

## **RECORD OF PROCEEDINGS**

### **MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF**

#### **DEEP CREEK WATER AND SANITATION DISTRICT**

**HELD:** Thursday, the 14<sup>th</sup> day of December, 2017, at 10:00 a.m. at 6530 S.  
Yosemite Street, Suite 200, Greenwood Village, CO 80111

#### **ATTENDANCE:**

A regular meeting of the Board of Directors of Deep Creek Water and Sanitation District, Mineral County, Colorado, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

John Parker, President

Ann Parker, Secretary/Treasurer

William Parker, Assistant Secretary (via conference call)

Margaret Hampton, Assistant Secretary (absent, absence excused)

Ethan Hampton, Assistant Secretary (absent, absence excused)

Marcus McAskin of Michow Cox & McAskin LLP was also present.

#### **CALL TO ORDER:**

President John Parker called the meeting of the Board of Directors of the District to order at approximately 10:02 a.m.

#### **CONFLICTS OF INTEREST:**

The Directors present noted for the record that they own property within the boundaries of the District, have financial interests in entities active in developing and/or marketing property within the boundaries of the District, or are employed by such entities, and that such interests may be affected from time to time by actions of the District's Board of Directors. In accordance with state law, the Directors have filed written disclosures describing such potential conflicts of interest with the Secretary of State, and the Directors present verbally reaffirmed such disclosures on the record of this meeting.

#### **PUBLIC COMMENT:**

None.

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### **MINUTES:**

The Board considered the minutes from the regular meeting of the Board held December 8, 2016. Upon motion duly made, seconded, and unanimously approved (by a vote of 3-0), the Board approved the minutes and authorized Secretary Ann Parker to execute a copy thereof.

### **FINANCIAL MATTERS:**

#### **2018 BUDGET:**

President Parker declared the public hearing on the 2018 budget opened at 10:09 a.m. Mr. McAskin confirmed that public notice of the budget hearing had been published in accordance with Colorado law, with publication occurring on November 9, 2017 in *The Mineral County Miner*.

The Board reviewed the final proposed 2018 budget, as prepared by Rosemary Gentry, CPA. Upon motion duly made, seconded, and unanimously carried, the Board: (1) approved and adopted the 2018 budget as presented; (2) approved the appropriation and expenditure of funds as shown therein; (3) approved and adopted a 0.000 mill levy to be certified in 2017 (for collection in 2018); (4) authorized President Parker and Secretary Ann Parker to execute the necessary documentation; and (5) directed Mr. McAskin to submit the certification of tax levies to the Mineral County Board of County Commissioners no later than December 15, 2017, and file the 2018 budget with the Division of Local Government prior to January 30, 2018. The Board's approval of the 2018 budget items are set forth in Resolution 2017-1, 2017-2 and 2017-3.

President Parker closed the public hearing on the 2018 budget at 10:12 a.m.

### **DIRECTOR ITEMS:**

President Parker provided a summary of operations and maintenance (O&M) activities and repairs during 2017 including replacement of well motor and addressing a leak in the CH-1 system.

### **ATTORNEY ITEMS:**

#### 2018 Regular Meeting Schedule

Upon motion duly made, seconded, and unanimously carried, the Board selected the following dates in 2018 on which to conduct the regular meetings of the Board

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of Directors of the District: the 2nd Thursday of the months of March, June, September and December at 10:00 a.m., with all such regular meetings to be held at the offices of Michow Cox & McAskin LLP, 6530 S. Yosemite Street, Suite 200, Greenwood Village, CO 80111.

### **2018 Election**

Mr. McAskin reminded the Board that the District would have a regular election on May 8, 2018 and that the seats currently held by President Parker, Ann Parker and Bill Parker would each be up for a two-year term, and that the seats held by Margaret Hampton and Ethan Hampton would each be up for a four-year term. Upon motion duly made, seconded, and unanimously carried, the Board approved Resolution 2017-4, appointing Sue Blair as the District's Designation Election Official (DEO) for purposes of administering the 2018 election and authorizing the DEO to cancel the 2018 election if appropriate.

### **CONSIDERATION OF RESOLUTION 2017-5, AMENDING THE DISTRICT'S RULES AND REGULATIONS AND SCHEDULE OF FEES AND CHARGES SET FORTH THEREIN, WITH SUCH AMENDMENTS TO TAKE EFFECT JANUARY 1, 2018:**

Attorney McAskin noted for the record that in accordance with C.R.S. § 32-1-1001(2)(a) notice of this regular meeting and notice of the proposed action of the Board with respect to fixing rates for commercial customers, and other changes was provided at least thirty days in advance by including the same in a billing insert to each customer of the District. A certificate of mailing regarding the notice is included as an attachment to Resolution 2017-5.

The change in rate structure affects commercial properties only.

Mr. McAskin provided a summary of the proposed rate change. The District is proposing the change the rates for sewer service for non-residential (commercial) accounts to tie the rates to the City of Creede EQR (equivalent residential unit) rate, as determined from time to time by the City. The City's current EQR rate for sewer is \$17.26, as established by City of Creede Resolution 2018-01 dated December 5, 2017 and as may be amended in the future (the "City EQR Rate"). The change contemplated by District Resolution 2017-5 is to amend Exhibit A of the District's Rules and Regulations to change the District's Base Rate for sewer for the first EQR on commercial properties to the City EQR Rate plus \$13.25, and the City EQR Rate plus \$2.00 for each additional EQR.

Discussion regarding the City EQR Rate plus \$2.00 (for each additional EQR ensued). Following motion duly made, seconded and unanimously approved, the Board directed

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Mr. McAskin to revise Exhibit A of the Rules and Regulations and Resolution 2017-5 to reflect a City EQR Rate plus \$4.00 for each additional EQR, based upon increased O&M costs in 2017 (and projected in 2018 and future years), leaving the proposed rate of City EQR Rate plus \$13.25 intact (for the first EQR on commercial properties).

President Parker noted that there was no public comment or input on the proposed changes to the Rules and Regulations of the District.

Upon motion duly made, seconded, and unanimously approved, the Board approved Resolution 2017-5, as amended.

**NEW BUSINESS:**

The Board discussed the Creede Haven-1 (CH-1) main sewer line and discussed that repairs may be necessary in future years and that the Board will need to finalize funding options (including special assessments against CH-1 residents) prior to initiating repairs.

**OTHER BUSINESS:**

Upon motion duly made, seconded, and unanimously approved, the Board ratified all Board actions taken during calendar year 2017 for the record.

**ADJOURNMENT:**

There being no further business at said regular meeting, and following a motion duly made, seconded, and unanimously approved, the Board adjourned the meeting of the Board of Directors of Deep Creek Water and Sanitation District at approximately 10:58 a.m.

  
Secretary of the District