

RECORD OF PROCEEDINGS

CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

JANUARY 18, 2017

The regular meeting of the Board of Directors of the Cherry Creek Valley Water and Sanitation District was held at the District Offices, 2325 S. Wabash Street, Arapahoe County, Colorado, at 7:00 p.m. on January 18, 2017.

PRESENT

Paul Hanley – Chairman
Mark Lampert – Vice Chairman
William MacPhee – Secretary/Treasurer
Frederick Norman – Director
Bradley Rastall – Director

OTHERS PRESENT

John Warford – Manager
Chuck Buchanan – Maintenance Supervisor
Lisa Glenn – Office Manager/Accountant
Darryl Farrington – Semple, Farrington & Everall, P.C.
Eric Hein – Merrick & Company
Matt Poznanovic – Petrock & Fendel, P.C.

Mr. Hanley, Chairman of the Board, called the meeting to order at 7:02 p.m.

The first item on the agenda was approval of the agenda. The Board unanimously approved the agenda.

Mr. Lampert pulled the minutes from the consent agenda to clarify that the decision to keep the water and sewer rates the same for 2017 was correct as noted in the minutes. Mr. Hanley verified that the minutes were correct. The Board unanimously approved the December 21, 2016 minutes, the December Financial Report, and the December Payment of Bills.

Chairman Hanley opened the meeting for public comment at 7:04 p.m. There were no members of the public present; therefore, the public comment period was closed at 7:04p.m.

The Board unanimously approved Resolution 2017-1, approving the Board meeting schedule for 2017 for the third Wednesday of each month at 7:00 pm, and approving the posting places for

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notices at the District Office, the Eloise May Library, the Cunningham Fire Administration Building on Dayton, and Arapahoe County.

The Engineering Report from Mr. Hein included the following topics:

- Updates on the status of the 2016 Capital Improvement Projects – Florida Sewer cured in place pipe.
- Updates on the status of Developer Projects – Sky Mark Apartments, Iliff Avenue Townhomes, Iliff Avenue Single Family Homes, Falling Water, and Denver Jewish Senior Living.
- Denver Water has granted a license agreement to the District for a sewer line paralleling the canal in the High Line Canal property for new development on S. Uinta Wy.
- The water loss will be discussed during the Manager's Report.
- The non-potable water supply plan will be discussed at the next Board meeting.

Next on the agenda was the Manager's Report from Mr. Warford.

- The District had a significant water loss in November 2016, December of 2016 and part of January 2017. The cause was from a change in valving that allowed high pressure water from the 36 inch Conduit 89 to enter a lower pressure zone that pushed through the lower pressure master meters back into Denver Water's System. The check valves did not prevent the water from entering Denver Water's system and the "frog" or "turtle" on the master meters were running backward but the digital meter is unable to run backward. The valves have been changed so the water is not going back into Denver Water. Mr. Hein is preparing a letter to send to Denver Water and a meeting will be set up with Denver Water to discuss the issue and the amount of credit due to the District from Denver Water. Mr. Warford is obtaining quotes to update the old malfunctioning monitoring system for the Conduit 89 meters. Mr. Lampert thanked the District staff for their effort in locating the problem and asked Mr. Warford to pass down the Board's appreciation to those that aided in the effort.

Mr. Farrington arrived at 7:24 p.m. during the water loss discussion.

- Regarding the license agreement with Denver Water for the High Line Canal sewer line, Mr. Farrington and Mr. Hein made comments on the agreement that will be submitted back to Denver Water. Much of the language in the document does not apply to this application. The license agreement is revocable, which

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could be a problem for residents utilizing that proposed sewer line if the license is revoked. Denver Water does not want to grant an easement at this time, based on the uncertainty on the future of the canal. The Board directed Mr. Warford to attempt to get a non-exclusive easement instead.

- A new maintenance person has been hired to assist and as back up to the current maintenance person. The new person is working out nicely.

Chairman Hanley added a new agenda item this month, Customer Benefit Programs. The Board agreed to add this as a new agenda item. Chairman Hanley emailed Mr. Poznanovic, from Petrock & Fendel, to inquire if he had any ideas that would benefit customers. Mr. Poznanovic had a couple of ideas that would benefit customers as well as conserve water; xeriscape and synthetic turf programs and low flow toilet rebates. Las Vegas has a xeriscape type program in place. Mr. Warford stated that San Diego has a synthetic turf program in place. He will get that information for the next Board meeting. A rain sensor/moisture sensor program is another program the District could give incentives to customers for installation. The Board instructed Mr. Warford to summarize water conservation programs in Las Vegas and San Diego for the next Board meeting.

As discussed earlier, the cost benefit analysis prepared by Mr. Hein on the non-potable water supply plan will be discussed at the next Board meeting.

Mr. Hanley asked Mr. Poznanovic to explain the due diligence required on the District's water rights since the reservoir project may be put on hold for a while. Mr. Poznanovic said some of the District's water rights are absolute, that the District does not have to go back to water court for those rights. Other water rights are conditional, such as the reservoir, which means a right has been decreed and priority to hold its place in line, but the right is still being developed. Every six years the District must go back to water court to prove it's been diligent in developing the right. The District is in the middle of the current diligence period for the Wabash reservoir. The District may proceed with the project in the current configuration. Adding new elements to the project, such as the recharge element, would require going back to water court. Going back to water court would probably not be required if the diversion points weren't changed and piping was used to get the water to a recharge area, such as the High Line Canal. This element would be amending the plan, not changing the water rights. Now that Mr. Board will no longer be available, Mr. Poznanovic will need a new water resources engineer to provide technical assistance from time to time on the District's water cases. The Board asked Mr. Warford to interview potential candidates and to add this to the agenda for next month. Mr. Lampert thought it would be beneficial to keep a current log of what the District has been doing for due

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diligence so that at the end of the diligence period it could be sent to Mr. Poznanovic. The Board asked Mr. Poznanovic to provide a report on all the water cases the District has objections to currently and what's been going on outside the District that may be relevant.

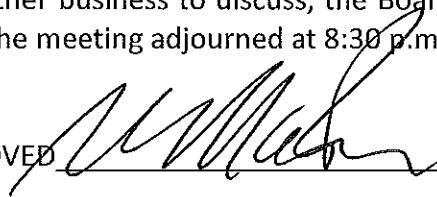
Mr. Farrington reported that he has not heard back from the District Attorney on JM Fay's criminal case. Mr. Lampert noted that all the entities Ms. Fay sued has been released since she did not file any responses.

Mr. Warford provided an example of backflow information from the Colorado Department of Public Health and Environment, to add to the District's Rules and Regulations. Mr. Farrington will review the document and report on it next month.

Mr. Warford will contact CSU or another local school to inquire if they would be interested in designing the Iliff median landscaping.

There being no other business to discuss, the Board unanimously voted to adjourn. Chairman Hanley declared the meeting adjourned at 8:30 p.m.

READ AND APPROVED



DATED

15-2-2017