

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 March 12, 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, General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and District staff –Kevin Clark and Dan Hammann. Also present was Pinery resident Steve Tinnes and engineer Will Koger.

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

Chairman Chapman requested to change the order of the Agenda to address the Public Response first, and then go to the approval of the February Board Meeting minutes.

PUBLIC RESPONSE

Pinery resident Steve Tinnes addressed the Board and staff with his concern regarding his concern of poor communication by the District regarding the residential sewer rate calculation methodology. He asked the Board for consideration to be allowed to stay in the lower sewer bracket for 2014 because he was not aware of the change in District policy when he was watering his lawn in November 2013. The Board explained to Mr. Tinnes the reasoning behind looking at a four month period (November, December, January and February) which is to more accurately estimate indoor water usage. The Board concluded that Mr. Tinnes can discuss his issue with Manager Beasley for final decision. The Board wanted to prevent providing policy on a case by case basis and was not inclined to make a final decision on Mr. Tinnes' case. Ms. Beasley acknowledged that the District can do better job communicate to its customers, and invited Mr. Tinnes to give feedback on the upcoming rate study and avenues for better communication.

APPROVAL OF THE FEBRUARY 12, 2014 REGULAR BOARD MEETING MINUTES

The Board deferred approval of the February 12, 2014 minutes until the April meeting so that amendments can be made.

DIRECTOR'S BUSINESS

Director Partridge provided the Board with a chart showing a comparison of his annual utility expenses over the years. He pointed out that over the years his water and sewer utility costs have increased substantially compared to his IREA and gas utility costs. He would like for the District and the Board to be mindful of how the increase to the water rates bothers customers

and even though the District has a budget doesn't mean it has to spend everything allowed. The second item of discussion he had was to follow-up on last month's subject about cost breakdown on the attorney bills and if that was going to be provided. Manager Beasley clarified that at the meeting last month it was determined that the attorney bills were going to be broken down and classified going forward. Mr. Folkestad added that his office does have the capability to break down the costs of meeting attendance, etc. and will be providing that information on bills to the District.

ITEMS FOR BOARD ACTION AND DISCUSSION:

RESOLUTION 2014-08 RESOLUTION OPPOSING THE PUBLIC TRUST DOCTRINE

Colorado Water Congress is asking organizations in Colorado to show their support in opposing Initiative 73. The goal of that Initiative is to take away private property rights in water and land and turn them over to the public. Manager Beasley will be looking into educational opportunities on this issue and at the request of the Board will suggest to the SDA and SMWSA to do an educational session that goes deeper into the Public Trust concept prior to the election. The Board entered a motion to adopt Resolution 2014-8 pending the addition of stronger wording, in opposition to the Public Trust doctrine initiatives and any similar actions.

Motion: Rod Bergholm

Second: Robert Chapman

Vote: All Directors present voted in favor. The motion passed with a vote of 5 to 0.

DISCUSSION/DIRECTION REGARDING THE MAY 6, 2014 REGULAR SPECIAL DISTRICT ELECTION

The Board and staff revisited the options for conducting the May 6, 2014 Regular Special District election now that Legislature has clarified the law. The Board expressed their concerns with the finer details of having a polling place election and the pros and cons of hiring CRS to provide the election service versus requiring District staff to run the election. Statutory rules for notification, publication and for running an election were discussed with General Counsel and a motion was entered to conduct a polling place election at the District main office and to contract CRS to run the election.

Motion: Walter Partridge

Second: Rod Bergholm

Vote: 4 Directors voted in favor, Director Greene voted against. The motion passed with a vote of 4 to 1.

Attorney Jim Folkestad introduced Resolution 2014-9 to the Board for approval that amends Resolution 2014-6 that was approved on February 12, 2014, changing the format of the election to a polling place election to be held on May 6, 2014 at the Pinery Water & Wastewater District main office with polling hours from 7am to 7pm. A motion was entered to adopt Resolution 2014-9 that changes the conduct of the May 6 2014 Special District Election to a polling place election.

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor. The motion passed with a vote of 5 to 0.

AIR-VAC VALVE REPLACEMENT PROGRAM

District staff members Russ Holmes and Steve Rickard presented information on the air-vac valve replacement program. This program improves the District's water distribution system. Staff provided hands on samples of what the new A.R.I. air-vac valves look like and explained how they operate within the water system. The 2014 budget has planned \$50,000 for the startup of this project that will include maintenance/replacement of over 90 air-vacs valves over the course of multiple years. Staff has assessed and categorized each location by age – oldest to newest, as well as by condition and accessibility.

ATTORNEY'S REPORT

Attorney Jim Folkestad presented active matters of interest to the Board. He added that he will report to election officials to let them know that the District will be conducting a polling place election. He will follow up with Manager Beasley on what is required of the District regarding publication of the election and what the District can do to publicize the election, both of which are controlled by State statute.

ACCOUNTANT'S REPORT

Accountant Kevin Collins presented the January 31, 2014 Financial Statements. He also reported to the Board the findings of the internal audit done by his office recently that was requested by Director Greene.

TREASURER'S REPORT

Treasurer Rod Bergholm presented the Treasurer's Report for Board approval for the month of February 2014. A motion was entered to issue checks as written in the amount of \$382,630.68 for disbursements and \$27,355.22 for the interim report.

Motion: Rod Bergholm

Second: Robert Greene

Vote: All Directors present voted in favor. The motion passed with a 5 to 0 vote.

DISTRICT MANAGER'S REPORT

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

- Updated the Board on the Eyre sewer line. District staff has verified that there is sufficient fall where the sewer line is currently aligned, and there should be no need for the District to assist the Eyre's in acquiring easements from the adjoining property owner for the repair.
- Manager Beasley met with Parker Water and Sanitation District manager, Ron Redd, and they have agreed to a joint Board meeting sometime in the next couple of months. More information to follow.
- Information was given to the Board on the Colorado Water Plan noting there will be several public meetings during the next month.

There being no additional business to come before the Board a motion was entered to adjourn the meeting at 8:24 p.m.

Motion: Robert Greene

Second: Robert Chapman

Vote: All Directors present voted in favor.



WALTER W. PARTRIDGE ACTING CHAIRMAN
ROBERT CHAPMAN, CHAIRMAN OF THE BOARD
OF DIRECTORS, DENVER SOUTHEAST SUBURBAN
WATER & SANITATION DISTRICT

ATTEST:



ACTING
WALTER PARTRIDGE, SECRETARY

HEATHER BEASLEY