

**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 May 8, 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 via phone, District Manager - Charles Krogh, General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and District staff –Rhonda Lancaster, Kevin Clark and Susan Saint Vincent.

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

Minutes for the April 10, 2013 Regular Board Meeting were approved as written.

**PUBLIC RESPONSE**

None

**DIRECTOR'S BUSINESS**

Director Partridge would like the District to put a sign up at the storage tank off of Thunderhill Road to keep the public out of the area. Manager Krogh said he will have staff post a NO TRESPASSING sign with District information on it.

**ITEMS FOR BOARD ACTION AND DISCUSSION:**

**CONTRACT FOR ASPHALT RESURFACING OF THE BIOSOLIDS PAD AT THE WASTEWATER TREATMENT PLANT**

Bids were received from three companies for providing a 2 inch overlay over the Bio solids pad which was constructed in 1995. This will be the first time for resurfacing the area. After a brief discussion a motion was entered to authorize award of the contract to Black Gold Construction in the amount of \$45,971 and authorize an additional \$2,300 (5%) for change orders and authorize the District Manager to sign the contract.

Motion: Robert Chapman

Second: Walter Partridge

Vote: All Directors present voted in favor.

**2012 ANNUAL AUDIT**

Accountant Kevin Collins presented the 2012 Annual audit stating that the District has received a "clean opinion" from the auditor. He added that the overview is a good resource tool for finding information on the District. Mr. Collins also pointed out the statements of Net Position. Director Tackett asked if the District should be changing who it uses for audits. Mr. Collins pointed out that it has been studied that rotating auditors is not good. Director Bergholm

added that he feels it makes sense to keep the same auditor – they carry forward so much history from year to year. Manager Krogh presented the Board with the findings regarding the 457 plan, where the audit showed that employees had been underfunded in past years. The funding discrepancy was that the District missed making one deposit into the 457 plan and there were some other minor issues related to overtime impacts on the 457 contribution from the District. The District has worked with Standard to place the appropriate amount of money into each employee's account (including lost earnings) to rectify this issue.

A motion was entered to accept the audit, add to the restricted fund (Groundwater Protection fee), add to the rate stabilization fund by \$100,000, and to the medical benefit fund in the amount of \$60,786.00.

Motion: Walter Partridge

Second: Heidi Tackett

Vote: All Directors present voted in favor.

#### **DEVELOPMENT UPDATE**

- **Chokecherry Farms** – The developer has requested a will-serve letter from the District for 362 homes that includes the east and west side of Cherry Creek.
- **Pinery West** – The property purchase agreement has been signed and the District will pay \$10,000 in earnest money with the remainder due at closing.
- **Franktown** – Attorney Jim Folkestad has been in contact with Franktown regarding a will serve letter that will offer sewer service only.
- **Area north of Pradera** – Investors interested in 40 acres northwest of Pradera contacted Manager Krogh to ask if the District would be interested in serving the area. Manager Krogh confirmed with the Board that they would not be interested in having the District include this parcel of property.
- **Arlington Ranches** – This developer and owner of property north of Vistancia is interested in receiving water and sewer service from our District. We can support about 80 units without additional storage. The advantage to serving this property would be to keep density low compared with what the Town of Parker might do if they annex the property.
- **Colorado Golf Club** – They are looking at increasing density by 30 to 40 lots but have not formally contacted the District.
- **Canyons South** – They want to discuss increasing the number of units to about 1400 in lieu of the current zoning for 968 units and a golf course.

#### **CHANGE ORDERS FOR WELL H PIPELINE PROJECT**

After a brief discussion the Board entered a motion to approve the change order, increasing the requested amount from \$50,000 to \$70,000 and instructed the Manager to keep the Board informed of progress on this project.

Motion: Rod Bergholm

Second: Walter Partridge

Vote: Four Directors voted in favor, Director Greene voted no.

### **MATERIALS TESTING CONTRACT FOR WELL H PIPELINE CONSTRUCTION**

The Well H Complex project is behind schedule causing the need for more site visits by Ground Engineering to continue with the required materials testing while the pipe installation continues. A motion was entered to approve an additional \$7,000 for geotechnical work and materials testing for the Well H Complex pipeline project.

Motion: Heidi Tackett

Second: Rod Bergholm

Vote: All Directors present voted in favor.

### **CONTRACT AMENDMENT FROM CH2M HILL FOR WATER CAPITAL PLANNING SERVICES**

CH2M Hill has provided assistance with the District's capital planning projects for several years. The Board was asked to approve a contract amendment for continuing these services for 2013. A motion was entered to approve the scope and fee of \$28,550 for CH2M Hill and authorize the District Manager to sign the contract amendment.

Motion: Heidi Tackett

Second: Robert Chapman

Vote: All Directors present voted in favor.

### **WISE UPDATE**

Manager Krogh provided an update for the Board on the WISE Project proceedings. He announced that Castle Rock has approved the WISE agreement and Parker will be discussing their position this week. These two SMWSA members are the last to approve the agreement. Douglas County is looking at securing the 3,000 a.f. that is still available as an option. Progress is being made on the purchase agreement with ECCV for their pipeline. Recently, Denver Water has agreed to pay for 15% of the costs for the pipeline and to share in the cost split of the improvements needed to make the pipeline work for WISE.

### **ATTORNEY'S REPORT**

Attorney Jim Folkestad updated the Board with active items of interest to the Board. Manager Krogh updated the Board and Mr. Folkestad on the outcome of his meeting today with a consultant for A T & T who says that the company now does not want the designated site. Manager Krogh suggested that the District ask for payment up front for the expense that has incurred in the last two years. Director Partridge agreed and said it should also cover attorney fees for that period.

### **ACCOUNTANT'S REPORT**

Accountant Kevin Collins with Clifton Larson Allen presented the March 31, 2013 financial statements to the Board. He reported that in the first quarter Water and Sewer Revenues are consistent. The total amount collected for the Water Project Fee as of March 31, 2013 is \$1,327,586 less \$50,000 that is being designated for WISE project.

### **TREASURER'S REPORT**

Director Bergholm presented the Treasurer's Report for Board approval for the month of April 2013. A motion was entered to issue checks as written in the amount of \$1,186,716.24 for

disbursements and \$4,519.83 for the interim report. He noted that a check to Hydro Resources in the amount of \$333,812.25 is included in these payables.

Motion: Rod Bergholm

Second: Robert Chapman

Vote: All Directors present voted in favor.

**DISTRICT MANAGER'S REPORT**

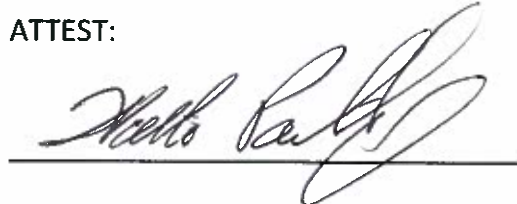
Manager Krogh offered to discuss anything that he previously included in his report for the Board. He then showed the microburst video from the July 6, 2006 rainfall that flooded Cherry Creek.

There being no further business to come before the Board, Chairman Chapman closed the Regular meeting at 8:15 p.m.

A handwritten signature in blue ink, reading "Robert Chapman", is written over a horizontal line.

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

ATTEST:

A handwritten signature in black ink, reading "Walter Partridge", is written over a horizontal line.

WALTER PARTRIDGE, SECRETARY