

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF THE TABERNASH MEADOWS WATER AND SANITATION DISTRICT**

TMWSD Water Plant, 729 County Road 5141, Tabernash, Colorado  
July 14, 2014  
6:00 p.m.

<b>DIRECTORS:</b>	<b>STAFF/CONSULTANTS:</b>
Irene Cooke, President Susan Koeneke, Director Sidney Logemann, Director	Lauralee Kourse, Manager/Operator Donette Schmiedbauer, District Accountant Georgia Noriyuki, General Counsel

1. **CALL TO ORDER AND DISCLOSURES:** The meeting was called to order by Irene Cooke at 6:00 pm. A quorum was present. There were no disclosures presented at this meeting.
  
2. **BOARD VACANCY:**  
Irene Cooke discussed that the board had two vacancies. The board discussed the posting of the board vacancies and that it was difficult to get property owners in the District to serve. The positions have been noticed in the Middle Park Times, the official posting places and the District’s web site.  
  
Molly Lipke, property owner and resident was in attendance and expressed her interest in serving on the board. Molly explained that her prior experience being on this board as well as another water district board would help her get up to speed quickly on the business of the District Board of Directors. Upon a motion by Susan Koeneke, seconded by Sid Logemann the board unanimously appointed Molly Lipke to serve on the Tabernash Meadows Water and Sanitation District Board of Directors. Georgia Noriyuki, District’s general counsel, administered the oath of office.
  
3. **APPROVAL OF MINUTES:** Minutes of May 27, 2014 were approved via email.
  
4. **HIGHLAND INVESTMENT COMPANY REQUEST FOR WATER SERVICE:**  
David Michel, and Kemsley Wilton, represented the Highland Investment Company. David Michel explained that he was an attorney representing the investment company that had a contract on the Highland Lumber property. The company intended to lease the property to another company that would grow and sell marijuana substances. His purpose at this meeting was to find out if the District would be interested in providing water service via a water main that would be extended from the District’s water system to the Highland Property. Irene Cooke referenced a letter that Mr. Michel had sent to the District Manager and explained that the District had a financial obligation to protect the interests of its property owners and that the District was not in a position to fund or subsidize this project. The board would need a formal application and deposit to cover its costs related to evaluating the request. The District had already extended its resources towards reviewing this issue and could not continue to do so without reimbursement. Mr. Michel told the board that his company first wanted to know if it was possible and Georgia Noriyuki explained that the board is not able to evaluate a request for water service without an application with real numbers and a deposit from the company to cover the District’s costs. LL Kourse, told the board that the District’s water attorney had reviewed the water rights issues in response to Mr. Michel’s letter. As currently adjudicated, our water rights would not allow the District to extend water service to this property. David Michel asked if it was possible to purchase water and truck it to the property. Board members agreed that the District is interested in additional revenue; however, further research will be required to determine whether the District would be able to sell water for use outside the District’s boundaries. Irene Cooke told Mr. Michel that a formal application with a \$5,000 deposit would be required for the board to review his request. Mr. Michel requested that the board review the amount of money they would require for the application. The board agreed that any funds not expended for review of the application would be returned to the applicant. David Michel and Kemsley Wilton left the meeting at 7:15.
  
5. **INSURANCE REVIEW WITH MAINSTREET INSURANCE:**  
Brian O’Hanlon presented the current insurance policy to the board and answered the board’s questions regarding the District’s coverage and the cost of the insurance premium. Brian explained that Travelers company is able to provide a comprehensive policy that covers everything the District needs under one umbrella. Brian also explained that there are not many choices of insurers in the market and he too is frustrated with the premium increases. Brian

stated that he appreciated the District's business but would understand that the District might want to shop the policy. The board thanked Brian for attending the meeting and expressed satisfaction with our insurance coverage and the great service his company provides.

#### **6. FINANCIAL REPORT:**

- Financials and Disbursements – Donette Schmiedbauer.  
Donette reviewed the June 2014 financial statements and disbursements. Upon a motion by Sid Logemann and seconded by Susan Koeneke, the Board voted unanimously to approve the May and June 2014 disbursements as presented.
- Donette reviewed the asset capitalization policy and requested that the board revisit this policy and lower the threshold of asset capitalization from \$5,000 down to \$2,500. Upon a motion by Molly Lipke seconded by Sid Logemann the board voted unanimously to change the asset capitalization policy to \$2,500.

#### **7. PERSONNEL POLICIES:**

- The board continued its review of the Personnel Policy Manual from the previous meeting. Georgia Noriyuki, District General Counsel, had incorporated the board's edits in the draft presented at this meeting. After some discussion, the board directed Georgia to rewrite section 7.30. The language will be similar to CDL requirements to protect drivers and assure safe operation of District vehicles and equipment. The board also reviewed section 5.10, Training and Certification. They directed Georgia to rewrite this portion of the policies so that the District would support training and certification of its operations staff for "D" level treatment licenses and Level 1 Distribution and Collection Licenses. This training would assure that all operators understand and have basic knowledge of safety and regulatory rules that are necessary to work in the water and sewer industry. The board reviewed section 11.30 Expenses and asked staff and general counsel to research the liability and insurance issues related to reimbursement for use of personal vehicles and tools.

#### **8. MANAGERS REPORT:**

- **Denver Water Rich Ditch Operating Agreement:**
  - LL Kourse updated the board on the status of the Rich Ditch Operating Agreement. Denver Water is willing to be the Operator of the Rich Ditch and costs associated with the operation will be billed out to the other stakeholders based on the pro-rata share of their interests. The District's water attorney and engineer have reviewed the current agreement and believe it is in the best interest of the District. Upon a motion by Sid Logemann and seconded by Molly Lipke the board directed staff and general counsel to finalize this agreement with Denver Water and the Rich Ditch Stakeholders.
- **Budget Workshop:** The board scheduled a budget workshop for Monday, Oct 6<sup>th</sup> at 6 pm.

#### **9. OPERATIONS REPORT:**

- LL Kourse reviewed current District Operations with the Board. The District is in compliance and operating well. LL discussed that staff has been very busy the past couple of months operating the ditches and augmentation pond. The Tabernash Community manhole inspection project was also very time consuming and challenging.

#### **10. ADJOURNMENT:**

There being no further business, upon a motion by Susan Koeneke, seconded by Sid Logemann, the Board voted unanimously to adjourn the meeting at 8:30 p.m.

#### **11. ACTION ITEMS:**

- **Oath of Office-** Georgia Noriyuki, District's general counsel administered the oath of office to Molly Lipke.
  - Upon a motion by Sid Logemann and seconded by Susan Koeneke, the Board voted unanimously to approve the May and June 2014 disbursements as presented.
  - Upon a motion by Molly Lipke seconded by Sid Logemann the board voted unanimously to change the asset capitalization policy to \$2,500.
  - Upon a motion by Sid Logemann and seconded by Molly Lipke the board directed staff and general counsel to finalize the agreement with Denver Water and the Rich Ditch Stakeholders.

\*\*The next Board meeting is scheduled for Monday, November 17, 2014, at 6:00 p.m. at the TMWSD Water Plant.

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Secretary

Date