

PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Bear Creek Water and Sanitation District, Convening on November 11, 2024, at 7:00 pm. The meeting was held at the District Office at 2517 South Flower Street, Lakewood, CO 80227

Call to Order

Presiding: Chairman Miller

Roll Call

Present:

Dale L. Miller, President and Chairman
Neal A. Johnson, Vice President and Vice Chairman
J. Barry Ebert, Director
Linda M. Larsson, Director
Samuel E. Hundley, Treasurer

Excused Absence: None

Also Present:

Jan C. Walker, District Manager/Board Secretary
Andrew George, Assistant District Manager
Wade B. Wheatlake, P.E., District Engineer, Merrick & Company
Laura Heinrich, Legal Counsel, Spencer Fane

Acceptance of Minutes

R-23-053 RESOLVED, upon motion by Vice Chairman Johnson and seconded by Director Ebert, and unanimously carried that the Minutes of the Regular Meeting of October 14, 2024, and the continued meeting of October 28, 2024 were approved.

Call to Public/Public Presentations: No members of the public attended the meeting or requested the Zoom meeting link.

Public Hearing—Proposed 2025 Annual Budget

T-24-089 DISCUSSION. Chairman Miller declared the public hearing open for the purpose of discussing the 2025 budget. Inasmuch as no written or verbal comments concerning the 2025 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

2024 Field Operations and Maintenance (O&M)

T-24-090 DISCUSSION. C&L Water Solutions has completed 100% of the 2024 valves and manhole inspections, 100% of the fire hydrant inspections to date and has completed 49% of the Grease Trap inspections. C&L has also been working on the Cured-In Place Pipe and lining of the 2022-2023 priority items which are follow up items from the sanitary sewer inspection videos.

Review of Bids and Award 2025 O&M Contract to C&L Water Solutions

R-24- 054 RESOLVED, upon motion by Director Ebert and seconded by Vice Chairman Johnson, and unanimously carried that the bid be accepted and the 2025 O&M Contract be awarded to C&L Water Solutions for an amount not to exceed \$250,712

Preceding this action, District Engineer Wheatlake reported that there were two bids that were received for the O&M Contract from C&L Water Solutions and Quality Pipe Services. C&L Water Solutions submitted the lowest bid and has performed O&M services for the District for over 35 years and continues to be qualified to perform the required services. The renewal of the contract is a routine procedure for a five-year period through 2029 or until the Board deems it necessary to call for bids again

Garland Court Sanitary Sewer Line Connection

T-24-091 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 South 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 South Kipling Street, near the Victoria Village townhomes subdivision. At the April 10, 2023 Board meeting, the Board awarded the contract for the project to Diaz Construction in the amount not to exceed \$211,292 and authorized the District Manager to approve up to 10% in change orders.

Authorize Release of Final Payment to Diaz Construction, LLC

R-24- 055 RESOLVED, upon motion by Treasurer Hundley and seconded by Chairman Miller , and unanimously carried that the final payment and retainage be released to Diaz Construction, LLC in amounts of \$31,627 and \$10,479 for completion and retainage of the Garland Ct. Sanitary Sewer Connection Project.

Preceding this action, District Engineer Wheatlake reported that there are no other outstanding items, and a probationary acceptance letter was issued in November.

Balsam Street Development

T-24-092 DISCUSSION. District Engineers have signed off on the initial acceptance for the water so that Denver Water will be able to begin their plan review. Denver Water will have final approval on the location of the water main installation. The sewer plans are acceptable. District Engineers have requested the four (4) final hard copy sets of the sewer plans.

Previously, District Engineer Fix had 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 verified with 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 in 2019, regarding the location to install a water main in the CDOT rights-of-way.

As of October 14, 2024, the developer has submitted the sewer easement and the legal description for review. District Engineer Wheatlake asked for a status update and schedule for the product and the developer indicated that they have plans ready to submit to Denver Water and they are finishing up the plat through Jefferson County.

Wildfire Planning Redundancy Study

T-24-093 DISCUSSION. District Engineers have prepared a write up of the redundancy of the District’s interplay between zones when the primary water feeds have been disabled. Merrick has updated their water model to include the new water line that was installed along Morrison Road and Hodgson Park. The Engineers have gathered information from neighboring districts (Green Mountain, Lakehurst and Bancroft-Clover) to determine how BCWSD could be assisted (or give assistance) when an emergency occurs. District Engineers have also run hydrant flow tests for the newest water line in Morrison Road which was verified with the District’s water model and will help the District know how connections can help in servicing other zones in the District. The model was verified for the District Engineers to look into the zones and connections.

The District will be setting up a meeting with Denver Water regarding emergency connections from Green Mountain Water and Sanitation District to determine what Interconnect Agreements between other districts need to be in place. District Engineer Wheatlake handed out the draft report for Board review at the January 8, 2024 Board meeting.

The Board had an in-depth review and discussion of the draft report for the Wildfire Planning Redundancy Study at the April 8, 2024 Board meeting. District Engineer Wheatlake will look at the placement of fire hydrants in the high-risk areas to see if the District should plan on a future capital improvement project to add additional fire hydrants to assist in fire protection. The District and Merrick had a productive meeting with West Metro Fire Department discussing the District’s efforts towards providing enough water during a fire event and water source outage. We discussed some of their operations and procedures for fighting an overland or neighborhood fire.

District Engineers have reviewed the model and report to refine the site locations for the interconnect pump system needed to boost pressures in the two pressure zones. After the discussions with the fire department, the District will need to avoid crossing roadways with hoses or pipes to maintain evacuation routes. District Engineers are investigating using existing or installing new hydrants as a potential option with routing the temporary interconnects.

Analysis of the Condition of 16”/18” Water Transmission Mains

T-24-094 DISCUSSION. District Engineers completed the exploratory analysis starting with the “potholing” and observation of the 16”/18” transmission water main that runs along the Hampden Frontage Road, Estes Street and Dartmouth Avenue. District Engineers have asked C&L Water Solutions for pricing to perform 5-7 “pothole” locations along the water transmission corridor. – District Engineer is developing and identifying priority areas and segments within the entire water and sewer system as an extension to this task.

The draft report was presented to the Board at the March 11, 2024 Board meeting by District Engineer Wheatlake. The investigation was good, and the District Engineers found no evidence of visible deterioration. The soils investigation found non-corrosive soil and no groundwater at the bury elevation of the transmission main. Visible evaluation found no signs of pitting because of corrosive soil or any other signs of damage or wear. District Engineer Wheatlake recommends that future investigations be performed about every five years in different locations on the pipe to assess the condition of the pipe, as long as two or more breaks don’t occur on any of the segments of the pipe. If two or more water breaks occur on any segment of the pipe, a plan to replace the alignment on that segment of the pipe would be put in place. District Engineers will also develop a priority list to determine what sections of pipes need to be identified for future replacement with construction cost estimates for a multi-year replacement program. District Engineers are also looking at alternating areas of the District for construction to avoid being in one area for multiple years. The rankings consider information on the system including the diameter of pipe, age, and material, as well as incorporating priorities identified in the Master Plan update.

Acceptance of the District Engineer's Report

R-24-056 RESOLVED, upon motion by Director Larsson and 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 2024 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-24-057 RESOLVED, upon motion by Director Ebert, seconded by Treasurer Hundley and unanimously carried, the payment of invoices and payroll presented in the amount of \$121,354 was approved. A list is attached hereto and made a part of the record.

Preceding this action, District Manager Walker reported that upon Treasurer Hundley's review of the checks, Automated Clearing House (ACH) payments and payroll on October 31, 2024, he found them to be in order for approval by the Board.

Approval of Treasurer's Report

R-24-058 RESOLVED, upon motion by Director Ebert, seconded by Vice Chairman Johnson and unanimously carried, that the Treasurer's Report based on unaudited financial reports and including the Budget-to-Actual report, as of October 31, 2024 was accepted as presented. A copy is attached hereto and made a part of the record.

Preceding this action, Treasurer Hundley reported that a FHLB Government Sponsored Entity (GSE) was called, and a 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. Treasurer Hundley also gave a detailed review of the October 31, 2024 Budget-to-Actual report.

Audit Committee

Approve Audit Engagement Letter from David Green and Associates to Perform the 2024 Annual Audit

R-24-059 RESOLVED, upon motion by Director Larsson, seconded by Vice Chairman Johnson and unanimously carried to accept the Audit Engagement Letter from David Green and Associates to perform the 2024 Audit at an amount not to exceed \$9,500.

Budget Committee

Adoption of the 2025 Annual Budget

R-24-060 RESOLVED, upon motion by Vice-Chairman Johnson, seconded by Treasurer Hundley and unanimously carried that the Chairman is authorized to Sign a Resolution to Adopt the 2025 Annual Budget, to Set Mill Levies and the 2024 Certification of Mill Levies for Property Tax Collection in 2025 and to Appropriate Sums of Money for 2025, subject to adjustments resulting from Jefferson County's revision of property values, and to Set Water and Sanitary Sewer Rates for 2025.

Preceding this action, District Manager Walker presented the third Draft of the 2025 Budget. Ms. Walker explained that this version of the budget includes 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 2025 Budget. The deadline to file the mill levy certification with Jefferson County is December 15, 2024. Chairman Miller will need to sign the levy certification form before the December 9, 2024 Board meeting to meet the deadline to file the mill levy certification with Jefferson County.

2025 Sanitary Sewer Rates and Denver Water Surcharge Amounts

R- 24-061 RESOLVED, upon motion by Treasurer Hundley, seconded by Director Ebert and unanimously carried that the annual sanitary sewer rates NOT be increased for 2025. After reviewing 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 2025.

The budget committee also recommended NOT to increase the monthly water surcharge to the 2025 Denver Water billing of \$7 per month per SFRE.

Preceding these recommendations, the Board has identified and engaged in a deliberative process to prepare the 2025 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.
- Results from the District Engineers' assessment, prioritization and future replacement of transmission mains; in consideration of age, conditions, materials and risk; and in alignment with Denver Water's Standard Operating Procedures.
- 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

Approval of Annual Administrative Matters Resolution for 2025

R-24-062 RESOLVED, upon motion by Vice Chairman Johnson, seconded by Treasurer Hundley and unanimously carried to accept the Annual Administrative Matters Resolution for 2025.

Preceding this action, Legal Counsel Heinrich 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.

Approval of Resolution to Call the 2025 Board of Directors Election for May 6, 2025

R-24-063- RESOLVED, upon motion by Director Larsson, seconded by Director Ebert and unanimously carried to authorize Chairman Miller to sign the Bear Creek Water and Sanitation District Board of Directors Election Resolution to call the Board of Directors election for May 6, 2025.

Legal Counsel Follow Up Items

T-24-095 DISCUSSION. Legal Counsel Heinrich reported on some follow-up items from the October Board meeting including a brief update on the American West/GMWSD litigation regarding the sewer back-up at 10668 W. Cornell Place that occurred in 2023.

Ms. Heinrich also followed up on a discussion about banks requiring personal information from District staff. Ms. Heinrich reported that there is no law requiring banks to obtain personal identifying information from District staff, but that individual banks may have more robust policies in place than what the law requires.

District Manager’s Report

District Manager Walker presented the October 2024 Report of District Activities, a copy of which is attached hereto and made a part of the record.

Directors Reports – None

C-24-015 CONCURRENCE. Nothing further being presented to the Board, Chairman Miller declared that the meeting be adjourned.

Signed:

Dale L. Miller, President and Chairman

Attest:

Jan C. Walker, Secretary, Board of Directors