

**RECORD OF PROCEEDINGS
Minutes of a Regular Meeting
of the Board of Directors for the
PARKER WATER AND SANITATION DISTRICT**

Thursday, September 27, 2018
at the PW&SD North Water Reclamation Facility
18100 E. Woodman Drive, Parker, Colorado 80134

CALL TO ORDER

Director Beard called the meeting to order at 6:00 pm and confirmed that a quorum was present.

ROLL CALL

- Members of the Board present: Darcy Beard, Bill Wasserman, Dale Reiman, and Merlin Klotz. Kelly McCurry was excused.
- The District's Leadership Team was represented by Ron Redd, James Roche, Steve Hellman, and Rebecca Tejada. Staff also in attendance: Maleia Good, Jeff Wahl, Sue Cammisa, and Debra Laschanzky.
- General Counsel, Jeff Parker.

PLEDGE OF ALLEGIANCE – Stated.

UNSCHEDULED ITEMS OF PUBLIC INTEREST – *None*

CHANGES AND ADDITIONS TO THE AGENDA – *None*

BOARD COMMENTS

Director Reiman commented on the Special District Association conference he attended two weeks ago. He enjoyed the speakers and the conference experience.

LEADERSHIP TEAM COMMENTS

District Manager

Rueter-Hess Reservoir

Over the last month (33 days), the reservoir volume decreased 677.6 for a total storage volume of 24,097.3 AF and the depth is 101.17 feet (down 15 inches). There is currently a call on the river.

RMSAWWA/RMWEA Joint Annual Conference

PWSD received some very nice feedback regarding the District's presence at the conference. During one of the presentations, Parker Water's Internship Program was recognized as outstanding.

WISE Water Update

Mr. Redd recapped the South Metro WISE Board meeting discussion regarding the allocation of remaining WISE water. All interested parties have the month of October to confirm with their Boards their requested amounts before the agreement is finalized.

Director of Engineering Introduction

Mr. Redd formally introduced Rebecca Tejada as the new Director of Engineering, giving the Board a synopsis of her education and experience.

SDA Conference

The Rueter-Hess Recreation Authority received a collaboration award at the SDA conference for its efforts to facilitate six government entities working together to create and manage recreation opportunities at the reservoir.

Director of Engineering

NWRF Expansion

Ms. Tejada gave an update to the Board regarding the engineering ideas being addressed by Jacobs and Garney. October 2, 2018 is the kick off for the 90% design phase. She will be meeting with South Metro Water Authority to discuss a tunneling alternative under E-470 for the Cherry Creek Interceptor.

Water Purification Facility

Ms. Tejada informed the Board that the tolling agreement was signed by all parties. The investigation continues on the two elements that were shipped to American Water Chemicals in Florida. Results should be available mid to late October. Metawater was on site last week to conduct tests on the other elements.

Indirect Potable Reuse (IPR)

PWSD is continuing to investigate an opportunity for IPR on a schedule that is in line with the next phase of expansion to the NWRF.

Director of Operations

WISE Water Usage Update

Mr. Roche informed the Board that PWSD wheeled 2.22MG of water to Castle Rock during the month of September.

Security Team Update

The District was able to capture vandalism in real time with the security cameras at the reservoir overflow area. Mr. Roche showed the Board the video given to the Douglas County Sheriff's Office. He will provide the Board with updated information from the District Attorney's office at a future meeting.

GENERAL LEGAL COUNSEL UPDATE

Mr. Parker highlighted specific legal matters involving the Cielo/Pinery Wastewater Treatment Agreement, the Hilltop/Pine Bluffs lawsuit, the ceramic filter issues at the WPF, and an ongoing free river issue.

ITEMS FOR DISCUSSION AND ACTION BY THE BOARD

1. APPROVAL OF MINUTES August 23, 2018

Director Wasserman made a motion to approve the August 23, 2018 minutes as stated; Director Reiman seconded the motion.

Vote:

| | |
|---------|-----------------------|
| ABSTAIN | <i>Darcy Beard</i> |
| YES | <i>Bill Wasserman</i> |
| YES | <i>Dale Reiman</i> |
| YES | <i>Merlin Klotz</i> |

Motion passed on a vote of 3-0

2. ACCOUNTS PAYABLE - August 16 – September 15, 2018

Mr. Hellman presented the check register previously provided to the Directors, as well as the memo highlighting selected checks for discussion and consideration.

Following review and discussion, Director Wasserman made a motion to approve the August 16 – September 15, 2018, disbursements; Director Klotz seconded the motion.

Vote:

| | |
|-----|-----------------------|
| YES | <i>Darcy Beard</i> |
| YES | <i>Bill Wasserman</i> |
| YES | <i>Dale Reiman</i> |
| YES | <i>Merlin Klotz</i> |

Motion passed on a vote of 4-0

3. MONTHLY FINANCIAL REPORT – August 2018

Financial reports were provided to the Directors for informational and discussion purposes. Mr. Hellman provided a presentation regarding the updated financials through August 2018. Additional information was provided regarding Capital Projects, Cash and Investments, Billed Water Revenue, Billed Consumption charts and graphs, and other associated reports. Highlights were provided including variances in the budget. The presentation and discussion were for informational purposes only; no action was requested or taken by the Board.

4. RESOLUTION 2018-08 – Petition for the Inclusion of the Norton Properties (1st Reading)

Ms. Good presented this agenda item for Board consideration of the petition for inclusion for property known as the Norton Properties, located just north of the corner of Mainstreet and Pine Drive. The two properties (6.3 acres and 2.9 acres) make up the 9.2 acres petitioning for inclusion. There are no current plans for development. The Norton owners plan to sell the properties. District legal has reviewed the inclusion documents, and management has reviewed the petition and determined that it is physically and economically feasible for the District to provide service to the 9.2 acres of the Norton Properties.

Director Beard officially opened the Public Hearing at 6:47 PM for the inclusion of the Norton Properties into the District, and provided an opportunity for public comment. No public comment was provided. Director Beard then closed the Public Hearing at 6:48 PM.

As this was the first reading of the Resolution, no action was requested or taken by the Board.

5. INFORMATIONAL DISCUSSION – 2019 Budget Preview

Mr. Hellman introduced Jeff Wahl, District Controller, and Sue Cammisa, District Accountant, and thanked them for their efforts in assisting with the compilation of the 2019 Budget. Mr. Hellman then provided a PowerPoint presentation to provide the Board with a high-level overview of the 2019 operating and capital budgets. The Public Hearing for the proposed 2019 Budget and Rate and Fee Schedule is scheduled for the October 25, 2018 Board Meeting. As this agenda item was for informational purposes only, no action was requested or taken by the Board.

6. INFORMATIONAL DISCUSSION – Rueter-Hess Reservoir Fish Population Study

Aqua-Sierra, Inc. conducted a fish population survey at Rueter-Hess Reservoir on June 4 and 5, 2018. This presentation was to inform the Board of the results of that survey. As this agenda item was for informational purposes only, no action was requested or taken by the Board.

7. RESOLUTION 2018-09 – Approval of Amended PWSD Rules and Regulations (1st Reading)

Mr. Parker presented this agenda item to provide the Board with an overview of the proposed changes to the Rules and Regulations. As this was the first reading of the Resolution, no action was requested or taken by the Board.

8. REQUEST FOR APPROVAL – Audit Services Agreement

Mr. Hellman and Jeff Vargas, a citizen member of the District's Audit Committee, presented this agenda item to the Board for their consideration to continue utilizing services from RSM US LLP. The anticipated professional services agreement for audit services will be \$45,150 for the year ending December 31, 2018.

In August, the District accepted proposals from qualified Certified Public Accounting firms with considerable experience with local government to audit the District's financial statements for the fiscal year ending December 31, 2018, with an option to extend the agreement for four subsequent fiscal years. After reviewing proposals from seven firms, the Audit Committee is recommending continuing services from RSM US LLP.

Following review and discussion, Director Klotz made a motion to approve the professional services agreement; Director Beard seconded the motion.

Vote:
YES *Darcy Beard*
ABSTAIN *Bill Wasserman*
YES *Dale Reiman*
YES *Merlin Klotz*
Motion passed on a vote of 3-0

9. REQUEST FOR APPROVAL – WRCP Contract Amendment No. 8

Ms. Tejada presented this agenda item for Board consideration of Amendment No. 8 for Overland Contracting, Inc. (OCI) to adjust the value of the Progressive Design-Build Agreement for the Water Resource Centralization Project (WRCP). The amendment changes the February 9, 2017 agreement to reduce the contract amount to account for change orders, contractor repairs, unspent allowances, and shared contingency by \$67,245.28. The WRCP is currently budgeted in the 2017 and 2018 CIP plan. This amendment impacts the overall project cost, but does not exceed the amount allocated to the WRCP in the 2017 and 2018 budget.

Following review and discussion, Director Wasserman made a motion to approve the contract amendment; Director Reiman seconded the motion.

Vote:
YES *Darcy Beard*
YES *Bill Wasserman*
YES *Dale Reiman*
YES *Merlin Klotz*
Motion passed on a vote of 4-0

10. REQUEST FOR APPROVAL – Long Term Water Supply Strategic Plan Contract Amendment No. 2

Parker Water is completing a strategic plan to develop its long-term water resources. In 2014, PWSD conducted the Long Term Water Strategic Supply Plan (LTWSSP) to evaluate the capital improvements necessary to develop future water supplies in Logan County. In late 2017, Parker Water awarded the contract for the Strategic Plan to Jacobs. Mr. Redd and Ms. Tejada presented this agenda item for Board consideration of an amendment to the existing contract with Jacobs for the Long Term Water Supply Strategic Plan for \$18,965 increasing the total contract amount to \$113,924.

The work associated with this amendment will evaluate the capital and operations cost of a 20,000 AFY project, in addition to the 8,100 AFY and 11,000 AFY projects in the original contract scope. This analysis is critical for the District to understand the viability and partnership opportunities of a larger project. Staff does not anticipate exceeding the appropriation in the 2018 budget for this project.

Following review and discussion, Director Reiman made a motion to approve the contract amendment; Director Wasserman seconded the motion.

Vote:
YES *Darcy Beard*
YES *Bill Wasserman*
YES *Dale Reiman*
YES *Merlin Klotz*
Motion passed on a vote of 4-0

11. REQUEST FOR APPROVAL – NWRf Infrastructure Improvement Plan Contract Amendment No. 9

Ms. Tejada presented this agenda item for Board consideration of design services by Jacobs for the North Water Reclamation Facility (NWRf) Infrastructure Improvement Plan – Contract Amendment No. 9 for \$128,261.00. This amendment increases the contracted amount to \$5,016,575, and will allow for the design of the Stroh Road Interceptor project. The scope of work for Contract Amendment No. 9 includes project management, permitting, easement acquisition, geotechnical exploration, survey and utility location, preliminary design, final design, and bidding assistance. Staff does not anticipate the requested amount to exceed the allocation in the 2018 and 2019 budget for the Stroh Road Interceptor Project.

Following review and discussion, Director Klotz made a motion to approve the contract amendment; Director Wasserman seconded the motion.

Vote:
YES *Darcy Beard*
YES *Bill Wasserman*
YES *Dale Reiman*
YES *Merlin Klotz*
Motion passed on a vote of 4-0

12. REQUEST FOR APPROVAL – RidgeGate and RHWPF WISE Infrastructure Construction Contract Amendment No. 2

Ms. Tejada presented this agenda item for Board consideration of Amendment No. 2 to the CH2M (now Jacobs) Agreement for Professional Services dated April 14, 2016 for Engineering Services for the RidgeGate Line and RHWPF WISE Infrastructure. This amendment addresses the extended schedule to coordinate the chloramination conversion and the additional services for the design modifications to change from Aqueous Ammonia to Liquid Ammonia Sulfate (LAS) at the Ammonia Facility.

The net increase to the project associated with the extended schedule and LAS conversion is \$25,000. This results in a revised total not-to-exceed contract amount of \$1,743,494. The additional \$25,000 was considered in our year-end projections and will be closed out following this amendment.

Following review and discussion, Director Wasserman made a motion to approve the contract amendment; Director Reiman seconded the motion.

Vote:

YES *Darcy Beard*
YES *Bill Wasserman*
YES *Dale Reiman*
YES *Merlin Klotz*

Motion passed on a vote of 4-0

- 13. EXECUTIVE SESSION** – *To determine positions relative to matters that may be subject to negotiations, develop a strategy for negotiations, and/or instruct negotiators pursuant to C.R.S. § 24-6-402(4)(e), concerning the acquisition of easement rights.*

At 8:25 PM, a motion was made by Director Wasserman, seconded by Director Klotz, and voted unanimously to enter into Executive Session.

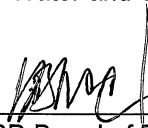
At 8:45 PM, a motion was made by Director Wasserman, seconded by Director Reiman, and voted unanimously to exit the Executive Session. No action was taken during this session.

MEETING ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 8:45 PM.

The next Regular meeting of the Parker Water & Sanitation District Board is scheduled for Thursday, October 11, 2018 at 6:00PM.

The foregoing minutes constitute a true and correct copy of the minutes of the above referenced meeting and were approved by the Board of Directors of the Parker Water and Sanitation District.



PWSD Board of Directors