

**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 January 15, 2020 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, Steve Tinnes and Jim McGannon. Russ Hokanson's absence was excused. Also present were Heather Beasley, District Manager, Richard Krulish, Engineering Project 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 asked for a status update about Debra Houghton's complaint from last month.

Treasurer Tinnes asked Mr. Kinlaw about the risk of being sued for actions taken by Board members and what protections the Directors have in those situations. Mr. Kinlaw provided the Board members a confidential and privileged memo related to those questions.

Director McGannon asked the Board if they would be okay with an article on the website providing more information about the Water Efficiency Task Force. Chairman Partridge asked Director McGannon to present his article to the Board next month for approval. Mr. McGannon asked about this year's audit. Mr. Collins explained the timeline for the upcoming audit.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Ryan Hustek, Pinery Glen resident, addressed the Board regarding a mix up in his meter and his neighbor's meter. He would like to receive all the raw data from his meter to understand what his usage has been. The meter number assigned to his account is the meter that is installed next door, so he's been paying for his neighbor's usage since the meters were switched out in 2011. Manager Beasley committed to resolve the situation satisfactorily.

Charles Seay, also Pinery Glen resident and Ryan Hustek's neighbor, addressed the Board about the same issue. He was also displeased with the customer service he received. Manager Beasley apologized for the situation and also committed to Mr. Seay that the issue would be resolved.

MINUTES OF THE DECEMBER REGULAR BOARD MEETING

The minutes for the December Regular Board meeting were approved as presented.

Motion: Heidi Tackett

Seconded: Steve Tinnes

Vote: All Directors present voted in favor.

CONSENT AGENDA:

RESOLUTION 2020-01 APPROVING THE SECOND AMENDMENT TO THE SOUTH METRO WISE AUTHORITY INTERGOVERNMENTAL AGREEMENT

RESOLUTION 2020-02 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH HAZEN AND SAWYER FOR ASSISTANCE CREATING THE RISK AND RESILIENCE ASSESSMENT

RESOLUTION 2020-03 APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH STANTEC FOR THE UPDATE TO THE DISTRICT RATES AND FEES STUDY

RESOLUTION 2020-04 REGARDING 24-HOUR MEETING NOTICES

RESOLUTION 2020-05 CONCERNING A REGULAR ELECTION TO BE HELD MAY 5, 2020

Director McGannon wanted to confirm with the Board that they agreed that a mail-in ballot election is the best option since it is more expensive than a polling place election. The Board agreed that a mail-in ballot is the preferred option. He also wanted to confirm that by approving Resolution 2020-03, it was approving the work for the water budget-based rate structure analysis. Manager Beasley confirmed that was how the Resolution was written.

A motion was entered to approve Resolutions 2020-01, 2020-02, 2020-03, 2020-04, and 2020-05.

Motion: Heidi Tackett

Second: Jim McGannon

Vote: All Directors present voted in favor.

DISCUSSION AND BOARD ACTION ITEMS:

DISCUSSION REGARDING THE CHERRY CREEK PROJECT WATER AUTHORITY

Manager Beasley presented a brief background on the Cherry Creek Project Water Authority and discussed some of the points of the memo included in the Board packet. She explained that the Town of Castle Rock has offered to purchase Arapahoe County Water and Wastewater Authority's ownership in the project. Pursuant to the CCPWA's formation IGA, each of the members retains a Right of First Refusal before any outside entity may purchase ownership in the Authority. The Board agrees that the Walker Reservoir project is its highest priority in the Authority and asked whether Castle Rock would try to block the advancement of that project if they were to buy out ACWWA. Manager Beasley explained that even though Castle Rock isn't interested in that project, it may not block the Pinery WWD from completing the project. There is a method in the formation IGA that allows any member to develop any part of the project with or without partners. With that assurance, the Board agreed that it isn't interested in making an offer for ACWWA's ownership share. Manager Beasley indicated that she would present a document waiving the District's Right of First Refusal to the Board next month for approval.

ATTORNEY REPORT

Joe Kinlaw presented the monthly Attorney Report. He assured the Board that as of this week, the Canyons South issue is almost resolved, and he believes that he'll present an agreement for consideration next month.

ACCOUNTANT REPORT

Kevin Collins of CliftonLarsonAllen, presented the Financial Statements as of December 31, 2020. He explained to the Board that we are in the process of analyzing all operational and capital expenditures from 2019 to make sure they are categorized properly and that the books would be closed soon. He reminded them that there would be no financial statements in the Board packet next month. Financial Statements from January and February 2020 will be provided in the March Board packet.

TREASURER REPORT

Treasurer Tinnes discussed the status of the District's net worth, working capital and debt to equity. He presented the District's December Disbursement and Interim reports for approval. He noted that the debt-to-equity ratio, as he calculates it, is around 22%. There was a motion to approve the interim payments of \$786,897.70 and the current disbursements in the amount of \$85,255.98.

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. Chairman Partridge requested that Manager Beasley include in the report next month the resolution of the customers' issue presented tonight and regular status updates on the meter audit effort throughout the year.

There being no additional business to come before the Board, Chairman Partridge noted the time of the next meeting on Wednesday February 19, 2020 starting at 6:30 PM and adjourned the meeting at 8:20 PM.

WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:

HEIDI TACKETT, BOARD SECRETARY

Heather Beasley ^{Asst.}