

**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 July 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 Russ Hokanson, Steve Tinnes and Jim McGannon. Also present were Heather Beasley, District Manager, Kevin Collins, District Accountant, Joe Kinlaw, District Counsel and District staff member Rod Bergholm.

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 commented that pictures in the most recent newsletter looked good.

Mr. Kinlaw asked if the Board would like to consider a motion to excuse Director Tackett's absence for this meeting. Chairman Partridge made a motion to excuse Heidi Tackett's absence and Treasurer Tinnes seconded the motion. All Directors present voted in favor.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Alice Ramsey and Jon Scanlon, members of the Water Efficiency Task Force and Pinery residents, were present. Michael Schidlt, Pinery resident, was also present. There were no comments from the public.

MINUTES OF THE MAY 15, 2019 REGULAR BOARD MEETING

There was not a meeting in June 2019 so only the minutes for the May 15, 2019 Regular Board meeting were approved as presented.

Motion: Jim McGannon

Seconded: Steve Tinnes

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND/OR DISCUSSION:

RESOLUTION 2019-09 RATIFYING A CHANGE ORDER TO THE AGREEMENT WITH WAGNER CONSTRUCTION, INC FOR THE POTABLE PIPELINE REPLACEMENT AND CONTROL VALVE PROJECT

This change order to Wagner's contract will allow for unforeseen conditions in the field regarding the crumbling meter pits along all three streets included in the construction contract.

Motion: Russ Hokanson

Seconded: Jim McGannon

Vote: All Directors present voted in favor.

RESOLUTION 2019-10 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH WENCK TO PROVIDE A GRANT APPLICATION AND FEASIBILITY STUDY FOR RAW WATER STORAGE AT THE DISTRICT'S WASTEWATER TREATMENT PLANT.

This professional services agreement will assist staff assess the feasibility of raw water storage on the wastewater treatment plant property. This feasibility study will be submitted for grant funds from the State and will most likely be half of the cost listed.

Motion: Steve Tinnes

Seconded: Jim McGannon

Vote: All Directors present voted in favor.

WATER EFFICIENT ACTIVITIES IMPLEMENTATION PLAN

Manager Beasley gave the Board some background regarding the Water Efficiency Master Plan and the water efficient activities listed in the Plan that was approved by the Colorado Water Conservation Board. She then presented the activities Staff is recommending the Board approve for implementation in the next 5-7 years. A motion was made to support the implementation plan as presented including joining outside organizations, with a maximum spending authorization not to exceed \$11,500 annually, to provide some services to the District customers and delaying the addition of a Water Resources Technician until the next update of the Water Efficiency Master Plan in 5-7 years.

Motion: Walter Partridge

Seconded: Jim McGannon

Vote: All Directors present voted in favor.

ATTORNEY REPORT

Joe Kinlaw presented the monthly Attorney report. He informed the Board that Verizon has withdrawn its interest in installing a cell tower on District property. The other matter that Mr. Kinlaw is working on with staff is an assignment of the Canyons South responsibilities to Town of Castle Rock. He let the Directors know what to expect in terms of future agreements related to this assignment process. Manager Beasley committed to include in the August Board packet a memo written several years ago that detailed the users of the existing capacity in the District's WWTP.

ACCOUNTANT REPORT

Kevin Collins presented the May 31, 2019 and June 30, 2019 financial statements. He started by fielding any questions about the reports included in the Board packet and the *Cash and Cash Equivalents* form. Kevin discussed reallocating the proceeds of the WISE infrastructure sale into CSAFE accounts that have more favorable returns on the investments. Manager Beasley also recommend to the Board to payoff the Colorado Water Conservation Board Loan related to the Western Pipeline purchase. Mr. Collins also noted that, through the budgeting process, the Board may consider other debt to payoff with the District's existing fund balance. A motion was made to direct staff to payoff the balance of the Colorado Water Conservation Board Loan related to the Western Pipeline purchase in a payoff amount of up to \$1,800,000 using funds from the sale of the WISE asset.

Motion: Walter Partridge

Seconded: Russ Hokanson

Vote: All Directors present voted in favor.

TREASURER REPORT

Treasurer Tinnes discussed the status of the District’s net worth, working capital and debt to equity. He presented the District’s June Disbursement and Interim reports for approval. There was a motion to approve the interim payments of \$288,371.93 and the current disbursements in the amount of \$94,838.07.

Motion: Steve Tinnes

Second: Jim McGannon

Vote: All Directors present voted in favor.

Chairman Partridge commented on the lag of taps being sold and asked if we anticipated selling the taps that were budgeted in 2019. Manager Beasley explained that the Stone Creek Ranch developer is having a problem delivering the infrastructure to the homebuilders and once that is complete many taps will be sold, potentially more than were budgeted for this year.

MANAGER REPORT

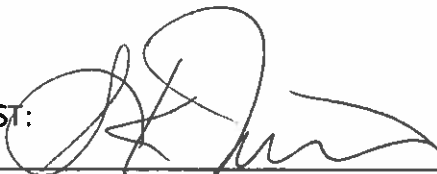
Manager Beasley updated the Board on items of importance to the District. There were no questions on the Manager’s report. She highlighted some ongoing negotiations with Parker Water and Sanitation for reduced WISE capacity. The WISE connection at the Chapman Pump Station should be complete in 6-8 weeks. She highlighted some of the events on the Potable Pipeline Project - Huggins Court is done and the crews would be moving to Windlawn. Director McGannon recognized Rich Krulish for a job well done in communicating well with the homeowners regarding the Potable Pipeline Project. Manager Beasley asked to discuss the SDA Conference and the Board’s plan. Chairman Partridge and Director Tackett will not be able to attend the conference. Manager Beasley committed to sending out a Doodle Poll to figure out the best time for the September Board meeting. There was a discussion about what the Board’s policy is about Directors attending conferences for their own education related to their position on the Board. Chairman Partridge explained that conferences or workshops that directly relate to the District’s business and will have a positive impact on the District customers are deemed acceptable. Generally, Board members that attend these types of events will provide a report to the rest of the Board afterwards.

There being no additional business to come before the Board, Chairman Partridge noted the time of the next meeting on Wednesday August 21, 2019 starting at 6:30 PM and adjourned the meeting at 8:15 PM.



WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



STEVE TINNES, BOARD TREASURER

