

**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 December 18, 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, 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

Director Hokanson requested an updated staff list that included emails and phone number extensions. Treasurer Tinnes shared his plans to renovate his current landscaping to hardscape/xeriscape. Director McGannon thanked the staff for a safe and productive year. He appreciates the hard work. Chairman Partridge reminded the Board the Director Hokanson will be responsible for the Board message in the January newsletter.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Debra Houghton, resident of the Pinery, expressed concern for how a recent emergency water outage was communicated on her street. Manager Beasley committed to follow up with staff and the District's on-call answering service. Alice Ramsey, pinery resident and member of the Water Efficiency Task Force, was also present but had no comments.

MINUTES OF THE DECEMBER REGULAR BOARD MEETING

The minutes for the November Regular Board meeting were approved with one revision.

Motion: Russ Hokanson

Seconded: Steve Tinnes

Vote: All Directors present voted in favor.

CONSENT AGENDA:

RESOLUTION 2019-34 APPROVING AN EASEMENT AGREEMENT WITH TF PINERY WEST

RESOLUTION 2019-35 APPROVING AN EMPLOYMENT AGREEMENT BETWEEN THE DISTRICT AND HEATHER BEASLEY AS DISTRICT MANAGER

RESOLUTION 2019-36 APPROVING 2020 ENGAGEMENT OF FOLKESTAD FAZEKAS BARRICK AND PATOUILLE FOR GENERAL COUNSEL LEGAL SERVICES

RESOLUTION 2019-37 APPROVING 2020 ENGAGEMENT OF BURNS FIGA WILL FOR SPECIAL WATER COUNSEL LEGAL SERVICES

RESOLUTION 2019-38 DESIGNATING TIME AND LOCATION OF REGULAR MEETINGS, SPECIAL MEETINGS; AND POSTING LOCATIONS FOR NOTICES OF REGULAR AND SPECIAL MEETINGS FOR YEAR 2020

There was a discussion about the term of Manager Beasley's employment agreement and the separation terms. Director Tackett wondered why there wasn't more clarification on separation for Cause. Mr. Kinlaw noted that you'd need to define Cause and include all instances of Cause to have that clause in the contract. Secretary Tackett believes that to be a gap in the contract. Treasurer Tinnes wondered about what would happen if the Manager quit without notice. Mr. Kinlaw explained it would be a breach of contract.

Director Tinnes noted that the goals in the District Manager's contract were very well written to incorporate all the things that are important to the District and the Board. He specifically noted the goal of keeping rates as low as possible and finding ways to be efficient with energy use. Chairman Partridge believes this would be a good topic for a future newsletter article.

Director McGannon asked for more detail on the Special Water Counsel. Burns Figa Will, has represented the District for over a decade. There has not been any activity on the water rights front since 2016.

A motion was entered to approve Resolutions 2019-34, 2019-35, 2019-36, 2019-37, and 2019-38.

Motion: Walt Partridge

Second: Heidi Tackett

Vote: All Directors present voted in favor.

ATTORNEY REPORT

Joe Kinlaw presented the monthly Attorney Report. The Board thanked Joe for representing the District another year and for keeping rates steady into 2020. Secretary Tackett had a question of whether the District is already posting notices digitally. It is not currently but will begin in 2020. Mr. Kinlaw explained why the Board may/may not want to enter Executive Session to discuss the Canyons South issue.

Director McGannon asked about why the District agreed to provide wastewater treatment service to this out-of-district development. He also asked about who pays the legal cost when the District must lien a property. Mr. Kinlaw confirmed that the costs are paid by the property owner when the lien is removed

Mr. Kinlaw also noted that he would begin revising the Rules and Regulations next month.

ACCOUNTANT REPORT

Kevin Collins of CliftonLarsonAllen, presented the Financial Statements as of November 30, 2020. He explained the email memo that was sent to the Board related to the reserve recommendations. Rather than have anything formal written the Board agreed that monitoring the monthly financial position of the District with Mr. Collins' recommendations in mind would be enough.

TREASURER REPORT

Treasurer Tinnes discussed the status of the District's net worth, working capital and debt to equity. He presented the District's November Disbursement and Interim reports for approval. He noted that the debt-to-equity ratio had decreased since the beginning of this year. There was a motion to approve the interim payments of \$689,153.17 and the current disbursements in the amount of \$120,751.23.

Motion: Steve Tinnes

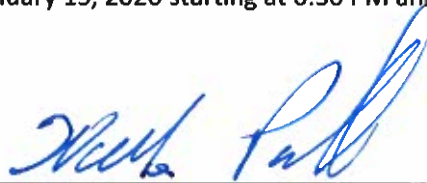
Second: Russ Hokanson

Vote: All Directors present voted in favor.

MANAGER REPORT

Manager Beasley updated the Board on items of importance to the District. There was a discussion about the South Metro WISE Authority's 2020 budget and how it translates into the District's budget. Manager Beasley committed to report back to the Board on how Debra's complaint is resolved.

There being no additional business to come before the Board, Chairman Partridge noted the time of the next meeting on Wednesday January 15, 2020 starting at 6:30 PM and adjourned the meeting at 8:00 PM.



WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



HEIDI TACKETT, BOARD SECRETARY

