

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER AND SANITATION DISTRICT**

HELD: January 17, 2013 at 6:30 pm.
at
8334 Sandreed Circle
Parker, CO 80112

ATTENDEES Directors present: Scott Lamond, Adam Perez, and Susan Romani. Others present: Pat Mulhern, Laurie Tatlock, Luis Tovar, Mulhern MRE, Inc.; Steve Christensen, Inverness Properties, LLC; Tim Beaton, Moses, Wittemyer, Harrison and Woodruff, P.C.; Kevin McBrien, Capital Projects Manager, Arapahoe County Water and Wastewater Authority.

Upon motion duly made, seconded and unanimously carried the absences of Directors Wasiecko and Kasaris were excused.

**CONFLICT
INTEREST**

Upon motion duly made, seconded and unanimously carried, the statements for the Directors, filed with the State of Colorado, Division of Local Governments were ratified.

AGENDA

Upon motion made by Director Perez, seconded by Director Romani and, upon vote, unanimously carried, the revised agenda was adopted.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from December 6, 2012, continued to December 10, 2012, and December 14, 2012, approval of checks numbered 17475 through 17510, with the exception of voided check number 17481, and ratification of the \$62.25 payment to Xcel Energy on December 20, 2012, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated January 14, 2013.

ACTION ITEMS

The Board considered four Action Items. 1) Authorization for Mulhern MRE, Inc. to provide construction oversight for the Children's Learning Adventure Childcare Center in Crown Point. 2) A proposal for Mulhern MRE, Inc. to complete a feasibility study to investigate pipeline alignments across Cherry Creek to connect the Crown Point irrigation line to Cottonwood's raw water system for a fee not to exceed \$5,000. 3) A proposal from Hughes

& Stuart to perform public outreach and education for the first half of 2013 for a fee of \$1,875 per month. 4) Authorization for a billing software upgrade with Caselle for a fee of \$325 per month for 5 years. Upon motion duly made, seconded, and upon vote, unanimously carried, all Action Items were approved.

REPORTS

Manager's Report – Pat Mulhern reviewed the January 2013 Manager's report with the Board.

Financial Report – Steve Christensen reviewed the District's financial statements for the period ending December 31, 2012 with the Board.

Legal Report – Tim Beaton advised that he would let the legal report stand on its own.

PUBLIC COMMENT

Kevin McBrien, the Capital Projects Manager at the Arapahoe County Water and Wastewater Authority, introduced himself and advised that he would be attending Cottonwood's Board meetings to familiarize himself with Cottonwood matters as they relate to ACWWA/Cottonwood common interests.

EXECUTIVE SESSION

Upon motion duly made, seconded and unanimously carried, the Board moved into an executive session pursuant to C.R.S. 24-6-402(4)(b), for the purposes of: a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, settlement of JWPP notice of violation, mediation of disputes, and the Wastewater Treatment Agreement; and pursuant to C.R. S. 24-6-402(4)(b), for the purpose of negotiations with WISE on the ECCV pipeline. The session was not recorded.

Upon motion duly made, seconded and unanimously carried, the Board concluded the Executive Session.

The Board directed legal counsel to actively pursue a response from ACWWA on the mediation related to the JWPP, send a letter to ACWWA regarding JWPP costs, and negotiate with ACWWA on the PID equivalency as discussed in executive session. The Board considered a motion to authorize staff to negotiate a settlement of the CDPHE fines for the JWPP violation and have the fines be part of an environmental mitigation project.

**EXECUTIVE
SESSION**

Upon motion duly made, seconded and unanimously carried, the Board moved into an executive session pursuant to C.R.S. 24-6-402(4)(b), for the purposes of a conference with an attorney for the District to receive legal advice on the Vantage Point developer's request for service from the District.

Upon motion duly made, seconded and unanimously carried, the Board concluded the Executive Session.


Direct management to negotiate with Vantage Point as discussed in executive session.

**DIRECTOR'S
ITEMS**

None.

ADJOURNMENT There being no further business to come before the Board and upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting is scheduled for February 21, 2013 at 6:30 p.m.

Date: 2/21/2013
READ AND APPROVED BY THE BOARD:



~~Adam Perez, Secretary~~

Steve Wasiecko, Acting Secretary

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER AND SANITATION DISTRICT**

HELD: February 21, 2013
at 6:30 pm.
at
8334 Sandreed Circle
Parker, CO 80112

ATTENDEES Directors present: Scott Lamond, Alyssa Kasaris, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Laurie Tatlock, Luis Tovar, Mulhern MRE, Inc.; Steve Christensen, Inverness Properties, LLC; Tim Beaton, Moses, Wittemyer, Harrison and Woodruff, P.C.; Gary Atkin, Manager, Arapahoe County Water and Wastewater Authority.

Upon motion duly made, seconded and unanimously carried the absence of Director Perez were excused.

**CONFLICT
INTEREST**

Upon motion duly made, seconded and unanimously carried, the statements for the Directors, filed with the State of Colorado, Division of Local Governments were ratified.

AGENDA

Upon motion made by Director Romani, seconded by Director Wasiecko and, upon vote, unanimously carried, the agenda was adopted.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from January 17, 2013, approval of checks numbered 17511 through 17546, with the exception of voided check number 17528, and checks numbered 17525 and 17539 which will be considered when the Action Items are reviewed, and ratification of the \$97.22 payment to Xcel Energy on January 24, 2013, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated February 15, 2013. Upon motion duly made, seconded, and upon vote, unanimously carried, the Board approved the Consent Agenda.

**PUBLIC
HEARING**

Upon motion duly made, seconded and upon vote, unanimously carried the Board convened a Public Hearing to consider a petition

for exclusion for the Vanderryst Property, 17 acres located on the southwest corner of E-470 and Chambers Road. The Board discussed the possibility of having Stonegate serve the property under a Service Agreement and have the property remain in Cottonwood. Upon motion duly made, seconded and upon vote, unanimously carried the Board approved continuation of the public hearing to the next regular meeting that will be held on Thursday, March 21, 2013.

ACTION ITEMS

The Board considered six Action Items. 1) Authorization for Ground Engineering to drill and install 12 shallow monitoring wells to begin the I&I Identification Program for a fee not to exceed \$7,800. 2) Approval of check number 17525, in the amount of \$229.54, payable to Hansen Glass to repair a broken window at the District meeting house. 3) Authorization for Inverness Properties to install two, (2) low profile light poles at the meeting house for a fee not to exceed \$3,500. 4) Booster Pump Station Improvements: replacement of 10 valves at the Booster Pump Station for a fee not to exceed \$7,680, replacement of the 20 hp pump with a 30 hp pump including a VFD for a fee not to exceed \$15,200, removal and replacement of the Programmable Logic Controller (PLC) for a fee not to exceed \$23,156, replacement of the power generator solenoid by Cross Diamond Electric for a fee not to exceed \$6,891, purchase and install another 30 hp pump for emergency bypass purposes for a fee not to exceed \$11,080. 5) Authorization to renew Cottonwood's 2013 DCWRA membership for a fee of \$10,750. 6) Approval of check number 17539 in the amount of \$1,459.47 to renew Cottonwood's 2013 membership in SPWRAP. Upon motion duly made, seconded, and upon vote, unanimously carried, the Board approved the above described Action Items.

REPORTS

Manager's Report – Pat Mulhern reviewed the February 2013 Manager's report with the Board.

Financial Report – None due to bi-monthly financial reporting.

Legal Report – Tim Beaton advised that he would let the legal report stand on its own.

EXECUTIVE SESSION

Upon motion duly made, seconded and unanimously carried, the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b), for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public

Improvement District, including operation of the JWPP, settlement of JWPP notice of violation, mediation of disputes, and the Wastewater Treatment Agreement. The session was not recorded.

Upon motion duly made, seconded and unanimously carried, the Board concluded the Executive Session.

Upon motion duly made, seconded and unanimously carried, subject a final review by management and legal staff, with minor revisions based on the management and legal review the Board approved the WWTP amendment with ACWWA. When the WWTP amendment is approved by Cottonwood and ACWWA, the Board directed that staff send a letter to Justice Kirschbaum requesting ACWWA's responses to the mediation issues and requesting that the 2 on 2 board member meetings be scheduled as soon as possible.

**DIRECTOR'S
ITEMS**

Director Wasiecko asked about proceeding with cooperative discussions with other water and sewer providers in the southeast area. Pat Mulhern said that he is attending meetings with Stonegate, Parker Water and Sanitation District and Ridgeway on a wastewater plan. Have Melanie Goetz in to strategize on water conservation this summer.

ADJOURNMENT There being no further business to come before the Board and upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting is scheduled for March 21, 2013 at 6:30 p.m.

Date: April 18, 2013
READ AND APPROVED BY THE BOARD:



Steve Wasiecko, Vice President

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER AND SANITATION DISTRICT**

HELD: March 21, 2013
at 6:30 pm.
at
8334 Sandreed Circle
Parker, CO 80112

ATTENDEES Directors present: Scott Lamond, Adam Perez, Alyssa Kasaris, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Laurie Tatlock, Luis Tovar, Mulhern MRE, Inc.; Steve Christensen, Inverness Properties, LLC; Melanie Goetz, Hughes and Stewart; Tim Beaton, Moses, Wittemyer, Harrison and Woodruff, P.C.; Steve Witter, Arapahoe County Water and Wastewater Authority.

CONFLICT INTEREST Upon motion duly made, seconded and unanimously carried, the statements for the Directors, filed with the State of Colorado, Division of Local Governments were ratified.

AGENDA Upon motion made by Director Romani, seconded by Director Perez and, upon vote, unanimously carried, the agenda was adopted.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from February 21, 2013, approval of checks numbered 17547 through 17578, with the exception of voided check number 17558, and check numbered 17550 which will be considered when the Action Items are reviewed, and ratification of the \$91.94 payment to Xcel Energy on February 22 2013, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated March 18, 2013. Upon motion duly made, seconded, and upon vote, unanimously carried, the Board approved the Consent Agenda.

**PUBLIC
HEARING**

Pat Mulhern explained that there were still details that needed to be worked out and understood before the Board should consider a petition for exclusion for the Vanderryst Property, 17 acres located on the southwest corner of E-470 and Chambers Road. Upon motion duly made, seconded and upon vote, unanimously carried the Board approved continuation of the public hearing to the next regular meeting that will be held on Thursday, April 18, 2013.

ACTION ITEMS

The Board considered one Action Item. 1) Approval of the expenditure of \$1,465.75, check number 17550 for C&L Water Solutions to repair the curb stop at 16820 Bitterbrush Lane. The repair was required to complete a disconnection and the shut off valve was not working.

WISE COST SHARING PARTICIPATION AGREEMENT

The Board reviewed the terms and associated costs of the WISE Intergovernmental Agreement and the WISE Water Delivery Agreement among the South Metro WISE Authority, Denver Water and Aurora Water. The agreements commit the District to purchase 400 acre feet of water annually, on a take or pay basis, with a six year phase in.

The Board considered a Resolution Regarding Approval of the South Metro Wise Authority Formation and Organizational Intergovernmental Agreement with certain contingencies. The primary contingencies are that 10 other Participant all approve the Agreement and that the minimum WISE subscription in total is 7,000 acre-feet. Upon motion made by Director Wasiecko, seconded by Director Perez and, upon vote, unanimously carried, the Resolution was approved.

The Board considered an amendment to the WISE Negotiations and Cost Sharing Agreement where future costs will be shared on a percentage of capacity basis rather than on the even share basis that has been charged so far. Upon motion made by Director Wasiecko, seconded by Director Romani and, upon vote, unanimously carried, the amendment was approved.

**BUSINESS
UPDATES**

Drought Restrictions. The Board discussed the drought restrictions that Denver and Aurora were considering for the 2013 irrigation season. As Cottonwood has implemented an allocation system where rates are punitive for overwatering, the Board directed that staff and Melanie Goetz implement informational and educational programs with positive reinforcement promoting water conservation for 2013. Director Kasaris asked that Melanie

organize a water conservation event in cooperation with the South Metro Fire Rescue Authority.

JWPP Penalties for 2013. The Board discussed their desire to have the penalty funds used on an environmental project that provided positive benefits. The Board also indicated a desire to appeal the penalties before they are paid.

REPORTS

Manager's Report – Pat Mulhern reviewed the March 2013 Manager's report with the Board.

Financial Report – Steve Christensen reviewed the financial statements for the period ending February 28, 2013 with the Board.

Legal Report – Tim Beaton advised that he would let the legal report stand on its own. Upon motion duly made, seconded and unanimously carried, the Board ratified filing a statement of opposition in Stonegate's application, Case No. 12CW297, for a change of nontributary water rights associated with two wells that originally date from before 1973.

EXECUTIVE SESSION

Upon motion duly made, seconded and unanimously carried, the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b), for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, settlement of JWPP notice of violation, mediation of disputes, and the Wastewater Treatment Agreement. The session began at 8:20 pm and was not recorded.

Upon motion duly made, seconded and unanimously carried, the Board concluded the Executive Session at 8:45 pm.

The Board directed staff to pay the JWPP bill from ACWWA, with reservation of rights, under protest and requesting details on administrative costs.


The Board directed legal counsel and staff to push for completion and execution of the Wastewater Agreement and have ACWWA respond to the mediation proposal that has been due for 6 months.

**DIRECTOR'S
ITEMS**

Director Romani asked about a community outreach and website that a resident was promoting and how Cottonwood might cooperate with him.

ADJOURNMENT There being no further business to come before the Board and upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting is scheduled for April 18, 2013 at 6:30 p.m.

Date: April 18, 2013
READ AND APPROVED BY THE BOARD:



Steve Wasiecko, Vice President

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

April 18, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Scott Lamond, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Luis Tovar, Steve Christensen, and Laurie Tatlock, Mulhern MRE, Inc; Melanie Goetz, Hughes & Stuart Marketing Strategies; Tim Bearton and Carolyn Steffl, Moses, Wittemyer, Harrison, and Woodruff, P.C. Jenne and John Achee, Arapahoe County Water and Wastewater Authority.

Upon motion duly made, seconded and unanimously carried, the Board excused the absence of Director Adam Perez and Alyssa Kasaris was appointed acting secretary.

CONFLICT OF INTEREST

Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA

Upon motion duly made, seconded and unanimously carried, the agenda was adopted as presented.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held March 21, 2013, approval of checks numbered 17579 through 17607, with the exception of check number 17593, ratification of the payment to Xcel Energy on March 22, 2013, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated April 15, 2013. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

CONTINUED PUBLIC HEARING

The Board convened the continued public hearing to consider the petition for exclusion of the property owned by Compark 190 LLC. Pat Mulhern advised that legal counsel has suggested that the Board not take action on this matter until the District understands that this property has service and what the terms of service are. Upon motion duly made, seconded and unanimously carried the public hearing was closed.

ACTION ITEMS None.

AOP TESTING AUTHORIZATION

Upon motion duly made, seconded and unanimously carried the Board ratified paying ACWWA \$23,587.70 for expenses they incur related to the

AOP testing. The Board asked for an accounting of the actual charges and consideration of the charges that were already paid to ACWWA for JWPP monthly expenses.

JWPP FINE

Carolyn Steffl briefed the Board on the status of discussions with CDPHE regarding the fine or environmental projects that CDPHE might approve in lieu of a fine. Pat Mulhern advised that he had notified the ACWWA Board at their regular Board meeting that Cottonwood would like to appeal the fine. Gary Atkin had advised that ACWWA did not want to appeal the fine, but would not object to Cottonwood appealing the fine. ACWWA has found a weatherization of low income housing project that they would like to participate in. Director Wasiecko made a motion to request that Cottonwood and ACWWA continue to ask CDPHE for a reduced fine, and pursue all appropriate avenues with CDPHE seeking a reduction since CDPHE had participated in the approval of the plant, and when staff feels the fine is as low as reasonably expected, Cottonwood would participate in the weatherization project.

BUSINESS

JWPP Mediation – Staff and legal counsel distributed copies of the letter sent to Justice Kirchbaum dated April 16, 2013 from ACWWA responding to Cottonwood’s letter dated September 6, 2012. Carolyn Steffl also advised that she had received a draft JWPP operating agreement from ACWWA earlier in the day and would discuss her review in executive session.

Requests for Service – Pat Mulhern briefed that Board on his discussions with Vantage Point and another developer of 16-acres of multi-family directly east of Vantage Point. The Board directed that staff move forward on discussing the terms of service when Castle Rock and Parker finalize their WISE commitment and then submit a request for wastewater service with ACWWA at that time.

Melanie Goetz said that she would like to schedule a public meeting with the fire department and Keith Worley an arborist to discuss wildfire prevention.

REPORTS

Manager’s Report – Pat Mulhern briefed the Board on items outlined in the report dated April 2013.

Legal Report – Carolyn Steffl gave a presentation summarizing the District’s current water rights and the status of Case No. 08CW28 and the deadline coming up in June.

EXECUTIVE SESSION

At 8:40 pm, upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including

operation of the JWPP, settlement of JWPP notice of violation, and mediation of disputes.

At 9:45 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session.

The Board directed that legal counsel begin drafting a complaint to file against ACWWA.


**DIRECTOR
ITEMS**

None.

ADJOURNMENT Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting scheduled for May 16, 2013 beginning at 6:30 p.m.

Date: 5/16/2013

READ AND APPROVED BY THE BOARD:



Adam Perez, Secretary

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

May 16, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Scott Lamond, Adam Perez, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Luis Tovar, Steve Christensen, and Laurie Tatlock, Mulhern MRE, Inc; Melanie Goetz, Hughes & Stuart Marketing Strategies; Carolyn Steffl, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Gary Atkin and Martin Stegmiller, Arapahoe County Water and Wastewater Authority.

CONFLICT OF INTEREST Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA Director Kasaris requested that the Action Items considered early in the Agenda not be reviewed as part of the Manager's Report. Carolyn Steffl recommended that the Board move the Agenda Item considering the authorization of litigation to after the staff reports. Upon motion duly made, seconded and unanimously carried, the revised agenda was adopted.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held April 18, 2013, approval of checks numbered 17608 through 17642, with the exception of check number 17622, ratification of the payment to Xcel Energy on April 23, 2013, ratification of the payments made to the Directors for board meeting attendance in March and April, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated May 13, 2013. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

WISE AGREEMENT The Board considered a revised Resolution Regarding Approval of the South Metro Wise Authority Formation and Organizational Intergovernmental Agreement with certain contingencies. The original Resolution contained a contingency that 11 Participants approve the Agreement. Since Castle Pines North has declined participation, the revised Resolution provides that 10 Participants approve the agreement and that the water subscription in total be at least 7,000 acre-feet. Upon motion made by Director Wasiecko, seconded by Director Perez and, upon vote, unanimously carried, the Resolution was approved.

ACTION ITEMS The following Action Items were reviewed by the Board for ratification and/or approval:

1) AOP Testing

i. Ratification of the expenditure of \$2,351.23 for C&L to uncover a valve near Jordan Road and Sandreed Circle for the isolation and flushing of the waterline that supplies water to Cottonwood from the JWPP.

ii. Ratification of the expenditure of \$1,418 for Pase Contracting to clean and repair the erosion caused by the flushing.

2) Monitoring Wells (I&I Investigation)-Authorize expenditure of up to \$4,900 to have DRC Construction jet and video the portion of the sanitary sewer located within the Cherry Creek floodplain.

3) Ratification of expenditure of \$300 to repair the concrete sidewalk in front of the 8334 Sandreed Circle meeting house.

Upon motion duly made, seconded and unanimously carried, the Board approved the above expenditures.

PUBLIC COMMENT

Gary Atkin addressed the Board regarding what he believes is a misstatement in the minutes of April 18, 2013. He advised that he did not state that ACWWA did not want to appeal the fine. He presented an email that he sent to Pat Mulhern on April 11, 2013, and explained that this two sentence email had intended to say that ACWWA would not participate in an appeal through the Governor. Mr. Mulhern explained that he had interpreted the brief email differently. Gary Atkin advised that ACWWA wanted to get the JWPP Notice of Violation and the fine decision completed.

Director Wasiecko asked Mr. Atkin what ACWWA's long term plans were for the JWPP. Mr. Atkin advised he could not comment.

Mr. Atkin presented the Board with a list of outstanding invoices that he felt should be brought to the Cottonwood Board's attention.

Cottonwood staff responded to say that they had only received this list on Monday, and were still trying to work through this list to locate the invoices listed and confirm whether they had ever been received and whether the amounts listed were accurate. The Cottonwood staff noted that they had requested copies of all of the referenced invoices from ACWWA on May 15th, and had not received them yet. Mr. Atkin indicated that he did not have a copy of the invoices with him.

Director Wasiecko told Mr. Atkin that ACWWA and Cottonwood staff needed to communicate and sort through these administrative items before they are brought to the Board's attention, to identify the points of agreement and disagreement and confirm the accounting and invoicing. Director Wasiecko advised that the Board should not be addressing individual invoices, which could be handled by staff. The Board approved paying \$1,634.34 for costs of renewal of the discharge permit for the JWPP, and noted that the other costs were either disputed or had not been fully verified by Cottonwood staff. The Board directed the staff of

Cottonwood to work directly with ACWWA staff on resolving such administrative matters.

BUSINESS

AOP Testing-Pat Mulhern reported that the testing was completed and a report should be drafted soon.

JWPP Fines-Carolyn Steffl reported that CDPHE had offered to reduce the NOV fine to \$80,000. The matter will be discussed further in Executive Session.

Baja Water Supply-Pat Mulhern reported that because of further evaluations of the supply and because of WISE expenditures, he is recommending discussing this matter again in Executive Session.

Service to Apartment Development near Crown Point-ACWWA has asked for funding of a \$7,000 imprest account to evaluate service to this project. The developer is going to submit this soon.

REPORTS

Manager's Report – Pat Mulhern briefed the Board on items outlined in the May 2013 report. Melanie Goetz asked that a Board member volunteer to attend the Fire Mitigation meeting scheduled for Saturday, June 22nd, 9am-11am, South Metro Fire Station #45, 16801 Northgate Drive, Parker, 80134.

Financial Report – The Board reviewed the financial statements for the period ending April 30, 2013. No Board action was required.

Legal Report – Carolyn Steffl reviewed the May legal report with the Board. She noted that legal staff and engineers were working on the Amendment to Cottonwood's Augmentation Plan and asked that the Board consider a resolution to approve filing for a conditional storage right for aquifer storage and recharge of the Denver Basin aquifers with WISE water. Upon motion duly made, seconded and unanimously carried the Board approved filing for a conditional water storage right for aquifer storage recharge. Carolyn also explained that the State Engineer had not yet made a determination on Parker Water and Sanitation District's Substitute Water Supply Plan request. She asked that the Board consider a motion to authorize appeal Parker's Substitute Water Supply Plan should the State Engineer's office approve the SWSP, and should the attorneys and manager recommend appeal. Upon motion duly made, seconded and unanimously carried the Board approved filing such appeal.

EXECUTIVE SESSION

At 8:02 pm, upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including

operation of the JWPP, settlement of the JWPP Notice of Violation, and mediation of disputes.

At 9:10 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session.

The Board considered a Resolution authorizing the filing of a complaint in relation to the Joint Water Purification Plant. Upon motion duly made, seconded and unanimously carried, the Board approved the Resolution authorizing a team comprised of Carolyn R. Steffl of Moses, Wittemyer, Harrison and Woodruff, P.C., Charles E. Norton, of Norton, Smith and Keane, P.C., Patrick F. Mulhern of Mulhern MRE, Inc., and Board members Scott Lamond and Alyssa Kasaris to review, revise and approve the final form of the complaint. This team is authorized to make decisions regarding the named parties, factual allegations, claims to be made, and damages and remedies sought along the lines of the claims and remedies generally discussed with the Board in executive session, without further Board approval.

The Board scheduled a Special meeting for June 6, 2013 at 6:30 pm to review the draft complaint. Staff was directed to investigate and respond to the list of allegedly unpaid invoices provided by ACWWA, including meeting with ACWWA accounting staff. The Board also directed legal staff to advise ACWWA's legal counsel that the Board did not concur with the CDPHE fine amount of \$80,000, for the selenium violation and that Cottonwood will continue to appeal it. However, the Board did indicate that Cottonwood will pay its portion of the fine, when the final amount is determined.

At 9:15 pm, upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) and (e) for the purpose of a conference with an attorney for the District to receive legal advice and for determining positions relative to matters that may be subject to negotiation, developing strategy for negotiations, and instructing negotiators on issues related to renewable water for Vantage Point.

At 9:30 pm, upon motion duly made, seconded and unanimously carried, the Board moved out of executive session. The Board further authorized an expenditure of up to \$10,000 to complete due diligence on Baja water proposal.

**DIRECTOR
ITEMS**

None.

ADJOURNMENT

Upon motion duly made, seconded and unanimously carried the meeting was adjourned. A special board meeting will be held on June 6, 2103 beginning at 6:30 at 8334 Sandreed Circle. The next regular meeting is

scheduled for June 20, 2013, beginning at 6:30 p.m. at 8334 Sandreed Circle.

Date: _____

READ AND APPROVED BY THE BOARD:

Adam Perez, Secretary

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

June 20, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Scott Lamond, Adam Perez, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Luis Tovar, Steve Christensen, and Laurie Tatlock, Mulhern MRE, Inc; Tim Beaton, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Gary Atkin and Arnie Riel, Arapahoe County Water and Wastewater Authority; and John Wright, resident at 8645 Sandreed Circle.

CONFLICT OF INTEREST Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA Director Lamond requested that since there were members of the public in attendance, the Board should consider adding an agenda item for public comment. Upon motion duly made, seconded and unanimously carried, the revised agenda was adopted.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held May 11, 2013 and June 6, 2013, approval of checks numbered 17644 through 17678, ratification of the payment to Xcel Energy on May 21, 2013, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated June 14, 2013. Director Kasaris asked that staff check on the high water bill for Parker Holdings. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

PUBLIC COMMENT Cottonwood resident, John Wright expressed his interest regarding the investment made by the taxpayers in the JWPP and concern regarding the compliance issues. Director Kasaris briefly explained the status of the plant, the Notice of Violation and CDPHE fine. The Board advised Mr. Wright that it is their immediate priority to find solutions to be able to start using the plant. The Board and staff are working in a number of areas to solve the problems and get the plant online as soon as possible. They invited Mr. Wright to stay and listen to the updates and discussion and ask questions and provide input if he had any.

JWPP UPDATE Pat Mulhern updated the Board on the work that staff has been spending time on to find a consultant who can look at options to modify the JWPP operations and attain better water quality. Director Wasiecko advised the Board that Hap Henderson has advised him that because of the water

blending that ACWWA does, their customers would not benefit from expenditure of a large investment in the JWPP. Pat updated the Board on the status of the CDPHE fine. Tim Beaton updated the Board on his contact with Martha Rudolph at the Health Department. Pat Mulhern advised that staff would be preparing a memo that would be included with the mailing of bills, to update the residents of Cottonwood on JWPP matters. The Board considered a motion to spend up to \$35,000 for a consultant to complete a research study on nano filtration as an option for the JWPP. Upon motion duly made, seconded and unanimously carried the Board approved expenditure of up to \$35,000 for a research study that would explore how nano filtration would work at the JWPP.

TAP FEES

Pat Mulhern discussed four tap fee considerations that the Board should consider for the July board meeting: 1) increase to make up for ACWWA taking 100% of their sewer tap fee, 2) revise tap fee sizing for apartments 3) plan for a future cost of service study, but in the interim adjust the tap revenue distribution so that water tap fees produce more revenue 4) remove \$1,500 per unit water resource fee, when the developer is bringing renewable water to the District

ACTION ITEMS

The Board considered a proposal from Spronk Water Engineers to complete due diligence on the Baja water proposal for a fee of \$12,260. The Board had approved expenditure of \$10,000 at the May Board meeting. Pat advised that there will also be \$2,600 in legal fees to complete the Baja water due diligence. Upon motion duly made, seconded and unanimously carried, the Board approved expenditure of the additional \$12,260 for water engineering review and \$2,600 for legal review.

Pat Mulhern explained that Dave Akers is now retired from the CDPHE and would be available to consult for Cottonwood on regulatory matters, at a cost of \$72 per hour. Upon motion duly made, seconded and unanimously carried, the Board authorized expenditure of up to \$3,000 for Dave Akers' consulting services.

BUSINESS

Pat Mulhern briefed the Board on recent matters regarding the District including, AOP testing invoicing, the Baja Water supply, the Catalina Will Serve Letter, a WISE Update including a report that Aurora and Denver had approved the project and that WISE had submitted an offer letter for the ECCV western pipeline. He noted that ACWWA charges for the AOP testing were greater than they had estimated, and Cottonwood had asked for time sheet details and greater itemized detail.

REPORTS

Manager's Report – Pat Mulhern briefed the Board on the other items outlined in the June 2013 report. He noted an interest that IREA has expressed in purchasing 9 acres in the District for a substation. Pat also noted that many builders are currently interested in the Cottonwood Highlands development.

Legal Report – Tim Beaton updated the Board on the administration of Rueter-Hess and noted that Cottonwood’s augmentation case filing deadline has been extended to September 15th.

EXECUTIVE SESSION

At 8:02 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, settlement of the JWPP Notice of Violation, and mediation of disputes, and the wastewater treatment agreement.

At 9:10 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session. The Board directed that accounting and legal staff proceed as directed in Executive Session.

At 9:12 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) and (e) for the purpose of a conference with an attorney for the District to receive legal advice and for determining positions relative to matters that may be subject to negotiation, developing strategy for negotiations, and instructing negotiators on issues related to renewable water for Vantage Point and Catalina Development.

At 9:30 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of Executive Session. Direction was provided to staff to provide a will serve letter to Catalina Development Company under the terms discussed in Executive Session and prepare a service agreement for the Vantage Point and Catalina developments.

**DIRECTOR
ITEMS**

None.

ADJOURNMENT

Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting is scheduled for July 18, 2013, beginning at 6:30 p.m. at 8334 Sandreed Circle.

Date: _____

7/11/2013

READ AND APPROVED BY THE BOARD:



Adam Perez, Secretary

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

July 11, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Scott Lamond, Adam Perez, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Steve Christensen, and Laurie Tatlock, Mulhern MRE, Inc; Carolyn Steffl, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Charles Norton, Michael Keane, Norton, Smith and Keane P.C.; Gary Atkin and Arnie Reil, Arapahoe County Water and Wastewater Authority.

CONFLICT OF INTEREST Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA The Board considered the proposed agenda. Upon motion duly made, seconded and unanimously carried, the proposed agenda was adopted.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held June 20, 2013, approval of checks numbered 17679 through 17707, ratification of the payment to Xcel Energy on June 21, 2013, ratification of the payments made to the Directors for board meeting attendance in May and June, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated July 8, 2013. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

PARKER AGREEMENT

VANTAGE POINT The Board considered ratification of the agreement with the Town of Parker regarding water and sewer service to the Vantage Point development. Upon motion duly made, seconded and unanimously carried the Board ratified the agreement with the Town of Parker regarding water and sewer service to the Vantage Point development.

JWPP JOINT MEETING

WITH ACWWA The proposed agenda and matters regarding the joint board meeting scheduled with ACWWA on July 17, 2013 will be discussed in Executive Session.

FIRE MITIGATION

UPDATE Melanie Goetz will prepare an announcement for the fire mitigation presentation rescheduled to August that stresses the cooperation with the Town of Parker and the need for fire mitigation in urban areas.

ACTION ITEM

The Board considered a proposal from the Colorado School of Mines to complete part of the nano-filtration study for a fee of \$7,524.00. An expenditure of \$35,000 was previously authorized at the June 20, 2013 regular board meeting to explore how nano-filtration would work at the JWPP. The Colorado School of Mines study costs would fall under that authorization. Upon motion duly made, seconded and unanimously carried, the Board approved an agreement with the Colorado School of Mines to complete a portion of the nano-filtration study for a fee of \$7,524.00.

BUSINESS UPDATES

Pat Mulhern briefed the Board on the status of the due diligence research on the Baja Water and the proposed service agreements with Vantage Point and Catalina development. Director Wasiecko advised that as there was a City of Aurora connection with the Baja Water, and because he was employed by the City of Aurora, he would be abstaining from Board action on these matters.

REPORTS

Manager's Report – Pat Mulhern briefed the Board on items outlined in the July 2013 report.

Legal Report – Carolyn Steffl advised that she would let the July legal report stand on its own.

EXECUTIVE SESSION

At 7:10 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4) (b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, settlement of JWPP notice of violation, mediation of disputes, and the wastewater treatment agreement.

At 9:25 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session.

DIRECTOR ITEMS

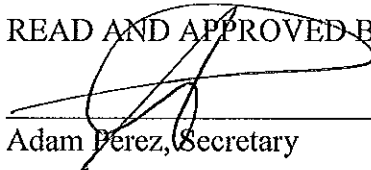
Director Kasaris requested that staff work on updating the *frequently asked questions* portion of the website.

ADJOURNMENT

Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next meeting is scheduled for August 5, 2013, beginning at 6:30 p.m.

Date: 8/5/2013

READ AND APPROVED BY THE BOARD:



Adam Perez, Secretary

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

August 5, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES

Directors present: Alyssa Kasaris, Adam Perez, and Steve Wasiecko. Others present: Pat Mulhern, Luis Tovar, Steve Christensen, and Laurie Tatlock, Mulhern MRE, Inc; Tim Beaton and Carolyn Steffl, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Steve Witter, Arapahoe County Water and Wastewater Authority; Ed Fitzpatrick and Susan Stanton, Shopoff Group.

Upon motion duly made, seconded and unanimously carried, the absences of Directors Scott Lamond and Susan Romani were excused.

**CONFLICT OF
INTEREST**

Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA

The Board considered the Agenda. Upon motion duly made, seconded and unanimously carried, the agenda was adopted.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held July 11, 2013, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated July 31, 2013. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

ACWWA SEWER TAP FEE PRESENTATION

Steve Witter presented to the Board a potential change that ACWWA is studying regarding their calculation method for wastewater impacts and the resulting sewer tap fees for commercial and multi-family customers. He addressed comments and questions from Pat Mulhern, Tim Beaton and Ed Fitzpatrick. He asked that Cottonwood send written comments and questions to ACWWA before they meet in August.

PUBLIC HEARING

Pat Mulhern reviewed a tap and service fee proposal memo that summarized a number of recommendations that the Board should consider to; 1) keep pace with tap fee increases by ACWWA which affect Cottonwood revenues; 2) resolve an issue with regard to tap sizing for multi-family projects; and 3) balance tap fees revenues between water and sewer. The Board discussed the proposed changes.

Upon motion duly made, seconded and unanimously carried, at 7:54 p.m., the Board opened a Public Hearing. Mr. Fitzpatrick thanked Cottonwood for their fair consideration on tap fees and their appreciation of Cottonwood's efforts in negotiating with ACWWA. Upon motion duly made, seconded and unanimously carried, at 8:03 p.m., the Board closed the public hearing.

The Board considered a Resolution to establish the following:

1. Single Family Water Tap fees shall be raised to \$12,558
2. Single Family Sewer Tap fees shall be reduced to \$7,660
3. Extra-territorial properties served by the District shall pay an Extraterritorial Sewer Tap Fee Surcharge imposed by ACWWA equal to an additional 50% of the then in-effect ACWWA Sewer Tap Fee
4. The Water Resource Fee shall not be applicable to new inclusions or new extraterritorial service agreements when sufficient renewable water has been dedicated to the District or a Renewable Water Fee has been paid
5. Determination of the quantity and quality of renewable water required for new inclusions or extraterritorial service shall be determined by the Board and shall require at a minimum of 0.15 acre-feet of water per multi-family unit.
6. Determination of tap fees for multi-family residential development requires, at a minimum, 1 single family equivalent for every 3 units.
7. The District Manager is to update Appendix A of the District Rules and Regulations to reflect the provisions of this Resolution.

The Board decided not to consider service fee increases until a full Board was present. Upon motion duly made, seconded and unanimously carried, the Board approved the Resolution regarding the matters listed above.

BAJA WATER

Pat Mulhern briefed the Board on the status of the due diligence review on the Baja water and meetings with Aurora.

ACTION ITEMS

The following Action Items were reviewed by the Board for ratification and/or approval:

- 1) AOP Testing-Approval to pay \$4,006.30 for charges related to the AOP testing in April.
- 2) CCAMP 2.0 Contract-Approval of an amended agreement with a change in scope of work for engineering and cost allocation for the CCAMP 2.0 contract. The Board approved funds in the amount of \$12,387 for the District's portion of costs.

Following Board discussion, upon motion duly made, seconded and upon vote, unanimously carried, the Board approved the Action Items as listed above.

BUSINESS

The Board reviewed the draft Vantage Point and Catalina Development Agreements. The Board directed staff to share the draft service agreements with Vantage Point and Catalina Development.

REPORTS

Manager’s Report – Pat Mulhern advised the Board that the Manager’s Report would stand on its own and/or be covered in other Agenda Items.

Financial Report – Steve Christensen reviewed the Financial Statements for the period ending June 30, 2013 with the Board. No Board action was required.

Legal Report – Carolyn Steffl advised that the legal matters would be handled in Executive Session.

EXECUTIVE SESSION

At 8:40 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, settlement of JWPP notice of violation, and mediation of disputes, and the wastewater treatment agreement.

At 9:24 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session.

DIRECTOR ITEMS

None.

ADJOURNMENT

Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting scheduled for September 19, 2013, beginning at 6:30 p.m.

Date: September 12, 2013

READ AND APPROVED BY THE BOARD:

Susan Romani

Adam Perez, Secretary

Susan Romani, Acting

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

September 12, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Scott Lamond, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Luis Tovar, Steve Christensen, and Laurie Tatlock, Mulhern MRE, Inc; Melanie Goetz, Hughes & Stuart; Carolyn Steffl, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Maria Gomez, Arapahoe County Water and Wastewater Authority; Cottonwood residents, Evan Campbell, 8390 Needlegrass Court and John Wright, 8538 Rabbitbrush Way.

Upon motion duly made, seconded and unanimously carried, the Board excused Director Adam Perez' absence.

**CONFLICT OF
INTEREST**

Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA

The Board considered the proposed agenda. The Board asked that the Board move agenda item VII, Public Hearing on Sewer Service fees, up to agenda item VI. Upon motion duly made, seconded and unanimously carried, the revised agenda was adopted.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held August 5, 2013, approval of checks numbered 17741 through 17768, ratification of the payment to Xcel Energy on August 22, 2013, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated September 9, 2013. Director Kasaris asked that we contact Lifetime Fitness regarding collections on their unpaid balance. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

**HUGHES
& STUART**

Melanie Goetz presented a proposal to redesign and program the District's website. Upon motion duly made, seconded and unanimously carried the Board authorized expenditure of up to \$2,700 for website updating.

PUBLIC HEARING Upon motion duly made, seconded, and unanimously carried the Board opened the public hearing. Cottonwood resident, John Wright asked the Board and staff questions on regulatory relief from the CDPHE, the water quality of WISE water, and what the future plans for the JWPP are. Pat Mulhern addressed his questions. Cottonwood resident, Evan Campbell asked the Board why a water plant was built that violated CDPHE standards and why we are using the deep wells. Pat Mulhern and Director

Wasiecko explained the efforts and frustrations that the Board has experienced in working with ACWWA and the CDPHE to get the JWPP treating water to a quality that is acceptable to Cottonwood and noted that while Cottonwood is depleting the deep water, the Board decided to provide the best water quality that the District can provide, which is now water from the deep wells and not microfiltration water from the water plant. Mr. Wright had a question regarding the District's plans for the use of treated wastewater for irrigation. Both Mr. Campbell and Mr. Wright expressed their desire for more candid communication on the website and with the residents. Upon motion duly made, seconded, and unanimously carried the Board closed the public hearing.

SANITARY SEWER

SERVICE FEES Pat Mulhern reviewed the service fee proposal that staff had prepared. Director Lamond made a motion to increase the sanitary sewer service fees 3%, effective October 1, 2013. Director Kasaris seconded the motion. Upon vote, the motion carried.

2012 AUDIT The Board considered acceptance of the 2012 audit. Legal counsel, Carolyn Steffl suggested removal of language regarding ownership of the JWPP. Subject to removal of the noted language, upon motion duly made, seconded, and unanimously carried, the Board accepted the 2012 audit.

KINGS POINT SERVICE

AGREEMENT Pat Mulhern explained that Aurora had prepared a draft agreement that he and Carolyn Steffl would be meeting to review with Aurora and propose some revisions and it was likely that Aurora would attend the October Board meeting to present and have the Board consider for approval.

JWPP STATUS Director Kasaris reported that the 2 on 2 Board member meetings. Director Wasiecko thanked Directors Lamond and Kasaris for their time and efforts.

ACTION ITEMS The Board considered approving 1) expenditure of \$1,457.31 to purchase a 1 ½ inch meter for the development at 17858 Cottonwood Drive. The developer will be billed back for the charge; 2) ratify expenditure of up to \$500 for Bell Surveying to complete survey work in connection with the location of the 24" water line near well DD-4; and 3) ratification of the expenditure of \$1,265.05 to purchase 6, ¾ inch residential water meters for operations inventory. Upon motion duly made, seconded and unanimously carried, the Board approved the three action items.

REPORTS

Manager's Report – Pat Mulhern briefed the Board on items outlined in the September 2013 report. Pat explained that we had just received an invoice from ACWWA for August JWPP operations in the amount of \$18,443.40. The invoice has not been reviewed completely, but he recommended approval subject to completion of a more thorough review. Upon motion duly made, seconded and unanimously approved the Board authorized payment to ACWWA up to \$18,443.40.

Legal Report – Carolyn Steffl reported that legal and management staff were working to complete the Augmentation amendment Draft Decree and Engineering Report that is due on September 30, 2013.

EXECUTIVE SESSION

At 8:33 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, settlement of JWPP notice of violation, mediation of disputes, and the wastewater treatment agreement.

At 9:20 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session.

**TOLLING
AGREEMENT**

The Board considered approval of a tolling agreement with ACWWA that ends on January 15, 2014. Upon motion duly made, seconded and unanimously carried the Board approved the tolling agreement with ACWWA that ends on January 15, 2014.

EXECUTIVE SESSION

At 9:23 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b)&(e) for the purpose of a conference with an attorney for the District to receive legal advice and for determining positions relative to matters that may be subject to negotiation, developing strategy for negotiations, and instructing negotiators on issues related to renewable water for Vantage Point and Catalina Development and service to Kings Pointe South Development.

At 9:50 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session. The Board directed staff to negotiate with the developers as discussed in executive session.

**DIRECTOR
ITEMS**

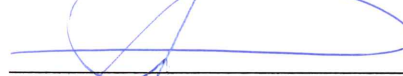
None.

ADJOURNMENT

Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting scheduled for October 17, 2013, is cancelled and a special meeting will be held on Tuesday, October 8, 2013, beginning at 6:30 p.m.

Date: 11/21/2013

READ AND APPROVED BY THE BOARD:



Adam Perez, Secretary

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

October 8, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Scott Lamond, Adam Perez, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Luis Tovar, Steve Christensen, and Laurie Tatlock, Mulhern MRE, Inc; Melanie Goetz, Hughes & Stuart; Carolyn Steffl, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Kevin McBrien, Capital Projects Manager and Gary Atkin, Manager, Arapahoe County Water and Wastewater Authority.

CONFLICT OF INTEREST

Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA

The Board considered the proposed agenda. The Board added a report from Melanie Goetz from Hughes and Stuart to the agenda. Upon motion duly made, seconded and unanimously carried, the revised agenda was adopted.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held September 12, 2013, approval of checks numbered 17779 through 17796, with the exception of voided check number 17782, ratification of the payment to Xcel Energy on September 23, 2013, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated October 3, 2013. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

CATALINA SERVICE AGREEMENT

Director Kasaris asked that Pat Mulhern review the terms proposed in the Inclusion Agreement with the Board. During the discussion, staff suggested that the petition fee be reduced to \$3,000 from \$10,000 and that the Developer not have to pay the renewable water fee for 120 days after signing this Agreement. Contingent on the revisions noted during the discussion and upon the successful completion of the inclusion process, upon motion duly made, seconded, and unanimously carried, the Board approved the Inclusion Agreement with Catalina Development.

HUGHES & STUART

Melanie Goetz reported that they are drafting 2 design formats for the updated website. Directors Perez and Wasiecko will review the formats and submit comments and suggested revisions.

The Board discussed the letter sent to Karen Crummy with copies to the Cottonwood manager and Board President and the ACWWA manager and Board President. Pat Mulhern suggested that the Board consider organizing an informational forum on the JWPP and other District matters to present to Cottonwood residents and request their input. Melanie Goetz suggested that the Board consider adoption of a communications policy and designate someone as the contact person for any customer and press inquiries. Upon motion duly made, seconded and unanimously carried, the Board designated Pat Mulhern the contact person for customer and press inquiries.

ACTION ITEMS

Pat Mulhern reported on the discussions held with the CDPHE. He also reviewed the proposal from GEI Consultants for "The Selenium Evaluation for the Cottonwood Creek Drainage," for a fee of \$87,480. Upon motion duly made, seconded and unanimously carried, the Board approved the proposal with GEI Consultants.

BUSINESS UPDATES

2014 Budget – Steve Christensen reviewed the draft 2014 Budget with the Board. The public hearing for the budget will be held at the next meeting in November.

JWPP Status Update – Carolyn Steffl advised that the 2 on 2 meeting has been rescheduled to November 5, 2013.

Kings Point Development Update – Pat Mulhern updated the Board on the discussions regarding service with the City of Aurora. The agreement will need to be revised to address service and tap fees if an extension were needed beyond the original 10 years, but should be ready for consideration at the November board meeting.

REPORTS

Manager's Report – Pat Mulhern briefed the Board on items outlined in the October 2013 report.

Financial Report – Steve Christensen presented the District's financial statements for the period ending August 31, 2013. No Board action was required.

Legal Report – Carolyn Steffl reported that the Amended Augmentation Plan had been filed on September 30, 2013.

EXECUTIVE SESSION

At 7:42 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, settlement of JWPP notice of violation, mediation of disputes, and the wastewater treatment agreement.

At 9:00 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session. Direction was given to staff to prepare a white paper addressing the JWPP history.

**DIRECTOR
ITEMS**

None.

ADJOURNMENT Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting scheduled for November 21, 2013, beginning at 6:30 p.m.

Date: 11/21/2013

READ AND APPROVED BY THE BOARD:



Adam Perez, Secretary

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

November 21, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Scott Lamond, Adam Perez, Susan Romani, and Steve Wasiecko. Others present: Pat Mulhern, Luis Tovar, and Laurie Tatlock, Mulhern MRE, Inc; Melanie Goetz, Hughes & Stuart; Carolyn Steffl and Anne Bensard, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Martin Stegmiller, Arapahoe County Water and Wastewater Authority; and Albert Thompson, Cottonwood resident at 8415 Wheatgrass Circle.

CONFLICT OF INTEREST Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA The Board considered the proposed agenda. Upon motion duly made, seconded and unanimously carried, the agenda was adopted.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held October 8, 2013, approval of checks numbered 17797 through 17800, and checks numbered 17829 through 17860 with the exception of voided checks numbered 17842 and 17848, and a check payable to Norton and Smith in the amount of \$2,453.85, ratification of the payment to Xcel Energy on November 20, 2013, ratification of the payments made to the Directors for Board meeting attendance in September and October and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated November 18, 2013. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

2014 ELECTION RESOLUTION The Board considered a Resolution concerning the regular board member election to be held on May 6, 2014, appointing Laurie Tatlock the Designated Election Official. Understanding that there may be legislative changes early in 2014, upon motion duly made, seconded and unanimously carried, the Election Resolution was approved.

WISE The Board considered a Resolution regarding an Amendment of the South Metro Wise Authority Formation and Organizational Intergovernmental Agreement, that changes the date in the last paragraph of Section 20 of the WISE IGA from December 31, 2013 to December 31, 2014, deletes the CRCS contingency in Section 20.B.3, and authorizes the WISE Authority to amend the Water Delivery Agreement in a manner consistent with the

Resolution. Upon motion duly made, seconded and unanimously carried, the Resolution was approved.

PARKER ANNEXATION

CATALINA The Board considered ratification of Cottonwood's consent to the Town of Parker's annexation of the Catalina property. Upon motion duly made, seconded and unanimously carried, the Board ratified the District's consent to the Town of Parker's annexation of the Catalina property.

ACTION ITEMS The Board considered approval of the following action items. A) Authorizing Luis Tovar to serve as the Cottonwood representative at UCCWA meetings with Pat Mulhern as the alternate. B) Expenditure of \$4,300 for Inland Potable Services to clean and inspect the water storage tank. C) Ratification of the agreement with Inverness Properties LLC to fix the Well D4A well house concrete floor and to repair the electrical enclosure gates for \$2,020. D) Approval of a proposal from Browns Hill to add additional programming to the SCADA system that will gather and organize data from the water and sewer systems for a fee of \$5,427. E) Ratification of the purchase of secondary chemical containment drums for all of the deep wells for \$1,382. F) Approval of the 2013-2014 snow removal contract with Pase Contracting on a time and material basis. Upon motion duly made, seconded and unanimously carried, the Board approved the above listed Action Items.

BUDGET HEARING

Upon motion duly made, seconded and unanimously carried, the Board opened a public hearing to discuss the Budget for 2014. Pat Mulhern reviewed the 2014 proposed budget with the Board. Following discussion, upon motion duly made, seconded and unanimously carried the Board approved a Resolution approving and adopting the 2014 budget, appropriated the funds for expenditure and set a mill levy of 27 mills.

BUSINESS UPDATE

Carolyn Steffl reported that the next 2 on 2 meeting would be held at 8334 Sandreed Circle on Thursday, December 5, 2013.

REPORTS

Manager's Report – Pat Mulhern briefed the Board on items outlined in the November 2013 report.

Financial Report – Pat Mulhern presented the District's financial statements for the period ending October 31, 2013. No Board action was required.

Legal Report – Carolyn Steffl and Anne Bensard reported on the tax liens on the Bluemist Circle well site and that the District now owns the senior tax lien. They are recommending that the District apply for a tax deed on the property. Upon motion duly made, seconded and unanimously carried the Board authorized management and legal staff to apply for a

Treasurer's tax deed on this property, Lot 81, Cottonwood Subdivision Filing No. 7.

EXECUTIVE SESSION

At 8:20 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4)(b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, negotiation of disputes, and the draft JWPP operating agreement.

At 9:25 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session. The Board directed Directors Lamond and Kasaris and attorney Carolyn Steffl to negotiate at the next 2 on 2 meeting as was discussed in Executive Session

**DIRECTOR
ITEMS**


None.

ADJOURNMENT

Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting scheduled for December 19, 2013, beginning at 6:30 p.m. at the Chinook Tavern, 6380 South Fiddler's Green Circle, Greenwood Village, CO 80111.

Date: 4/10/2014

READ AND APPROVED BY THE BOARD:



Adam Perez, Secretary

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE COTTONWOOD WATER & SANITATION DISTRICT**

December 12, 2013

at 6:30 p.m. at 8334 Sandreed Circle, Parker, Colorado

ATTENDEES Directors present: Alyssa Kasaris, Scott Lamond, and Steve Wasiecko. Others present: Pat Mulhern, Luis Tovar, Steve Christensen, and Laurie Tatlock, Mulhern MRE, Inc; Carolyn Steffl, Moses, Wittemyer, Harrison, and Woodruff, P.C.; Hap Henderson and Geri Santos-Roch, Board Members, Arapahoe County Water and Wastewater Authority.

CONFLICT OF INTEREST Upon motion duly made, seconded and unanimously carried, the statements for the Directors filed with the State of Colorado, Division of Local Governments were ratified.

THE AGENDA The Board considered the proposed agenda. Director Lamond asked to add a public hearing agenda for the ACWWA board members to address the Cottonwood Board. Upon motion duly made, seconded and unanimously carried, the revised agenda was adopted.

PUBLIC HEARING Hap Henderson and Geri Santos-Rach addressed the Cottonwood Board, thanking Scott Lamond and Alyssa Kasaris for their participation in the two on two JWPP discussions. They also expressed their belief that the JWPP operating agreement had progressed to a point that the Arapahoe County PID Board and ACWWA Board would approve it. Pat Mulhern expressed a concern regarding the language that would allow ACWWA to get out of the payment obligation for RO conversion in light of the fact that it was only a \$1.5 million obligation, a percentage of ACWWA's current annual budget.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the regular meeting held November 21, and authorization for staff to implement disconnection procedures on accounts listed on the delinquent list dated December 11, 2013. Upon motion duly made, seconded and unanimously carried the Consent Agenda was approved.

2013 AUDIT PROPOSAL The Board considered a proposal from Wagner Barnes & Griggs, PC to complete an audit of the 2013 financial statements for \$6,400. Upon motion duly made, seconded and unanimously carried, the Board approved authorizing the proposal from Wagner Barnes & Griggs, PC.

JWPP OPERATING

AGREEMENT Director's Kasaris and Lamond reported on the recent two on two meeting with ACWWA board members.

BAJA WATER Pat Mulhern explained the most recent developments regarding the Vantage Point and Catalina developments. He asked that the Board direct him to continue negotiations with the developers, Aurora, and the BAJA water broker as discussed. The Board directed staff to continue negotiations regarding the matter.

EXECUTIVE SESSION

At 7:30 p.m., upon motion duly made, seconded and unanimously carried the Board moved into an executive session pursuant to C.R.S. 26-4-402(4) (b) for the purpose of a conference with an attorney for the District to receive legal advice on issues related to ACWWA, Arapahoe County and/or the Arapahoe County Public Improvement District, including operation of the JWPP, negotiation of disputes, and the draft JWPP operating agreement.

At 9:13 p.m., upon motion duly made, seconded and unanimously carried, the Board moved out of executive session.

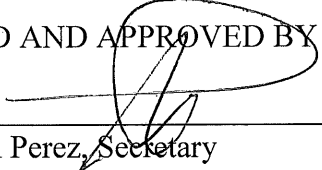
DIRECTOR ITEMS

Director Wasiecko would like to participate in the SDA Leadership Academy and asked if the District would pay the expenses. Upon motion duly made, seconded and unanimously carried the Board approved reimbursement of these expenses.

ADJOURNMENT Upon motion duly made, seconded and unanimously carried the meeting was adjourned. The next regular meeting scheduled for December 19, 2013, will be held at the Chinook Tavern, 6380 South Fiddler's Green Circle, Greenwood Village, CO, beginning at 6:30 p.m.

Date: 12/19/2013

READ AND APPROVED BY THE BOARD:



Adam Perez, Secretary