
RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE ARAPAHOE COUNTY WATER AND WASTEWATER AUTHORITY**

HELD: April 13, 2022

13031 E. Caley Ave.
Centennial, CO 80111

ATTENDANCE:

Present were Directors: Doyle Tinkey, Brad Cromer, and Geri Santos-Rach. Present via Zoom video conferencing were Directors Nancy Sharpe, Tom Wood, Perry Deeds, and Derek Killebrew. Director Jeff Baker was absent and excused. Also in attendance in person were Steve Witter, Matt Vigil, Kevin McBrien, Patty Pratt, Sandor Rebek, Sam Waxlax, and Legal Counsel Ron Fano. The guests in attendance were Alan Leak, of Respec and Matt Marino of RubinBrown.

CALL TO ORDER:

Director Tinkey called the meeting to order at 9:01 a.m. The Pledge of Allegiance was recited.

Director Killebrew then temporarily lost connection to the meeting.

ADOPTION OF THE AGENDA:

Director Tinkey indicated that the agenda would need to be modified by switching the discussion of Item 9 to be the first item to be discussed under the General Business Action Items. Director Tinkey then made a motion to adopt the agenda as modified. The motion was seconded by Director Santos-Rach and passed unanimously 6 to 0, as follows:

Doyle Tinkey – Yes
Brad Cromer – Yes
Geri Santos-Rach – Yes
Perry Deeds – Yes
Tom Wood – Yes
Nancy Sharpe – Yes

PUBLIC FORUM

No one came forward to address the Board.

CONSENT AGENDA:

Director Santos-Rach made a motion to approve the Consent Agenda as presented. The motion was seconded by Director Baker and passed unanimously 6 to 0, as follows:

Doyle Tinkey – Yes
Brad Cromer – Yes
Geri Santos-Rach – Yes
Perry Deeds – Yes
Tom Wood – Yes
Nancy Sharpe – Yes

The Consent Agenda consisted of the following:

1. Request for Approval of Minutes of the Board of Directors of the Arapahoe County Water and Wastewater Authority - from March 9, 2022
2. Request for Approval of Payment Register for March 2022
3. Request for Approval of Amendment No. 2 to the Operations and Management of the JWPP Agreement
4. Request for Approval of Resolution 2022-01 to Designate Check Signing Authority Related to the Joint Water Purification Plant
5. Request for Approval of Valley Country Club (VCC) Variance Request

GENERAL BUSINESS ACTION ITEMS

Director Killebrew reconnected to the meeting

ITEM No. 9 – Discussion and Possible Action Regarding Extraterritorial Water/Tap Fees

Mr. Leak gave a brief history and explanation for staff's request to amend ACWWA's Rules and Regulations regarding extraterritorial water/tap fees, providing clarity to the extraterritorial water-tap fee requirements. After a brief discussion, Director Cromer moved, subject to final approval by legal counsel, to amend ACWWA's Rules and Regulations to require all new development to:

- Dedicate all of their ground and surface water rights associated with the parcel to ACWWA.
- ACWWA will review these and if they feel they represent the appropriate amount of water rights for the parcel, will accept them. If it is determined that some water rights have been removed from the parcel previously, staff will calculate the amount of water supply in deficit and charge a Cash in Lieu fee for this difference. This would be based on the Water Resources Fee in ACWWA's Rules and Regulations, currently about \$40,000/Acre-foot.
- The developer would pay the Tap Fees and any PID inclusions in accordance with ACWWA's Rules and Regulations.

The motion was seconded by Director Sharpe and passed unanimously 7 to 0 as follows:

Doyle Tinkey – Yes
Brad Cromer – Yes
Geri Santos-Rach – Yes
Perry Deeds – Yes
Tom Wood – Yes
Nancy Sharpe – Yes
Derek Killebrew – Yes

ITEM No. 6 – Discussion and Possible Action Regarding the 2021 Audited Financial Statements

Mr. Vigil introduced Matt Marino of RubinBrown, certified public accountants. Mr. Marino reviewed the highlights of the audit within the Viewpoints, which consist of regular auditor communications as well as auditor observations and recommendations. Mr. Marino reported that the audit was very successful; ACWWA’s staff was very prepared and ahead of schedule resulting in an “unmodified/clean” opinion.

After discussion, the board directed staff to review the current 250-year depreciation that is used for water assets estimates. With no further discussion necessary, Director Tinkey made a motion to accept the 2021 audited financial statement. The motion was seconded by Director Cromer and passed unanimously 7 to 0 as follows:

Doyle Tinkey – Yes
Brad Cromer – Yes
Geri Santos-Rach – Yes
Perry Deeds – Yes
Tom Wood – Yes
Nancy Sharpe – Yes
Derek Killebrew – Yes

ITEM No. 7 – Discussion and Possible Action Regarding Board Meeting Format

Director Tinkey led a discussion regarding whether the Board should continue to offer the hybrid format of the board meeting, both in person and via Zoom video conferencing. After a brief discussion, the Board agreed to end the hybrid format for board meetings and return to the in-person meeting format but will continue to offer the hybrid format for committee meetings.

The board directed staff to schedule and organize a tour of the local ACWWA facilities.

ITEM No. 8 – Discussion Regarding the Administration Building Project

Mr. Witter gave a brief history of the research done to date regarding the current, temporary building; the possibility of a newly constructed building to house the

administrative and water operations staff; and the possibility of a smaller newly constructed building to house only the administrative staff. Mr. Vigil gave an extensive review of ACWWA's current and projected twenty-year revenue, stating that ACWWA is in a strong financial position to pay for building costs. Staff and the Planning Water Resources and Capital Projects committee recommend continuing with pursuit of the plan for construction of the 14,000 sq ft building which would house both the administrative staff as well as the water operations staff. After extensive discussion regarding the various options, the Board directed staff to move forward with bringing the architect's plan review to completion. The Board also asked staff to investigate the possibility of a mortgage to pay the costs of a new building.

ITEM No. 10 – Informational Update on the Current Drought Conditions in Colorado

Mr. Waxlax gave a brief update on where the Western US, Colorado and ACWWA stand regarding the ongoing drought after the 2021/22 winter season. Unfortunately, the forecast is calling for above average temperatures and below average precipitation, similar to last summer. Mr. Waxlax reported the good news in that ACWWA's renewable water usage has increased from 65% to 72% over the period 1992 - 2021, freeing up our reliance on groundwater.

Mr. Witter suggested that any discussion of the Reports take place before the Board adjourns into the Executive Session to discuss Item No 11 – Discussion and Possible Action Regarding the Joint Water Purification Plan (JWPP) RO Reconversion Project.

REPORTS

ITEM No. 12 – General Manager's Report to the Board of Directors

Mr. Witter reported that ACWWA has reserved a table for ten at Centennial's 16th Annual State of the City Luncheon, which is scheduled for Thursday, May 12, 2022, 11:00 a.m. – 1:00 p.m. at Wings Over the Rockies Exploration of Flight at Centennial Airport. Mr. Witter asked which board members would like to participate. Directors Tinkey, Santos-Rach, Killebrew, Deeds, and Cromer all stated they would like to participate. Staff indicated that an Outlook meeting invitation would be sent to the participants with the details of the luncheon.

Director Sharpe mentioned that Arapahoe County is planning their inaugural State of the County celebration for June 29, 2022, at the Arapahoe County Fairgrounds. Details will follow.

ITEM No. 13 – Operations and Facilities Report

Mr. Witter stated that Tony Campbell, ACWWA's Director of Operations had resigned, moving back to Florida to take care of family issues. ACWWA has put a short-term plan in place to cover his duties.

ITEM No. 14 – Finance and Administration Report

Mr. Vigil reported that March tap sales came in much higher than expected, bringing ACWWA closer to reaching the 2022 goal.

ITEM No. 15 – Legal Report – Mr. Fano stated that the only legal matter would be discussed during the upcoming Executive Session.

ITEM No. 16 – Updates – No further report necessary at this time.

ITEM No. 11 – Discussion and Possible Action Regarding the Joint Water Purification Plan (JWPP) RO Reconversion Project.

FIRST EXECUTIVE SESSION

At 10:30 a.m., Director Santos-Rach made a motion to enter into Executive Session, pursuant to §24-6-402(4)(b) to consult or receive legal advice from the attorney regarding the current status and negotiations of the JWPP. The motion was seconded by Director Cromer and passed unanimously 7 to 0 as follows:

Doyle Tinkey – Yes
Brad Cromer – Yes
Geri Santos-Rach – Yes
Perry Deeds – Yes
Tom Wood – Yes
Nancy Sharpe – Yes
Derek Killebrew – Yes

The following Board Members were present in the Executive Session: Doyle Tinkey, Brad Cromer, and Geri Santos-Rach. Those Board Members in attendance via Zoom video conference were: Nancy Sharpe, Tom Wood, Perry Deeds, and Derek Killebrew. Staff in attendance were Steve Witter, Matt Vigil, Kevin McBrien, Patty Pratt, and Legal Counsel Ron Fano. (At the request of legal counsel, this Executive Session was not recorded, and a letter from legal counsel is attached to these minutes.)

At 10:42 a.m., a motion to adjourn the Executive Session was made by Director Tinkey. The motion was seconded by Director Santos-Rach and passed unanimously 7 to 0 as follows:

Doyle Tinkey – Yes
Brad Cromer – Yes
Geri Santos-Rach – Yes
Perry Deeds – Yes
Tom Wood – Yes
Nancy Sharpe – Yes
Derek Killebrew – Yes

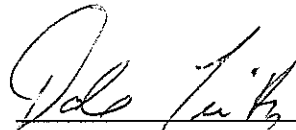
Mr. Witter opened the meeting to the public.

ADJOURNMENT

At 10:43 a.m., the meeting was adjourned.

Approved: 5-11- 2022.

ARAPAHOE COUNTY WATER AND
WASTEWATER AUTHORITY



Doyle Tinkey, President

ATTEST:



Geri Santos-Rach, Secretary