

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 May 11, 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, Heidi Tackett via phone, 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.

Chairman Chapman called the meeting to order at 6:00 p.m. and established the presence of a quorum.

Minutes of the April 13, 2011 Regular Board Meeting were read and approved.

PUBLIC RESPONSE

None

DIRECTOR'S BUSINESS

Manager Krogh requested an Executive Session at the end of this meeting. Chairman Chapman acknowledged the request and agreed to the Executive Session.

Director Bergholm requested to have the June Board meeting changed to another date because he is not available on the 8th of June. The Board and staff agreed on a new date, and a motion was entered to change the date of the June Regular Board meeting from June 8th to a Special Board meeting on June 1, 2011.

Motion: Robert Chapman

Second: David Eyre

Vote: All Directors present voted in favor.

ITEMS FOR BOARD ACTION AND DISCUSSION:

2010 AUDIT

Manager Krogh presented the 2010 Audit to the Board for approval. The District received a clean opinion from the Auditor. The Board was asked to accept the 2010 Audit and direct staff to file copies of the Audit with the required agencies.

Motion: Rod Bergholm
Second: Robert Chapman
Vote: All Directors present voted in favor.

SDA CONFERENCE PLANNING

The 2011 SDA Conference will be held September 14th through September 16th. The entire Board has made tentative plans to attend the conference. The September Board meeting is scheduled for the 14th which is a conflict, so Manager Krogh suggested the meeting be changed to September 7th. A motion was entered to change the September Regular Board meeting from the 14th to a Special Meeting on the 7th of September.

Motion: Robert Chapman
Second: David Eyre
Vote: All Directors present voted in favor.

PROPOSAL FROM DRC CONSTRUCTION FOR MANHOLE REHABILITATION

The District has received a proposal from DRC Construction Services, Inc. for the repair of 9 manholes. These manholes were identified in the last sewer cleaning and inspection work done. The 2011 budget included money for this repair work. After a brief discussion, Director Eyre requested that the proposal clearly state that job site safety is the contractors responsibility. A motion was then entered to approve the proposal from DRC Construction Services, Inc. not to exceed \$14,000, and to authorize the Manager to sign the contract.

Motion: David Eyre
Second: Rod Bergholm
Vote: All Directors present voted in favor.

CONSIDERATION OF CREDIT CARD PAYMENT OPTION FOR CUSTOMER BILLS

The District is ready to move forward with implementing the option for credit card payment via the Inhance iWeb product. District customers regularly request an option to access their accounts on line and staff considers the option to be beneficial to allow customers to have 24/7 access to their water/sewer account. Optimum Networking has confirmed that there are no security issues if the District goes with the iWeb product. References from companies who are using the iWeb system have been positive. The Board has been asked to provide direction regarding the implementation of the iWeb option and also to provide guidance regarding payment responsibility of transaction fees associated with the use of the credit/debit card option. After a brief discussion the Board decided to charge the fee to the customer, but did not agree on a set fee at this time. A motion was entered to accept the contract with Inhance iWeb not to exceed \$5,000 and to restrict the credit card option to Visa and Mastercard. The determination of the fee to be charged to customers will occur after the District receives the final fee structure as part of the contract for the iWeb service.

Motion: Robert Chapman

Second: David Eyre

Vote: All Directors present voted in favor.

BENEFITS PLANNING FOR 2011

This action item was tabled and will be presented at the June Meeting.

ATTORNEY'S REPORT

Attorney Jim Folkestad provided the Board with an outline of what he and his staff have been working on for the District and covered the following items at the meeting:

- The Canyons' Foreclosure that was scheduled for May 11, 2011 has been delayed. The Canyons developer has asked if the District would consider a discount for prepayment of the remaining amount due.
- The Little Meadow Court –Pinery 28B – Sewer Line Easement Deed and Agreement was signed by High Prairie Farms today.
- Colorado Golf Club was sold. An Assignment and Assumption Agreement and an Estoppel Certificate were finalized and executed before the closing. Legal staff is finalizing a Water Supply Agreement and a License Agreement (Pond 11).

ACCOUNTANT'S REPORT

- Accountant Kevin Collins of Clifton Gunderson provided an overview of the first quarter of 2011. Water and Sewer Revenues and Expenses are tracking with budgeted amounts.
- Non-operating revenues and expenses are also tracking with budgeted amounts.
- Capital Outlay is under budget through March.
- The Water Project Fee revenue will be a separate line item on financials and is restricted for water supply projects.

TREASURER'S REPORT

Director Bergholm presented the Treasurer's Report for Board approval for the month of April 2011. A motion was entered to issue checks as written in the amount of \$469,355.78, and \$3,690.12 for the interim report.

Motion: Rod Bergholm

Second: Robert Chapman

Vote: All Directors present voted in favor.

DISTRICT MANAGER'S REPORT

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

- Pinery West Development Update – The developer has again asked about placing housing on the north end of their property that is near the Wastewater Plant. They are asking if there are any modifications to the treatment plant that they could fund to allow housing in that area. Staff

has asked MWH what their thoughts are on this and they will submit a proposal to the District to do a study and cost estimates. The developer is to pay for the study.

- Pump Station 1 has multiple leaks going on that involve the collection box and chemical feed line. The repair will take a couple of weeks to complete. Construction fence will be put up for safety.
- Rhonda Lancaster updated the Board on the phone calls the District has received since the new fee has been added to bills.
- South Platte River Basin snowpack is above average.
- Cherry Creek at Franktown USGS graph is showing the levels to be half of normal.
- ACWWA – two of the Board Members of the Arapahoe County Water and Wastewater Authority were removed from their Board by the Arapahoe County Commissioners because of conflicts of interest.
- Water Conservation Assistance – The District is working with a local water conservation specialist to develop a plan to provide assistance to our customers in the form of water audits. The District is seeking a grant from the Colorado Water Conservation Board that will hopefully cover 75% of the costs.
- The Golf Course Irrigation Agreement and the Associated License Agreement for Colorado Golf Club that the Board approved last month is being restructured to use the existing meters to avoid having to install a new water meter.

EXECUTIVE SESSION

At 7:05 pm the Board voted to move into Executive Session pursuant to C.R.S. Section 24-6-402(4) (e) to determine the District's position on matters that may be subject to negotiations and for developing strategy for negotiations concerning the WISE Project.

Motion: Robert Chapman

Second: David Eyre

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.

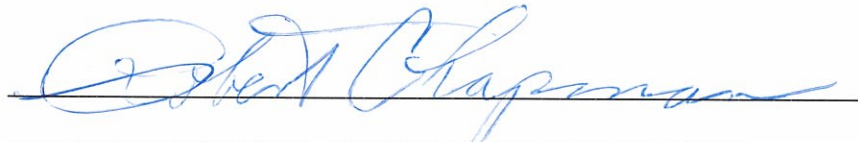
At 8:35pm a motion was entered to adjourn from Executive Session and re-enter into public session.

Motion: David Eyre

Second: Rod Bergholm

Vote: All Directors present voted in favor.

There being no further business to come before the Board, Chairman Robert Chapman closed the regular meeting at 8:40pm.



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

ATTEST:



WALTER PARTRIDGE, SECRETARY