennis has submitted a standing potential conflict of interest letter stating that she is now employed by the City of Aurora in police payroll processing. The District has a potential adversarial relationship with the City of Aurora related to water contamination and from time to time enters into water rights transactions and litigation with Aurora.

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 Bullock is the Executive Director of the Chamber of Commerce of the City of Commerce City. The Chamber engages, educates, and advocates for the business community and the residents of Commerce City.

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. The Board determined to add a Discussion Item regarding the proposed land swap with the City and Kroenke Sports.

APPROVAL OF MINUTES

President McNeely asked the Board for any comments on the Minutes from the Regular Meeting held on February 8, 2023. There were no comments.

President McNeely then called for a MOTION to approve the Minutes from the Regular Meeting held on February 8, 2023. Director Bullock 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.

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. Approve Pay Application #7 to Vortex Services LLC in the amount of $527,089.09 for the 2022 Water System R&R Project
2. Approve Pay Application #1 to Brannan Construction Company in the amount of $364,271.46 for the Pressure Zone 21 Irrigation System Conversion Project


4. Approve Engagement Letter and Master Services Agreement with CliftonLarsonAllen LLP for conducting the 2022 Audit of the District’s financials

5. Approve Electronic Payments

6. Approve the Bill Paying Process

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

ACTION ITEMS

ACTION ITEM 1 – Construction Amendment to the CMAR Contract with Moltz Construction Inc. in the amount of $1,756,075 for the Irrigation System Pump Station Upgrades

Mr. Gilbert discussed previous Board approvals related to this project and the proposed GMP now submitted by Moltz. He also talked about the change in the liquidated damages in the proposed GMP, noting that staff feels the negotiated liquidated damages are appropriate.

Discussion ensued regarding supply chain issues and the liquidated damages. Mr. Moreno stated that the District believes the amount for the liquidated damages makes the most fiscal sense for the District. Mr. Mock explained the benefits and burdens of using the CMAR method of contract for this project, noting that this form of contracting was necessary to get the equipment procurement accelerated.

Mr. Gilbert and Mr. Hamilton further discussed the timing of the project in conjunction with peak irrigation season and the costs that would be incurred if the equipment procurement were not accelerated.

Mr. Moreno then stated that it’s staff’s recommendation for the Board to approve a Construction Amendment to the CMAR Contract with Moltz Construction Inc. in the amount of $1,756,075 for the Irrigation System Pump Station Upgrades.

President McNeely called for a MOTION to approve the Construction Amendment to the CMAR Contract with Moltz Construction Inc. in the amount of $1,756,075 for the Irrigation System Pump Station Upgrades. Director Toczykowski moved and Director Bullock seconded. The MOTION passed unanimously.

Prior to the Board continuing with the next Action Items, Mr. Moreno introduced the District’s two new managers. He first introduced Derek Lusk, who is filling the newly created position of Information Systems & Technology Manager. Mr. Lusk addressed the Board and stated that he’s looking forward to this opportunity.
Mr. Moreno then introduced Rachel Harlow-Schalk, the new Distribution & Collection Systems Manager. He noted that she has a wealth of municipal government experience. Ms. Harlow-Schalk then addressed the Board and discussed her employment history and work experience.

The Board welcomed both of the new managers.

**ACTION ITEM 2 – Contract with Distribution System Resources, Ltd. in an amount not to exceed $175,000 for fire hydrant and valve exercising services**

Ms. Harlow-Schalk discussed the proposed contract with Distribution System Resources. She noted that they were the only bidder. She also explained that this contract will complete the project work that the District does each year.

The Board did not have any questions and there was no additional discussion.

President McNeely called for a **MOTION** to approve the Contract with Distribution System Resources, Ltd. in an amount not to exceed $175,000 for fire hydrant and valve exercising services. Director Bullock moved and Director Frew seconded. The **MOTION** passed unanimously.

**ACTION ITEM 3 – Amendment 2 to the contract with Muller Engineering Company, Inc. for the 2023 PZ21/32 Development Conversion to Irrigation System Project adding $123,578 to the current $629,680 contract resulting in a new $753,258 not-to-exceed amount for the design and bid phase engineering services**

Ms. Harlow-Schalk discussed the amendment to the contract with Muller Engineering and what it entails to complete the design of this irrigation line project.

Mr. Moreno then talked about the project being related to a City project that includes widening of 96th Avenue between Tower Road and Chambers Road. Mr. Moreno further stated that the project gives the District the opportunity to put Master Plan infrastructure in place in conjunction with the City’s improvements to 96th Avenue.

Discussion ensued regarding the timing of the project by both the City and the District, and entering into an IGA with the City.

President McNeely then called for a **MOTION** to approve Amendment 2 to the contract with Muller Engineering Company, Inc. for the 2023 PZ21/32 Development Conversion to Irrigation System Project adding $123,578 to the current $629,680 contract resulting in a new $753,258 not-to-exceed amount for the design and bid phase engineering services. Director Bullock moved and Director Toczykowski seconded. The **MOTION** passed unanimously.

**ACTION ITEM 4 – Contract with Muller Engineering Company, Inc. in an amount not to exceed $52,286 for design and bid phase engineering services for a 12-inch potable distribution line main in 96th Avenue from Landmark Drive to Reunion Parkway**

Ms. Harlow-Schalk explained that this item is also related to the City’s project along 96th Avenue between Tower Road and Chambers Road. It includes a quarter-mile section along that...
corridor and is another opportunity for the District to get work done in conjunction with the City’s upcoming work.

The Board did not have any questions and there was no additional discussion.

President McNeely called for a **MOTION** to approve a contract with Muller Engineering Company, Inc. in an amount not to exceed $52,286 for design and bid phase engineering services for a 12-inch potable distribution line main in 96th Avenue from Landmark Drive to Reunion Parkway. Director Ennis moved and Director Frew seconded. The **MOTION** passed unanimously.

**DISCUSSION ITEMS**

**DISCUSSION ITEM 1 – Pressure Zone 41 Update**

Ms. Harlow-Schalk referenced conversations the District has had with the City in anticipation of future development near DIA. She noted that this Discussion Item is simply an opportunity to have a conversation with the Board prior to bringing anything forward for approval.

Mr. Moreno stated that the District is currently in discussions with the City and the developer regarding the potable water transmission main for Pressure Zone 41. He talked about the cost to design the infrastructure and assurances from the City and developer as to what an agreement might look like. He noted there is an upcoming meeting with the developer to discuss reimbursement of design expenses.

Mr. Moreno explained that PZ41 is totally dependent upon the development that happens along Tower Road. He also discussed ERU’s and the timing for having PZ41 facilities in place, which includes both the design and construction of the infrastructure and acquiring land as necessary.

Mr. Moreno then talked about discussions with the City around their updated land use plan, noting that they are looking at changing designations for development types to “character areas.” He discussed character areas providing the City with more flexibility regarding development types and the potential impacts to the District’s current Master Plan. Mr. Moreno stated that Muller Engineering is ready to update the Master Plan once the District has a better understanding of how character areas will impact District infrastructure.

Mr. Moreno also discussed the possibility of a future Pressure Zone 42 in an area north of DIA to accommodate potentially more development than originally planned. He noted there will be future conversations with the Board in terms of planning.

Mr. Hamilton clarified the overlap of the District’s projects with the City’s project along 96th Avenue. He also discussed District procurement timing and infrastructure funding in conjunction with the City’s timing of their project.
Discussion ensued regarding the City’s new designation of character areas. Mr. Moreno talked about these character areas becoming more commonplace nationwide. Mr. Hamilton also discussed the City’s new character areas and the differences from previous designations.

Ms. Harlow-Schalk further discussed the importance of timing, expectations, and the early phase of design. Additional discussion ensued regarding easements needed for the project.

In conclusion, Mr. Moreno discussed procurement timing and needing committed funding prior to entering into a contract for design.

**DISCUSSION ITEM 2 – Wastewater Plant Operations Update**

Mr. Smith first provided a data handout to the Board and stated that there is good news regarding processes at the plant to remedy the nitrification situation that’s been occurring over the last several months. He also thanked the D&C team for all the help they provided while work was being done to correct the situation.

Mr. Smith then discussed the data handout, processes implemented at the plant, and getting back into compliance. He also discussed the recent CDPHE document review and walk-through inspection, noting that this was a routine inspection and not related to a compliance issue. He’s expecting a favorable report.

The Board thanked Mr. Smith for all the good work at the plant. Discussion ensued regarding data included on the handout and upcoming testing.

**DISCUSSION ITEM 3 – Chamber of Commerce Blood Drive**

Mr. Moreno discussed Director Bullock’s inquiry at the last Board meeting where he spoke on behalf of the Commerce City Chamber of Commerce and the Commerce City Youth Commission about the District participating in a community Blood Drive in June. Mr. Moreno asked for Board input regarding the request.

Board members provided favorable input and Mr. Moreno indicated he will communicate this to the Chamber of Commerce.

**DISCUSSION ITEM 4 – Land Swap with the City and Kroenke Sports**

Mr. Mock discussed the proposed land swap and explained that the land the District would acquire is approximately 10 acres just west of the Klein plant where the District’s new treatment facilities will be located. He stated that the three-way land swap is now moving forward quickly and based on the City’s desired time frame, the Board may need to hold a special meeting to adopt a resolution and swap agreement.

Mr. Mock also discussed the parcel that the City would be acquiring. He stated that it is undeveloped land owned by the District where the City would like to put storm drainage retention facilities. He explained that the City has federal funding and as a result needs to get the project moving, so they are inquiring about starting construction prior to owning the property. Mr. Mock discussed a possible proposal in which the City could commence construction but not
use the facility as part of the storm detention system until they own the parcel, and it would also require that the District owns the parcel it would be acquiring from Kroenke.

Discussion ensued regarding the City’s timing for using their federal funds and the desire to be a good partner with the City.

Further discussion ensued on a potential special meeting and the timing and format for the meeting.

EXECUTIVE SESSION

The Board determined that an Executive Session was not needed.

In conclusion, President McNeely and Director Bullock discussed D&C’s friendly competition for the best food in the District. Directors Toczyłowski and Ennis discussed the District’s recent presentation at Turnberry Elementary and the possibility of a similar event in School District 27J in the future.

ADJOURNMENT

President McNeely called for a MOTION to adjourn at 7:19 p.m. Director Bullock moved and Director Frew seconded. The MOTION passed unanimously.

Respectfully submitted,

Vicki Ennis
Secretary