

**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 February 21, 2018 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, Treasurer and Acting Chairman Steve Tinnes, Heidi Tackett (via phone), Russ Hokanson and Jim Evans. Chairman Partridge's absence was excused. Also present were District Manager, Heather Beasley, and Joe Kinlaw of Folkestad Fazekas Barrick & Patoile.

Acting Chairman Tinnes called the meeting to order at 6:31 pm and established that a quorum of the Board was present.

DIRECTOR BUSINESS

Director Evans asked if he was the next in line to write the article for the Pinery Pipeline, Manager Beasley confirmed that he is and the deadline for his submission is the end of the first week of the month. He also asked about where the water that is flushed each spring goes. Manager Beasley responded that it goes into the stormwater system and cannot be recovered through the wastewater system. Chlorinated water would kill the biological community necessary at the Wastewater Treatment Plant.

Director Hokanson commented that he was able to read the Op Ed article in the Denver Post written by Lisa Darling, Executive Director of the South Metro Water Supply Authority, and that it was a good article. Director Tinnes commented again about the value of the BEACON EyeOnWater program and that he can already project the amount of water he'll use this month and thereby already knows what his water bill will be.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

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

First to speak was Michael Schildt, a resident of the District. Mr. Schildt brought with him a power point presentation comparing the District's rates from year 2000 to present (2018). Mr. Schildt has studied the most recent Rates and Fees Study prepared for the District by Stantec. His concern is that growth in the District is causing the rates to increase and that is an indicator that growth is not paying for itself. There was discussion about why the District is not legally able to raise the Tap Fees to some arbitrary number to limit growth. Mr. Schildt provided to Manager Beasley an excerpt from the Division of Wildlife website addressing the new regulations related to inspection of watercraft on State bodies of water. Manager Beasley committed to do some research and bring the topic in front of the Board next month for a decision on whether water craft of any kind would be allowed on Bingham Lake. Director Tinnes noted some of the ways the District is trying to reduce the costs to relieve upward pressure on the rates.

Next to speak was Terry Smith, resident of the District. He is also concerned about the rising rates and the perception that growth in the District is the cause of the higher rates. Mr. Smith asked who paid for the expansion to the Wastewater Treatment Plant. Mr. Schidlt mentioned that he remembered that a developer paid for the expansion. Manager Beasley confirmed that developers did indeed pay for the expansion along with tap fees. Mr. Smith asked why the large irrigators and golf courses were paying a different, much lower, rate as compared to residential. Manager Beasley noted that the last Rates and Fees study showed the inequity in the customer classes and staff has been steeply raising the rates on the Large Irrigator and Golf Course customer classes over time. It is not reasonable to raise it all at once.

Judith Stokes, resident of the District, noted that Mr. Schildt's analysis was good and appreciated. She commented that there is a perception in the District that the increased value of the water is not consistent with the rate of increase of the cost of the water over time. She suggested that the District offer more tours to the resident so that they understand all that is involved in supplying water and wastewater service. She doesn't understand why she should have to pay more for the same amount or even less water than years prior.

Chuck Hinson, resident of the District, noted that it wasn't feasible or economic to continue to drill deep groundwater wells and that it is a good thing that the District is involved in the WISE project.

MINUTES OF THE JANUARY 17, 2017 REGULAR BOARD MEETING

The minutes for the December 20, 2017 Regular Board meeting were approved with one revisions.

Motion: Jim Evans

Seconded: Russ Hokanson

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND/OR DISCUSSION:

RESOLUTION 2018-08 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH ROPKEN SYSTEMS INTEGRATION COMPANY

This agreement allows the District to contract with RSI for future SCADA integration efforts. No money or scope is associated with this agreement.

Motion: Jim Evans

Second: Russ Hokanson

Vote: All Directors present voted in favor.

DISCUSSION REGARDING THE CHLORAMINE CONVERSION PLAN

The staff presentation of the plan will be tabled until next month to allow the Directors not present to be included in the conversation. Director Evans suggested that staff should "bold, underline and capitalize" the words "Dialysis" and "Aquariums" in the next newsletter. Staff will also look into if changing the color of the font on the bills is feasible. Manager Beasley noted that the date shown in the draft plan was incorrect and that staff will begin the conversion the last week in March.

ATTORNEY REPORT

Joe Kinlaw was present in Jim Folkestad's absence. He provided the Board with an update on issues noted on the Attorney's Report.

ACCOUNTANT REPORT

There was no Accountant Report this month. Manager Beasley reminded the Board that the Board packet next month will contain the Unaudited December 31, 2017 financial statements, the January 31, 2018 and February 28, 2018 financial statements.

TREASURER REPORT

Acting Chairman Steve Tinnes presented the Treasurer's Report for Board approval for the month of January 2018. A motion was entered to approve the checks issued as written in the amount of \$1,375,548.04 for the interim report and to approve the disbursements in the amount of \$39,817.08.

Motion: Steve Tinnes

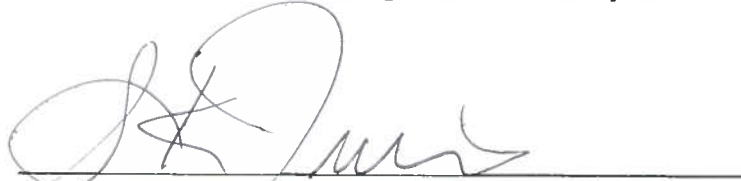
Second: Russ Hokanson

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 discussion about the water pipeline that Cielo Metropolitan District will be building for the District. Manager Beasley noted that, since the last meeting, the size of the pipeline has reduced from a 16-inch to 12-inch. This means that the District will have no oversizing costs for this pipeline, saving even more money.

There being no additional business to come before the Board, Acting Chairman Tinnes noted the time of the next meeting on Wednesday March 21, 2018 starting at 6:30 PM and adjourned the meeting at 8:00 PM.



STEVE TINNES, TREASURER

DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:


HEIDI TACKETT, SECRETARY