

Eldorado Springs LID Advisory Committee Meeting Minutes

January 14, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:00 pm by ESLAC Chairperson Ken Sheldon

Members Present: Jerilyn DeCoteau, Jeff Mason, & Ken Sheldon

Guests:

Staff: Pete Salas

Minutes: Jeff moved approval to approve the January minutes, Jerilyn seconded the motion and all voted in favor.

Financial Report: Pete handed out the budget spreadsheet prepared by the Finance Office for the groups review. There was a discussion on the budget and the need to start a discussion regarding the 2014 budget and projected expenses by end of year. The group expressed an interest in an opinion from Finance about whether there would still be an operations surplus at the end of 2014. The group was curious about the invoice charges for various work and equipment charges that Dave Lewis indicated on his report and whether there was a correlation between the two.

Old Business:

- District rules & regulations – Jerilyn presented a draft of the changes to the rules and regulations as it related to commercial businesses. The group reviewed and discussed the language and made a few changes, to everyone's satisfaction. It was then agreed that the changes as amended be sent to the County Attorney's office for review and opinion. Jerilyn agreed to incorporate the changes and send the new draft to Pete. Ken then made a motion to that effect, Jeff seconded the motion and all voted in favor. Pete indicated that he would send the proposed language to Leslie Lacy in the County Attorney's office and report back at the February meeting. It was noted that the approval included new language dealing with cost associated with any equivalency change.

New Business:

- Equivalency update request. – Jeff asked about the process to change the rate when equivalency is added to a resident. In this case, the situation with Alan Brown who informed the LID members that he had added or was in the process of modifying his home which would result in additional equivalency. Pete said wasn't sure of the process but would find out and report back in February.

- ESCA website – Jeff indicated that the ESCA website is not functional and asked the group whether it might be feasible to have an ESLIDAC funded website. Jeff said he would be willing to look into the set-up costs and he would volunteer to maintain the site. The group agreed to consider it and Jeff said that he would report back to the group in February.
- LID member recruitment- Pete indicated that the county had begun a new round of advisory boards and recruitment and reminded the group that there are two available positions on the ESLID. The group had a brief discussion and brainstormed a list of several people that they thought might have an interest. Each member agreed to contact a potential member and encourage LID participation.

Public Comment: There was no public comment and the meeting adjourned at 7:25

Staff Up-dates:

There were no staff updates

Public Comment:

There was no further discussion and the meeting adjourned at 7:21 pm

Eldorado Springs LID Advisory Committee Meeting Minutes

February 11, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:00 pm by ESLAC Chairperson Ken Sheldon

Members Present: Jerilyn DeCoteau, Jeff Mason, & Ken Sheldon

Guests:

Staff: Pete Salas

Minutes: Jeff moved approval to approve the January minutes, Jerilyn seconded the motion and all voted in favor.

Financial Report: Pete handed out the budget spreadsheet prepared by the Finance Office for the groups review. Pete explained that there were a couple of expenses that showed that the budget was not tracking with estimates. Pete mentioned the \$1400 insurance expense and a bill from Ambient H2O. Pete indicated that the insurance was an annual expense that was part of the original contract and appeared to have been rolled into the contract at the last contract approval. The group reviewed the budget and requested that the charge from Ambient H2O be provided in detail and that the group be provided the invoice from Ambient.

The group was concerned about the increasing expenses. Pete then mentioned the issue that it appeared that the larger question about planning for future expenses and not being able to balance the budget. The current over budget items could be covered by the recent paid plant investment fees but there is a need to look at future cost. Pete cited the spreadsheet that Ramey provided as an example of what needed to be considered for the future in terms of anticipated capital improvement costs. Pete was indicated that he believe that there was a need to consider a rate increase to account for increasing costs and future capital improvement costs.

Pete indicated that the work to consider a rate increase could probably begin in April to allow for the length a public process would require. The process of evaluating the need and rationale could be developed and put into place for 2015 if that is the decision of the group. The group expressed the desire that whatever happens, the public be intimately involved and participating in the process. Pete indicated that Finance would run the numbers and the group could decide whether to proceed at that point. The thinking is that perhaps at the April meeting some information could be provided to the group.

The group thought that perhaps a list of needed information be provided which would enhance the discussion going forward. Ken indicated that in the last rate discussion information was provided concerning similar costs for other treatment plant rate payers in the region. Ken then provided some background info on what had been discussed at the last rate increase discussion including work to decrease costs to the system. Jeff expressed a need to address the issue of

additional plant investment fees paid into the system and account for how additional fees would be allocated. The group had a lengthy discussion on several facets that would need to be considered during any future rate increase process and being able to explain and justify why an increase would be needed. The general theme was that we take as much time as needed to collect the most relevant data to be able to make the best decision possible. Ken mentioned that during the last rate discussion the Board agreed to put a 6 month hold on the process to allow for collecting as much info as possible.

There was additional discussion regarding other charges in the budget including the information that Ramey had provided relative to increasing labor charges for the coming year.

Old Business:

- New members - Pete indicated that two people had applied for the vacant LID positions. Jeff asked if the current members had a say in the selection process. Pete mentioned that there were boards and commissions where members wrote letters in support of a particular applicant.
- Grinder pump issue - Concerns raised by Virginia Gurley relative to whether she would have to pay for the pump. Pete relayed the discussions he had with the Virginia indicated that she was told that if she completed the paper work prior to finalizing of the rules amendment, that she would not have to pay for the pump and associate costs. There was general agreement that this was the case and that they made every effort to make sure that Virginia and others were informed that anyone who applied before the date when the amendments were adopted would not have to pay for the grinder pump and costs but that Virginia did not make the deadline. Pete said he wanted to be sure and that he would call Virginia and inform her that she would be responsible for the pump and associated costs.
- Rules and Regulation changes – The grinder pump discussion segued into a discussion regarding proposed changes. Pete indicted that he had run the proposed rules by the Leslie Lacy in the County Attorney's Office and that Leslie was okay with the language as written. Pete also indicated that perhaps the group should consider language specific to the issue of grinder pumps. The language could indicate the original intent to specifically say that homeowners applying for new sewer hook-ups are responsible for grinder pumps and associated costs.

New Business:

There was a brief discussion regarding future dates for the LID meetings. Pete suggested that due to some conflicts in his schedule, the group consider meeting on a different week of the month. The group discussed the possibility and concerns about any new members and their needs in terms of meeting days. It was generally decided that no firm decisions be made until any new members are seated. It was decided that the March meeting would be on March 18th if the room is available.

Jerilyn brought up the issue relative to when a property is not charged their quarterly assessment based on the case with Theodora Barychewsky. The question centered on the fact that due to her inability to use the system she should not be charged. A member of the public wanted to know why, when people leave for long periods of time and are not using the system, they are still charged. Pete explained that the situation with Theodora was as a result of the County determining that her property was uninhabitable. The group discussed the matter determined that the decision was rational and was a special case which would be explained to those concerned.

Website – The group briefly discussed the issue of the LID website, concerns relative to the website and how we might arrange to have useful information available to the community.

Public Comment: There was no public comment and the meeting adjourned at 7:25

Public Comment:

There was no further discussion and the meeting adjourned at 7:21 pm

Eldorado Springs LID Advisory Committee Meeting Minutes

March 18, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:00 pm by ESLAC Chairperson Ken Sheldon

Members Present: Jerilyn DeCoteau, Jeff Mason, Ken Sheldon, Cathy Proenza

Guests: Alan Brown, Virginia Gurley

Staff: Pete Salas

Minutes: Jeff moved approval to approve the February minutes, Ken seconded the motion and all voted in favor.

Staff Updates:

- **Budget Report:** Pete passed out a copy of the budget spreadsheet and indicated that due to the Budget Office involvement with the audit, the 2014 budget spreadsheet had not been compiled so the sheet he distributed was the same as the previous month. The group reviewed the numbers and had a brief discussion regarding whether there were questions pending from February. Pete indicated that the invoices from Ramey Environmental had a cost for the sewer line break but that he wasn't sure if another invoice would be coming from Fischer Construction for their work. Pete said he called Linda Ramey about any additional charges and had not yet heard back in this regard. Pete also mentioned that there was a question regarding Ambient H2O and details about their billings. Pete said Ambient sends an invoice to Ramey and he was going to request for a list of 2013 charges. Cathy asked about Ambient H2O and the group explained the role of Ambient and that they were the company that does the pump repairs. There was a brief discussion concerning an apparent bill with Ramey's that a neighbor had found and passed on to her.
- **Ramey Activity Report:** The group reviewed the report and Cathy ask a question regarding the item concerning magnesium hydroxide discharge and the unclogging at the plant. Ken explained the reason for the work involved and why it was necessary. The group discussed the question of why the discharge line had to be unclogged so frequently. It was decided that Ramey should be asked to explain the why this was necessary on such a frequent basis. There was a brief discussion regarding the average flow data chart on the report.

New Business:

- **New members:** There was a mention of the new members and that there are two new members. Cathy Proenza was present but Kevin Tone was not able to make the meeting.

- Election of Officers: It was decided that the group would wait until everyone was present to elect officers. The election was postponed.
- Meeting Schedule: The group discussed the issue of when might be the best time for the group to meet. Cathy's concern was regarding the time of the date and that she would prefer if we could meet a little later in the evening since 6:00pm was a little too early. Kevin's email input about his availability was discussed. Kevin cannot make Tuesday's but depending on the month Monday's or Thursday's would work best. The group requested that Pete poll the group and try to find a date convenient for everyone. It was also decided that the third Thursday of the month might work best and the time would be changed to 6:30 pm instead of 6:00. Jerilyn will check on room availability for the 3rd Thursday of the month.
- Sewer line break: Ken agreed to provide a little background on what occurred because he was present when the crew came out to do the work. Ken described the situation with a brief description of the mechanics involved and that the break occurred as a result of a frozen "check valve" that broke. Ken related his discussion with the crew at the site. There was a discussion regarding where the check valve was located and why it froze. There was a concern expressed regarding whether the depth of the line at the break was at the appropriate depth in terms of the requirement for this line. Jerilyn expressed her frustration with the responses she had received from Dave Lewis and her desire to have the facts as to why the break occurred. Jerilyn wanted to know what the construction requirements for the system to operate effectively. Jerilyn was also concerned about the fact that many residents in Eldorado Springs are gone for long periods of time and that the system should be able to accommodate these absences. Jerilyn said she thinks it's a design problem and whether they should be concerned with this happening again, as well as, the cost associated with any future line breaks.

Alan Brown asked to address the issue and was allowed express his thoughts on how the issue should be handled. Alan said he came to discuss the question of a design defect and whether the group wanted to force the issue by assuming that it's the General contractor's problem and that the contractor should pay the bill. Alan suggested that the burden of proof be put on the experts and they should explain how and why the break occurred and whether it was a design defect. Alan also discussed the issue of residents being away for long periods of time and the people be educated about what they need to do when they are away.

The group continued their discussion and what costs might be associated with having the contractor or others appear before the group. There was a quick review of the system drawings and the depth indicating the apparent requirements. It was mentioned that it was the intent to develop specific questions regarding the issue and try to get the facts before the group could proceed. The members requested that perhaps the invoices for the work not be paid until the issue was resolved. Pete said that the invoice in question had already been paid by the Finance Office. Jerilyn asked whether her first set of questions had been forwarded to the County Attorney's Office. Pete responded that he had sent the questions

to the office for review and sent the attorney all the documents he had. Pete indicated that the Attorney had reviewed Ramey's contract and that she had indicated that she wasn't sure if Ramey had any liability. Ken suggested that the question County legal staff should ask the original contractor about the systems construction and determine if there is any liability on the part of the contractors as it relates to the installation. It was decided that the group compose a list of questions the group has regarding the system and reasons for the line break. There was a concern regarding the cost of answering the questions and that perhaps Kevin Tone review the questions to see if he is able to answer any of them. Alan asked that one question might be to ask if the pipe was installed below the frost line, why did it freeze and if the line was installed above the frost line, why was it not insulated? It was suggested that the contractors, Fischer construction should answer the question. It was noted that if there was fault, it might not be feasible from an economic standpoint to pursue legally. The group indicated that the questions be sent to Fischer construction for a response.

The group then went through the process of vetting a list of the questions they would like responded to. (see attached list) Each question invoked a brief discussion as to the rationale for the question. There were concerns expressed about why the system was so reliant on the check valve or whether there was a maintenance issue on the part of the homeowner or at the very least, have residents been informed about proper maintenance when the homeowners are away. There was an expressed need for determining who is responsible for the system design and who's accountable for any design defects.

The group also revisited the issue of paying invoices and whether there should be a process for review of invoices prior to payment. There was a lengthy discussion on this topic and whether it might be advisable to have Jerilyn talk directly to Leslie Lacy, county legal staff and that perhaps a meeting be arranged with Leslie to review responses to the questions. It was suggested that the committee be able to advise the County relative to paying bills to the LID. Jerilyn expressed a desire to have some authority in this regard especially since she felt her questions were not adequately responded to at this point. The underlying concern was to ensure that the community should have a reliable system in place to ensure that this doesn't happen again.

It was decided that Pete would do an original draft of the questions and circulate to the group for vetting after which the questions would go to county staff for responses. Cathy suggested that perhaps a communication device be developed to educate the community about what to do when the weather is going to be cold or if they are going to be away. There was a brief discussion about this suggestion. Ken suggested that perhaps something be included in the residents quarterly assessments.

Old Business:

- District Rules & Regulation Discussion – The group discussed the list of questions that Virginia Gurley had been developed regarding the proposed language. Ken provided Cathy with a brief background briefing on the issue that the group was concerned with, specifically with regard to commercial equivalencies and change in use. The proposal

was for the use of some type of “flow meter” including the cost of installing and maintaining the meter. Ken and Jeff provided an explanation on how this type of meter would work and that the cost would be relatively minimal. It was decided that the group would touch on each item and have Kevin Tone weigh in on each one for his opinion on cost and maintenance. The group discussed how it would work.

The group discussed the benefits of such a meter. The discussion centered on why the group had developed the questions and the differences for measuring commercial vs. the residential measurements. It was mentioned that what the group was doing an initial review of possible changes and that anything that the group developed would be presented to the community prior to submission to the Commissioners. There was an extensive discussion various scenarios that might be encountered and why the suggestions prepared by the group were being presented.

During this discussion Pete said that there was no rush and that the issue and proposed language needed to be fully vetted with the community prior to any presentation to the Commissioners. Alan then indicated that there was a degree of urgency because of the issue with the District’s budget. Alan said that revenue may be being lost and cited his own situation and the fact that he still had not been assessed for adding a bathroom to his residence. It was mentioned that there are others who have not reported there additional equivalencies and this was revenue lost.

This led to additional discussion regarding disclosure of additional equivalencies. Pete indicated that he would again check with the Finance Office to make sure that Alan’s quarterly billing reflect the change in equivalencies. It was suggested that perhaps this be included on the next month’s agenda.

Public Comment: There was no public comment and the meeting adjourned at 8:45

Eldorado Springs LID Advisory Committee Meeting Minutes

April 24, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:00 pm by ESLAC Chairperson Ken Sheldon

Members Present: Jeff Mason, Ken Sheldon, Cathy Proenza & Kevin Tone

Guests: Virginia Gurley, Jim Turfey

Staff: Pete Salas

Minutes: Jeff moved approval to approve the February minutes, Cathy seconded the motion and the motion passed with Kevin abstaining.

Staff Updates:

- **Budget Report:** Pete distributed budget sheets and the group discussed with Ken mentioning that the biggest challenge is the deficit. The group reviewed the monthly invoices from REC and Ken asked Pete if there was anything significant he noticed in his review of the invoices. Pete mentioned that at the March meeting there was a question regarding chemical costs and the frequency of chemical purchases. Pete indicated that his review of past charges and info from Ramey showed that there are usually 2 – 3 purchases per year as needed. It was mentioned that the operating deficit appeared to have changed from the previous month and Pete indicated that the deficit reduction was due to the assessment and collection of late fees.

The group continued to review the invoices with no major items of concern expressed. There was a question regarding the \$3,200 item for waste water services and whether it was a quarterly or monthly charge. Pete indicated that it was a monthly charge per the Ramey contract. Kevin asked how often Ramey's contract is reviewed. Pete stated that the contract was 5 year contract that is reviewed and renewed on an annual basis. Pete indicated that he would put a tickler in his file for an October review by the LID prior to the December renewal to allow for any amendments such as one dealing with charges for meeting periodically with the LID to discuss budget issues. Pete said that the initial contract with Ramey contained a provision for periodic meetings during the initial phases but that it didn't carry forward to the current contract.

Kevin asked about whether the current water service charge of \$3,200 was indicative of the initial start-up work or reflective of the current work load. Pete indicated that he was not familiar with the initial contract discussion. Ken provided some background information relative to the initial project contract with Ramey and rationale for the contract. Jeff asked whether it might be possible to provide a yearly summary of what

had been paid to Ramey over the past several years. Pete indicated that he would see about putting this info together.

The group continued to review the non-Ramey invoices with Ken saying that the bill from Macy's for sewer break work was lower than he had anticipated during his observation of the work. Pete also reviewed the invoice from EC Power Systems relative to the generator and high cost of this work particularly the labor and mileage. Pete expressed a concern with the work involved to correct the situation with the generator and why the components were in the corrosive state they were in. There was a brief discussion regarding the state of the generator and whether this would be an ongoing issue. The group continued to review and comment on the invoices with a brief mention of the need to have an amount in the quarterly billing which would go to a reserve for ongoing maintenance and repair.

Cathy suggested that there is a need to see whether revenue might be missed if residents aren't reporting equivalencies. Pete indicated that there would be an opportunity to discuss later in the agenda. Pete also reported that he had again notified Finance that Alan Brown had increased his equivalencies and that the billing agency should be notified to adjust his bill accordingly. Kevin noted that at some point, the group needs to revisit the issue of grinder pump durability considering the number of repairs required during the previous year. Ken added that a new pump was being tried out to determine whether it was more durable and serviceable than the E-One pumps currently in use. It is hoped that this would provide an opportunity to possibly upgrade the system as pumps fail. It was suggested that things could be done on the part of the residents to help maintain the operation of the pumps.

Ken asked David Levin to comment on the issue of the pumps and what his thoughts are regarding the new test pump. David offered his thoughts regarding the pumps and suggested that the test pump be located at a different locale than had been chosen. David felt that the pumps should be located in an area that is more problematic. David couldn't say whether one was actually better than the other at this time. David indicated that generally the failures had to do with pump parts and not the pump itself.

New Business:

- Committee meeting schedule: It was decided to move on to a discussion of the schedule and it was determined that the 4th Thursday of the month would work best.
- Election of Officers: It was decided that the group would wait until everyone was present to elect officers. The election was postponed.
- Ramey Activity Report: Pete referred to the monthly report for March. Kevin asked how much time was spent during staff visits to the plant. It was suggested that perhaps we ask Dave how much time he spends when he comes to the plant for his regular maintenance

visits. There was a brief discussion on the hourly rates at which time Pete mentioned that Wayne had provided a spreadsheet indicating the new hourly rates he would be charging.

Ken asked Kevin what his thoughts are regarding the monthly report and the figures relative to flow data provided. Kevin indicated that he thought the plant is doing very well in general but expressed concern with the average BOD flow and wasn't sure what the indicate figure really meant. Kevin had a problem with the maximum effluent flow for 2014 and that it seemed a little high. Kevin provided additional thoughts and insights regarding the flow data. It was suggested that we ask Wayne to provide information on the data, particularly as it relates to Average Influent Flow and the Plant Capacity Loading as a possible means to save money. Pete indicated that he would like to compile a list of questions that the group would like answers to. Ken suggested that perhaps the list be vetted with the group to ensure that everyone's questions and concerns were being responded to.

- Sewer line break: The group took up the discussion of the sewer line break. Pete referred to the staff responses and indicated that he and Kevin had met to review the drawings in order to get Kevin's take on the line installation. It was decide to go over the responses and since there as a concern relative to whether the burial depth was sufficient it was decided to look at this issue first.

Pete indicated that according to the pump manufacturer the depth was sufficient for the efficient operation of the pump without freezing. Pete also mentioned that the depth met Boulder County Land Use requirements for burial of water and sewer lines. Kevin took issue with the County standard for burial of water and sewer lines indicating that there was probably no cause to pursue legal action against the engineer or general contractors. Kevin indicated that minimum burial depth was typically 4 ½ feet for water and sewer lines. Kevin mentioned that he had talked with Bart Fischer and that Fischer indicated that this particular locale was problematic due to rock outcropping and water line. Kevin questioned why during backfilling, blue board insulation was not put in place.

Jeff asked whether it might not be plausible go back and dig up the pipe and put insulation in at this point. There was a concern expressed that this would happen at this location again and that it might be cost effective to go back and insulate the check valve at the location of the break. Cathy suggested that the group seriously look into the possibility of digging up the pipe and insulating it. The group discussed this idea indicating that it was worth considering. Pete reiterated that it was Wayne Ramey's opinion that there were several factors which contributed to the break including; location and the prolonged, extremely cold weather.

Jeff indicated that the idea of finding out what the cost to correct the situation at this location would be and think about doing it during the summer months. There was a discussion about what might need to happen to lessen the chances of this happening again throughout the system. It was suggested that an educational campaign be conducted to inform residents about what their responsibilities are in this regard.

Pete referred back to the questions and the response relative to the possibility of pursuing action against Fischer and the engineering firm, indicating that unless they could prove negligence it would be difficult assign blame. Cathy expressed the opinion that it would not be worthwhile to pursue any legal action and that they do what they can to try to ensure that this does not happen again. It might be worthwhile to embark on another educational effort with residents. It was suggested that the policy contain a statement instructing future construction crews engaged in digging up the lines be sure to insulate if none is in place. Kevin suggested that Boulder County review the Land Use policy on burial depth and consider changing from the 36 inch requirement.

Old Business:

- Equivalency Discussion – The group moved on to discuss the issue of equivalency notification and possible actions. Pete gave a brief background on the issue indicating that the group had left off at the March meeting with trying to determine how this issue might be dealt with especially in light of whether there might have been a revenue loss.

There was a discussion on whether or not there is a way to determine whether people were in compliance with the rules. It was mentioned that any residential upgrades would require a permit and that the County would notify Pete when a permit was pulled. Cathy suggested that it might be good to simply go to each resident and ask if they have added a bath or bedroom. It was suggested that there might be residents who would not take kindly to this type of activity.

Jeff mentioned that there had been an effort to determine the accuracy of the current equivalencies. It was suggested that the effort be repeated. It was said that there is a cost associated with requesting this information from the residents. There was a discussion on how this had all been handled in the past and some of the problems that were encountered.

David indicated that in his opinion it was really an enforcement issue. The group then discussed the issue of enforcement and what could be done to enforce the problem of under reporting of equivalencies. What procedures can be put in place to ensure accurate reporting? There a couple of suggestions for what might be done in this regard. There were no recommendations and it was generally agreed that this is an area to investigate due to the lost revenue implications.

In closing, Ken and David provided some background information on how the initial equivalencies had been set and the nature of the work involved.

- Rules & Regulations – Virginia opened the discussion by referring to the previous discussion on equivalencies and that a couple of questions had been answered but there were several that hadn't been dealt with. Virginia mentioned that David had mentioned something regarding what she considered a contradiction of what was said at the March meeting as it relates to the quarterly assessment and equivalency rate increases. It was her understanding that if the EQR's increase that the quarterly operation fees go up but there

was some confusion regarding tax assessment increasing as well. David responded by saying that the operation fees increase but that the tax assessment could not increase because it is fixed. There was a lengthy discussion regarding changes in equivalencies as it relates to the operating expenses, plant investment fees and number of concerns related to the regulations in this regard. Kevin suggested that we slow the discussion down and take some time to review the issue/regulations and see what can be done to resolve the varying views relative fees. Virginia referenced the list of questions she presented to the group which had not yet been dealt with. There was additional brief discussion on Appendix A of the regulations and what it required. It was decided that Virginia's questions be addressed as an agenda item at the next meeting and be reviewed point by point. Pete indicated that he would send out Virginia's questions as well as provide Kevin and Cathy with the background information including; rules & regulations and Jerilyn's proposed language changes.

Public Comment: There was no public comment and the meeting adjourned at 8:30

Eldorado Springs LID Advisory Committee Meeting Minutes

May 22, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:30 pm by ESLAC Chairperson Ken Sheldon

Members Present: Jeff Mason, Ken Sheldon, Jerilyn De Coteau, Cathy Proenza & Kevin Tone

Guests: Virginia Gurley, Jim Durfee, Wes Cables and David Levin

Staff: Pete Salas

Minutes: Jeff moved approval to approve the May minutes, Ken seconded the motion and the motion passed with Jerilyn abstaining.

Staff Updates:

- Monthly Ramey Activity Report: There was a brief discussion regarding the monthly report with a few comments regarding the inclusion of a monthly comparison table covering the past 12 months.
- Budget Update: The group reviewed the budget spreadsheets and it was noted that there was an operations deficit for 2014 in the amount of \$4,798.

Old Business:

Aeronaut Restaurant – The group presented Virginia Gurley with the summary of the previous meetings decision regarding a proposed recommendation for arriving at an equitable resolution to the concerns with a Plant Investment Fee and ongoing operations and maintenance fees for the Aeronaut Restaurant. Kevin provided Virginia and her associates with a summary and overview of the decision. Kevin explained what the committee was proposing would help establish a procedure to determine future change of use requests. It was explained that the basis for the recommendation is the Colorado Department of Public Health and Environment Water Quality Control Commission Regulation #43. Regulation #43 provides minimum standards for, in this case “performance” of On-site Wastewater Treatment Systems.

There was a lengthy discussion over the proposal contained within the statement with clarification given on the details of recommended policy. It was explained that this document would serve as a template for future requests involving change of use proposals brought to the Advisory Committee. Virginia generally agreed to consider the recommendation and inform the committee of the direction her group would take.

New Business:

Rate Discussion – Pete initiated the discussion by referring to the budget and apparent deficit

Public Comment: There was no public comment and the meeting adjourned at 8:35

Eldorado Springs LID Advisory Committee Meeting Minutes

June 26, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:30 pm by ESLAC Chairperson Ken Sheldon

Members Present: Jeff Mason, Ken Sheldon, Jerilyn De Coteau, & Kevin Tone

Guests: Virginia Gurley, Jim Durfee, Wes Cables and David Levin

Staff: Pete Salas

Minutes: Jeff moved approval to approve the May minutes, Ken seconded the motion and the motion passed with Jerilyn abstaining.

Staff Updates:

- Monthly Ramey Activity Report: There was a brief discussion regarding the monthly report with a few comments regarding the inclusion of a monthly comparison table covering the past 12 months.
- Budget Update: The group reviewed the budget spreadsheets and it was noted that there was an operations deficit for 2014 in the amount of \$4,798.

Old Business:

Aeronaut Restaurant – The group presented Virginia Gurley with the summary of the previous meetings decision regarding a proposed recommendation for arriving at an equitable resolution to the concerns with a Plant Investment Fee and ongoing operations and maintenance fees for the Aeronaut Restaurant. Kevin provided Virginia and her associates with a summary and overview of the decision. Kevin explained what the committee was proposing would help establish a procedure to determine future change of use requests. It was explained that the basis for the recommendation is the Colorado Department of Public Health and Environment Water Quality Control Commission Regulation #43. Regulation #43 provides minimum standards for, in this case “performance” of On-site Wastewater Treatment Systems.

There was a lengthy discussion over the proposal contained within the statement with clarification given on the details of recommended policy. It was explained that this document would serve as a template for future requests involving change of use proposals brought to the Advisory Committee. Virginia generally agreed to consider the recommendation and inform the committee of the direction her group would take.

New Business:

Rate Discussion – Pete initiated the discussion by referring to the budget and operating deficit as evidence that it was time to seriously consider a rate increase for the District. Pete also referenced the Capital Equipment Replacement Spreadsheet that Wayne Ramey had previously provided and the need to build a contingency fund to cover future capital equipment replacement needs as well as, unforeseen events such as the February line break.

Pete then distributed a spreadsheet prepared by the Finance Office which provided various rate increase scenarios. The group then engaged in a discussion with the general consensus that a rate increase might be in order and that the community needed to be involved in this decision making process. It was suggested that the LID commit to outreach to the community to try to ensure that residents attend future LID meetings. Kevin raised the issue of whether enough had been done to ensure greater money saving efficiencies and reduce costs. Kevin requested that perhaps this issue needed to be discussed at the next meeting and any suggestions in this regard be brought forward at that time. It was also suggested that the group reconsider the notion of a UV system for the plant.

Pete mentioned that if a rate increase was going to be entertained, that it needed to go before the Commissioners for consideration by the end of September. Pete then suggested a possible timeline for consideration of a rate increase process. Pete mentioned that the process should allow the community several opportunities to weigh in on the issue. Pete indicated that the LID could begin deliberations at the July meeting with a possible recommendation at the August meeting. Prior to the August meeting a community meeting could be held to inform and receive feedback from the residents. Pete indicated that in addition to the LID and community meeting, that there would also be a public hearing prior to the Commissioners voting on the matter.

Pete said that as soon as the schedule could be worked out, he would prepare and send a letter to all the District rate payers informing them of the need for the discussion and the schedule for the process. It was noted during the discussion that at the last rate increase discussion in 2012, no one showed up to give input or feedback and that it was hoped there would be more participation at the upcoming discussion.

Public Comment:

David Levin provided his thoughts on the issue and reiterated the fact that there was almost no community participation at the last rate increase process. David then produced a copy of BOCC Resolution 2005-74 and spent some time telling the group that this was the official word relative to assessments and fees.

There were some concerns regarding a couple of residents and their status relative to EQR's and changes of use. The two situations mentioned involved Marion Zimmerman and that it was unclear whether she was being charged for 1.25 EQR instead of 1.0 EQR since she had evidently remodeled and added a bathroom. The other concern involved Joe Polumbo and whether he had changed his property from residential to commercial. Pete was asked to check with Land Use on this.

There was no additional public comment and the meeting adjourned at 8:35.

Eldorado Springs LID Advisory Committee Meeting Minutes

July 31, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:30 pm by ESLAC Chairperson Ken Sheldon

Members Present: Jeff Mason & Kevin Tone

Guests: None

Staff: Pete Salas

Minutes: Jeff moved approval to approve the May minutes, Kevin seconded and the minutes were approved

Staff Updates:

- Monthly Ramey Activity Report: Pete went over the report and commented on a couple of the items, in particular the item regarding servicing of a faulty effluent actuator. There was a brief discussion regarding the actuator and the need for replacement. Kevin commented that Fluidyne has had issues with this product and that a lot of the problem had to do with the location and moisture at the location. There was a discussion regarding the cause of the problem and when the pump went out of service.

The group also discussed the issue of equipment failure rates and why things were breaking down after so little of time in service. There was a lengthy discussion regarding how the LID got into the position of not having sufficient funds to cover ongoing equipment maintenance and replacement costs. It was mentioned that this was the type of information that would be valuable to present to the community. Several ideas for how equipment failure information might be compiled and presented in the future.

- **DMR Report** – Pete mentioned that he had included a copy of the latest DMR report for the group to review. Pete indicated that he wasn't sure exactly what the data indicated but thought he would begin to provide the data to keep everyone up-to-date on this particular plant condition. Kevin provide some background info on the utility of the report and what it means in terms of how the plant is operating. Kevin discussed the Biochemical Oxygen Demand (BOD) values in particular and the month to month fluctuation.

This led to a brief discussion on the chemical usage and the costs for chemicals. This in turn initiated a discussion on when it might be time to more seriously consider the issue of a UV system as it relates to a potential cost saving investment. The issue of investing in such a system was something that could not be made given the lack of funds available for the system. There is simply no pot of money which could be used and one which a future rate increase might provide. One of the considerations would be how to have this

discussion in light of a potential rate increase. In the interim, Kevin agreed to investigate the cost of an appropriate system and would solicit an estimate for the group to ponder.

- Budget Update: Pete indicated that Ramona in the Finance Office was on vacation and that a current budget spreadsheet was not available. Pete did review the latest Ramey invoice and referenced the June 24, 2014 spreadsheet from the Finance Office. The group reviewed the spreadsheet and discussed the year-to-date figures commenting on what appeared to be a possible surplus given the amounts listed. Kevin raised a question regarding whether the budgeted amount would, in fact, be spent. Pete said he would talk to Finance and provide a response to this question. Kevin also requested that Pete focus future reports on the lack of funds to cover non-budgeted items and that this should be the message that is to the community in future rate discussions.

Old Business:

- Kevin commented that Erik Johnson had called JVA about Kevin conducting a waste water analysis on behalf of the Aeronaut Café. Kevin indicated that it could be considered a conflict of interest due to his position on the LID and that the firm had refused the invitation. He provided Erik with a list of other firms that might do the work.
- A concern was raised relative to the issue of whether Mr. Pumbo had requested a permit to do an upgrade because it had been indicated that he was considering or had already do this. This led to a brief discussion on the issue of the regulation relative additions to residents and what the EQR amount allowed. Pete indicated that this issue would be taken up when the regulations are cleaned up, slated for this fall. It also raised the issue of how to police the non-permitted additions made by residents.

New Business:

- Community Meeting – There was a brief meeting regarding the community meeting scheduled for August 11th. Kevin asked what the format of the meeting would be and who would run the meeting. Pete indicated that he would talk to Ken about facilitating the meeting and go over the format. Jeff suggested that the spreadsheet outlining various rate scenarios should be presented in order to give what the options might be. Pete indicated that this info would be presented. There was a brief discussion about what the scenarios might look like from a percentage perspective. Jeff requested that a laptop be brought and the spreadsheet be projected and that it be possible to manipulate the spreadsheet to change the percentage values if someone should request info on what other percentages might be.

Kevin suggested that PIF info be discussed in order to see what might be available for building a coffer of funds to be used for capital equipment costs. Jeff indicated that the original thought was that PIF's were to be used for a equipment repair and replacement coffer. The members discussed how this info might be presented at the community meeting. Pete indicated that there might be legal issues around using PIF's for general

operations because it had come up in the past. It was generally agreed that this is not something that would be considered. Kevin suggested that we focus on the need to build a reserve fund specifically for equipment repair and replacement and not on generally operational expenses.

There was a brief discussion on the budget spreadsheet and a question regarding why the projected revenue figure was different from the operating budget figure. There was a concern expressed that it appeared that the operating budget seemed to overinflate the shortfall and that some clarification might be in order. Pete indicated that he would seek some clarification prior to the next regular meeting.

Public Comment:

There was no additional public comment and the meeting adjourned at 8:35.

Eldorado Springs LID Advisory Committee Meeting Minutes

August 28, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:30 pm by ESLAC Chairperson Ken Sheldon

Members Present: Ken Sheldon, Jeff Mason, Jerilyn DeCoteau and Cathy Proenza

Guests: David Levin and Curt Areneau

Staff: Pete Salas and Mark Ruzzin

Minutes: Jeff moved approval to approve the July 31, 2014 minutes. The minutes could not be approved due to absence of members present at that meeting.

Staff Updates:

- Monthly Ramey Activity Report - Pete referred to the monthly activity report submitted by Ramey Environmental for the month of July. Pete indicated that he hadn't noticed anything unusual with the report and mentioned a couple of items on the report, the group reviewed the report raised a few questions regarding report. There was a question regarding the pump repairs and how often the pumps were sent in. Pete indicated that he would check on this issue. The group had a brief discussion regarding which repairs would be paid out of the plant investment fees.

There was a question regarding the annual maintenance which had just come in to the office. Pete indicated that it had come in with the notation that it was an annual service but that he had no recollection of this happening last year. Pete said he had called Jeff Rabas and inquired as to the nature of the invoice and was told that it was an annual event but usually as needed. The group was concerned about how often the maintenance was occurring including; the schedule and whether this is something that should be included in Ramey's contract. Pete said he would make a note and check with Wayne Ramey. Ken said that this is something that should be included in the budget.

- Budget Update: Pete referred the group to the budget spreadsheet that was attached to the memo that had been distributed to the group. The group reviewed the spreadsheet and the various components of the budget. It was mentioned that it might be more informative if the spreadsheet contained info relative to when the bill are paid in order to get a better picture in terms of planning or anticipating expenses. The group discussed the need for greater clarity including how much is paid out each month. Perhaps a column that indicates how much of the budget is encumbered. There was an ongoing discussion regarding anticipated revenue and the anticipated expenses with staff providing the Finance Office perspective and the variable aspects of both sections of the spreadsheet.

There was a brief discussion regarding the sewer line break and the issue of insulating of the area where the break occurred.

Old Business: There was nothing to cover under old business

New Business: Action Item – Potential Rate Increase

- **Staff Presentation**

Pete referred the group to the staff memo regarding information including; budget information, PIF expense criteria and other info. Mark mentioned that the information was provided to open the discussion and options regarding the direction might take. Jerilyn mentioned the issue relative to the Plant Investment Fee and the County Attorney's opinion on what future PIF's can be used for. The concern expressed was that the PIF funds in the budget might be easily depleted over the next year or two. Pete then discussed the legal interpretation provided and the types of expenses that could be paid out of that fund. Pete also mentioned that there was another property in the district that had applied for a new construction and there was a potential PIF. Jeff reiterated his opinion that you can't count on anticipated revenues, as it relates to PIF's, until they are real and in the bank.

Mark discussed the need to carefully manage the funds available to the LID particularly the use of the PIF's in light of the unanticipated expenses occurred this year and that there should be a measured response in this regard. Mark also mentioned that there was no absolute need to have an increase in place by the end of the year and that it could be done at any time. Ideally, the end of year works best but it could certainly happen at mid-year. In the interim, other options could be considered including suggestions that were made during the August 11th community meeting. It was mentioned that this was the approach taken prior to the last increase. Jeff indicated that given the available information, that he could justify a rate increase. There was a concern regarding whether given the current situation and ongoing anticipated expenditures, the budget could be realistically managed.

Jerilyn mentioned the \$3,500 in the budget for pump repairs and whether this would be taken out of the PIF's available. Jerilyn also mentioned the fact that the PIF could be raised at the determination of the LID. There was a brief discussion in this regard.

David Levin referenced the discussion regarding the aforementioned construction that didn't occur because they were not subject to the PIF. David then began to discuss the issue of adding bathrooms and bedrooms that should have been dealt with earlier.

Mark interjected that this is info that might be best handled in the public hearing portion of the meeting. Mark also mentioned the info provided regarding the Land Use enforcement process as it relates to complaints of zoning infractions and that it is a complaint based system and not a proactive process.

Cathy indicated that she supported the notion of having a buffer fund wanted to discuss how much it should be. Cathy also wanted to know if any future funds collected would be invested and drawing interested. She raised the issue of projected costs for maintenance and whether those costs were being adequately budgeted as well as, how the group might work together on this process. Mark mentioned that the staff had discussed this issue and indicated that Finance could provide a draft to the group for their feedback so that be done in a more intentional manner.

Ken indicated that he was interested in whether any contingency fund or new revenues be earmarked for specific purposes and that the LID have a say in how the funds were spent. It was suggested that an item be added to the budget spreadsheet indicating that a portion be placed in an identified fund the use of which would be decided upon by the group. There was a question regarding the amounts indicated in the miscellaneous expenses and what had been paid thus far. Pete commented on what had been paid and what was anticipated. Mark indicated that any increase could be divided as the LID intended it should be and the criteria which would determine its use.

Cathy raised the question as to what size any contingency fund might be. There was a discussion regarding how big the contingency fund should be. Ken asked whether there was a standard use and seemed to recall that at some point in the past Pete might have stated that he had seen such a figure. Pete said that recalled the discussion and would try to find it or other info that might be pertinent. Mark referred the group to the capital replacement sheet that Ramey had provided as a place where the group might start in order to come up with initial numbers to consider in terms of how much should be in a contingency fund.

- Public Comment

Curt Areneau commented that he is in general support of and agrees with the sentiment that the community should pay its way and budget replacement costs for equipment. He also mentioned that the capital replacement sheet did not speak to the issue of sewage pipes and that it should be added in. Curt that an analysis should be done regarding the anticipated costs of replacing and budget an amount each year to cover long term capital costs. Curt urged the LID to give serious consideration to this issue and budget long term replacement.

David Levin then commented regarding added bathrooms and bedrooms and that we should not be going to look into people's houses. David said that he didn't agree with the concept of calling the fund an emergency fund. David implied that if the District goes over budget, then at the end of the year the county makes up the difference and we increase fees to pay the county back. Jeff commented that he did not see how David's proposal would solve the current situation. David said that there should be an annual assessment each year as needed since this is what he feels is going to happen. Several members commented on this proposal. Mark mentioned that from a logistics and

administrative perspective given the time and costs associated with doing this on an annual basis.

Pete reiterated the options available to the group as well as, exploring some of the suggestions made at the community meeting. Pete also mentioned that the staff could do some additional research on the subject. Mark mentioned that the staff was mistaken regarding the expiration of contracts with Ramey and SDMS with the Ramey contract going through 2016 and SDMS expiring in 2017.

Cathy mentioned that it appeared to her that most of the group was leaning toward a rate increase but that decisions had to be made regarding the size of the increase so that it wouldn't have to be done annually. Jeff indicated that he thought it might be best to wait until Kevin was available since he valued his opinion that maybe the group should wait and hear his input directly. Mark mentioned that the last increase didn't go to the BOCC until late November 2012 and that from a timing perspective, the group could wait and make a decision at the next meeting. Cathy asked if we could read the email Kevin sent regarding his perspective on the issue. After some additional discussion, Pete read Kevin's email to the group.

Mark reiterated the staff contention that O & M costs are just barely covering O & M costs and the more time spent deliberating is less time to build the fund. Mark mentioned that some of the suggestions made at the community meeting were being worked on now and that staff would continue to research and provide additional information.

Ken indicated that he would need additional information before he could vote for an increase and would need to justify it to the community. Ken suggested that a plan could be put in place for the future that would require only occasional tweaking. It was generally agreed that in order to justify any increase more info was needed and that it would establish the credibility needed for the community. Cathy reiterated her concern that the group should have an amount in mind in terms of size of increase needed and that a decision should be made and implemented as soon as possible.

Jeff expressed several thoughts on the budget in terms of miscellaneous expenses and get a handle on what this will look like going forward in addition to other items the fund could be used for. Jeff suggested that we look at what the miscellaneous expenses will be and use that info for determining a size of the fund. Members commented on needing to understand the equipment replacement estimates and make a determination on how the info could be used to develop a contingency fund. Mark reiterated the desire of the group and request that Ramey provide an updated capital equipment replacement spreadsheet for use by the group.

The group discussed how long the rate increase might be sufficient without another increase. Mark mentioned that staff had started discussions with the Finance office regarding the design of the budget spreadsheet. While the discussion was happening, Jeff did a quick analysis of the spreadsheet info and came up with an amount to use as a starting point. Jeff explained his analysis as a "quick and dirty" estimation and that a

similar process could be used to give them an idea of how it might be processed. The group discussed a couple of concepts on what the amounts and use of funds could be. Jeff agreed to do some additional work on his concept and email to the group for consideration.

There was another brief discussion on the appropriate amount for the contingency fund what other entities have done in terms of standards. It was generally agreed that the capital equipment spreadsheet should be used to help determine an appropriate amount.

There was a brief discussion regarding how the group got to this point beginning with the discussions that occurred at the end of last year relative to commercial additions. The group then briefly discussed the issue of Joe Polumbo's property and the commercial designation relative to the regulations.

- **ESLAC Recommendation**

The group decided that there be no recommendation at this time and that additional information be considered. Jeff agreed to send an email with his calculations. The group wanted an updated capital equipment replacement worksheet including a comment relative to pipe replacement.

Information request check list

Pump replacement – how often are they replaced and how many get sent out each time?
Check list on SBR maintenance schedule.

Budget spreadsheet modification.

Should Finance Office continue to put pump maintenance on budget spreadsheet?

Contingency fund earmarking, can the group do this?

Budgeting projected costs on budget spreadsheet?

Standard for sewer district reserve fund?

Public Comment:

There was no additional public comment and the meeting adjourned at 8:44.

Eldorado Springs LID Advisory Committee Meeting Minutes

September 25, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:30 pm by Jeff Mason in place of ESLAC Chairperson Ken Sheldon

Members Present: Ken Sheldon, Jeff Mason, Kevin Tone, and Cathy Proenza

Guests:

Staff: Pete Salas and Mark Ruzzin

Minutes: Kevin moved approval to approve the July 31 , 2014 minutes and they were approved. Cathy moved to approve the August 28, 2014 minutes and they were approved.

Staff Updates:

- Monthly Ramey Activity Report - Pete referred the group to the August monthly Ramey activity report. The group reviewed the report and there was a brief discussion regarding a site visit on August 6, 2014 and the reason for the work that was done. Kevin suggested that as we negotiate with Ramey in the future we might want to look at the issue of dealing with certain situations and having to pay extra for these plant visits. Pete explained that the contractual situation as it related to other non-regular plant visits. Kevin expressed some concern with how certain visits were scheduled and referenced the site visit when the generator maintenance occurred and why that visit was not scheduled to coincide with a regular plant visit.

There as a discussion regarding what appeared to be a lack of coordination in site visits which has the effect, or appearance of costing the District more than it should. There was also a concern with two deliveries of chemicals a week apart and why one delivery couldn't be done. Pete mentioned that in the future Finance would be sending invoices asap to Pete for review and approval prior to payment. There was a general consensus that if possible, plant operator visits should be combined with other maintenance issues.

Kevin expressed concern over the use of ammonia which in his mind indicated that the plant was not steadily improving as was stated in Ramey's August activity report. There was a brief discussion regarding the flow chart included in the report.

- Budget Update: - Pete referenced the budget sent out to the group in their packet. Pete indicated that the staff was attempting to make the budget spreadsheet more user friendly for the group. There was a discussion regarding the 2014 budget estimate for Ambiente H2O for \$5,000 and what the expenses for pump repairs will actually be. Mark mentioned that Ramona had put the amount in to reflect what historically had been spent

but that it was somewhat inconsistent due to the fact that other items in that column were hard numbers and not estimated. Kevin suggested that as the rate discussion ensues, the group might want to come to a better understanding of what a more realistic number should be for capital replacements. Mark mentioned that as part of the rate increase discussion we had a plan to deal with capital cost estimates going forward. Repairs of capital equipment would be separated into two different categories to deal with regular maintenance issues and more emergency types of repairs. It was reiterated that the budget spreadsheet is a work in process and would be modified to meet the needs of the group.

At this point Ken Sheldon arrived and the group decided to move on from the budget spreadsheet discussion

Old Business: There was nothing to cover under old business

New Business: Action Item – Potential Rate Increase

Pete introduced the topic by referencing the agenda and the staff memo the group had received as well as, the process for proceeding with the discussion. Pete mentioned the concerns and questions that were raised at the last meeting and the memorandum which responded to the questions. Kevin mentioned the notion that an item brought up at the last meeting regarding consideration of buried pipes and that it was not something that due to the life span, is not a factor. The group entered into a brief discussion regarding the February line break and that there was no insulation put in when the repair would be. It was suggested that an estimate be requested for what it would cost to go in and dig up the line and install some insulation. There was a question on the reserve fund item mentioned in the memo. Mark indicated that this item would be addressed in the staff presentation.

The discussion segued into the staff presentation with Mark opening the discussion with an overview of the information as it related to what the group had suggested at the August meeting. The staff considered what approach the group might take in determining how any increase might be more reflective of the needs relative to operational expenses vs. those more capital in nature. Mark introduced the notion that there are two forms of revenues, the plant investment fee with interest and the rate revenues from the rate payers. There was a question regarding the legal interpretation provided by Leslie Lacy regarding the use of the Plant Investment Fee. Mark explained the distinction and its bases in case law.

Mark distributed a spreadsheet with a rate scenario of 8.8% and walked through the information explaining the data and the 5 year horizon for the projections including the other various components of the sheet.

Cathy had a question regarding the E-One pumps and the assumption regarding the expected life of the pumps. Cathy suggested that we project the likelihood that more pumps would fail due to the expected life of the pumps and that a steady state of 2 pump

replacements per year might be too optimistic. Mark mentioned that this represented an unknown just as the cost of expected contract renewals is also. Cathy suggested that given the unknowns, any increase is somewhat of an arbitrary projection. Pete mentioned that another unknown involved the issue of redoing the regulations to take into consideration possible changes relative to additions to residents and businesses as it impacts EQR's. Jeff indicated that the information could be used as a roadmap going forward and help with making decisions going forward.

Kevin questioned the issue of whether many of the expensed covered in the operating reserve might be too high and that most of any rate increase should be directed to the capital reserve fund. Staff mentioned that any revenues generated by a rate increase could be directed to either the capital fund or the O & M fund. The budget spreadsheet could indicate what the balance is in each fund. The assumption is that there would not be another rate increase over the next 5 years. Ken mentioned that the last increase was more of an arbitrary process and that he was appreciate of the work and data provided would lead to a more thoughtful process.

The group then moved on to a discussion regarding a recommendation to the Board as it relates to a potential rate increase. Kevin expressed concerns regarding the projected expenses and justification for a rate increase. Kevin reviewed the revenue and expenses as provided and wasn't sure about what the actual shortfall might be and how this might be presented to the residents. There was a brief discussion regarding various budget items and what the end of year numbers might be. Kevin's concerns centered primarily on where the budget numbers would eventually fall at the end of the year and his desire to wait until final 2014 budget expenses were determined.

There was a question regarding how long it would take for a rate increase to go into effect if a rate increase were to be recommended. Mark explained the process and what the time frames would be regarding an increase for the beginning of 2015 or a mid-year increase. Mark and Pete explained that one of the benefits of waiting until a mid-year discussion would allow for a review of more definitive 2014 budget expenses.

The group decided to move forward with a decision and the general consensus was that there are two options relative to a decision; one option is to approve a rate increase beginning in 2015 and the other, a mid-year rate increase consideration.

There was a brief interruption to see if there were any members of the public wishing to offer comments. There was no member of the public in attendance to comment on the rate discussion.

Kevin made a motion to consider a mid-year increase after reviewing the 2014 budget figures and make a decision in 2015. Jeff seconded the motion. The group then discussed the motion. Ken expressed a concern that taking this up in the Spring might be problematic in terms of starting the discussion over and having to rehash everything again. Cathy expressed that a rate increase seems inevitable and that additional information will not change the fact that additional revenues will be required in the

future. Jeff expressed concern that he wasn't sure what additional info he might need prior to a decision. Cathy suggested that the group go forward with the info at hand and not have to revisit at another time. Mark added that any of the scenarios presented during the discussion would not make or break the system as it relates to postponing a decision.

There was some additional discussion regarding the PIF's and what the future might bring if additional construction were to occur as well as, how any surplus might be utilized. Kevin reiterated his concern that the public in scrutinizing the numbers might legitimately question the need based on the current logic without having the opportunity to consider final 2014 expenses. The Aeronaut restaurant possibility was mentioned as another unknown and the impact that may have if that becomes a reality.

The group proceeded to vote on the motion to postpone a rate increase decision until mid-year 2015. Jeff, Kevin, and Ken voted to postpone and Cathy voted nay.

Other Business:

Jeff mentioned that he had heard that there were a couple of other residential projects coming on line and wondered whether this was correct. Ken indicated that he was working on one of the projects.

It was decided that the group would take up the question of revising the regulations to deal with the issues discussed at the end of 2013. Kevin suggested that the group take up the issues that David Levin brought up and prepare a point by point response..

Public Comment:

There was no additional public comment and the meeting adjourned at 8:40.

Eldorado Springs LID Advisory Committee Meeting Minutes

October 23, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:30 pm by Ken Sheldon.

Members Present: Ken Sheldon, Jerilyn DeCouteau, Kevin Tone, and Cathy Proenza

Guests: David Levin and Alan Brown

Staff: Pete Salas

Minutes: Ken moved approval to approve the September 25, 2014 minutes, Kevin seconded the motion and the minutes were approved.

Staff Updates:

- Monthly Ramey Activity Report - Pete referred the group to the September activity report. Pete noted the September 1st plant check involving SBR effluent valve and that he had contacted Wayne Ramey to see if the issues had been resolved. Pete said that Wayne had indicated that it had been taken care of and that it was not a major concern.

The group engaged in a brief discussion regarding the effluent flow and a few questions were directed to Kevin for his opinion on what some of the data indicated. Kevin gave a brief explanation on some of the numbers indicated that things appeared to be running normally.

There was a brief discussion regarding Ramey's need to swap out a pump at 81 and 122 Artesian drive. Kevin asked David Levin what his perspective on what had occurred at the site at that time. David gave his version of what had occurred indicating that the pump in question involved the "tryout pump" at 81 Artesian. Kevin noted that the swapping out of pumps was another added cost and that this is somewhat of a concern as it relates to the number of times Ramey comes out when the visits might be combined.

- Budget Update: - Pete referred the group to the invoices in their committee packets. Pete mentioned the amount of sodium chloride being used and the cost associated with it. The group then reviewed the invoices from Ambient H2O which were related to the pump repairs. Pete indicated that he had talked with the staff at Ambient for an explanation of the costs. Pete mentioned that during his talk with Ambient it was mentioned that on at least one occasion the pumps were clogged with household items including a string mop head.

Pete then referred the group to the budget spreadsheet and mentioned that the spreadsheet was in a new format. Pete explained the changes in the spreadsheet and that it was staff's attempt to make it more useful to the group and a work in progress.

Kevin mentioned that he liked the separation of operations from capital expenses and indicated that he liked the new format, in particular, the addition of interest earned. Kevin also indicated that he was encouraged by the level of expenses and that it appeared that the district might be a little under budget by year's end. Pete reviewed the amounts in the invoices relative to the pending expenses on the spreadsheet. Pete requested that the group review the new format for any additional changes for further improvement suggestions.

There was a brief discussion regarding the February sewer line break and the possibility of going back in and insulating where the pipe break occurred. It was suggested that an estimate be obtained to see what the cost might be. Pete was directed to look into it and get an estimate. Cathy asked what might be the cost benefit analysis of spending money to have it done now. There was a brief discussion on the factors involved and how to proceed on this issue.

Old Business:

- a. Aeronaut Café – Ken indicated that the group was not able to get the information needed and that they would not be presenting. Kevin said he had talked to the engineer that the Aeronaut group has been working with and that he had provided the engineer with information regarding what the LID was looking for in terms of information. It was requested that this item be included in the November meeting. Alan Brown, asked about what was being considered as it relates to the café. The group shared the previous information regarding what had transpired in discussions with the Aeronaut group.
- b. Levin Project List – Ken introduced the topic of considering the list that David had previously presented to the group for consideration. It was decided to go through the list on a point by point basis. Pete indicated that the list he had distributed was one that he had on file and may not be completely representative of David's last list. David mentioned that the only other thing he had added was a suggestion to refinance the District loan with the state. Pete indicated that this particular issue had been dealt with as Ramona in Finance had talked with the folks at the state and it had been determined that there would be no benefit in renegotiating the loan. The group was in general agreement that the current rate was as good as we can get.

Point 1 – Mail out the Regulations – It was determined that as soon as the regulations were finalized they would be posted on the County's external website for access by the residents. Cathy asked if the web address and other info be included on the quarterly billings that the residents receive. It was determined that a direct link to the specific web page be added to a revised bill.

Point 2 – Make a simple card about the grinder – David was asked about this item and he explained that many residents don't know how to turn off the audible on the pump warming system or periodically flush the pump when it hasn't been in use. David also suggested that the Ramey number be included instead of the E-One (Ambient) number. The group discussed their experiences with the pumps. A number of suggestions were made including that the info on the pump be updated. It was determined that it would not be difficult to have this information and that it might also be posted at the Post Office. The group was in agreement that the information was useful.

Point 3 – Monthly emails to ESCA group. – David suggested that the LID agenda be sent out the Monday before. The group discussed this point and was in agreement that this process will continue to be improved. It was decided the minutes not be sent with the agenda and that they would not be sent prior to approval.

Point 4 - Investigate a UV system. – Ken mentioned that Kevin had investigated this item and asked for his thoughts. Kevin indicated that he had obtained some preliminary quotes but that it might be somewhat premature until there was more PIF money in the budget. There was a brief discussion regarding the availability of grants to pay for such a system. The group also briefly discussed the benefits of incorporating a UV system including the possibility of obtaining a loan for the system.

Point 5 – Photoelectric system – Ken introduced the topic. David indicated that he had talked recently with Will Toor and Will thought the county might be willing to help. David mentioned that the staff at Home Depot mentioned a program the company had for individuals. Ken asked who at the county would have information on this. Pete mentioned that he seemed to recall seeing a document in the files that indicated that some work had been done in this regard. Ken mentioned that he recalled something being done. There was a discussion regarding cost benefits and other related issues.

Point 6 – Protocol for additions of bedrooms and bathrooms tied to the system. This item will be taken up during the discussion on Rules & Regulations.

Point 7 – The Volvo Art Studio – Pete indicated that this item was discussed at the last meeting and had to do with the authority to enter a property to investigate. Ken mentioned an email that he and Jerilyn had received from Mr. Polumbo asking for assistance in this matter. It was decided that Ken would forward Mr. Polumbo's email to Pete for follow-up.

Point 8 – Paying O & M direct pay from banks – It was decided that this issue would be taken up when the SDMS contract comes up for review.

Point 9 – Deal for Virginia Gurley – This issue has been dealt with.

Point 10 – What is the real use of the plant? Plant capacity? – Kevin mentioned that the group reviews the flow of the plant every month and there is sufficient capacity. There was a brief discussion but no action taken.

- c. Appendix “A” – The group reviewed the amended appendix as proposed by County Attorney, Leslie Lacy. The initial discussion centered on a change in the PIF that was reflected in the proposed amendments. A question was asked regarding when the amended rules would take effect. Pete indicated that if the group made a decision at the November meeting it would go before the Board for approval in December and they would take effect in January. David disputed the amount that Leslie had calculated. There was a discussion about this issue which was ultimately determined that the calculation was valid. The group then engaged in a discussion on the PIF as it related to commercial uses and the rate in general.

Ken brought up the issue of residents who have done remodeling work and notified the District to adjust their rates but have contacted the Land Use department for permitting. The group discussed this issue with no recommendation.

Pete reviewed the groups suggested changes to incorporated the language in the next draft to be discussed in November. Kevin reiterated the notion that there should be language informing residents that changes in commercial use after the initial PIF is paid does not entitle the applicants to a refund.

Next meeting Thursday, November 20, 2014

There was a discussion regarding access to property for connection to the system not only maintenance but for landlocked property to be accessed.

Meeting adjourned at 8:40

New Business:

Other Business:

Public Comment:

There was no additional public comment and the meeting adjourned at .

Eldorado Springs LID Advisory Committee Meeting Minutes

November 20, 2014
4390 Eldorado Springs Drive
Boulder, Colorado 80303

The meeting was called to order at approximately 6:30 pm by Ken Sheldon.

Members Present: Ken Sheldon, Jerilyn DeCoteau, Kevin Tone, Jeff Mason and Cathy Proenza

Guests: Doug Hurst, Virginia Gurley, Jim Durfee, Eric Johnson and Wes Cables.

Staff: Pete Salas and Leslie Lacy

Minutes: Jerilyn asked that a couple of typos be corrected – page 2, line 7 “had” to “get”. Page 4, paragraph 2nd line, “have” to “have not”. Ken moved approval to approve the October 23, 2014 minutes as corrected, Kevin seconded the motion and the minutes were approved.

Staff Updates:

- Monthly Ramey Activity Report - The group reviewed and discussed the October activity report. There was a concern with the October 6th plant check and readings and the need to get a handle on why the decant system had failed. There was a desire expressed to follow-up with Wayne to see if everything had been repaired and what the current status on this issue is. Questions posed in this regard were: Are there any indications of continuing issues with sticking valves and Actuator wiring? What has been going into the creek as a result of this issue?
- Budget Update: Kevin noted that from an expense perspective things seemed to be on track and doing okay. There was a brief discussion regarding an invoice from Water Technology Group that Pete had received the day before (November 19, 2014) for \$2,491.25. It was noted that there appeared to be some inconsistency with the invoice and Pete asked for some direction with regard to how to proceed. There was a concern expressed that the group had not been made aware of the work and justification for the work prior to Pete sharing this info with the group. Pete indicated that he and Kevin had talked to the WTG to find out what work had occurred. It was also noted that the invoice was not very specific as to the amount of work that had been done. Pete said he would continue to follow-up on this issue.

The group then reviewed the other invoices submitted and the budget spreadsheet provided by the Finance Office. Pete mentioned that there was a need to adjust the budget to reflect that the Eldorado Artesian Water Company had submitted payment for approximately \$2,200 for work performed in 2012 and which there had been a dispute about.

It was generally agreed that things were tracking very well given the time of the year.

- **Old Business:**

1. Rules and Regulations – The group began to review the rules and regulations by thanking Leslie Lacy from the County Attorney’s Office for attending and assisting with this process. Pete indicated that Leslie would be walking through the regulations with the group.

The first item discussed was under Appendix A under “Plant Investment Fee for Residential Construction. Jeff asked why the adjustment had been made to the PIF from \$13,373 to \$13,875. Leslie explained that the calculation used was not the appropriate amount and that it needed to be adjusted to reflect the original cost calculation. It was also decided to round up the amount.

The group then moved to the main body of the regulations with Leslie provided the lead on this. The first concern in the main body had to do with Grinder Pump Station and involved a suggestion to eliminate wording “E-One” in relation to the grinder pump. This allows for a generic description regarding grinder pumps. Leslie explained the changes to Sections 2. There were no further changes suggested in these areas.

There was a brief discussion regarding point “b” under section 4.2.3 as it relates to grease discharge. Kevin indicated that the plant was discharging at a much lower discharge level. No changes were made to this section.

Jeff had a question regarding Section 3.4.1. as it relates to the District’s ability to charge for modifications made to homes and the PIF’s. It was indicated that the changes to allow for changes to incur additional PIF’s are located in Section 6 and Appendix A.

Kevin referred to section 4.2.4 Pretreatment. Kevin suggested that wording regarding the issue of “industrial wastes” be changed to include other wastes. There was a discussion on this issue and whether Section 4.2.1 should be changed to incorporate points b and c together. The concern was that Section 4.2.4 wasn’t specific enough to cover all wastes or specially related wastes. Leslie was asked what she thought of the discussion and whether she had enough information to reword the language to convey the group’s desire. Leslie indicated that she might need a little more direction in this regard especially since the group intended to vote on a recommendation for the Commissioners to act on in December. It was decided that perhaps she and Kevin get together and come up with appropriate language. A motion was made to give Leslie and Kevin discretion to determine the appropriate language and that whatever they came up with would have de facto approval. Jeff made a motion that Leslie and Kevin take care of cleaning up the language in 4.2.1 and 4.2.4. Ken seconded and it passed with no objections.

There was a discussion regarding the reference to the “manager” and if there was a manager or if it should refer to the committee. Pete indicated that he was the designated manager of the district. This raised the issue of whether the definitions should be

changed. Jerilyn expressed concern about the definition of “system” as it related to Section 4.2.8. The concern was related to entering of private property and whether properties with indoor pumps could be entered without permission. There was a discussion and it was generally determined that no changes would be made at this time.

Kevin then referred to Section 5.4.2 (b) and suggested that wording be changed from just Sewage “flows” to include the word “loads”. Kevin explained his rationale concerning the difference between flow and load and that it should be accounted for within the section. It was decided to make it read “Sewage flows or loads”.

Kevin asked about the addition to Section 8.2. relative to complaint resolutions. Leslie referred to the issue regarding the Eldorado Artesian company and the need to add clarifying language to allow for appropriate time to respond.

Leslie then referred the group to Appendix A and the inclusion of language relative to PIF’s and that any PIF’s collected would be placed in a “capital reserve fund” which is commonly used nomenclature. Leslie also mentioned the language relative to the notion that there be no PIF refunds in the event property usage changes. The group had indicated in the past that future funds collected be placed in a reserve account to be used for capital expenditure and that there be no refunds. There was no objection to the language proposed.

The last item discussed was relative to fees and the per inspection fee charges. Kevin said that he didn’t believe the \$20 fee was adequate given the nature of the work. There was considerable discussion on this topic after which it was decided to delete the line regarding inspection fees.

Ken made motion to accept the amendments as discussed, including that developed by Kevin and Leslie and to send the recommendations to the Commissioners for their approval. Jeff seconded the motion and it passed with no objections.

2. Aeronaut Café – Ken opened the discussion by asking if everyone knew the definition of Aeronaut. It was mentioned that the term was a military term and that it was the nickname of a local climber and a climb called the aeronaut. The name is symbolic of Eldorado Springs and its outdoor lifestyle.

Wes Cables distributed information on the Aeronaut Café’s proposed Water Conservation and Waste Discharge Practices. Doug Hurst, engineer hired by the Aeronaut Café, explained that the information would outline the rationale for determining the waste flow produced by the café in relation to the EQR and establishment of an equitable Plant Investment Fee.

Doug mentioned that one of the challenges was that there isn’t a lot of information relative to waste water discharges which limits ability to present comparable data from

like restaurant uses. Doug then mentioned that another challenge was in determining what an appropriate EQR would be relative to the waste flow.

Doug reviewed the info that the committee had provided to Virginia earlier in the year and the data the State of Colorado uses to determine flow and EQR's. Doug discussed the anticipated flows and load scenarios that the Aeronaut Café would generate in determining what the EQR would be. Doug also discussed how surrounding municipalities determine their plant investment fees. Doug's final determination was that a 3.3 EQR's would be fair and equitable to both the Aeronaut and the District.

There was a question regarding how Doug determined the Biochemical Oxygen Demand (BOD) per meals served. Doug reference State Regulation #43 as the source for determining what the potential BOD might be in relation to Café's "paper serving" commitment.

Other areas of concern discussed included; the data in relation to surrounding waste water districts with regard to comparability both in terms of flow and load determinations, differences between residential vs. commercial analysis', degree of "paper" service at the Café, risk involved with this enterprise, other sewer district rates, seasonality of the café business and seasonality of flow measurements.

The final area of discussion involved the determination of the PIF and the uncertainty of going into a scenario that had not been explored during the life of the system. It was generally agreed that due the nature of this commercial endeavor, a degree of uncertainty was going exist regardless of the final determination.

After some final points and general comments Jeff moved to accept the Aeronauts analysis as the basis for determination of 3.3 EQR's for the Aeronaut Café PIF. Jerilyn seconded the motion and all voted in favor.

Meeting adjourned at 8:40

New Business:

Other Business:

Public Comment:

There was no additional public comment and the meeting adjourned at .