

LPWWA Board of Directors Meeting Minutes for August 9, 2017

1. Call to Order-Called to order at 6:37pm-Board members in attendance were Roy Horvath, Barb McCall (via phone), Paul Gray (via phone), Mardi Gebhardt, Bernadette Cuthair, Deb Flick, and Frank Smith. Others in attendance were Gerry and Diana Schmidt. Jeff Shamburg with Bartlett and West arrived at 7:00pm
2. Approve Agenda-one addition was made to the phase 1 agenda item to add rate committee report.
3. Consent Agenda a. Minutes from July 12, 2017 meeting b. Invoices –Deb made a motion to approve the consent agenda, Bernadette seconded the motion which was unanimously approved.
4. Comments and communications-Roy spoke with Erick Worker of CDPHE and we are on the eligibility list. Roy went to a meeting with Colorado Trust to discuss putting our reserve funds in an account for better yield. They currently handle 8 billion dollars' worth of funds. Roy and Mardi met with Bruce Whitehead and Bob Wolff about water purchase agreement, and they looked at the potential to amend our letter of agreement and define the terms rather than pay for the water with interim financing. Mardi spoke with Duane Dale of USDA, and he stated that it is all ok as long as we don't have to jump through a bunch of hoops to get things worked out. It won't be acceptable to get the system built and we don't have the water. We need to have timelines defined so that we are able to execute the agreement and satisfy the USDA.
Mardi has been talking with the Campbell's who are south of the spring- Jeff reported that he drove through there this evening and believes the waterline can run in the roadway easement. Mardi had a call from a person in LPLAWD. Mardi brought a packet from the auditor. Mardi has copies of transfers of water user's agreements for Roy to sign. Mardi spoke with Valerie Blood, who requested a refund of her \$500.

Committee Reports

1. Finance – Mardi Gebhardt
2. Legal/Negotiations – Kevin Mallow
 - a. Review of Exhibit B for SCADA in Amended LDWA agreement -Rate committee update-Deb Flick -Exhibit B needs item #7 added to the list- Jeff reminded the Board that the rate committee will reconvene every year to re-evaluate. Jeff feels we have already met the USDA Letter of Conditions with the agreement with LDWA, and the rate committee convening is to establish rates, which will be updated or amended annually. Bernadette agreed that it is a natural progression with USDA that we have the foundation document and that updates happen periodically.
 - b. Update on request for payment of RPM bond – Roy/Kevin –Roy reported that he got the request notarized and got it to Amy and added language to enable LPWWA and Hudson to recover cost from RPM. Mardi asked where to put the check once it is received. Jeff and Roy talked about opening a separate account to keep the money
3. Phase 0 Design/Engineering – Kevin Mallow
 - a. Construction progress/schedule update –About of 1000' of 30" pipe left to install. Canyon has hired Richardson construction to install the 8" pipeline. Steel building is onsite- foundation work to begin next week. Jeff presented an invoice for phase 0 in the amount of \$30,338.45 Mardi made a motion to approve the Phase 0 invoice to be paid

and Deb seconded the motion. Bernadette asked to hear the amount of the invoice. All in favor to pay the invoice.

4. Phase 1 Design/Engineering – Mardi Gebhardt- Jeff brought some invoices January 1 to July 28, in the amount of \$37,014.49.

a. Status of interim financing arrangements –Mardi called several companies that would issue the revenue bond we are seeking to meet the letter of conditions. She stated the one company wants to bond the bank and the bank doesn't want to be bonded. Mardi also spoke with Collins, Cockerel, and Cole and they proposed a scope and their service is a not to exceed \$20k. Bernadette asked for clarification from Duane on when the revenue bond needs to be in place and what triggers the transfer of funds from USDA to the bank to cover the interim financing? Substantial completion, final acceptance? Jeff stated the Design will probably go to the state second or third week of September. Roy suggested changing the date in section B subsection 1.) be changed to June, 2019. Mardi asked if she would be allowed to sign the document from CC&C if they approve the revised date. Roy reminded that we already passed a resolution to allow Mardi and Roy to sign documents to execute agreements with regard to meeting the letter of conditions. Mardi went over the two letters from the Banks (1st National, and Bank of Colorado). Frank made a motion to accept the letter from 1st national to move ahead with the interim financing. Bernadette seconded the motion which was approved by all.

b. Amendment to Rules & Regulations regarding accessory taps-we reviewed the accessory tap verbiage and consider revising. Frank made a motion to amend the rules and regulations to remove the sentence about accessory subscribers paying the monthly base rate and also change all rate references to reference the current rate schedule, Mardi seconded the motion which was approved.

c. Determine cost and financing options for additional Phase 1 primary and accessory subscriptions-Roy asked if we wanted to consider accepting money for future phases. Jeff cautioned that we need verbiage in the agreement that does not guarantee they will get service. Jeff recommended not taking money before phase 2 is defined. Roy asked to get back to phase 1 and discuss whether we consider financing additional sign ups with the same terms but with the \$12,000 tap fee. Roy made the motion to approve the financing for phase 1 with the terms set in July but with the \$12,000 tap fee. Deb seconded the motion which was approved.

d. Determine sign-up options for subscriptions outside of Phase 1 and payment options & costs- Roy suggested putting together a FAQ for future phases. Roy volunteered to work on some language for the FAQ's.

e. Status of items for USDA Letter of Conditions/easements-record of easements. Mardi made the motion that we record the easements that we received and we know we are going to use and get that done. Deb seconded the motion. \$13 for the first page, \$5 for the second page. All in favor. Mardi, Roy, Jeff and Kristi would like to meet to go over the easements. Mardi is working with Sherry Wertz who has hired an attorney to negotiate with LPWWA on the easement needed.

5. PR/Marketing/Web Presence/Board Timeline – Ken Spence

6. Archive/Information Access & Naming – Ken Spence

New Business

1. Next LPWWA Board meetings – September 13 & October 11, 2017

2. Adjourn-8:50pm

Minutes as reported by Frank Smith, LPWWA Substitute Secretary.

A handwritten signature in blue ink that reads "Frank Smith". The signature is written in a cursive style with a large initial "F".

Approved on September 13, 2017