

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 Tuesday September 9, 2014 at the main office, the time and place of the meeting according to the posted notices. Present were District Board Members – Robert Greene, Robert Chapman, Rod Bergholm, Heidi Tackett, and Stephan Tinnes, District Manager - Heather Beasley, General Counsel - Jim Folkestad, and District Accountant – Kevin Collins. Also present were Dawn Jones with Clifton Larsen, Katie James of Folkestad Fazekas, Randy Wambsganss with Glacier Construction, and Dave Perkins and Rick Moore representing Sagewood Estates.

Chairman Greene called the meeting to order at 6:00 pm and established that a quorum of the Board was present.

Minutes for the August 13, 2014 Regular Board Meeting and minutes for the August 27, 2014 Special Board Meeting were approved.

PUBLIC RESPONSE

None

DIRECTOR'S BUSINESS

Chairman Greene mentioned that he will not be present for the October 1, 2014 special board meeting but will be able to connect via computer to listen in on the Rate Study presentation by MWH.

ITEMS FOR BOARD ACTION AND DISCUSSION:

RESOLUTION 2014-41 APPROVING AGREEMENT WITH GLACIER CONSTRUCTION CO., INC. FOR THE CONSTRUCTION OF RESERVOIR 2B

Glacier Construction was the low bidder out of the 5 construction firms who submitted bids for construction of Reservoir 2B. District staff is currently checking out references on Glacier. A motion was entered to approve Resolution 2014-41 in the amount of \$3,118,700.00 and approve an additional staff managed contingency of \$78,000.

Motion: Robert Chapman

Second: Heidi Tackett

Vote: All Directors present voted in favor.

SAGEWOOD ESTATES PETITION FOR INCLUSION

Dave Perkins and Rick Moore representing Sagewood Estates presented their plan for inclusion into the District for 80 acres north of Pradera and west of the District's Wastewater Treatment

Plant that would be developed into 39 lots. They are asking for inclusion for water and sewer service. After a lengthy discussion, it was decided to table the issue until further notice to give District staff the opportunity to provide data to the Board that will show the revenue possibilities with Inclusion vs Out of District contract.

APPROVAL OF FORECASTED SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CASH BALANCES REQUIRED FOR THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY LOAN APPLICATION FOR THE PUMP STATION #1 AND ZONE A PIPELINE PROJECTS

After a discussion, a motion was entered to accept the forecast surplus of cash receipts, cash balances and cash disbursements as part of the loan application package to the CWRPDA subject to a final group meeting between the subcommittee team before filing.

Motion: Rod Bergholm

Second: Steve Tinnes

Vote: All Directors present voted in favor.

RESOLUTION 2014-36 CONSENTING TO THE ORGANIZATION OF STONE CREEK METROPOLITAN DISTRICT

The District is required by law to give consent to a Metro District whose boundaries overlap within the District's. The forming of this Metro District will fund the infrastructure improvements for the Stone Creek Ranch development that is within the District's boundaries. The Board entered a motion to approve Resolution 2014-36 consenting to the organization of the Stone Creek Metropolitan District.

Motion: Rod Bergholm

Second: Heidi Tackett

Vote: All Directors present voted in favor.

RESOLUTION 2014-37 CONSENTING APPROVAL OF THE AGREEMENT REGARDING MODIFICATIONS TO SHARED INFRASTRUCTURE

This is the third portion that makes up the Western Pipeline Agreement, tied to the WISE Water Delivery Agreement, and sets forth the obligations of the Parties' with respect to future modifications of the shared infrastructure. A motion was entered to approve Resolution 2014-37 and give the Manager the authority to sign the final version of the agreement.

Motion: Robert Chapman

Second: Steve Tinnes

Vote: All Directors present voted in favor.

RESOLUTION 2014-38 APPROVING A JOINT USE AGREEMENT WITH THE SOUTH METRO WISE AUTHORITY

This Agreement states that the Authority shall grant perpetual license to each of the Authority members according to their project subscription or percentage share. The District's share in the WISE Project is 6.10% after it sells surplus capacity to Rangeview Metro District. A motion was entered to approve Resolution 2014-38 pending any changes deemed necessary by the District's legal staff.

Motion: Heidi Tackett

Second: Rod Bergholm

Vote: All Directors present voted in favor.

RESOLUTION 2014-39 APPROVING AGREEMENT FOR PURCHASE AND SALE OF WESTERN PIPELINE CAPACITY TO RANGEVIEW METROPOLITAN DISTRICT

This Resolution gives approval for Rangeview Metro District to purchase capacity in the Western Pipeline from current WISE participants, including Pinery Water & Wastewater District. Manager Beasley noted that she received a revised agreement today that includes interest in the payment portion. A motion was entered to approve Resolution 2014-39 approving the Agreement for Purchase and Sale of Western Pipeline Capacity and give the District Manager authority to sign the final draft of the Agreement.

Motion: Robert Greene

Second: Steve Tinnes

Vote: All Directors present voted in favor.

RESOLUTION 2014-40 APPROVING THE RIDGEGATE PIPELINE DESIGN PARTICIPATION AGREEMENT

**** Tabled for later date****

RESOLUTION 2014-42 APPROVING CONTRACT WITH GROSCH IRRIGATION COMPANY, INC. FOR THE REDRILLING OF SHALLOW WELL 4

The low bidder for the drilling of Shallow Well 4 is Grosch Irrigation Company. This is a planned capital project with \$100,000 budgeted for 2014. A motion was entered to approve Resolution 2014-42 approving the agreement with Grosch Irrigation Company for services related to the re-drilling of Well 4 and authorize the District Manager to execute the Agreement in the amount not to exceed \$96,000.00.

Motion: Robert Greene

Second: Steve Tinnes

Vote: All Directors present voted in favor.

RESOLUTION 2014-43 APPROVING THE CONTRACT WITH APPLIED INGENUITY FOR PUMP EQUIPMENT FOR THE WELL H WELL COMPLEX

Two firms provided proposals for the pump equipment needed for the Well H Complex. Applied Ingenuity was low bidder for the scope of work. A motion was entered to approve Resolution 2014-43 and authorize the District Manager to enter into an agreement with Applied Ingenuity to provide pump equipment for Wells H and A-16 in the amount of \$209,081 and approve an additional staff managed contingency of \$10,000.

Motion: Heidi Tackett

Second: Rod Bergholm

Vote: All Directors present voted in favor.

DISCUSSION REGARDING POTENTIAL SALE OF CHERRY CREEK PROJECT WATER AUTHORITY VESSEL PROPERTY

The Vessel property along Crowfoot Valley Road in Douglas County is a 91 acre parcel near Cherry Creek that was once a mined gravel pit. Cherry Creek Project Water Authority has been approached by developers who have expressed interest in purchasing the property for single family residential lots. Since the District and its Board have expressed an interest in the option to purchase the property, it has received from CCPWA a Request for Proposals that must be submitted by October 8, 2014. The Board and staff discussed the potential use of the property if it is purchased by the District. Manager Beasley's recommendation is that the property does not make sense to be used as water storage for the District because of its location.

ATTORNEY'S REPORT

Mr. Folkestad introduced new associate with Folkestad Fazekas Barrick & Patoile, P. C. Katie James to the Board. She will step in as general counsel for the District if Mr. Folkestad is unable to attend any District Board meetings. Mr. Folkestad then presented active matters of interest to the Board included in his report.

ACCOUNTANT'S REPORT

Accountant Kevin Collins presented the July 31, 2014 financials.

TREASURER'S REPORT

Treasurer Rod Bergholm presented the Treasurer's Report for Board approval for the month of August, 2014. A motion was entered to issue checks as written in the amount of \$363,048.62 for disbursements and \$ 46,883.13 for the interim report.

Motion: Rod Bergholm

Second: Robert Chapman

Vote: All Directors present voted in favor.

DISTRICT MANAGER'S REPORT

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

EXECUTIVE SESSION

A motion was made to enter into Executive Session to determine the District's position on matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators relative to a proposed employment contract with the District pursuant to CRS 24-6-402(4) (e)

Motion: Robert Chapman

Second: Rod Bergholm

Vote: All Directors present voted in favor.

A motion was entered to re-enter into Regular Session at 8:37 PM.

A motion was made to enter into Executive Session to receive advice of legal counsel concerning a complaint filed naming the District pursuant to CRS 24-6-402(4) (b).

Motion: Robert Chapman

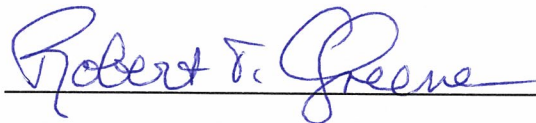
Second: Heidi Tackett

Vote: All Directors present voted in favor.

A motion was entered to re-enter into Regular Session at 9:05PM.

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 Greene adjourned the meeting at 9:06 PM

A handwritten signature in blue ink that reads "Robert T. Greene". The signature is written in a cursive style and is positioned above a solid horizontal line.

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

ATTEST:

A handwritten signature in blue ink that reads "Heidi Tackett". The signature is written in a cursive style and is positioned above a solid horizontal line.

HEIDI TACKETT, SECRETARY