

PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF BEAR CREEK WATER AND SANITATION DISTRICT, CONVENING ON JUNE 14, 2021 AT 7:00 PM. DUE TO THE COVID-19 SITUATION AND STATE OF COLORADO AND CDPHE ORDERS AND RECOMMENDATIONS REGARDING PUBLIC MEETINGS, THE MEETING WAS HELD USING THE ZOOM APPLICATION.

CALL TO ORDER

Presiding: Chairman Miller

ROLL CALL

Present:

Dale L. Miller	President and Chairman
Neil A. Johnson	Vice-President and Vice-Chairman
Linda M. Larsson	Director
Samuel E. Hundley	Director

Also Present:

Jan C. Walker	District Manager/Board Secretary
Barney J. Fix, PE, PMP, VP	District Engineer, Merrick & Company
Russell W. Dykstra	Legal Counsel, Spencer Fane

Excused Absence: Barbara J. Coria Treasurer

ACCEPTANCE OF MINUTES

R-21-029 RESOLVED, upon motion by Vice-Chairman Johnson, seconded by Director Larsson and unanimously carried that the Minutes of the Regular Meeting of May 10, 2021, were approved with a minor revision.

CALL TO PUBLIC / PUBLIC PRESENTATIONS – NONE

Presentation of December 31, 2020 and 2019 Financial Statements and Auditor's Report- Laura Puca, Crady Puca and Associates

R-21-030 RESOLVED, upon motion by Director Hundley, seconded by Director Larsson and unanimously carried that the Financial Statements with Independent Auditor's Report for the years ending in 2020 and 2019 be accepted and to authorize the audit to be filed with the State Auditor's office.

Preceding this action, Ms. Laura Puca presented the draft audited financial statements and auditor's opinion for the two years ending in 2020 and 2019. This document is comprised of the Independent Auditors' Report, Management Discussion and Analysis, Basic Financial Statements and Other Supplemental Information. Ms. Puca reported that in their opinion, the financial statements of the District present fairly, in all material respects, the financial position of the District as of December 31, 2020 and that the financial position and the District's cash flows for the year then ended are in accordance with accounting principles generally accepted in the United States of America. Crady, Puca & Associates found no issues or difficulties in reviewing accounting policies or accounting estimates, such as depreciation for reasonableness and disclosures in financial statements. Ms. Puca stated that no difficulties or disagreements with management were encountered.

DISTRICT ENGINEER'S REPORT

2021 Field Operations and Maintenance (O&M)

T-21-023 DISCUSSION District Engineer Fix reported that the May O&M Meeting with the staff was cancelled. If needed, the next O&M meeting with staff will be held in June. C&L Water Solutions has completed 80-90% of the valves, flushing of dead-end mains, grease trap and manhole inspections.

Hodgson Park Water Line Phase 2 Project

T-21-24 DISCUSSION. This project is the extension of the Hodgson Park water line. The water line will go north in South Hoyt Court to West Wesley Drive then east in West Wesley Drive to South Hoyt Street. This project will also replace an 8-inch main in West Wesley Place that will run from the intersection of West Wesley Place and South Hoyt Court, then West for 200 feet.

The project is complete. The District Engineers have sent Ricor Services the punch list of items for the probationary walk through. District Manager Walker signed the final change order for asphalt in the amount of \$5,053.00.

Bear Creek Terrace Development

T-21-025 DISCUSSION. The project is complete. The contractor has completed the punch list items. The District has received the letter of acceptance from the City of Lakewood and Colorado Department of Transportation (CDOT) for the asphalt work in Morrison Road.

Kallisto at the Bear Apartments

T-21-026 DISCUSSION. Per the Boards' direction at the March 8, 2021 Board meeting, the District contracted with QualCorr to provide the resistivity tests and pipeline current mapping for the ten (10) locations in the Kallisto Apartment development. After the testing was completed and reviewed, District Engineer Fix provided the following synopsis:

- The pipe is ductile iron and approximately 40-years old. Life of pipe is approximately 50-years.
- The pipe had over four (4) breaks in the last year and a half, approximately \$40,000.00 in repairs.
- The leaks have been caused by electrolysis.
- The District has hired QualCorp to investigate for the District and have found in 90% of the pipe that the soil and surroundings are mildly aggressive for electrolysis. Maybe the services were conducting electricity, which could cause the issue.
- District representatives have met Denver Water at the site and they could not really define an issue; however, Antonio Flori from Denver Water thought that potentially the electricity could be coming from the services.
- Systems Administrator, Chad Weaver researched the cost of insulators, for the services on the line, and could only determine a range between \$33,000.00 and \$41,700.00 to install.
- The cost of installing a new line, only, in this area (east of Miller) would be \$356,000.00.
- The recommendation at this time, from District Engineer Fix, would be to wait for the next break (which the District hopes does not happen) and cut out the pipe where the break occurs and turn the section in for testing. This testing will determine what type of electrolysis is discovered so that the District can investigate to determine how to stop the issue.

DISTRICT ENGINEER'S REPORT [CONTINUED FROM PAGE 2]

Balsam Development

T-21-027 DISCUSSION. District Engineer Fix has received the referral for the project from Jefferson County and will return comments on behalf of the District.

Acceptance of the District Engineer's Report

R-21-031 RESOLVED, upon motion by Director Hundley, seconded by Vice-Chairman Johnson and unanimously carried, that the District Engineer's Report be accepted.

Preceding this action, the District Engineer's report of activities for May 2021 was presented. A copy is attached hereto and made a part of the record.

TREASURER'S REPORT

Approval of Payment of Invoices and Payroll

R-21-032 RESOLVED, upon motion by Director Larsson, seconded by Director Hundley, and unanimously carried, the payment of invoices and payroll presented in the amount of \$394,490.02 was approved. A list is attached hereto and made a part of the record. Preceding this action, Director Larsson reported that upon her review of the checks, Automated Clearing House (ACH) payments and payroll, she found them to be in order for approval by the Board.

Approval of Treasurer's Report

R-21-033 RESOLVED, upon motion by Vice-Chairman Johnson, seconded by Director Larsson and unanimously carried, that the Treasurer's Report based on unaudited financial reports as of May 31, 2021 was accepted as presented. A copy is attached hereto and made a part of the record.

Preceding this action, District Manager Walker reported that the Federal Funds Rate is unchanged and remains at 0 to 0.25%. One callable GSE matured in May. District Manager Walker reinvested the funds in June. District Manager Walker and Treasurer Coria have continued to consider various investment options to maintain the safety of the investments and to receive the best rate possible and continue the laddering of the investments.

LEGAL COUNSEL'S REPORT

Review of 2021 Legislative Session

T-21-028 DISCUSSION. Legal Counsel Dykstra reported that he has e-mailed District Manager Walker a report with a summary of the 2021 legislative issues for Board distribution.

LEGAL COUNSEL’S REPORT [CONTINUED FROM PAGE 3]

SB-21-293 Property Tax Classification and Assessment Rates

T-21-028 DISCUSSION Legal Counsel Dykstra also reported on SB-21-293 which was passed at the end of the 2021 legislative session. This bill concerns property taxation, and, in connection therewith, establishing subclasses of residential and nonresidential property; for the 2022 and 2023 property tax years, temporarily reducing the assessment rate for property classified as agricultural property or renewable energy production property from 29 percent to 26.4 percent, for property classified as multi-family residential real property from 7.15 percent to 6.8 percent, contingent on the assessment rate not otherwise being reduced by an initiated measure (Initiative 27), and for all other residential real property from 7.15 percent to 6.95 percent; restructuring the assessment rate laws; expanding the property tax deferral program to allow taxpayers to defer increases in property taxes in limited circumstances; and making an appropriation. The bill reclassifies agricultural, lodging and renewable energy production property as new subclasses of nonresidential property and classifies multi-family residential real property as a new subclass of residential real property. The bill repeals a moratorium on changing a ratio for valuation for assessment (assessment rate), which is the percentage applied to a property's actual value to determine the taxable amount upon which a mill levy is imposed.

DISTRICT MANAGERS REPORT

District Manager Walker presented the May 2021 Report of District Activities, a copy of which is attached hereto and made a part of the record.

Approval of District Rules and Regulations

R-21-034 RESOLVED, upon motion by Director Larsson, seconded by Director Hundley and unanimously carried, that an update and revision of the District’s Rules and Regulations be accepted as presented by District Manager Walker.

Preceding this action, District Manager Walker reported that District Manager, Walker, Systems Administrator Chad Weaver, Barney Fix and legal Counsel, Nicole Finco and Russ Dykstra have reviewed and revised the Rules and Regulations for the Board of Directors review and approval at the June 14, 2021 Board meeting. A copy is attached hereto and made a part of the record.

Green Tree Metropolitan District Request

T-21-029 DISCUSSION. Green Tree Metropolitan District (GTMD) sent a request to the Board to allow a conceptual discussion between Bear Creek Water and Sanitation District (BCWSD) Manager and Engineer and Green Tree Metropolitan District representatives regarding the engineering viability for BCWSD to provide GTMD with a sewer connection that will transport wastewater flows from GTMD commercial parcels to Metro Wastewater Reclamation District for treatment. The Request letter, a map of the Green Tree Metro District, site plans and an estimate of GTMD’s wastewater flows was provided to BCWSD. After a brief discussion about the request, the Board asked that Legal Counsel Dykstra and District Engineer Fix provide the Board with additional information after District Manager Walker and District Engineer Fix attend the conceptual discussion with representatives of GTMD.

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DIRECTORS REPORTS – NONE

C-21-009 CONCURRENCE. Nothing further being presented to the Board, Chairman Miller declared that the meeting be adjourned.

Dale L. Miller, President and Chairman

ATTEST:

Jan C. Walker, Secretary, Board of Directors

SEAL