

RECORD OF PROCEEDINGS

CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

JULY 19, 2018

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 July 19, 2018.

PRESENT

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

OTHERS PRESENT

John Warford – Manager
Lisa Glenn – Office Manager/Accountant
Darryl Farrington – Semple, Farrington & Everall, P.C.
Jonathan Fung – Bernstein
Walker Williams – Bernstein
Michael Moore – Harris Kocher Smith

ABSENT

Frederick Norman - Director

Chairman Hanley called the meeting to order at 7:03 p.m.

The Board unanimously approved the agenda.

The first item on the agenda was the inclusion of 7210 E Colorado Ave in the District. The parcel is located on the southwest corner of E Colorado Ave and S Quebec St. The parcel is not in the District's boundaries, but is in unincorporated Arapahoe County. Denver Water suggested the developer request to be included in the District's boundaries since the area is on the District's western border and is in Arapahoe County. The parcel's owner filled out a petition for inclusion form for the Board's consideration. Michael Moore from Harris Kocher and Smith, which is under contract with the parcel owner for development, answered the Board's questions regarding the development. The District does not have any water and sewer mains in this area, so Denver Water would provide water service under a total service contract with the District and the City and County of Denver would provide sewer service. After deliberation the Board unanimously

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approved to proceed with the inclusion process regarding 7210 E Colorado Ave subject to review and approval of the total service agreement provided by Denver Water. Mr. Farrington will work with Mrs. Glenn on getting notice posted regarding the inclusion. Mr. Moore left the meeting at 7:12 p.m.

Next on the agenda was a presentation from Jonathan Fung and Walker Williams of Bernstein to discuss their recommendation on how to restructure the District's investments if the Board were to transfer all or any portion of Morgan Stanley's portfolio to Bernstein. As discussed at the last Board meeting, Morgan Stanley will no longer provide investment services to governmental customers. Bernstein could provide a fee structure base on the amount invested and allocation of those investments. The Board thanked Mr. Fung and Mr. Walker and they left the meeting at 8:07 p.m. The Board requested Mrs. Glenn get a letter from Bernstein regarding insurance. ANB provided a general written handout for the Board's consideration and could provide a managed account for the Morgan Stanley portfolio. Chairman Hanley said ANB generally invests in various funds that are managed by a third party. The District would not need to sell any securities until maturity. Mr. Farrington, Mr. Lampert and Chairman Hanley agreed that Bernstein has large buying power and this is their only business. Mrs. Glenn confirmed Mr. Farrington's statement from last month's meeting that ColoTrust is basically a money market account and does not provide managed investment services. Chairman Hanley said ColoTrust doesn't really fit what the District needs. The Board suggested moving the District's checking account from Wells Fargo to another bank since the bank fees are too high. District staff will look into this.

The Board unanimously excused Director Norman's absence.

The Board unanimously approved the consent agenda approving the June 21, 2018 minutes, the June 2018 financial report, and June 2018 payment of bills. Chairman Hanley asked why Merrick's check was \$33,000 this month. Mrs. Glenn stated that the invoice was for a three-month period and Mr. Lampert added that there were many developer plan reviews.

Chairman Hanley opened the meeting for public comment at 8:32 p.m. There were no members of the public present; therefore, the public comment period was closed at 8:32 p.m.

Mr. Hein was not in attendance but prepared a written engineering report:

- Developer Project Updates – Dayton Street Townhomes sewer is complete and water nearly complete, Falling Water sewer is complete and water about one quarter complete, Mr. Hein is awaiting plans for first submittal to Denver Water for Highline Creek Estates (Iliff Ave Single Family Homes), easements have been recorded for Iliff Ave

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Townhomes and awaiting final submittal plans for Denver Water, awaiting resubmittal of plans and easements after comments made for Popeye's.

- High Line Canal Underpass project at Parker and Mississippi – The District continues to work with HDR and Denver Water on relocating the District's 6" main in Parker Rd. The week of July 9th Merrick will survey the locations for the new loop down to S. Quebec Wy. in the Galilee Baptist Church roadway.
- Iliff/Quebec check valve replacement – The District and Mr. Hein met with Denver Water to discuss a new plan for installing a prefabricated vault with all new components and piping and include a new shutoff valve on Denver Water's side upstream of the vault. Denver Water was receptive to the new plan.

Next on the agenda was the Legal Report from Mr. Farrington:

- Conservation Plan – The District is not required by law to develop a conservation plan but is encouraged to do so. A conservation or tiered rate structure is not required in the District's Denver Water contract. Development of a conservation plan is at the Board's discretion at this time.

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

- Panorama Park Water Association – Denver Water and Mrs. Glenn have not been able to find any records for this water association. Panorama Park has not had a Board for four years and Denver Water has been servicing the area the entire time. Denver Water is willing to pay for the election if the District runs the election. We just received the total service agreement from Denver Water which has not yet been reviewed by Mr. Farrington or Mr. Warford. If the District cooperates with Denver Water on this issue, the District could possibly get more cooperation on the control valve for the Iliff/Quebec vault and check valve replacement project. Mr. Farrington briefly described the inclusion process, indicating that the Board would pass a resolution to include the area or twenty percent of the owners of the property file the petition. A judge would then order the election. Notice must be published before the meeting when the resolution is adopted. The Board unanimously voted to move forward with the process of including the Panorama Park service area in the District, subject to review and approval of the Total Service Agreement with Denver Water.
- High Line Canal Underpass project at Parker and Mississippi – Merrick is preparing the metes and bounds for the new loop going to S Quebec Wy in the Galilee Baptist Church entrance roadway. This loop will eliminate the dead-end in the Hughes Mountain Subdivision.

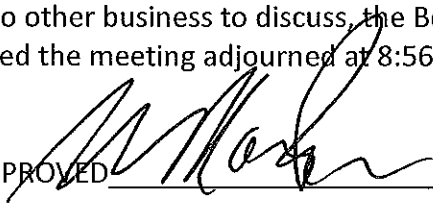
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- Slow the Flow Water Conservation Program – Resource Central has performed 33 residential audits as of June 30th with more scheduled. Sixteen large properties have requested audits but have not scheduled appointments. The Potter's House Church and Arapahoe County Open Space has agreed to participate in the audits. There has been little interest from multi-family customers. Resource Central and District Staff will continue to contact multi-family customers for participation. District staff will have the three years average data by customer type available for the next Board meeting for the tiered rate discussion.
- Grease Traps – Mr. Warford has been working with property and business owners for grease traps installation. Grease trap requirement letters will and have been sent to those property and business owners that are required to have a trap according to the District's Rules and Regulations. Penalty letters will be mailed for those property and business owners not cooperating with the District's request.
- Retirement Plan – Steve Rickles from Spencer Fane has been engaged to work on the District's SEP Plan corrections at an estimated fee of \$5,000.00.
- Employee Update – Billing specialist Lea Gallegos quit unexpectedly at the end of June. A replacement will be hired as soon as possible.

There being no other business to discuss, the Board unanimously voted to adjourn. Chairman Hanley declared the meeting adjourned at 8:56 pm.

READ AND APPROVED



DATED

8-16-2018