

RECORD OF PROCEEDINGS

CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

MARCH 15, 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 March 15, 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

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. Lampert made a request to add an agenda item on an update for Ms. Fay in the Attorney Report. The Board unanimously approved the revised agenda.

On the Consent Agenda, Mr. Hanley pulled the Bills Payable report to inquire about the payment to C&L Water Solutions, check number 26941, for \$14,132.51. The Board unanimously approved the February 15, 2017 minutes and the February Financial Report. Mr. Buchanan explained the payment to C&L Water Solutions was for the replacement of a fire hydrant that was hit by a car but the driver of the vehicle could not be identified. The Board then unanimously approved the February 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.

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MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT OF MARCH 15, 2017, CONTINUED

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

- The Skymark easements will be discussed in the Manager's report.
- Updates on the status of the 2016 Capital Improvement Projects – Florida Sewer cured in place pipe. The punch list was completed. Test results for liner material should be in soon. Recommendation for payment will be made upon satisfactory lab results of the liner material.
- 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. Mr. Warford reported that he is opposed to the County being first in control of the easement next to our old office building where the 24 inch water line in Iliff goes in and out of the old office building. The District must be first in control of that portion of the easement. The County is conferring with their legal counsel on this issue.
- The non-potable water supply plan will be discussed later.

Mr. Lampert asked if Mr. Farrington prepared the trespass letter for Ms. Fay. Mr. Farrington did prepare the letter and Mr. Warford signed a copy to be presented to Ms. Fay if it becomes necessary. Mr. Lampert notified the Board that Ms. Fay attended a Littleton City Council meeting on March 7, 2017 to oppose the merger between Cunningham Fire Protection District, Littleton Fire Rescue and South Metro Fire Rescue. She mentions Mr. Lampert and Mr. Hanley, as well as many other people and agencies.

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

- Denver Water has given the District credit for the water lost to Denver Water's system from November 2016 through January 2017 based on the average consumption the District had for the last three years. The District is in the process of getting the check valves repaired at Iliff and Quebec.
- The Board unanimously voted to approve the new easement, the release of one easement, and partial release of two easements with Creekside at Highline Ltd. for the Skymark Apartment development.
- The Board unanimously voted to change Article 9 of the District's Rules and Regulations to update tap sizing calculations in compliance with the new AWWA M22 standards.
- US Treasuries are up to 2.6%. The Board directed Mr. Warford to invest in more treasuries with any available cash.

Mr. Hein prepared an economic analysis of the non-potable water supply plan in a net present

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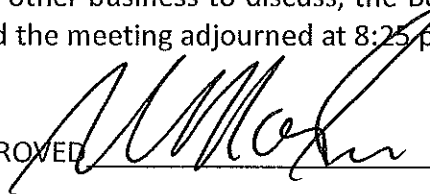
value type format for the Board. The analysis shows that the cost of the non-potable water supply plan is more than purchasing water from Denver Water until the year 2047, or the year 2040 if Denver Water contributes \$1.5 MM to the cost of the project. At that point, the cost of the non-potable water supply water becomes less than purchasing water from Denver Water for irrigation. The rate charged to customers using the non-potable reservoir is only a slight reduction from the current Denver Water rate and the project does not benefit the entire District. Denver Water's purple pipe water may be available for the north eastern portion of the District in the future. The Board agreed that going ahead with this project is not economically feasible at this time. The money that would have been used to construct the non-potable reservoir can be set aside for conservation programs for the entire District. The Board will continue with its due diligence for its water rights and keep in contact with Denver Water regarding their participation in the non-potable water supply project and the availability of their purple pipe water to the District in the future. The non-potable water supply project will likely need to be done at some point in the future when treated water becomes more costly and scarce.

The Board discussed implementing several conservation efforts for residents similar to those in other water districts in the southwest. The Board decided to start with a sustainable landscaping program for the District and this will be a continuing agenda item. Mr. Farrington will obtain regulations and possibly the analyses other Districts have used in calculating the amount of benefit/rebate. Mr. Warford and Mrs. Glenn will prepare an analysis on the amount the District can offer to residents for landscape conversions from sod to xeriscape and artificial turf.

Mr. Warford has two meetings this Friday with landscape architects for the Iliff corridor. The Arapahoe CSU Extension office declined to work with the District on the project due to the conflict with private companies.

There being no other business to discuss, the Board unanimously voted to adjourn. Chairman Hanley declared the meeting adjourned at 8:25 p.m.

READ AND APPROVED



DATED

4-19-17