

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CHERRY CREEK VILLAGE WATER DISTRICT HELD AUGUST 9, 2011

A regular meeting of the Board of Directors of the Cherry Creek Village Water District (referred to hereafter as "Board") was held on Tuesday, August 9, 2011 at 9:30 a.m., at Benedict's Restaurant, 8181 E. Arapahoe Road, Greenwood Village, Colorado. This meeting was open to the public.

ATTENDANCE

The regular meeting of the Board of Directors of the Cherry Creek Village Water District was called and held, as shown, in accordance with Colorado law. The following directors were present:

Lou Schroeder
Phil Viseur
Joseph Ryan

Absent were Directors Forney and Baer, whose absences were excused.

Also present were:

Cathy Noon and Joel Meggers; Community Resource Services (CRS)
Tim Flynn; Collins Cockrel & Cole P.C.
Greg Sekera; Kennedy/Jenks Consultants
Mayor Ron Rakowsky; Greenwood Village
Councilmember Tom Bishop; Greenwood Village

CALL TO ORDER

Director Schroeder called the meeting to order at 9:30 a.m.

ADMINISTRATIVE ITEMS

Agenda: Upon review and discussion of the Agenda and a motion duly made, seconded and, upon vote, unanimously carried, the Board approved the Agenda as amended to add under DIRECTORS ITEMS, IIB "Discussion of marking/locates of water lines", IIC, "Discussion on the use of secret ballots by elected bodies", IID, "Review of requirements and District policy on meeting notice postings" and IIE, "Report on SDA Lunch and Learn".

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Minutes: The minutes of the July 12, 2011 Regular Board meeting were presented to the Board. Following review and discussion, upon a motion duly made, seconded and, upon vote, unanimously carried, the Board approved the July 12, 2011 Minutes as presented.

QUORUM/QUALIFICATIONS/& DISCLOSURES

It was noted that a quorum was present. All of the Directors are qualified and there are no conflicts of interest disclosures required.

DIRECTOR MATTERS

Discussion on Smart Sprinklers – Director Ryan reported on the implementation and use of “Smart Sprinklers” by Castle Pines Metropolitan District (CPMD). CPMD applied for and received a \$250,000 grant from the Colorado State Water Conservation Board to purchase and install water saving sprinkler nozzles to reduce water consumption. The nozzles are installed on a pop-up sprinkler so it acts similarly to a rotary sprinkler, thereby increasing absorption. This, in turn, reduces the watering time needed to keep landscaping healthy. **The Board asked Director Ryan to invite Emily Coll from Castle Pines Metropolitan District to attend the September Cherry Creek Village Water District meeting to explain more about this program. Director Ryan was also asked to obtain any available research material and provide it to the Board prior to the September meeting.**

Discussion on Marking/Locates for Water Lines – Director Schroeder referred to an SDA newsletter article on this subject and questioned if the District performs water line locations for construction projects. Mr. Flynn explained that state statute requires the District to provide utility (water lines) locations for construction projects in the right-of-way (ROW). There is no requirement for the District to provide locations on private property. Cherry Creek Village Water District has visited this topic previously and Mr. Flynn assured the Board that the required practices are in place.

Discussion on Secret Ballots by Elected Boards – Director Schroeder made reference to a recent court decision that upheld an elected body taking a vote during a meeting by secret ballot. Mr. Flynn reviewed the case law and the Board asked Mayor Rakowsky to review Greenwood Village practices and Ms. Noon to review the City of Centennial practices on this subject. The Board indicated a secret ballot has never been used by the District and, due to the philosophy of the current Board, it was unlikely to

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be used in the future.

Discussion on Posting of Meeting Notices – Mr. Flynn reviewed the District policy for posting of meeting notices and stated it is part of an annual Resolution adopted by the Board. Any Regular Meeting Notice is posted once per year, a Special Meeting Notice is posted in three places 72-hours prior to the meeting, and the 24-hour posting (with agenda) is posted in one place. The Open Meeting Law designated location is the King Soopers located at 4910 S. Yosemite Street and the posting locations for Regular Meetings are the same King Soopers, the utility box at Union Avenue and S. Yosemite Street, and the light pole on the southeast corner of Chenango Avenue and S. Beeler Street. All posting locations are in Greenwood Village, CO. Due to the change in time and location and to the designation of Community Resource Services instead of R.S.Wells as an authorized representative to post such notices, Mr. Flynn prepared an amendment to the annual Resolution No. 2011-1-1. Upon a motion made, seconded and upon vote, unanimously carried, the Board approved Resolution 2011-8-1.

SDA Lunch and Learn – Directors Schroeder and Ryan provided a review of the SDA Lunch and Learn seminar they attended on July 20th along with Director Forney and Ms. Noon. Highlights of the session were as follows:

- Communications with customers and between the Board
- Liability and fiduciary responsibilities of the Board

Those attending felt there was value to attending these educational workshops and asked to be made aware of future sessions.

FINANCIAL ITEMS

Review and Approve Payment of Claims – Ms. Noon reviewed the July 2011 claims totaling \$79,302.02, represented by check numbers 4389 – 4402. Following review and discussion, upon motion duly made, seconded and, upon vote, unanimously carried, the Board approved the July 2011 claims as presented.

Review Cash Position: Ms. Noon reviewed the cash position with the Board for the period ending July 31, 2011 with adjustments made through August 8, 2011. Following review and discussion, the Board accepted the cash position as presented.

Review Financial Statements: Ms. Noon distributed the financial statements dated July 31, 2011 and discussed the new format with

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the Board. Discussion followed concerning the Board's preference on how the CD investments should be shown and whether the financials include activity up to the meeting date or only through the previous month ending. This matter will be discussed again at the September Board meeting when the full Board is in attendance. After review, the Board accepted the financial statements subject to the changes discussed.

Review Delinquent Account Report – The Board reviewed the delinquency report and discussed the information they would like in future reports. Ms. Noon was asked to provide the number of shut-offs, liens filed, and fees collected for turn-offs and ons in these monthly reports.

Update on 2010 Audit – Ms. Noon reported that Clifton Gunderson filed the audit extension and is working with Simons & Wheeler PC on the audit.

Review and Approve 2010 Audit Engagement Letter from Clifton Gunderson, LLP - Following review and discussion, upon a motion duly made, seconded and, upon vote, unanimously carried, the Board approved the engagement of Clifton Gunderson, LLP.

MANAGEMENT MATTERS

Update on Transition – Ms. Noon and Mr. Meggers updated the Board, indicating the files from R.S. Wells have been received and that CRS is entering data into their system. Discussion was held on what files need to be retained. **Mr. Flynn will bring the Colorado State records retention policy to the Board for adoption in September.** CRS will retain the files according to the policy once adopted.

Utility billing files are updated and ready to go for the August residential billing. Additionally, contact information for the District is being changed to CRS with most vendors and financial institutions already notified. Denver Water will be emailing the meter readings as soon as completed.

Update on Website – Ms. Noon informed the Board that the paperwork for a free website with State Internet Portal Authority (SIPA) for the District has been filed. Once set up, CRS will be the webmaster on behalf of the District with instruction from the Board on what items will to place on the site.

Review Consumption Report – Ms. Noon reviewed the

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Consumption Report with the Board. The Board accepted the Consumption Report as presented.

MAINTENANCE AND OPERATIONAL ITEMS

Engineering Report – Mr. Sekera reviewed the Kennedy/Jenks engineering memo dated August 1, 2011. Highlights are:

- Mr. Sekera indicated he met with Larry Larson of C & L to review the master meter readings and hydraulics, particularly the PRV settings. Mr. Sekera will be onsite for the testing and adjustments needed and hopes to have this work completed by the week of August 15, 2011.
- Under system maintenance, the following items were coordinated during the past month
 - No work was performed in the last month on fire hydrant and valve repairs
 - There was no update for the past month on the cross-connection control program
 - No water line breaks were reported in the last month
 - Locate requests were reviewed for miscellaneous construction in the past month
 - A copy of the maintenance tracing/schedule is attached

Discussion on National Meter Contract – The Board discussed acquiring a direct contract with National Meter now that CRS is the management company. Previously, National Meter was a subcontractor of R.S. Wells for meter reading. The District contracted directly with National Meter for meter change-outs. **Ms. Noon is to contact National Meter to begin the process of contracting directly with them.**

LEGAL

Consider Approval of CRS of Colorado Contract – Mr. Flynn presented a contract between CRS and the District for management and accounting services. Upon motion duly made, seconded and upon vote, unanimously carried, the Board approved the contract as presented noting the following items will be revisited with a future amendment/revision:

- \$50,000 is the current amount of crime coverage carried by CRS
- Removal of the meter reading services as a subcontracted amount

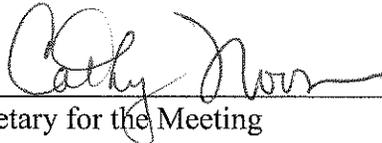
Mr. Flynn will bring a revision to a future meeting for Board consideration.

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ADJOURNMENT

There being no further business to come before the Board, upon a motion made, seconded and upon vote, unanimously carried, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,



A handwritten signature in cursive script, appearing to read "Cathy Now", is written over a horizontal line.

Secretary for the Meeting

August 1, 2011

Memorandum

To: Cathy Noon, District Manager
From: Greg S. Sekera, P.E.
Subject: Engineering Memorandum for Board of Directors
Meeting on August 9, 2011
KJ Job No. 1146003*GENW

Briefly presented below are the items that we have been involved in during the past month.

1. Master Meter/PRV Adjustments – Following last month's meeting I met with Larry Larson with C&L to review the master meter readings and the system hydraulics, particularly the PRV settings. I have requested that he schedule a day for them to perform adjustments, testing, and pressure checks of the PRVs in the field with my direction. I expect this work to be performed the week of August 15.
2. System Maintenance – We coordinated the following maintenance items during the past month:
 - Fire Hydrant and Valve Repairs – No work performed this past month.
 - Cross-connection Control Program – No update for the past month.
 - Water Line Breaks – No water line breaks this past month.
 - Facility Locates – Reviewed locate requests for miscellaneous construction in the District.
 - Maintenance Tracking – A copy of the maintenance tracking/schedule is attached.

2011 Water System Maintenance Tracking
Cherry Creek Village Water District

ITEM	DESCRIPTION	NO. OF UNITS	FREQUENCY	SCHEDULED DATE	011 BUDGET AMOUNT	ACTUAL COST	SCHOOL REIMB
Routine Maintenance (by C&L Backhoe)							
1	Inspect/Operate Valves	143	Once Every 2 Years	October-12	\$0	\$0	
2	Inspect/Operate Fire Hydrants	66	Once/Year	October-11	\$3,102	\$0	
3	Inspect/Operate/Flow Test PRVs	2	Two Times/Year	May/Nov	\$2,000	\$955	
4	Inspect/Operate CBVs	2	Twice/Year	May/Nov	\$300	\$0	
5	Flush Dead Ends (Blow-Offs and Fire Hydrants)	11	Once/Year	October-11	\$1,100	\$0	
6	Misc. Repairs/Adjustments/Respond to Customer Emergencies	12			\$1,800	\$265	
7	Master/Meter Reads (once per month)	12	Monthly		\$1,200	\$782	
	Subtotal				\$9,502	\$2,002	
	Contingency @ 15%				\$1,425	\$0	
	Total Routine Maintenance				\$10,927	\$2,002	
System Repairs and Services (by C&L Backhoe)							
8	Raise Valve Boxes from Under Asphalt	2		June-11	\$2,400	\$0	
9	Clean Valve Boxes (vacuum and operate valve)	30		June-11	\$1,800	\$1,154	
10	Replace Valve (in asphalt)	3		June-11	\$22,500	\$0	
11	Misc. Valve Repairs (replace valve boxes)	2		June-11	\$3,000	\$0	
12	Fire Hydrant Repairs	2		June-11	\$8,000	\$1,496	
13	Fire Hydrant Painting	20		June-11	\$1,000	\$0	
14	Service Shut-offs (estimated)	12			\$2,100	\$476	
15	Meter Transponder Repairs (Labor only)	6			\$900	\$204	
16	Utility Locates (field)	24			\$1,800	\$206	
17	Emergency Repairs (water line breaks)	2			\$20,000	\$0	
	Subtotal				\$63,500	\$3,536	
	Contingency @ 15%				\$9,525	\$0	
	Total System Repairs and Services				\$73,025	\$3,536	
	Total Repairs and Maintenance Budget				\$83,952	\$5,538	\$0
Capital Projects							
16	No Projects Anticipated in 2011				\$0	\$0	
	Total Capital Projects Budget				\$0	\$0	

NOTES:

1 Actual Cost column is summation of C&L Invoices received and approved in current year. Costs do not include material and equipment costs paid to others by RS Wells for repairs.