

**CHERRY HILLS HEIGHTS
WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS – MEETING MINUTES**

Date: Monday, December 6, 2021

Time: 5:00 – 7:00 pm

Location: Virtual Meeting on Ring Central

Board Members Present: John Ashworth (President), Toby Ralston (Treasurer), Jonah Staller (Secretary), Melissa Grossman (At-Large).

Residents/Audience: Doug Means.

MEETING CALLED TO ORDER: at 5:04 pm. Jonah Staller volunteered to take minutes.

REVIEW OF MINUTES: October 4, 2021 meeting minutes: John moved to approve. Toby seconded. Approved unanimously.

DRAFT 2022 BUDGET AND DRAFT AMENDMENTS TO 2021 BUDGET

1. Presentation/discussion of draft amendments to 2021 budget.

Toby presented a spreadsheet showing expenditures to date and projected expenditures through the end of the year. He projects that total expenditures will be under budget by about \$2,000. Thus, it is unlikely we will need to dip into reserves. However, we still need to amend the budget to reflect the insurance payments that we received for the trees that were killed by the unusual freeze events in prior years and the corresponding increase in the budget amount for landscaping. Toby presented the proposed amended budget for 2021 (see attached). John moved to approve the amended budget. Jonah seconded. Approved unanimously. **Action:** Toby will complete the Certification of Budget for the amended budget, obtain Board member signatures as needed, and submit it to the appropriate agencies by year-end.

2. Presentation/discussion of draft 2022 budget

Toby presented a proposed 2022 budget with estimated total expenses of \$35,596 (see attached). Toby explained that this number is close to the maximum amount we are allowed under TABOR and our District-specific ballot provision. Melissa said that we don't have to increase our budget to the maximum and that we should carefully consider our needs in the various budget categories. A discussion ensued of the proposed amounts. Toby indicated that, where possible, he tried to project for various categories based on costs we had incurred in the past, recognizing that inflation is running high.

Compared to 2021, the proposed budget reflects decreases in some categories (e.g., landscaping because we won't be installing trees) and increases in others, with an overall increase of about \$7,000. The increase reflects the following: this is a heavy maintenance year because we need to scope and clean the sewer lines; we need to plan for costs and legal fees associated with conducting an election for three Board seats and for a ballot measure for a Hampden wall; and we need to anticipate the transfer of some management responsibilities from our volunteer board to a District manager. On this last point, managing the District has become increasingly complicated and time consuming over the years, and the demands will only increase over time. It is difficult to fill spots on our volunteer board, and most folks can't devote the time that is needed to meet regulatory requirements and manage District tasks. As we have not used a manager before, it is difficult to accurately project costs, but Board members agreed that we should anticipate transferring some functions this year and look to increase the transfer next year and years beyond, as appropriate. The proposed budget specified \$5,000 for Operator in Responsible Charge and

Management fees, but John suggested we increase this to \$6,500 and reduce the amount for Legal from \$6,000 to \$4,500. Others agreed with this approach. Jonah moved to approve the 2022 budget with the changes to these two categories. John seconded. Approved unanimously. **Action:** Toby will prepare the certification of the mill levy and file it with the appropriate agencies by the December 15, 2021 deadline.

TREASURER'S REPORT:

- 1. Presentation of Bills.** Toby presented the list of bills approved and paid for the period October 5, 2021 through December 6, 2021 (**see attached**). Checks totaled \$1,493.10. Electronic withdrawals and phone payments totaled \$3,258.59. Amounts were for various items including legal fees, reimbursement to the special district insurance pool, special district association dues, irrigation shutdown, replacement of irrigation shutoff stop and waste, park maintenance, tree care and trimming, Xcel Energy charges (related to park irrigation system), water charges, bank fees, sewer locate notice charges, and weed and pest control. Deposits totaled \$346.37.

OLD BUSINESS:

- 1. Status – Preparation of lists of District tasks for exploring hiring a manager.** Jonah had circulated a draft list of District tasks the morning of the meeting, with three pages of bullets. Melissa said it would be helpful to categorize the various tasks to help us prioritize our needs. Others agreed. Jonah wondered about delegating management of sewer scoping and cleaning since we know it has to be done in 2022. **Action:** Melissa will try to characterize the tasks in various ways – e.g., whether they require specialized knowledge, the amount of time they take, whether they are essential or just nice-to-have, etc. Other members will help fill in details. Jonah will talk to Jim Landry about what would be involved for Jim's firm to manage the sewer scoping and cleaning and whether it would make sense to delegate that responsibility.
- 2. Status – Action items related to the sewer rules.** Jonah has sent a copy of the rules to Jim Landry and has sent the email to neighbors informing them about the rules. Jonah is still working on draft changes to website language. Jonah felt it would be prudent to allocate some money for Jim to familiarize himself with the rules, noting that we are under budget in the ORC category. Jonah thought that \$400 would be a reasonable amount and the rest of the Board members agreed. **Action:** Jonah will talk to Jim about reviewing the rules. Jonah will continue working on the website revisions.
- 3. Status - Hampden Wall Process.** Melissa said that Cam's committee is now looking at drop-in panels as an alternative to brick-by-brick construction due to potential cost savings. However, Hampden closure may be necessary, which would erase some or all of the savings. Cam et al. are exploring whether construction could occur from within owners' lots. Cam is getting pictures of examples to present.
- 4. Status – Excess insurance repayment.** Toby has repaid the excess payment, which was about \$900.
- 5. Status – Insurance – possible alternatives re insurance agency.** Toby has submitted the paperwork to the insurance pool to eliminate role of insurance agency. This should save us agency fees. Jonah mentioned that this year, instead of listing the number of volunteers performing non-board tasks, we're supposed to list the number of volunteer hours on the insurance application. **Action:** Toby will correct the application. Jonah suggested 100 hours.
- 6. Status – Irrigation shutdown, fence slats, trimming of Linden trees.** All done. **Action:** Jonah will check with Todd about making the cage over the backflow device lockable again. He'll also remind Todd to get us an estimate on the sod replacement.

NEW BUSINESS:

- 1. Upcoming Deadlines.** As noted above, the District must certify the mill levy to the board of county commissioners by December 15, 2021. The adopted 2022 budget must be filed with the Division of Local Government by January 31, 2022.

By January 1, 2022, we must file a map of District boundaries with the County assessor and the Division or state that there are no changes. By January 15, 2022, we need to update our transparency notice. May 3, 2022 is the next regular election and John's and Toby's seats will on the ballot. **Action:** Toby will tell Tim Flynn that we'll do our own transparency notice. Jonah will check into the process for certifying our map hasn't changed.

- 2. Replacement of Shutoff Valve for Irrigation System.** Done.
- 3. New State requirements for website ADA compliance.** By July 1, 2022, we must submit a plan to the State for meeting website ADA requirements. By July 1, 2024 our website must meet the requirements. Melissa checked with the State. To a large extent we can cut and paste the State's plan because we're on the State's platform. For content that we've uploaded – e.g., for PDFs and images - our plan will need to discuss how we'll meet accessibility requirements. We'll need to ensure that current content and future uploads meet these requirements – e.g., proper file names, titles, tags, subject lines, form of links etc. Jonah said it would be helpful to have Adobe Acrobat Pro to add metadata to existing PDFs. The Board authorized Jonah to purchase a copy. **Action:** Jonah will work on modifying existing PDFs on the website to make them accessible. He will look into buying Adobe Acrobat Pro.
- 4. Winter Watering.** Jonah arranged for American Arbor Care to water the trees on University at a price of \$225. The Board authorized watering in December and January as needed.
- 5. Other business.**
 - a. Recruitment for Board.** John and Toby indicated they may be leaving the Board in May when their terms are up. **Action:** We need to start reaching out to find potential candidates. Jonah will research the self-nomination deadline and get the information to Melissa. Melissa will work on an email to neighbors soliciting interest. We will also try to reach out on an individual basis.
 - b. Virtual Meeting Platform.** We need to arrange for an alternative platform to Toby's RingCentral account.
 - c. Meeting Notices.** Jonah will research the process for switching to website notice for meetings instead of physical posting.
- 6. Visitor comments/remarks.** Doug Means expressed an interest in the budgets and how they were derived but did not comment on the budgets.
- 7. Adjourn.** The meeting was adjourned at 7:03 pm.

CHERRY HILLS HEIGHTS WATER & SANITATION DISTRICT
2021 BUDGET - AMENDED
 January 1, 2021 through December 31, 2021
Roll-up of All Funds

	Actual 2019	Estimated 2020	Proposed Budget 2021
BEGINNING FUND BALANCE	\$ 193,219	\$ 199,225	\$ 204,207
REVENUE			
General Property Tax	\$ 19,090	\$ 21,282	\$ 28,460
DEBT SERVICE FROM CWRPDA LOAN	\$ 23,473	\$ 23,473	\$ -
Sewer Loan Proceeds			
Sewer Tap Proceeds	\$ -	\$ -	\$ -
CAPITAL MILL LEVY FUND	\$ -	\$ -	\$ -
Proceeds from CWRPDA Loan			
Wall Loan Initial Deposit			
Proceeds from Wall Loan	\$ 22,036	\$ -	\$ -
Specific Ownership Tax	\$ 5,285	\$ 5,000	\$ 5,000
Senior Exempt State Reimb			
Interest	\$ 26	\$ 2	\$ 4
Homeowner Reimb of Engineering Costs	\$ 1,267	\$ 618	\$ -
Transfer from District Reserves	\$ -	\$ -	\$ -
Insurance Proceeds	\$ -	\$ -	\$ 6,358
Total Revenue	\$ 71,176	\$ 50,375	\$ 39,822
Total Funds Available	\$ 264,395	\$ 249,600	\$ 244,029
EXPENDITURES			
General Fund			
Accounting	\$ 330	\$ 450	\$ 500
Administration	\$ 1,125	\$ 1,248	\$ 932
Arapahoe County Treasurer's Fee (1.5%)	\$ -	\$ -	\$ -
Bank Fee	\$ 60	\$ 60	\$ 93
Election Expenses	\$ -	\$ -	\$ -
Insurance	\$ 775	\$ 7,041	\$ 4,882
Landscaping	\$ 5,002	\$ 5,267	\$ 18,372
Legal	\$ 909	\$ 3,792	\$ 3,384
Maintenance	\$ 8,985	\$ 1,586	\$ 2,086
ORC Management Fees	\$ -	\$ -	\$ 429
Transfer to Wall Fund	\$ -	\$ -	\$ -
Utilities	\$ 1,904	\$ 1,839	\$ 2,133
Total General Fund Expenditures	\$ 19,090	\$ 21,282	\$ 32,811
Sewer Project			
Capital Expense	\$ -	\$ -	\$ -
Treasurer's Fees (1.5%)	\$ -	\$ -	\$ -
Engineering/Legal	\$ -	\$ -	\$ -
Debt Service - Sewer	\$ 23,473	\$ 23,473	\$ -
Total Sewer Related Expenditures	\$ 23,473	\$ 23,473	\$ -
Wall Project			
Capital Expense - Univ Wall	\$ -	\$ -	\$ -
Treasurer's Fees (1.5%)	\$ -	\$ -	\$ -
Engineering/Legal	\$ -	\$ -	\$ -
Debt Service - Wall	\$ 22,036	\$ -	\$ -
Total Wall Related Expenditures	\$ 22,036	\$ -	\$ -
Total Expenditures	\$ 64,598	\$ 44,755	\$ 32,811
Emergency Reserves (3%)	\$ 573	\$ 638	\$ 854
Total Expenditures Requiring Appropriation	\$ 65,171	\$ 45,393	\$ 33,665
ENDING FUND BALANCE	\$ 199,225	\$ 204,207	\$ 210,364

CHERRY HILLS HEIGHTS WATER & SANITATION DISTRICT
2022 BUDGET
January 1, 2022 through December 31, 2022
Roll-up of All Funds

	Actual 2020	Estimated 2021	Proposed Budget 2022
BEGINNING FUND BALANCE	\$ 207,006	\$ 219,199	\$ 225,356
REVENUE			
General Property Tax	\$ 25,360	\$ 28,460	\$ 35,596
DEBT SERVICE FROM CWRPDA LOAN	\$ 23,473	\$ -	\$ -
Sewer Loan Proceeds			
Sewer Tap Proceeds	\$ -	\$ -	\$ -
CAPITAL MILL LEVY FUND	\$ -	\$ -	\$ -
Proceeds from CWRPDA Loan			
Wall Loan Initial Deposit			
Proceeds from Wall Loan	\$ -	\$ -	\$ -
Specific Ownership Tax	\$ 3,774	\$ 5,000	\$ 5,000
Senior Exempt State Reimb			
Interest	\$ 2	\$ 4	\$ 6
Homeowner Reimb of Engineering Costs	\$ 643	\$ -	\$ -
Transfer from District Reserves	\$ -	\$ -	\$ -
Insurance Proceeds	\$ -	\$ 6,358	\$ -
Total Revenue	\$ 53,252	\$ 39,822	\$ 40,602
Total Funds Available	\$ 260,258	\$ 259,021	\$ 265,958
EXPENDITURES			
General Fund			
Accounting	\$ 500	\$ 500	\$ 500
Administration	\$ 920	\$ 932	\$ 1,000
Arapahoe County Treasurer's Fee (1.5%)	\$ -	\$ -	\$ -
Bank Fee	\$ 60	\$ 93	\$ 96
Election Expenses	\$ -	\$ -	\$ 1,750
Insurance	\$ 3,541	\$ 4,882	\$ 5,000
Landscaping	\$ 5,675	\$ 18,372	\$ 7,000
Legal	\$ 3,769	\$ 3,384	\$ 4,500
Maintenance	\$ 774	\$ 2,086	\$ 7,000
ORC Management Fees	\$ -	\$ 429	\$ 6,500
Transfer to Wall Fund	\$ -	\$ -	\$ -
Utilities	\$ 2,349	\$ 2,133	\$ 2,250
Total General Fund Expenditures	\$ 17,586	\$ 32,811	\$ 35,596
Sewer Project			
Capital Expense	\$ -	\$ -	\$ -
Treasurer's Fees (1.5%)	\$ -	\$ -	\$ -
Engineering/Legal	\$ -	\$ -	\$ -
Debt Service - Sewer	\$ 23,473	\$ -	\$ -
Total Sewer Related Expenditures	\$ 23,473	\$ -	\$ -
Wall Project			
Capital Expense - Univ Wall	\$ -	\$ -	\$ -
Treasurer's Fees (1.5%)	\$ -	\$ -	\$ -
Engineering/Legal	\$ -	\$ -	\$ -
Debt Service - Wall	\$ -	\$ -	\$ -
Total Wall Related Expenditures	\$ -	\$ -	\$ -
Total Expenditures	\$ 41,059	\$ 32,811	\$ 35,596
Emergency Reserves (3%)	\$ -	\$ 854	\$ -
Total Expenditures Requiring Appropriation	\$ 41,059	\$ 33,665	\$ 35,596
ENDING FUND BALANCE	\$ 219,199	\$ 225,356	\$ 230,362

Cherry Hills Heights Water & Sanitation District
Treasurer's Report
For the Period of October 5, 2021 through December 6, 2021

Checks Issued (\$1,493.10):

- 1) #766 – Peters' Construction - **\$88.00** (September Mowing)
- 2) #767 – Ingraham's Lawn Care - **\$74.00** (Sprinkler Winterization)
- 3) #768 – Peters' Construction - **\$22.00** (October Mowing)
- 4) #769 – UNCC - **\$1.32** (Sewer Locates – October)
- 5) #770 – Collins Cockrel & Cole - **\$92.00** (October Legal Fees)
- 6) #771 – CO Special District Property & Liab. Pool - **\$448.96** (Tree Claim #1 – Reimb. of Excess)
- 7) #772 – CO Special District Property & Liab. Pool - **\$448.96** (Tree Claim #2 – Reimb. of Excess)
- 8) #773 – Jonah Staller - **\$28.00** (Reimburse Irrigation Lock and Paint)
- 9) #774 – Special Districts Association - **\$285.90** (2022 SDA Dues for District)
- 10) #775 – UNCC - **\$3.96** (Sewer Locates – November)

Electronic Withdrawals & Phone Payments (\$3,258.59)

- 1) Online Payment to Monaco Sprinkler
 - a. **\$2,050.00** – for stop and waste valve replacement, paid on 11/18/21
- 2) Online Payments to American Arbor Care:
 - a. **\$330.00** – for tree fertilization on Univ. on 10/25/21 [66113]
 - b. **\$441.00** – for tree trimming on Univ. on 11/23/21 [66479]
- 3) Denver Water
 - a. **\$352.81** – for Sept/October Bill
 - b. **\$37.24** – for October/November Bill
- 4) Xcel Energy – Electronic Bank Payments – **\$23.54** (Sept/Oct and Oct/Nov Bills)
- 5) US Bank – Bank Fees - **\$24.00** (September, October and November Fees)

Deposits - \$346.37

- 1) **\$161.90** – Mill Levy Tax Revenue on 9/10/21 from Arapahoe County (Electronic Deposit)
- 2) **\$183.68** – Mill Levy Tax Revenue on 10/7/21 from Arapahoe County (Electronic Deposit)
- 3) **\$0.79** – Interest received on Bank Deposits (Sept & Oct) – US Bank