

# MINUTES OF REGULAR MEETING BLUE VALLEY METROPOLITAN DISTRICT

Regular meeting called to order at 7:00 pm on Monday, December 13, 2021 following a work session that began at 6:30pm. The meeting was held at Blue Valley Sportsman Club with a live Zoom meeting feed. Board secretary Andrea Buller present via Zoom. Board members present: Buck McNichols, Mark Nelson, Mike Stoveken (left meeting at 8:30pm), Jack Norton, and Tom Kellen. Board absent: None. Guests present in person Ron Mentch, Ann Findley, Ron Walsh, Matt Willits, Flip Brumm and Todd Nelson. Present via Zoom; Tim Vermeer, Jeff Powles, and Brenda Kellen.

**Review and Approval of Minutes of Previous Meeting(s)** – Buck moved to approve the October minutes. Tom seconded. All in favor. Motion carried.

## **Water Operator** –

Agenda as provided by Matt Willits:

- *WSI completed the annual lead and copper sampling with the assistance of 5 homeowners. 90% for lead and copper where 3 parts per billion and 0.3 parts per million. The Action Level for lead and copper is 15 parts per billion and 1.3 parts per million respectively.*
- *WSI has maintained 21 of the district's 29 fire hydrants. We anticipate maintaining the last 8 this month.*
- *CDPHE notified WSI of their intention to complete the Disinfection Outreach and Verification Effort (DOVE) study. This study will evaluate compliance with pathogen removal and inactivation of the water treatment process. WSI has completed CDPHE pre-DOVE meeting via Zoom and will have a site visit with CDPHE on 12/14/21. WSI does not foresee any significant changes to current operations to maintain our current pathogen removal and inactivation credits.*
- *WSI worked with Mountain Peak Controls to adjust the automated valves to the infiltration gallery pumps to eliminate turbidity spikes that we were experiencing and reported on during the last board meeting. The programming did resolve the spiking.*

Additional discussion by board:

- Buck asked if any progress on water meter project. Matt stated no. Buck reiterated that this will be a priority in the coming year.

**Water Rate Study – Andrew Rheem w/ Raftelis joined at 7:15pm** – Andrea will publish rate study on website once finalized.

Andrew – retained by district to look out at 10-year plan for funding improvements identified by JVA. In a perfect world, there would be cash available to fund the projects. But as typical, that is not feasible. Therefore, they looked at a balanced plan with two major multi-year projects needing debt and grant funding.

A handful of significant improvements; 3 in terms of dollar amounts.

- Replace meters anticipated to commence in 2024 with a little over \$14000 per year for 10 years. This is anticipated to be funded with cash.
- Water Gallery Improvements = \$300,000 before annual inflation. Anticipated ½ to be funded with state loan and balance to be funded with future grant. The loan to be repaid over 20 years with debt service.
- Waterline Replacement Program = \$1.25 million before annual inflation. Anticipated to be ½ grant funded and phased over multiple years beginning in 2026 with \$200,000 in cash and \$400,000 in future loans.
- Overall inflation increase is about 3% per year.

Rate study evaluation considered three primary issues.

- Fund annual expenses
- Exceeding minimum cash reserves
- Exceeding debt coverage requirements

The result of these considerations is the following: increase quarterly water fees by 6% annually for 10 years starting with 2022. Proposed the quarterly fee to be \$212 per quarter for 2022 with the overage increased to \$15.97 per thousand gallons over 30,000 gallons per quarter.

Question was asked regarding budgeting for overages. Andrew stated it only represented around \$3,000 of revenue and it may be more conservative posture to assume no overage. It would not affect the 2022 recommendation.

There was extensive board discussion regarding lowering the quarterly allotted usage and the pros and cons of encouraging water conservation through charging for usage. There was also discussion regarding a mill levy. Buck asked Andrew for any additional thoughts after hearing the conversation. Andrew stated that the discussion hit on the key topic of balancing. A lot of the district's costs are fixed. His suggestion based on the District size is that the District maintain the existing structure for 2022 and volumetric charge assessments to be looked at in the future based on a couple years of empirical results. Andrew left the meeting at 7:51pm.

Buck asked the board and residents present for their thoughts at implementing based on recommendations by Raftelis. There was lengthy discussion. Buck reiterated that the board hired the professionals to provide educated guidance. The board agreed that education of the residents and owners is important as well as transparency. Andrea will post the water rate study on the website once she receives a final copy.

In regard to the tap fees, Buck and Andrea will have to look into this further prior to the January meeting.

Brenda Kellen noted "Please remind everyone the mill levy that was on our taxes for over 20 years was substantial and came off our taxes a few years ago, so we were all paying quite a bit more for water during that time."

- a. Quarterly Water Rate Increase – to be voted on in January at Reg Mtg – Andrea sent legal counsel a sample of the invoice to be sent out this month, which includes the notice, to confirm sufficient. Peggy stated the notice is prominent and sufficient. Andrea also placed a large notice on the website on Dec. 13, 2021. The 30-day notice requirement has been met assuming the board action takes place at the regular meeting scheduled for January 17, 2022.

**Discuss Review of Augmentation Plan by Water Attorney** – Buck reached out to the water attorney, Scott with Balcomb & Green. He is going to dig into this for us. Buck provided the last three figures from Matt Willits. These numbers are being forwarded to JVA and they will type up a plan to increase the plan for number of taps to 175 based on the 5 out of district taps previously sold to recoup plus 10 additional potential taps across Highway 9 plus an additional water tap for the possibility of a land exchange with BLM and additional taps up to 7 for tract M and 2 additional as a cushion. Scott will put together and submit for an amendment. Jeff Powles stated he doesn't believe the District has the authority to service taps out of the District. There was discussion in regard to District boundaries and servicing taps outside of the District boundaries. Buck stated he will follow-up with the water attorney and engineer regarding this concern.

**(Mike Stoveken left meeting at 8:30pm)**

**Engineering Project Update** –

- a. Water Taps Available for Sale – Andrea presented a breakdown of the current taps sold and that with consideration of the two District properties at Block 8, Lots 2 & 3. The board discussed and directed Andrea to make those two taps available to current owners of in-district lots that are needing to buy a tap. The sale of those two taps will still adhere to the procedure as delineated by the moratorium requiring a building permit within 6 months of purchase of tap.

**Architectural Rules Committee** –

Minutes provided by Todd Nelson;

- *Create handbook for ARC*
- *Rewrite forms for 2022*
- *Appoint new ARC members in Jan meeting*
- *Review fee schedule for 2022*
- *Ron Walsh: approve variance for house. Ron submitted new septic design is for a 2-bedroom house. ARC will approve with following requirements*
  - *remove 2 rows of infiltrators and fill with natural material*
  - *grant 10-foot easement on front of lot*
  - *pay reduced review fee of \$250*
  - *pay special meeting fee of \$150*
  - *pay construction deposit of \$1100*
- *Grand County Building Dept is co-operating with ARC on construction violations, red tagging construction sites.*
- *4 additional homes should be added to water system by spring.*
- *No new application for building have been received in last 30 days.*

Buck thanked Todd & Ann for all they do for the District and that the board appreciates that Todd is willing to still service on the ARC.

**River Committee** – Minutes from August 30, 2021 meeting presented by Ron Mentch via email to Andrea and forwarded on to board members. Minutes as presented by Ron Mentch;

### ***MINUTES OF THE BVRC AUGUST 30, 2021 MEETING***

*The Blue Valley River Committee held the first meeting at the BVMD river access parking area. Present were Ann and Jef Findley, Mike Oros, Jeff Powles, Todd Nelson, Jack Norton and Ron Mentch.*

- 1. INTRODUCTION. All present introduced themselves and had a group discussion on why everyone was in attendance. Feedback from the discussion was that the group was there to advocate and protect the BVMD water source, supply and recreation regarding the Blue River as an advisory committee for BVMD. The group proceeded down to the river to discuss the forementioned.*
- 2. MEETING MINUTES. The following were items of discussion among the attendees:*
  - *Erosion- Encroachment of Blue River on the water infiltration gallery. Bank restoration to prevent erosion and increase available water for the infiltration gallery. Concern regarding a land release from a nearby BVMD property.*
  - *Blue River- Access for recreational boating. Be stewards and stakeholders of the river. Be organized for the future. Protect the fishery. Signs to define the BVMD boundaries. Maintaining a natural and noninvasive fishery.*
  - *Potential danger from cottonwood trees to the water pumphouse.*
  - *Noxious weeds*
  - *Volunteer trees on the access road*
  - *Boat ramp improvement*
  - *Information about the infiltration gallery and wells in District files.*
  - *Review historic google imagery*
  - *Grant money for water supply improvements*
  - *Current number of resident passes that have been issued for 2021*

Additional discussion at BVMD Meeting; Two items; signage and noxious weeds. Buck stated to order signs up to \$600 on signage and send bill to Andrea. Buck recommend they get a quote to handles the noxious weeds and present it to the District.

- a. Fishing Access – Updated Rules and enforcement options if needed. Per Ron Mentch, no changes needed. Andrea will begin issuing 2022 passes after January 1, 2022.

**(Ron Mentch, Ann Findley, Ron Walsh, Flip Brumm and Todd Nelson left at 9:00 pm)**

**2021 Budget Amendment – not necessary** – Andrea stated that an amendment is not necessary for 2021. Nothing further needs to be submitted at this time.

**2022 Boundary Map – any changes needed** – No changes to boundary map. Andrea to submit required letter before the deadline.

**Certification of 2022 Tax Levy (Assessed value \$4,537,290 – increase of \$439,450)** – Andrea presented the Tax Levy Certification to the board. The board reviewed the Certification of Tax Levies as presented. Andrea will submit to designated officials before the deadline.

**2022 Meeting Schedule to be approved** – Andrea presented the following dates to the board for the 2022 regular meeting schedule; January 17, 2022, April 11, 2022, July 11, 2022, October 10, 2022, December 12, 2022. After board discussion, Buck moved and Jack seconded to approve dates as presented. Mike absent. All in favor. Motion carried. Andrea will post the approved meeting schedule on the website.

**Resolution 2021-3 - 2022 Election Resolution** – If only three self-nomination forms are received, Andrea will file a notice of cancellation of regular election on March 1. If more than three self-nomination forms are received, an election will be necessary. Ballots will be mailed directly to Andrea at PO Box 885, Eads, CO 81036 and will be conducted at Andrea’s office in Eads per legal counsel. Andrea will find a monitored location in Kremmling to have a ballot box as the dropbox is not sufficient due to it not being monitored. Ballots are not to be handled by any board members and are only to be handled by the Election Official, Andrea, and the election judges she secures. The board reviewed Resolution 2021-

3 as presented. Buck moved and Mark seconded to approve Resolution 2021-3. Mike absent. All in favor. Motion carried. Andrea will submit to designated officials before the deadline.

**Resolution 2021-4 - 2022 Work Comp Board Coverage Resolution** – Andrea presented the resolution stating the district does not provide worker’s compensation insurance coverage for uncompensated members of the board of directors. The board reviewed Resolution 2021-4 as presented. Buck moved and Tom seconded to approve Resolution 2021-4. Mike absent. All in favor. Motion carried. Andrea will submit to designated officials before the deadline.

**Resolution 2021-5 - 2022 Budget Approval & Resolution** – After board discussion and revision of the draft budget, Mark moved and Jack seconded to approve the final budget and Resolution 2021-5. Mike absent. All in favor. Motion carried. Andrea will submit to designated officials before the deadline.

**Public Address** – None

**Secretary’s Report** –

Andrea reported that building permits for Lot 2/Block 3 and Lot 11 / Block 1 have been received so those two tap sales are considered final. As of today, 148 taps have been sold.

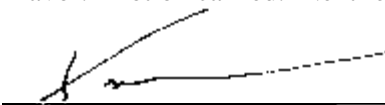
Self-Nomination forms are available on the website and can be submitted after 1/1/2021. Completed forms are to be submitted via email to bluevalleyacres@gmail.com or by mailing to PO Box 885, Eads, CO 81036.

- Current Balance(s) as of 11/30/21 – Stand for Audit
  - UBB Checking = \$136,490.28
  - UBB Savings = \$70,964.19 Andrea will transfer funds to cover budgeted deficit.
  - COLO Trust = \$179,701.26
- Paid Bills to Approve = \$18,848.21 – Buck moved to approve as presented. Tom seconded. Mike absent. All in favor. Motion carried.
- ARC Funds (need confirmation of split for Lot 1 / Block 2 deposit received 12/6/21)
  - Nonrefundable Funds to be used by ARC = \$12,041.46
  - Deposits held (could be refunded) = \$22,458.50
- CPA Audit Engagement Letter
- Collins, Cockrel & Cole split – authorization letter
- Notification sent to one owner to immediately discontinue short-term vacation rental at Lot 15 / Block 9.
- Transparency Notice – Andrea presented the Transparency Notice to the board. Andrea will file with designated officials before deadline.

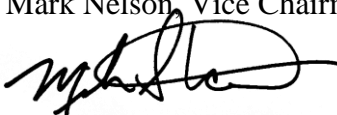
Buck moved to adjourn meeting at 9:19 pm. Mark seconded. All in favor. Motion carried. Next regular meeting is scheduled for Monday, January 17.


BLUE VALLEY METROPOLITAN DISTRICT

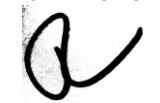
Andrea Buller, Secretary

  
Buck McNichols, Chairman

  
Mark Nelson, Vice Chairman

  
Mike Stoveken, Treasurer

  
Tom Kellen

  
Jack Norton