

**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 December 20, 2017 at the District Office at 5242 Old Schoolhouse Road, the time and place of the meeting according to the posted notices. Present were District Board Members, Chairman Walter Partridge, Heidi Tackett, Stephan Tinnes, Russ Hokanson and Jim Evans. Also present were District Manager, Heather Beasley, Water Superintendent, Dan Hammann, Kevin Collins, District Account, and Jim Folkestad of Folkestad Fazekas Barrick & Patoile, General Counsel.

Chairman Partridge called the meeting to order at 6:28 pm and established that a quorum of the Board was present.

**PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

Several customers and residents of the District were present at the Board meeting. Chairman Partridge invited each visitor to speak and stay for the entire meeting.

First to speak address the Board was Joe McCabe, a resident of the District for the last 17 years. He thanked the Board members for their service and asked, with all the growth, where will the District get the water to support the growth. Specifically he asked how the Board members protect the existing customers from paying the cost of growth. Chairman Partridge assured Mr. McCabe that the existing customers do not pay the cost of growth. New owners pay their fair share of the infrastructure in the tap fees. Director Tackett also let the attendees know that this Board has no power to limit development within the District. Upon creation, the District took on the responsibility to serve all lands within the District water and wastewater service.

Next to speak was Terry Smith, resident in the District. Mr. Smith is concerned that existing customers are indeed paying for the cost of growth because his monthly bill continues to rise. Director Partridge explained the higher cost of the water from the WISE project and Manager Beasley explained that the WISE project is needed regardless of growth since a portion of that water supply will replace the diminishing deep groundwater. Director Evans discussed the Rates and Fees Study that is performed every three years. This study ensures that existing and future customers only pay their fair share based on the cost of service.

Dan Hammann, the District's Water Superintendent, offered to give any of the attendees a tour of the water facilities.

**DIRECTOR BUSINESS**

Director Tinnes discussed the impact the rate changes will have on customers that use a lot of water in one month. Chairman Partridge discussed how staff prepared letters to the customers that attended the November Board meeting outlining how the 2018 Rates and Fees would affect them individually. He stated that our (Board and staff) task over the next couple of months would be to educate the customers on the value of the BEACON system.

#### **ATTORNEY REPORT**

Jim Folkestad provided the Board with an update on issues concerning the District. Mr. Folkestad discussed with the Board to items not on his report. First, the Board may choose to increase its size from a 5-member Board to a 7-member based on new legislation. Second, Mr. Folkestad discussed with the Board details about an election in 2018 if that is necessary. He suggested that if an election is necessary, the Board may want to consider seeking outside help to run the election. Staff will post the Self Nomination Forms on the website. Director Tackett suggested that the election of Board officer positions should be deferred until after the election (if necessary). Board Chairman Partridge thanked Mr. Folkestad for a job well done and for all the help he provides the District.

#### **ACCOUNTANT REPORT**

Kevin Collins, District Accountant was present to discuss the November 30, 2017 financial statements. Chairman Partridge also thanked Mr. Collins for a job well done and all the service he provides to the District. The Board also agreed to begin posting the summary sheet of the District's financial statements on the website after each Board meeting.

#### **TREASURER REPORT**

Treasurer Steve Tinnes presented the Treasurer's Report for Board approval for the month of November 2017. A motion was entered to approve the checks issued as written in the amount of \$1,109,971.44 for the interim report and to approve the disbursements in the amount of \$32,604.24.

Motion: Steve Tinnes

Second: Russ Hokanson

Vote: All Directors present voted in favor.

#### **MANAGER REPORT**

Manager Beasley updated the Board on items of importance to the District including the progress of the Capital projects as well as some of the development projects around the District. There was a discussion regarding how the District will be communicating with the customers about the upcoming conversion to Chloramines. Director Tackett asked staff to look into the possibility of using an automated system to call all customers. Director Partridge suggested that staff visit local aquariums to provide information to customers with fish tanks on how to remove chloramines from the water.

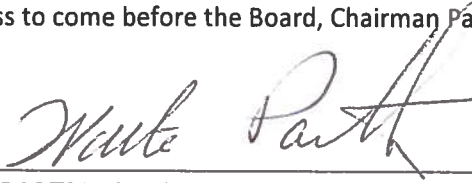
#### **EXECUTIVE SESSION**

At 8:20 PM a motion was made to enter into Executive session pursuant to C.R.S. 24-6-402(4)(f) to discuss personnel matters relative to the District Manager's employment contract. Manager Beasley excused herself from the meeting.

A motion was made by Director Tackett and seconded by Director Evans to exit the Executive Session at 8:50 PM. All directors present voted in favor of the motion. For the record, Mr. Folkestad stated that no decisions were reached and no formal action was taken by the board during Executive Session.

The Directors discussed Exhibit A to the District Manager's employment contract. Exhibit A is a list of performance goals to be achieved each year. Among other goals, a motion was made by Chairman Partridge to list a goal that the District Manager present a 2019 District Budget that is less than or equal to (expenses) the 2018 District Budget with the goal of limiting rate and/or fee increases in 2019. The motion was seconded by Director Tackett. All Directors present voted in favor.

There being no additional business to come before the Board, Chairman Partridge adjourned the meeting at 9:10 PM.



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WALTER PARTRIDGE, CHAIRMAN  
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



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HEIDI TACKETT, SECRETARY