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RECORD OF PROCEEDINGS

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

HELD: June 13, 2018

13031 E. Caley Ave.  
Centennial, CO 80111

**ATTENDANCE:**

Present were Directors: Ken Beard, Doyle Tinkey, Geri Santos-Rach, Tom Wood, Nancy Sharpe, Jeff Baker, and Brad Cromer. Also in attendance were Steve Witter, Rich Hermann, Kate McRae, Martin Stegmiller, Kevin McBrien, Emily Lowell, Patty Pratt, Michael Morianti, Rhonda Ruitter, Anastasia Farberov, and Legal Counsel, Rick Kron and Ron Fano. The guests in attendance were Alan Leak, Respec; Randy Warren, representing Cottonwood Water and Sanitation District and Inverness Water and Sanitation District, Luis Tovar, representing Mulhern MRE; Jim Mann, Melissa Buck, and Jim Harrington, Ehlers, Inc.

**CALL TO ORDER:**

Director Beard called the meeting to order at 9:00 a.m. in the Arapahoe Conference Room of the Arapahoe County Water and Wastewater Authority (ACWWA) office at 13031 E. Caley Ave., Centennial, CO 80111. Director Beard led the Pledge of Allegiance.

**ADOPTION OF THE AGENDA:**

Director Beard reported that the Agenda would need to be modified by adding two items under the General Business Action Items as follows (adjusting the numbering of the remaining items as necessary): Item No. 9 – Discussion and Possible Action Regarding the Request for More Water from Valley Country Club, and Item No. 10 – Discussion and Possible Action Regarding the Well Lease with Cottonwood Water and Sanitation District. Director Sharpe then made a motion to Adopt the Agenda as modified. The motion was seconded by Director Baker and passed 6 to 0.

**PUBLIC FORUM**

No one came forward to address the Board.

## CONSENT AGENDA:

Director Sharpe made a motion to approve the Consent Agenda as presented. The motion was seconded by Director Wood and passed 6 to 0, with Director Tinkey abstaining from voting on Item No 4. 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 May 9, 2018
2. Request for Approval of Payment Register
3. Request for Approval to Fund the Sanitary Sewer Jetting/Inspection Project
4. Request for Approval of Proposal Regarding Old Chaparral Pump Station
5. Request for Acceptance of 2019 Budget Process Timeline

Director Cromer arrived at the meeting at 9:06 a.m.

## GENERAL BUSINESS ACTION ITEMS

### ITEM No. 6 – Presentation on Raw Water Master Plan Results

Ms. Lowell gave a brief presentation on the Raw Water Supply Master Plan results, describing where ACWWA is to date and that it is an update from the 2011 draft Master Plan. The completed draft will be sent to the Board and any comments will be incorporated as necessary.

To accommodate guests at the meeting, the order in which Agenda Items were discussed was changed.

### ITEM No. 10 – Discussion and Possible Action Regarding the Well Lease with Cottonwood Water and Sanitation District (CWSD)

Ms. Lowell reported that due to the hot dry spring and the forecast for a hot dry summer, staff has moved to Stage 3 Mandatory Water Conservation Measures in the Elkhorn Ranch Subdivision and Stage 2 Mandatory Water Conservation Measures for the ACWWA service area. The Operations staff is reporting that there has been trouble in meeting the peak demand for water. Consequently, staff recommends ACWWA lease water from CWSD's DD1 and CCC4 wells, while being operated/supplied under the Upper Cherry Creek Water Authority plan. ACWWA will be responsible for the operational costs plus \$1,000/month. After a brief discussion, Director Beard moved to approve the draft Lease Agreement conditional upon review of staff and legal counsel. The motion was seconded by Director Tinkey and passed 7 to 0.

### ITEM No. 11 – General Manager's Report to the Board of Directors

- Mr. Witter reported that due to unusually hot and dry weather ACWWA moved to Stage 3 Mandatory Water Conservation Measures in the Elkhorn Ranch Subdivision and Stage 2 Mandatory Water Conservation Measures for the

ACWWA service area. ACWWA has also hired a part-time water monitor, who will photograph violations and “warning letters” will be sent to those customers.

- Mr. Witter reminded the Board that the dates for the July committee meetings have been changed to accommodate the July 4<sup>th</sup> holiday. The PWRCP and Finance meetings will be held on June 27, 2018 and the Personnel meeting will be held on Friday, June 29, 2018.
- To strengthen communication, Mr. Witter reported that he and a few staff members met with Centennial’s Mayor Piko and members of her staff to discuss various issues including development processes.
- Mr. Witter reported that there was an issue with one of a commercial customer’s meters (Arapahoe County). The problem has been resolved and a credit was issued to the customer.
- Mr. Witter reported that a new picnic area was constructed behind the Administration Building for very low cost, using re-purposed materials.
- Mr. Witter reported that ACWWA recently conducted a tour of the Lone Tree Creek Water Reuse Facility for representatives of Leprino Foods who are interested in the feasibility of utilizing a BNR process in their industrial application.
- Mr. Witter stated that safety is one of the highest priorities here at ACWWA and a more robust safety program has been developed over the last year. Mr. Witter commended the members of the Safety Committee for a job well done. Mr. Witter reported that the Safety Committee sponsored a luncheon for all employees.
- Mr. Witter reported that construction of the ACWWA Connecting Main Project – Phase 2B is now complete and is in the testing phase. This line is anticipated to be on-line in mid-June.
- Mr. Witter reported that the Elkhorn Denver Well is now online and the disinfection issues have been resolved. The well is not producing as much as staff had hoped and staff will be re-evaluating the supply next year.

#### ITEM No. 12 – Committee Updates

No report necessary at this time.

#### ITEM No. 13 – Staff Updates

- A. Development Report – Mr. Hermann reported that tap sales remain strong with 29.55 tap equivalents sold in the month of May 2018. There are currently 16 development projects and 3 tenant finish projects under review and there are 13 active projects in construction.
- B. Monthly Financial Statements – Ms. McRae gave a brief report of the monthly financial statement, reporting that the strong tap sales have resulted in a strong financial report. Ms. McRae clarified one question regarding an adjustment that had been made.

- C. Legal Report – Mr. Kron reported that the State Supreme Court and a second Court of Appeals decision has been handed down a that will affect many special districts in Colorado, but not ACWWA because ACWWA only sells revenue bonds, showing a clear link between revenue received and the benefit therefrom. Also, there is a new statute regarding the confidentiality of customer information, which states if an organization’s computer system gets hacked, the customer must be notified within thirty days of discovery that the information was stolen. This will not go into effect until September 2018, allowing companies time to plan for this requirement. The Board asked staff to confirm how much, if any insurance coverage ACWWA has regarding data breaches.

ITEM No. 14 – Informational Updates

- A. Water Informational Dashboard – No report necessary at this time.
- B. Customer Service and Website Activity – No report necessary at this time.
- C. Financial Report
  - i. Investments – No report necessary at this time.
  - ii. Billing Activities – No report necessary at this time.

ITEM No. 7 – Discussion and Possible Action Regarding the Prosper Development

FIRST EXECUTIVE SESSION

At 9:45 a.m., a motion was made by Director Baker and seconded by Director Cromer to enter into the First Executive Session, pursuant to §24-6-402(4)(b) to consult or receive advice from the attorney on specific legal questions and strategy, and under subsection (e) C.R.S., to develop negotiating positions, strategy, or instruct negotiators regarding the proposed Prosper development. Motion passed 7 to 0. The following people were present in the Executive Session: Ken Beard, Doyle Tinkey, Geri Santos-Rach, Tom Wood, Nancy Sharpe, Jeff Baker, and Brad Cromer. Also in attendance were: Steve Witter, Emily Lowell, Rich Hermann, Kate McRae, Patty Pratt, Alan Leak, Respec, Legal Counsel, Rick Kron and Ron Fano, Jim Mann, Melissa Buck, and Jim Harrington, Ehlers, Inc. At the direction of Mr. Fano, the First Executive Session was not recorded.

At 10:48 a.m., a motion to adjourn the First Executive Session was made by Director Sharpe. The motion seconded by Director Cromer. Motion passed 7 to 0.

Mr. Witter invited members of the public to return to the meeting.

ITEM No. 8 – Discussion and Possible Action Regarding Hunt Water Rights

SECOND EXECUTIVE SESSION

At 10:50 a.m., a motion was made by Director Baker and seconded by Director Wood to enter into the Second Executive Session, pursuant to §24-6-402(4)(b) to consult or receive advice from the attorney on specific legal questions and strategy, and under

subsection (e) C.R.S., to develop negotiating positions, strategy, or instruct negotiators regarding the Hunt water rights. Motion passed 7 to 0. The following people were present in the Executive Session: Ken Beard, Doyle Tinkey, Geri Santos-Rach, Tom Wood, Nancy Sharpe, Jeff Baker, and Brad Cromer. Also in attendance were: Steve Witter, Emily Lowell, Kate McRae, Rich Hermann, Patty Pratt, Alan Leak, Respec, and Legal Counsel, Rick Kron and Ron Fano. At the direction of Mr. Fano, the Second Executive Session was not recorded.

At 11:04 a.m., a motion to adjourn the Second Executive Session was made by Director Tinkey. The motion seconded by Director Wood. Motion passed 7 to 0.

Mr. Witter invited members of the public to return to the meeting.

ITEM NO. 9 - Discussion and Possible Action Regarding the Request for More Water from Valley Country Club

THIRD EXECUTIVE SESSION

At 11:05 a.m., a motion was made by Director Beard and seconded by Director Cromer to enter into the Third Executive Session, pursuant to §24-6-402(4)(b) to consult or receive advice from the attorney on specific legal questions and strategy regarding Valley Country Club's request for more water. Motion passed 7 to 0. The following people were present in the Executive Session: Ken Beard, Doyle Tinkey, Geri Santos-Rach, Tom Wood, Nancy Sharpe, Jeff Baker, and Brad Cromer. Also in attendance were: Steve Witter, Kate McRae, Rich Hermann, Patty Pratt, and Legal Counsel, Rick Kron and Ron Fano. At the direction of Mr. Fano, the Third Executive Session was not recorded.

At 11:22 a.m., a motion to adjourn the Third Executive Session was made by Director Sharpe. The motion seconded by Director Baker. Motion passed 7 to 0.

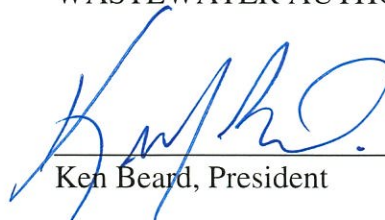
Mr. Witter invited members of the public to return to the meeting.

ADJOURNMENT

At 11:23 a.m. Director Wood made a motion to adjourn the meeting. The motion was seconded by Director Tinkey and passed 7 to 0.

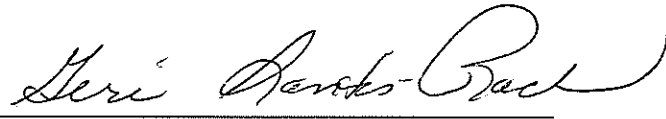
Approved: 7-11- 2018.

ARAPAHOE COUNTY WATER AND  
WASTEWATER AUTHORITY



Ken Beard, President

ATTEST:

A handwritten signature in cursive script that reads "Geri Santos-Rach". The signature is written in black ink and is positioned above a horizontal line.

Geri Santos-Rach, Secretary



SpencerFane

RONALD L. FANO  
DIRECT DIAL.: (303) 839-3820  
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File No. 5113777-4

June 14, 2018

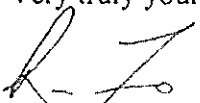
Arapahoe County Water and  
Wastewater Authority  
Attn: Patty Pratt  
13031 E. Caley Avenue  
Centennial, CO 80111

**Re: Opinion Concerning Executive Sessions Held June 13, 2018**

Members of the Board:

In my opinion, the three executive sessions (concerning (1) Discussion RE the Prosper Development; (2) Discussion RE Hunt water rights; and (3) Discussion RE Valley Country Club litigation and request for additional water) that occurred during the Board meeting that I personally attended on June 13, 2018 were properly announced and were privileged attorney-client communications. Therefore, no record or electronic recording of these three executive session was required pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Very truly yours,



Ronald L. Fano

DN 3108830.1