

**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 July 8, 2015 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, Stephan Tinnes, and Walt Partridge, District Manager - Heather Beasley, General Counsel – Katie James, and District Accountant – Kevin Collins, Also present was District staff Rod Bergholm, Ray Smith and Steve Stephenson from Glacier Construction and Robert Barrows and Dave Perkins representing Sagewood Estates. Director Tackett’s absence was excused.

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

Minutes for the June 10, 2015 Regular Board Meeting were approved with one revision.

PUBLIC RESPONSE

The representatives from Glacier Construction were present to provide an update on the progress of the project at Reservoir 2B. The new final completion date will be mid-August. Chairman Greene suggested that District staff schedule a tour of the finished project.

DIRECTOR BUSINESS

Director Partridge asked a follow-up question regarding what the District does with water pumps, motors and other parts when they are replaced. Manager Beasley informed the Board that those parts are stored for their spare part potential by District staff. In some cases pumps or motors that are under warranty are taken by the manufacturer and replaced.

CONSENT AGENDA ITEMS:

RESOLUTION 2015 -20 RATIFYING THE APPOINTMENT OF BUDGET DIRECTOR FOR PREPARATION OF 2016 DISTRICT BUDGET

The Board entered a motion to approve this resolution appointing Heather Beasley, District Manager, as the Budget Director for preparation of the 2016 District Budget.

Motion: Robert Chapman

Second: Steve Tinnes

Vote: All Directors voted in favor.

ITEMS FOR BOARD DISCUSSION:

DISCUSSION REGARDING STATUS OF SAGEWOD ESTATES INCLUSION AGREEMENT

Robert Barrows and Dave Perkins with Sagewood Estates presented to the Board their ideas for helping to solve the issue concerning a method of future landscaping enforcement of the allowed 6,000 square feet or less of irrigable area for the lots in this development, so that the Petition of Inclusion can be finalized. The Developer has concerns about the District's request for a site landscaping plan for each lot prior to issuing tap fees. The Board requested that the Developer provide an enforcement procedure that will be enforced through the covenants. Dave Perkins explained the relationship between the Developer and the HOA for approving and enforcing landscaping plans for the lots within the development which is written in the covenants. The HOA is the enforcer of the covenants, but the Board and staff agreed that there needs to be verbiage that further strengthens the enforcement of the 6,000 square feet of irrigable area. It was decided that the Developer and attorneys involved will continue to work on the draft Inclusion Agreement.

DISCUSSION/DIRECTION REGARDING BUDGET IMPACTS RESULTING FROM LOW SPRING WATER REVENUE

The Board, accountant and staff discussed the comparisons compiled for 2014 usage charges versus 2015 usage charges along with all water operating expenses and what this may do to impact revenue for the year. Staff and the Board will continue to monitor the water revenue and the budget going forward. Manager Beasley will update the Board with July usage totals for the next board meeting.

DISCUSSION REGARDING FLEET MANAGEMENT EVALUATION

Rod Bergholm led the discussion on the Fleet Management Business Process that he developed. The evidence collected in this evaluation shows that the District has been very effective in managing its fleet replacements and the recommendations include continuing to take advantage of the State purchasing contract which offers significant savings on the cost of a vehicle, adopt a replacement strategy, and consider establishing a form of capturing usage data on each vehicle. This would also help determine if the District has the right number of vehicles to maintain productivity. Overall, this evaluation was well received by the Board.

ATTORNEY'S REPORT

General Counsel Katie James, filling in for Mr. Folkestad, updated the Board and staff on matters of interest to the Board. Manager Beasley updated the Board on the status of the Stone Creek Ranch development. Negotiations are ongoing to update terms of the Developer's Agreement so that the water rights case can be settled and title work needs clarification.

ACCOUNTANT'S REPORT

Accountant Kevin Collins presented the June 30, 2015 financials. Mr. Collins announced that he will be absent from the August and September board meetings and will check base with

Manager Beasley in between his meeting attendance. He is looking at attending fewer meetings in the future, going to a quarterly attendance schedule.

TREASURER'S REPORT

Treasurer Steve Tinnes presented the Treasurer's Report for Board approval for the month of June, 2015. A motion was entered to issue checks as written in the amount of \$1,099,120.50 for disbursements which includes three bond payments, and \$44,813.32 for the interim report.

Motion: Steve Tinnes

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.

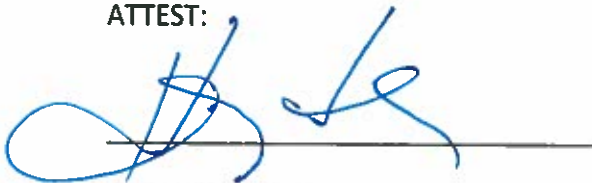
- Three significant capital projects are close to completion and Manager Beasley wanted to acknowledge Authority Engineer, Bill Morgan for his excellent work on these projects and keeping costs below budget.
- The revised Vision and Mission Statement was presented to the Board for review and a few more revisions were made by the Board members.
- The Board was asked to give input on how the Water System Report could be improved upon.

There being no additional business to come before the Board Chairman Greene adjourned the meeting at 8:23PM.



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

ATTEST:



HEIDI TACKETT, SECRETARY

Heather Beasley; Asst. Secretary