

**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 March 20, 2019 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 Russ Hokanson, Steve Tinnes and Jim McGannon. Heidi Tackett was absent and excused. Also present were Heather Beasley, District Manager, Kevin Collins, District Accountant and Joe Kinlaw, District Counsel.

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

DIRECTOR BUSINESS

Chairman Partridge took some time to publicly thank the staff that helped to keep the District's facilities running in the most recent snow storm. He also asked that there be a letter from the Board to the staff in the next newsletter.

Director McGannon complimented Director Hokanson on the most recent article in the newsletter stating that it was very "timely."

Director Tinnes asked about the resolution of Mr. Massey's request. Manager Beasley informed the Board that she reached out to him to let Mr. Massey know about the Board's decision to deny the tap fee waiver and let him know that the District would install a service line to his property. It was clear to Mr. Massey that he would still need to pump his wastewater up to the nearest sewer main, there was no way around that.

Director Tinnes also asked for clarification about the WISE infrastructure capacity. Manager Beasley explained the way the infrastructure had been divided amongst the members at the onset of the project.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Michael Schildt, Pinery resident, was in attendance. Alice Ramsey and Jon Scanlon from the Water Efficiency Task Force were also there. There were no comments from the public.

MINUTES OF THE FEBRUARY 20, 2019 REGULAR BOARD MEETING

The minutes for the February 20, 2019 Regular Board meeting were approved as presented.

Motion: Jim McGannon

Seconded: Russ Hokanson

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND/OR DISCUSSION:

DISCUSSION REGARDING THE WATER BUDGET RATE STRUCTURE PROTOTYPE ANALYSIS

Rod Bergholm, District Business Analyst, presented the findings of the Water Budget Rate Structure prototype analysis. Director McGannon had several questions related to the report. One question he left for discussion later is "Should we (the District) consider an *Average Winter Monthly Consumption (AWMC)* rate for the wastewater service instead of a flat rate? He stated that even though we may not have a problem with the water supply today, someday, he believes, we will have a problem. The biggest take away from the study is that many customers in the District are not efficient with their water use. However, the information provided in the analysis led the Board to believe that implementing a water budget rate structure may not be the right direction for our District to head in. One idea to continue to help our customers become more efficient water users is to share this type of information with large water users to see if their water consumption behaviors change over time. Mr. Bergholm informed the Board that the next step is to evaluate each of the water efficiency activities listed in the Water Efficiency Master Plan and prepare a business case for the Boards

WORKSHOP #1 – WATER RESOURCES MASTER PLAN (GROWTH PROJECTIONS, WATER SUPPLY)

Manager Beasley presented information related to the Districts current and future water demands as compared to its water supply and water system production limitations. The next workshop will be scheduled for June and will discuss that wastewater and water system evaluations and proposed improvements to each system.

ATTORNEY REPORT

Joe Kinlaw informed the Board that there was nothing new to present this month.

ACCOUNTANT REPORT

Kevin Collins presented the January 31, 2019 and February 28, 2019 financial statements. He noted that the revenue and expenses were on track as compared to the 4-year average. There was some discussion about whether the District should consider using some of its cash fund balance to pay off some debt. It was decided that more information about the Water Resources Master Plan and the proposed future capital improvements was necessary before the Board could consider that.

TREASURER REPORT

Treasurer Tinnes discussed the status of the District's working capital and net worth. He presented the District's February Disbursement and Interim reports for approval. There was a motion to approve the interim payments of \$145,846.12 and the current disbursements in the amount of \$51,073.26.

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. Much discussion centered around Castle Rock's interest to purchase Pinery's excess WISE Infrastructure capacity. The Board directed manager Beasley to work with Castle Rock Water to develop a purchase and sale agreement that will sell off excess capacity, Pinery will keep at least 0.5 mgd of capacity in all infrastructure components and sell off the rest. There was also a brief discussion regarding the District's near-term succession plan.

There being no additional business to come before the Board, Chairman Partridge noted the time of the next meeting on Wednesday April 17, 2019 starting at 6:30 PM and adjourned the meeting at 8:45 PM.



WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



Steve Tinnes, Treasurer