

**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 August 15, 2018 at the District Office at 5242 Old Schoolhouse Road, the time and place of the meeting according to the posted notices. Present were Chairman Walter Partridge, District Board Members Steve Tinnes, Heidi Tackett, Russ Hokanson and Jim McGannon. Also present were District Manager, Heather Beasley, Rod Bergholm, District staff and Jim Folkestad, District Counsel.

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

DIRECTOR BUSINESS

There were no items discussed under Director's business.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no comments from the public.

MINUTES OF THE JUNE 27, 2018 WATER EFFICIENCY PLAN INFORMATIONAL MEETING

MINUTES OF THE JULY 18, 2018 REGULAR BOARD MEETING

The minutes for the June 27 Water Efficiency Plan Informational Meeting and the July 18, 2018 Regular Board meeting were approved.

Motion: Heidi Tackett

Seconded: Walt Partridge

Vote: All Directors present voted in favor.

CONSENT AGENDA:

RESOLUTION 2018-22 ACCEPTING AN ENGAGEMENT LETTER FROM STRATAGEM PC FOR AUDITING SERVICES

This item was removed from the consent agenda and moved to the Action Items agenda for discussion.

RESOLUTION 2018-23 APPROVING A CONTRACT WITH GRANITE INLINER FOR CURE-IN-PLACE LINING OF COLLECTION SYSTEM PIPES

RESOLUTION 2018-24 APPROVING A CONTRACT WITH C&L WATER SOLUTIONS, INC. FOR 2018 COLLECTION SYSTEM IMPROVEMENTS

RESOLUTION 2018-25 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH BURNS AND MCDONNELL FOR ENGINEERING SERVICES RELATED TO CAPACITY PLANNING AT THE WASTEWATER TREATMENT PLANT

There were some questions from the Board regarding the details of the wastewater contracts. Also, the Board made clear that any potential customer that is currently out of the District must reimburse the cost of the study for additional capacity in the Wastewater Treatment Plant at the time they request service from the District.

A motion was entered to approve Resolution 2018-23, 2018-24, and 2018-25.

Motion: Heidi Tackett

Second: Jim McGannon

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND/OR DISCUSSION:

RESOLUTION 2018-22 ACCEPTING AN ENGAGEMENT LETTER FROM STRATAGEM PC FOR AUDITING SERVICES

This item was removed from the consent agenda and moved to the Action Items agenda to note some changes that needed to be made on the Resolution. As currently presented, the contract and Resolution did not make it clear that this is not a multi-year fiscal obligation. Mr Folkestad asked the Board to approve the Resolution 2018-22 with the following addition: *“provided however, that such approval is subject to annual appropriation by this Board and does not create a multi-year fiscal obligation of the District”*.

A motion was entered to approve Resolution 2018-22 with the amendment as suggested by Mr. Folkestad.

Motion: Heidi Tackett

Second: Russ Hokanson

Vote: All Directors present voted in favor.

PUBLIC HEARING AND DISCUSSION REGARDING THE 2018 DISTRICT WATER EFFICIENCY PLAN

Chairman Partridge welcomed and thanked the members of the public (4 people) for attending. He then opened the Public Hearing at 6:55 PM and asked if there were any comments related to the Water Efficiency Plan that was published for review on June 21, 2018. Chairman Partridge again congratulated the District staff and Conservation Task Force for the quality of the Plan.

Judith Stokes, resident of the District, had some comments not related to the Water Efficiency Plan directly. She asked if there was anything the District could offer to the customers for free that would help her understand her water usage better. Manager Beasley responded that, currently, the only thing the District does to understand customers' usage patterns is to read their meters on a monthly basis. However, a customer may purchase the BEACON Eye On Water system that would allow a customer to see “real-time” water usage through cellular signals on their smart phone or computer. Ms. Stokes also offered some ideas of ways to distribute information regarding the product that the District is supporting.

There being no further comments, Chairman Partridge closed the Public Hearing at 7:06 PM.

The Board of Directors then discussed in detail the specific water activities proposed in the Plan. Chairman Partridge commented that he'd like to see the proposed staff position for a water efficiency technician removed from the plan. He entered a motion to remove that proposed staff position from the plan, the motion died.

Director McGannon noted that during his time on the Water Efficiency Task Force, the group went through several iterations of what they thought was reasonable to include. If the District is to implement these water efficiency activities, another person will need to be added because all staff is currently doing a lot.

Director Tackett stated her preference of leaving the proposed staff position in the Plan and rather change the wording so that "when" the person is hired is more flexible.

The Board agreed to keep the staff position in the Plan but to remove the stated timeline for hiring that person.

Chairman Partridge offered one last wording change – stating that the District would *consider* customer incentives - to give staff more flexibility of implementing programs that will make the largest impact. The rest of the Board agreed to the wording change. There were no further changes suggested to the Plan.

A motion was entered to approve the 2018 Water Efficiency Plan with the two changes noted above subject to no further comments on or before August 20, 2018 (Public Comment Period deadline) and direct staff to submit the final plan to the Colorado Water Conservation Board for approval.

Motion: Walt Partridge

Second: Heidi Tackett

Vote: All Directors present voted in favor.

Chairman Partridge asked each Board member to consider that table of proposed water activities and to be prepared next meeting to discuss with staff and the rest of the Board what they believe the highest priorities are.

DISCUSSION REGARDING THE SECOND DRAFT OF THE 2019 DISTRICT BUDGET

The second draft of the 2019 District Budget was presented for review and discussion. Accompanying the Budget was a lengthy memo explaining and detailing the basis of each line item in the Budget. Manager Beasley noted that the Budget is balanced, with an expectation of fewer expenses than revenue and that the Budget does not anticipate an increase to user rates for water or wastewater.

RESOLUTION 2018-26 APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH PARKER WATER AND SANITATION DISTRICT AND CIELO METROPOLITAN DISTRICT FOR WHOLESALE WASTEWATER SERVICE

This agreement sets the terms of the purchase of excess capacity in the Pinery's Wastewater Treatment Plant and wholesale wastewater treatment for a development in the Parker Water and Sanitation District.

Motion: Jim McGannon

Second: Russ Hokanson

Vote: All Directors present voted in favor.

RESOLUTION 2018-27 APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH DOUGLAS COUNTY REGARDING THE PIPELINE REPLACEMENT PROJECT

This agreement sets the terms of reimbursement by Douglas County to the District for construction costs associated with stormwater improvements included in the bit set of the District's Potable Pipeline Replacement Project. The County and the District are partnering on this project and the Pinery will be responsible for the pipeline improvements and the County is responsible for the stormwater improvements even though it will be wholly contracted for by the District.

Motion: Walt Partridge

Second: Heidi Tackett

Vote: All Directors present voted in favor.

ATTORNEY REPORT

Jim Folkestad provided the Board with an update on issues noted on the Attorney's Report.

ACCOUNTANT REPORT

Kevin Collins was not present at the meeting but the July 31, 2018 financial statements were included in the Board packet. Manager Beasley noted that the supplemental information at the back of the financial statement this month is not typically included but because of the new Board member, it was good information to include this one time.

TREASURER REPORT

Treasurer Steve Tinnes noted that the Net Position of the District is now over \$92M, the Debt to Equity Ratio is a little over 27% and that working capital is good. He then presented the Treasurer's Report for Board approval for the month of July 2018. A motion was entered to approve the checks issued as written in the amount of \$1,901,438.56 for the interim report and to approve the disbursements in the amount of \$27,783.93.

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. She briefly updated the Board on the progress of the Cielo pipeline that will provide Pinery's connection to Parker Water and Sanitation District for its WISE water deliveries and noted that the SDA Conference program was included in her report this month.

There being no additional business to come before the Board, Chairman Partridge noted the time of the next meeting on Wednesday September 19, 2018 starting at 6:30 PM and adjourned the meeting at 8:20 PM.



WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



HEIDI TACKETT, SECRETARY