

RECORD OF PROCEEDINGS

CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

APRIL 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 April 19, 2018.

PRESENT

Paul Hanley – Chairman
Mark Lampert – Vice Chairman
William MacPhee – Secretary/Treasurer
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
Ron McLaughline – Merrick & Company
Steven Walton – Merrick & Company

ABSENT

Frederick Norman - Director

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

The Board unanimously excused Director Norman's absence.

The Board removed Election of Officers from the agenda, since one Board member was not present, and then unanimously approved the agenda. Vice Chairman Lampert pulled the bills payable report in the consent agenda to ask what the charge was for on check number 27769 for \$57.10 to E-470 Public Highway authority. Maintenance Supervisor Mr. Buchanan said he took the toll road to pick up some parts. The Board then unanimously approved the consent agenda approving the March 15, 2018 minutes, the March 2018 financial report, and March 2018 payment of bills.

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MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT OF APRIL 19, 2018, CONTINUED

Chairman Hanley opened the meeting for public comment at 7:05 p.m. There were no members of the public present; therefore, the public comment period was closed at 7:05 p.m.

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

- Developer Project Updates – Eloise May Library Addition, Sierra Vista Apartments Fireline, Highline Creek Estates (Iliff Avenue Single Family Homes), Falling Water, and Cherry Tree Estates.
- Capital Improvement Project updates – 2018 Dallas St Waterline replacements and 2018 Florida and Dayton St Sewer Line CIPP.

Ron McLaughlin arrived at 7:07 p.m.

- Tiered Rate Study – Mr. McLaughlin presented the tiered rate study Merrick prepared for the District. Based on the number and size of the District's water taps, water capital assets, water current assets, and average customer water use, Merrick calculated that the District could impose a tiered rate structure of two tiers. The first tier from 0-20,000 gallons at \$4.10 per thousand gallons with the second tier at any usage over 20,000 gallons at \$4.93 per thousand gallons with no increase in the service fee. Mr. McLaughlin emphasized that these rates were justifiable from a master-planning perspective, and were not explicitly aimed at incentivizing water conservation. Conservation-driven rate increases with the goal of decreasing water use may create less revenue which may require increasing the fixed fee. Chairman Hanley would like District staff to prepare a graph showing tiers and service charges for other master meter districts and create a similar report that Mrs. Glenn prepared last fall showing water usage for all customers in the District that may show natural breaks where tiers could be set.

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

- Slow the Flow Water Conservation Program – The District has started marketing for the water conservation program through Resource Central. Flyers were sent out with the last bills and to online customers by email. Chairman Hanley said he did not get a flyer online. Mrs. Glenn will verify that the flyers were sent out electronically. District staff will deliver flyers in person to multi-family accounts and some commercial accounts where bills are mailed to billing companies. Resource Central will provide status updates every two weeks on the number of accounts that have signed up for the program.

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- Employee Update – A new billing specialist/administrative assistant was hired and started work on April 16th. After a few months of training the new hire, the prior billing specialist/admin assistant will start training for the accountant/office manager position. A maintenance person accepted the District's offer this week to work with both the existing maintenance supervisor and technician. He is a master plumber and worked for the City of Montrose for five years. He will start on May 7th.
- Panorama Park Water Association in the District – Ms. Seagren at Denver Water said Denver Water has \$10,000 available for an election to include Panorama Park Water Association in the District. She is working on obtaining copies of Panorama's financial statements, budget, and minutes and draft agreement Denver Water would require with the District. Denver Water would like this area to remain a total service area. Mrs. Glenn stated that Cherry Tree Estates will also be a total service area with Denver Water and will find out if there are any costs to the District in having these total service areas in the District. Mr. Warford will continue to work on getting some type of benefit from Denver Water in exchange for including Panorama Park in the District.
- Investments – Per the Board's instructions last month, \$2 million has been transferred from Morgan Stanley to Bernstein and Morgan Stanley will keep \$2 million in cash/mutual funds for District projects in 2018.

The Board unanimously voted in favor of going into executive session to discuss the District's retirement plan at 8:39 p.m. Mr. Farrington, legal counsel for the District, stated the executive session is covered by attorney client privilege under code section CRS 24-6-402(4)(b) and will not be recorded. Mr. Buchanan, Mr. Hein, Mr. McLaughlin and Mr. Walton left the meeting at 8:39 p.m.

Chairman Hanley declared the Board out of executive session at 9:07 p.m.

The Board unanimously voted to have Vice Chairman Lampert arrange for tax attorney Larry Gustafson to contact Mrs. Glenn regarding the District's retirement plan as discussed during executive session.

There being no other business to discuss, the Board unanimously voted to adjourn. Chairman Hanley declared the meeting adjourned at 9:09 p.m.

READ AND APPROVED



DATED

5/17/18