

RECORD OF PROCEEDINGS

**CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS**

May 19, 2009

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 May 19, 2009.

PRESENT

Sheldon K. Ginsberg – Chairman
Paul Thayer – Secretary/Treasurer
Louis D. Halsell Jr. - Director
Jorge-Ayn Riley – Director

OTHERS PRESENT

John R. Warford – Manager
Chuck Buchanan – Maintenance Supervisor
Darryl Farrington – Semple, Miller, Mooney & Farrington P.C.
Carmine Iadarola – AquaSan Network (Arriving at 7:10 p.m.)
J.M. Fay – Resident

ABSENT

Paul Hanley – Vice Chairman

Mr. Ginsberg, Chairman of the Board, called the meeting to order at 7:02 p.m., with a quorum present.

Mr. Warford announced that Vice Chairman Paul Hanley would be absent in order to attend his son's high school graduation ceremony. Mr. Thayer made a motion to excuse Mr. Hanley from the meeting. Mr. Halsell seconded the motion. Motion passed unanimously.

Mr. Ginsberg asked if there were any corrections or changes to the minutes of the April 21, 2009, Board meeting. Hearing none, Mr. Halsell made a motion to approve the minutes of the Board meeting on April 21, 2009, as written. Ms. Riley seconded the motion. Motion passed unanimously.

Next on the agenda was the Treasurer's Report and Bills Payable. Mr. Warford mentioned a few of the payable items, including two checks reimbursing him for expenses he had incurred from his own pocket for District vehicle maintenance. He also noted that a check shown to Petrock & Fendel (the District's water counsel) in the amount of \$153,404.79 was supposed to be a payment to Denver Water under the Master Meter contract. Additionally, he mentioned the large order to National Meter in the approximate amount of \$33,000.00, indicating that the District is replacing meters aggressively as was discussed with the Board in past meetings. Mr. Thayer made a motion to receive the Treasurer's Report and to pay the Bills Payable and Mr. Halsell seconded the motion. The motion passed unanimously.

Mr. Ginsberg then opened the meeting to the public for any comments. Ms. Fay offered a written comment which Mr. Farrington read to the Board, which indicated that the District's meeting notice was not posted in the Library. Mr. Buchanan said he personally put it up at the Library, and would follow up with them to make sure they didn't remove it.

Mr. Iadarola's report was next on the agenda, but Mr. Iadarola indicated that he would forego his normal report and instead present a walk-through of the second draft of the proposed Conservation Plan, which had been revised in accordance with the Board's suggestions from the last meeting. He noted particularly that he had tried to cut out most of the redundancies, and had moved the history and background sections to an appendix. He said he would email the second

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draft to the board members, and solicited any thoughts and comments to facilitate discussion at the June Board meeting. Mr. Iadarola then went through each of the sections of the main body of the Plan, highlighting the main suggestions. He emphasized that most of the Plan features are not required, and the Board has the authority to select some and not others. The potential measures included:

Goals for reducing the amount of water used for outside irrigation by reducing irrigated areas by 25% and other measures to limit water consumption by the largest users.

Public education programs.

A tiered rate system. Various forms of tiered systems were discussed.

Increased use of non-potable water for irrigation.

Leak identification and repair.

Sub-metering of multi-family residences.

Requirements for time-of-sale changeover to water-efficient appliances.

Rebate programs to incentivize changeover to water-efficient appliances.

Rebate programs to incentivize rain sensors on sprinkler systems

Landscape efficiencies (xeriscape; artificial turf; soil amendments)

Mr. Iadarola next discussed the reasons a Conservation Plan is necessary, highlighting the following points:

The federal and state government have made efficient use of existing resources a condition of new water development projects.

Conserving water is considerably less expensive than developing new supplies.

New supplies may be unavailable. (Mr. Warford pointed out that the Denver area aquifers are being depleted rapidly.)

Certain conservation measures are required by the District's contract with Denver Water.

Populations continue to grow, and each new person represents 60 gallons per day of water consumption.

The Board's discussion centered on whether the tiered rate system should focus on penalties versus incentives, whether maintenance of historic consumption levels should be permitted, and whether the District should impose requirements for conservation measures (such as for time of sale appliance upgrades) versus merely offering incentives. As to tiered rates, Mr. Warford noted that since the District passes the wholesale rate on to its customers, it could not feasibly offer rate reductions as an incentive for conservation. As to rules requiring property owners to pay for upgrades, some felt the Board should not make hard and fast rules, because of the economic impacts on those who may be less able to afford to make changes. Mr. Ginsberg particularly indicated he opposed all measures that did not give residents a choice. Mr. Warford

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said Denver Water has been getting similar feedback from lower income communities within Denver.

After extensive discussion, Mr. Iadarola explained that once the Board has approved a proposed Conservation Plan, two public meetings are required, and then a final meeting for the Board to adopt the final Plan. Mr. Iadarola asked that the Board adopt the proposed Plan at its June meeting.

Next on the agenda was the Manager's Report, which included the following items.

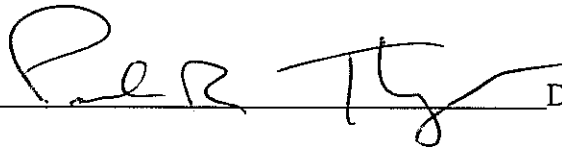
The County is proceeding with the new curved alignment of Wabash. Mr. Warford needs to make sure it is the same as was previously discussed before proceeding to finalize the land transaction with DCJE.

The developers of Prospect Village are gearing up for installation of sanitary sewers. Water tap sizing for the development has not yet been determined. Mr. Ginsberg noted that there was stagnant water in the detention pond that was excavated on the Prospect Village site. It was discussed that this may be an issue for the Huntington HOA, or that Tri-County Health may have an interest. Mr. Warford noted that detention and retention ponds often do hold stagnant water. He mentioned another area in the District where standing water posed a high risk of mosquito problems.

Investments in municipal bond programs are proceeding and some reasonably good yields have been obtained. Mr. Warford indicated Mr. Farrington had determined that the lawful investments were limited to the top two ratings, so single-A bonds would not be permitted. He said he would check to make sure we had not purchased any single-A bonds, and if so we would sell them as soon as feasible.

There being no further matters to come before the Board, Mr. Thayer made a motion to adjourn. Mr. Halsell seconded the motion. The motion passed unanimously. Chairman Ginsberg declared the meeting adjourned at 9:05 p.m.

READ AND APPROVED



DATED

6/16/09