

RECORD OF PROCEEDINGS

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

HELD: February 4, 2015 at 3:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

ATTENDEES Directors present: Joel Christensen, Charlie Davis, and Bart Spaulding.
Others present: Clay Boelz and Steve Christensen, Inverness Properties;
Pat Mulhern, Mitch Chambers, Randy Warren and Kelly Conover,
Mulhern MRE, Inc.; Erin Smith, Norton and Smith P.C.

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.

BOARD RESIGNATION Randall Warren submitted his board resignation effective January 19, 2015. Upon motion duly made by Director Spaulding, seconded by Director Davis and upon vote, unanimously carried, the Board accepted Director Warren's resignation.

OFFICER ELECTIONS Following Board discussion and upon motion duly made by Director Christensen, seconded by Director Davis, and upon vote, unanimously carried, the Board elected the following board positions:

Bart Spaulding – President
Joel Christensen – Vice President
Charlie Davis – Secretary
Tom Morton - Treasurer

PUBLIC COMMENT There was no public present.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the December 3, 2014 meeting. Revised minutes were provided to the Board for review. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as revised.

Pat Mulhern reviewed the expenditures with the Board dated November 20, 2014 through January 27, 2015. Following discussion and upon motion duly made by Director Christensen, seconded by Director Davis

and upon vote, unanimously carried, the Board ratified the expenditures as presented.

Steve Christensen provided a review of the Financial Statements and Investments as of December 31, 2014. Following Board discussion and upon motion duly made by Director Christensen, seconded by Director Davis and upon vote, unanimously carried, the Board accepted the financial statements and investments.

UPDATE ON SOLAR PANEL PURCHASE

Pat Mulhern provided an update on the Solar Purchase Agreement. Significant time was spent by staff and legal counsel with revisions to the agreement to provide an acceptable agreement for the District. The agreement was finalized at the end of January.

UPDATE ON ACWWA RATE ISSUE

Pat Mulhern provided an update on the negotiations with ACWWA staff related to sewer rates for Inverness. Staff continues to meet with ACWWA's interim manager and their rate consultant. There has not been an agreement on methodologies as yet, but staff is hopeful and continues discussions. The ACWWA staff proposes that a new rate study be completed and that they pay the District \$50,000 for overpayment in sewer charges. District staff estimates the overpayment to be as much as \$1million. Pat suggested that the Tolling Agreement from 2014 be extended through April 30, 2015.

EXECUTIVE SESSION

Upon motion duly made by Director Spaulding, seconded by Director Christensen, and upon vote, unanimously carried, the Board moved into executive session at 4:51pm pursuant to CRS section 24-6-402 (4)(b) for a conference with general counsel for the purpose of receiving legal advice on specific legal questions regarding ACWWA rates, the past sewage spill and return of excess wastewater effluent to ACWWA.

The Board moved out of executive session at 5:07PM. Board directed staff and legal counsel to propose to ACWWA an extension of the Tolling Agreement for another 60 days to continue discussions. Contingent upon ACWWA Board approval, the Board authorized extending the Tolling Agreement through April 30, 2015. The Board authorized legal counsel to move forward with the litigation processes in the event the ACWWA Board failed to agree to the extension of the Tolling Agreement.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed on the attached memo and spreadsheet. Following Board discussion, upon motion duly made by Director Spaulding, seconded by Director Christensen and unanimously carried, the Board approved and ratified the contracts listed. Director Davis abstained from the vote regarding services provided by Inverness Properties, LLC.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the WISE Connection cost estimate and the Energy Management Assessment to cut electrical costs approximately 40%. There was no Board action necessary.

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 1, 2015 to be held at District offices, 2 Inverness Drive East, Suite 200 Englewood, Colorado at 3:00 pm.

Date: _____

READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary

RECORD OF PROCEEDINGS

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

HELD: April 14, 2015 at 3:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

ATTENDEES Directors present: Joel Christensen, Charlie Davis, and Bart Spaulding. Others present: Clay Boelz; Inverness Properties: Pat Mulhern, Randy Warren and Kelly Conover; Mulhern MRE, Inc. Erin Smith with Norton and Smith P.C. The absence of Director Morton was excused.

CONFLICT OF INTEREST Director Davis disclosed that he has been appointed to the Board of Directors for the Southeast Public Improvement Metropolitan District.

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.

PUBLIC COMMENT
There was no public present.

CONSENT AGENDA
The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the February 4, 2015 meeting. It was noted that the attendees list should be revised to reflect Director Morton's absence. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as revised.

Pat Mulhern reviewed the expenditures with the Board dated January 27 through April 7, 2015. Following discussion and upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, unanimously carried, the Board ratified the expenditures as presented.

Clay Boelz provided a review of the Financial Statements and Investments as of February 28, 2015. Following Board discussion and upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, unanimously carried, the Board accepted the financial statements and investments.

PUBLIC HEARING ON RATES
Upon motion duly made, seconded and unanimously carried, the Board opened a public hearing on the proposed rate increase. There being no public present, the hearing was closed.

Pat Mulhern reviewed with the Board the proposed rate increase that was properly published in the local papers and on the District website. The proposed increase consists of a 5% increase for water usage fees and 3% for sewer usage fees plus minor adjustments in the monthly base fees.

After a review of the sewer usage for 2015, the increased sewer volume from new development has increased revenue enough that a sewer usage fee increase is not required.

Upon motion duly made by Director Spaulding, seconded by Director Davis and upon vote, the Board unanimously approved the increased water use and base fees as presented. The Board directed staff to prepare a resolution reflecting such increase.

UPDATE ON ACWWA RATE ISSUE

Pat Mulhern discussed the staff efforts in working with ACWWA staff regarding a settlement negotiation. ACWWA has asked for a settlement proposal from Pat detailing Inverness' requests.

CONSIDERATION OF AN AMENDED TOLLING AGREEMENT

The current Amended Tolling Agreement with ACWWA will expire on April 30, 2015. With the recent discussion efforts of staff, it was recommended that the District consider a 2nd amendment to the Tolling Agreement to extend the deadline until June 30, 2015. Upon motion duly made by Director Spaulding, seconded by Director Christensen, and upon vote, the Board unanimously approved the 2nd Amendment to the Tolling Agreement.

WISE MODIFICATION COSTS

Pat Mulhern provided a memo in the Board packet regarding the additional costs of the WISE pipeline modifications. Upon motion duly made from Director Spaulding, seconded by Director Christensen and upon vote unanimously carried, the Board ratified its share of the costs in the contract to be awarded by the South Metro WISE Authority.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed on the attached memo and spreadsheet. Following Board discussion, upon motion duly made by Director Spaulding, seconded by Director Christensen and unanimously carried, the Board approved and ratified the contracts listed.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the Elevated Water Tank, the Denver Pump Station Pipeline failure, Grand Peaks Fire Flow testing, the Chloramine Conversion project, the Efficiency Audit, and a development update. There was no Board action necessary.

EXECUTIVE SESSION

There was no executive session needed.

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 June 3, 2015 to be held at District offices, 2 Inverness Drive East, Suite 200 Englewood, Colorado at 3:00 pm.

Date: _____

READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary

RECORD OF PROCEEDINGS

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

HELD: May 4, 2015 at 2:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

ATTENDEES Directors present: Joel Christensen, Charlie Davis, Tom Morton and Bart Spaulding. Others present: Clay Boelz; Inverness Properties: Pat Mulhern, Randy Warren and Kelly Conover; Mulhern MRE, Inc. Erin Smith with Norton and Smith P.C.

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.

PUBLIC COMMENT
There was no public present.

EXECUTIVE SESSION
At 2:12pm, upon motion duly made by Director Morton, seconded by Director Christensen, and upon vote, unanimously carried, the Board moved into an executive session pursuant to C.R.S. Section 24-6-402(4)(b) for a conference with general counsel for the purpose of receiving legal advice on specific legal questions regarding ACWWA rates, past sewage spill and return of excess wastewater effluent to ACWWA; and pursuant 24-6-402(4)(e) to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators regarding the ACWWA rates, past sewage spill and return of excess wastewater effluent to ACWWA.

This session was recorded.

At 3:03pm, the Board moved out of executive session. The Board directed staff to pursue settlement terms with ACWWA incorporating comments provided by the Board.

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 June 3, 2015 to be held at District offices, 2 Inverness Drive East, Suite 200 Englewood, Colorado at 3:00 pm.

Date: _____
READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary

RECORD OF PROCEEDINGS

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

HELD: June 3, 2015 at 3:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

ATTENDEES Directors present: Joel Christensen, Charlie Davis, Tom Morton and Bart Spaulding. Others present: Clay Boelz; Inverness Properties: Pat Mulhern, Randy Warren and Kelly Conover; Mulhern MRE, Inc. Erin Smith; Norton and Smith P.C.

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.

PUBLIC COMMENT
There was no public present.

CONSENT AGENDA
The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the April 14th and May 4, 2015 meeting. Upon motion duly made by Director Davis, seconded by Director Christensen and unanimously carried, the Board approved the minutes as presented.

Pat Mulhern and Clay Boelz reviewed the expenditures with the Board dated April 8th through May 26, 2015. Following discussion and upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, unanimously carried, the Board ratified the expenditures as presented.

Clay Boelz provided a review of the Financial Statements and Investments as of April 30, 2015. Following Board discussion and upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, unanimously carried, the Board accepted the financial statements and investments.

CONSIDER 2014 AUDIT
Clay Boelz reviewed the audit presented to the Board. Subject to clerical and non-substantive clarifications by staff, upon motion duly made by Director Morton, seconded by Director Christensen, and upon vote unanimously carried, the Board approved the 2014 Audit providing direction to staff to file with the state.

**UPDATE ON ACWWA RATE ISSUE AND
CONSIDERATION OF AN AMENDED TOLLING AGREEMENT**

Pat Mulhern updated the Board on the draft settlement negotiations provided to ACWWA following direction from the Board at the last meeting.

The current Amended Tolling Agreement with ACWWA will expire on June 30, 2015. As a result of recent discussion efforts by staff, it was recommended that the District consider a 3rd amendment to the Tolling Agreement providing an additional 45 days. Upon motion duly made by Director Morton, seconded by Director Christensen, and upon vote, the Board approved the 3rd Amendment to the Tolling Agreement to expire on August 15, 2015.

**CONSIDER IGA WITH CHERRY CREEK PROJECT WATER AUTHORITY ON
REUSABLE RETURN FLOW**

Pat Mulhern reviewed the IGA provided in the Board packet related to the Authority's request for use of the District's return flow rights.

Following a discussion by the Board on the terms of the agreement and upon motion duly made by Director Davis, seconded by Director Morton, and upon vote, the Board approved the agreement subject to minor revisions recommended by staff.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed on the attached memo and spreadsheet related to the Denver Pump Station repairs and restoration, the Grange Lift Station and the District facility communications. Following Board discussion, upon motion duly made by Director Morton, seconded by Director Christensen and unanimously carried, the Board approved and ratified the contracts listed.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the Elevated Water Tank, the Denver Pump Station Pipeline failure, Grand Peaks Fire Flow testing, the Chloramine Conversion project, the Efficiency Audit, the District Master Plan and the District file archiving. There was no Board action necessary.

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 August 5, 2015 to be held at District offices, 2 Inverness Drive East, Suite 200 Englewood, Colorado at 3:00 pm.

Date: _____
READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary

RECORD OF PROCEEDINGS

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

HELD: August 5, 2015 at 3:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

ATTENDEES

Directors present: Joel Christensen, Charlie Davis, and Tom Morton. Others present: Clay Boelz and Steve Christensen; Inverness Properties, Pat Mulhern, Randy Warren, Laurie Tatlock, Ron Lambert and Kelly Conover; Mulhern MRE, Inc. Erin Smith with Norton and Smith P.C. Public Present: Mr. Brett Stone, Gates 330 Inverness Drive South, Bill Woodward; Inverness Properties, Steve Witter; ACWWA. Upon motion duly made, seconded and unanimously carried, Director Spaulding's absence was 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.

PUBLIC COMMENT

Pat Mulhern introduced Mr. Steve Witter, General Manager of ACWWA to the Board and reviewed the positive developments and relations between the Districts.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the June 3, 2015 meeting. Upon motion duly made by Director Morton, seconded by Director Davis and unanimously carried, the Board approved the minutes with minor clerical corrections noted by staff.

Pat Mulhern and Clay Boelz reviewed the expenditures with the Board dated May 27th through July 29, 2015. Following discussion and upon motion duly made by Director Davis, seconded by Director Morton and upon vote, unanimously carried, the Board ratified the expenditures as presented.

Steve Christensen provided a review of the Financial Statements and Investments as of June 30, 2015. Following Board discussion and upon motion duly made by Director Davis, seconded by Director Morton and upon vote, unanimously carried, the Board accepted the financial statements and investments.

BOARD VACANCY

As required by statute, the vacant position was advertised in the legal section of the Douglas County News Press and the Littleton Independent. Pat Mulhern introduced Mr. Brett Stone with Gates Corporation as having expressed interest in filling the vacant Board position. Mr. Stone addressed the Board and provided a brief background on his involvement with Gates and his interest in the position. The Board will consider appointment at the October meeting.

CONSIDER 2ND AMENDMENT, SETTLEMENT, AND RELEASE AGREEMENT WITH ACCWA

Pat Mulhern provided a memo to the Board regarding the proposed draft agreement provided by ACWWA. Per legal counsel advice, further discussion of this agenda item was under Executive Session.

CONSIDERATION OF AN AMENDED TOLLING AGREEMENT

The 3rd Amended Tolling Agreement with ACWWA will expire on August 15, 2015. With the recent discussion efforts of staff, it was recommended that the District consider a 4th amendment to the Tolling Agreement for an additional 45 days to allow for completion of negotiations of the document. Upon motion duly made by Director Davis, seconded by Director Morton, and upon vote, the Board approved the 4th Amendment to the Tolling Agreement to expire September 28, 2015.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed on the attached memo and spreadsheet regarding purchase of a backup grinder for the lift station (\$25,000) and weed control at the Inverness Reservoir (\$3,120). Following Board discussion, upon motion duly made by Director Morton, seconded by Director Christensen and unanimously carried, the Board approved and ratified the contracts listed.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the Denver Pump Station Pipeline failure, Grand Peaks Fire Flow testing, the Chloramine Conversion project, the Elevated Water Tank, the Efficiency Audit, the District Master Plan and District development. Staff will coordinate a work session in September to review the Draft Master Plan with the Board. There was no Board action necessary.

EXECUTIVE SESSION

A motion was made for an Executive Session pursuant to C.R.S. Section 24-6-402(4)(b) for a conference with general counsel for the purpose of receiving legal advice on specific legal questions and C.R.S. Section 24-6-402(4)(e) to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators all regarding the ACWWA rates, past sewage spill and return of excess wastewater effluent to ACWWA. The motion was seconded and approved through unanimous vote. This session was recorded.

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 October 7, 2015 to be held at District offices, 2 Inverness Drive East, Suite 200 Englewood, Colorado at 3:00 pm.

Date: _____
READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary

DRAFT

RECORD OF PROCEEDINGS

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

HELD: October 22, 2015 at 12:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

ATTENDEES Directors present: Joel Christensen, Charlie Davis, Bart Spaulding and Tom Morton. Others present: Steve Christensen; Inverness Properties, Pat Mulhern, Randy Warren, and Kelly Conover; Mulhern MRE, Inc. Erin Smith with Norton and Smith P.C. Public Present: Mr. Brett Stone, Gates Corporation.

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.

PUBLIC COMMENT
There was no public comment.

AGENDA
The Board was provided a revised agenda that has been posted to include an executive session regarding a purchase and sale agreement of Red Hill Ranch water rights between the District and Rex Motors. Upon motion duly made, seconded and upon vote, unanimously carried, the Board accepted the revised agenda.

CONSENT AGENDA
The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the August 5 and September 14, 2015 meetings. Upon motion duly made by Director Morton, seconded by Director Davis and unanimously carried, the Board approved the minutes.

Pat Mulhern reviewed the expenditures with the Board dated July 29th through October 14, 2015. Following Board discussion and upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, unanimously carried, the Board ratified the expenditures as presented.

Steve Christensen provided a review of the Financial Statements and Investments as of August 31, 2015. Following Board discussion and upon motion duly made by Director Morton, seconded by Director Davis and upon vote, unanimously carried, the Board accepted the financial statements and investments.

CONSIDER BOARD VACANCY

Mr. Brett Stone was present with continued interest in filling the Board vacancy. Upon motion duly made by Director Morton, seconded by Director Christensen and upon vote the Board unanimously appointed Mr. Stone to the vacant position subject to proof of qualifications.

CONSIDER WATER RIGHTS ACQUISITIONS

Pat Mulhern briefly discussed the proposed water rights purchase from Red Hill Ranch in South Park. Per legal counsel advice, further discussion was recorded under executive session, later in the meeting.

DRAFT 2016 BUDGET DISCUSSION

Steve Christensen reviewed the DRAFT budget for 2016 that was provided by statute on October 14th and in the board packet. Following Board discussion, a final draft will be presented at the December 2nd Board meeting for Board action.

DISCUSSION OF COOLING TOWER METERING

Pat Mulhern removed this item from the agenda for further staff discussion prior to any Board action.

CONTRACTS

Pat Mulhern reviewed the Contracts as detailed on the attached memo and spreadsheet. **Mcom Computer Maintenance (\$7,500) for annual monitoring of Water Operations' system; Mcom Computer Upgrade (\$25,000) to replace failing workstations for Water Operations, T. Lowell (\$805,000) for Chloramine Conversion system installation; Ground Engineering (\$5,852) for materials testing related to the Chloramine Conversion project; Bell Surveying (\$2,500) for well site survey; D.E.S. (\$18,000) for video and jetting of sewer system; Excell Pumps (\$16,660) for replacement of 3 well meters; CH2M Hill (\$28,187) for water quality and fire flow pressure study; JPL Cares snow removal (T&M).**

Following Board discussion, upon motion duly made by Director Morton, seconded by Director Davis and unanimously carried, the Board approved and ratified the contracts listed.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the Denver Pump Station Pipeline failure, the Chloramine Conversion project, the Efficiency Audit, the District Master Plan, Wastewater Fees and Water Acquisition.

Pat discussed the previous billing structure for wastewater fees which was based on winter time estimates. The billing procedure was recently changed to bill on actual metered usage where it is available. The Inverness Hotel contacted the District regarding the change as they were not aware of the change in billing procedure. The Board discussed taking

action to formally implement the billing procedure using actual meter readings, but in the meantime refunding 25 accounts for an over charge of sewer. Upon motion by Director Davis, duly seconded by Director Morton and upon vote, the motion carried by a vote of 3-0 to refund all accounts that were billed wastewater charges in excess of winter time usage. This would not apply however, to residential properties since several were not fully occupied when estimates were made.

Director Christensen recused himself from the vote due to conflict of interest.

EXECUTIVE SESSION

At 2:01pm, upon motion duly made by Director Spaulding, seconded by Director Morton, and upon vote, the Board unanimously moved into executive session pursuant to C.R.S. Section 24-6-402: (1) Subsection 4(a) for discussion related to the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest; (2) Subsection 4(e) to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators; and (3) Subsection (4)(b) for a conference with general counsel for the purpose of receiving legal advice on specific legal questions all related to the Red Hill Ranch water rights. This session was recorded.

At 2:17pm, upon motion duly made, seconded and unanimously carried, the Board moved out of executive session. Based on discussion during the session, upon motion duly made by Director Morton, seconded by Director Christensen, and upon vote, the Board unanimously approved the Purchase and Sale Agreement for Red Hill Water Rights subject to legal counsel and staff review and finalization.

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 December 2, 2015 to be held at District offices, 2 Inverness Drive East, Suite 200 Englewood, Colorado at 3:00 pm.

Date: _____

READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary

RECORD OF PROCEEDINGS

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

HELD: September 14, 2015 at 1:00pm

at

2 Inverness Drive East, Suite 200

Englewood, CO 80112

ATTENDEES

Directors present: Joel Christensen, Charlie Davis, and Tom Morton. Others present: Clay Boelz and Steve Christensen; Inverness Properties, Pat Mulhern, Randy Warren, Luis Tovar and Kelly Conover; Mulhern MRE, Inc. Erin Smith with Norton and Smith P.C. Upon motion duly made, seconded and unanimously carried, Director Spaulding's absence was 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.

PUBLIC COMMENT

There was no public present.

**CONSIDER 2ND AMENDMENT, SETTLEMENT, AND RELEASE AGREEMENT
WITH ACCWA**

The Board discussed the proposed settlement agreement with ACWWA regarding wastewater rates charged to Inverness, expenditures related to the R&R Reserve for wastewater treatment, and issues related to the prior force main sewage spill. The Board determined that the terms of the agreement are satisfactory to Inverness and that there was no need to go into executive session. Upon motion made, seconded and unanimously carried, the 2nd Amendment, Settlement and Release Agreement was approved subject to non-substantive language changes reviewed by District Counsel.

MASTER PLAN PRESENTATION

Pat Mulhern provided an overview of the Draft District Master Plan that was provided to the Board. Pat addressed questions from the Board and discussed future water supply options for the District particularly related to renewable water and drought response measures. There was no Board action necessary.

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 October 7, 2015 to be held at District offices, 2 Inverness Drive East, Suite 200 Englewood, Colorado at 3:00 pm.

Date: _____
READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary

DRAFT

RECORD OF PROCEEDINGS

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

HELD: December 2, 2015 at 3:00pm

at

2 Inverness Drive East, Suite 200

Englewood, CO 80112

ATTENDEES

Directors present: Joel Christensen, Charlie Davis, Brett Stone and Tom Morton. Others present: Steve Christensen and Clay Boelz; Inverness Properties, Pat Mulhern, Randy Warren, and Kelly Conover; Mulhern MRE, Inc. Erin Smith with Norton and Smith P.C. Public Present: Laura Cain with CBRE. Upon motion, seconded, and unanimously approved, the Board excused Director Spaulding's 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.

PUBLIC COMMENT

There was no public comment.

AGENDA

The Board reviewed the agenda. Upon motion duly made, seconded and upon vote, unanimously carried, the Board accepted the agenda.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the October 22, 2015 meeting. Upon motion duly made by Director Morton, seconded by Director Davis and unanimously carried, the Board approved the minutes.

Pat Mulhern reviewed the expenditures with the Board dated October 15, through November 17, 2015. Following Board discussion and upon motion duly made by Director Morton, seconded by Director Davis and upon vote, unanimously carried, the Board ratified the expenditures as presented.

Steve Christensen provided a review of the Financial Statements and Investments as of October 31, 2015. Steve noted the refunding of overpayments for sewer charges that were approved at the last meeting. Following Board discussion and upon motion duly made by Director Morton, seconded by Director Davis and upon vote, unanimously carried, the Board accepted the financial statements and investments.

The Board reviewed the posting locations, meeting dates and designated posting locations for 2016. Upon motion duly made, seconded and upon vote, the Board unanimously approved the designated posting locations, meeting dates and designated publications.

PUBLIC HEARING ON 2016 BUDGET

The Board opened a Public Hearing on the draft 2016 Budget. Steve Christensen reviewed a revised budget summary reflecting the assessed value provided by the counties. The floor was open to public comment. There was no public comment. The Public Hearing was closed.

Following Board discussion, upon motion duly made by Director Morton to adopt the 2016 Budget, appropriate the funds, and set the mill levy of 6.1mills per the revised summary provided by Steve Christensen, seconded by Director Davis, and upon vote unanimously carried, the Board approved the 2016 budget and authorized staff and manager to certify the mill levy and budget with the Counties and Department of Local Agencies.

CONSIDER 2016 ELECTION RESOLUTION

The Board reviewed the election resolution for the regular 2016 special district board election. Upon motion duly made by Director Morton, seconded by Director Davis, and upon vote, the Board unanimously approved the 2016 Election Resolution.

PUBLIC HEARING ON THE SANTITARY SEWER RATE STRUCTURE

Pat Mulhern reviewed the current rate structure for the sanitary sewer charges for Inverness customers using the winter averages and comparison to total use within the Park. There are a number of properties that have variable use throughout the year which is not captured in the winter time averages. Staff proposes to change the billing structure to bill sanitary sewer on actual metered use for accounts that have separate irrigation and domestic meters. Steve Christensen recommended a notice be included in the current billing that the change in billing method would be effective January 1, 2016.

Following Board discussion, and upon motion duly made by Director Morton, seconded by Director Davis, and upon vote, the Board approved the motion by a vote of 3-0 with Director Christensen abstaining from the vote due to conflict of interest.

WATER RIGHTS ACQUISITION UPDATE

Pat Mulhern reviewed staff's and legal counsel efforts regarding a purchase and sale agreement for the Red Hill Ranch Water Rights. This contract allows for a 90 day due diligence with no fees. Pat is currently working with Denver Water on delivery of the water to Inverness. There

was no board action necessary. Clay suggested that any signing of the contract could be delayed until after the holidays to allow for a full 90 days of communications with no delays.

CONTRACTS

Pat Mulhern reviewed the Contracts as detailed on the attached memo and spreadsheet: **Designation of a South Metro Water Representative; Water Ambassador Program through South Metro Water (\$7,500) for school integration for water conservation; Cathodic Protection System Repairs (\$5,340) for a back up generator and underground storage tank for diesel fuel; General District Management (\$177,000) annual contract for management services; General District Oversight (\$11,300) for District Oversight with Inverness Properties; General District Accounting (\$91,000) for financial and accounting services with Inverness Properties; General District Landscaping (\$14,140) for landscaping services with Inverness Landscaping; Financial Audit Services (\$9,000) to perform annual audit.**

Upon motion duly made by Director Morton, seconded by Director Christensen and upon vote, unanimously carried, the Board appointed Luis Tovar as the delegate for the South Metro Water Supply Authority with Pat Mulhern appointed as an alternate.

Following Board discussion, and upon motion duly made by Director Morton, seconded by Director Christensen and upon vote, the Board unanimously approved the above contracts with the exception of the Cathodic Protection System. The Board requested that staff research the cost of moving the underground diesel tank above ground.

Director Davis abstained from voting on the Inverness Properties contracts.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to ACWWA Rates, the Denver Pump Station Pipeline failure, the WISE Connection and the Chloramine Conversion Project.

Randy Warren reviewed the recent meeting between ACWWA and staff regarding the rates and the cost of service study. The District, per the settlement agreement, has 14 days to review the findings of the cost of service study and provide feedback to ACWWA. Pat and Randy asked ACWWA for backup on their budget numbers to support the rates and the increase in budgetary expenses. The study shows a 15% reduction in the rate for Inverness, per 1,000 to \$4.12. The board directed staff to continue negotiation efforts.

EXECUTIVE SESSION

There was no executive session needed.

ADJOURNMENT There being no further business to come before the Board and upon motion duly made, seconded and unanimously carried the meeting was adjourned. A special meeting is scheduled for December 15, 2015 to be held at Baca, 200 Inverness Drive West, Englewood, Colorado at 6:00 pm. And the next regular meeting is scheduled for February 3, 2016 at 3:00 at District offices at 2 Inverness Drive East, Suite 200 Englewood, CO.

Date: _____
READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary

RECORD OF PROCEEDINGS

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

HELD: December 15, 2015 at 6:00pm

at

Baca

200 Inverness Drive West

Englewood, CO 80112

ATTENDEES Directors present: Bart Spaulding, Joel Christensen, Charlie Davis, Brett Stone and Tom Morton. Others present: Steve Christensen and Clay Boelz; Inverness Properties, Pat Mulhern, Randy Warren, and Kelly Conover; Mulhern MRE, Inc. Erin Smith with Norton and Smith P.C.

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.

PUBLIC COMMENT
There was no public comment.

BUSINESS No District business was conducted.

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 3, 2016 at 3:00 at District offices at 2 Inverness Drive East, Suite 200 Englewood, CO.

Date: _____
READ AND APPROVED BY THE BOARD:

Charles Davis, Secretary