

**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 January 9, 2013 at the main office, the time and place of the meeting according to the posted notices. Present were District Board Members – Robert Chapman, Walter Partridge, Heidi Tackett, Rod Bergholm, and Robert Greene, District Manager - Charles Krogh, District General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and District staff –Rhonda Lancaster, Susan Saint Vincent, Kevin Clark, and Dan Hammann. Also present was a resident of the District.

Chairman Chapman called the meeting to order at 6:00 p.m. and established the presence of a quorum.

Minutes for the December 12, 2012 Regular Board Meeting were approved as amended by the Board.

PUBLIC RESPONSE

None

DIRECTOR'S BUSINESS

None

ITEMS FOR BOARD ACTION AND DISCUSSION:

RESOLUTION 2013-1 DESIGNATING TIME AND LOCATION OF REGULAR MEETINGS AND SPECIAL MEETINGS, AND POSTING LOCATIONS FOR MEETINGS FOR 2013.

The Board was asked to approve the annual resolution that designates the District's regular time and meeting location for meetings and identifies the three locations in the District for posting of meeting notices. There is no change in the meeting time or location or in the posting locations from what was approved for 2012. A motion was entered to approve Resolution 2013-1.

Motion: Walt Partridge

Second: Robert Chapman

Vote: All Directors present voted in favor.

RESOLUTION 2013-2 AUTHORITY TO SIGN CHECKS ON BEHALF OF THE DISTRICT

The Board entered a motion to approve Resolution 2013-2 that authorizes Susan Saint Vincent as a check signer for the District. Any check over \$1,000 requires two signatures, generally signed by board members unless it is an expenditure that is part of the monthly routine such as postage for mailing bills.

Motion: Robert Greene

Second: Walt Partridge

Vote: All Directors present voted in favor.

ENGAGEMENT LETTER FOR 2013 FOR SPECIAL WATER COUNSEL – BURNS, FIGA, AND WILL P.C.

The Board was asked to approve the 2013 Engagement Letter for Burns, Figa, and Will P.C. who is Special Counsel for water and environmental law matters for the District. After review of the Letter, only one rate has changed from 2012. Director Bergholm asked for verification that the rates presented in the Letter will remain the same for the year. Manager Krogh affirmed that rates will stay the same as stated in the Letter. A motion was entered to approve the 2013 Engagement Letter for Burns, Figa, and Will P.C.

Motion: Heidi Tackett

Second: Rod Bergholm

Vote: Four Directors voted in favor. Director Greene, voted against.

COST PROPOSAL FROM CH2M HILL FOR 2013 GROUNDWATER DATA MANAGEMENT

The 2013 Groundwater Data Management cost proposal from CH2M Hill has been presented to the Board. There is an increase from 2012 by 3.6%. After a brief discussion, the Board entered a motion to approve the proposal for the groundwater data management for the District for 2013.

Motion: Heidi Tackett

Second: Robert Greene

Vote: All Directors present voted in favor.

AWARD OF CONTRACT FOR WELL H/A-16 SITE AND FACILITY DESIGN

District staff has requested a proposal from Dewberry Engineers for design, bid documents, and construction phase services for the new Well H / A-16 well site. Dewberry, formerly Integra Engineering, has done extensive work for the District on its other facilities and staff believes they will be cost competitive for the project. After a discussion clarifying that this project does not require a bid process, a motion was entered to approve the proposal not to exceed \$127,000.00.

Motion: Robert Greene

Second: Robert Chapman

Vote: All Directors present voted in favor.

DEVELOPER SERVICE AGREEMENT FOR THE PINERY WEST COMMERCIAL DEVELOPMENT

**This action item was tabled until February.*

PROPERTY PURCHASE AGREEMENT FOR THE PUMP STATION 1 SITE, FUTURE WATER TREATMENT PLANT SITE, WASTEWATER LAGOONS, AND FUTURE RAW WATER STORAGE PONDS

**This action item was tabled until February.*

APPROVAL FOR NEW HIRE IN THE WATER DEPARTMENT

District staff provided the background and the proposed plan for the addition of the District's currently part time employee, Steve Rickard. The approved 2013 budget provides the addition of one employee for the water staff. Staff believes it is in the best interest of the District to make Steve a full-time employee. The Board was asked to recognize Steve's contribution and value to the District and approve hiring him as a full-time employee in accordance with the approved 2013 budget. After a lengthy discussion a motion was entered to approve hiring Steve Rickard as a full-time District employee.

Motion: Heidi Tackett

Second: Rod Bergholm

Vote: Three Directors voted in favor, two Directors, Robert Chapman and Robert Greene voted against approval.

ATTORNEY'S REPORT

Jim Folkestad gave the Board information on what he and his staff are currently working on for the District. Mr. Folkestad reported that the contract for Manager Krogh is completed and signed. The other items listed on his prepared report included in the Board packet were discussed briefly.

ACCOUNTANT'S REPORT

Accountant Kevin Collins with Clifton Larson Allen presented the November 30, 2012 financial statements to the Board. He reported to the Board that \$10,000.00 of the monies collected for the Water Project fee has been expended to the WISE project. The Board requested to see a report that breaks down the expenditures for outside services in 2012. Manager Krogh will provide the Board with a copy of the year end payables report with the outside services highlighted.

TREASURER'S REPORT

Director Bergholm presented the Treasurer's Report for Board approval for the month of December 2012. A motion was entered to issue checks as written in the amount of \$1,015,702.47 and \$160,181.68 for the interim report. Director Bergholm pointed out that \$131,000 of the interim report included one check for Well H expenses.

Motion: Rod Bergholm

Second: Robert Chapman

Vote: All Directors present voted in favor.

DISTRICT MANAGER'S REPORT

Manager Krogh presented the Board with an update on what is going on around the District:

- Manager Krogh showed pictures of the Well H project to the Board. The drillers have reached bottom, approximately 2,200 feet, and are approaching the well drilling completion. The enhanced well development of the new well will begin next week.
- The final version of the Budget was given to the Board in their Board packets.

- WISE participants continue to meet weekly. The Water Delivery Agreement is complete and the focus is now on the Participants Agreement. A get together is being planned for March or April that will provide an opportunity for the boards of the participants to meet and get to know each other.
- Meeting times – Manager Krogh informed the Board that he will not attend the February Board meeting but will participate by phone. He will not be returning from vacation until after the scheduled March Board meeting and asked the Board if they would consider moving the meeting to a week later.
- Manager Krogh has planned a staff meeting on Thursday this week to discuss the change in his work schedule.

Manager Krogh requested that the meeting go into Executive Session to discuss an employee compensation matter. Chairman Chapman agreed and then ordered a 10 minute break before entering into Executive Session.

EXECUTIVE SESSION

At 8:00pm Chairman Chapman entered a motion to move into Executive Session.

Motion: Robert Chapman

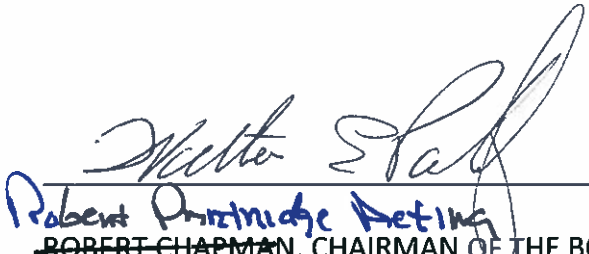
Second: Bob Greene

Vote: All Directors voted in favor

The Board voted to move into an Executive Session pursuant to C.R.S. Section 24-6-402(4)(f) to discuss a salary inequity issue. At 8:15pm the Board adjourned from Executive Session. No action was taken. At 8:20pm the Board entered into Executive Session again pursuant to CRS 24-6-402(4)(f) to discuss Management and Salary structure and to provide direction to the District Manager. At 8:55 pm the Board adjourned from Executive Session.

After the Executive Session, Jim Folkestad stated that all of the discussion in the Executive Session constituted a privileged attorney-client communication and therefore, no record or electronic recording was required to be kept of that discussion. Jim Folkestad further stated that the Board did not adopt any proposed policy, position, resolution, rule, regulation, or formal action with respect to the matters discussed during the Executive Session.

At 8:45 pm a motion was entered to adjourn from Executive Session and re-enter into the regular meeting. There being no further business to come before the Board, Chairman Robert Chapman closed the regular meeting at 8:55pm.



 Robert Chapman Acting
 ROBERT CHAPMAN, CHAIRMAN OF THE BOARD
 OF DIRECTORS, DENVER SOUTHEAST SUBURBAN

WATER & SANITATION DISTRICT

ATTEST:

Haidi Tackett

Assistant
WALT PARTRIDGE, SECRETARY