

**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 October 14, 2015 at the main office, the time and place of the meeting according to the posted notices. Present were District Board Members – Robert Chapman, Heidi Tackett, Stephan Tinnes, and Walt Partridge, District Manager - Heather Beasley, Kevin Collins, District Accountant, and General Counsel – James Folkestad. Also present were District staff members Rod Bergholm and Kevin Clark, Kevin Heffernan with CH2M, and Mike Middleton with TW Summit. Chairman Greene joined the meeting via conference call.

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

Minutes for the September 1, 2015 Special Board Meeting, and minutes for the September 9, 2015 Regular Board Meeting were approved as written.

PUBLIC RESPONSE

None

DIRECTOR BUSINESS

None

EXECUTIVE SESSION

Pursuant to C.R.S. 24-6-402(4)(b), to receive advice of legal counsel concerning the status of the legal action between District and Hydro Resources-Rocky Mountain, Inc. relative to Pinery Well A-16.

At 6:07pm a motion was entered to move into Executive Session:

Motion: Robert Chapman

Second: Walt Partridge

Vote: All Directors present voted in favor.

At 6:19pm the Board voted unanimously to adjourn the Executive Session and resume in public session with the Regular Meeting. District General Counsel James Folkestad recited that *“No adoption of any proposal, policy, position, resolution, rule, regulation or formal action occurred during the Executive Session. All of the discussion during the Executive Session constituted a privileged attorney - client communication pursuant to C.R.S. 24-6-402-(4) and C.R.S. 24-6-402 (2)(d.5),(II)(B).”*

ITEMS FOR BOARD DISCUSSION:

DISCUSSION REGARDING EXISTING PUMP STATION #1

Kevin Heffernan with CH2M presented options the District can consider for the existing Pump Station #1. There was discussion about the options that included demolition of the existing facility, gutting the building and using it for storage, and using the facility as a backup to the new Pump Station #1. Acting Chairman Partridge asked Manager Beasley to come back to the Board with information on what the maximum value of the pumps are and the costs associated with turning the site into a storage facility.

PRESENTATION AND DISCUSSION REGARDING THE ASSET CONDITION MANAGEMENT PROGRAM UPDATE

Mike Middleton with TW Summit presented the findings of the updated report that he worked on with District staff. This year the Water Distribution System and Wastewater Collection System information was updated, evaluated and the condition of the systems were rated through mapping. The key factors used for estimating the conditions were by age and the kind of material they are made of. Mr. Middleton concluded his presentation with his conclusions and recommendations. The Board and staff discussed what can be done to better implement the recommendations given for maintaining the systems. Chairman Greene commended the team who has worked on this project. Manager Beasley will follow up with what the District's next step will be based on the condition assessment.

DISCUSSION REGARDING THE DISTRICT'S FLEET MANAGEMENT BUSINESS PROCESS

Rod Bergholm opened the discussion with questions from the Board on his Supplemental report on the review of the Fleet Management Business Process. The summary shows that the District is managing its fleet very effectively and the Board was satisfied with these findings.

DISCUSSION REGARDING THE DRAFT 2016 DISTRICT BUDGET AND SET PUBLIC HEARING ON THE 2016 BUDGET FOR NOVEMBER 11, 2015

Manager Beasley presented the changes made to the 2016 Budget that included a decrease of 1% for Employee Benefit costs, an increase of \$10,000 for SMWSA and SPWRAP for 2016 dues, incorporated the 4% increase to tap fees agreed to by the Board, and a \$24,000 decrease to Total Debt Service.

Manager Beasley recommended that the Board make a motion to set a Public Hearing regarding the 2016 District Budget on November 11, 2015 at 6:00 PM at the District office located at 5242 Old Schoolhouse Road, Parker, Colorado, 80134.

Motion: Robert Chapman

Second: Heidi Tackett

Vote: All Directors present voted in favor.

Staff also recommended that the Board enter a motion to set a Public Hearing to discuss changes to the rates and fees for December 9, 2015 at 6:00 PM the District office located at 5242 Old Schoolhouse Road, Parker, Colorado, 80134.

Motion: Robert Chapman
Second: Heidi Tackett
Vote: All Directors present voted in favor.

ATTORNEY'S REPORT

General Counsel James Folkestad updated the Board and staff on matters of interest to the Board.

ACCOUNTANT'S REPORT

The CliftonLarsonAllen financial report for August 31, 2015 was presented to the Board by Kevin Collins.

TREASURER'S REPORT

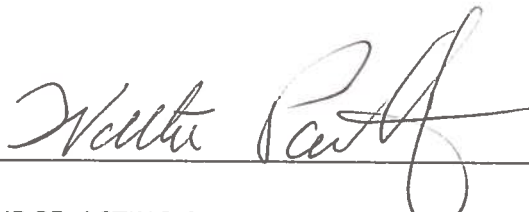
Treasurer Steve Tinnes presented the Treasurer's Report for Board approval for the month of September, 2015. A motion was entered to issue checks as written in the amount of \$299,281.89 for disbursements, and \$43,562.53 for the interim report.

Motion: Steve Tinnes
Second: Heidi Tackett
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 was informed about the WISE Project rate increase being proposed by Aurora Water. Manager Beasley is a member of the South Metro WISE Authority team that will be challenging the 9.5% increase proposal.

There being no additional business to come before the Board Acting Chairman Partridge adjourned the meeting at 8:32 PM.



WALTER PARTRIDGE, ACTING CHAIRMAN DENVER-SOUTHEAST
SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



HEIDI TACKETT, SECRETARY