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RECORD OF PROCEEDINGS

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

HELD: December 9, 2009

13031 E. Caley Ave.  
Centennial, CO 80111

**ATTENDANCE:**

Present were Directors: Hap Henderson, Doyle Tinkey, Ray Wells, Alan Leak, and Rod Bockenfeld. Also in attendance were: Gary Atkin, Jennie Achee, Arnie Reil, Martin Stegmiller, Steve Witter, Patty Pratt, Carol Bauman, Barbara Townsley and Legal Counsel Rick Kron and Lisa Mayers. Guests in attendance were: Jim Marshall, Spring Valley Metro District #1, Drew Damiano and Ron Von Lembke, United Water and Sanitation District; Dave Kaunisto, East Cherry Creek Valley Water and Sanitation District; Roger Hartman, *thc* Consultants; Jim Harrington, Public Finance Associates; Helen Cregger, Piper Jaffray & Co.; Laurie Lavenhar, Laurie H. Lavenhar Living Trust; Lavenhar Trust Legal Counsel Marc Tull; Pat Mulhern, Cottonwood Water and Sanitation District (CWSD) and Inverness Water and Sanitation District (IWSD); Pete Webb and Shadia Lemus, Webb PR Consulting; and Linda Lehrer, Sierra Consulting.

**CALL TO ORDER:**

Director Henderson called the meeting to order at 9:08 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 Tinkey led the Pledge of Allegiance.

**ADOPTION OF THE AGENDA:**

Director Henderson stated that the Agenda would be modified to postpone the discussion of Item No. 4G to a later date. A motion was made by Director Leak and seconded by Director Tinkey 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

Attorney Kron stated that the Board minutes from November 12, 2009, needed to be corrected on Page 4, and Director Tinkey stated that a correction was needed on page 5; a motion for approval of the Minutes could be passed with these two minor corrections. A motion was made by Director Leak and seconded by Director Tinkey to approve the Consent Agenda. The motion passed 6 to 0. The consent agenda consists of the following items:

1. Approval of Meeting Minutes for November 12, 2009
2. Approve Payment Requests for November 2009
3. Approve Changes to Cafeteria Plan Document.
4. Approve Recommendations from PDAC:
  - A. Approve Antonoff Well #1 Upsizing Cost Proposal.
  - B. Approve Murdock and Weider Well Vault Equipping and Installation.
  - C. Approve Murdock #1 and #2 and Weider Well Equipping.
  - D. Approve Purchase of Collection Systems Video Camera.
  - E. Approve Regulation 84 Program Proposal by Wright Water Engineers.
  - F. Approve Water Systems Connection Project.
  - G. Approve JWPP Schedule Modification – Discussion postponed to later date.
  - H. Approve Dove Valley Easement and Right-of-Way Vacation.

## GENERAL BUSINESS ACTION ITEMS:

Item No. 5 – Discussion and Possible Action Regarding Hunt Water Sale Agreement with Spring Valley Vista.

Mr. Marshall addressed the Board regarding the existing Option Agreement and the possibility, in the future, of Spring Valley Vista purchasing groundwater in Elbert County from ACWWA. Director Henderson suggested that once a final amount is decided upon that Mr. Marshall return with this request first to the Water Committee for recommendation and then on to the Board for final decision.

Item No. 6 – Discussion and Possible Action Regarding the Lavenhar Account.

Attorney Mayers presented, for board consideration, a written settlement proposal that was submitted by Attorney Marc Tull and Laurie Lavenhar on behalf of the Laurie H. Lavenhar Living Trust.

## EXECUTIVE SESSION

At 9:22 a.m., a motion was made by Director Henderson and seconded by Director Dyer to adjourn to Executive Session, pursuant to Section 24-6-402(4)(b), C.R.S. to consult or

receive advice from the attorneys, concerning specific legal questions relating to the settlement offer and pursuant to Section 24-6-402(4)(e), C.R.S. to develop negotiating positions, strategy or instruct negotiators and concerning the settlement offer provided by the Laurie H. Lavenhar Living Trust as well as the notice of claim, under the governmental immunity act, received from the Laurie H. Lavenhar Living Trust. The motion passed 4 to 0. (Executive Session meetings are recorded and retained for 90 days.)

Director Bockenfeld arrived at 9:27 a.m.

At 10:02 a.m., a motion to adjourn the Executive Session was made by Director Tinkey and seconded by Director Leak. Motion passed 5 to 0.

After further discussion, a motion was made by Director Henderson and seconded by Director Tinkey to not approve the proposed settlement offer and for ACWWA to continue to follow its Rules and Regulations regarding collection of delinquent accounts. Motion passed 5 to 0.

Item No. 7 – Discussion and Possible Action Regarding Easement Grant to Parker Jordan Metro District.

Director Leak reported that the most recent Easement language for the proposed park at the Braun Well site was not adequate. Director Henderson directed Attorney Kron and Director Leak to resolve all remaining concerns and then bring this issue back to the Board for approval.

Item No. 8 – Discussion and Possible Action Regarding an Amendment to the Upper Cherry Creek Modeling Agreement.

Mr. Witter explained that the members of the Upper Cherry Creek Water Association want to move forward with further studies based on the Modeling Agreement. Parker Water and Sanitation District has decided not to participate. Director Leak made a motion to approve the draft Intergovernmental Agreement, pending final review of staff and legal counsel. The motion was seconded by Director Tinkey and passed 5 to 0.

Item No. 9 – Discussion and Possible Action Regarding a Potential Water Supply Project.

Mr. Harrington reported that by pushing the sale of the bonds up by one day, ACWWA was able to obtain an interest rate of 4.196%, which is considered very good. ACWWA received an A+ rating from Standard and Poor's, which is also considered very good. Mr. Bishop and Ms. Cregger both concurred. A motion was made by Director Bockenfeld and seconded by Director Wells authorizing Director Henderson to sign the Bond Purchase Agreement on behalf of the ACWWA Board. There was no further discussion. Motion passed 5 to 0.

Mr. Atkin reported that a Special Board Meeting was being considered for Wednesday, December 16, 2009, 11:30 a.m. in order to complete any unfinished business regarding the IGAs and/or bond closing issues. Mr. Atkin stated that since there do not appear to be any outstanding issues, in lieu of that meeting, ACWWA will host a celebratory luncheon for all ACWWA staff and consultants who worked on this project. This luncheon will be hosted by the ACWWA Operations Department and paid for by scrap metal funds.

Mr. Atkin requested, from Mr. Bishop, 50 copies of the Official Statement be delivered to the ACWWA offices. Mr. Bishop reported that the bond closing will take place on December 16, 2009, 9:30 a.m. at the law offices of Sherman & Howard.

Discussion took place regarding bond counsel, Blake Jordan's increase in fees from what was previously agreed upon in the engagement letter. Due to the complexity of the issuance and the required easements, and at staff's recommendation, Director Henderson moved to approve the increased legal fees. Motion was seconded by Director Leak and passed 5 to 0.

Mr. Webb gave a presentation on the importance of a public relations campaign and his proposed contract for services. After discussion, a motion was made by Director Henderson and seconded by Director Wells to approve the contract as presented. Motion passed 5 to 0.

## EXECUTIVE SESSION

At 11:00 a.m., a motion was made by Director Henderson and seconded by Director Leak to adjourn to Executive Session, pursuant to the following:

- 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;
- Section 24-6-402(4)(b), C.R.S., to consult or receive advice from attorney on specific legal questions regarding water rights matters;
- Section 24-6-402(4)(e), C.R.S., to develop negotiating positions, strategy or instruct negotiators concerning proposed agreements for water and property acquisition; and
- Section 24-6-402(4)(g), C.R.S. to discuss documents to be kept secret under the open records act, in particular confidential commercial data concerning water rights.

The motion passed 5 to 0. (Executive Session meetings are recorded and retained for 90 days.)

The board took a 5 minute break.

Director Wells left the meeting at 12:12 p.m.

At 12:25 p.m., a motion to adjourn the Executive Session was made by Director Henderson and seconded by Director Leak. Motion passed 4 to 0.

ITEM NO. 10 – Discussion and Possible Action Regarding the General Manager’s Performance Evaluation.

#### EXECUTIVE SESSION

At 12:30 p.m., a motion was made by Director Henderson and seconded by Director Leak to adjourn to Executive Session, pursuant to Section 24-6-402(4)(f), C.R.S. for the discussion of personnel matters, in particular the evaluation of the general manager.

At 12:40 p.m., a motion was made by Director Henderson and seconded by Director Leak to adjourn the Executive Session. Motion passed 4 to 0.

A motion was made by Director Tinkey to approve the Personnel Evaluation Memo as written by the Personnel Committee. The motion was seconded by Director Bockenfeld and passed 4 to 0.

#### INFORMATION ITEMS AND REPORTS

Item No. 11 – General Manager Report.

- A. Update on South Metro Water Supply Authority Activity – In the interest of time, an update on this matter was deferred to a later meeting.
- B. Update on Cherry Creek Alluvial Modeling Group – In the interest of time, an update on this matter was deferred to a later meeting.
- C. Cherry Creek Project Water Authority – In the interest of time, an update on this matter was deferred to a later meeting.
- D. Chaparral Pump Station Update – Mr. Reil reported that the failure test will take place in January 2009. Director Henderson indicated an interest in attending the test.

Attorney Kron stated that a motion was necessary regarding the Intergovernmental Agreement and Operations Agreement for the proposed water project. Director Henderson moved to approve, in substantially the form as presented, the Intergovernmental Agreement and Operations Agreement. Motion seconded by Director Tinkey and passed 4 to 0. The Board agreed to meet on Friday, December 11, 2009, to review any changes that are deemed necessary by staff and legal counsel.

Item No. 12 – Financial Report – None required.

Item No. 13 – Legal Report – Previously discussed in Executive Session.


Director Bockenfeld left the meeting at 12:50 p.m.

ADJOURNMENT

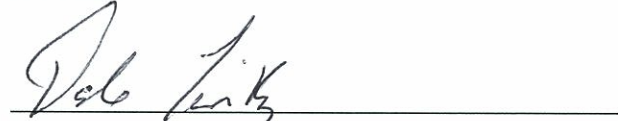
A motion was made by Director Tinkey and seconded by Director Henderson to adjourn the meeting at 12:50 p.m. The motion passed 3 to 0.

Approved: 1-13- 2010.

ARAPAHOE COUNTY WATER AND  
WASTEWATER AUTHORITY

  
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Ralph L. Henderson, President

ATTEST:

  
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Secretary