

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
THE CHERRY CREEK VILLAGE WATER DISTRICT AND
THE BOARD OF DIRECTORS OF ITS WATER UTILITY ENTERPRISE
HELD
December 11, 2018**

A regular meeting of the Board of Directors of the Cherry Creek Village Water District and the Board of Directors of its Water Utility Enterprise (referred to hereafter as "Board") was held on Tuesday, December 11, 2018 at 8:45 a.m., at the offices of Community Resource Services, 7995 E. Prentice Avenue, Suite 103E, Greenwood Village, Colorado. This meeting was open to the public.

ATTENDANCE

The regular meeting of the Board was called and held, as shown, in accordance with Colorado law. The following Directors were present:

John Forney
Lou Schroeder
Phil Viseur
Joseph Ryan
Dale Heider

Also present were:

Tim Flynn, Esq., Collins Cockrel & Cole P.C.

Greg Sekera, Kennedy/Jenks

Cathy Noon, CRS of Colorado,

Gary Kleeman, a resident of Cherry Creek Village North, 4th Filing

CALL TO ORDER

Director Forney called the meeting to order at 9:03 a.m.

QUORUM/QUALIFICATIONS/& DISCLOSURES

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

ADMINISTRATIVE ITEMS

Agenda: Upon review and discussion of the Agenda and a motion duly made, seconded and, upon vote, unanimously carried, the Board accepted the agenda as presented.

Minutes: The minutes of the November 13, 2018 Regular Board meeting were presented to the Board. Following review and discussion, upon a motion duly made, seconded and, upon vote, unanimously carried, the minutes were approved as presented.

PUBLIC COMMENT

As follow up to a letter sent to the Board on December 9, 2018 and included as part of these minutes, Gary Kleeman 4289 S. Alton St.

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Greenwood Village, spoke regarding the water rates for out-of-district residential customers. He believes the rates charged to the thirty-five residential properties in Cherry Creek Village North, 4th Filing, are unfair as more fully set forth in his attached letter. He also offered an alternative methodology for calculating the District's out-of-district residential rate. The Board took his proposal and his complaint under advisement and indicated they would be getting back with him in the future. At the conclusion of his presentation, Mr. Kleeman left the meeting.

FINANCIAL MATTERS

Review and Approve Payment of Claims: Ms. Noon reviewed the December 11 2018 claims including \$13,276.87 represented by check numbers 1160 - 1165 and Auto-Payments totaling \$22,262.38 to Denver Water and Auto-payments totaling \$369.40 to four Directors reflecting a grand total claims of \$35,908.65. Following review and discussion, upon motion duly made, seconded and, upon vote, unanimously carried, the Board approved the December 11, 2018 claims as presented.

Review Cash Position: Ms. Noon reviewed the cash position with the Board for the period ending November 30, 2018, adjusted to December 6, 2018. Following review and discussion, upon motion duly made, seconded and, upon vote, unanimously carried, the Board accepted the cash position as presented.

Review Financial Statements: Ms. Noon reviewed the financial statements for the period ending November 30, 2018. After review, upon motion duly made, seconded and, upon vote, unanimously carried, the Board accepted the financial statements as presented.

Delinquent Accounts: Director Heider reviewed the District delinquent account reports.

DIRECTORS ITEMS

Discussion on Mr. Kleeman's Letter and Concerns: The Board discussed Mr. Kleeman's concerns and the rationale for rates charged to out-of-District residential customers which includes an increased monthly base charge which is designed in part to recover the costs that in-District residential customers pay through their property taxes and a higher water usage rate to help defer the cost of cast iron piping that is failing at a higher rate in the 4th Filing than is occurring with respect to the water distribution system located inside the District's boundaries. Following review of the cost differential of Commercial non-property tax paying customers to Commercial tax paying customers, a motion was made to

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charge a 15% differential between in and out of District residential customers (matching the commercial property tax and non-property tax paying customer differential). Following a second and a vote of three (3) Ayes and two (2) Nays, the motion passed. The Board directed Ms. Noon to inform Mr. Kleeman of the Board's action.

MANAGEMENT ITEMS

Review Consumption Report: Ms. Noon reviewed the Consumption Report with the Board.

Resolution Establishing 2019 Water Rates and Charges: Upon a motion duly made, seconded and unanimous vote, the Board approved Resolution 2018-12-1 as amended, establishing the 2019 water rates and charges.

MAINTENANCE AND OPERATIONAL MATTERS

First Amendment to the C&L Water Solutions Agreement: Upon a motion duly made, seconded and unanimous vote, the Board approved the 2019 amended rate agreement with C&L Solutions.

Agreement for 2019 Kennedy Jenks Contracts: Upon a motion duly made, seconded and unanimous vote, the Board approved the 2019 Kennedy Jenks Contract.

Engineering Report: Mr. Sekera reviewed the engineering report which is made a part of these minutes.

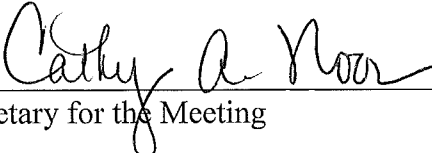
LEGAL

Consideration of Denver Water Integrated System Distributor Agreement: Upon a motion duly made, seconded and unanimous vote, the Board approved the ISD agreement with Denver Water and instructed Ms. Noon to sign and return the agreement to Denver Water.

ADJOURNMENT

There being no further business to come before the Board, upon a motion made, seconded and upon vote, unanimously carried, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,


Secretary for the Meeting

December 5, 2018

Memorandum

To: Cathy Noon, District Manager
From: Greg S. Sekera, P.E.
Subject: Engineering Report for Board of Directors Meeting on December 11, 2018
Cherry Creek Village Water District
KJ Job No. 1846003*GENW

Briefly presented below are the items that we have been involved in during the past month.

1. System Maintenance – We coordinated the following maintenance items during the past month:
 - Master Meters – The most recent meter readings indicated that the Yosemite meter delivered 21% of the flow and the Dayton meter delivered 79%. Total water supplied to the District was 4.8 MG for the November period (4.8 MG less than the prior period).
 - PRVs – There are currently no issues or concerns with the PRVs.
 - Meter Transponders – Two (2) meter transponders are scheduled to be replaced; 5021 S. Clinton Street and the Belleview Elementary School.
 - Customer Complaints and Investigations – The following are investigations performed at the request of customers this past month.
 - a. No issues this past month.
 - Fire Hydrant and Valve Maintenance – We will initiate the annual inspections, repairs, and replacements as identified in the 2019 budget in April.
 - Fire Hydrant Meter – The following fire hydrant permits were issued:
 - a. The Contractor, Granite Construction, for the Goldsmith Gulch sewer rehabilitation project has been issued a permit for use of multiple hydrants in the north area. Sewer pipe rehabilitation work will take place in December and January.
 - Water Line Breaks – On Thursday, November 29, in late evening a water line break was reported at 4288 S. Alton Street. C&L responded and was able to prevent significant damage to the street. The existing 6-inch cast-iron pipe ruptured in one location near the same location of the break in August 2017. The limits of the street replacement that the City will require is yet to be determined. The total estimated cost for the repairs is currently unknown.
 - Facility Locates – Reviewed several locate requests. Requests have increased with Tier 1 status.
 - Maintenance Tracking – A copy of the maintenance tracking/schedule is attached.

2018 Water System Maintenance Tracking
Cherry Creek Village Water District

ITEM	DESCRIPTION	NO. OF UNITS	FREQUENCY	SCHEDULED DATE	018 BUDGET AMOUNT	ACTUAL COST
Routine Maintenance (by C&L Water Solutions)						
1	Inspect/Operate Valves	145	Once Every 2 Years	March-18	\$5,800	\$4,200
2	Inspect/Operate Fire Hydrants	73	Once/Year	March-18	\$4,015	\$3,216
3	Inspect/Operate/Flow Test PRVs	2	Two Times/Year	May/Nov	\$2,400	\$0
4	Flush Dead End Cul-de-sacs (Blow-Offs)	11	Once/Year	March-18	\$660	\$528
	Subtotal				\$12,875	\$7,944
	Contingency @	10%			\$1,000	\$0
	Total Routine Maintenance				\$14,000	\$7,944
System Repairs and Replacements (by C&L, others)						
5	Replace Dayton PRV (6" PRV valve only)	0		2019	\$0	\$0
6	Raise Valve Boxes from Under Asphalt	8			\$4,800	\$0
7	Clean Valve Boxes (vacuum and operate valve)	24			\$2,160	\$4,200
8	Replace Valve/B.O. (in asphalt)	2			\$16,000	\$0
9	Misc. Valve Repairs (replace valve boxes)	10			\$6,000	\$0
10	Fire Hydrant Repairs	8			\$4,400	\$526
11	Fire Hydrant Replacement	5			\$50,000	\$0
12	Fire Hydrant Painting	25		May-18	\$1,625	\$0
13	Emergency Repairs (water line breaks)	1			\$30,000	\$16,027
	Subtotal				\$114,985	\$20,753
	Contingency @	15%			\$17,000	\$10,717
	Total System Repairs and Replacements				\$132,000	\$31,470
Contractor Services (by C&L Water Solutions)						
14	Operator in Responsible Charge	12			\$1,200	\$1,200
15	Customer Service/Response (Investigations, Emergencies)	12			\$1,800	\$6,364
16	Master Meter Reads (once per month)	12		Monthly	\$2,700	\$2,345
17	Service Shut-offs (estimated)	20			\$2,500	\$1,056
18	Meter Transponder Repairs (Labor and Equip.)	16			\$8,000	\$906
19	Utility Locates (field)	24			\$2,040	\$2,400
	Subtotal				\$18,240	\$14,270
	Contingency @	20%			\$4,000	\$0
	Total Contractor Services				\$22,000	\$14,270
	Total Repairs and Maintenance				\$168,000	\$53,684
WL Replacement Capital Projects						
20	No Projects Anticipated in 2018				\$0	\$0
	Total Capital Projects Budget				\$0	\$0

NOTES:

1 Actual Cost column is summation of C&L Invoices received and approved in current year. Costs do not include material and equipment costs paid to others by District for repairs.