

**MINUTES OF THE BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
DENVER SOUTHEAST SUBURBAN WATER  
AND SANITATION DISTRICT**

A regular meeting of the Board of Directors of the Denver Southeast Suburban Water and Sanitation District was held on Wednesday, June 13, 2012 at the main office, the time and place of the meeting according to the posted notices. Present were Chairman Robert Chapman, and Directors Walt Partridge, Heidi Tackett, Rod Bergholm and Robert Greene. Also present were District Manager Charlie Krogh, District General Counsel-Jim Folkestad, and District staff Bill Morgan and Susan Saint Vincent.

Chairman Robert Chapman called the meeting to order at 6:04PM and established the presence of a quorum. At Chairman Chapman's request Ms. Saint Vincent recorded minutes.

*Minutes for the May 9, 2012 Regular Board Meeting were read and approved as discussed.*

**PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA - None**

**DIRECTOR'S BUSINESS** - Director Tackett inquired as to whether the Auditor accepted the one year agreement as approved by the Directors in the May meeting. Manager Krogh confirmed that Mr. Goedecke has accepted the agreement.

**ITEMS FOR BOARD ACTION AND DISCUSSION**

**AGREEMENT FOR SURVEYING SERVICES**

District staff and legal counsel have prepared an Agreement with Bell Surveying Company to provide surveying and easement preparation services to the District on a task order basis. The Service Agreement will run through year 2013. Compensation is determined on a time/material basis not to exceed the fee stated in each specific task order. A copy of the Agreement was provided to the Directors for review and discussion.

Additionally, Task Order No. 2012-1 was provided to the Directors, which was considered under the new Service Agreement. The task includes preparing an easement description for the Lower Scott Gulch Monitoring Well in the amount of \$6,750.

*A motion was made to 1) Approve the Professional Services Agreement for Bell Surveying Company as described and to authorize the Board Chairman to sign such Agreement; 2) Approve the allocation of \$6,750 for Task Order No. 2012-1 and authorize the District Manager to sign appropriately.*

*Motion: Walt Partridge  
Second: Rod Bergholm  
Vote: All Directors present voted in favor, 5-0.*

## **LICENSE AGREEMENT WITH DOUGLAS COUNTY for Well K**

A twelve-month License Agreement was provided to the Directors for review and discussion which would allow District personnel and contractors to conduct surveying and soil testing within the County tract for the future Well K complex.

*A motion was made to authorize the District Manager to sign the License Agreement with Douglas County as stated.*

*Motion: Robert Chapman*

*Second: Heidi Tackett*

*Vote: All Directors present voted in favor, 5-0.*

## **RESOLUTION 2012-8: ACCEPTANCE of EASEMENT FROM CCPWA**

As part of the Well H and Well A-16 project, the District is in the process of acquiring various pipeline and access easements. Mr. Folkestad has prepared Resolution 2012-8 for the Board's consideration, accepting the easement through property owned by the Cherry Creek Project Water Authority. Drawings were provided showing the relative position of the easement property for a future pipeline from the Well H and Well A-16 sites. Additionally, the easement document which requires signatures from the District Chairman and Secretary were provided.

*A motion was made to approve Resolution 2012-8, accepting an easement from the Cherry Creek Project Water Authority.*

*Motion: Robert Greene*

*Second: Robert Chapman*

*Vote: All Directors present voted in favor, 5-0.*

## **RESOLUTION 2012-9: ACCPETANCE of EASEMENT FROM TRINITY LUTHERAN CHURCH**

Resolution 2012-9 was provided for the Board's consideration with regarding to the acceptance of a non-exclusive easement provided by Trinity Lutheran Church for a raw water pipeline and permanent access road to the Well H and A-16 well site. The easement document provided requires signatures from the District Chairman and Secretary.

*A motion was made to approve Resolution 2012-9, accepting an easement from Trinity Lutheran Church.*

*Motion: Robert Greene*

*Second: Rod Bergholm*

*Vote: All Directors present voted in favor, 5-0.*

## **RESOLUTION 2012-7: GRANT OF EASEMENTS TO HIGH PRAIRIE FARMS METRO DISTRICT**

Information was provided regarding property at the Reservoir 7 and Well N site, of which ownership was transferred to the District in 2011. Because the High Prairie Farms Metro District currently has no existing easements on said property, new easements are now requested enacting the following:

- 1) Provide for High Prairie Farms access to their maintenance building which is located at the northwest corner of the District's property.
- 2) Provide High Prairie Farms a drainage easement across the eastern end of the District's property for an existing storm water drainage pipe and channel off of Democrat Road.

Sketches were provided indicating the location of these two easements. Mr. Folkestad has drafted Resolution 2012-7 which provides for such easements, in addition to the easement documents which require signature from the District Chairman and Secretary.

*A motion was made to approve Resolution 2012-7, granting an easement High Prairie Farms Metro District as stated.*

*Motion: Walt Partridge*

*Second: Rod Bergholm*

*Vote: All Directors present voted in favor, 5-0.*

## **WATER SUPPLY AND WATER RESTRICTIONS**

Discussion, led by Mr. Krogh, regarding the current dry state of the District ensued including actions which are currently being taken by various water providers in the metro area. Mr. Krogh did not recommend implementing mandatory watering restrictions at this time, but stated that if the hot/dry period continues, the District may have difficulty meeting peak demands.

Opportunities to communicate this message were discussed including "Water Restrictions in Effect" signs which are available to display throughout communities, inclusion of a voluntary 3-day per week watering schedule on the website, and a conservation note on the next water bills. Director Tackett requested that a statement be included on the website regarding the most recent large weather event in the District and the lack of impact it had to the Cherry Creek alluvium.

*Direction was provided to authorize the District Manager to put a statement on the June water bills, post information on District website as discussed and place signs in neighborhoods for voluntary water restrictions when staff feels that it is appropriate.*

## **CONSIDERATION OF PROPOSAL FROM OPTIMUM NETWORKING**

Included in the 2012 budget is \$40,000 for new servers supporting the District's computer network. Currently, there are nine servers included in the network. A proposal from Optimum Networking, the District's computer consultant, is for the replacement of SVR07 with a new server; subsequently, the current SRV07 will then replace SVR06. Additionally, an automatic back-up capability for the entire system is proposed (SAN option). Discussion ensued regarding the age and current service issues with the District's servers. Director Greene questioned the location of the servers with regard to possible flooding issues. Mr. Krogh stated that in the future, the Board may wish to consider constructing a climate-controlled room with an elevated floor for the servers; however, it is not in the current budget, currently the servers are in a cabinet on an elevated pad in the lower level of the office building.

*A motion was made to approve the proposal from Optimum Networking in the amount of \$31,826.78 as stated.*

*Motion: Robert Greene*

*Second: Robert Chapman*

*Vote: All Directors present voted in favor, 5-0.*

## **CONSIDERATION OF PROPOSAL FOR WETLAND DELINEATION**

As part of the Wells H and A-16 project, and specifically the Pinery West Metro District parcel of which the District has requested a pipeline easement, a wetlands delineation analysis is necessary as described by Manager Krogh. Iris Mitigation and Design, Inc. has submitted a proposal for the Board's consideration to set up a task order agreement in the amount of \$12,000, which will be allocated as specific tasks are approved by the Board. Discussion ensued regarding the necessity of contracting with a firm that is highly skilled in this specialized field, and has a positive reputation with the Fish and Wildlife Service and Corps of Engineer.

*A motion was made to approve the Professional Services Agreement with Iris Mitigation and Design, Inc. in an amount not to exceed \$12,000, in addition to a \$3400 task order for the completion of the wetlands delineation as stated and signature authority by Manager Krogh.*

*Motion: Heidi Tackett*

*Second: Robert Chapman*

*Vote: All Directors present voted in favor, 5-0.*

## **ATTORNEY'S REPORT**

District Legal Counsel Jim Folkestad provided a memorandum to the Board summarizing a list of matters that his firm is currently working on, on behalf of the District.

Mr. Folkestad commented that he has been busily engaged in acquiring pipeline easements of the Well H project, some of which were previously approved by the Board. Most negotiations have progressed smoothly and without monetary consideration. Pinery West Metropolitan District No. 2 continues to be a challenge of which counsel is working on alternative strategies to reach resolution, including working through the title research process toward finalizing condemnation action. Background information was provided regarding the Metro District's outstanding Preble's Mouse issue which is impacting the District's request for an easement. Counsel recommends that the District not move to settle with the Metro District at this time. Staff discussed the prior evaluation of the proposed pipeline route for the project versus an alternate route which would avoid the Metro District's parcel.

Mr. Folkestad further stated that a bill was passed by the State to increase the dollar amount which prospective candidates for elected District positions can spend from \$20 to \$200 for future campaigns.

## **ACCOUNTANT'S REPORT**

Accountant Kevin Collins of CliftonLarsonAllen, LLP previously provided the District's Financial Statements as of April, 2012. It was noted that a new section has been added to the

Financial Statement Notes tracking the District's Water Supply Project Fees. This information will be included in the District's Pinery Pipeline newsletter.

## **TREASURER'S REPORT**

Director Bergholm presented the Treasurer's Report for Board approval for the month of June 2012. He noted that approximately half of the expenses this month are capital project related. Director Bergholm expressed concerns regarding large dollar amounts spent on legal and consulting fees recently and provided a few examples. The Directors requested that Manager Krogh compile a list of contracted consultants, including the professional services that they are currently providing to the District.

*A motion was entered to issue checks as written in the amount of \$409,053.66, as well as for the interim payables in the amount of \$63,144.12.*

*Motion: Rod Bergholm*

*Second: Robert Chapman*

*Vote: All Directors present voted in favor, 5-0.*

Director Greene distributed a list of District employee positions, salaries for 2011/2012, and percentage of benefits to salary information to the Directors for discussion. The list was compiled at Director Greene's request from staff.

## **DISTRICT MANAGER'S REPORT**

Mr. Krogh provided a written summary of updates on various projects that the District is currently working on, and highlighted the following:

- Mr. Krogh continues to participate with a coalition of Douglas County Governments to establish County-wide rules and regulations for the hydraulic fracturing of oil and gas wells. The coalition is seeking feedback with respect to surface water intake mapping (e.g., the Rueter-Hess Reservoir diversion structure) and are considering adding alluvial wells. The coalition is also discussing approaching the Oil & Gas Commission to consider moving a line of division where certain well casing requirements are required to the south, which would include all of the Douglas County area. The next step is a memo of understanding with all of the participants.
- Regarding Wells H and A-16, the drilling of these wells has been put out to bid. Once the bids have been received and evaluated, staff will have a recommendation on how to proceed regarding possibly performing enhanced well development (hydraulic fracturing). Director Tackett suggested setting up a training session on fracking for interested Directors prior to consideration of a potential contract award.
- Staff has had communications with the State Engineer regarding the District's two substitute water supply plans (Well A-16 and Augmentation Plan). Based on these conversations, an approval is expected in the near future.
- WWTP Gear Box – A gear box on a mixer in the east (old) treatment train at the wastewater plant recently failed which necessitated moving all of the flow to the west

train. A new gear box is on order and will be installed upon arrival. All associated costs are within the repair and maintenance budget.


- The Unregulated Contaminant Monitoring Rule (UCMR) will require the District to monitor for 30 contaminants during the next several years. A memo from CH2M Hill summarizing the requirements was provided to the Directors. This is an EPA sponsored program, a nationwide gathering of sampling data to help them understand whether the contaminants should be regulated, what the costs are and the possible need for regulation.
- A request from a District customer to reconsider the ban on boating on Bingham Lake has been received. The Directors discussed the history on the original ban in 2008, and at this time the Board determined that they will not be considering making a change to the current policy.
- Project updates on Wells A, I, H, and K were provided. In addition, Mr. Krogh updated the Directors on the Castle Rock Interconnect project and the pending agreement between the District and Skyway Towers regarding a proposed cell tower.
- Manager Krogh provided an update on the Town of Castle Rock proposed water project/provider report and recent presentation to the Council. In addition, he and representatives from Denver and Aurora will be presenting the WISE program to the Parker Water & Sanitation District Board tomorrow night on behalf of the South Metro Water Supply Authority.

#### **EXECUTIVE SESSION:**

At 7:40PM, a motion was made by Chairman Chapman and seconded by Director Greene to enter into Executive Session pursuant to §24-6-402 (4) (e) to discuss matters regarding the development of the District's negotiating position, strategy or instruction to negotiators related to the WISE agreement.

At 8:15PM, a motion was made by Director Greene and seconded by Chairman Chapman to exit the Executive Session. For the record, Mr. Folkestad stated that no decisions were reached and that no formal action was taken by the Board during the Executive Session.

There being no further business to come before the Board, Chairman Chapman closed the meeting on Wednesday, May 9, 2012 at 8:16PM.

  
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ROBERT W. CHAPMAN, CHAIRMAN OF THE  
BOARD OF DIRECTORS, DENVER SOUTHEAST  
SUBURBAN WATER & SANITATION DISTRICT

ATTEST:

  
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WALTER PARTRIDGE, SECRETARY