



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
www.ppwsd.org

Regular Meeting – September 15, 2021

Board Members Present

Brian Arthurs
Judy LaCrosse
Tony Lucas
Jim Maras
Gary Peterson

Visitors

Rob Francescon
Audrey Kingdom
Julia McCusker

Staff / Consultants in Attendance

Alan Hill – Hill & Pollock, LLC
Diana Miller – District Manager
Will Parker – Semocor, Inc.
Ashley Pollock – Hill & Pollock, LLC

1.0 Call To Order

The Regular Board Meeting was called to order at 14:00.

2.0 Legal Updates – The District's legal counsel, Hill & Pollock, attended the Board Meeting to provide updates to current issues as well as to answer any Board questions.

Sandstone Ranch Easements: The District's attorneys made a presentation to the Board about the easements needed from Douglas County for the construction of an augmentation station required for the District to incorporate its Gove Ditch water rights into the District's water system, as well as the easements required for the District to access the current and future water facilities and structures located within the Sandstone Ranch. The Sandstone Ranch was originally platted for the development of 114 home sites and was included within the District's service area in 2007. A Rural Site Plan was approved in 2008, and numerous roadway, access, and water easements were granted to the District and others. The Inclusion Agreement between the developer and the District also provided for three tributary well sites, and a tank site, with the exact locations to be determined as the property developed.

The Sandstone Ranch was never developed. Instead, Douglas County purchased the Sandstone Ranch in 2018, and subsequently granted two conservation easements that permanently protect and preserve the land within the Sandstone Ranch. Also, to meet its obligations under the conversation easements, the County intends to vacate the Sandstone Ranch Rural Site Plan and the related easements. The District's attorneys discussed how these conservation easements affect the County's ability to convey new easements to the District. Therefore, the District's

attorneys are in discussions with the County about preserving certain easements from the Rural Site Plan.

The District's attorneys described the existing easements that may be preserved for the District to access the Gove Ditch facilities, such as the Gove Ditch headgate, a portion of the Gove Ditch, a planned augmentation station, and a return ditch (from the existing ditch to Gove Creek). In addition, the District's attorneys identified where new easements may be required to meet the District's needs. This includes new easements confirming the locations of the well sites, as well as access to the well sites and water tank. The County has not been as responsive as hoped, and Hill & Pollock, at the Board's direction, may seek to contact County commissioners directly to move the process forward.

Gove Ditch Facilities: Background on the Gove Ditch facilities was provided to the Board, including the requirement to measure the District's portion of the water, and the County's portion. Once the easement for the new Gove Ditch facilities is obtained from the County, it is anticipated that the new facilities will be constructed.

Douglas County Water Lease: Hill & Pollock are also working with counsel for Douglas County on a water lease of the District's portion of the Gove Ditch water. The County would use the Gove Ditch water to irrigate areas within the Sandstone Ranch. The water court decree obtained by the District for its portion of the Gove Ditch water has stringent measurement and monthly and annual limits on the District's portion of the water that must be accounted for in any lease. They believe the lease will be in place before the 2022 irrigation season, assuming that the new Gove Ditch facilities are installed and operating.

Gateway Pond: Hill & Pollock prepared a draft lease for augmentation water, and has sent that to counsel for the Perry Park Metropolitan District (Metro District). Pursuant to the draft lease, the District would provide augmentation water to the Metro District in amounts equal to the evaporation from the Gateway Pond (likely less than an acre-foot per year). The lease also provides for possible delivery of water to the Pond to fill or refill the pond. The District would provide the water from any of the District's water rights, including releases from the Waucondah Wastewater Treatment Plant, and the water would only be available at the District's discretion. The Metro District has requested approval of a Substitute Water Supply Plan, which would be valid for one year. The Metro District anticipates filing a water court application this calendar year.

Local Improvement Districts: The District has historically supported Local Improvement District's (LID's), with the financial backing (underwriting) of Douglas County. The County has indicated that it may establish support guidelines for "large" LID's, which may in turn require alternative financing methods for main line extensions within the District. The District has fronted some costs, but has in the relatively recent past not been reimbursed, or realized tap fees, when the project was not commenced. The benefits of LID's, and the revenue generated once the infrastructure is complete, will be weighed against the upfront costs that could be lost.

3.0 New Business and Open Items

- 3.1 Meeting Minutes – A motion was made and seconded; (RESOLUTION 21-072) TO APPROVE THE MINUTES OF THE JULY 21, 2021 REGULAR BOARD MEETING OF THE PERRY PARK WATER AND SANITATION DISTRICT AS PRESENTED. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 21-073) TO APPROVE THE MINUTES OF THE JULY 21, 2021 EXECUTIVE SESSION OF THE PERRY PARK WATER AND SANITATION DISTRICT AS PRESENTED. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 21-074) TO APPROVE THE MINUTES OF THE AUGUST 18, 2021 REGULAR BOARD MEETING OF THE PERRY PARK WATER AND SANITATION DISTRICT AS AMENDED. The motion passed unanimously.

In reference to Section 4.1 Board Member Discussion Items, the District Manager advised that the following language needs to be added to the minutes:

Director Peterson highlighted that the Vice President position had been open for a period of time. A motion was made and seconded; TO APPOINT DIRECTOR LUCAS TO THE VICE PRESIDENT POSITION. The motion passed unanimously.

Director Peterson requested that additional details be added to the paragraph associated with the fund request letter that he had sent to the Douglas County Commissioners. The District Manager included a copy of the letter with the August 18, 2021 Meeting Minutes.

- 3.2 Disbursements – A motion was made and seconded; (RESOLUTION 21-075) TO APPROVE ELECTRONIC PAYMENTS DATED AUGUST 12, 2021 IN THE AMOUNT OF \$13,332.70 AND ELECTRONIC PAYMENTS DATED SEPTEMBER 3, 2021 IN THE AMOUNT OF \$14,053.43 WHICH WERE PREVIOUSLY DISBURSED FROM 1ST BANK. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 21-076) TO APPROVE CHECKS 13134 THRU 13150 IN THE AMOUNT OF \$112,697.06 TO BE DISBURSED FROM 1ST BANK. The motion passed unanimously.

In reference to check 13140 issued to Excell Pump Services, Director Peterson requested clarification on the cause that required the turbine pump replacement at the Glen Grove Water Treatment Plant, was it power related or aging infrastructure. Mr. Parker advised that it was age related; the pump was twenty years old.

In reference to check 13145 issued to Principle Electric, LLC, Director Peterson requested additional detail on the Generator Hookup – Sageport. Mr. Parker advised that this was the old Sageport Water Treatment Plant (WTP) generator. As there was no alternative power source for Arapahoe wells, the District had moved the generator to the A3 well site. The invoice covered the installation.

In reference to check 13148 issued to TST Infrastructure, LLC, Director Arthurs requested additional information on the Gove Ditch Metering Flume-Redesign. Ms.

Pollock offered that the original site had been moved due to the unanticipated discovery of Indian artifacts. This is the design for the new location.

A motion was made and seconded; (RESOLUTION 21-077) TO RATIFY CONSENT AGENDA ITEMS DATED AUGUST 20, 2021 IN THE AMOUNT OF \$6,782.43 AND CONSENT AGENDA ITEMS DATED SEPTEMBER 3, 2021 IN THE AMOUNT OF \$8,181.88 WHICH WERE PREVIOUSLY DISBURSED FROM WELLS FARGO BANK. The motion passed unanimously.

3.3 High Water Bills

5755 Ada Lane – As a follow up from the previous Board Meeting, the Board reviewed the results of the August 26, 2021 meter test. The result of the meter test was 100% accuracy and the leak detector not moving. After discussion the Board concluded that as the water was consumed, the billing was appropriate. The Board directed the District Manager to advise the Customer that incremental payments could be made without penalty.

7972 Red Hill Road – The Board reviewed a request from a Customer regarding a high water bill associated with a broken shower valve for a billing concession. After discussion the Board concluded that as the water was consumed, the billing was appropriate. The Board directed the District Manager to advise the Customer that incremental payments could be made without penalty.

1687 Tenderfoot Drive – The Board reviewed a request from a Customer regarding a high water bill associated with an unplanned health event. After discussion the Board concluded that as the water was consumed, the gallons consumed should be billed. In consideration of the situation the Board directed the District Manager to adjust the tiered billing to not exceed the second tier.

3.4 Agreement for Purchase and Sale of Treated Water – Dakan Ranch II LLC – Mr. Rob Francescon the Manager of Dakan Ranch II LLC attended the Board Meeting to answer any questions that the Board might have related to the proposed agreement and to help facilitate the execution of the proposed agreement. Mr. Francescon had not had the opportunity to review the revised version of the draft agreement. Mr. Francescon requested some minor changes be incorporated into the agreement related to liability and the allowable timeframe to maintain the water level in the pond after the initial fill.

At the conclusion of discussion, a motion was made and seconded; (RESOLUTION 21-078) TO EXECUTE THE AGREEMENT FOR PURCHASE AND SALE OF TREATED WATER WITH DAKAN RANCH II LLC, UPON THE INCORPORATION BY LEGAL COUNSEL, OF THE VERBIAGE THAT IS AGREEABLE TO BOTH PARTIES. The motion passed unanimously.

3.5 Proposed 2022 Budget – The Board reviewed the proposed 2022 Budget and Budget Message presented by the District Manager. The Board will discuss the Budget at the October and November Board Meetings. The Budget Hearing is scheduled for the December 8, 2021 Board Meeting.

- 3.6 Fan Press – The Board reviewed the revised fan press lease estimate and draft contract documents prepared by CoBank for the stationary fan press to be located at the Sageport Wastewater Treatment Plant. The Board then reviewed the billing data for sludge hauling for the Sageport Wastewater Treatment Plant. After discussion the Board concluded that the only cost effective solution was to purchase a fan press and trailer unit that could accommodate the sludge from both the Sageport Wastewater Treatment Plant and the Waucondah Wastewater Treatment Plant. The Board directed the District Manager to request a revised quote from Prime Solutions that would accommodate both wastewater plants.

4.0 Operational Status

- 4.1 Perry Park Water and Sanitation District Systems Report – The members of the Board reviewed the monthly operations report for August which was prepared by Mr. Parker.

Director LaCrosse highlighted that the Ammonia result for both wastewater plants was trending higher.

- 4.2 Monthly Staff Report – The members of the Board reviewed the Monthly Staff Report that was presented by the District Manager.

5.0 Old Business/Immediate Issues

- 5.1 Board Member Discussion Items – Director Maras requested that the actions identified in the District's Risk and Resilience assessment be discussed at the next Board Meeting.

Director Lucas requested that the District move forward with an evaluation from a cyber security expert.

Director Arthurs advised the Board that he had done a random review of the District's bank account reconciliation.

- 6.0 Audience Participation** – There was none.

- 7.0 Adjournment** - A motion was made and seconded; (RESOLUTION 21-079) TO ADJOURN THE REGULAR MEETING. The motion passed unanimously. The meeting adjourned at 17:34.

Secretary, James Maras