

**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 September 11, 2013 at the main office, the time and place of the meeting according to the posted notices. Present were District Board Members –, 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 and Dan Hammann. Also present were Pat Mulhern and Scott Barnett of Mulhern, MRE. Chairman Chapman’s absence was excused.

Director Bergholm entered a motion to elect Director Greene as acting Chairman for the meeting in the absence of Chairman Chapman.

Motion: Rod Bergholm

Second: Heidi Tackett

Vote: All Directors present voted in favor.

Minutes for the August 14, 2013 Regular Board Meeting were approved as written.

Minutes for the August 22, 2013 Special Board Meeting were approved as written.

Motion: Walt Partridge

Second: Heidi Tackett

Vote: All Directors present voted in favor.

PUBLIC RESPONSE

None

DIRECTOR’S BUSINESS

Director Tackett requested that staff take care of sending a get well card to Chairman Chapman from District staff and the Board of Directors.

Motion: Heidi Tackett

Second: Robert Greene

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND DISCUSSION:

WELL H PIPELINE CHANGE ORDER DISCUSSION

After meeting with the owners of JBS Pipeline last week, Manager Krogh and Pat Mulhern brought to the Board their recommendation for negotiating the change orders for the Well H Pipeline project completion. JBS Pipeline is asking for two change orders to cover additional costs they have incurred that involve pipe deflection issues and having trees removed for a total of around \$80,000.00. After a detailed discussion, the Board would like for Manager

Krogh and Mulhern MRE to negotiate with JBS Pipeline to come to a lower amount to cover the change order involving the issues with the pipe deflection.

At 6:20pm the Board voted to move into an Executive Session pursuant to C.R.S. Section 24-6-402(4)(E) to determine matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators with regard to Well H Pipeline change orders.

Motion: Heidi Tackett

Second: Walt Partridge

Vote: All Directors present voted in favor.

At 6:35pm a motion was entered to adjourn from Executive Session and re-enter in the regular meeting.

Motion: Heidi Tackett

Second: Walt Partridge

Vote: All Directors present voted in favor.

After the Executive Session, Jim Folkestad 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.

APPROVAL OF SEWER LINING PROJECT

The Board was asked to consider approving the proposal from Layne Inliner to provide 1,326 linear feet of sewer pipe lining within the District. A motion was entered to approve the bid from Layne Inliner with a 5% contingency for a total of \$37,500 and authorize the Manager to sign the agreement.

Motion: Rod Bergholm

Second: Walt Partridge

Vote: All Directors present voted in favor.

APPROVAL OF AN INTERGOVERNMENTAL AGREEMENT FOR THE CHERRY CREEK ALLUVIAL MODELING PROJECT

Manager Krogh opened up discussion of this IGA and explained to the Board that this is the second round of the IGA. The goal is to create a more consistent water supply for the participants who are currently pumping along Cherry Creek and evaluate a joint augmentation plan basin wide. A motion was entered to approve the IGA and authorize \$14,864 for the CCAMP project.

Motion: Walt Partridge

Second: Rod Bergholm

Vote: All Directors present voted in favor.

TIMBERS FILING 30A VACATION OF WATERLINE EASEMENT

The Board was asked to approve the Resolution vacating a water line easement through the new Timbers Filing 30A. This water line was abandoned back in 2007 when rerouting of the 12" line done to accommodate future filings, but was never removed. A motion was entered to

approve the resolution vacating the waterline easement through Timbers Filing 30A as described in the quit claim deed and exhibit.

Motion: Rod Bergholm

Second: Heidi Tackett

Vote: All Directors present voted in favor.

ATTORNEY'S REPORT

Attorney Jim Folkestad presented active matters of interest to the Board:

- Forestar SIA is moving towards completion. Manager Krogh is reviewing the final draft.
- District Rules and Regulations – focusing on completion of a first draft for presentation to the Board at the October Board meeting.

ACCOUNTANT'S REPORT

Accountant Kevin Collins presented the July 31, 2013 Financials.

Director Greene requested to update the Board on the Condition Assessment the District did in the past. Mr. Collins reported the progress of the CWCB loan application for the WISE Project Facilities in the amount of \$10,000,000, looking at a 3.5% interest rate for a 30 year loan. The Board was asked to consider other borrowing in addition to this loan to cover the Pump Station 1 project that is estimated to cost \$9,000,000 and will span over a two or three year period. He suggested that the District go ahead and borrow \$19,000,000 at this time considering the District has not yet borrowed the \$4,000,000 that was budgeted for 2013.

TREASURER'S REPORT

Director Bergholm presented the Treasurer's Report for Board approval for the month of August 2013. A motion was entered to issue checks as written in the amount of \$497,397.59 for disbursements and \$1,926.25 for the interim report. It was noted that a check for IREA for over \$120,000 was included in these payables.

Motion: Rod Bergholm

Second: Walt Partridge

Vote: All Directors present voted in favor.

DISTRICT MANAGER'S REPORT

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

- Western Pipeline Agreement – working towards the yearend deadline.
- Property Tax Ballot Question – Jim Folkestad has researched the Tabor Law which states that a tabor election would be required for this. The next available election would be the May 2014 District election, then the November general election. Mr. Folkestad recommended to the Board that they consider putting this question on the District election and to hire a professional company to write the ballot question and analyze the results.
- Preliminary average employee compensation survey is showing the Denver-Boulder area increase at 2.9%.

The Board entered a motion to continue this meeting on Monday September 16, 2013 at 4:00 pm.

Motion: Walt Partridge

Second: Heidi Tackett

Vote: All Directors present voted in favor.

EXECUTIVE SESSION

At 7:50pm the Board voted to move into an Executive Session pursuant to C.R. S. Section 24-6-402(4)G for consideration of documents protected by the mandatory nondisclosure provisions of the "Open Records Act"; and also Executive Session pursuant to C.R.S. Section 24-6-402(4)E to instruct negotiators.

Motion: Walt Partridge

Second: Rod Bergholm

Vote: All Directors present voted in favor.

At 8:45pm a motion was entered to adjourn from Executive Session and re-enter into the regular meeting.

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor.

After the Executive Session, Jim Folkestad 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.

Acting Chairman Robert Greene continued the meeting to Monday September 16, 2013 at 4:00pm at the District Main Office.

Monday September 16, 2013 at 4:00 pm the meeting was continued to September 16, 2013 at 7:00 pm at the District Main Office.

A continued meeting of the Board of Directors of the Denver Southeast Suburban Water and Sanitation District was held on Monday September 16, 2013 at the main office at 7:00 pm. Present were District Board Members –Robert Chapman, Walter Partridge, Rod Bergholm, Heidi Tackett and Robert Greene, District Manager - Charles Krogh and General Counsel - Jim Folkestad.

Chairman Chapman opened the meeting at 7:00 pm.

EXECUTIVE SESSION

At 7:02pm the Board voted to move into an Executive Session pursuant to C.R. S. Section 24-6-402(4)G for consideration of documents protected by the mandatory nondisclosure provisions of the "Open Records Act".

Motion: Robert Greene

Second: Walt Partridge

Vote: All Directors present voted in favor.

At 8:16pm a motion was entered to adjourn from Executive Session and re-enter into the regular meeting.

Motion: Robert Greene

Second: Rod Bergholm

Vote: All Directors present voted in favor.

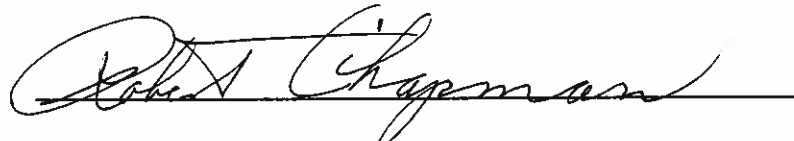
After the Executive Session, Jim Folkestad stated that all of the discussion in the Executive Session constituted a privileged attorney-client communication and therefore, no record or electronic recording was required to be kept of that discussion. Jim Folkestad further stated that the Board did not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

A motion was entered to post a list of four finalists for the District Manager position. The finalists are: Heather Beasley, John Kaufman, Timothy Osborne, and Nicole Poncelet-Johnson. The motion also appointed Directors Partridge and Bergholm as a negotiating committee to negotiate a contract for the new District Manager.

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor.

A handwritten signature in black ink, appearing to read "Robert Chapman", 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, appearing to read "Walter Partridge", written over a horizontal line.

WALTER PARTRIDGE, SECRETARY