

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RURAL WATER AUTHORITY OF DOUGLAS COUNTY
HELD
OCTOBER 27, 2010**

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 October 27, 2010 at the Phillip S. Miller Building, 100 Third St., Castle Rock, CO 80104.

Attendance

In attendance were Directors:

Barry Gager
Christine Hashimoto
Jack McCormick
Mike Owsiany
Priscilla Queen
Geoff Withers

Steve Boand, Charlotte Mirabella, and Joe Rottman were absent whose absences were excused.

Also in attendance were:

Conner Shepherd, Circuit Rider of Colorado, LLC, Authority
Manager
Anita Littlewolf
George Allen
Charles H. Bucknam; GERWCD
Kristin Dearborn
George Lewman

Call to Order

Director Withers called the meeting to order at 7:03 p.m. and declared a quorum. He asked if there were any conflicts of interest needed to be disclosed. There were none.

Public Comments

none.

Approval of Agenda

The Agenda was approved as presented by acclamation with the understanding that items may be considered out of the order presented in the Agenda.

**Approval of
September 22, 2010**

Discussion followed regarding the minutes of September 22, 2010. Director Withers suggested a number of corrections. Mr. Allen, citing his recollection of comments made by Commissioner Board regarding long-term financial planning by the County, said he would like more depth in discussions within the minutes. Upon a motion duly made by Director Withers with a second by Director Gager, the minutes of the regular meeting of September 22, 2010 were approved as amended.

**Treasurer's
Report**

Director Gager presented the financial statements for the period ending September 30, 2010 in the amount of \$1,869. Discussion followed as to what the time period should be reflected on the financial statements. The current statement provided by Circuit Rider of Colorado does not reflect the most recent claims that will be presented for approval during this meeting in the amount of \$1,773.27. Mr. Shepherd explained that with that approach, the financial statements would not reconcile with the bank statements. Taking into consideration the current claim, the balance of accounts is \$88,766. The Board agreed that it would like to see the current claims reflected in the current financial statements. Upon a motion by Director Gager with a second by Commissioner McCormick, the Claims were approved as presented.

Regarding the Budget for 2011, Director Gager commiserated that we don't have estimates for holding the elections. We also don't know what the grant fund amounts are but should include them in the budget. Director Withers said we should think about putting in a 2012 column because the budget we prepare won't show a source of income in 2012. That is important for the constituents to know. Director Gager noted that the Public Hearing on the Budget for 2011 has been set for the November 17, 2010 meeting.

The subject of the necessity for an audit was raised. Mr. Shepherd offered to research the subject and report at the next meeting.

**Report of
Committees**

Budget & Finance: (See Treasurer's Report above).

Elections: Director Withers distributed the participation elector, or eligible elector, list. In the by-laws, a participant is anyone who owns a well. The county prepared the list by parcel ownership. As the RWADC approaches an election, there will need to be an

updated ownership list. Ms. Littlewolf noted that title companies are required to file the ownership of wells with sale of properties. Directors Withers said the Board will need to study the rules and governing elections and abide by them, designate a designated election official, call for nominations, etc. Discussion followed about the use of “alternates.” Director Withers said he will scour the By-Laws and creation documents to eliminate confusion regarding the use of “alternates.” Discussion followed regarding representatives from small water providers. It was noted that Director Rottman was appointed by the Board of County Commissioners with no attachment to a specific small water provider. Each small water system provider can nominate someone to be on the Board. Director Gager asked when an election will occur. Discussion followed about where an annual meeting could take place. A number of locations were suggested. Director Withers pointed out that the By-laws currently call for a mail-ballot adding that mail ballot elections are expensive.

Discussion followed regarding the interface with the elections and outreach. Director Withers said that portions of the By-laws may be amended as the Board may deem necessary. The Board can consider going to an election later in the year to provide time for the outreach to work. He asked for volunteers to join him on the Election Committee.

Outreach:

Website: Director Withers said that the Website is “a work in progress.”

Outreach Plan: Director Withers said that he met with a person who provides assistance to organizations in developing outreach plans. He said he asked her to submit a proposal. Carla Schnitker is part of the team headed by Nolte's Will Koger that was retained by Douglas County to develop a Water Conservation Plan for small water providers. Director Withers told her about our efforts asked if it was something she could help with. This proposal is the result. She cannot be at our meeting tonight. Discussion followed. The Board asked that she attend the next meeting and provide them with a set of deliverables for them to consider.

Old Business

Well Monitoring Project: Mr. Withers reported that the Water Conservation Board has not sent out its final report on the grant cycle it just reviewed and approved.

Bureau of Reclamation Grant Application: The IGA Committee is interviewing engineering firms. Though the Bureau of Reclamation turned down the \$1.2Million grant application, the USGS is proceeding with the \$600k grant.

New Business

Sterling Ranch/Dominion Water: Director Hashimoto reported that hearings are in progress. The developer and Douglas County planning staff have both made presentations. The project is proposed for 12,050 units on 4,000 acres. Public comments are continuing. Water supply is being discussed. The developer is asking for the ability to set its own minimum water demand standards. They are recommending .4 a.f. per home. Director McCormick said that “18A” is out of date. The developers are relying on surface water and ground water in drought years. Director Hashimoto said that the current demand standard found in “18A” is .75 a.f. that the County legislated for each household. Director McCormick said the developer plans to demonstrate that they have sufficient water for their development. He said he has worked with these developers for years. They are thorough in their assessment. They have acquired sufficient water rights in both ground and surface water. Without a complete understanding of the development, there is room for misunderstanding.

Other Business

Next Meeting Agenda: Director Hashimoto said she believes the Board should focus discussions on broader water issues and less about synergistic issues. Quarterly reports on internal items might suffice. She said she recommends that the Board become more engaged in referrals. Mr. Allen agreed saying discussion about water issues should be of greater importance. Mr. Buckman said an executive committee could take care of internal issues.

Discussion followed regarding RedSky Land, LLC, a mineral exploration company, that is currently soliciting mineral lease contracts on properties in the NE portion of Douglas County. Mr. Allen reported that he understood that the proposed technology RedSky would use to extract minerals, called “fracking,” has potential negative impacts on water quality and quantity. There are concerns that fracking uses chemicals that are suspected of polluting groundwater and the technology requires large amounts of water, up to 1,000,000 gallons each time a fracking occurs. Mr. Allen suggested looking at articles in Texas newspapers regarding whether or not this is a technology compatible with areas like Douglas County. He suggested following a recent Wyoming law

that requires disclosure about what chemicals are used. He suggested putting a recent article from the Denver Post on the website. Director Gager said that you would need to invite the oil and gas industry to post its perspective in order to provide a balanced view of the issues.

Discussion followed regarding the proper role of the RWADC with regard to issues of this nature. Differences of opinion were voiced concerning whether or not the Board should raise awareness about certain subjects. Director McCormick said that the organization should limit its discussions to issues related to water availability and avoid issues that involve property rights and personal values. Director Hashimoto said she believes we should be educated about issues such as fracking because the technology may have a considerable impact on the aquifers on which we rely, both in terms of quality and quantity. Mr. Allen agreed the issue was worth discussing. Director Queen asked if this should be a website topic. Mr. Allen said the people with whom he is in contact are worried about the aquifer in relation to the fracking issue. Director Withers asked for a volunteer to develop an approach for Board discussion at the next meeting.

Douglas County Water Resource Authority: Director Withers reported that Mr. Mark Shively of the DCWRA approached him to ask again if the RWADC would join his group. The Board concurred that it will not.

Workplan Update: Director Withers distributed a workplan update on the tasks the Board identified that it wants to accomplish.

Adjournment

Upon a motion by Director Owsiany with a second by Director McCormick the meeting was adjourned at 9:30 pm. The next meeting of the Rural Water Authority of Douglas County shall be held November 17, 2010.