

**MINUTES OF THE BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
DENVER SOUTHEAST SUBURBAN WATER
AND SANITATION DISTRICT**

A special meeting of the Board of Directors of the Denver Southeast Suburban Water and Sanitation District was held on Wednesday November 28, 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 (via telephone), Heidi Tackett, Russ Hokanson and Jim McGannon. Also present were District Manager, Heather Beasley, Jim Folkestad, District Counsel, and Joe Kinlaw, an attorney from Folkestad's office, and Kevin Collins of CLA, District accountant. Chuck Hinson, and Jon Scanlon, members of the Water Efficiency Task Force, were also present and Michael Schildt.

Chairman Partridge called the meeting to order at 6:30 pm and established that a quorum of the Board was present.

DIRECTOR BUSINESS

There was no Director's business.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

The Board welcomed the members from the public in attendance. There was no public comment

MINUTES OF THE OCTOBER 17, 2018 REGULAR BOARD MEETING

The minutes for the October 17, 2018 Regular Board meeting were approved as presented.

Motion: Heidi Tackett

Seconded: Russ Hokanson

Vote: All Directors present voted in favor.

CONSENT AGENDA:

RESOLUTION 2018-33 RATIFYING THE APPROVAL OF THE CONSTRUCTION CONTRACT WITH WAGNER CONSTRUCTION, INC.

This resolution ratifies the decision by the approval committee (designated at last month's Board meeting) to approve the construction contract with Wagner Construction.

RESOLUTION 2018-34 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH GROUND ENGINEERING CONSULTANTS INC. FOR GEOTECHNICAL SERVICES ON AN ON-CALL BASIS

This resolution approves a professional services agreement that sets the contracting relationship between Ground and the District. There are no funds encumbered by this agreement.

RESOLUTION 2018-35 APPROVING TASK ORDER 2018-1 WITH GROUND ENGINEERING CONSULTANTS INC. FOR SERVICES DURING CONSTRUCTION OF THE POTABLE PIPELINE REPLACEMENT PROJECT

This Task Order is for services associated with materials testing during the construction of the potable pipeline replacement project.

RESOLUTION 2018-36 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH FARNSWORTH ENGINEERS FOR ENGINEERING SERVICES DURING CONSTRUCTION

This agreement is for services by the design engineer during construction to assist the District with questions by the contractor, requests for information, review materials submittals and preparation of As-Built drawings.

A motion was entered to approve Resolutions 2018-33, 2018-34, 2018-35, 2018-36

Motion: Heidi Tackett

Second: Russ Hokanson

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND/OR DISCUSSION:

RESOLUTION 2018-37 SETTING RATES AND FEES FOR 2019

The Board opened a Public Hearing at 6:35 PM regarding the revised water rates for 2019. There was no change to residential and commercial water rates and no change to the wastewater rate. There were no comments from the public. The Public Hearing was closed at 6:37 PM. Director Tinnes stated that he is opposed to the current rate structure and reminded the Board that he provided an alternative to the current rates structure that will be evaluated at the next update to the Rates and Fees Study scheduled for 2020.

A motion was entered to approve Resolution 2018-37 approving the 2019 Rates and Fees.

Motion: Heidi Tackett

Second: Russell Hokanson

Vote: Four directors voted for and Director Tinnes voted against. The motion passed 4-1.

RESOLUTION 2018-38 SETTING THE TAP FEES FOR 2019

The Board opened a Public Hearing at 6:38 PM regarding the proposed tap fees for 2019. The revisions were consistent with the recommendations of the 2017 Rates and Fees Study and amount to approximately a 2.6% increase. There were no comments from the public. The Public Hearing was closed at 6:39 PM.

A motion was entered to approve Resolution 2018-38.

Motion: Walt Partridge

Second: Heidi Tackett

Vote: All Directors present voted in favor.

APPROVAL OF THE 2019 DISTRICT BUDGET

The Board opened a Public Hearing at 6:53 PM regarding the proposed 2019 District Budget. Only one question was asked by members of the public related to the amount of interest earned on the cash balance the District holds in the bank. Mr. Collins responded with an approximation and an explanation

of how the District invests its cash consistent with State Statutes. There were no other comments from the public. The Public Hearing was closed at 6:58 PM.

A motion was entered to approve Resolution 2018-39 approving the 2019 District Budget.

Motion: Jim McGannon

Second: Heidi Tackett

Vote: All Directors present voted in favor.

A motion was entered to approve Resolution 2018-40 appropriating sums of money.

Motion: Walt Partridge

Second: Steve Tinnes

Vote: All Directors present voted in favor.

ATTORNEY REPORT

Mr. Folkestad reiterated his plans to retire from practicing law effective December 31, 2018. He discussed transition options for his replacement with the Board and mentioned that an engagement letter would be presented to the Board next month. FFBP has decided that Joe Kinlaw would be a fitting replacement for Mr. Folkestad in 2019.

ACCOUNTANT REPORT

Kevin Collins presented the October 31, 2018 financial statements to the Board.

TREASURER REPORT

Treasurer Steve Tinnes presented, via phone, the Treasurer's Report for Board approval for the month of October 2018. A motion was entered to approve the checks issued as written in the amount of \$596,526.99 for the interim report and to approve the disbursements in the amount of \$412,970.15.

Motion: Steve Tinnes

Second: Heidi Tackett

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. In particular, the Board discussed the recent capital project costs upcoming for the WISE project in relation to the subscription amount the District has currently (500 AF). Chairman Partridge asked Manager Beasley to schedule some time on a near future agenda to discuss the merits of the District's involvement in the WISE project.

EXECUTIVE SESSION

Manager Beasley presented to the Board Exhibit A in the proposed employment contract that lists District Manager Goals for the organization in 2019.

At 7:45 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 to exit the Executive Session at 8:30 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 Board then directed Mr. Folkestad and Manager Beasley to finalize the employment contract based on the night's discussion.

There being no additional business to come before the Board, Chairman Partridge noted the time of the next meeting on Wednesday December 19, 2018 starting at 6:30 PM and adjourned the meeting at 9:00 PM.



WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



HEIDI TACKETT, SECRETARY