

**CHERRY HILLS HEIGHTS
WATER AND SANITATION DISTRICT
MEETING MINUTES**

Meeting Date: Monday, May 1, 2023

Time: 5:00–7:00 pm

Location: Jonah's house, 3345 S Columbine Circle

Board Members Present: Jonah Staller (Chairman/President), Melissa Grossman (Treasurer), Rich Miller (Secretary)

Board Members Absent: Jim King (At-Large), Cam Keshavarz (At-Large)

Residents/Audience: Tarra Ryerson, Jason Lee, Cheryl Brown, Katty Staller

MEETING CALLED TO ORDER: Given the presence of a quorum of Board Members, Rich called the meeting to order at 5:09 PM.

REVIEW OF MINUTES: February 27, 2023 meeting minutes. Jonah moved to approve the minutes as submitted. Melissa seconded the motion and there being no further discussion the motion passed unanimously.

TREASURER'S REPORT:

Melissa shared the list of bills for the period 02/27/23 – 05/01/23 and the 2023 year-to-date bank reconciliation (attached at the end of these minutes).

OLD BUSINESS:

1. Initiative to hire a manager.

For the benefit of the new board members, Jonah summarized the scope of what a management company would do for the district and why this is an important need. In particular, Jonah noted, and other Board members agreed, that District compliance obligations have increased over the past 10 to 15 years and are likely to increase further in future years. The workload burden on our volunteer Board members has become significant, and it has been difficult to find neighbors who are willing to take on the burden of running the District. Maintaining continuity of operations has become increasingly challenging, and there is a shared sense that the District needs to hire a manager with specific expertise in special district law and operations to ease the Board's burden, ensure integrity of the sewer and other District facilities, and mitigate the District's risks in several areas. Jonah also summarized the recent discussion with Community Resource Services (CRS), the firm that was interviewed by Jonah, Melissa and Rich. Jonah has secured three positive and encouraging references from three current CRS clients. Sue Blair, the principal of CRS, is the head of the Special District Association and has extensive knowledge of special district law. CRS charges on an hourly basis but has estimated it would cost \$16,000 to \$18,000 per year to manage our District. While this would increase our budget, the cost spread over 52 homes would be roughly an additional \$307 to \$346 per home on average.

2. Usage of District reserves.

The district attorney, Tim Flynn, has said that the district can access reserves to fund the portion of the 2023 management company fees beyond those already budgeted. This would require a 2023 budget amendment at the time we adopt a 2024 budget. Tim has indicated that district reserves can be used for this purpose in 2024 as well. In addition,

Tim has said that the District has authority pursuant to a 2004 ballot measure to increase revenues in future years by \$5,000 plus inflation to pay, or help pay, the management fees. This would mean that, over the next few years, the District could shift from funding management fees from reserves to funding them through an increase in the mill levy. It is noteworthy that for 2023 the District temporarily reduced the mill levy as a means of refunding past taxes that were collected but not used for sewer and wall capital expenses, and that this temporary reduction will occur again in 2024 and 2025. For each year, the total reduction in revenues associated with this mill levy reduction is about \$15,000, or \$288 per home on average.

Jonah moved that we engage CRS as the management company for the district subject to Tim Flynn's review of the contract and to access district reserves to pay any fees incurred in 2023 in excess of what's currently budgeted. Melissa seconded the motion and there being no further discussion the motion passed unanimously.

3. Hampden wall project.

Jason will meet with Cam to articulate the project plan.

4. Landscaping provider.

Jonah obtained bids from Lifescape and JRM to see whether it would be beneficial to consolidate landscape maintenance tasks. Lifescape's bid was way more than we currently pay. JRM's bid was more reasonable but still higher than we currently pay. For now, the District is sticking with existing vendors: American Arbor Care for tree care along University and in the park and spraying weeds along University; Peters for mowing at the crazy low price of \$22 per week; and Monaco Sprinkler/Todd Vigil for irrigation turn-on and shutoff and other irrigation work. We have hired Weed Man for weed control in the park area as we didn't have great luck using the Peters for that service. We will continue to use Javier Perez on an occasional basis for cleanup tasks and minor trimming. Next year, we may find it necessary to hire a different company for lawn care.

NEW BUSINESS:

1. Designation of persons to administer oaths for new Board members.

Jonah moves to designate all those present as witnesses for administering the oaths of office. Melissa seconded the motion and there being no further discussion the motion passed unanimously.

2. Officer positions, transfer of responsibility.

- Melissa suggested that Jonah take over as treasurer from her as she is leaving the Board. Jason indicated he would be willing to serve as president.
- Jonah said he wanted to talk to Russ Wilson to see if he has any interest in becoming an officer and thought it best to defer the decision on president and treasurer until that discussion could happen after May 4th.
- Rich will continue as Secretary for continuity as we engage the management company.

3. Upcoming deadlines.

None.

4. Training opportunity – SDA.

Jonah said he would forward the SDA information to other Board members.

5. Visitor Comments/Remarks: Cheryl and Katty asked some clarifying questions related to the management company idea.

6. Other: Nothing else was discussed.

ADJOURN: There being no further business before the Board, Jonah moved to adjourn and Melissa seconded. The motion passed unanimously and the meeting was adjourned at 6:45 PM.

Date of next board meeting: July 31, 2023 at TBD. This date and subsequent meeting dates may change once we hire CRS.

Remaining Board meetings for 2023 are scheduled as follows:

October 2

December 4

Cherry Hills Heights Water & Sanitation District
Treasurer's Report
For the Period of Feb. 27, 2023 - May 1, 2023

Conventional Checks/Debits Issued:

- 1) #1005 - Jonah Staller - **\$246.00** (Reimburse for Javier park/Univ landscaping)
- 2) Debit - Jonah Staller - **\$35.00** (SDA of CO Regional Training Workshop)

Electronic Withdrawals & Online Bill Payments:

- 1) Denver Sprinkler
 - a. **\$225.00** - Snow clearing (3/2/23)
- 2) American Arbor Care
 - a. **\$780.30** - Tree clearing/stump grinding (3/7/23)
 - b. **\$225.00** - Tree watering (3/23/23)
 - c. **\$1,500.05** - Pre-paid invoice 392254-pp tree spraying (3/24/23)
 - d. **\$85.00** - Unwrap tree trunks (4/12/23)
 - e. **\$225.00** - Tree watering on 4/13 (4/17/23)
- 3) Weed Man
 - a. **\$591.36** - Pre-paid weed control (3/23/23)
- 4) Le's Lawn & Landscaping
 - a. **\$80.00** - Park lawn aeration on 4/13 (4/19/23)
- 5) Collins Cole Flynn Winn Ulmer (legal fees)
 - a. **\$684.74** - Jan. legal fees (3/1/23)
 - b. **\$264.00** - Feb. legal fees (3/30/23)
 - c. **\$408.00** - March legal fees (5/7/23)
- 6) UNCC (Locate fees)
 - a. **\$5.16** - Feb. fees (3/2/23)
 - b. **\$5.16** - Mar. fees (4/6/23)
 - c. **\$3.87** - Apr. fees (5/2/23)
- 7) RG and Associates (ORC)
 - a. **\$156.00** - Coordination w/DES on contract (3/2/23)
- 8) Denver Water
 - a. **\$25.70** - for Jan/Feb Bill (3/10/23)
 - b. **\$25.70** - for Feb/Mar Bill (4/7/23)
 - c. **\$25.70** - Mar/Apr Bill (5/15/23)
- 9) Xcel Energy – Auto Pay from ANB Bank
 - a. **\$12.10** - Jan/Feb Bill (3/20/23)
 - b. **\$12.10** - Feb/Mar Bill (4/14/23)
 - c. **\$12.10** - Mar/Apr Bill (5/16/23)

TOTAL EXPENSES: \$5,352.04

Operating and Savings Deposits:

Operating

- 1) **\$7,580.04** – \$7,475.35 General Fund; \$104.69 Specific Ownership (dep. 3/9/23)
- 2) **\$1,363.39** – \$1,231.99 General Fund; \$131.40 Specific Ownership (dep. 4/7/23)

Savings (Interest)

- 1) **\$29.42** – Interest received on Bank Deposits (Feb) – ANB Bank (2/28/23)
- 2) **\$32.58** – Interest received on Bank Deposits (Mar) – ANB Bank (3/31/23)

3) **\$29.44** – Interest received on Bank Deposits (Apr) – ANB Bank (4/28/23)

TOTAL DEPOSITS: \$9,034.87

Operating Expenses vs. Budget - Year to Date

Expense Category	Expense YTD	2023 Budget	Budget v Actual
Accounting	\$0.00	\$500.00	\$500.00
Insurance	\$0.00	\$5,000.00	\$5,000.00
Landscaping	\$4,836.71	\$6,500.00	\$1,663.29
Legal	\$3,323.24	\$4,000.00	\$676.76
Maintenance	\$15.48	\$7,000.00	\$6,984.52
Administration	\$722.34	\$1,000.00	\$277.66
ORC/Mgmt Fees	\$156.00	\$6,000.00	\$5,844.00
Utilities	\$187.50	\$2,250.00	\$2,062.50
TOTAL	\$9,241.27	\$34,000.00	\$24,758.73

Notes:

- Landscaping expenses are atypically high for this time of year given pre-paid invoices for tree spraying and weed control.
- Legal is high given prior years average spending
- Insurance will be paid for 2024 at year end, but can be pushed to early 2024 if funds are required elsewhere
- Accounting should not be necessary in 2023

Cherry Hills Heights Water & Sanitation		
<i>2023 Bank Reconciliation</i>		
Cherry Hills Heights Water & Sanitation - Operating Account		
Beginning Balance (1/1/23)		\$ 139,333.70
Plus - Revenues/Deposits		\$ 9,423.44
Less - Expenses:		
Accounting	\$ -	
Bank Fees	\$ -	
Election	\$ -	
Insurance	\$ -	
Landscaping	\$ 4,836.71	
Legal	\$ 3,323.24	
Maint.	\$ 15.48	
Misc.	\$ 722.34	
ORC/Mgmt Fees	\$ 156.00	
Utilities	\$ 187.50	
Total Expenses		\$ (9,241.27)
Ending Balance - Operating (2/27/23)		\$ 139,515.87
Cherry Hills Heights Water & Sanitation - Savings Account		
Beginning Balance (1/1/23)		\$ 95,853.00
Plus - Interest		\$ 124.27
Ending Balance - Savings (2/27/23)		\$ 95,977.27
Total Funds Available - Operating & Savings (2/27/23)		\$ 235,493.14