

# RECORD OF PROCEEDINGS

## CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

### REGULAR MEETING OF THE BOARD OF DIRECTORS

February 16, 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 February 16, 2010.

#### PRESENT

Sheldon K. Ginsberg – Chairman  
Paul Hanley – 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  
Chuck Buchanan – Maintenance Supervisor  
Darryl Farrington – Semple, Farrington & Everall P.C  
Carmine Iadarola – AquaSan Network  
Jonathan Fung – Sanford C. Bernstein & Co., LLC  
Delmar Beverly - Resident  
J.M. Fay – Resident

#### ABSENT

Ron Dvorak – McLaughlin Rincon

Mr. Ginsberg, Chairman of the Board, called the meeting to order at 7:01 p.m., with a quorum present.

Mr. Ginsberg informed the Board that he is having some health issues and will be resigning as Chairman of the Board as of the March Board Meeting. He also stated that he would like to continue as a Board Member in order to keep continuity on the Board, and he has turned in his Self Nomination and Acceptance Form for the upcoming Election.

Mr. Ginsberg asked if there were any corrections or additions to the minutes of the January 19, 2010, Board meeting. There were none. Mr. Halsell made a motion to approve the board meeting minutes as presented. Mr. Thayer seconded the motion. Motion carried.

Next on the agenda was the Treasurer's Report and Bills Payable. Mr. Warford discussed check # 21328 to Guildner Pipeline for jetting and cleaning of sewer lines for 1/3 of the district. Check # 21331 to Metro Wastewater is the 1<sup>st</sup> Quarter billing for 2010 sewage treatment. Mr. Halsell asked about check # 21294. Mr. Warford stated that check was to Nubilt for the backup that occurred at 1650 S Beeler St and was discussed during last month's Executive Session. This is for the first phase of the clean up. Mr. Warford stated that this is an on going project that will be discussed further during his Managers Report. Mr. Ginsberg asked about check #21291. Mr. Warford stated that this also relates to the backup at 1650 S Beeler St. Mr. Ginsberg asked if we have Insurance to cover the backup/cleanup. Mr. Warford said the District does have insurance that has a limit of \$7500.00 with a \$500.00 deductible. The District will be reimbursed for \$7000.00. Mr. Ginsberg asked if there were any other questions regarding the bills. There were none. Mr. Hanley made a motion to receive the Treasurer's Report and to pay the Bills. Mr. Halsell seconded the motion. The motion carried.

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Mr. Ginsberg then opened the meeting for public comments. Ms. Fay offered a written comment which Mr. Farrington read to the Board: 1) Coordinated election with Cunningham Fire Protection District, if they have an election, so that we save on postage and don't inconvenience the residents. Have a ballot box in both locations for residents convenience. 2) Conservation plan for 2010?

There were no further public comments.

Next Mr. Ginsberg gave the floor to Mr. Delmar Beverly to discuss a water leak on his property at 1859 S Xenia Ct. Mr. Beverly presented the Board with a letter explaining the incident and a copy of two emails. In October Mr. Beverly received a call from the District regarding high usage and the possibility of a leak. At the beginning of November the District sent an email and a profile from his meter. He repaired a leaky toilet and sent an email back to the District requesting another profile. He never received a response back. Next he called and spoke to John Warford regarding a credit for some of the \$355.64 he was charged. Mr. Warford told him that it is not the District policy to issue credits for customer leaks. Although the email request was never responded to, Mr. Beverly assumed that the leak had been fixed. At the end of November he received another call from the District saying that his water usage had doubled. When he couldn't find a reason for the increase Mr. Beverly came into the office. Two of the District's maintenance employees went out to his property and found that the leak was in his front yard, underground, near a yard hydrant. The leak was in Mr. Beverly's service line, not in the District's water main. Mr. Beverly's next bill was \$795.00. He stated that if his email had gotten a response he would have been able to resolve the problem earlier. He suggested that there be a policy in place to follow up on high usages to see if the problem has been resolved. After some discussion the Board came to the conclusion that a credit will not be issued. After discussion concerning the reliability of telephone communication versus communication, Mr. Hanley made a motion that the District no longer use email to contact customers regarding leaks. The motion was seconded by Mrs. Riley. Mr. Beverly stated this decision was even worse than what happened. The motion passed unanimously.

Mr. Warford introduced Mr. Jonathan Fung from Sanford C. Bernstein & Co., LLC to discuss the current investment analysis. Most of the investments for the District would be categorized as short to intermediate terms, with maturities of about 3-4 years. There was a 4.5% increase to date, and 6.8% projected annually. Mr. Fung stated that the interest rates will not be going down, so they are protecting the District's investments against the interest rates going up. Bernstein & Co is recommending the District look into their new cash management program that includes laddered CDs that are federally insured. This program is based on cash liquidity needs and can provide a higher rate of return than the current money market. They are projecting a rate of return of about 1.3% per year. There was some discussion about looking into different options for the money market to receive a higher rate of return and still having enough liquidity for upcoming projects. The Board thanked Mr. Fung for his Presentation.

Mr. Iadarola's report was next on the agenda. He presented his water report, which was also submitted in written form to the Board. Highlights included:

- **Wabash Complex** – Case # 90CW218B Denver Aquifer Water. Denver Country Club, has agreed to settlement based on the stipulations presented to the Board last month. We should receive the decree from the court next month. The District has objected to the Aurora Case requesting that they augment upstream of Iliff, not to interfere with the District's Water rights. It is not unusual for Districts to object to each others' water cases.
- **DW** – DW has decided to retain the title of Manager-Chief Executive Officer they will start a search to fill this position hoping to have it filled by April. DWB has commenced the process of receiving input on the Environmental Impact Statement for the Moffat Collection System.

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- **Rates** – Much of the credit for the decision not to increase rates to Master Meter Distributors is given to the TAC(Rates & Fees Technical Advisory Committee)
- **Conservation** – In 2009 55 rebates were issued to CCV customers by DW. DWB has refused to report conservation information for the Distributors due to a lack of information so the Colorado River District has proposed legislation requiring separate conservation plans for all Districts.
- **Misc.** – A study from Oregon State University has changed assumptions about how water moves through soil.

Mr. Ginsberg 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 stated that he is still in negotiations regarding the back up that occurred at 1650 S Beeler St. He met with the owner of the property and his legal counsel and feels they are close to resolving the issue.

Mr. Farrington discussed the status of the agreements and acquisitions of property between the District, the Denver Campus for Jewish Education (DCJE) and Arapahoe County. The closing had been scheduled for February 12, and both the District and DCJE had submitted all documents to the title company by that date. However, a delay had occurred to allow time for the County to accept DCJE's grant of slope and construction easements necessary for the realignment of South Wabash Street, which needed to be recorded before the closing could be completed. For this reason, the District is holding up transfer of funds temporarily. The easements should be recorded by the end of the week. Once the easements are recorded The District will wire the funds and the closing will be completed. Mr. Warford summarized the progression of events after the closing as follows: filing for regulatory permits, going before the Planning Commission, reviewing design, bids, water court cases and approval by the Corp of Engineers. Mr. Warford believes the County is planning to start road/bridge construction in mid-spring.

Mr. Warford stated that the easements for Prospect Village are close to being done.

Mr. Farrington asked to be excused from the remainder of the meeting due to another board meeting he had to attend by conference call. Mr. Ginsberg excused him.

Mr. Warford informed the Board that he would be doing a study on the possibility of bringing the 40 acre feet of water from the township well into the golf course water storage facility.

Mr. Ginsberg asked if anyone had anything else.

There being no further matters to come before the Board Mr. Ginsberg called for the Board to adjourn. Mr. Thayer moved to adjourn, seconded by Mr. Halsell. Motion carried. Mr. Ginsberg declared meeting adjourned at 9:12 p.m.

READ AND APPROVED,



DATED

3/16/10