

The monthly Leadville Sanispecification District (District) board meeting was held at the District's office located at 911 S. Highway 24, Leadville at 3:00 pm on 10/6/2021. Board members present: Ken Berger, Robert Vigil, Joe Hren and Jane Gowing with Dan Osborn arriving at 3:15 pm. Staff present: Joe Fattor, Attorney; Plant Personnel, Joe Passalaqua; Office Manager, Angelina Salazar, Cooper Best, JVA Consultants and Special Counsel, Steven Bain.

- A. Chair Berger called the meeting to order at 3:00 pm. At 3:05 pm Chair Berger made a motion to go into Executive Session to receive legal advice and a status update on the CJK Mill, seconded by Director Gowing, with all board members voting in favor except for Director Osborn who had not yet arrived. At 3:37 pm Director Gowing moved to close the Executive Session, seconded by Director Osborn. At 3:38 pm Chair Berger resumed the public portion of the monthly meeting, asking for any public comment and there was none.
- B. 902/904 was next on the agenda. Attorney Fattor has communicated with the property owner's attorney Chris Floyd. In addition, Attorney Fattor sent a "will serve" letter to the Lake County Building Department official, Paul Clarkson, stating that the property is located within the District's boundaries and subject to compliance with all District Rules and Regulations, payment of fees and approval of the engineered drawings, service to be provided by the District. This is all the property owner needs to make his application to get a building permit. Mr. Jacobs still pressed for project approval and Attorney Fattor instructed him to discuss this specific item with the owner's attorney.
- C. Next on the agenda was Jack Saunders with questions about his proposed E1 grinder/low pressure discharge pump system for some homes at his Tabor Star development. Cooper Best with JVA explained his concerns (maintenance, repair, replacement costs) with the installation of a common main that serves numerous home owners. Mr. Saunders will research some options to see if there is a way to address Mr. Best and the District's concerns. Mr. Best is working to finalize a policy for installation of these systems as requested by the Board at a previous meeting.
- D. JVA/Cooper Best was next on the agenda with a compliance schedule budget update. CDPHE has required the District to repair/replace collection system lines at a rate of 25% of lines over a 4 year period. Mr. Best and JVA staff have suggested the District incorporate collection system improvement costs on the State's prequalification form for grants and loan eligibility. The Board agreed with Mr. Best's recommendation. Next item with JVA was a discussion about having JVA update the District Rules and Regulations. Director Osborn motioned to accept JVA's letter proposal to update the District's Rules and Regulations, seconded by Director Vigil, all voted in favor. Finally, Mr. Best will coordinate with Chair Berger and Director Osborn to arrange an on-site meeting with CDOT on the RV Dump access.
- E. Next on the agenda was a permit update. Mr. Best said that GDI's water quality sampling continues. Once the sampling is completed, Mr. Best will review the data and will request to meet with CDPHE to discuss the data.
- F. Water Quality Control Professionals was next on the agenda. ORC Volk was not present. However, he had Operator Passalaqua discuss a safety issue with a blown breaker at the

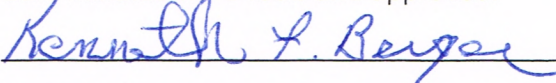
plant. The breaker tripped (failed) in the "on" position which caused an explosion and knocked out power at the plant. This demonstrates the aging electrical at the plant and the need to replace these breakers. The ABoard instructed Operator Passalaqua to immediately begin replacement of these breakers. In addition, Operator Passalaqua wants to meet with Mr. Best (JVA) to get a priority plan in place for electrical issues at the plant. The other item the Board implemented was a \$500 non-essential spending limit on the debit card, per Audit recommendation.

- G. Union Milling was next on the agenda. No decision was made at the Board meeting until additional information is provided by CJK.
- H. Dutch Henry – Continued, pending JVA/CDOT/District on-site meeting.
- I. Steven Prestash/131 E. 3rd Street was next on the agenda. Mr. Prestash is requesting a refund of \$35.00 from the District for a charge assessed for lien filing. Director Osborn motioned to deny the request, seconded by Director Vigil. Directors Osborn, Vigil and Hren voted to deny the request, Chair Berger and Director Gowing abstained.
- J. Next on the agenda was 205 W. 5th Street/Ponikvar. This location has a sewer line that was constructed in the 40's and needs replaced. However, the owners of the property have closed up the house and will wait and replace their sewer line next summer.
- K. Minutes from the October 6, 2021 were the next agenda item. With no edits, Director Vigil moved to approve the minutes, seconded by Director Hren, all voted to approve the minutes.
- L. Check List (Bills and Approval) was next. With no questions or concerns, Director Vigil moved to approve, seconded by Director Hren, all voted to accept the Check List.
- M. Next on the agenda was the 2020 Audit. The audit was provided for Director's review. Direct questions to Ms. Salazar or ask at the November meeting. See Letters F and N for Audit items addressed by Chair Berger.
- N. The draft 2022 Proposed Budget was next on the agenda. Proposed rate increases are scheduled for the November 3, 2021 board meeting for public comment and Board discussion. However, after discussions with the District's auditor and JVA staff, Chair Berger wants the Board to start thinking about what rate and fee increases align with upcoming costs. District fees i.e. tap fees, monthly user fees, and trunk-line fees will be part of the discussion. The increases are necessary to fund sewer collection line repair/replacement, permit sampling compliance costs, capital treatment plant improvements and the associated engineering costs. Chair Berger suggested the Board consider raising user fees by \$2.00/month (\$4.00/bimonthly billing cycle) and increase a residential tap fee from \$6,500 to \$8,000. Office Manager Salazar also suggested eliminating the stand-by fee. Attorney Fattor asked Ms. Salazar to reach out to other rural districts to compare user fee costs. In addition, Ms. Salazar will work on spread sheet examples to show future impacts of rate increases versus capital and operational costs.

- O. Attorney Fattor was next on the agenda with the following items:
- a. Letter from Bloch & Chapleau, Cates, Ongert – The letter was drafted on behalf of John Lichtenegger about the trunk-line rate increase for the Railyards Development. Subsequently, the District has notified its rate payers of a public meeting on 11/3/2021 to discuss proposed rate increases.
 - b. November 3, 2021 Mailing – Public meeting for proposed rate increases. Attorney Fattor explained to the Board that **any** time the Board is going to increase fees the District has to provide a 30 notice to the public. This includes annual rates increases.
 - c. Indemnity for Weiderich – Attorney Fattor drafted an indemnification letter to the City for the sewer line replacement work that Chris Weiderich was doing on E. 2nd St. In addition, Operator Passalaqua will request a copy of the contract and 2 year warranty for the District's files.
- P. Daily/Plant Report – Discussed the aeration basin priority for increased efficiency and capacity. The E. 2nd Street project went well and was completed in less than 2 weeks. The WAS pump failed and needs to be rebuilt, belt press needs fine tuning to increase efficiency and Operator Passalaqua may ask the polymer vendor to conduct jar testing to see if there is a more effective polymer to use.
- Q. Office report was the final item on the agenda. There was a discussion about plant operator testing and the associated costs to the District. The Board would like to see operator testing and certification requirements documented in the employee policy and procedures handbook. Ms. Salazar will draft an updated version for Board review/approval. There was a brief discussion about restaurant seating policy/guidance. In addition, questions arose about the new Moe's Barbeque sewer access and taps.

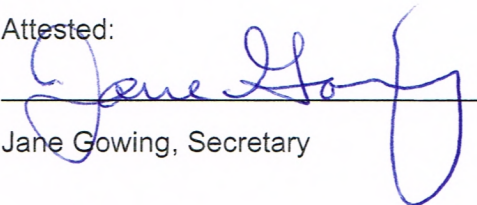
At 6:35 pm Director Vigil moved to adjourn, Director Osborn seconded, all voted in favor.

Said minutes were read and approved:



Kenneth Berger

Attested:



Jane Gowing, Secretary