

**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 15, 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, Kevin Collins, District Account, and Jim Folkestad of Folkestad Fazekas Barrick & Patoile, General Counsel.

Chairman Partridge called the meeting to order at 6:30 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 introduced each of the members of Board of Directors and staff seated around the table. At 6:40 PM, Chairman Partridge then opened the Public Hearing regarding the potential revision to District water and wastewater rates and fees and tap fees in 2018 and for the 2018 District Budget.

First to speak was JD Smith, resident of the District, residing at 5774 Thunderhill Road. Mr. Smith presented to Director Tackett a packet of notes containing assumptions and questions related to the 2017 Rates and Fees Study. Mr. Smith had not yet read the report. He informed the Board that he is not in favor of the current tiered structure and that people with large lots should not be penalized with higher rates for the water they need to water their large lawns. Mr. Smith believes that there is an attempt by the District to force people into smaller lawns. Director Tackett assured Mr. Smith that is not the intent of the Board, that customers should have a choice regarding the size of their lawns. Mr. Smith argued that the approval of 2018 rates and fees should be delayed until there has been a stakeholder meeting to discuss the impacts. Chairman Partridge reminded Mr. Smith that all of the meetings and workshops that discussed the rates and fees study were advertised and open to the public. That there had even been advertisement in the District newsletter that all customers receive about the rates and fees study at the beginning of the year.

Next to address the Board was Judith Stokes, customer of the District, residing at 7104 Dove Court. She informed the Board that she missed any communication from our office regarding the 2017 Rates and Fees. She believe that the District is running out of water but not telling anyone or planning for it. The District Manager explained the District's water supply situation and let Ms. Stokes know that the District will run out of Denver Basin Groundwater water if it doesn't do anything to replace the supply since it is a non-renewable resource. Chairman Partridge added that the Pinery has planned well into the future to make its water resources reliable and sustainable and that's why it is part of the WISE Project. He further explained that the WISE project will bring an annual average of 500 acre feet of renewable and reusable water to the District. That project has been in the works since 2010 and is, in part, being funded by the revenue received from the \$12.50 fee on customer's bills each month.

Next to speak was Terry Smith, customer of the District, residing at 7104 Dove Court. Mr. Smith informed the Board that he believes the District should be more transparent about its rates and fees. He also noted that he was pleased about the new BEACON Eye on Water AMI program. However the cost of the equipment was prohibitive at \$206 that he would not be participating in it.

Next to speak was Michael Schildt, customer of the District residing at 7137 Dove Ct. He told the Board that he's been a resident of the District for over 35 years. In his time here, the water costs have "spiraled out of control." He is concerned about the rates for water being so high that people won't be able to afford living here. He asked why the District is choosing to convert its disinfection system to Chloramines. Manager Beasley explained the decision and the benefits to the water system and public health by making the switch. Mr. Smith also asked why float tubing on Bingham Lake was prohibited. Director Tackett explained that the prohibition of certain water craft is because the lake is a drinking water supply and there is risk of contamination of invasive species when water craft is moved from water body to water body.

Next to speak was Chuck Hinson, customer of the District residing at 5755 Autumn Brush Court He informed the Board that he is a member of the recently formed Conservation Task Force and that he was attending for his own information. His wife, Ava Lea also attended to listen. Mr. Hinson asked for some information regarding the WISE project and Manager Beasley gave him a summary of the project and the status of the water delivery to the District.

Last to address the Board was Chip Martin, customer of the District, residing at 7637 Prairie Lake Trail. Chip has been a resident of the District for the past 20 years. He is also concerned about the rising water rates. Mr. Martin has had the opportunity to review a study that Director Tinnes did a few years back that predicted that large lot owners were the most efficient irrigators in the District. For his case, he stated that he is a large lawn owner and the cost to replace his sod is so prohibitive that he would rather pay the large monthly bills. He did tell the Board that he was pleased to know that the Board and staff are doing everything possible to keep costs low but that the District should also let the customers know about those efforts.

Chairman Partridge let the customers know that during the Rates and Fees study process the Board did evaluate a Water Budget based rate structure. Because of the complexity of the rate structure and maintaining it with a small staff, that the Board opted not to implement such a structure. Chairman Partidge asked if there we any further comments or questions and, seeing none, closed the Public Hearing at 7:50 PM

DIRECTOR BUSINESS

There was no director's business.

MINUTES OF THE OCTOBER 18, 2017 REGULAR BOARD MEETING

There was one revision of a misspelling and one addition to clarify the BEACON Eye-On-Water discussion in the minutes. The minutes for the October 18, 2017 Regular Board meeting were approved with the above-mentioned revisions.

Motion: Heidi Tackett

Seconded: Jim Evans

Vote: All Directors present voted in favor.

ITEMS FOR CONSENT AGENDA:

RESOLUTION 2017-27 RATIFYING THE POLICY THAT REQUIRES ALL NEW CONNECTIONS IN THE DISTRICT TO ENROLL IN THE CURRENT AUTOMATED METERING PROGRAM

The BEACON Eye-On-Water program was approved for implementation by the Board at an earlier Board meeting by motion.

A motion was made to approve Resolution 2017-27.

Motion: Walt Partidge

Second: Jim Evans

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND/OR DISCUSSION:

RESOLUTION 2017-28 SETTING RATES AND FEES FOR 2018

The Board conducted a Public Hearing regarding the revised water rates structure and no change to the wastewater rate.

Motion: Heidi Tackett

Second: Russ Hokanson

Vote: The motion passed by a vote of 4-1, Director Tinnes voted against.

RESOLUTION 2017-29 SETTING TAP RATES AND FEES FOR 2018

There is a slight increase the Water taps fees and no increase to the wastewater tap fees.

Motion: Jim Evans

Second: Steve Tinnes

Vote: All Directors present voted in favor.

RESOLUTION 2017-30 ADOPTING THE BUDGET

Motion: Steve Tinnes

Second: Jim Evans

Vote: All Directors present voted in favor.

RESOLUTION 2017-31 APPROPRIATING THE FUNDS

Motion: Heidi Tackett

Second: Steve Tinnes

Vote: All Directors present voted in favor.

RESOLUTION 2017-32 CERTIFYING THE MILL LEVY

The Mill levy for 2018 is 0 mils.

Motion: Jim Evans

Second: Steve Tinnes

Vote: All Directors present voted in favor.

ATTORNEY REPORT

Jim Folkestad provided the Board with an update on issues concerning the District.

ACCOUNTANT REPORT

Kevin Collins, District Accountant was present to discuss the October 31, 2017 financial statements.

TREASURER REPORT

Treasurer Steve Tinnes presented the Treasurer's Report for Board approval for the month of October 2017. A motion was entered to approve the checks issued as written in the amount of \$463,621.99 for the interim report and to approve the disbursements in the amount of \$499,642.91.

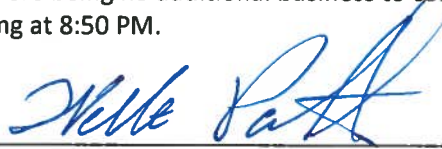
Motion: Steve Tinnes

Second: Jim Evans

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. She called attention to the status of the 2018 District Goals. There being no additional business to come before the Board, Secretary Tackett adjourned the meeting at 8:50 PM.



WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



HEIDI TACKETT, SECRETARY