

**MINUTES OF ACTION  
OF THE  
BOARD OF DIRECTORS  
GRANBY SANITATION DISTRICT  
Acting by and through its Wastewater Activity Enterprise  
November 13, 2019**

The regular meeting of the Board of Directors of the Granby Sanitation District was duly called to order at the Granby Sanitation District Treatment Plant on Wednesday, November 13, 2019, at 7:00 p.m. by President, Wayne Kerber. Present were Board members Wayne Kerber, Debra Brynoff, Casey Farrell, Nancy Stuart and Kelly Griesch. Also in attendance were District Administrator, Tammy Granger; Operations Superintendent, Andrew "Hopper" Becker and the District's attorney Rod McGowan. Representing Sun Communities were Jon Bowman, Cameron Grant, Greg Kassick, Nick Westfall and Andrew Dixon.

The first item for discussion was the budget hearing to consider and adopt the budget for fiscal year 2020. Tammy Granger noted that notice of the hearing had been published in the Middle Park Times and no comments from the public had been received. Tammy also indicated that staff is working on firming up revenue and expenditures proposed for 2020. Casey Farrell moved to continue the budget hearing until December 11, 2019. The motion was seconded by Nancy Stuart and unanimously approved.

Next, was discussion regarding the status of the Sun Communities' sewer infrastructure to serve the River Run Ranch RV and Smith Creek Crossing development. Wayne Kerber reminded Sun that substantial completion is not reached until all infrastructure is completed, not just the connection of their sewer mains to the District's existing mains. At the October meeting the Board was advised by Sun that the infrastructure would be completed by November 12, 2019.

Jon Bowman, Construction Director from Atwell Group, stated that they had received the October 30, 2019 letter from Rod McGowan and blamed the delays in construction on inexperienced and untrained staff, miscommunication and cold weather. He explained that the excessive flow, which exceeded the maximum of 50,000 gallons/day limit imposed in Resolution No. 2019-06-01, was caused by running faucets to prevent freezing and bursting pipes in the park models. Once the excessive flow was identified it took some time to turn off the water and apply heat tape to the water pipes. Jon stated that Sun Communities is committed to the project and have invested \$14.7 million in the development and view it as a public/private partnership with the District receiving over \$1 million in plant investment fees.

Jon continued that as of today the infrastructure is connected, flowing and operational. They believe they are in substantial completion with additional items to be finished in 30 days; however, some items may be difficult to complete, such as grouting, due to the weather and temperatures, but he believes the facilities are operational with a punch list remaining. He proposes that a list of items

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needing completion should be compiled by Hopper Becker, John Enochs and Andrew Dixon. Mr. Bowman proposes that the District accept substantial completion as of November 13 and cease imposing delay compensation of \$1,000/day effective November 13, 2019 with the punch list items being completed in 30 days. The permanent Anue system is expected to ship at the beginning of January, 2020 and once on-site it will need to be connected to electric and gas which is expected to take 4-5 days. He advised that the temporary Anue system costs \$10,000/month.

Andrew Dixon from Wright Water Engineers stated that the plans originally approved for Shorefox included a foul air scrubber with a pilot project to determine appropriate odor control, for the Sun development he favored a chemical odor control system which the District declined.

The Board and Rod McGowan responded that the Shorefox plans were a design from 2006 and that it was not necessary to rehash the Anue system as it is in the River Run Ranch approved plans. They reminded the developer that they had been told the permanent connection would be completed by November 12, 2019 and questioned why a number of the punch list items had been long overlooked. Mr. Bowman indicated that the priority was to get the actual tie-in done and the Union Pacific Railroad cease and desist order caused delays.

Hopper Becker stated that sewage is flowing but he hasn't confirmed that the tie-in is complete. There are major items remaining that deem the system not fully functional, such as the lack of hoists to move pumps in the lift station, the inability to switch between the 4" and 8" force main and one inoperable pump in the lift station to name a few.

The Board reminded the Sun representatives that they have continually granted them variances from the District Rules and Regulations in an effort to give Sun every opportunity to succeed but feel Sun has not prioritized getting the necessary infrastructure completed. Rod McGowan stated that the Agreements between Granby Sanitation District and Sun Communities indicate that the District's engineer has to certify the infrastructure is "substantially completed" and he hasn't done that yet.

Cameron Grant stated that Resolution No. 2019-10-04 adopted by the Board allowed for the construction of the footings, foundation and underground utilities for the water treatment plant and the developer would like to obtain authorization for a full building permit to be issued so that they can proceed with vertical construction that allows equipment to be sheltered in the water treatment plant structure. Cameron advised that the letter of credit has been extended to June 30, 2020.

The Board inquired about the status of the excess flows. Hopper Becker responded that the flows have dropped from 50-70,000 gpd to approximately 11,000 gpd and that inflow and infiltration is being actively pursued.

Debra Brynoff moved to enter into Executive Session for a conference with the District's Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-

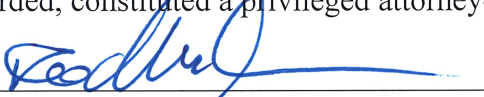
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402(4)(b) and for the purpose of determining positions relative to matters that may be subject to negotiations, developing a strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) regarding Sun Communities' projects with Rod McGowan, John Enochs, Hopper Becker and Tammy Granger in attendance. The motion was seconded by Nancy Stuart and unanimously approved. Sun representatives left the meeting during the executive session.

Debra Brynoff moved to exit Executive Session, Nancy Stuart seconded and the motion was unanimously approved.

Attorney's Opinion Required by Colorado Revised Statute, Section 24-6-402(2)(d.5)(II)(B).

As the attorney representing the Granby Sanitation District, and who was in attendance at the above-referenced Executive Session, I am of the opinion that the entire Executive Session, which was not recorded, constituted a privileged attorney-client communication.



Rod McGowan, Legal Counsel

The Board reiterated that per the Agreements the District's engineer needs to sign-off on substantial completion and he hasn't done so yet. Casey Farrell moved to approve a resolution, upon its drafting and execution by Sun Communities, to approve the waiver and deferral of tap fee payments to approve the issuance of a building permit for the water treatment plant for the Sun River Run Ranch project. The motion was seconded by Kelly Griesch. The motion was approved with Casey Farrell, Kelly Griesch and Debra Brynoff voting aye and Nancy Stuart voting nay. The Sun Communities contingent left the meeting at this time.

The minutes from the regular meeting held on October 9, 2019 were considered. Kelly Griesch moved to approve the minutes as written. The motion was seconded by Debra Brynoff and unanimously approved.

Next, the bills listing and financial reports were reviewed and discussed. Kelly Griesch moved to pay the bills and approve the financial reports. Nancy Stuart seconded and the motion was unanimously approved.

The delinquency report was reviewed and delinquency hearings were held. There were no account holders in attendance. Casey Farrell moved to authorize staff to proceed with disconnect and collection proceedings on accounts 18700.2, 23700.2, 23800.2, 23900.2, 3700.2, 3710.2 and 46500.2, Kelly Griesch seconded and the motion was unanimously approved.

Hopper Becker presented the Operations report and discussed the following matters:

- The plant is running well and the report displays the excessive River Run flows and the resulting disparity between hydraulic and organic loading.

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- Troubleshooting from the power outage continues and a bad VFD has been identified. Once the new part is received, Browns-Hill will complete the necessary programming.
- CDPHE has reclassified the wastewater treatment plant from a B facility to an A facility. The CDPHE implementation matrix establishes a 2024 effective date.
- Hopper is working on enrolling the District in the CDPHE nutrient incentive program.
- One of the three headworks lift station influent pumps will need replaced and will be included in the 2020 budget.
- SCADA experienced a failure over the weekend due to a bad hard drive. It has been made operational with the assistance of Holly Wood and Browns-Hill. The 2020 budget will also include upgrades to the SCADA system.

Tammy Granger gave the Administrative Report as written. Discussion was held regarding staff compensation and discussion will continue at the December 11, 2019 meeting.

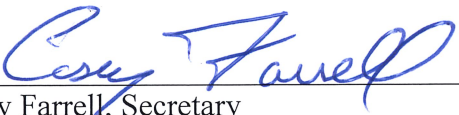
In the Attorney's report Rod McGowan advised of the following deadlines:

- December 31, deadline to adopt the budget if no mill levy is assessed.
- November 16 - January 16, update the District's Transparency Notice

Rod advised that Resolution 2019-10-04 was signed and an extended Letter of Credit from Sun Communities had been received.

In other business the Board considered insurance documents submitted by Matt Brown for property damage at 171 E. Topaz resulting from a sewage backup on November 1, 2018. Nancy Stuart moved to reimburse the Browns for their \$1,000.00 deductible upon their execution and return of a Release that Tammy Granger will provide to them. Staff is also directed to provide them with a back-flow prevention device. The motion was seconded by Kelly Griesch and unanimously approved.

There being no further business to come before the Board it was duly moved by Debra Brynoff, seconded by Nancy Stuart and unanimously adopted that the meeting stand adjourned at 8:45 p.m.

  
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Casey Farrell, Secretary