

**Minutes of the Regular Meeting of the Board of Directors of the
Pinewood Springs Water District's Water Enterprise
09/24/2003**

The regular meeting of the Board of Directors of the Pinewood Springs Water District's Water Enterprise, Larimer County, Colorado, was held in accordance with the applicable statutes of the State of Colorado on 09/24/2003 at the Pinewood Springs Firehouse. The meeting was called to order at 7:05PM by President Andy Sharp.

ATTENDANCE:

The following 3 Board members were present constituting a quorum: Andy Sharp, Mark Upton, and Jim Wendell. Win Knechtel, the 4th Board member, was not present. There are currently only 4 Board members leaving one seat vacant. Other attendees were Gabriele Benson, Carl Pender, Frank Novak, Pam Ping, Noah Bale, Terry Bale, Jodi Brown, and Richard Rokos. Rachel Flanders attended as the representative from Clifton Gunderson LLP.

New Board Member:

Andy Sharp informed everyone that Win Knechtel has resigned, effective immediately, and that Pam Ping has been appointed as a new Board member.

Presentation of the 2002 Audit:

Rachel Flanders reviewed the preliminary Auditor's Report and then answered questions from the Board. Her summary indicates that our financial statements represent fairly in all material respects. They also encouraged the Water District to perform a complete inventory of their fixed assets in a detailed list. Pam Ping moved to accept the preliminary audit report. Mark Upton 2nd the motion. The motion passed unanimously.

New Customer Issues:

- 1) Jodi Brown explained the leak they had and the actions taken to correct the situation. The situation was also discussed with Carl Pender, our Water Superintendent. There was a concensus among Board members that they responded reasonably and therefor their bill will be adjusted. The adjustment will keep all of their water consumption charges for the month of August at the lowest rate tier.
- 2) Richard Rokos, owner of lot 118 on Cheyenne, asked the Board to consider selling the Water District property located next to his lot to him. Another option discussed was an easement. Andy will need to contact our attorney to discuss legal issues involved with such an action before the Board can discuss the issue further.

Drought Mitigation:

- 1) Fall Election -
Andy informed us that the election questions regarding the Water District were completed and on-time, and therefor will appear on the ballot. He also summarize the pros and cons regarding the 3 questions and then accepted questions from the audience. The Board also decided to include a mail-in ballot application form with the next mailing to customers to encourage voter participation.

Andy requested that Board members start circulating statements explaining pros and cons of the Tabor related questions on the ballot so that they can be included in the next newsletter.

Mark indicated that there are specific statements regarding the Tabor related issues that are require posting on the web page and that he will contact Matt Hogan (an attorney) for exact wording.

- 2) Brief discussion of how the Windy Gap project may possibly affect our water rights.
- 3) The current status of the Northern Colorado Water Conservancy District (NCWCD) petition status was discussed. There are almost enough signatures under the new criteria. Once there are enough signatures the petition will be submitted again.
- 4) Carl Pender (Water Superintendent) informed us that people pulling water from the Little Thompson have not purchased Colorado Big Thompson (CBT) water to replace what they divert, as required by law. Currently we have a "call" on the river, so no-one upriver of the treatment plant is allowed to divert any water from the river.
- 5) Andy brought us up to date on the current status of our petition for water rights to store water in an off-river reservoir and scenarios of how this may progress in the water courts. Andy moved to approve the invoice from McLaughlin Water Engineers for \$1564.25 (this brings the total billed to \$4800.00) towards the *Water Availability Study*. This is conditional upon the approval from Ronnie Sterling (water attorney) that the study has been completed according to her requests. Pam Ping 2nd the motion. The motion passed unanimously.

6) Loans and Studies Update -

Frank is working on the *Preliminary Engineering Report (PER)* for USDA Rural Development. The report is almost done (~30 minutes left), and is about 30 pages long. The *Environmental Study* and report are next. Andy reported that the *Eligibility Assessment* is done, and that the Health Dept. will accept the *Environmental Report* that will be done for USDA. After the environmental studies and reports we will then need to work with the Health Dept. on generating a *Technical, Management, and Financial (TMF)* report. Andy will look into starting the *USDA Environmental Study*.

Mark moved to authorize a partial payment of the \$2061.00 invoice from McLaughlin Water Engineers for the infiltration gallery ash problem so that the total payment does not exceed the \$4500.00 previously authorized. Pam Ping 2nd the motion. The motion passed unanimously.

Discussion of current grants and their approved use:

Amount	Purpose	From	Expiration
\$8.0K	Problems due to ash, studies only	Colorado Water Resources and Power Development Authority (CWR)	03/01/2004
\$8.8K	Treatment plant rental	Colorado Health Department	12/31/2003
\$56K	Fire and drought recovery (water hauling and water purchase)	Colorado Health Department	08/??/2004

Gabi will write an invoice against the \$56K grant for the August water hauling costs, and for the water previously purchased and now stored for us by Longmont.

Big Elk Meadows:

Carl reported that Big Elk Meadows (BEM) is again storing out of priority with 16+ acre-ft more than what they should be storing, and they will start releasing ¼ acre-ft per day. BEM is still not providing monthly reports, as required by court order. Mark will contact Jim Hall (State Division Engineer) to try and get this enforced.

Infrastructure Replacement:

Sioux Road line replacement is nearly complete with all customers now transferred over to the new line. The pressure relief valve (PRV) and meter require replacement. Materials are being purchased to complete this work.

Reports:

1) Administrative Clerk (Gabriele Benson) –

Gabi reported on status of customers that were delinquent on their accounts, those that have paid and are no longer delinquent, and other customer comments. The customer at 142 May Ave. who has purchased a water tap is now requesting that it be installed. Pam Ping has taken her *Oath of Office*. Discussion of bills from Matt Hogan and Jake Hummel for legal work.

Mark Upton moved to adopt *The Resolution Determining District and Public Interest and Necessity* as requested by Matt Hogan (attorney). Pam Ping 2nd the motion. The motion passed unanimously.

The Board members realigned the positions as follows:

Position	Individual
President	Andy Sharp
Vice President	Pam Ping
Treasurer	Mark Upton
Secretary	Jim Wendell
At-Large	vacant

Discussed possible options for pre-pad tap land owners (PPTLO). They have recently been required to start paying the monthly base rate and system improvement fees. There has been opposition from a few of these customers. No consensus arrived at by the Board as to what options, if any, to provide.

Discuss status of cost evaluation for base rate and actual cost of water. Data collection in progress.

2) Water Superintendent (Carl Pender) –

The new leak detector has been received. Usage number variations may have been due to a defective meter at the plant. Discussion of customer calls and resolutions. Carl's annual review performed by Mark Upton and Jim Wendell on 09/22/2003. Mark Upton moved to give Carl a 4% raise effective 09/01/2003. Jim Wendell 2nd the motion. The motion passed unanimously.

3) Water Specialist (Frank Novak) –

PER almost complete. Estimates required of money spend on legal fees. Discussion of finance planning for reservoir.

The current primary reservoir site (Crow Lane, D-1) flagging for a rough approximation of the water outline, assuming a 35 ft. dam, should be complete by Friday afternoon. The reservoir will be approximately 300 ft. across at the dam and 600 ft. long. Frank expressed concern about a customer's loose dogs. No authorization required from the Board for the \$150.00 invoice received from England Surveying to perform the survey for the water outline.

4) Treasurer (Mark Upton) –

Mark provided a verbal report on the Water District financial status. Discussed the accounts roll-over at the changing year. The draft of the projected budget for 2004 needs to be submitted by the 10/15/2003, and mill levy information needs to be submitted by 11/01/2003.

Approval of Minutes:

Reviewed Minutes from previous Board meetings. Mark Upton moved to accept the Minutes for the 08/27/2003 meeting as amended. Pam Ping 2nd the motion. The motion passed unanimously.

Fricker Property Discussion:

Andy informed us that the Deed for the property specifically states that the property is entitled to 1.5 EQR, therefor this limit should stand until the Water District has an adequate supply. Jim Haber is a possible future owner.

Policy Folder:

The Board will start fine-tuning policies by email to update the *Policy Folder*. A statement should be included in the folder indicating that these documents are not for distribution and that they are only an indication of what has happened in the past. Policies are only guidelines from the current Board and should not be considered as rules or regulations. Policy statements should be dated.

Meeting adjourned at 11:10 PM.

Respectfully submitted by
Jim Wendell
Secretary