

RECORD OF PROCEEDINGS

May 25, 2005

1 **Study Session and Special Board Meeting**

2 A Special Meeting of the Board of Directors of the South Adams County Water and Sanitation
3 District was held on May 11, 2005 at 6595 East 70th Avenue, Commerce City, Colorado. Board
4 Members present: Warren Kerls, President; Dick Smith, Treasurer; Mike Benallo, Secretary;
5 James Allen and Neal Wikstrom, Directors. Also in attendance: General Manager, Greg
6 Fabisiak; Water Systems Manager, Jim Jones; Financial Director, Ron Lay; Wastewater
7 Systems Manager, J-M Grebenc; Russell Pennington, Distribution and Collection Systems
8 Manager; Legal Counsel, Tim Beaton of Moses, Wittemyer, Harrison & Woodruff PC; Bond
9 Counsel, David Bell of Stifel, Nicolaus and Co., and Richard Buddin of Kutak Rock, LLP.

10 **Call to Order**

11 President Kerls called the meeting to order at 3:30 PM after a short Study Session that began at
12 3:00 PM.

13 **Public Comments**

14 None.

15 **General Counsel**

16 Mr. Beaton stated that notice of the Study Session and Special Meeting of the South Adams
17 County Water and Sanitation District had been posted according the State Statutes and asked
18 that the Board consider the following items:

19 **Bond Resolution**

20 Mr. Lay and Bond Counsel representatives David Bell and Richard Buddin outlined potential a
21 savings analysis for refunding the District's 1993 Bond Issue that indicates present value
22 savings of approximately \$180,000. Mr. Lay stated that it is hard to anticipate what the market
23 conditions will be when the bonds go to market; however Counsel and Staff anticipate savings
24 of at least 3% present value savings at the time the bonds are marketed, and recommend that the
25 Board consider the Parameters Resolution as presented regarding Bond Refunding.

26

27 President Kerls called for a motion on this matter. Board Members Benallo and Allen moved
28 and seconded to approve the Resolution authorizing the issuance of Utility Revenue Refunding
29 Bonds, Series 2005 in the Aggregate Principal Amount not to exceed \$4,000,000, and authorize
30 the President of the Board and the Financial Officer to sign the required bond documents on
31 behalf of South Adams County Water and Sanitation District. Motion passed unanimously.

32

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

ERU Banking Agreement

Mr. Beaton stated that as related to the Board at their May 11, 2005 Regular Board Meeting, a few developers are close to using up their pre-FRICO water taps and allege that foreclosure/bankruptcy is looming. District staff and legal counsel have worked with the City of Commerce City to establish a temporary ERU Banking Agreement by which the City would allocate to these developers a portion of the 400 acre-feet of irrigation water that the District committed to the City in the April 2004 IGA. Doing it in this fashion would seem to get the District out of the loop. The proposed agreement provisions require the dedication of up to 170 acre-feet of augmentation water to offset the depletions associated with the use of up to 200 acre-feet of Commerce City irrigation service commitments in this Banking Project and is intended to provide interim relief to the ERU Allocations.

President Kerls called for a motion on this matter. Board Members Allen and Smith moved and seconded to approve the Water Resources Banking Agreement by and between the District and the City of Commerce City. The Motion passed unanimously.

Letter of Intent – PV Water and Sanitation Metropolitan District

Mr. Beaton stated that intensive negotiations have taken place among the District, the City of Commerce City and representatives of the PV District on specific issues as they relate to extending public water services to the Gateway American Properties development. The parties believe that they have reached broad conceptual agreement as to how to resolve several of the issues. The proposed Letter of Intent (LOI) as presented is expressly contingent upon an actual agreement being negotiated and signed by the parties. The Parties do however desire to recite their concept on specific matters from the April 29, 2005 letter as stated within the LOI.

Mr. Jones clarified that the proposed \$2,147 payment per ERU as outlined within the LOI is subject to annual inflation rate increases as are all District tap fees.

Mr. Beaton stated that the City of Commerce City will also need to approve the LOI as well as other issues as they relate the City’s rules and regulations, and in no way is the LOI or any preliminary agreement binding on the District until all parties have come to a complete and signed written agreement on all issues.

1 President Kerls called for a motion on this matter. Board Members Wikstrom and Benallo
2 moved and seconded to approve the LOI as presented. Motion passed unanimously.

3 **Regional WWTP Agreement**

4 Mr. Beaton and Mr. Fabisiak stated that the language within this agreement among the District,
5 the City of Brighton, and the Metro Wastewater Reclamation District is nearly complete.
6 Hopefully, the proposed agreement will be ready for the Board to approve by the July Meeting.
7 The shared cost of this 18 mgd regional wastewater facility will be approximately \$110 million.
8 Property acquisition, facility design and appointing a manager will begin as soon as the
9 agreement is approved by all three entities.

10 **Executive Session**

11 At 4:28 PM, President Kerls called for a motion to move into an Executive Session for the
12 purpose of receiving legal advice from counsel. Board Members Benallo and Smith moved and
13 seconded to move to Executive Session. Motion passed unanimously.

14 **Reconvene**

15 President Kerls reconvened the Regular Meeting after the Executive Session at 4:50 PM.

16 **Adjourn**

17 With no further business before the Board, President Kerls adjourned the meeting at 4:51 PM.

18

19 **Respectfully Submitted,**

20

21 

22 **Mike Benallo**

23 **Secretary**