
RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE ARAPAHOE COUNTY WATER AND WASTEWATER AUTHORITY**

HELD: December 12, 2007

13031 E Caley Ave
Centennial, CO 80111

ATTENDANCE:

Present were Directors: Hap Henderson, Marie Mackenzie, Doyle Tinkey, Pat Mulhern, Linda Lehrer, Alan Leak, Rod Bockenfeld, Jim Dyer and Bart Miller. Also in attendance were: Gary Atkin, Jennie Achee, Will Koger, Martin Stegmiller, Arnie Reil, Barbara Townsley, Bart Giles, Suzanne Mueller and Legal Counsel Rick Kron of Grimshaw & Harring. Guests: Dave Berwanger, DAB Engineering; Helen Cregger, Piper Jaffray; Dick Scheurer, Scheurer and Assoc.; Jenn Stillman and Gary Fuller, HDR Engineering, Inc.; Jed Lugod and Steve Gardner, SEMSWA; John Mikk, CoBiz Insurance.

CALL TO ORDER:

Director Hap Henderson called the meeting to order at 9:07 a.m. in the Arapahoe conference room of the Arapahoe County Water and Wastewater Authority office at 13031 E Caley Ave, Centennial, CO 80111. Mr. Rick Kron led the Pledge of Allegiance.

ADOPTION OF THE AGENDA:

Director Henderson made the following changes to the agenda:

Item No. 12 – Chapparal Merger became Item No. 4 since Mr. Dick Scheurer was present.

Item No. 7 – IGA with SEMSWA became Item No. 4A since two members of the SEMSWA staff were present.

Item No. 4 – Master Plan Update became Item No. 4B since two members of HDR staff were present.

Item No. 10A – Easement for Effluent Return Lines, ACWWPID Project P-25 was added to the agenda.

A motion was made by Director Dyer and seconded by Director Miller to adopt the revised agenda. The motion passed 9 to 0.

PUBLIC FORUM:

Mr. Gary Atkin introduced Ms. Helen Cregger with Piper Jaffray. Ms. Cregger addressed the Board regarding the latest bond issuance and handed Mr. Atkin, Ms. Jennie Achee and each Board member a paper weight with encased bond documents to commemorate the occasion.

Director Henderson acknowledged Ms. Barb Townsley for the work done on the ACWWA front office.

CONSENT AGENDA:

Mr. Kron requested some changes to the minutes from the November Board meeting regarding the Executive Sessions. Following discussion with the Board the changes will be made to the minutes.

A motion was made by Director Mackenzie and seconded by Director Miller to approve the consent agenda with the changes mentioned. The motion passed 9 to 0. The consent agenda consisted of the following items:

1. Approval of Meeting Minutes for November 14, 2007
2. Approve payment requests for November, 2007
3. Approve PDAC Committee recommendations:
 - A. Approve Professional Services Agreement with Ground Engineering for Materials Testing for JWPP, Project P-15
 - B. Approve Dominion Water District Inclusion Request into the DCWRA

GENERAL BUSINESS ACTION ITEMS

Item No. 4A – IGA with SEMSWA

Mr. Atkin handed out a revised IIGA with SEMSWA and gave a brief overview. Mr. Atkin noted a new concern regarding the drainage basins, specifically Ponds W-4 and D-1. Mr. Dave Berwanger addressed the Board regarding both Ponds giving a history of the projects he is involved in that he said require the Ponds to be built. Mr. Berwanger requested that ACWWA withhold \$ 75,000 for Pond W-4 and \$150,000 for Pond D-1, from the money to be transferred to SEMSWA, to pay for ACWWA to do the projects. In response to a question by Director Miller, Mr. Atkin informed the Board that the money transfer to SEMSWA from ACWWA would be approximately \$300,000. The Board discussed whether the amount requested by Mr. Berwanger would be enough to complete the ponds and the timing of the projects. Mr. Jed Lugod, Executive Director of SEMSWA

addressed the Board stating that SEMSWA is committed to support both projects under a reasonable schedule.

Director Dyer left meeting at 9:56 a.m.

Discussion took place among the Board and Mr. Lugod on the ramifications if ACWWA withholds the money from SEMSWA to pay for the projects. It was noted that this could hold up the MS-4 Stormwater permit process. Mr. Kron stated that ACWWA's MS-4 permit expires on March 10, 2008. Continued discussion among the Board, Mr. Lugod and Steve Gardner, Director of Operations for SEMSWA, took place regarding completion of the ponds, commitment on behalf of SEMSWA to complete the ponds in '08 and budgetary concerns for SEMSWA. A motion was made by Director Tinkey and seconded by Director Miller that ACWWA approve the Implementing IGA with SEMSWA. Approval would be conditioned upon approval by the SEMSWA Board by December 25, 2007 of an additional agreement with SEMSWA, acceptable to the ACWWA President, Manager and legal counsel, committing to the design and construction of Pond W-4 (by August 1, 2008) and Ponds D-1 and D-2 in a reasonably expeditious manner, and that SEMSWA allocate the funds to ACWWA to fulfill its Program 6 responsibilities under the Implementing IGA. Discussion took place regarding the revised IGA that was just passed out to the Board whom have not had a chance to read the changes. It was noted that the Board would read through the IGA and individually email Mr. Atkin if they had concerns about the revision, otherwise their vote on the motion today would stand. Board members expressed their concerns about the motion. Director Henderson called for a vote on the motion. The motion passed 6 to 2 with Director Lehrer and Director Bockenfeld voting against it.

Item No. 4 – Chapparral Merger

Mr. Dick Scheurer addressed the Board regarding the Chapparral Merger giving an overview of the current status. A motion was made by Director Miller and seconded by Director Lehrer to approve the IGA, conveyance and related documents pertaining to the Chapparral merger with ACWWA. The motion passed 7 to 0 with Director Tinkey abstaining.

Break took place at 10:45 a.m., the meeting resumed at 10:51 a.m.

Item No. 4B – Master Plan Update

Mr. Gary Fuller and Ms. Jenn Stillman from HDR Engineering gave a slide presentation to the Board regarding the ACWWA Water Master Plan. Discussion took place among the Board, Mr. Fuller and Ms. Stillman regarding the Master Plan. It was noted that the Board would like a study session to discuss the Master Plan in more detail to take place at a later date.

Item No. 5 – Special Board Meeting to Review JWPP Construction Bids

Mr. Will Koger informed the Board that Weaver Construction was the selected bidder for award of the contract for the JWPP P-15 project. A motion was made by Director Leak and seconded by Director Miller to ratify the award of the construction contract to Weaver Construction for the JWPP. Mr. Koger and Director Mulhern led discussion regarding the discharge permit. The motion was called to a vote and passed 8 to 0.

Item No. 6 – Land Purchase at the JWPP Site

Mr. Koger addressed the Board regarding the land purchase at the JWPP site noting the final price per square foot. A motion was made by Director Henderson and seconded by Director Mackenzie to ratify the poll of the Board in favor of the land purchase. Discussion took place regarding the potential use for the land. The motion passed 7 to 0 with Director Leak abstaining.

Item No. 8 – IGA with Castlewood Water and Sanitation District (Motel 6 Area)

Ms. Achee addressed the Board giving a brief overview of the IGA with Castlewood Water and Sanitation District. After brief discussion a motion was made by Director Miller and seconded by Director Lehrer to approve the IGA with Castlewood Water and Sanitation District. The motion passed 8 to 0.

Item No. 9 – Appointment of a Board Member to the SEMSWA Board of Directors.

Director Henderson stated that since Director Leak had resigned from the SEMSWA Board of Directors, there was a vacancy that needed to be filled by one ACWWA Board Member. Director Lehrer expressed interest in filling the vacancy. A motion was made by Director Henderson and seconded by Director Miller to appoint Director Lehrer to the SEMSWA Board of Directors. The motion passed 7 to 0 with Director Lehrer abstaining.

Item No. 10 – Formation of a Nominating Committee for ACWWA Officers for 2008

A motion was made by Director Bockenfeld and seconded by Director Miller to nominate Director Mulhern and Director Mackenzie to sit on the Committee to discuss the 2008 ACWWA Officers. The motion passed 8 to 0.

Item No. 10A – Easements for Effluent Return Line

A motion was made by Director Miller and seconded by Director Tinkey to approve the easements for the Effluent Return Line to Inverness Water and Sanitation District. The motion passed 8 to 0.

INFORMATION ITEMS AND REPORTS

Item No. 11 – Chapparal Pump Station Design Error

Mr. Atkin updated the Board regarding the status of the Chapparal Pump Station issue noting a letter had been sent by Mr. Richard Haring of Grimshaw and Haring to HDR Engineering regarding the issue. Mr. Atkin also noted that the letter recommended proper relocation of the pump station.

Item No. 13 – Expense Audit ad hoc Committee Suggestions

Mr. Atkin handed out a revised scope of services to perform an ACWWA expense audit from CH2M Hill. Discussion took place among the Board regarding the issue. A motion was made by Director Henderson and seconded by Director Miller to give the Expense Audit ad hoc Committee authorization to spend up to \$29,000 for review of the ACWWA expenses by an outside party. The motion passed 8 to 0.

Discussion took place among the Board regarding the Cost of Service Study taking place in 2008, it was noted that Elkhorn rates are to be added to that study.

Item No. 14 – Public Image and Communication Recommendations

Mr. Atkin passed out a mock business card to the Board of the new logo. Brief discussion took place about the logo. Director Lehrer suggested the Board have cards printed with each name to be able to pass out at conventions, seminars and other events the Board members attend on ACWWA's behalf. Director Tinkey

commented that as far as ACWWA's public image we need to highlight the success ACWWA has had.

Item No. 15 – Business and Liability Insurance Policy

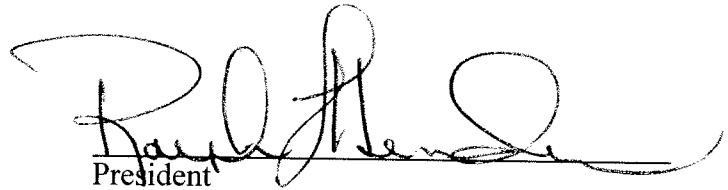
Ms. Achee informed the Board that ACWWA's current insurance policy expires on January 1, 2008. She gave the Board an overview of the insurance ACWWA carries on various items. Brief discussion took place regarding the coverage of the Board members and the insurance deductible. Mr. Atkin noted the safety program that is in place at ACWWA which has helped bring down the cost of insurance.

ADJOURNMENT:

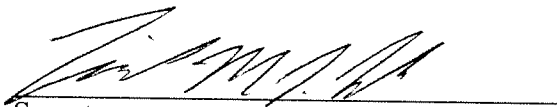
A motion was made by Director Tinkey and seconded by Director Henderson to adjourn the meeting at 11:57. The motion passed 8 to 0.

Approved: January 9, 2007
2008

ARAPAHOE COUNTY WATER AND
WASTEWATER AUTHORITY


President

ATTEST:


Secretary