
RECORD OF PROCEEDINGS

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

HELD: July 11, 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, Daniela Soare, Anastasia Farberov, and Legal Counsel, Rick Kron and Ron Fano. The guests in attendance were Alan Leak, Respec; Pat Mulhern, representing Cottonwood Water and Sanitation District and Inverness Water and Sanitation District, Luis Tovar, representing Mulhern MRE; Jim Mann 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 Wood led the Pledge of Allegiance.

ADOPTION OF THE AGENDA:

Director Beard reported that the Agenda would need to be modified by adding one item under the General Business Action Items as follows (adjusting the numbering of the remaining items as necessary): Item No. 10 – Discussion and Possible Action Regarding Water Calculation for New Development Legends at Centennial. Director Baker then made a motion to Adopt the Agenda as modified. The motion was seconded by Director Cromer and passed 7 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 Beard and passed 7 to 0. 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 June 13, 2018
2. Request for Approval of Payment Register
3. Request for Approval Regarding Water Rights Engineering Services from Brown and Caldwell for Q3/Q4 2018
4. Request for Approval Regarding the ACWWA Flow Connecting Main Phase 2C/ECCV Design Engineering Proposal
5. Request for Approval Regarding Benefit Changes
6. Request for Approval Regarding Authorization Guidance for Employee Policies with No Financial Impacts
7. Request for Approval Regarding Changes to ACWWA's Retirement Plan Document Related to Vesting Schedules and Board/Staff Representation Alternates

GENERAL BUSINESS ACTION ITEMS

ITEM No. 8 – Discussion and Possible Action Regarding Funding Authorization for Elkhorn Well Design

Ms. Lowell explained that the newly drilled Denver well is producing well below the anticipated volume. The low volume in conjunction with the unusually hot/dry weather and increased home building have caused ACWWA to implement Stage 3 watering restrictions in the Elkhorn Subdivision. Ms. Lowell explained various measures that staff has implemented to alleviate demands on the water system for the short-term. Due to accelerated development along with the low production of the Denver well, staff and the Planning Water Resources and Capital Projects Committee (PWRCP) recommends proceeding with the design and likely drilling of a new Arapahoe formation well. After discussion Director Tinkey moved to approve up to \$150,000 for consulting services for design of the new Elkhorn Arapahoe well. The motion was seconded by Director Wood and passed 7 to 0. The Board requested staff research methods to target the highest users for next year.

ITEM No. 9 – Presentation on 2018 Capital Improvement Program/Projects

Mr. Hermann presented the Board with a spreadsheet of the various 2018 Capital Improvement Program/Projects (CIP) and gave a high-level review of each of the projects. After a brief discussion of the items, the Board indicated they appreciated the thorough update.

ITEM No. 10 – Discussion and Possible Action Regarding Water Calculation for New Development Legends at Centennial.

Mr. Hermann reported that this item was discussed at the most recent PWRCP meeting and involves an independent senior living facility, the developer of which is requesting that the property be classified as a commercial property rather than a multi-family development. Staff reported that research shows that an independent senior living facility of this type is more closely associated with a multi-family development in their actual water consumption. After discussion, Director Beard moved to assess the Legends at Centennial development as a multi-family facility with such tap fees and rates as are related to a multi-family development. The motion was seconded by Director Cromer and passed 7 to 0.

ITEM No. 11 – Discussion Regarding ACWWA’s Approach to Expansion

Mr. Witter reported that as a result of ACWWA’s 2017 Strategic Planning Workshop, Growth Planning was identified as an area in which the Board’s views on considering new development outside its current boundaries could warrant clarification. Staff presented a proposed growth policy. After discussion the Board concurred that expansion would be decided on a case by case basis and only where it makes sense. Mr. Kron suggested that the following language be added to the proposed policy: “ACWWA cannot serve where another provider already serves without that other provider’s permission.” The Board also asked staff to clarify/clean-up some of the wording and typographical errors in the proposed policy.

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

ITEM No. 14 – Discussion and Possible Action Regarding Chambers Reservoir

FIRST EXECUTIVE SESSION

At 10:15 a.m., a motion was made by Director Beard and seconded by Director Sharpe 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 regarding Chambers Reservoir. 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, Rich Hermann, Kate McRae, Kevin McBrien, Patty Pratt, Alan Leak, Respec, and Legal Counsel, Roy Bash. At the direction of Mr. Bash, the First Executive Session was not recorded.

At 10:31 a.m., a motion to adjourn the First Executive Session was made by Director Beard. The motion seconded by Director Baker. Motion passed 7 to 0.

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

In Open Session, Director Beard made a motion to move the September Board meeting to Friday, September 14, 2018, 9:00 a.m. The motion was seconded by Director Baker and passed 7 to 0. The Board directed staff to send an updated Outlook meeting invitation with the new date and time.

ITEM No. 12 – Discussion and Possible Action Regarding the JWPP

Mr. Witter opened the discussion referencing a letter that was received from the Cottonwood Water and Sanitation District (CWSD) regarding their position on the potential reconversion of the JWPP. At Mr. Witter's invitation, Mr. Mulhern addressed the Board on behalf of the CWSD Board.

SECOND EXECUTIVE SESSION

At 10:54 a.m., a motion was made by Director Baker and seconded by Director Beard 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 regarding JWPP. 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, Kevin McBrien, Patty Pratt, Michael Morianti, Alan Leak, Respec, and Legal Counsel, Rick Kron and Ron Fano. At the direction of Mr. Kron, the Second Executive Session was not recorded.

At 11:20 a.m., a motion to adjourn the Second Executive Session was made by Director Beard. The motion seconded by Director Baker. Motion passed 7 to 0.

Director Cromer invited members of the public to return to the meeting.

In Open Session, Director Cromer reported that the Board discussed and considered the proposal from CWSD as outlined by CWSD's letter and Mr. Mulhern's comments and the December 2014 Amendment where ACWWA negotiated a \$1.5M cap on its portion of any RO reconversion costs; and the Board had developed a hybrid proposal. Director Cromer made a motion for ACWWA to proceed with the proposal as set forth in CWSD's letter of July 9, 2018, with the BTS proposal to convert the JWPP back to RO with an estimated total cost of \$9,663,712, however with ACWWA's share being \$1.5M and ACWWA agreeing to advance the \$2,330,230 to CWSD under the terms of Section 9.3(e) of the IGA Amendment, by analogy, to finance that portion of the costs to be repaid by CWSD to ACWWA with ACWWA being open to some type of forgiveness of that financed amount depending on the success of the operation of the BTS system, after three years of operations. The motion was seconded by Director Beard. With no further discussion needed, Director Beard called for a vote. The motion passed 7 to 0.

Director Baker left the meeting at 11:25 a.m. and attended the remainder of the meeting via telephone.

At 11:25 a.m., the Board to a short recess and reconvened at 11:32 a.m.

THIRD EXECUTIVE SESSION

At 11:32 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)(e) 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, and Brad Cromer. Director Jeff Baker attended via telephone. Also in attendance were: Steve Witter, Emily Lowell, Kate McRae, Rich Heimanin, Patty Pratt, Alan Leak, Respec, Jim Mann and Jim Harrington, Ehlers, Inc., and Legal Counsel, Rick Kron and Ron Fano. (Executive Sessions recordings are retained for 90 days.)

Director Wood left the meeting at 12:15 p.m.

At 12:15 a.m., a motion to adjourn the Third Executive Session was made by Director Beard. The motion seconded by Director Sharpe. Motion passed 6 to 0.

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

- Due to time constraints, this item was not discussed.

ITEM No. 12 – Committee Updates

No report necessary at this time.

ITEM No. 13 – Staff Updates

- A. Development Report – Due to time constraints, this item was not discussed.
- B. Monthly Financial Statements – Due to time constraints, this item was not discussed.
- C. Legal Report – Due to time constraints, this item was not discussed.

ITEM No. 14 – Informational Updates

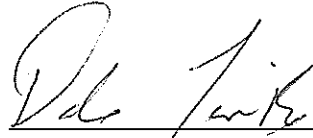
- A. Water Informational Dashboard – Due to time constraints, this item was not discussed.
- B. Customer Service and Website Activity – Due to time constraints, this item was not discussed.
- B. Financial Report
 - i. Investments – Due to time constraints, this item was not discussed.
 - ii. Billing Activities – Due to time constraints, this item was not discussed.

ADJOURNMENT

At 12:15 a.m. Director Tinkey made a motion to adjourn the meeting. The motion was seconded by Director Beard and passed 6 to 0.

Approved: 8-8- 2018.

ARAPAHOE COUNTY WATER AND
WASTEWATER AUTHORITY



FOR

Ken Beard, President

ATTEST:



Geri Santos-Rach, Secretary



1401 Lawrence Street, Suite 2300, Denver, CO 80202 • (303) 572-9300

August 1, 2018

Roy Bash
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(816) 817-0098 Direct Fax
rbash@polsinelli.com

Arapahoe County Water and Wastewater Authority
13031 E. Caley Avenue
Centennial, CO 80111

Re: Opinion Concerning the Executive Session of Board Held July 11, 2018

Members of the Board:

In my opinion, the executive session that occurred during the Board meeting that I personally attended on July 11, 2018 was properly announced and was a privileged attorney-client communication. Therefore, no record or electronic recording of the executive session was required pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Sincerely,

A handwritten signature in black ink that reads "Roy Bash".

Roy Bash

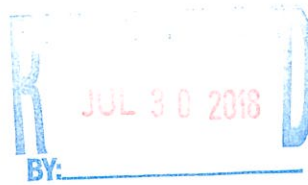
RB:tc



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RICK KRON
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July 17, 2018

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

Re: Opinion Concerning Executive Session Held July 11, 2018

Members of the Board:

In my opinion, the executive session for the discussion of the Agreement with CWSD concerning the RO system that occurred during the Board meeting that I personally attended on July 11, 2018 was properly announced and was a privileged attorney-client communication. Therefore, no record or electronic recording of the second executive session was required pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Very truly yours,

 (R.K.)

Rick Kron

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