

**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 October 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, Rod Bergholm, Heidi Tackett and Robert Greene, District Manager - Charles Krogh, General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and District staff – Kevin Clark and Dan Hammann. Also present was Robert Barrows. Director Partridge was excused.

Chairman Chapman called the meeting to order at 6:02 pm and established that a quorum of the Board was present.

Minutes for the September 11, 2013 Regular Board Meeting were approved as written.

Minutes for the October 1, 2013 Special Board Meeting were approved as written.

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor.

**PUBLIC RESPONSE**

Robert Barrows of Sagewood Homes addressed the Board regarding an 80 acre parcel of property that is north of Pradera and east of Bayou Gulch Road. Mr. Barrows is considering purchasing the lot(s) and developing 50+/- residential lots. The Board and staff discussed the inclusion process that Mr. Barrows would have to go through to have the District evaluate how services could be provided and under what terms. Following the discussion, the Board indicated to Mr. Barrows that they were not averse to considering the inclusion.

**DIRECTOR'S BUSINESS**

Director Greene informed the Board that he will be out of town for the November and December Board meetings. He asked that his Board packet be emailed while he is away.

Director Greene also reported that he and Bill Wasserman, Director Parker Water and Sanitation District suggest that we consider a joint meeting of the two Boards of Directors sometime after the first of the year so that the Boards can become acquainted.

## **ITEMS FOR BOARD ACTION AND DISCUSSION:**

### **PARTICIPATION IN CHATFIELD REALLOCATION PROJECT**

The District is a participant in the Chatfield Reallocation Project through a participation agreement with the South Metro Water Supply Authority. This project has been in development for years and the District's participation was initiated before any of the WISE project discussions began six years ago. The Chatfield Environmental Impact Statement is now out for public comment and the next phase of work will be the mitigation that is required for the water storage in Chatfield to be reallocated for municipal storage from flood control.

Following a discussion, the Board of Directors voted to withdraw from the Chatfield Reallocation Project. In making this decision the Board cited the recent success in the completion of the Water Delivery Agreement on the WISE Project.

Motion: Robert Chapman

Second: Heidi Tackett

Vote: All Directors present voted in favor.

### **SUBDIVISION IMPROVEMENTS AGREEMENT, PINERY WEST COMMERCIAL PROPERTY**

The Subdivision Improvements Agreement for the Pinery West Commercial Development was presented to the Board for consideration. The agreement covers the water storage needs for the entire proposed development and the infrastructure for the first plat. The developer is to replace the existing 16 inch water main that is under the extension of North Pinery Parkway and they are to extend a 16 inch water main to the southern boundary of their project.

Following acceptance the Developer will be reimbursed for these two projects. The Developer is also to provide a contribution of \$800,000 for the construction of a water storage tank that will be located on the property that the District purchased from Colorado Golf Club.

The agreement is not yet final but it is close. The Developer is reviewing the agreement and the exhibits are being finalized. A motion was made to approve the agreement, and authorize the District Manager, General Counsel, and the Board Chairman to approve the final agreement when it is available in the next few weeks.

Motion: Robert Greene

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, with the final draft in the Board packet this evening.
- The Rules and Regulations have been provided to the Manager for review.
- The Plat for Pinery West Filing 2 has been reviewed and the note that the Board requested regarding notice of the District's Wastewater Treatment Plant is included.

## **ACCOUNTANT'S REPORT**

Accountant Kevin Collins presented the August 31, 2013 Financials.

Generally, the financials are tracking well compared to the budget. Water revenue is down as a result of the recent precipitation, but the variable water expenses (power, chemicals) are also reduced.

Director Greene asked about the Medical Benefits Reserve account and Manager Krogh explained that this was the money that the District saved on medical benefits over the 2011 baseline. It is intended to be used to fund employee benefits in the future. The District is on track to save \$35 - \$40,000 on medical benefits in 2013 as compared to the 2011 baseline.

Director Bergholm expressed concern about using a 4 year average trend to compare to the current year, as the four year average may have a "smoothing effect" that could mask a financial issue. Kevin Collins pointed out that the financial statements also present the current month, and year to date information compared to the budget. And, that on pages 3 and 5 of the financial statements the financial information is presented that shows water and sewer operations and costs.

Kevin Collins also reported that the planned borrowing from the Colorado Water Conservation Board and from the Colorado Water Resources and Power Development Authority both require legislative approval so it is anticipated that these loans will close early in the second quarter of 2014. The loans will provide the funds for the WISE infrastructure and for the Pump Station 1 project.

The District financial forecast has been prepared and a meeting will be set up to review this with the Treasurer.

## **TREASURER'S REPORT**

Director Bergholm commented on how he appreciated the staff review of the payables as represented by the United Systems bill where it was noted that we had already paid a portion of the bill and it was not reflected on the current statement. There was also a discussion regarding the curb stop valve maintenance program and on the status of our well drilling projects.

Director Bergholm presented the Treasurer's Report for Board approval for the month of September 2013. A motion was entered to issue checks as written in the amount of \$988,689.35 for disbursements and \$5887.15 for the interim report.

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:

- Budget and Rate setting schedule. A draft budget will be sent to the Board next week. The draft budget includes a 3% increase in rates. New state statute requires that the Board provide 30 day notice to our customers before they can consider a change to the rates. The Board decided to hold the budget hearing and consideration of any changes to the rates at the December Board meeting. Notice of the consideration of rate changes will be placed on the District website and included in the next bills.
- Well H pipeline change orders. The Board was informed of the negotiations with JBS Pipeline on the outstanding change orders and change orders 6 and 7 will be on the next pay application for the project. The engineer for the project, Mulhern MRE will also be writing a check to the District for a reduction in the design costs.
- The condition assessment study that the District did in 2003 was presented to the Board. The Board may want to update that study in the future.
- WISE Project Update – the Colorado River Cooperative Agreement has been signed by all parties and progress is being made on the Western Pipeline agreement. There is also a parallel process going on to modify the dates in the WISE agreement in case all of the agreements are not finalized prior to the end of the year.

There being no additional business to come before the Board Chairman Chapman adjourned the meeting at 8:20 pm.



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

ATTEST:



CHARLES KROGH, ASSISTANT SECRETARY