

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 August 14, 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 was not present, and District staff –Rhonda Lancaster, Kevin Clark and Dan Hammann. Also present was Hal Brewer, customer 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 July 10, 2013 Regular Board Meeting were approved as written.

Motion: Robert Chapman

Second: Heidi Tackett

Vote: All Directors present voted in favor.

PUBLIC RESPONSE

Mr. Brewer addressed the Board regarding any updates on the proposed new filings in the Timbers. Manager Krogh reported that the District has just received the referral package from Douglas County on filing 30A in the Timbers. There is no change in the zoned density for that area. Mr. Brewer also had a question about why the Douglas County Commissioners are starting to get involved in water issues in this county. Manager Krogh explained that it was the WISE group that approached Douglas County to ask for help in paying for the WISE project and to expand the supply available, which will reserve 2,750 a.f. for future use.

DIRECTOR'S BUSINESS

Director Greene requested to have a discussion in Executive Session involving monetary items for personnel. The request was granted.

Director Partridge asked the Manager to look into a program to set aside monies for low income families in the District to aid them with their water/sewer utility bills. Director Bergholm followed up with an idea for having the District match any donation made by a customer for such a program.

ITEMS FOR BOARD ACTION AND DISCUSSION:

APPOINTMENT OF BUDGET DIRECTOR FOR PREPARATION OF THE 2014 BUDGET

The Board entered a motion to appoint the District Manager as budget director for preparation of the 2014 budget.

Motion: Walter Partridge

Second: Heidi Tackett

Vote: All Directors present voted in favor.

AWARD THE CONTRACT FOR THE REDRILLING OF LOWER DAWSON WELL A

The District is moving forward with the budgeted project to redrill the new Well A that will be about 600 feet deep in the Lower Dawson aquifer and located near Pump Station 1. Bids were received from two drilling companies. HRS and District staff recommends that the contract be awarded to Hydro Resources who was the low bidder, coming in at \$189,707.00. Layne Christensen's bid was \$257,375.00. A motion was entered to authorize the District Manager to accept the proposal submitted by Hydro Resources for Well A drilling, casing and testing in the amount of \$190,000.00 and authorize an expenditure of \$200,000.00 for the work. The Board raised concerns about the decision to choose Hydro Resources after the company experienced difficulties with the drilling and fracking of Well A-16. Manager Krogh updated the Board on the Well A-16 progress. Well development continues, as productivity is not where it should be at this point. HRS and Hydro Resources believe that residue from the enhancement are restricting the flow of groundwater to the well and will continue pumping and surging to flush out the mud and polymer. Manager Krogh added that Hydro Resources is now working on their dime and the District is done paying them. They have indicated that they have spent more than \$300,000 over the contract amount for that project. Mr. Krogh pointed out that the low bid on Well A is a way for Hydro Resources to stay in good standing and they want to continue to do work for the District.

Motion: Robert Greene

Second: Heidi Tackett

Vote: 4 Directors present voted in favor. Director Partridge voted no.

ATTORNEY'S REPORT

Attorney Jim Folkestad updated the Board with active items of interest to the Board.

- The sale of the Pradera and Pinery Golf Courses happened in July. The District received all monies due on the accounts for both golf courses and the Consent to Assignment and Acceptance of Assignment for both golf courses were presented to the Board for signature.
- The District won't have any vacant lot accounts to certify with the County this year, as most have balances that do not warrant being certified, and for those that need to be cleared up, owners will receive a letter notifying them to pay balances due to avoid having the property lien.
- The annual SDA dinner hosted by Mr. Folkestad and Mr. Collins will be Thursday, September 19th.
- The first draft of the District Rules and Regulations will be ready for the September Board meeting.

ACCOUNTANT'S REPORT

In Accountant Kevin Collins' absence, Manager Krogh presented the June 30, 2013 financial statements to the Board. Director Greene asked about what it would take for the District to

place a question on the ballot for authorization of General Obligation debt. This will be a discussion item at a future board meeting after staff has some time to do some research.

TREASURER'S REPORT

Director Bergholm presented the Treasurer's Report for Board approval for the month of July 2013. A motion was entered to issue checks as written in the amount of \$338,431.92 for disbursements and \$165,228.48 for the interim report. Director Bergholm asked about the disbursement for the handicap door installation and Mr. Krogh explained that it was for the installation at the main office and that the amount for that along with the cost of signage added to the building and the cost of lightning protection that was added will be submitted to the SDA Pool Insurance company for a 50% reimbursement through their safety grant program.

Motion: Rod Bergholm

Second: Robert Greene

Vote: All Directors present voted in favor.

DISTRICT MANAGER'S REPORT

Manager Krogh updated the Board on items of importance to the District:

- Reminder to the Board to get with staff to register for SDA functions.
- Denver Water approved the WISE Water Delivery Agreement at their Board meeting today.
- Met with Parker Water to figure out how to get delivery through their system for WISE.
- There was a tour of the Prairie Waters project on July 26th. Board members and staff attended the tour.
- The District celebrated the 4,750 day milestone without a lost time accident. Staff enjoyed a BBQ lunch on August 13th.
- The Wastewater Treatment Plant experienced a power outage last week due to a transfer switch being changed out by IREA. The plant was without power for 12 hours.
- The grant proposal for veterans the District applied for was denied.
- Legislative affairs – a ballot proposal has been submitted for the Public Trust Initiative once again. This initiative's focus is to change ownership of water rights statewide.

EXECUTIVE SESSION

At 7:10pm the Board voted to move into an Executive Session pursuant to C.R. S. Section 24-6-402(4)F to discuss personnel matters .

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor.

At 7:20pm the Board voted to move back into Regular Session.

Motion: Robert Greene

Second: Rod Bergholm

Vote: All Directors present voted in favor.

At 7:20pm the Board voted to move into an Executive Session pursuant to C.R.S. Section 24-6-402(4)G for the nondisclosure of the Colorado Open Records Act.

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor.

At 7:24 Director Bergholm excused himself from the meeting.

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.

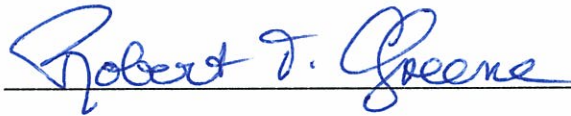
At 7:50pm a motion was entered to adjourn from Executive Session and re-enter into the regular meeting.

Motion: Heidi Tackett

Second: Robert Chapman

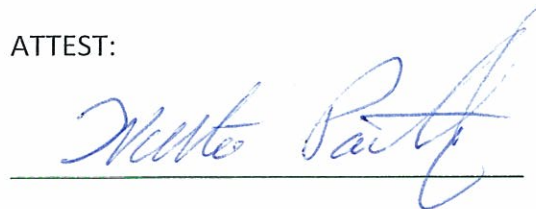
Vote: All Directors present voted in favor (4).

There being no further business to come before the Board, Chairman Robert Chapman closed the regular meeting at 8:04pm.



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

ATTEST:



WALTER PARTRIDGE, SECRETARY