

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
CHERRY CREEK VILLAGE WATER DISTRICT  
HELD  
June 14, 2011**

A regular meeting of the Board of Directors of the Cherry Creek Village Water District was held on Tuesday, June 14, 2011 at 9:00 a.m. at Clifton Gunderson LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado. The meeting was open to the public.

**Attendance**

**Directors in attendance were:**

John Forney  
Lou Schroeder  
Phil Viseur  
Joseph Ryan  
Roger Baer

**Also in attendance were:**

Dave Peak; Clifton Gunderson LLP  
Tim Flynn; Collins Cockrel & Cole, P.C.  
Greg Sekera; KennedyJenks Consultants  
Joel Meggers; CRS  
Kathy Noon; CRS

**Call to Order**

President Forney called the meeting to order at 9:00 a.m.

**Quorum/  
Qualifications/  
& Disclosures**

It was noted that a quorum was present. All of the Directors are qualified and there are no conflict of interest disclosures required.

**Agenda**

Upon review and discussion of the Agenda and a motion duly made, seconded and, upon vote, unanimously carried, the Board approved the Agenda as amended to discuss the District's 2011 Summer Watering Rules.

**Minutes**

The Board reviewed the Minutes of the May 12, 2011 Special Meeting. Following review and discussion, upon a motion duly made, seconded and, upon vote, unanimously carried, the Board approved the May 12, 2011 Minutes as presented.

**Directors  
Items**

**Executive Session** - Upon a motion duly made, seconded and, upon vote, unanimously carried, the Board went into Executive Session pursuant to Section 24-6-402(4)(e), C.R.S. for the purposes of determining position relative to matters that may be subject to negotiation, developing strategies

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for negotiations, and instructing negotiators concerning the administrative and management service proposals that were received by the Board at the March 8, 2011 meeting. The Executive Session commenced at approximately 9:00 a.m. and lasted until approximately 9:20 a.m. when the Board returned to open public meeting. The Executive Session was duly recorded as required by law. Those present during the Executive Session consisted of the five Board members and legal counsel

### Consider Awarding a Contract for Management and Accounting Services for the balance of 2011 through 2015

The Board then discussed the proposals previously submitted by Clifton Gunderson, Community Resource Services and Pinnacle Consulting Group, Inc. for management, accounting and utility billing services. Following a detailed discussion, a motion was made and seconded to award a five year fixed rate contract to Community Resource Services effective August 1, 2011. The Chair called for a vote, and the motion was adopted by a vote of four in favor (Directors Forney, Schroeder, Viseur and Baer) and one against (Director Ryan).

The Board then discussed the transition to Community Resource Services. Dave Peak estimated that it will take some time to transition the records and the utility billing. He estimated R.S. Wells' transition costs to be approximately \$2,000, which will not be exceeded without prior notification to the Board. Legal counsel will review the contract, if any, that the District has with R.S. Wells, LLC to determine if any additional notice needs to be given terminating the Contract. It was stated that it is unlikely any additional notice is required since R.S. Wells was dissolved effective June 1, 2011 and whatever contract the District had with R.S. Wells was non-assignable without the District's prior written consent.

### **Financial Matters**

Review the District's Cash Position as of June 14, 2011: Mr. Peak reviewed the cash position as of June 14, 2011 with the Board. Following review and discussion, the Board accepted the cash position as presented.

Review the Operating Statement: Mr. Peak reviewed the Operating Statement. Following review and discussion, upon a motion duly made, seconded and, upon vote, unanimously carried, the Board accepted the Operating Statement as presented.

Review and Consider Approval of Claims: Mr. Peak reviewed the June, 2011 claims totaling \$42,422.86, represented by check numbers 4367 through 4377. Following review and discussion, upon a motion duly made, seconded and, upon vote, unanimously carried, the Board approved the June, 2011 claims as presented.

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Review Delinquent Account Report: Director Ryan reviewed the Delinquent Account Report with the Board. He reported that there were two delinquent accounts, which is less than the previous month. He reported that there were no shut-off notices.

### Administrative Matters

Review Consumption Report: Mr. Peak reviewed the Consumption Report with the Board. The Board accepted the Consumption Report as presented.

### Engineer's Report

Mr. Sekera reviewed Kennedy/Jenks engineering memorandum dated June 8, 2011. As part of this review, he highlighted the following matters:

Cherry Creek School Campus – The plans have been approved by Denver Water with the School District giving the “go ahead” to start construction. Kennedy/Jenks is currently waiting for the School to schedule the pre-construction meeting. Kennedy/Jenks has transmitted the legal descriptions and drawings to District counsel to prepare the final easement documents for signature by the School District.

Director Baer expressed a concern as to how the construction of new water lines on the Cherry Creek School Campus is being coordinated. He stated that the School District may have an expectation that the Water District will make certain improvements to the water distribution system and, accordingly, he is not comfortable with the process.

District Boundary/Denver Water Combined Service Area Boundary – Mr. Sekera reported that based upon Denver Water's request for review of the District's contract service area, Kennedy/Jenks has reviewed the District's Organizational Decree and all inclusion orders since said time as supplied by Mr. Flynn. Mr. Sekera stated he and Mr. Flynn both agree that the changes Denver Water is suggesting to the District's contract service area boundary, i.e. that the gun club shooting property may be deleted from the District's contract service area, as can a large area that is located east of the District's existing boundary but adjacent to the Cherry Creek Reservoir. Mr. Sekera and Mr. Flynn also recommended that two areas currently being served by the District which are not inside the combined service area be included into Denver's combined service area boundary. Those two properties are the Marina property on the east side of the Reservoir along with another beach area on the south east side of the Reservoir. At the conclusion of the discussion, the Board agreed with Mr. Sekera and Mr. Flynn's recommendation and authorized legal counsel to communicate the same to Denver Water whose staff will prepare appropriate contract amendments for the Board to consider..

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System Maintenance - Mr. Sekera reported that Kennedy/Jenks coordinated the following maintenance items during the past month:

- Fire Hydrant and Valve Repairs – No work was performed for this month;
- Cross-connection Control Program – No update for this past month;
- Water Line Breaks – No water line breaks this past month;
- Facility Locates – Reviewed locate request for miscellaneous construction in the District.

Finally, he briefly reviewed the maintenance tracking chart which is attached to Kennedy/Jenks engineering memorandum.

After discussion, the Board accepted the Engineering Report as presented.

**Legal**

Denver Water Rates – Mr. Flynn reported to the Board that Denver Water is considering changing the methodology it utilizes to calculate water rates beginning in 2012. He will keep the Board advised as to Denver's progress in changing its rate methodology.

Adopt Summer Water Use Rules- Director Viseur noted that the District should have in effect water use restrictions for the 2011 summer watering season. Legal counsel stated that he believed the District Board had adopted, by previous resolution, Denver Water's summer water use rules. To remove any doubt, however, a motion was made, seconded and upon vote unanimously carried, adopting for 2011, Denver Water's summer use watering rules.

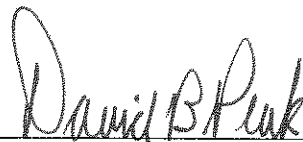
**Other Business**

None

**Adjournment**

With no further business to come before the Board at this time, the meeting was adjourned at 10:25 a.m.

Respectfully submitted,



Secretary for the Meeting