

**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 October 12, 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, and Rod Bergholm, District Manager - Charles Krogh, District General Counsel - Jim Folkestad, District Accountant - Kevin Collins, and District staff –Rhonda Lancaster and Bill Morgan.

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

The Minutes of the September 7 Special Board Meeting were read and approved.

**PUBLIC RESPONSE**

None.

**DIRECTOR'S BUSINESS**

Chairman Chapman requested that the District look into purchasing the DVD for the presentation on Identity Theft that was done at the Special District Association Conference. Mr. Chapman formally thanked District staff Patty Britton and Susan Saint Vincent for their hard work with the SDA Conference. A motion of appreciation was entered by Chairman Chapman.

Motion: Robert Chapman

Second: David Eyre

Vote: All Directors present voted in favor.

**ITEMS FOR BOARD ACTION AND DISCUSSION:**

**UPDATE ON PAST DUE FEES FOR COLLECTION AS PROPERTY TAXES**

There have been no changes in the list of unpaid Ready to Serve accounts that was presented at the September Board meeting so the scheduled Certification with the County will proceed on October 14, 2011 for the 25 delinquent accounts.

**2012 BENEFITS DISCUSSION**

District staff presented the Board with a few options that they are recommending. An insurance plan offered by the Special Districts Association which is a self insured pool plan that is administered by Anthem seems to have the best rates of

anything looked into so far. There is still more data to obtain so that the plan can be reviewed thoroughly. The Board and staff discussed the options available and will wait for further information.

### **WISE PARTNERSHIP UPDATE**

The details of the WISE agreement are now available to the public. Several news articles have been published on the project recently. The WISE partnership agreement was presented to the Castle Rock Town Council on October 11, 2011. The next hurdle will be to complete the SMWSA Participation Agreement. Once that is further along then the Letter of Intent can be signed. It appears at this point that the District's share of the cost will be around 5% which includes initial connection to Aurora's system, subscription fee for 8 years, share of the ECCV Western Line, 2020 connection to the Binney Plant and the Capital cost for the District's share of pipelines from E-470 to the Pinery Water and Wastewater District boundary.

### **BUDGET SCHEDULING**

The Statutory deadline to have the draft 2012 budget ready and available to the public is Friday October 14<sup>th</sup>. District staff will have draft budget ready at that time. The Public Hearing on Budget approval will be on the November 2011 Board Agenda. The Board will adopt the budget at the December Board meeting. After a brief discussion the Board and staff concluded that they will not need to schedule a special meeting to further discuss the budget before the November Board meeting.

### **PURCHASE OF ADDITIONAL WATER METERS**

The Board was asked to authorize the purchase of 1000 additional Badger water meters with radio transmitters. The cost for these additional meters were not in the 2011 budget but were projected for 2012. A motion was entered to approve the purchase of 1000 meters with radio transmitters and funds for installation labor for a total amount of \$185,500.00.

Motion: Heidi Tackett

Second: David Eyre

Vote: All Directors present voted in favor.

### **NEW WASTEWATER DISCHARGE PERMIT UPDATE**

The Amendment to the new Wastewater Discharge Permit is being processed by the State and they have stated that the amendment will be issued before the end of the week. This Permit will be good for 5 years and the amendment addresses the permit limits for chloride and sulfate. The deadline for receiving the new permit is October 30, 2011.

### **NEW WATER RIGHTS APPLICATION**

The District's new application for Water Rights and Augmentation Plan was filed with the Water Court on October 6, 2011.

### **ENGAGEMENT LETTER WITH BURNS FIGA AND WILL**

The District was formally notified of the change in our principal attorney with Burns, Figa and Will. Lee Miller who has been the District's Special Counsel for water matters is leaving and the new contact person will be Alix Joseph. She has had considerable involvement with the District's cases in recent years and staff is comfortable with the change in lead attorneys.

Director Eyre requested to meet with Alix Joseph when Manager Krogh meets with her in the near future.

### **ATTORNEY'S REPORT**

Attorney Jim Folkestad, general counsel for the District provide an update to the Board regarding the latest on current projects he and his staff are working on for the District. Director Partridge inquired about the lease agreement with AT&T that has not been mentioned lately. Manager Krogh explained that since the District completed the transfer of ownership on the property for the site, AT&T has not communicated back to the District. Director Tackett asked if it would be feasible to offer the contract to another carrier. Manager Krogh said he will contact AT&T to find out if they are still interested in the District's site and follow up with the Board on what he finds out.

### **ACCOUNTANT'S REPORT**

Accountant Kevin Collins with Clifton Gunderson presented the August 31, 2011 financial statements to the Board.

- **Water** – Operating revenues and expenses are consistent with 4 year average budgeted amounts.
- **Sewer** – Operating revenues are consistent with 4 year average budgeted amounts. Expenses are above budgeted average due to lab testing that is paid out quarterly. System repair and maintenance are over budget due to manhole repairs that were not budgeted for. Plant repair and maintenance costs are above budgeted amount due to the replacement of a new phone system and other repairs due to lightning.
- **Non-operating** - Non-operating revenues are above the 4 year average budgeted amounts due to water tap fees that are higher than budgeted amount. Late charges are above budget, consistent with 2010.

Kevin Collins also reported that two of the District's Certificate of Deposit are maturing in October. For now the funds will be rolled into C-Safe until November.

### **TREASURER'S REPORT**

Director Bergholm presented the Treasurer's Report for Board approval for the month of August 2011. A motion was entered to issue checks as written in the amount of \$322,141.02 and \$148,755.77 for the interim report.

Motion: Rod Bergholm

Second: David Eyre

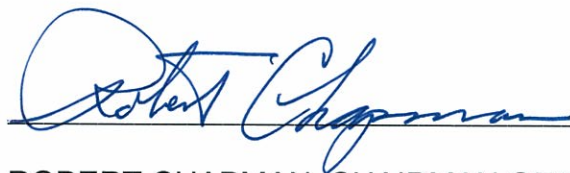
Vote: All Directors present voted in favor.

### **DISTRICT MANAGER'S REPORT**

Manager Krogh presented the Board with an update on what is going on around the District:

- Timbers Developer is considering seeking rezoning for more density. The increase they have under consideration can be served by the District's sewer system.
- The Pinery West Commercial Development has announced that they have a different home builder involved with their development. Safeway is still interested in starting up sometime in 2012.
- Celebrity Homes is planning to connect the dead end road near the Pradera Clubhouse to Raintree Drive.
- Meter scrapping – District staff has been taking the scrapped meters from the meter change out project to a recycling center and so far has collected over \$3,600 for the District.
- Prior to the year end the 457 program trustee needs to be changed. Former Board member Bob Greene's name is still on the paperwork. A motion was entered to approve the necessary amendments to the 457 and nominate Rod Bergholm to be new trustee.  
Motion: Walter Partridge  
Second: David Eyre  
Vote: All Directors present voted in favor.
- Manager Krogh presented the Board with a draft reply to Ken Smith who addressed the Board with a question regarding rate design. After a brief discussion, the Board agreed on the draft they would like sent out to Mr. Smith.

There being no further business to come before the Board, Chairman Robert Chapman closed the regular meeting at 8:50pm.



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

ATTEST:

  
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WALTER PARTRIDGE, SECRETARY