

RECORD OF PROCEEDINGS

CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

JANUARY 19, 2016

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 19, 2016.

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 – Accountant
Darryl Farrington – Semple, Farrington & Everall, P.C.
Ron Dvorak – Merrick & Company
Carmine Iadarola – AquaSan Network

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. Mr. Hanley and Mr. Lampert had changes to the minutes and Mr. Lampert had a question on the payables report. The Board approved the agenda as amended.

Mr. Hanley would like the minutes from December 15, 2015 to reflect his vote against the water and sewer rate increases for 2016. Mr. Lampert would like the notice posting place of the Cunningham Fire Department to state that it is the administration office at 2015 S Dayton St. There was also a spelling error on the second page in Mr. Iadarola's report and a sentence rewording on the second page in Mr. Farrington's report. The Board unanimously approved the December 15, 2015 Minutes as revised. The Board then discussed and unanimously approved the December 2015 Financial Report and Payment of Bills for December 2015.

Mr. Hanley opened the meeting for public comment at 7:10 p.m. There were no members of the public present; therefore, the public comment period was closed at 7:10 p.m.

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT OF JANUARY 19, 2016, CONTINUED.

The Board unanimously ratified the 2016 Budget resolutions 2015-1215-1 and 2015-1215-2, Summarizing the Expenditures and Revenues of the District for 2016 and Appropriating Sums for the 2016 Budget year, respectively.

The Board unanimously approved the 2016 Election resolutions 2016-1-19-2, appointing Lisa Glenn as the Designated Election Official, and 2016-1-19-1, selecting a polling place election at the District Office. Self-Nomination and Acceptance forms were given to the current Board members up for re-election in 2016.

The Board discussed the Water Consultant Report from Mr. Iadarola, which included the following topics.

- Wabash Complex – AquaSan created a water right accounting dashboard to provide a visual flow of how the District's water rights are accounted and how the water flows for the Board, staff, and the State Engineer. The Colorado Division of Water Resources issued a letter to the District to apply a correction factor to the accounting data since some of the meters in the Wabash Complex are not reading accurately and must be repaired. The District objections to the ACWWA water right application have not been resolved despite changes requested by the District and made by ACWWA to the plan. The Board will need to keep apprised of the issues as there is an increasing potential that the Board may have to vote on approving Water Court expenses.
- Denver Water – Denver Water increased its Master Meter water rate from \$4.04 to \$4.15 per thousand gallons effective April 1, 2016. Service charges will also increase from \$6.74 to \$8.79 per ¾ inch meter.
- Solar Credits – The Solar Investment Tax Credit has been extended to 2021, with a declining rate in the last two years.

Mr. Dvorak then summarized the Engineering Report, which included the following topics:

- Willowmiss Development completed its walk through for the start of the warranty period. A few items need repairing and escrow fees must be paid.
- Denver Water shows a different alignment for the District's water line for the Nara Hookah Lounge fire line. The District will pothole the location of the line.
- Bids were received and a recommendation given by Merrick for the contractor to be used on the construction of the drainage project north of the District office. Mr. Warford is holding off on construction until the easements are acquired from the County.
- Mr. Dvorak met with Mr. Warford to discuss 2016 capital improvements.

The Board deferred Mr. Farrington's graywater report until the discussion about the non-

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT OF JANUARY 19, 2016, CONTINUED.

potable water supply plan later in the meeting.

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

- Mr. Warford has a meeting set up with the Cunningham Fire Department to get feedback on the draft of its District's Emergency Plan.
- The Board unanimously voted to approve Ricor to construct the drainage project for \$21,700.
- Mr. Warford is awaiting an answer from Denver Water on granting the easements in the High Line Canal area for a sewer line for residents on South Uinta Way.
- Mr. Warford has a contact at Denver Water for the High Line Canal Conservancy Group.
- Mr. Warford and Mr. Dvorak are trying to set up a meeting with Denver Water regarding the District using Denver Water's recycled water.

Next on the agenda was the discussion of the District's non-potable water supply plan. The following points were made during the discussion.

Graywater and Recycled Water:

- The water Denver Water uses to irrigate parks is recycled water that is treated effluent and may only be used for irrigation purposes. There is legislation in process to allow use of recycled water indoors.
- Graywater is water from sinks and showers that may be used for flushing toilets.
- Mr. Farrington will check if the District could require a dual system using recycled water for irrigation.
- Special Districts do not have clear authority to require developers to include graywater facilities in their developments. The State statute provides that requiring a graywater system can only be done if the governing municipality or county has passed an ordinance permitting it. A search of the Arapahoe County website has not turned up an ordinance for permitting graywater facilities on new development.

South Side Non-Potable Water Supply Plan

- Non-potable demand south of Iliff is about 100 acre-feet, 100 acre-feet far north of Iliff, and about 75 acre-feet of demand in the middle area just north of Iliff.
- Lytle Water Solutions reported a firm yield of 100 acre-feet from the District's water rights on the Cherry Creek in addition to the Country Club's current usage.
- ALV-1 has the capacity to meet demand for users south of Iliff.
- Costs for south side non-potable water supply plan:
 - A surface diversion is the best way to bring water off the creek to a

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT OF JANUARY 19, 2016, CONTINUED.

settling pond at a cost of approximately 1.3 million.

- The cost of the lined reservoir is approximately 2.0 million.
- The distribution system for the south side of Iliff is approximately 1.2 million.

- Time frame for completion:
 - The final design plan needs to be completed and submitted to the Division of Reclamation and Mining and to the Corps of Engineers. It will take six to eight months to finalize the design and get the plans approved.
 - Construction will take approximately seven to eight months.
- Mr. Dvorak will determine the operating costs of the reservoir, infiltration pond and diversion structure.

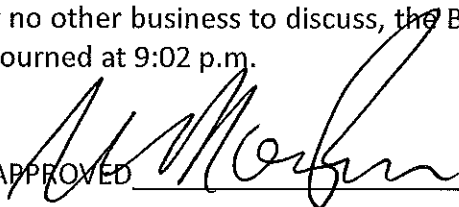
Solar Supplement

- The District will use about 150,000 kWh per annum for the non-potable water supply project.
- The solar fields should be located where the power is being used. The District has power being used in 3 separate areas, which poses a problem.
- A solar specialist that's familiar with Xcel and Colorado should be consulted for the solar portion.
- The District will not benefit from the tax credits. A third party would benefit from the tax credits using a power purchase agreement.
- Solar does not offset stand by charges.
- Net metering, solar garden, or a micro grid are options to consider.

Solar will be discussed further next month. The Board asked Mr. Farrington to draft a resolution to move forward with the final design plan of the reservoir. The Board will look at the operating costs Mr. Dvorak presents next month and determine if Denver Water's participation is necessary.

There being no other business to discuss, the Board voted to adjourn. Mr. Hanley declared the meeting adjourned at 9:02 p.m.

READ AND APPROVED



DATED

16 Feb 2016