

PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF BEAR CREEK WATER AND SANITATION DISTRICT, CONVENING ON NOVEMBER 14, 2022 AT 7:00 PM. AT THE DISTRICT OFFICE, 2517 SOUTH FLOWER STREET, LAKEWOOD, CO 80227

CALL TO ORDER

Presiding: Chairman Miller

ROLL CALL

Present:

Dale L. Miller	President and Chairman
Samuel E. Hundley	Treasurer
Linda M. Larsson	Director
J. Barry Ebert	Director
Present on Zoom: Neil A. Johnson	Vice-President and Vice-Chairman

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

Excused Absence: NONE

ACCEPTANCE OF MINUTES

R-22-060 RESOLVED, upon motion by Director Larsson, seconded by Treasurer Hundley and unanimously carried that the Minutes of the Regular Meeting of October 10, 2022 and the Continued Board Meeting of October 24, 2022, were approved.

CALL TO PUBLIC / PUBLIC PRESENTATIONS

Public Hearing – Family and Medical Leave Insurance- FAMLI

T-22-079 DISCUSSION. Chairman Miller declared the public hearing open to allow employees of Bear Creek Water and Sanitation District to voice concerns regarding the District's decision to decline participation in Colorado's Family and Medical Leave Insurance (FAMLI) program. Notice was given to the employees on October 10, 2022 that the District would hold the Special Meeting regarding FAMLI on November 14, 2022, and as permitted by C.R.S. § 8-13.3-522 and 7 C.C.R. § 1107-2, the Board will consider and vote on whether the District will decline participation in Colorado's FAMLI program. Inasmuch as no written or verbal comments concerning the FAMLI were received prior to the hearing and there was no public response during the hearing, Chairman Miller declared the public hearing closed.

BCWSD Will Decline All Participation in Family and Medical Leave Insurance Program

R-22-061 RESOLVED, upon motion by Director Ebert, seconded by Treasurer Hundley, and unanimously carried with an affirmative vote of 5-0, that the District will decline all participation in Colorado's Family and Medical Leave Insurance (FAMLI) program, as permitted by C.R.S. § 8-13.3-522 and 7 C.C.R. § 1107-2. Further, this vote authorizes Chairman Miller to sign the FAMLI Resolution, Notice to Employees and Notice of the Colorado Department of Labor and Employment's Division of Family and Medical Leave Insurance.

Public Hearing—Proposed 2023 Annual Budget

T-22-080 DISCUSSION. Chairman Miller declared the public hearing open for the purpose of discussing the 2023 budget. Inasmuch as no written or verbal comments concerning the 2023 Annual Budget were received prior to the hearing and there was no public response during the hearing, Chairman Miller declared the public hearing closed

DISTRICT ENGINEER’S REPORT

2022 Field Operations and Maintenance (O&M)

T-22-081 DISCUSSION District Engineer Fix reported that next O&M meeting with staff will be held on December 14, 2022 if needed. The Operations and Maintenance for 2022 are almost complete on the remaining flushing, jetting and 2021 Sewer Priority work.

Hodgson Park Phase 3

T-22-082 DISCUSSION This project is Phase 3 of the Morrison/Hodgson Park project which runs a 12-inch water line from S. Garland Court to the Garrison Street meter. It will require crossing two lots on S. Garland Court along the common lot line and then crossing S. Garrison Street to the meter. The existing line in Garland Ct. will need to be replaced using a pipe bursting method. It is most likely that the water line will be removed and replaced in the same trench across S. Garrison Street.

It was determined by Denver Water that the District does not need to upgrade this connection. Denver Water is going to see if they can achieve a reduction in flow through the PRVs and allow some flow through the meter on Garrison Street. Bear Creek will install a blowoff after the meter. Denver Water will be gathering more data before another meeting is scheduled. Denver Water installed gauges on the fire hydrants to get data for their model and are still reviewing their data.

Garland Court Sanitary Sewer Line Connection

T-22-083 DISCUSSION The Garland Court sanitary sewer connection project is a project the District has been trying to do for the past 18-20 years. This connection would connect at S. Garland Court and West Cornell Place, then run north into the City of Lakewood Park open space and connect to the Metro Water Recovery sewer line. This connection would alleviate high flows of sewage from South Cornell Place to S. Kipling Street, near the Victoria Village townhomes subdivision. District Engineer Fix has a conceptual plan of the location of the proposed sewer line.

District Engineer Fix has received approval from Metro Water Recovery that they will allow the connection to their manhole.

District Engineer Fix and District Manager Walker attended a meeting in October to discuss the required easements for the City of Lakewood and the Joint Open Space committee. Ross Williams with the City of Lakewood sent an e-mail after the meeting that the easement would be \$0.87 per square ft. The District would need a sewer line easement for approximately 11,500 sq. ft. and the cost would be about \$10,000. Ross also said that the City of Lakewood had determined that the easement would only need to go through the City of Lakewood for approval instead of the Jefferson Open Space committee as previously indicated.

Conditional Approval of Payment for Garland Court Sewer Line Connection Easement

R-22-062 RESOLVED, upon motion by Chairman Miller, seconded by Treasurer Hundley, and unanimously carried that the payment of the Garland Court Sewer Line Easement be accepted upon the condition that the City of Lakewood provides documentation from City Council that all entities, including water and sanitation Districts pay for easements within the City of Lakewood.

After discussion about the sanitary sewer easement that is needed to cross the City of Lakewood property, the Board asked if it is common practice for the City of Lakewood to charge water and sanitation Districts for easements. The Board would like to see some documentation to make sure that the costs are appropriate. District Engineer Fix stated that the District will ask for the documentation before moving forward.

Balsam Street Development

T-22-084 DISCUSSION District Engineer Fix reported that he had received the 4th submittal for water and a 2nd submittal for the sanitary sewer and that they are being reviewed for the development at 3522 S. Balsam St. There are some comments on the sewer plans, regarding Jefferson County's requirement for landscaping around the buildings. District Engineer Fix has also asked for verification from the Owner that these five (5) buildings are not for sale units. If the units were to be for sale, the District would require separate sanitary sewer services for each unit. Legal Counsel Dykstra recommended that the District record a notice against the property that if the apartments were ever sold to individual owners, each unit would be required to install separate water and sewer services. District Engineer Fix had a phone conversation with the Developer referencing previous discussions and agreements with CDOT three years ago and regarding the location to install a water main in the CDOT rights-of-way. Denver Water will have final approval on the location of the water main installation. The District has received three additional submittals on the water plans, which have been reviewed and returned with minor comments. There were also comments on the water tap calculations. The third submittal on the sanitary sewer was also received and the developer has generally followed the approach for the sewer line. The District Engineers are waiting for the Developer's signature set to be submitted for approval of the plans.

Acceptance of the District Engineer's Report

R-22-063 RESOLVED, upon motion by Treasurer 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 October 2022 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-22-064 RESOLVED, upon motion by Treasurer Hundley, seconded by Director Ebert, and unanimously carried, the payment of invoices and payroll presented in the amount of \$135,060.83 was approved. A list is attached hereto and made a part of the record.

Preceding this action, Treasurer Hundley reported that upon his review of the checks, Automated Clearing House (ACH) payments and payroll, he found them to be in order for approval by the Board.

PROCEEDINGS

MINUTES, NOVEMBER 14, 2022

PAGE 4

Approval of Treasurer's Report

R-22-065 RESOLVED, upon motion by Vice-Chairman Johnson, seconded by Director Larsson and unanimously carried, that the Treasurer's Report based on unaudited financial reports and including the Budget-to-Actual report, as of October 31, 2022 was accepted as presented. A copy is attached hereto and made a part of the record.

Preceding this action, Treasurer Hundley reported that the Federal Funds Rate was raised by 75 basis points to 3.75-4.00% on November 2, 2022. Treasurer Hundley also reported that there was one Treasury Note matured and one Treasury Note was purchased in October. District Manager Walker and Treasurer Hundley will continue 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 investment portfolio.

Authorize Reallocations on Wells Fargo Credit Cards

R-22-066 RESOLVED upon motion by Director Ebert, seconded by Director Larsson and unanimously carried, that a Wells Fargo credit card be issued to Jason L. Tuffing, Systems Administrator with a credit limit of \$1,000. The District's Wells Fargo Credit Cards to be configured as follows, as recommended by District Manager Walker:

The overall Wells Fargo credit card limit is \$10,000

- District Manager Walker's card is authorized with a credit limit of \$7,500
- Systems Administrator Tuffing's card is authorized with a credit limit of \$1,000
- District Accountant Doyle's card is authorized with a credit limit of \$1,000
- Unassigned credit limit is \$500

Preceding this action, District Manager Walker reported that Systems Administrator Tuffing will need a Wells Fargo credit card to buy supplies for the District.

Authorize Chairman Miller to Sign Amendments to Commercial Banking and Investment Accounts

R-22-067 RESOLVED, upon motion by Director Ebert, seconded by Director Larsson and unanimously carried to sign Amendments to the Commercial Banking and Investments accounts to add Director Ebert as an authorized signer on the Operating Account and to add Treasurer Hundley as an Authorized Representative with full authority regarding the Banking and Investment Accounts

Approve Audit Engagement Letter from Crady Puca and Associates to Perform the 2021 Annual Audit

R-22-068 RESOLVED, upon motion by Vice-Chairman Johnson, seconded by Director Ebert and unanimously carried to accept the Audit Engagement Letter from Crady Puca and Associates to perform the 2022 Audit at an amount not to exceed \$9,400.00.

BUDGET COMMITTEE

Adoption of the 2023 Annual Budget

R-22-069 RESOLVED, upon motion by Director Ebert, seconded by Director Larsson and unanimously carried that the Chairman is authorized to Sign a Resolution to Adopt the 2023 Annual Budget, to Set Mill Levies and the 2022 Certification of Mill Levies for Property Tax Collection in 2023 and to Appropriate Sums of Money for 2023, subject to adjustments resulting from Jefferson County's revision of property values, and to Set Water and Sanitary Sewer Rates for 2023.

Preceding this action, District Manager Walker presented the 3rd Draft of the 2022 Budget. Ms. Walker explained that this version of the budget include the preliminary Assessed Valuation amounts from Jefferson County. The final Assessed Valuation should be sent in late November. District Manager Walker will then recalculate the mill levy using the final Assessed Valuation and revise the property tax revenues and mill levy amounts to the 2023 Budget. These final calculations are due to Jefferson County by December 9, 2022. Chairman Miller will need to sign the Budget Resolution before the December 12, 2022 Board meeting to meet the deadline for Jefferson County.

Also preceding this action, the Board had an in-depth discussion about water rates, sanitary sewer rates and the District's reserves that are designated for future water and sanitary sewer capital improvement projects. Chairman Miller stated that most of the District's reserves were accumulated through a higher mill levy in the 1980's when the District planned to participate in the Two Forks Water Dam project with Denver Water. Since the Two Forks Dam project construction was denied by the EPA and the project did not move forward, the District kept the accumulated monies as part of its reserves to save for the future. After the Board's discussion regarding an appropriate share of the District's reserve allocation between water and sewer, the Board concurred that 66% of the reserves be allocated to water and 34% be allocated to sewer. This allocation between water and sewer will be considered going forward for water and sanitary sewer rate setting and future planning.

The budget committee recommended that the annual sanitary sewer rates NOT be increased for 2023. After review of the costs of Metro Water Recovery sewage treatment charges, billing, operations and maintenance expenses, capital improvement project, the budget committee decided that the sewer billing amount is adequate to cover the costs for 2023.

- The 2023 Annual Sanitary Sewer Rate will be \$16.60 per thousand gallons of water used from November 2022 through February 2023.
- The 2023 Residential Annual Minimum will be \$229.00 and billed at \$57.25 per quarter. The 2023 Commercial Annual Minimum will be \$397.00 and billed at \$99.25 per quarter.
- The billing cycle for 2023 will continue to be billed quarterly by dividing the annual bill into quarterly installments.

The budget committee also recommended to increase the monthly water surcharge to the 2023 Denver Water billing to \$7.00 per month per SFRE, which was increased from \$6.00 per month per SFRE in 2022. This was the first increase to the water surcharge since 2018 due to the rising costs of the operations and maintenance of the water system.

BUDGET COMMITTEE

Adoption of the 2023 Annual Budget [CONTINUED FROM PAGE 5]

Preceding these recommendations, the Board has identified and engaged in a deliberative process to prepare the 2023 budget and has considered the following factors in the process of setting appropriate water and sanitary sewer rates:

- The District has engaged an external consultant, Christina Griggs of GEMSBOK Consulting to develop a fiscal planning tool to assist the District in long-term planning budgeting and to determine an appropriate minimum reserve amount to be held towards the future capital needs of the District.
- Operations and maintenance needs of the District-owned water and sanitary sewer systems which includes such projects as replacement or relining of sanitary sewer lines and the major repair or replacement of water distribution lines.
- The District's Master Plan which was updated in 2018
- Capital Improvement Projects and Long-Term Planning
- Historical considerations

The District will continue to review the sewer rates and the water surcharge amount each year to determine if a rate increase is necessary.

LEGAL COUNSEL'S REPORT

Acceptance of Annual Administrative Matters Resolution for 2023

R-22-070 RESOLVED upon motion by Treasurer Hundley, seconded by Director Ebert and unanimously carried to accept the Annual Administrative Matters Resolution for 2023 with a minor revision.

Preceding this action, Legal Counsel Dykstra explained that this Resolution is passed once a year and authorizes Legal Counsel and the District Manager to perform all of the statutory functions for the District.

Acceptance of the Resolution to Call Directors for the Regular Board of Directors Election on May 2, 2023

R-22-071 RESOLVED upon motion by Director Larsson, seconded by Treasurer Hundley and unanimously carried to accept the Resolution to Call Directors for the Regular Board of Directors Election on May 2, 2022.

Preceding this action, Legal Counsel Dykstra explained that a Regular Board of Directors Election is scheduled to be held on May 2, 2023 for two (4) four-year terms for Dale L. Miller, Samuel E. Hundley and a one (1) year term for J. Barry Ebert. The Bear Creek Water and Sanitation District Board Secretary, Jan C. Walker is appointed to serve as the Designated Election Official.

PROCEEDINGS

MINUTES, NOVEMBER 14, 2022

PAGE 7

DISTRICT MANAGERS REPORT

Authorize District Manager Walker to Sign the Software as a Service Agreement with Norfield

R-22-072 RESOLVED upon motion by Chairman Miller, seconded by Director Larsson and unanimously carried to authorize District Manager Walker to sign the Software as a Service Agreement with Norfield, subject to legal review. This SAAS agreement is for BCWSD to access the Norfield Locator Logix platform to manage utility locates. The cost for this service will be \$588 per year for 1,000-3,000 utility locate tickets. The District currently uses the Norfield WebTMS platform but it will reach its end of life in 2023

District Manager Walker presented the October 2022 Report of District Activities, a copy of which is attached hereto and made a part of the record.

DIRECTORS REPORTS – NONE

C-22-017 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