

**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 November 12, 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 via phone, Rod Bergholm, Heidi Tackett, and Stephan Tinnes, District Manager - Heather Beasley, General Counsel - Jim Folkestad, and District Accountant – Kevin Collins. Dave Perkins, Rick Moore and Robert Barrows representing Sagewood Estates were present, along with J.D. Smith, a Pinery resident.

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

Minutes for the October 8, 2014 Regular Board Meeting, minutes for the October 22, 2014 Special Board Meeting, and minutes for the November 1, 2014 Special Board Meeting were approved.

PUBLIC RESPONSE

None

DIRECTOR'S BUSINESS

Director Steve Tinnes opened a discussion regarding the study that was completed using his lawn customers and the District's data on their water consumption based on the size of irrigable yard each customer has. The conclusion of the study shows that larger lawns are generally more efficient by square footage on water use than the small or medium size lots. Mr. Tinnes added that he believes that the District's rate structure penalizes the large lot owners for their water consumption.

ITEMS FOR BOARD ACTION AND DISCUSSION:

DISCUSSION/DIRECTION REGARDING SAGEWOOD ESTATES PETITION FOR INCLUSION

After a lengthy discussion covering the costs, benefits and risks of inclusion, the Board approved the Sagewood Estates Petition for Inclusion contingent upon negotiating an Inclusion Agreement that is satisfactory to the Board.

Motion: Rod Bergholm

Second: Heidi Tackett

Vote: Four Directors voted in favor. Director Chapman voted against.

PUBLIC HEARING ON THE PRELIMINARY ENGINEERING REPORT FOR THE PUMP STATION #1 AND THE ZONE A PIPELINE

Chairman Greene opened the Public Hearing for comments on the report for this project. No public was present, therefore no comments, so Chairman Greene closed the Public Hearing.

DISCUSSION/DIRECTION REGARDING DISTRICT CONSERVATION INCENTIVE PROGRAM

The Board and staff engaged in a discussion regarding the proposal submitted from Pinery resident Wayne Courtright. It was concluded that the proposed conservation incentive program is not something the District is interested in implementing, and Chairman Greene directed Manager Beasley to prepare a letter to Mr. Courtright that will point out the reasons why it is not a good idea for the District. No action was taken.

PUBLIC HEARING ON DRAFT 2015 DISTRICT BUDGET

Chairman Greene opened the Public Hearing for public comments on the draft 2015 District Budget. No public was present, therefore there were no comments. The Public Hearing was then closed by Chairman Greene.

DISCUSSION/DIRECTION REGARDING THE DRAFT 2015 DISTRICT BUDGET

Chairman Greene asked Manager Beasley if there were any significant changes to the draft budget to be discussed. Ms. Beasley pointed out that she added in the sale of a District pickup that was sold at auction this year, and noted the current tap fee recommendations from the 2014 Rates and Fees Study. After a brief discussion, the Board's direction will be to approve the 2015 budget at the December 10, 2014 Regular Board meeting. No action was taken.

RESOLUTION 2014-49 APPROVING INTERGOVERNMENTAL AGREEMENT REGARDING THE RIDGEGATE PIPELINE DESIGN

A motion was entered to approve Resolution 2014-49, the IGA that lines out the Pinery Water and Wastewater District's ownership percentage in the design of the local infrastructure of 9% and the share of design costs of \$136,500.00.

Motion: Robert Greene

Second: Robert Chapman

Vote: All Directors present voted in favor.

RESOLUTION 2014-50 APPROVING AGREEMENT WITH APPLIED INGENUITY FOR PUMPING EQUIPMENT FOR THE WELL K COMPLEX

A motion was entered to approve Resolution 2014-50 and authorizing the District Manager to enter into an agreement with Applied Ingenuity to provide pump equipment for Wells K and A-14 in the amount of \$265,817.00, and approve an additional manager managed contingency of \$13,000.00.

Motion: Steve Tinnes

Second: Heidi Tackett

Vote: All Directors present voted in favor.

RESOLUTION 2014-51 APPROVING AGREEMENT WITH PREMIER EARTHWORKS & INFRASTRUCTURE, INC. FOR INSTALLATION OF RAW WATER PIPELINE ASSOCIATED WITH THE WELL K COMPLEX

A motion was entered to approve Resolution 2014-51 approving the agreement with Premier Earthworks for services related to the construction of the Well K Raw Water Pipeline and authorize the District Manager to execute the Agreement for a total approved amount of \$294,578.57.

Motion: Heidi Tackett

Second: Rod Bergholm

Vote: All Directors present voted in favor.

RESOLUTION 2014-52 APPROVING PROFESSIONAL SERVICES AGREEMENT AND TASK ORDER #1 WITH BREAKTHROUGH, INC. FOR SERVICES RELATED TO DEVELOPING ANNUAL EMPLOYEE PERFORMANCE EVALUATIONS

This action item has been tabled for two months.

DESIGNATE APPROVAL COMMITTEE FOR THE AWARD OF THE SITE CONSTRUCTION CONTRACT FOR THE WELL H COMPLEX

The Board delegated Directors Chapman and Bergholm to head up the approval committee for the Well H Site Construction Contract. This subcommittee will then have the authority to approve the contract. A motion was entered to delegate Board authority to directors Chapman and Bergholm to evaluate bids for the Well H complex contract and to award the contract to the lowest responsible bidder.

Motion: Heidi Tackett

Second: Rod Bergholm

Vote: All Directors present voted in favor.

ATTORNEY'S REPORT

Mr. Folkestad presented active matters of interest to the Board included in his report.

ACCOUNTANT'S REPORT

Accountant Kevin Collins presented the September 30, 2014 financials.

TREASURER'S REPORT

Treasurer Rod Bergholm presented the Treasurer's Report for Board approval for the month of October, 2014. He added that there was a Wells Fargo note payment included in the disbursements in the amount of \$375,000.00 for October. A motion was entered to issue checks as written in the amount of \$927,860.32 for disbursements and \$66,832.13 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. The Board and staff discussed the most recent draft of the proposed 2015 Water and Wastewater Rates and Fees, with a lengthy discussion regarding the proposed sewer tap rate. Chairman Greene noted that District customers will see for the average water user an increase of 2.56% in their water bills, and most customers will see a decrease in their sewer rate.

EXECUTIVE SESSION

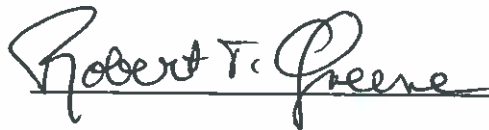
At 8:20pm a motion was made to enter into Executive Session pursuant to CRS 24-6-402(4) (f) to discuss personnel matters involving year end employee issues.

Motion: Heidi Tackett

Second: Steve Tinnes

Vote: All Directors present voted in favor.

A motion was entered to re-enter into Regular Session at 8:56 pm. Jim Folkestad 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 8:57 pm.



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

ATTEST:



HEIDI TACKETT, SECRETARY