

## **RECORD OF PROCEEDINGS**

### **MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF**

#### **DEEP CREEK WATER AND SANITATION DISTRICT**

**HELD:** Thursday the 14<sup>th</sup> day of May, 2015, at 10:00 a.m. at 13133 East Arapahoe Road, Suite 100, Centennial, CO 80112

#### **ATTENDANCE:**

A special meeting of the Board of Directors of Deep Creek Water and Sanitation District, Mineral County, Colorado, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

John Parker, President  
Ann Parker, Secretary/Treasurer (via conference call)  
William Parker, Assistant Secretary (via conference call)  
Ethan Hampton, Assistant Secretary (absent, absence excused)  
Margaret Hampton, Assistant Secretary (via conference call)

Marcus McAskin of Widner, Michow & Cox, LLP was also present.

#### **CALL TO ORDER:**

President Parker noted that a quorum was present for the purpose of conducting a meeting of the Board of Directors of the Deep Creek Water and Sanitation District and called the meeting of the Board of Directors of the District to order at approximately 10:05 a.m.

#### **CONFLICTS OF INTEREST:**

The Directors present noted for the record that they have financial interests in entities active in developing property within the boundaries of the District, or are employed by such entities, and that such interests may be affected from time to time by actions of the District's Board of Directors. In accordance with state law, the Directors have filed written disclosures describing such potential conflicts of interest with the Secretary of State, and the Directors present verbally reaffirmed such disclosures on the record of this meeting.

#### **PUBLIC COMMENT:**

None.

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### **MINUTES:**

The Board considered the minutes from the special meeting of the Board held December 4, 2014. Upon motion duly made, seconded, and unanimously approved, the Board approved the minutes and authorized Secretary A. Parker to execute a copy thereof.

### **CONSIDERATION OF RESOLUTION 2015-1, AMENDING THE DISTRICT'S RULES AND REGULATIONS AND SCHEDULE OF FEES AND CHARGES SET FORTH THEREIN, WITH SUCH AMENDMENTS TO TAKE EFFECT JUNE 1, 2015:**

Attorney McAskin noted for the record that in accordance with C.R.S. § 32-1-1001(2)(a) notice of this special meeting and notice of the proposed action of the Board with respect to fixing rates for commercial customers, increasing water service rates for the outside service area (CH-1), and other changes was provided at least thirty days in advance by including the same in a billing insert to each customer of the District. Attorney McAskin also noted that notice of this special meeting and the agenda were posted in accordance with the requirements of C.R.S. § 32-1-903(2).

Chair Parker provided an overview of the proposed changes to the Rules and Regulations of the District. Chair Parker discussed the overall rate structure of the District and confirmed that the District sets rates based upon a cost of service analysis and the need for recovery of direct costs incurred by the District to provide service. Sanitary sewer rates are driven largely by the treatment costs incurred by the District pursuant to the terms and conditions set forth in the District's IGA with Creede.

Chair Parker noted that the current Rules and Regulations reserve the right of the District to establish rates for commercial users. To date, there has been no commercial development within the District. The development of the car wash/dog wash necessitates the adoption of commercial rates in order to ensure that service to each customer class (residential and commercial) is priced accordingly and set at a level appropriate to offset the District's costs of providing the service to each customer class.

Chair Parker confirmed that the proposed rates were developed following an extensive review of similarly situated Districts in Colorado, and specifically on the western slope, and following a review of the revenue requirements of the District service and costs of the District based upon input of the District's accountant and water operator.

Chair Parker provided an overview of the three major components to the District's rates:

- (1) Connection and tap fees for residential and commercial customers;

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- (2) Service fees; and
- (3) Volumetric or consumption charges per 1,000 gallons consumed in excess of 8,000 gallons per month used.

Discussion ensued on the proposed changes to the Rules and Regulations.

The Board discussed the need to revisit the District's Fee Schedule (Exhibit A to the Rules and Regulations) in the next two to three years given the limited financial resources of the District. The Board discussed reviewing the Fee Schedule sooner if there is additional commercial or residential development within the boundaries of the District.

Chair Parker noted that there was no public comment or input on the proposed changes to the Rules and Regulations of the District, with the exception of a letter dated April 13, 2015 from Sylvia Quint, a resident of CH-1. Chair Parker reminded the Board that a copy of her correspondence is included in the May 14<sup>th</sup> Board packet.

Upon motion duly made, seconded, and unanimously approved, the Board approved Resolution 2015-1.

### **DIRECTOR ITEMS:**

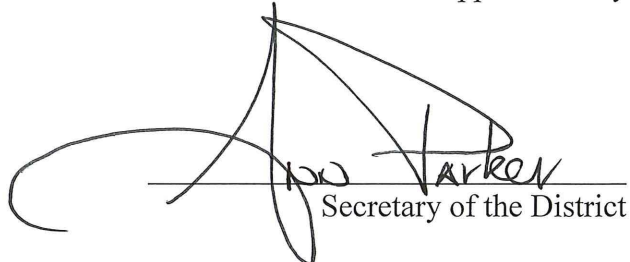
None.

### **NEW BUSINESS:**

None.

### **ADJOURNMENT:**

There being no further business at said special meeting, and following a motion duly made, seconded, and unanimously approved, the Board adjourned the special meeting of the Board of Directors of Deep Creek Water and Sanitation District at approximately 10:45 a.m.



Secretary of the District