
RECORD OF PROCEEDINGS

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

HELD: October 14, 2009

13031 E. Caley Ave.
Centennial, CO 80111

ATTENDANCE:

Present were Directors: Hap Henderson, Jim Dyer, Doyle Tinkey, Alan Leak, and Rod Bockenfeld. Also in attendance were: Gary Atkin, Jennie Achee, Arnie Reil, Martin Stegmiller, Steve Witter, Patty Pratt, Jeff Brooks, Barbara Townsley and Legal Counsel Rick Kron and Larry Berkowitz of Grimshaw & Harring. Guests in attendance were: Roger Hartman, *thc* Consultants; Linda Lehrer, Sierra Consulting; Mark Beebe, Arber Associates; Rod Kuharich, South Metro Water Supply Authority; Laurie Lavenhar and her Attorney Marc Tull.

CALL TO ORDER:

Director Henderson called the meeting to order at 9:15 a.m. in the Arapahoe Conference Room of the Arapahoe County Water and Wastewater Authority (ACWWA) office at 13031 E. Caley Ave., Centennial, CO 80111. Director Bockenfeld led the Pledge of Allegiance.

ADOPTION OF THE AGENDA:

Director Henderson stated that the Agenda would be modified to include two new items. A motion was made by Director Leak and seconded by Director Bockenfeld to approve the Agenda as modified. With no discussion needed, Director Henderson called for a vote. The motion passed 4 to 0.

PUBLIC FORUM

No one came forward to address the Board.

CONSENT AGENDA

A motion was made by Director Tinkey and seconded by Director Leak to approve the Consent Agenda. The motion passed 4 to 0. The consent agenda consists of the following items:

1. Approval of Meeting Minutes for September 9 and September 30, 2009
2. Approve Payment Requests for September 2009
3. Approve Recommendations from PDAC:
 - A. Approve Professional Services Contract Amendment with Arber Associates for the Drinking Water Monitoring Plan
 - B. Approve Contract with Premier Paving, Inc. for Wastewater Treatment Plant Paving Project.
 - C. Approve Change Order No. 7 for the JWPP with Weaver Construction.
 - D. Approve Professional Services Agreement with CDM for Pumping Feasibility Analysis.
4. Approve Recommendations from Water Committee:
 - A. Approve South Metro Water Supply Authority Denver-Aurora Engineering Investigation Participation Agreement

RATEPAYER REQUESTED HEARING

Item No. 5 – Conduct Water Service Hearing Requested by ACWWA Ratepayer Laurie Lavenhar

Attorney Berkowitz clarified that the applicant ratepayer is the Laurie H. Lavenhar Living Trust (Trust). As representative for the Trust, Attorney Tull explained that the Trust was seeking to have the water service restored by requesting a variance of the ACWWA Rules and Regulations, citing Rule 1.13. Mr. Tull gave an extensive explanation as to why this account was delinquent and called Laurie H. Lavenhar, the Trustee and beneficiary of the Trust, to testify. Attorney Berkowitz presented a large binder of documents, "Lavenhar Hearing October 14, 2009," which included ACWWA's Rules and Regulations and copies of invoices pertinent to this matter. Jennie Achee and Gary Atkin were called as witnesses to explain the contents of the binder.

After extensive testimony, the public hearing was temporarily recessed with the consent of the representatives of the Trust. The Board took up the following Agenda items:

GENERAL BUSINESS ACTION ITEMS:

Item No. 9 – Discussion and Possible Action Regarding Construction of an 18-inch Potable Water Transmission Line.

Mr. Reil explained that this fee proposal is for the engineering design of a redundant line from the 4MG tank towards the western end of ACWWA's service area. The engineering estimate is roughly 11% of the total project cost. A motion was made by Director Tinkey and seconded by Director Leak to approve the fee proposal. Motion passed 4 to 0.

Item No. 10 – Discussion and Possible Action Regarding a Water Lease from the Town of Castle Rock.

Mr. Witter explained that, on the recommendation of the Water Committee, this lease will allow ACWWA to lease effluent water on a daily basis from the Town of Castle Rock and that ACWWA will only pay for what it needs/uses. Mr. Witter explained that this water can be used to meet ACWWA's obligation within the Upper Cherry Creek Water Association, and augmentation requirements to use alluvial water/wells out of priority on Cherry Creek. A motion was made by Director Tinkey and seconded by Director Leak to approve this lease. Motion passed 4 to 0.

Item No. 11 - Discussion and Possible Action Regarding an easement with Castle-Prim Properties.

Mr. Reil explained that numerous negotiation attempts by ACWWA employees and Attorneys Rick Kron and Russ Dykstra, with Castle-Prim, have failed. Mr. Reil explained that, on the recommendation of the PDAC Committee, eminent domain should be pursued. Director Henderson moved to adopt a formal Resolution of Necessity concerning the acquisition of the Castle-Prim property subject to receipt of the final legal description and title work with authorization of the officers of ACWWA to sign documents as necessary. Motion was seconded by Director Leak and passed 4 to 0.

Item No. 12 – Discussion and Possible Action Regarding a Stormwater Reimbursement Agreement with Sunborne.

Mr. Atkin explained that negotiations for this agreement were transferred to Southeast Metro Stormwater Authority (SEMSWA) at SEMSWA's formation. As the holder of the MS4 permit ACWWA should be a party to this Agreement. Attorney Kron stated that the Agreement as presented to the Board is still in draft form, but that the general concepts have been agreed upon. Director Henderson moved to approve the Stormwater Reimbursement Agreement with Sunborne, as finalized by legal counsel. Motion was seconded by Director Tinkey. Director Leak made a friendly amendment to the motion on the table, that the Stormwater Reimbursement Agreement with Sunborne, as finalized by legal counsel, be deemed approved after the design costs are verified as accurate, by the Director of SEMSWA. Director Henderson called for a vote and the amended motion passed 4 to 0.

Item No. 13 – Discussion and Possible Action Regarding Certain Engagement Letters

Mr. Harrington, Public Finance Associates, LLC, addressed the Board regarding his Engagement Letter for financial advisory services. Mr. Harrington indicated that he was proposing the same fee structure as he uses with Arapahoe County and other school district clients. Mr. Harrington stated that both Mr. Atkin and Mr. Kron have reviewed and approved his Engagement Letter. A motion to approve the contract with Public Finance Associates, LLC, for Mr. Harrington as ACWWA's financial advisor was made by Director Bockenfeld and seconded by Director Leak. Motion passed 4 to 0.

Mr. Bishop, D.A. Davidson & Co., addressed the Board regarding his Engagement Letter for investment services. The engagement will run through June, 2010. Mr. Bishop indicated that at the recommendation of Mr. Harrington, that Helen Gregor of Piper Jaffray would be used as a co-manager of the underwriting. A motion to approve D.A. Davidson's engagement as ACWWA's underwriter was made by Director Henderson and seconded by Director Tinkey. Motion passed 4 to 0.

Mr. Atkin requested of the Chair, that a financial item that was not listed on the Agenda, be allowed to be presented to the Board. Mr. Henderson agreed.

Ms. Achee indicated that the \$5M invested in the Certificate of Deposit Account Registry Service (CDARS) will mature on October 15, 2009 and will then be transferred into ACWWA's general fund. Mr. Harrington assured the Board that these funds can be moved at any time ACWWA deems necessary. The Board had no objection.

RESUMPTION OF RATE PAYER REQUESTED HEARING

Upon the return of the representatives of the Trust, the public hearing was reconvened.

Director Dyer arrived at 11:44 a.m.

Matters related to the public hearing were further discussed by those present. Representatives of the Trust requested that the Board restore the water service today, with the final resolution following in writing. A motion was made by Director Bockenfeld and seconded by Director Dyer to deny restoration of water service at this time. Motion passed 5 to 0.

EXECUTIVE SESSION

At 12:55 p.m., a motion was made by Director Dyer and seconded by Director Leak to adjourn to Executive Session, pursuant to Section 24-6-402(4)(a), C.R.S. to discuss the purchase, acquisition or lease transfer, or sale of real and personal property, in particular water rights and to develop negotiating positions, strategy, or instruct negotiators concerning the same pursuant to Section 24-6-402(4)(e), C.R.S. The motion passed 5 to 0. (Executive Session meetings are recorded and retained for 90 days.)

Director Bockenfeld left the meeting at 1:57 p.m.

At 2:10 p.m., a motion was made by Director Henderson and seconded by Director Dyer to adjourn the Executive Session. Motion passed 4 to 0.

Item No. 13 (Cont'd.) – Discussion and Possible Action Regarding the Engagement Letters

Mr. Atkin presented the Engagement Letter on behalf of Attorney Blake T. Jordan of Sherman & Howard L.L.C. to act as bond and special counsel. A motion to approve

Sherman and Howard to serve as ACWWA's bond and special counsel, pending general counsel's review of the engagement letter, was made by Director Leak and seconded by Director Tinkey. Motion passed 4 to 0.

A motion to approve the retention of Piper Jaffray as co-manager, with a twenty percent share of the underwriting discount was made by Director Henderson, and seconded by Director Tinkey. Motion passed 4 to 0.

Item No. 7 – Discussion and Possible Action Regarding the ACWWA 2010 CIP Budget
And

Item No. 8 – Discussion and Presentation of Draft 2010 ACWWA Budget

Mr. Brooks reported that budget adjustments had been made, bringing the budget from \$250M down to \$55M over the next twenty years. Contingencies have been built into each line item as well as a three percent contingency overall.

Director Henderson moved that a Public Hearing to adopt the CIP and budget as presented, be set for November 12, 2009, 9:00 a.m., seconded by Director Tinkey. Motion passed 4 to 0.

INFORMATION ITEMS AND REPORTS

Item No. 11 – General Manager Report.

In the interest of time, Mr. Atkin stated that the General Manager Report would be deferred to the next regular Board meeting as follows:

- A. Update on South Metro Water Supply Authority Activity
- B. Update on Cherry Creek Alluvial Modeling Group
- C. Cherry Creek Project Water Authority
- D. Update on Stonegate Village Metro District
- E. Update on JWPP Tours
- F. Chaparral Pump Station Update – Mr. Atkin reported that this item would be discussed in a future Executive Session.

Item No. 15 – Legal Report

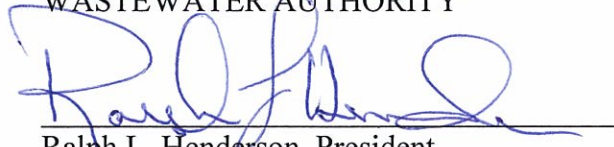
None required.

ADJOURNMENT

A motion was made by Director Tinkey and seconded by Director Henderson to adjourn the meeting at 12:30 p.m. The motion passed 4 to 0.

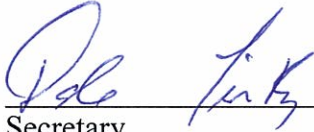
Approved: 11-10- 2009.

ARAPAHOE COUNTY WATER AND
WASTEWATER AUTHORITY



Ralph L. Henderson, President

ATTEST:



Secretary