

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 January 8, 2014 at the main office, the time and place of the meeting according to the posted notices. Present were District Board Members – Robert Chapman, Walt Partridge, Rod Bergholm, Heidi Tackett, and Robert Greene, District Manager - Heather Beasley, Outgoing District Manager Charles Krogh, General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and District staff –Rhonda Lancaster, Patty Britton, Kevin Clark and Dan Hammann. Also present were Pinery resident Sonja Eyre and Mike Sommers with AES Engineering.

Chairman Chapman called the meeting to order at 6:00 pm and established that a quorum of the Board was present. Manager Beasley noted that Director Heidi Tackett would be a few minutes late for the meeting.

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

Motion: Walt Partridge

Second: Rod Bergholm

Vote: All Directors present voted in favor.

***\*\*Chairman Chapman moved Public Response down on the agenda to allow time for Director Tackett to arrive and also for a member of the Eyre party to arrive.\*\****

**DIRECTOR'S BUSINESS**

Director Partridge requested of Manager Beasley to begin a system to monitor open purchase orders from consultants, engineering firms, etc. so that they can be tracked throughout the year.

Director Greene requested a future agenda item involving having the Douglas County Sheriff's office provide periodic briefings from the Security Coalition in regard to what kinds of incidents are happening within the District.

**ITEMS FOR BOARD ACTION AND DISCUSSION:**

**RESOLUTION 2014-1 SETTING REGULAR BOARD MEETING DATES AND POSTING LOCATIONS**

This Resolution designates the time and location of regular and special meetings to be held at 6:00pm on the second Wednesday of each month, at the District's main office located at 5242 Old Schoolhouse Road, Parker, Colorado 80134. Notices of the regular and special meetings will be posted in at least three (3) public places within the District, one being the District office, the Pinery Fire Station and the Pradera Fire Station. Additional notice goes to the Clerk and Recorder for Douglas County. A brief discussion by the Board was held to consider a change of time for the meetings. Chairman Chapman, Treasurer Bergholm, and Secretary Partridge

expressed their ability to be flexible for a time change. Director Greene requested that the meetings remain at the 6:00pm time so that the public has a better opportunity to attend the meetings if they so choose. A motion was entered to approve this resolution with the meeting time to be at 6:00pm.

Motion: Robert Chapman

Second: Robert Greene

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

#### **NOMINATIONS/ELECTIONS OF BOARD OFFICERS**

This action item gave the Board the opportunity to nominate and elect fellow Board members for the Chairman, Secretary and Treasurer roles. A motion was entered to recommend that Robert Chapman remain as Chairman, Walter Partridge remain as Secretary, and Rod Bergholm remain as Treasurer.

Motion: Robert Greene

Second: Robert Chapman

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

#### **RESOLUTION 2014-2 SETTING THE MAY 6, 2014 REGULAR SPECIAL DISTRICT ELECTION**

This Resolution states that the Board of Directors will direct the Designated Election Official to hold the Election by mail ballot. The Resolution also declares the Designated Election Official (DEO) to be Carol Reed from the Folkestad Fazekas Barrick & Patoile, P. C. office. The four year terms for Director Chapman and Director Partridge will expire on May 6, 2014, and Director Tackett's 2 year term will expire on May 6, 2014. After a brief discussion, a motion was entered to approve the Resolution. Self-Nomination and Acceptance form/letters are due by February 28, 2014. If it is applicable, the date for cancelling the election is March 4, 2014.

Motion: Robert Greene

Second: Rod Bergholm

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

*\*Director Tackett joined the meeting at 6:17pm\**

#### **RESOLUTION 2014-3 APPROVING TASK ORDER WITH MULHERN MRE, INC. FOR PROJECT MANAGEMENT SERVICES AND ON CALL SERVICES**

District staff has asked the Board to approve Task Order No. 1 with Mulhern MRE, Inc. for project management services in the amount not to exceed \$12,160. for various District capital projects. A motion was entered to approve the task order not to exceed \$14,000.00 (\$12,160 fee plus a District managed contingency).

Motion: Robert Chapman

Second: Walt Partridge

Vote: All Directors present voted in favor. (5)

*\*Manager Beasley added the following action item to the agenda\**

**RESOLUTION 2014-4 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH BATES ENGINEERING FOR RESERVOIR 2B**

District staff received the scope of work and fee proposal from Bates Engineering on January 3rd to provide engineering design, bidding and construction services for the 2MG water storage tank that will serve the Pinery West Filing 2 subdivision. This reservoir must be operational by the 2015 irrigation season. Director Greene expressed concern over the dollar amount asking to be approved without looking at what other engineering firms might provide. Attorney Jim Folkestad reminded the Board that bids are not required for seeking professional services, but that he can work with staff to come up with a simple way to acquire estimates from other firms going forward with other projects. The Board is comfortable with the decision by staff to hire Bates Engineering as they are the area's premier tank design engineers. A motion was entered to approve a Professional Services Agreement with Bates Engineering for an amount not to exceed \$155,228.00 with a 5% District-controlled contingency of \$7,760.00 to bring the total amount to \$162,989.00.

Motion: Rod Bergholm

Second: Heidi Tackett

Vote: All Directors present voted in favor. (5)

**PUBLIC RESPONSE**

Pinery resident Sonja Eyre addressed the Board and staff regarding their ongoing sewer service backup at their home located at 8636 Lakeview Drive. The Eyres have hired Mike Sommers with AES Engineering to help them resolve their issue. Mrs. Eyre asked for cooperation from District staff in the matter. She admitted that their sewer line was probably not installed correctly when the house was originally built back in the 1990's. Attorney Jim Folkestad advised the Board that it was not required to resolve the dispute at the Board meeting and encouraged staff and the Eyres to work out this issue. Mr. Folkestad added that District staff should be present anytime District facilities are accessed. Manager Beasley agreed to allow her staff to work directly with Mr. Sommers and the Eyres as they gather information to determine how to resolve their sewer service issue.

**DISCUSSION/DIRECTION REGARDING DISTRICT GOALS FOR 2014**

Manager Beasley provided the Board with a draft outline of District goals for 2014. This outline is an effort to define the most critical issues facing the District for the incoming new manager. The Board was asked to provide direction for additions or revisions to the list. Manager Beasley pointed out that the top priority financially for this year is to complete the Rates and Fees Study. Mr. Krogh added that Manager Beasley would like to look at taking the top tier of water revenue for funding the conservation efforts. Director Greene asked Manager Beasley to come back to the Board at a later date with recommendations she sees that the District needs.

**ATTORNEY'S REPORT**

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

- Reservoir 2B – access easements issue is ongoing with the County.
- Rules and Regulations – Final draft to be ready in February.
- Canyons – The existing Letter of Credit is due for replacement by February 14, 2014.

## **ACCOUNTANT'S REPORT**

Accountant Kevin Collins presented the November, 30 2013 Financials. He reported the Available Cash and Cash Equivalents as of December 28, 2013 at \$4,044,000 and Restricted cash, including \$1,551,000 for the water project fee, at \$5,360,485.

### **Water**

- Net revenue from water operations through November 30, 2013 is \$997,558, compared to the annual budgeted amount of \$1,201,240.

### **Sewer**

- Through November 30, 2013, the net loss from sewer operations is \$(154,559), compared to the annual budgeted loss of \$(314,235).

### **Non-operating**

- Non-operating revenues are over the average budgeted amounts due to the higher amounts of water and sewer tap fees collected through November, 2013.
- Expenses are slightly below the average budgeted amounts.

## **TREASURER'S REPORT**

Treasurer Rod Bergholm presented the Treasurer's Report for Board approval for the month of December 2013. A motion was entered to issue checks as written in the amount of \$712,027.37 for disbursements and \$77,726.08 for the interim report. Treasurer Bergholm asked about the bill for the new meter on Fairway Lane. Water Superintendent Dan Hammann explained that it was for the replacement of the major meter that feeds the Pinery Golf Course and it included a new meter vault and valves. Director Partridge suggested that for future projects the District has going on in the neighborhoods, it would be a good idea to have signs notifying residents that the District employees are working on facilities so that customers understand that it is our staff doing the work they see.

Motion: Rod Bergholm

Second: Walt Partridge

Vote: All Directors present voted in favor.

## **DISTRICT MANAGER'S REPORT**

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

- CCPWA discussed its pilot program with Parker Water & Sanitation District at their December Board meeting.
- WISE Project – The amendment to the WISE WDA has been approved by all parties.
- Well A Project – currently out to bid. Those are due January 22, 2014. This is a project that needs to be completed by the 2014 irrigation season so Manager Beasley asked the Board to put an approval committee together so that the job can be awarded by January 28<sup>th</sup>. A motion was entered to delegate a subcommittee consisting of the Manager, the Chairman, and the Treasurer.

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor.

- Pinery West Filing #2 – Negotiations are ongoing with Forestar on the final SIA for District facility improvements. Forestar accepted, in concept, the tap pre-payment schedule and Charles Krogh outlined how that letter of credit will work. The approximate \$2.8M will be paid over the 3 years with 2 payments of \$963,000 and a final one of \$898,000 to the District.

*Director Greene asked Manager Beasley if she has worked on arranging a joint meeting with the Parker Water District's Board and our Board. Manager Beasley said she will coordinate a meeting. It was noted that a posting will be required to notify the public of the meeting.*

#### **EXECUTIVE SESSION**

At 7:45pm the Board entered a motion to move into Executive Session pursuant to State Statute C.R.S. 24-6-402(4) (b) and (e) determine the District's position on matters that may be subject to negotiations; and developing strategy for negotiations and instructing negotiators regarding the Well A-16 Project, also State Statute C.R.S. 24-6-402(4) (f) to discuss personnel matters involving compensation and not related to any individual.

Motion: Robert Greene

Second: Walt Partridge

Vote: All Directors present voted in favor.

At 9:20 pm the Board moved to adjourn from the Executive Session and re-entered into the Regular Board Meeting session.

Motion: Walter Partridge

Second: Robert Chapman

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.

There being no additional business to come before the Board Chairman Chapman adjourned the meeting at 9:21 pm.



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

ATTEST:



WALTER PARTRIDGE, SECRETARY