

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 13, 2011 at the main office, the time and place of the meeting according to the posted notices. Present were District Board Members – Robert Chapman, David Eyre, Walter Partridge, and Rod Bergholm, District Manager - Charles Krogh, District General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and members of the District staff – Bill Morgan and Rhonda Lancaster. Also present were Lee Miller representing Burns, Figa & Will P.C., and Peter Boddie representing HRS Water Consultants.

Manager Krogh informed the Board that Director Tackett would be joining the meeting late.

Chairman Chapman called the meeting to order at 6:02 p.m. and established the presence of a quorum.

Minutes of the March 9, 2011 Regular Board Meeting were read and approved as amended.

PUBLIC RESPONSE

None

DIRECTOR'S BUSINESS

None

EXECUTIVE SESSION

At 6:05pm the Board voted to move into Executive Session pursuant to C.R.S. Section 24-6-402(4) (b) to receive legal advice of Legal Counsel regarding Water Rights and to instruct negotiators.

Motion: Walter Partridge

Second: David Eyre

Vote: The 4 Directors present voted in favor.

Director Tackett arrived to the meeting at 6:10pm.

At 7:30pm a motion was entered to adjourn from Executive Session and re-enter into public session.

Motion: Robert Chapman

Second: Walter Partridge

Vote: All Directors present voted in favor.

After the Executive Session, Jim Folkestad stated that all of the discussion in the Executive Session constituted a privileged attorney-client communication and therefore, no record or electronic recording was required to be kept of that discussion. Jim Folkestad further stated that the Board did not adopt any proposed policy, position, resolution, rule, regulation, or formal action with respect to the matters discussed during the Executive Session.

ITEMS FOR BOARD ACTION AND DISCUSSION:

CORRECTION EASEMENT AND DEED FOR DEEP WELL F

A motion was entered to approve the corrected Easement Deed and Agreement for Deep Well F. A mistake in the filing name was corrected.

Motion: Walter Partridge

Second: Rod Bergholm

Vote: All Directors present voted in favor.

REVISED DEED FOR RESERVOIR 7 AND WELL N AND EASEMENT AGREEMENT

This previously approved deed had an incorrect Grantor named, a mistake made by the Title company. This has been corrected. The Board entered a motion to approve the corrected easement.

Motion: David Eyre

Second: Walter Partridge

Vote: All Directors present voted in favor.

COLORADO GOLF CLUB AGREEMENTS

The sale of Colorado Golf Club is scheduled for this month, necessitating development of the following agreements:

- **GOLF COURSE WATER SUPPLY AGREEMENT**
This agreement shows specific details about how water is delivered to the golf course.
- **LICENSE AGREEMENT FOR POND 11**
This agreement allows the District's measuring equipment that is housed in the Golf Course Pump Station to be in place and to be accessible for District staff.
- **ASSIGNMENT AND ASSUMPTION AGREEMENT**
This agreement transfers the responsibilities included in the Developer Service Agreement and the Subdivision Improvements Agreement to the new owner of the golf course.

- **ESTOPPEL CERTIFICATE**

This agreement documents the status of the responsibilities of the parties contained in the Developer Service Agreement and the Subdivision Improvements Agreement.

The Board discovered errors in the language of the agreements and after a brief discussion a motion was entered to approve all of the Agreements in principal after review by staff and legal counsel. The corrected documents will be provided for signature later in the week.

Motion: David Eyre

Second: Robert Chapman

Vote: All Directors present voted in favor.

PROPOSAL FROM CH2M HILL FOR GROUNDWATER MONITORING DATA MANAGEMENT

CH2M Hill has provided the District with Groundwater Monitoring Data Management since the 1990's. Two alternatives were provided in the proposal, Option 1 for \$4,800 that involves developing software tools to enable the District to do the data management internally, or Option 2 which continues the groundwater monitoring data management by CH2M Hill. The Board and staff discussed the two options and considering the work load staff has at this time, it was recommended by the Manager that CH2M Hill continue as they have in the past providing the service. Director Eyre added that it is good insurance for the District to keep the experts handling this data management. A motion was entered to approve option 2 for \$6,000 and authorize the District Manager to sign the proposal with CH2M Hill.

Motion: David Eyre

Second: Robert Chapman

Vote: All Directors present voted in favor.

PURCHASE OF MECHANISMS FOR CLARIFIERS 1 AND 2

The District received a quote from E & I for the replacement mechanisms for Clarifiers 1 and 2 at the Wastewater Treatment Plant for a total of \$66,653.00. The District has \$80,000 in the budget for this project. A motion was entered to approve the order for the new clarifier mechanisms not to exceed \$70,000.00.

Motion: Robert Chapman

Second: Heidi Tackett

Vote: All Directors present voted in favor.

ATTORNEY'S REPORT

District Legal counsel Jim Folkestad reported to the Board regarding activities he and his staff are working on for the District:

- The Agreements for the CGC sale.
- Pinery West Commercial – continued work on Developer Service Agreement. The Subdivision Improvements Agreement has been

drafted and reviewed by the District Manager. That will go out to Forestar's attorney for review shortly.

- Canyons Foreclosure – Sale date is scheduled for April 27, 2011. There is a chance the sale date will be continued, and also the possibility of redemption by the owner.
- Colorado Horse Park Metro District – IGA draft is in development.

ACCOUNTANT'S REPORT

Accountant Kevin Collins of Clifton Gunderson provided an overview of selected significant variances compared to a four year average through February 28, 2011, along with the District's Financial Statements as of February 28, 2011. Mr. Collins presented the Board with his recommendations for taking action on Maturing Certificates of Deposit that the District holds. The Schedule of Cash Position was discussed with the Board and staff as well. A motion was entered to authorize the Accountant to follow through with the recommendations for moving the Certificates of Deposit.

Motion: Rod Bergholm

Second: Walter Partridge

Vote: All Directors present voted in favor.

TREASURER'S REPORT

Director Bergholm presented the Treasurer's Report for Board approval for the month of March 2011. A motion was entered to issue checks as written in the amount of \$564,270.17, and \$4,471.86 for the interim report.

Motion: Rod Bergholm

Second: David Eyre

Vote: All Directors present voted in favor.

DISTRICT MANAGER'S REPORT

District Manager Krogh presented the Board with several items of interest to the District:

- Manager Krogh updated the Board regarding the Denver Post articles that covered the ACCWA Flow Project.
- WISE Agreement Update – 12 of the 14 members of the WISE Project were present at the recent Douglas County Commissioners meeting. The Commissioners adopted a resolution of support for the WISE project.
- The Board packet included copies of comments sent by concerned customers regarding the new project fee that will be seen on bills beginning May 1. Director Tackett would like for the Board and staff to respond to the customers who take time to contact the District by letter or email.
- State Inspections of the District's Water & Wastewater Operations – The State Department of Health spent 2 days inspecting the District's water and wastewater operations.

- The Sale of Colorado Golf Club to a group of members is expected to close this week.
- The Pinery West developer has entered into a due diligence agreement with Ryland Homes for the patio homes west of Parker Road.
- District staff has been working on the process for recommendation for a radio read meter system. There are a few meters in place in the District being tested for the next 6 months.

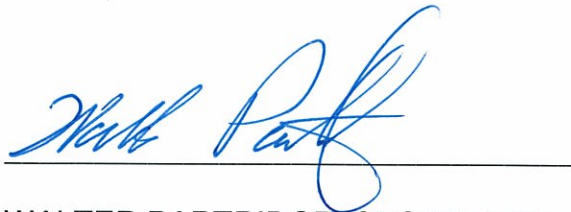
The District audit is in process. Manager Krogh invited Board members who are interested to meet with the auditor to review the results. Treasurer Bergholm will meet with the Auditor prior to the May Board meeting.

There being no further business to come before the Board, Chairman Chapman closed the regular meeting at 9:20pm.



ROBERT CHAPMAN, CHAIRMAN OF THE BOARD
OF DIRECTORS, DENVER SOUTHEAST SUBURBAN
WATER & SANITATION DISTRICT

ATTEST:



WALTER PARTRIDGE, SECRETARY