

RECORD OF PROCEEDINGS

**MEETING MINUTES OF THE BOARD OF DIRECTORS OF
THE FOREST HILLS METROPOLITAN DISTRICT**

November 15, 2023, 5:30 p.m.

Held via conference/Zoom call

ATTENDEES Directors present: Craig Weinberg, Michael Oakley, Victor Robert, David Blue, and Jason Krutsch
Others present: Gabby Begeman (ORC Water Professionals), Nick Marcotte (Element Engineering), Ronda Zivalich (MAPs, Inc.) and Nickie Holder (NMHolder Financial, Inc.)
Residents present: Dave and Mel Clappisi, Mahesh Jah, Erich Kirsch, Ted Laves, Steven Iskalis, and Brenda Schuler
Guests present: None

QUORUM The meeting was called to order by Chairperson Weinberg, at 5:33 p.m. and a quorum was noted.

CHANGE IN ATTENDANCE

Erich Kirsch arrived at 5:35 p.m. and left at 6:53 p.m.
Ted Laves arrived at 5:50 p.m. and left at 6:22 p.m.
Steve Iskalis arrived at 5:59 p.m. and left at 7:00 p.m.
Brenda Schuler arrived at 6:23 p.m.
Gabby Begeman and Nick Marcotte left at 6:11 p.m.
Dave and Mel Clappisi left at 6:30 p.m.
Mahesh Jha left at 6:53 p.m.

CONSENT AGENDA ITEMS

1. ADMINISTRATIVE MATTERS

- A. Agenda: No changes.
- B. Minutes: October 18, 2023 – Regular meeting - No changes. November 7, 2023 – Special meeting – No changes.

2. REPORTS

- A. Operator's Report: The Operator's report was submitted separately from the board packet for review.
- Wastewater Treatment Plant (WWTP) – Feed Pumps – ORC received and delivered the repaired feed pump. The installation will occur as soon as a crane truck can safely maneuver the hill at the WWTP. The feed pump that will be removed will be taken to the shop for assessment as it is currently alarming for a seal failure.
 - Residential Metering – ORC continued to replace the meters as homeowners were available. Chairperson Weinberg asked how many homes were still needing meter replacements; and Ms. Begeman noted there were 25. There were approximately 10 meters available for replacements whenever homeowners agreed to schedule an appointment.

- Sampling – In October samples were taken early in the month and were found to be very high for TIN. ORC made some adjustments to the aeration and treatment program and repeated the sampling. ORC stated that using the Bear Creek Watershed Authority (BCWA) lab had caused delays in obtaining data, which in turn caused delays in reporting to the State. ORC admitted that they decided to stop taking samples to their own lab to help the District save money, which would equate to about \$1,200 per year. The Board directed Ms. Begeman to go back to having both labs run analyses of the samples, in order for results to be compared and reported on a timely basis.
- B. Engineer’s Report (Element Engineering {EE}): The Engineer’s report was submitted in the board packet for review.
- Pond 5 Culvert Repairs – Mr. Marcotte provided a proposal for design, bid solicitation and construction management of the project. Included in the design were two options including point repairs (lining the pipe) and complete replacement of the vertical and horizontal pipes. Director Oakley informed the Board that he had researched vendors who perform culvert repairs/replacement and found a vendor who would design the project as well as perform the construction, but he had not heard from them as of this meeting. EE’s proposal was tabled until the December meeting, in order for Director Oakley’s vendor to provide a budget estimate for this project.
 - Booster Pump Station (BPS) Generator – Mr. Marcotte noted that the auto transfer switch on the generator was not installed to transfer power to the Water Treatment Plant (WTP), but only to the BPS. RN Civil had noted that they installed the generator correctly. EE would have their electrical engineer verify this and would provide an update at the December meeting. This may turn out to be a warranty issue.
- C. Manager’s Report: The Manager’s report was submitted in the board packet for review. Director Blue asked about adding more sand after a snowstorm at the curve on Eastwood before Castle Ridge Road, as it is always very icy. Ms. Zivalich would discuss this with Noble.

3. FINANCIAL MATTERS

- A. Claims: Through October 2023. Submitted in the board packet for review. Ms. Holder noted that the debt service invoice from BOK Financial, due on December 1, 2023, was not received in time to include in the payables. She requested that the Board separately motion to approve the payment to BOK Financial of \$126,928, so the payment could be made by the due date; and she would forward the invoice to the Board once it was received. Upon **motion** by Director Oakley, duly seconded by Chairperson Weinberg, and upon unanimous vote, the

Board approved payment of \$126,928 to BOK Financial for debt service.

- B. Financial Statements: Through October 2023. Submitted in the board packet for review. No discussion.
- C. 2024 Draft Budget: No further discussion.

4. HOA MATTERS

- A. Signs/Logo/Colors – Update: The sign upgrade project was moving forward. The agreement with BSC Signs had been fully executed and they had received the 50% deposit per the agreement.
- B. Delivery Drivers, Neighboring Communities, and Signage at Back Gates - Update– No update at this time.

Upon **motion** by Director Oakley, duly seconded by Director Blue, and upon unanimous vote, the Board approved the Consent Agenda.

REGULAR AGENDA ITEMS

5. PUBLIC COMMENT – NON-AGENDA ITEMS

Erich Kirsch - District Signage – Mr. Kirsch asked if the Board would like his assistance talking to the owner of the property that is adjacent to the District sign. Director Oakley stated that that would not be necessary as the District had an easement to access the sign and take down trees if necessary. The Board thanked Mr. Kirsch for his offer. Director Oakley offered to forward the easement documents to Mr. Kirsch for his information.

Steve Iskalis – Keypad and District Update– Mr. Iskalis stated that the keypad at the Forest Hills Drive gate looked to be dirty and/or damaged and asked that it be looked at and cleaned. In addition, Mr. Iskalis requested that more email updates be sent to homeowners, so they could be better informed of decisions and happenings in the District. Chairperson Weinberg stated that updates are sent out to the neighborhood when necessary and timely, and encouraged all homeowners to attend board meetings and review meeting board packets and minutes posted to the website.

6. RATE & FEE DISCUSSION

Chairperson Weinberg and the other board members provided background information as to why they have proposed to create a Capital Water/Sewer Project Fund Fee and how the \$75/month was determined. The District’s Water/Sewer Fund has a history of being underfunded and having to borrow and/or obtain grant money from the General Fund to pay for unanticipated and/or unbudgeted repairs. The new fee is a way for the District to help pay back the loans and save money for future necessary major repairs and improvements.

7. PUBLIC HEARING FOR 2024 BUDGET

Chairperson Weinberg opened the hearing for the 2024 Budget at 6:19 p.m.

Ted Laves – Mr. Laves provided a summary, from his point of view, of how the taxes were originally supposed to be expended for roads and operations of the water/sewer infrastructure. However, a Board member noted that

in July 1995 the District passed a resolution to “readopt and reestablish a Utility Activity Enterprise and to establish a related Enterprise Fund which shall be operated and maintained as an “enterprise” pursuant to Section 20, Article X of the State of Colorado Constitution, under TABOR laws and shall be separate and distinct from the governmental activities of the District.”

Erich Kirsch – Mr. Kirsch asked if the Board looked into other alternatives or amounts besides the \$75 decided upon. Director Oakley stated that the Budget Committee looked into making additional grants and loans from the General Fund; however, these financial instruments have their limitations. The Water/Sewer Enterprise Fund cannot receive grants from governmental entities (including the FHMD general fund) in excess of 10% of its total annual revenue. Interfund loans can be given from the General Fund, but the Water/Sewer Fund needs to stand on its own and generate enough money to cover operations, as well as save for future capital projects. The \$75 rate was based on undefined future capital projects over the next several years.

Mr. Kirsch also asked for clarification regarding the \$250K transferred to the Capital Projects Fund versus \$100K being spent on General Fund improvements. It was noted that the 2024 budget is not finalized as the District is waiting on a final assessed valuation from the County which will not be received until the beginning of December 2023. Until then, the amounts shown in the budget are only estimates. The final budget will be approved at the December Board meeting.

Mahesh Jha – Mr. Jha suggested that the Board consider changing the enterprise fund back to the way it was originally structured in order to use tax dollars for the water/sewer operations.

Steve Iskalis – Mr. Iskalis asked for further clarification as to how the \$75 fee was determined as the correct amount to use in the 2024 budget. Chairperson Weinberg stated that the Budget Committee and the Board originally discussed a fee of \$50; however, after looking forward, they decided there would likely be higher-ticket infrastructure that needs to be replaced.

Mr. Iskalis also noted that the proposed budget contained funds for park improvements and asked what improvements were to be made. Chairperson Weinberg noted that the project scope has not been determined but wanted a placeholder in the budget for the work.

With no further questions or comments, Chairperson Weinberg closed the public hearing at 6:53 p.m.

8. OLD BUSINESS

- A. WWTP Pump Repair and Missing Cable – Update (ORC): ORC had received and installed the cable.
- B. WTP TIN Limits – Fluidyne Adjustment Recommendations – Update (ORC): Please see comments under Operator’s report.

- C. Hydrant Flush – Update (ORC): ORC is trying to find a stretch of warm weather in which to complete the hydrant flush. An update will be provided at the December board meeting.
- D. Homeowner Sanitary Sewer Issues (DRC/ORC): ORC had received the video from DRC Construction and would review it and provide an update at the December Board meeting.
- E. BPS Generator Issues – Update (ORC): Please see comments under Engineer’s report.
- F. Pond 5 Culvert – EE Proposal: Please see comments under Engineer’s report.
- G. Storm Drain Cleanout Update: POs had been issued to both DRC Construction and Noble for this project. Noble had called in for locates to be performed and would dredge the area once the locates had been completed. Ms. Zivalich would advise DRC Construction when Noble’s work is completed, so they can proceed with cleaning the drain.
- H. PFAS Infrastructure Grant – Update: ORC had completed sampling and EE was incorporating the results in the report and coordinating with manufacturers of potential remediation solutions on the analysis.
- I. Community Surveillance – Attorney Opinion – District Counsel provided a statement regarding privacy concerns and surveillance equipment installed in the community. The attorney did not see issues with the installation of cameras without sound-recording capability, but recommended the District send out a notice that cameras were going to be placed and at what locations.

8. NEW BUSINESS

- A. Resolution Establishing a Capital Water/Sewer Project Fund Fee – Upon motion by Director Blue, duly seconded by Director Krutsch, and upon unanimous vote, the Board approved the Resolution Establishing a Capital Water/Sewer Project Fund Fee.
- B. Resolution to Amend the Original 2021 Interfund Loan to Restate Payback Term – Upon **motion** by Director Blue, duly seconded by Chairperson Weinberg, and upon unanimous vote, the Board approved the Resolution to amend the Original 2021 Interfund Loan to restate the payback term.

9. ADJOURNMENT

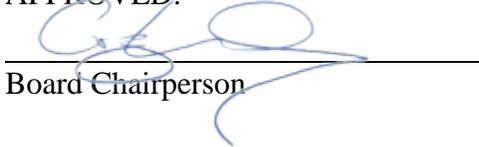
Upon **motion** by Chairperson Weinberg, duly seconded by Director Robert, and upon a unanimous vote, the Board approved adjournment of the meeting. There being no further business to come before the Board at this time, the meeting was adjourned at 7:06 p.m. The next regular meeting is scheduled for December 11, 2023, via conference call, beginning at 5:30 p.m.

THESE MINUTES ARE APPROVED AS THE OFFICIAL, NOVEMBER 15, 2023, MEETING MINUTES OF THE FOREST HILLS METROPOLITAN DISTRICT AND ITS WATER ACTIVITY ENTERPRISE BY THE RESPONSIBLE PARTIES SIGNING BELOW:

ATTEST:

Nickie Holder

Recording Secretary

APPROVED:


Board Chairperson