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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: March 10, 2010

13031 E. Caley Ave.  
Centennial, CO 80111

**ATTENDANCE:**

Present were Directors: Ralph Henderson, Doyle Tinkey, Ray Wells, Jim Dyer, and Alan Leak. Also in attendance were: Gary Atkin, Jennie Achee, Arnie Reil, Jeff Brooks, Steve Witter, Patty Pratt, Carol Bauman, Barbara Townsley and Legal Counsel Rick Kron. Guests in attendance were: Bill Veydovec, Arber Associates; Wayne Lorenz, Wright Water Engineers; Jane Wandell, Resident of Elkhorn; Anna Mikalas, Brett Meinberg, and Steve Maguire, Car Wash Express; Leo and Tatyana Russ, Residents of Southcreek; and Linda Lehrer, Sierra Consulting.

**CALL TO ORDER:**

Director Dyer called the meeting to order at 9:02 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 Leak led the Pledge of Allegiance.

Director Dyer recognized Director Henderson for his strong leadership while he served as Chairman of the Board of Directors of the Arapahoe County Water and Wastewater Authority.

**ADOPTION OF THE AGENDA:**

A motion was made by Director Henderson and seconded by Director Leak to approve the Agenda as presented. With no discussion needed, Director Dyer called for a vote. The motion passed 4 to 0.

Director Wells arrived at 9:09 a.m.

**PUBLIC FORUM**

Ms. Mikalas of Car Wash Express addressed the Board regarding the current fee structure and asked the Board to consider negotiating some of the current fees because Car Wash Express conserves large amounts of water by reusing water before it is returned to the sewers. Mr. Meinberg added that as a non-potable water customer, there are various

regulations that must be followed and yet there is no compensation made by ACWWA back to the customer. Director Dyer indicated that the Water Committee will review these issues and report back to Ms. Mikalas and Mr. Meinberg.

Mr. Russ addressed the Board regarding the fees associated with his bill and asked for various documents. Staff provided Mr. Russ with a Document Request form.

## CONSENT AGENDA

A motion was made by Director Tinkey and seconded by Director Leak to approve the Consent Agenda. The motion passed 5 to 0. The consent agenda consists of the following items:

1. Approval of Meeting Minutes for February 10, 2010
2. Approve Payment Requests for February 2010
3. Approve Recommendations from PDAC Committee:
  - A. Approve Amendment request to Wright Water Work Order for Non-potable Project.
  - B. Approve Project Change Modification for Chapparal Pump Station Project.
  - C. Approve Project Change Modification for Antelope Loop Line.
  - D. Approve Project Change Modification for JWPP to Scott Contracting.
  - E. Approve Xcel Energy Line Relocation Project.
  - F. Approve Amendment Request to Arber for Services During Construction for VCC Control Vault.
  - G. Approve Rules and Regulations Variance Request by Parker Jordan Metro District.

## GENERAL BUSINESS ACTION ITEMS:

Item No. 4 – Discussion and Possible Action Regarding the Integrated Master Plan Project.

Mr. Witter reported that the Scope of Work had been received from Wright Water Engineers/Arber and Associates, the consultant team that had been selected to conduct the 2010 Integrated Water and Wastewater Master Plan. Consultants WRC Engineering, Spronk Water Engineers and Curt Wells will likely be involved in this project as well and their costs will be applied against the amount budgeted for this effort. The PDAC Committee recommends approval of the Time and Materials contract in the amount of \$346,000. After discussion, Director Henderson made a motion for the Board to approve the contract and Scope of Work as presented. The motion was seconded by Director Tinkey and passed 6 to 0.

Item No. 5 – Discussion and Possible Action Regarding an Assignment Agreement with East Cherry Creek Valley Water and Sanitation District.

Mr. Kron explained that the recently approved IGA between ACWWA, ECCV and United Water and Sanitation District stipulated payment of the outstanding balance of the purchase of pipeline capacity in the ECCV Northern Line. Mr. Kron reported that a separate assignment agreement between ACWWA and ECCV is necessary to provide the proper mechanism, a single conveyance for 5.25 mgd of the Northern Pipeline, for the completion of this payment. The current draft of the Assignment Agreement will be modified to direct payment for capacity in the ECCV Northern Line directly to ECCV rather than through the South Metro Water Supply Authority. After discussion, a motion to approve the Assignment Agreement, substantially as presented, for the assignment and assumption of capacity in the ECCV Northern Line as it relates to the agreement between the members of the South Metro Water Supply Authority was made by Director Leak. The motion was seconded by Director Henderson and passed 5 to 0.

Item No. 6 – Discussion and Possible Action Regarding the ACWWA Flow Project Easements.

Mr. Witter explained that approval of three project easements is necessary to allow ACWWA to acquire capacity in the Northern Pipeline, the ECCV Water Treatment Plant and the ECCV Northern Pipeline Pump Stations. The PDAC Committee approved the draft easements in substantial form. There may be minor changes necessary to the Easement Agreements. Staff anticipates closing on all three easements by the end of March 2010. After discussion, a motion to approve the three easements substantially in the form as presented was made by Director Leak. The motion was seconded by Director Henderson and approved 5 to 0.

Item No. 7 – Discussion Regarding Water Lease and Purchase Assessment Payments.

Mr. Witter explained all of the water rights acquired via the ACWWA Flow Project are assessed annual costs for general administration and ditch maintenance. To offset these fees as well as to assist the sellers of the water rights, ACWWA has arranged to lease back the water rights for use on the farms until the water is needed by ACWWA. The current lease price is comparable to the annual assessment. Staff will keep the Board informed and seek Board approval as more water rights are acquired, and additional costs are incurred.

Item No. 8 – Discussion and Possible Action Regarding the Purchase of Water Rights in Conjunction with the Cherry Creek Project Water Authority.

Mr. Witter gave a history of Board direction via ACWWA's membership in the Cherry Creek Project Water Authority (CCPWA) to pursue acquisition and change of a series of water rights collectively called the, "Mahoney Water Rights." The CCPWA entered into stipulations, which were approved by the court, avoiding trial. The total average yield of these water rights is approximately 103 acre-feet per year and the total cost is \$500,000.

Being a 41.25% participant in the CCPWA, ACWWA's obligation will be \$206,250. After discussion, Director Henderson made a motion to approve authorization of funds to purchase these water rights. The motion was seconded by Director Wells and approved 5 to 0.

## INFORMATION ITEMS AND REPORTS

### Item No. 9 – General Manager Report.

- A. Update on South Metro Water Supply Authority Activity – Mr. Atkin reported that he and Mr. Witter met with Mr. Ron Redd, Utilities Director of Castle Rock, to discuss the ACWWA Flow Project. Mr. Redd reported that Castle Rock is hoping their work with the WISE partnership will allow Castle Rock to secure renewable water.
- B. Cherry Creek Project Water Authority – Mr. Atkin referred to the earlier discussion regarding the acquisition of the Mahoney Water Rights.
- C. Chaparral Pump Station Update – Mr. Atkin reported that an operational test was performed on the storage tank to determine expected operational capacity for performance capability of the JWPP. Wright Water Engineers is preparing a draft report of the findings.
- D. Update on ACWWA Flow Project – Mr. Atkin deferred discussion to Executive Session.

## EXECUTIVE SESSION

At 10:15 a.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)(e), C.R.S. to develop negotiating positions, strategy or instruct negotiators and to consult or receive advice from the attorney on specific legal questions relating to the acquisition of water rights and adjudication thereof for the ACWWA Flow Project. The motion passed 5 to 0. (Executive Session meetings are recorded and retained for 90 days.)

At 11:20 a.m., a motion to adjourn the Executive Session was made by Director Dyer and seconded by Director Henderson. Motion passed 5 to 0.

Item No. 10 – Financial Report – No report needed.

Item No. 11 – Legal Report – Discussion took place in Executive Session.

Mr. Atkin reported that staff is working on plans to assess the feasibility of moving ACWWA's water employees from their current office location to the JWPP, renovating the vacated space to a larger, Board/meeting room to better accommodate guest seating and public participation and to renovate the current Arapahoe and Denver Rooms to additional offices. This plan will be presented to the PDAC Committee.

ADJOURNMENT

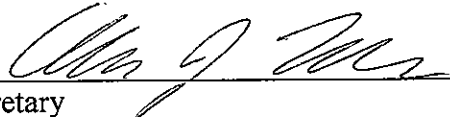
Following discussion, there being no further business to come before the Board, at 11:30 a.m., a motion to adjourn the meeting was made by Director Tinkey and seconded by Director Henderson. Motion passed 5 to 0.

Approved: 4-14- 2010.

ARAPAHOE COUNTY WATER AND  
WASTEWATER AUTHORITY

  
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Jim Dyer, President

ATTEST:

  
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Secretary