

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE ROXBOROUGH WATER AND SANITATION DISTRICT AND THE BOARD OF DIRECTORS OF THE PLUM VALLEY HEIGHTS SUB-DISTRICT OF ROXBOROUGH WATER AND SANITATION DISTRICT HELD January 21, 2015

A regular meeting of the Board of Directors of the Roxborough Water and Sanitation District and the Board of Directors of the Plum Valley Heights Sub-district of Roxborough Water and Sanitation District was held on Wednesday, January 21, 2015 at 8:00 a.m. at the Roxborough Water and Sanitation District's offices located at, 6222 N. Roxborough Park Road, Littleton, Colorado 80125. Notice of the meeting was duly posted in at least three locations within the boundaries of the District and three locations within the boundaries of the sub-district, as required by State law.

Attendance: Directors: Dave Bane
John Dillon
Dave Heldt
Tim Moore
Consultants: Bill Goetz, TST Infrastructure, LLC
Alan Pogue, Esq. Icenogle, Seaver, Pogue
Ted Snailum, TSW Financial, Inc.
RWSD Employees: Larry Moore
Mike Marcum
Vickie Nolen
Cindy Taylor
Joanne Cleveland
Guests: Jack McCormick, PVH resident

Call to Order: The meeting was called to order by Dave Bane, President of the Board. It was also established that a quorum was in attendance and there were no conflicts of interest to disclose.

Absent: There was a motion by Dave Heldt and a second by John Dillon and unanimous vote to approve the excused absence of Dave Thomas.

PUBLIC COMMENT:
There was no additional public comment.

CONSENT AGENDA: Upon a motion by Director Heldt and second by Director Moore, the Board approved the Consent Agenda, which consisted of:

1. Approve Minutes of the November 19, 2014 Regular Meeting
2. Ratify Payroll for November 30, 2014, December 15, 2014, December 31, 2014 and January 15, 2015
3. Approve Payment of Claims- check #55493-55518
4. Ratify Payments since November 19, 2014 – checks #55395-55492

GENERAL MANAGER'S REPORT:

Sterling Ranch/DWSD (D/SR): Mr. Moore informed the Board that we are close to finalizing the needed Easements for the relocation of the Aurora pipeline, the easement for the NWDC pipeline and the easement for the new transmission line. RWSD staff has executed a letter with the intent to amend the RWSD/Dominion IGA to push the Letter of Credit requirement back until January 31, 2015 and allow Dominion flexibility to escrow either the Letter of Credit or cash. Sterling Ranch

received unanimous approval from the Douglas County Planning Commission for their first filing. They are scheduled for Public Hearing before the Board of County Commissioners on January 27, 2015. The 106 lawsuit is scheduled for oral argument on February 18, 2015.

Plum Valley Heights Subdistrict: Mr. Moore informed the Board that we will need to amend the 2014 Plum Valley Heights Subdistrict Budget since we spent money on the election, the Preliminary Engineering Report, loan application and flight mapping of the contours which we obviously did not expect when we prepared the 2014 Budget in November of 2013.

DC/NWDC Water Project: Mr. Moore informed the Board that we received \$4,790,822 from Douglas County for the costs that they have agreed to pay for this project. We opened a savings account at Wells Fargo so we could keep the funds separate and will provide a detailed accounting with back up as we access the funds. Mulhern MRE is submitting a grant request to the State Roundtable for additional funding for this project.

Mr. Moore informed the Board that he received a call from John Kaufman, Centennial Water and Sanitation District regarding their possible participation in providing service to Chatfield Acres and Chatfield East. Mr. Moore, Bill Goetz, Tim Murrell, Douglas County, met with Centennial to discuss this project and how Centennial Water and Sanitation District could become a part of it. We stressed to Centennial that they would need to move quickly in order to be a part of this project. Mr. Moore will continue to meet with Centennial and Douglas County so that any revisions to the initial details of the project can be made as soon as possible.

WTP Design: Mr. Moore informed the Board TST is completing the design of the 8MGD plant. TST has met with CDPHE regarding the treatment process and will make some changes in response to their review. We should have an approval from CDPHE by early February. We are planning on advertising on February 5th and the bid period will last 6 weeks. The Aurora pipeline relocation is underway but BT Construction has not yet broken ground.

SDC Increase: Mr. Moore presented to the Board a letter he received from Aurora Water dated December 15, 2014 that will increase the Water Supply cost to RWSD for each Residential Equivalent Unit from \$6,575 to \$7,472 which is an \$897.00 difference or increase. We will discuss this further under Action Items.

LEGAL ISSUES: Alan Pogue gave the status report to the Board.

OPERATIONS: Mike Marcum gave the Board an overview of work done in the District, at the Plants, and in the Field.

ENGINEERING: Mr. Goetz gave the status report to the Board and discussed the rainfall/water treatment report.

FINANCIAL: Mr. Snailum presented the November 2014 and December 2014 RWSD Financial Statements and the November 2014 and December 2014 PVH Financial Statements to the Board. Upon a motion by Director Dillon, second by Director Moore and unanimous vote the Board accepted the November 2014 and December 2014 Financial Statements for both entities.

ADMINISTRATIVE:

Monthly Customer Summary: Ms. Taylor reviewed the Monthly Customer Summary with the Board. Since we started the rebate program, January 1, 2008, we have rebated \$65,830.11.

Director Heldt made a motion to adjourn as the Board of Directors of the Roxborough Water and Sanitation District and convene as the Board of Directors of the Plum Valley Heights Subdivision. Upon a second by Director Dillon the motion was unanimously approved.

PLUM VALLEY HEIGHTS SUBDISTRICT:

ACTION ITEMS:

2014 Amended Budget: Alan Pogue indicated that the Notice to Amend the 2014 budget was duly noticed in the local newspaper on January 15, 2015 as previously established by the Board as well as on the District's website. Director Bane opened the Public Hearing on the amended 2014 Budget. No comments were received so Director Bane closed the Public Hearing. The Board took action to

approve the 2014 Amended Budget. A motion was made by Director Moore and seconded by Director Dillon to approve Resolution 15-01-01 which adopts the amended budget. Resolution 15-01-01 is attached and becomes a part of these minutes, which also includes all appropriate documentation for the 2014 Amended Budget for the Plum Valley Heights Subdistrict as, required by state statutes. The motion passed unanimously.

Poysti and Adams 2015 Amended Letter of Engagement: Larry Moore presented an amended letter of engagement for services for the 2014 Audit. After discussion regarding the posted price of the audit a motion was made by Director Heldt, seconded by Director Moore and unanimously approved to go forth with the Amended Letter of Engagement with the understanding that management will have conversations with the auditors regarding doing an 2014 audit on Plum Valley Heights and will work closely with the auditors to keep the cost of doing the 2014 Audit at a minimum.

Director Moore made a motion to adjourn as the Board of Directors of the Plum Valley Heights Subdistrict and reconvene as the Board of Directors of the Roxborough Water and Sanitation District with a second by Director Dillon the motion passed unanimously.

ACTION ITEMS:

Annual Rate Review: The Board upon a motion by Director Heldt, a second by Director Dillon and a unanimous vote agreed to set the annual rate review meeting to coincide with their regularly scheduled monthly meeting to be held on March 18, 2015 and will post the meeting notice as required.

System Development Charge: The Board reviewed a letter dated December 15, 2014 from Aurora Water informing them that effective January 1, 2015 the Water Supply charge per Equivalent Residential Unit was increased from \$6,575 to \$7,472 which results in an increase of \$897.00. The Board upon a motion by Director Moore, a second by Director Heldt and unanimous vote agreed to pass on the System Development Charge increase from Aurora Water in the amount of \$897.00 and that increase would be effective today. Therefore, the District's System Development Charge for the Water Supply component was increased from \$1,300 to \$2,297.

1st Addendum to the Water Treatment IGA with DWSD: Alan Pogue presented the 1st Addendum to the Water Treatment IGA with DWSD. This Addendum set forth the terms for DWSD to reimburse RWSD for the Actiflow Project and the Aurora Waterline Relocation Project. Upon a motion by Director Heldt, a second by Director Dillon and a unanimous vote the Board ratified the content of the 1st Addendum to the Water Treatment IGA with DWSD.

Assignment and Assumption of WTP Design Cost Sharing IGA: Alan Pogue presented to the Board Consent to the Assignment and Assumption of WTP Design Cost Sharing IGA. Upon a motion by Director Heldt, a second by Director Dillon and a unanimous vote, Roxborough Water and Sanitation District consents to the Assignment and Assumptions of Cost Sharing Agreement for Engineering Design of Water Treatment Plant by and among Dominion Water and Sanitation District to Dominion Water and Sanitation District, acting by and through its Sterling Ranch Water Activity Enterprise.

ADJOURN: Being no further business, a motion was made by Director Dillon and seconded by Director Moore to adjourn the meeting at 9:50 a.m. The motion passed.

Respectfully Submitted,



Secretary for the Meeting