

RECORD OF PROCEEDINGS

CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

August 24, 2010

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 August 24, 2010.

PRESENT

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

OTHERS PRESENT

John R. Warford – Manager
Lisa Desmond – Administrative Assistant
Carmine Iadarola – AquaSan Network
Ron Dvorak – McLaughlin Rincon
Darryl Farrington – Semple, Farrington & Everall P.C
J.M. Fay – Resident

ABSENT

Chuck Buchanan – Maintenance Supervisor

Mr. Hanley, Chairman of the Board, called the meeting to order at 7:00 p.m.

Mr. Hanley asked if there were any corrections or additions to the minutes of the July 20, 2010, Board meeting. There were none. Mrs. Riley made a motion to approve the minutes as presented. Mr. Halsell seconded the motion. Motion carried.

Next on the agenda was the Treasurer's Report and Bills Payable. Mr. Warford stated Check # 21696 to Haynie & Company was for the remaining cost of the audit. Check # 21732 is to Petrock & Fendel for the Aurora water case that has been approved by the court, and we now have our decree. Check # 21739 to Metro Wastewater Reclamation is for 3rd quarter payment for the District's annual charges. Check # 21740 to National Meter & Automation is for meter replacements and supplies. Check # 21743 is to Tapp's Garage for maintenance on Mr. Buchanan's company truck. Mr. Hanley asked if there were any other questions regarding the Treasurer's Report and Bills Payable. There were none. Mr. Ginsberg made a motion to receive the Treasurer's Report and to pay the Bills. Mrs. Riley seconded the motion. The motion carried.

Mr. Hanley then opened the meeting for public comments. Ms. Fay offered a written comment which Mr. Farrington read to the Board: 1) We would ask that the Board draft a motion to appose Proposition 60, 61, and 101. Also see if the District could include something with the bills regarding how it will affect the rates if the District has to pay taxes on water lines and buildings. Not sure how much these propositions will affect the District but you have a responsibility to educate the residents. Cherry Creek Schools 25% of their budget 1.7 million, Arapahoe Library 33 1/3 of their budget is 6.9 million. We all need to do our part to defeat these issues.

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There being no other public comments Mr. Hanley went to the next item on the agenda Mr. Iadarola's report.

- **Wabash Complex** – The decree for the Wabash complex has been entered and signed by the Water Court, however, there are two clerical errors that are in the process of being corrected. Both errors involve the Cherry Creek Country Club reservoir sites and it is hoped that the final decree will be received in September. The Wabash reservoir can move forward to the permitting phase.
- **Conservation** - Denver Water issued 44 rebates to CCV Customers from April to July, most of which were for toilets and clothes washers. Denver Water is offering a leak detection program to its distributors. The leak detection program is a mandatory part of the conservation plan. It is up to each distributor whether to participate in Denver Water's program or initiate a program of their own. The Denver Water Board has made several commitments regarding the Moffat Project and mitigation with the Western Slope which should not affect our water supply. However it should be closely monitored to insure rates and conservation requirements are not impacted by this project.
- **Wise Project** – this is a joint project between Denver Water, South Metro Water Authority, and Aurora to collect water that Denver Water has the right to use that is discharged from the Metro Wastewater sewer plant. It will include building water lines, treatment plants and pumps and using this water to service South Metro water suppliers outside the combined service area.

Mr. Hanley asked if there were any comments regarding Mr. Iadarola's report. There were none so they moved on to the Manager's Report.

Mr. Warford gave the floor to Mr. Hanley to discuss amendment 60, 61, and proposition 101. There is considerable concern that these may pass. It would seem that the District would continue to remain in enterprise status even if these amendments pass, as long as it does not receive 10% of revenues from the government which seems unlikely due to the current reserves. Amendment 60 imposes property taxes on the District's facilities but exactly how that will be done and at what amount is not defined. The District would pay taxes to the other taxing entities in our area and that would get mixed into their tax revenue and they are then under an obligation to reduce their mill levy by that amount. The District as an enterprise under TABOR could increase the fees to cover that tax liability if the Board so decided. This could be as much as a 9% increase in fees. One of the best arguments against this amendment is while property taxes are deductible on your income taxes, increased water and sewer fees are not. Mr. Hanley recommended that the Board consider passing a resolution against these amendments and he encouraged the board members to talk to people about the effects of these amendments. Mr. Warford brought up the cost of doing a mailing to campaign against these amendments. Mr. Hanley and Mr. Farrington stated that the District can not legally do that. The District can however pass a resolution.

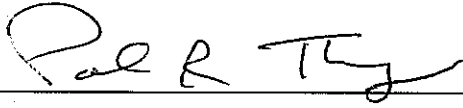
Mr. Warford stated that the Wabash Bridge Project is currently on schedule. The bike trails will most likely be moved to the Highline Canal on paved surface. McLaughlin has received bids on the soil tests for the reservoir project to make sure the ground water flows are not affected. The cost for the first phase of testing will cost between \$20,000 and \$30,000. The total for all 3 phases of soil testing will be approximately \$60,000.

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There being no further matters to come before the Board Mr. Hanley called for the Board to adjourn. Mr. Ginsberg moved to adjourn, seconded by Mr. Halsell. Motion carried. Mr. Hanley declared meeting adjourned at 7:42p.m.

READ AND APPROVED



DATED Sept 21 - 10