

**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 April 17, 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 Heidi Tackett, Russ Hokanson, Steve Tinnes and Jim McGannon. Also present were Heather Beasley, District Manager, Kevin Collins and Thuy Dam from CliftonLarsonAllen, Greg Livin from Stratagem, 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

Treasurer Tinnes brought up the discussion about the District's current outstanding debt and reiterated his desire to consider paying off some of the debt with our current cash fund balance. Chairman Partridge assured Treasurer Tinnes that it would be a topic of discussion during the Water Resources Master Plan workshops and this year's budget process.

Director McGannon asked the Board to consider being a member of the Water Education Colorado group. Manager Beasley will investigate the specifics for membership and will bring that back to the group for consideration next month.

Chairman Partridge asked Treasurer Tinnes to write the article for the upcoming newsletter.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no comments from the public.

MINUTES OF THE MARCH 20, 2019 REGULAR BOARD MEETING

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

Motion: Heidi Tackett

Seconded: Steve Tinnes

Vote: All Directors present voted in favor.

CONSENT AGENDA:

RESOLUTION 2019-06 APPROVING ASSIGNMENT OF DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT SERVICE AGREEMENT

The ownership of the Canyons South property has changed hands since the original service agreements were executed. This agreement will assign all powers and obligations related to the wastewater service

by the District to the new owners. A motion was made to accept the consent agenda and approve Resolution 2019-06.

Motion: Heidi Tackett

Seconded: Walter Partridge

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND/OR DISCUSSION:

RESOLUTION 2019-07 APPROVING A PURCHASE AND SALE AGREEMENT OF WISE INFRASTRUCTURE CAPACITY WITH TOWN OF CASTLE ROCK

Last month the Board discussed Castle Rock's interest in purchasing any excess capacity in the WISE infrastructure that the District would be willing to sell. The Board directed Manager Beasley to work with legal counsel and staff to negotiate a Purchase and Sale Agreement that wouldn't limit our ability to move at least 0.50 million gallons per day of WISE water and would not sacrifice any of our 500 acre-foot subscription to the WISE water. This agreement is for the purchase of various capacities in the Western Pipeline, the future Binney Connection and the Ridgeway Pipeline for a purchase price of \$2,287,966.50. Director McGannon asked the Board if it would be helpful to make an official statement or resolution documenting the Board's desire to maintain 0.50 mgd of capacity in the WISE infrastructure. The Board thought an official statement would be unnecessary since the notion would be captured in the meeting minutes. A motion was made to approve Resolution 2019-07.

Motion: Heidi Tackett

Seconded: Russ Hokanson

Vote: All Directors present voted in favor.

RESOLUTION 2019-08 APPROVING THE 2018 DISTRICT AUDIT

Kevin Collins, District Accountant, explained the elements of the Audit report and pointed out that Stratagem PC had drafts of the Independent Auditor's Opinion letters available. Greg Livin, auditor at Stratagem, noted that a Single Audit was not required this year. He then talked in more detail about the audit report and the Interdependent Auditors Report. Mr. Livin reported a clean opinion of the following:

- The 2018 District financial statements.
- The Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements.
- Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance

The Board approved the draft audit and authorized Manager Beasley and Kevin Collins to work with Stratagem to finalize the audit and submit it to the State Auditor.

ATTORNEY REPORT

Joe Kinlaw informed the Board that he finally received a fully executed easement from the Timbers group. He also pointed out that Folkestad, Fazekas, Barrick and Patoille provided a letter of approval related to the District Audit.

ACCOUNTANT REPORT

Kevin Collins presented the March 31, 2019 financial statements. He noted that the revenue and expenses were on track as compared to the 4-year average.

TREASURER REPORT

Treasurer Tinnes discussed the status of the District's working capital and net worth. He presented the District's March Disbursement and Interim reports for approval. There was a motion to approve the interim payments of \$128,178.57 and the current disbursements in the amount of \$29,687.32.

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. In the manager's report there was a status update on the well rehabilitation program. Manager Beasley also discussed with the Board the possibility of moving the October regular Board meeting to either the week before or week after. Moving the meeting would be fine and we'll decided once it gets closer to October. Also acceptable to the Board would be to have another staff member fill in.

There being no additional business to come before the Board, Chairman Partridge noted the time of the next meeting on Wednesday May 15, 2019 starting at 6:30 PM and adjourned the meeting at 7:50 PM.



WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



Heidi Tackett, Treasurer

