

**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 April 10, 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, Rod Bergholm, Heidi Tackett and Robert Greene, District Manager - Charles Krogh, General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and District staff –Rhonda Lancaster, Kevin Clark and Dan Hammann.

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

Minutes for the March 13, 2013 Regular Board Meeting were approved as written.

**PUBLIC RESPONSE**

None

**DIRECTOR'S BUSINESS**

Director Greene requested to join the Board via phone for the May Regular Board meeting. Director Partridge requested that the District staff make contact with the HOA's and golf courses regarding water conservation before the upcoming irrigation season. Manager Krogh informed the Board that both received the same restriction information as the residential customers did. He is submitting a letter to the golf courses to remind them that they are limited to the amount of water they can use in a year and both the HOA's and golf courses are subject to service interruption if they do not follow the restrictions.

**ITEMS FOR BOARD ACTION AND DISCUSSION:**

**WISE UPDATE**

Manager Krogh provided current status to the Board on the progress of WISE. Eight SMWSA members have approved the WISE Participation IGA so far including the Pinery District. Castle Pines North has declined to participate so the 300AF they were going to take will need to be distributed among the participating members. The next steps are to focus on the Western Pipeline Agreement and developing an operations plan for the WISE Project.

**DISCUSSION OF FINANCIAL PLANNING AND 2012 AUDIT**

Manager Krogh led the discussion with the Board by outlining Financial Planning for the District in 2013. He would like to see an update of the 10 year capital plan followed with a Finance Plan. These would then be the building blocks for an update to the 2010 Rate Study. Director

Greene pointed out that it is important for the future District Board to understand the District's water rights portfolio.

Kevin Collins, the District's Accountant reported that the 2012 Audit is in progress and audit field work started today and added that the Board and staff will need to select a committee who will meet with the auditor to discuss the audit and recommend approval. Director Bergholm and Director Greene volunteered to be on the committee along with Manager Krogh and Kevin Collins. The committee will meet prior to the next Board Meeting so that the approved audit can be presented at that time.

#### **DEMONSTRATION OF WATER SCADA SYSTEM**

Dan Hammann, the District Water Superintendent gave an overview of the District's water SCADA or Supervisory Control and Data Acquisition system. He demonstrated how the different screens for each facility, well, reservoir, residuals and PSI provide critical information to the operations staff, acting as a tool for monitoring and managing the District's water system. The Wastewater Treatment Plant also uses SCADA to manage its system. There are three main hubs for radio communication within the District based on topography that allow the water facilities to "talk" to each other through the SCADA system. The SCADA network has an alarm system built into it that alerts District on call or supervisor staff via phone when communication between pump stations is lost. Some of the issues can be addressed remotely from the lap top that is carried by the on call staff, but some alarms trigger the need to visit the facility physically. It was also stressed that the system is very secure and all of it is supported by backup power supplies.

#### **OVERVIEW OF CHERRY CREEK HYDROLOGY AND OPERATIONS**

Manager Krogh presented an overview of the Cherry Creek Operations. This very detailed overview included information provided by Greg Sullivan of Spronk Water Engineers put together for the next phase of the Cherry Creek Alluvial Modeling Project (CCAMP). The Cherry Creek Basin is 410 square miles with elevations that vary from 5,200 feet to 7,700 feet. The average runoff is about 10,000 AF per year. This report also included information on the Cherry Creek alluvial aquifer and the well yields from this aquifer which range from 800-1,200 gpm. History of the use on Cherry Creek, from the 1860's to present, a history of daily and annual streamflow, along with a history of Cherry Creek Reservoir and a chart showing the levels in the Reservoir from 1958 to present were included. Graphs show that Pinery Water District is the biggest user of the Cherry Creek Alluvial water. An example of how Cherry Creek Augmentation works was shown, as well as what makes up augmentation supplies. Director Greene has asked the District Manager to provide a snapshot of the District's water rights portfolio for the Board. Manager Krogh presented a summary of the District Water Rights that shows what data will be easy to obtain and what will be difficult and expensive to determine, such as the current market value which will require an appraisal. He added that the water engineers and water counsel hired by the District, along with staff review the water resume and keep an eye on any water court cases that may injure the District.

### **ATTORNEY'S REPORT**

Attorney Jim Folkestad updated the Board with active items of interest to the Board. Mr. Folkestad discussed the Records Retention policy for the District concerning bond proceeds that he and Kevin Collins are finalizing.

### **ACCOUNTANT'S REPORT**

Accountant Kevin Collins with Clifton Larson Allen presented the February 28, 2013 financial statements to the Board. Mr. Collins reported that the Water Project Fee available balance as of February 28, 2013 is \$1,237,976 and is available to pay debt service for the District.

### **TREASURER'S REPORT**

Director Bergholm presented the Treasurer's Report for Board approval for the month of March 2013. A motion was entered to issue checks as written in the amount of \$617,846.04 for March disbursements and \$223,402.04 for the interim report. Director Bergholm pointed out that over \$400,000 of the payables went to capital projects.

Motion: Rod Bergholm

Second: Walt Partridge

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:

- Well A-16 – The well casing is in and testing should be completed this week.
- Manager Krogh informed the Board of a marketing solicitation from a private insurance company promoting coverage on service line breaks that is going out in the mail to our customers.
- The Oil and Gas MOU that was approved at last month's meeting is being changed and will require a new vote in the future once the MOU has been finalized.
- Manager Krogh met with CH2MHill regarding a proposal for the cost of assisting the District with capital planning for the WISE project.
- Franktown – Legal counsel has drafted a Will-Serve letter to the town of Franktown regarding their proposal to the District.

There being no further business to come before the Board, Chairman Chapman closed the Regular meeting at 8:45 p.m.

A handwritten signature in cursive script, reading "Robert Chapman", written over a solid horizontal line.

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

ATTEST:

A handwritten signature in cursive script, reading "Walter Partridge", written over a solid horizontal line.

WALTER PARTRIDGE, SECRETARY