

**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 15, 2020 via a telephone conference, the time and place of the meeting according to the posted notices. The public was invited to attend via a toll-free telephone number according to the posted notices. Present were Chairman Walter Partridge, District Board Members Steve Tinnes, Russ Hokanson, Heidi Tackett, and Jim McGannon. Also present was Heather Beasley, District Manager, Joe Kinlaw, District Counsel, Kevin Collins and Thuy Dam from CliftonLarsonAllen, and Greg Livin from Wipfli.

Chairman Partridge called the meeting to order at 6:30 pm and established that a quorum of the Board was present. Chairman Partridge made a motion to change the agenda. The discussion regarding the Rates and Fees Study was removed from the agenda. The motion was seconded by Director McGannon. The Board also decided to suspend the Rates and Fees Study update effort for 3-6 months depending the state of the COVID-19 situation later in the year.

DIRECTOR BUSINESS

Treasurer Tinnes mentioned an article he read that wastewater facilities could be used as an early detection for infections. Manager Beasley noted that Pinery's plant was not equipped to test for COVID-19. Director Tinnes also asked if the District could hold an election via email like private companies noting that would save the District tens of thousands of dollars in ballot costs. Joe Kinlaw told the Board that our District is limited by State regulations unlike Corporation and email balloting is not accepted.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There was no public in attendance and no public comments.

MINUTES OF THE FEBRUARY 19, 2020 REGULAR BOARD MEETING

The minutes for the February Regular Board meeting were approved with two revisions.

Motion: Heidi Tackett

Seconded: Steve Tinnes

Vote: All Directors present voted in favor.

MINUTES OF THE MARCH 18 SPECIAL BOARD MEETING

The minutes for the March Special Board meeting were approved with one revision.

Motion: Heidi Tackett

Seconded: Steve Tinnes

Vote: All Directors present voted in favor.

There was discussion about the protocol of adding new members to the Board after the election in May. Mr. Kinlaw told the Board he would investigate that and circulate a memo discussion next steps to the Board.

CONSENT AGENDA:

RESOLUTION 2020-14 APPROVING AN AGREEMENT WITH GRANITE INLINER, LLC FOR CURE-IN-PLACE-PIPE (CIPP) SERVICES

This contract is for regular maintenance on the District's wastewater collection pipelines. Director Tinnes asked about the Exclusions in the contract. Manager Beasley noted that the exclusions are there because those are conditions rarely encountered on work like this.

RESOLUTION 2020-15 APPROVING AN AGREEMENT WITH LILLARD AND CLARK FOR REPAIRS TO RESERVOIR 9A

This is a contract for some needed structural repairs to the Districts underground potable water storage tank, Reservoir 9A

A motion was entered to approve Resolutions 2020-14 and 2020-15.

Motion: Heidi Tackett

Second: Russ Hokanson

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION/DISCUSSION:

REVIEW OF DISTRICT 2019 AUDIT

Kevin Collins, from CLA, introduced the basic elements of the Audit Report and then Mr. Livin, from Wipfli, walked the Board through the entire Audit Report. Mr. Livin is giving a clean audit and will be sending letters to the Board members at the completion of the audit sometime next week. He noted that he gained a general understanding of the internal controls of the organization and found no deficiencies or material weakness over internal controls. Mr. Livin discussed some highlights of the financial statements and drew the Board's attention to a couple of notes that are new related to sale of WISE assets. Mr. Livin plans to finalize this audit next week and will issue the final report.

Director Tinnes had a question about the outstanding balances for the District's current loans. He wondered why the CWCB loans were not shown. Thuy Dam, of CLA, explained a footnote on Page 40 that states that since the projects are not substantially complete there are no amortization schedules for the loans. The loans, however, are explained earlier in the Audit Report.

There was a motion to approve the audit and direct Mr. Livin to work with District staff and CLA to finalize the audit and submit it to the State by the statutory deadline.

Motion: Walt Partridge

Second: Steve Tinnes

Vote: All Directors present voted in favor.

ATTORNEY REPORT

Joe Kinlaw updated the Board about the Canyons subdivision. He found some errors in some of the exhibits in the documents and is working with the developers to get corrected versions for recording.

ACCOUNTANT REPORT

Kevin Collins presented the March 31, 2020 financial statements to the Board. He noted that the District's Net Position is up about \$2M from the audit. He also warned the Board that investment earnings will most likely drop because of the status of the economy and, likely, won't generate as much interest as last year. Late fee revenues will also go down from last year because of the COVID-19 response and the Governor's Executive Order stated the same thing eliminating late fees.

TREASURER REPORT

Treasurer Tinnes discussed the status of the District's net worth, working capital and debt to equity. He presented the District's March Disbursement and Interim reports for approval. There was a motion to approve the interim payments of \$465,150.41 and the current disbursements in the amount of \$79,975.26.

Motion: Steve Tinnes

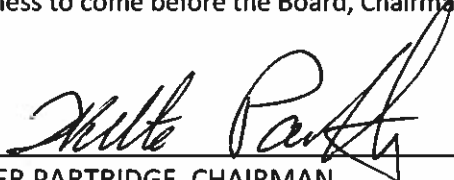
Second: Heidi Tackett

Vote: All Directors present voted in favor.

MANAGER REPORT

Manager Beasley updated the Board on items of importance to the District. There was a discussion about the WISE water being integrated into the District's water supply and what physically happens when the two waters mix. Director McGannon told the Board that he thought the waterline project, including the construction and communication, was a great example of how projects should be run.

There being no additional business to come before the Board, Chairman Partridge adjourned the meeting at 7:30 PM.



WALTER PARTRIDGE, CHAIRMAN
DENVER SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT

ATTEST:



HEIDI TACKETT, SECRETARY