

MINUTES OF THE BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
DENVER SOUTHEAST SUBURBAN WATER
AND SANITATION DISTRICT

A special meeting of the Board of Directors of the Denver Southeast Suburban Water and Sanitation District was held on Thursday May 22, 2014 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, Robert Greene, and incoming new Board member Stephan Tinnes, District Manager - Heather Beasley, General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and District staff Kevin Clark and Patty Britton. Also present were Pinery residents Darlene Mishek and Lynnea Cole and Mrs. Robert Chapman.

Chairman Chapman called the meeting to order at 5:58 pm and established that a quorum of the Board was present. Director Tackett was expected to join the quorum shortly.

District staff member Patty Britton, also a notary public, administered the Oath of Office to returning Chairman Chapman and to new Board member Stephan Tinnes.

Minutes for the April 9, 2014 Regular Board Meeting were approved as written.

PUBLIC RESPONSE

Pinery resident Darlene Mishek addressed the Board regarding the request to reverse the dissolved lot line at her property to return a portion of her existing property back into a vacant lot. After a discussion on the matter, it was agreed by all to defer the subject for a one month period to give legal counsel and staff time to research the history of the Readiness to Serve fees on vacant lots and also the Statute of Limitations on this subject.

At 6:30pm Director Tackett joined the meeting and Chairman Chapman administered the Oath of Office to her.

Mr. Chapman addressed the Board and staff to discuss the organization of the Board going forward. He asked the Board if they would allow him at this time to relinquish his Chairmanship duties and then entered a motion to nominate the following:

Robert Greene as Chairman

Rod Bergholm as Treasurer

Heidi Tackett as Secretary

Stephan Tinnes as Vice Chairman

Motion: Robert Chapman

Second: Heidi Tackett

Vote: All Directors present voted in favor.

Staff member Kevin Clark addressed Mr. Chapman to extend his appreciation on behalf of the District staff for all his years served as the Chairman of the Board.

Director Greene addressed the Board and staff expressing his appreciation for the honor to serve as Chairman.

DIRECTOR'S BUSINESS

None

ITEMS FOR BOARD ACTION AND DISCUSSION:

RESOLUTION 2014-11 RESOLUTION APPROVING THE SUBDIVISION IMPROVEMENTS AGREEMENT WITH FORESTAR DEVELOPMENT

The Board was asked to approve the SIA necessary for the Pinery West Commercial Filing 2 development that will initially consist of 88 taps and include the construction of a 2 million gallon storage tank. A motion was entered to approve Resolution 2014-11.

Motion: Rod Bergholm

Second: Robert Chapman

Vote: All Directors present voted in favor.

RESOLUTION 2014-12 STATING AN INTENT TO BUILD RESERVOIR 2B

This resolution restates the District's intent to construct the Reservoir 2B for the Pinery West Commercial Filing 2 development. A motion was entered to approve Resolution 2014-12.

Motion: Robert Chapman

Second: Heidi Tackett

Vote: All Directors present voted in favor.

RESOLUTION 2014-13 APPROVING PROFESSIONAL SERVICE AGREEMENT WITH MWH, INC. FOR SERVICES RELATED TO THE 2014 RATES AND FEES STUDY

After reviews of all who submitted proposals for the 2014 Rates and Fees Study, Director Bergholm and Manager Beasley chose the proposal from MWH Americas, Inc. After a brief discussion a motion was entered to approve Resolution 2014-13 as a time and materials contract not to exceed \$60,000.00 and to authorize the District Manager to execute the agreement.

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor.

RESOLUTION 2014-14 APPROVING GOLF COURSE WATER SUPPLY AGREEMENT WITH COLORADO GOLF CLUB, INC.

This item has been tabled until next month.

RESOLUTION 2014-15 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH HRS WATER CONSULTANTS, INC. FOR LIRF MONITORING WELL INSTALLATION

The Board was asked to approve an agreement with HRS Water Consultants, Inc. for providing engineering services to have 10 Lawn Irrigation Return Flow monitoring wells installed within the District for supporting return flow claims attached to the District #1 Court case 11CW198. A motion was entered to approve Resolution 2014-15 and authorize the District Manager to execute the agreement in the amount not to exceed \$28,000.00.

Motion: Robert Greene

Second: Rod Bergholm

Vote: All Directors present voted in favor.

RESOLUTION 2014-16 APPROVING IREA AGREEMENT FOR THE WELL H COMPLEX

IREA is providing a power line approximately three-quarters of a mile to the Well H Complex. This is an initial infrastructure cost to supply power to the new facility. A motion was entered to approve Resolution 2014-16 and the agreement with IREA for installation of the power line in the amount of \$183,591.

Motion: Robert Chapman

Second: Rod Bergholm

Vote: All Directors present voted in favor.

RESOLUTION 2014-17 APPROVING THE 2013 DISTRICT AUDIT

Chairman Greene asked for comments from the committee who reviewed the audit, the auditor's report, and financial statements. Treasurer Bergholm reported that he is satisfied with the outcome of the audit and pleased to know that the processes are familiar and in good standing with auditor Paul Goedecke. Manager Beasley reported that Mr. Goedecke was fantastic to work with and she was impressed by his willingness to talk with staff to get insight on how the District does business. Manager Beasley informed the Board also that Mr. Goedecke recommends that the District put a policy in place regarding how the District distributes HSA funds to its staff members. Chairman Greene requested that Manager Beasley provide a draft policy to present at next month's meeting. Kevin Collins added that he looked at the document page by page. He commended Manager Beasley for her Management Discussion and Analysis that she provided that added information on the WISE Project. A motion was entered to approve Resolution 2014-17 approving the 2013 District Audit and to authorize L. Paul Goedecke, P. C. to file the report with the State Auditor by the statutory deadline.

Motion: Robert Greene

Second: Steve Tinnes

Vote: All Directors present voted in favor.

ATTORNEY'S REPORT

Attorney Jim Folkestad presented active matters of interest to the Board that included updates on the Forestar SIA, District Rules and Regulations and the Reservoir 2B Easements. Director Tackett opened a discussion regarding how to get the Rules and Regulations completed. Manager Beasley commented that she would like to put this task onto the new engineer that

will be hired, and added that she would like to be given the time to make it something the District can live by. Staff member Kevin Clark added that he has recently added several items to the Rules and Regulations that refer to Wastewater after being requested by Manager Beasley to give his input. He also agrees that the new Manager needs to be given time to add her input to the document. Chairman Greene requested that it be kept in house as much as possible, and it was agreed by all that optimally it needs to be done right.

ACCOUNTANT'S REPORT

Accountant Kevin Collins presented the first quarter financials as stated. He reported on his trip to Pueblo to be present for the Colorado Water Conservation Board's decision to approve participants who were borrowing money. The four participants for WISE including the Pinery Water and Wastewater District were approved at 3% on a 30 year loan. Mr. Collins suggested to the Board to consider entering a motion giving him authority on behalf of the District to vote favorably for the Operating Indenture change being requested by ColoTrust.

Motion: Rod Bergholm

Second: Robert Chapman

Vote: All Directors present voted in favor.

TREASURER'S REPORT

Treasurer Rod Bergholm presented the Treasurer's Report for Board approval for the month of April, 2014. A motion was entered to issue checks as written in the amount of \$682,287.49 for disbursements and \$184,648.63 for the interim report.

Motion: Rod Bergholm

Second: Robert Greene

Vote: All Directors present voted in favor.

DISTRICT MANAGER'S REPORT

Manager Beasley updated the Board on items of importance to the District that were listed in her Manager's Report.

EXECUTIVE SESSION

At 8:35pm the Board entered a motion to move into Executive Session pursuant to State Statute C.R.S. 24-6-402

Motion: Heidi Tackett

Second: Robert Chapman

Vote: All Directors present voted in favor.

At 9:35 pm the Board moved to adjourn from the Executive Session and re-entered into the Special Board Meeting session.

Motion: Robert Greene

Second: Heidi Tackett

Vote: All Directors present voted in favor.

A motion was entered to allow District Manager Beasley to hire a full time engineer (1.0 FTE) and a half-time business manager (0.5 FTE) for the District.

Motion: Robert Greene

Second: Heidi Tackett

Vote: Four directors voted in favor, Director Chapman abstained.

DIRECTOR'S BUSINESS

The Directors discussed general expectations for hired contractors.

There being no additional business to come before the Board Chairman Greene adjourned the meeting at 10:01 pm.



ROBERT GREENE, CHAIRMAN, DENVER SOUTHEAST SUBURBAN
WATER & SANITATION DISTRICT

ATTEST:



~~HEIDI TACKETT, SECRETARY~~

Heather Beasley, Asst. Secretary