

RECORD OF PROCEEDINGS

CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

SEPTEMBER 20, 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 September 20, 2017.

PRESENT

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

OTHERS PRESENT

John Warford – Manager
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 7:05 p.m.

The first item on the agenda was approval of the agenda. The Board unanimously approved the agenda and unanimously approved the consent agenda approving the August 16, 2017 minutes, the August 2017 financial report and August 2017 payment of bills.

Chairman Hanley opened the meeting for public comment at 7:06 p.m. There were no members of the public present, therefore the public comment period was closed at 7:06 p.m.

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

- 2017 CIP Projects – Dayton Street waterline replacement – the main replacement is just about done except for a couple of connections on the north end. They passed the pressure test yesterday. Disinfection and samples were taken this afternoon and the results should be back Thursday or Friday. Service reconnections can take place next week with paving at the end of next week. Mr. Warford noted that the old line had

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damage in the clay areas. Creekside waterline replacement – two small breaks were found on the old during replacement that had not surfaced. Mr. Hein noted that both contractors were doing a good job. 2016 Florida Sewer CIPP – Merrick reviewed the laboratory results and confirmed that the liner strength is suitable for the installed conditions.

- Developer Project Updates – Iliff Avenue Townhomes, Falling Water, Denver Jewish Senior Living, Dayton Street Townhomes, Hunter's Run Fireline and Sierra Vista Fireline. The Board asked Mr. Warford to get an estimate on putting the overhead lines at the old District office underground since the Iliff Avenue Townhomes will have all lines underground.

Mr. Farrington presented a revised draft of the District's rules and regulations pertaining to fire sprinkling systems for NFPA Code 13D for single family residences. The only revision made was to show that the District's rules concerning automatic fire suppression systems in single family homes would be implemented only if such a system is required by the fire department or other entity having jurisdiction. The Board unanimously approved Article 11 Residential Fire Sprinkler Systems to be included in the District's Rules and Regulations.

A revised draft of the investment policy was presented by Mr. Farrington incorporating comments from Mr. Kennedy at Morgan Stanley for types of authorized investments and nonconforming investments. A revision of the maximum maturity was included and comments from Chairman Hanley were incorporated under internal controls. The internal controls would not apply to managed accounts like Bernstein. The Board unanimously approved this latest revision of the investment policy.

Mr. Warford asked Mr. Farrington to add a section in the Backflow section 10 of the Rules and Regulations for District authority to suspend or shut-off water service for any facility out of compliance. The Board and Mr. Farrington came to the conclusion that language should be written so that the District would provide its standard shut-off hearing process for those not in compliance unless the District determines that it's an emergency situation.

It was discussed that the penalty amounts contained in Article 3 of the Rules & Regulations had not been updated in several years. Mr. Norman said he thought the Board should consider increasing the penalties in from \$500.00 to \$1,000. The Board asked Mr. Farrington to make those changes to the penalty amounts in Article 3 for the Board's consideration and possible adoption at a future meeting.

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Mr. Farrington made more comments on the agreements Arapahoe County sent back after his first round of comments. The County had removed all of the mediation provisions Mr. Farrington had added last time. The end result is that the County retains unilateral authority on all issues. After discussion, the Board felt certain changes should be made to permit a more interactive process between the District and the County and to allow for some kind of dispute resolution mechanism in the event of conflicts. By consensus, the Board directed Mr. Farrington to go back one more time with comments and set up a meeting and go over the concerns with the County representatives.

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

- Mr. Warford has notified residents on Dayton St. and occupants at Creekside that the replacement projects will be finished in about two weeks.
- The sanitary sewer for Skymark Apartments was designed to go into a manhole at Creekside. Mr. Warford's concern is that the flow at peak times could be too much for this section of sewer. Mr. Hein will shoot the grades on the line between the manhole in Creekside and Parker Rd and also grades in Parker road to the south. The District may have to take responsibility for the cost of a new manhole if it's needed.
- 2018 Draft Budget – Water and sewer increases have been passed on to customers based on information from Denver Water and Metro Wastewater. The District is a special connector with Metro Wastewater currently. Mr. Warford will look into becoming a member with voting rights. Mr. Hanley asked Mrs. Glenn to contact developers for their estimates of what tap fees may be paid in 2018 and revise the budget accordingly. Mr. Lampert said to include the cost of the underground utilities at the old office building. Although the Board voted to put the reservoir project on hold, the District should construct the settling basin in the flood plain since SEMSWA has agreed to it. Mr. Hanley said to get the current costs for this from Merrick. Equipping the ALV-1 well can stay on the budget for now but may be done in a later year. Mr. Poznanovic verified that the construction of the settling basin and creek intake pipeline plus maintenance of the existing system will be enough to satisfy the diligence filing in November of 2020. Mr. Lampert asked that directors' fees in the budget be increased for 2018 to include four to five more meetings.
- Mr. Warford spoke with Mr. Poznanovic about storing free water off the creek in the alluvium for a period of time to help eliminate pumping from the Laramie Fox Hills well. Mr. Poznanovic said the District could use the well to fill a recharge pond but would have to go back to water court to put in a recharge pond. Mr. Poznanovic said a rapid

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infiltration basin could be used for the recharge but the timing has to be worked out for a basin that's in close proximity to the well so that the depletions from the pumping doesn't hit the creek at the same time as the augmentation. Mr. Hanley asked that a plan be written up for this for the next Board meeting. The plan cost would need to be less than the cost of pumping the Laramie Fox Hills well. Mr. Poznanovic will consult with Mr. Lytle and write up a summary for the next meeting. Mr. Warford said these are things that can be done that benefit District customers instead of spending District funds on private roads and powerlines.

- About forty percent of district customers are in the lower area of the District and a lot of the water that's used on lawns and on the golf course is a conservation measure in itself since the water is going back into the alluvium.
- Mr. Warford would like the Board to take a look at using solar energy to supplement the District's electric use. Mr. Hanley said to put together a preliminary analysis for Board to review.
- Mr. Warford would like to clean up the flood plain area and possibly plant trees for part of the education program and converting the house next door into an educational facility. Metro Wastewater and Denver Water had some interest in participating and maybe Arapahoe County Open Space would work with the District on this project also. Mr. Hanley asked for a plan for this project as well.
- Security cameras have been installed.
- The communication from the H1 Vault to the District office is up and running. Pressure and flow alarms can be sent to District employee cell phones if such an event was to occur.
- The Wabash water accounting bills from Lytle Water Solutions are more than what was being charged by AquaSan since they are new to the process. The costs should go down over time.
- Official titles were given to all District employees as noted in Mr. Warford's report. Another office person may be necessary depending on the work needed for new proposals and projects. Mr. Warford and Mr. Buchanan are looking for another maintenance technician by talking with contractors and the opening has been posted on the SDA website.
- The Holiday Party is scheduled for December 20th.
- Mr. Kennedy with Morgan Stanley has a scheduling conflict with attending the October meeting and will attend in November.

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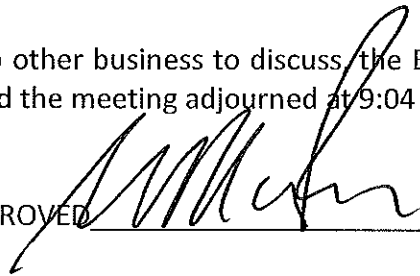
Mr. Poznanovic stated that converting to a Metro District will likely have no effect on the District's water rights unless the service area is changed.

Mr. Hein prepared a proposal on tiered rates between \$8,000 to \$10,000 based on the current rate structure and budget or they could complete a comprehensive rate study for about \$30,000. The Board unanimously voted to approve Merrick to complete a tiered rate study for \$8,000-\$10,000.

Mr. Hanley said most of the other items on the agenda and in the Manger's report are proceeding on track and another meeting before the next Board meeting is not necessary.

There being no other business to discuss, the Board unanimously voted to adjourn. Chairman Hanley declared the meeting adjourned at 9:04 p.m.

READ AND APPROVED



DATED

10 - 30 - 17