

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RURAL WATER AUTHORITY OF DOUGLAS COUNTY
HELD
MAY 25, 2011**

A regular meeting of the Board of Directors of the Rural Water Authority of Douglas County (RWADC) was held at 7:00 p.m. on May 25, 2011 at the Phillip S. Miller Building, 100 Third St., Castle Rock, CO 80104.

Attendance

In attendance were Directors:

Commissioner Steven A. Boand
Kristen Dearborn
Christine Hashimoto
Charlotte Mirabella
Geoff Withers
Jack McCormick

Charles Bucknam and Barry Gager were absent whose absences were excused.

Also in attendance were:

Conner Shepherd, Circuit Rider of Colorado, LLC, Authority
Manager
Bill Walker
Jerry Hill
John Bell
Sue & Ed Goodrich
Anita Littlewolf
Cathy Lichty

Call to Order

Director Withers called the meeting to order at 7:00 p.m. and declared a quorum. He asked if there were any conflicts of interest needed to be disclosed. There were none.

Public Comments

By acclamation, this item was moved to the end of the Agenda.

Approval of Agenda

Director Hashimoto added a booth at the County Fair to New Business on the agenda. Director Withers added Sterling Ranch

response to Dominion W & S District. **By acclamation, the Agenda was approved as amended.**

**Approval of
April 20, 2011
Minutes**

Discussion followed regarding the minutes of April 20, 2011. **Upon a motion duly made by Director Mirabella with a second by Commissioner Board, the minutes of the regular meeting of April 20, 2011 minutes were approved as amended with the addition of Commissioner Board as an attendee.**

**Approval of
May 7, 2011
Biennial
Meeting Minutes**

Upon a motion duly made by Director Board with a second by Director Withers, the approval of the minutes of the Biennial meeting of May 7, 2011 minutes were continued.

Officer Reports

Chairman

Director Withers said both he and Mr. Mark Shively of the DCWRA made a presentation before the BOCC. Rhett Everett apologized for not being able to attend. He reported that he is starting to get water levels. Forty-six well owners have signed up to participate. He is having trouble getting measurements in deeper (Arapahoe) wells.

Treasurer

Financial Statements & Claims

Director Gager presented the claims and the financial statements for the period ending April 20, 2011, reflecting the current claims in the amount of \$3,677.62, for legal, well monitoring, elections and management. **Upon a motion by Director McCormick with a second by Director Mirabella, the Claims were approved as presented.**

Upon a motion by Director McCormick with a second by Director Mirabella, the Financial Statements were accepted.

**Report of
Committees**

Outreach – May 7 Biennial Meeting

Director Withers presented the report. He said there were approximately 45 public attendees. Director Withers complimented Commissioner Board's presentation on Water Use in Douglas County.

Outreach – Small System Water Providers

Director Withers said he and Director McCormick attended meetings in Sedalia and Louviers. Both entities are considering joining.

Old Business

IGA Committee Update

DCWRA has executed the contract with the engineers, URS. The last meeting was canceled. This project to be conducted by URS is a feasibility study on providing a method to deliver sustainable water to the rural portions of the County. The RWADC is interested in that there are portions of the County that will soon need a renewable and sustainable water supply. Director McCormick asked about a schedule on the project. Director Withers said he has not heard from Mr. Shively. Commissioner Board said he believes there are areas of the County that will not need a deliverable supply in the fashion devised by the study. Director Mirabella asked how the study could force participation in its project if it materializes.

Dominion W & S District Letter re: Sterling Ranch

Director Withers referred the Board to a draft letter in the Board packet in response to Mr. Smethills explaining the position of the RWADC regarding Sterling Ranch. Director Withers asked the Board for direction on whether or not members would like the Board to respond to Mr. Smethills. Director Mirabella suggested that correcting what appear to be misconceptions of what the RWADC is and does is a good reason for responding to him. Discussion followed about Dominion's qualifications to be a small water provider or not. Director Hashimoto said she believes the letter is fine. By acclamation, the Board gave direction to Director Withers to send the letter.

New Business

Development of a Strategic Planning Process

(See attachment to minutes: Withers' handout & sent to Board via e-mail) Four points:

1. *Develop an assessment of need by HOA, subdivision, or general area for use by the IGA (Rural Water Supply Act) Committee.*

Commissioner Board explained his method to assign various areas of the County to short-term needs (0 – 50 years away), intermediate needs (50 – 100 years away), and long-term needs (over 100 years out) for a sustainable water supply. He explained how the studies currently underway can assist in clarifying the picture. What component of a backbone delivery system would assist both large water providers and individual rural water users? The RWADC will need to play a role in the acquisition of water supplies. Ms. Littlewolf used Keene Ranch as an example of a place that will need a supply soon. Director Mirabella suggested a work session to precede the next IGA meeting to collect anecdotal data on well water needs. Ms. Littlewolf described how water well reliability is measured in real estate transactions. Commissioner Board said data on-line is available that can identify properties that have requested changes in well depth, etc. (called “replacement wells” by the State Engineer’s Office)

2. *Douglas County “e Referrals” – Policies and Process*

Director Withers described how the e-referrals look – that there are many projects that have little relevance to this organization. Director Mirabella suggested that each Board member could take a look at each referral and comment about whether or not a position should be taken. Director Withers asked Director Mirabella to develop a check list for each Board member’s use.

3. *Develop a Long-term Financial Plan*

Folks ask where the RWADC receives its operating funds, then ask where the RWADC is going to get its money once the County subsidies run out. The lack of a plan makes this question unanswerable, leading to rumors, such as the RWADC will impose a mill levy. Director Hashimoto asked about grant funding.

4. *Tracking Oil and Gas Exploration Projects’ use of water*

In meetings around the County, Director Withers said Board members have heard concerns regarding oil and gas exploration regarding the exploration for oil and gas resources in the Niobrara formation. Of particular concern to rural well owners is the amount and source of water that would be needed. Director Withers registered to be a “local government contact” when applications are filed with the state OGCC. Commissioner Board said the BOCC will see its first application tomorrow regarding oil & gas exploration. Discussion followed. Cathy Lichty from Ponderosa Hills expressed her area’s collective concern about oil and gas drilling. She suggested that the monitoring conducted by

RWADC not only measure water quantity but water quality as well. Director Mirabella explained that the current grant project doesn't include that type of monitoring. Commissioner Board suggested that each property owner get a testing kit. Mr. Walker said the issue is water use, the quantity required to frack. Director Withers said the best way to protect oneself as a homeowner is to test for water quality before drilling starts. Discussion followed regarding how RWADC can impact the process if the oil and gas companies have the water rights. Director Mirabella asked for this to be placed on the agenda again.

Withdrawal as Participant

Director Withers presented the Board with a draft Withdrawal Notice developed by Commissioner Board. He said it is a simplified version of the draft prepared by Mr. Cole, the authority's legal counsel. Commissioner Board suggested that these be recorded with the County so the Title Companies are able to discover the fact that a property owner has opted out. Director McCormick pointed out that the ownership records and registrations are often not updated with changes in property ownerships.

Discussion followed as to the type and amount of information needed. Discussion also followed regarding the concern that many people don't know the RWADC exists, that they are members, and how to opt in and opt out. Director Withers was told to send out this form to the Participants who have stated their intent to withdraw, and the Board could continue to work on another draft.

Election of Officers for the 2011-12 year

Discussion followed regarding the election of officers. Director Mirabella asked Director Withers if he would consider serving another term as Chairman. Director Withers said he would be willing to serve for one more year. **Upon a motion by Director Mirabella with a second by Director Hashimoto, and by unanimous vote, the Board elected Director Withers to serve as Chairman.**

Director Mirabella nominated Director Hashimoto for the position of Vice-Chairman. Director McCormick asked Director Mirabella if she would consider serving another term as Vice-Chairman. She said she would be willing to serve. **Upon a motion by Director McCormick with a second by Director Hashimoto, and by**

unanimous vote, the Board elected Director Mirabella to serve as Vice-Chairman.

Upon a motion by Director Mirabella with a second by Director Dearborn, and by unanimous vote, the Board elected Director Hashimoto to serve as Secretary.

Upon a motion by Commissioner Boand with a second by Director McCormick, and by unanimous vote, the Board elected Director Gager to serve as Treasurer.

Booth at Fair

Director Hashimoto reported that a booth has been reserved at the County Fair. She suggested having the video on display. The booth will cost \$100. Anita Littlewolf said, "Don't get one under the stands." **Upon a motion by Director McCormick with a second by Director Dearborn, the Board approved the cost for the booth at the County Fair.**

Adjournment

Upon a motion by Director Hashimoto with a second by Director Dearborn, the meeting was adjourned at 9:01 p.m.

The next regular meeting of the Rural Water Authority of Douglas County shall be held June 22, 2011 at the Phillip S. Miller Building, 100 Third St., Castle Rock, CO 80104.

TO: RWADC Board
FROM: Geoff Withers
RE: RWADC Strategic Planning
DATE: May 19, 2011

The following is intended to provide food for thought on the agenda item on this topic at our May 25 Board meeting.

1. Rural Water Supply Act IGA Committee

URS, the engineering firm developing the water delivery Feasibility Study, (currently underway) is charged with determining the sizes and costs of all the infrastructure needed in the study area. To do this, they will need to evaluate the relative need for a sustainable water supply each area: near-term, mid-term or longer term. They have no way to do this that we are aware of.

Therefore, an immediate strategic question is: Can we develop that information in a reliable way on behalf of the rural well owners in our service area?

This needs to be finished within the next few months, and will require a committee between Board meetings to accomplish.

2. County Referrals

The Board needs to develop policies on what e-referrals will be evaluated and a process for doing so. This will also require the work of a group meeting between Board meetings.

3. Long-term Financial Plan for the RWADC

This is our Work Plan for this year. Since the County has said we will receive no more grants to support our expenses, it behooves us to develop this sooner than later. This topic includes developing a plan for “services” to be provided, for which we can charge fees, and other activities which might stimulate general support among well owners sufficient to justify a request for financial contributions.

4. Oil and Gas Water Needs

We have been requested to consider gathering information about the source of water targeted for use under oil & gas exploration permit applications to the COGCC.