

RECORD OF PROCEEDINGS

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

HELD: February 3, 2016 at 3:00pm
at
2 Inverness Drive East, Suite 200
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, Luis Tovar 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.

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 December 2nd and 15th, 2015 meetings. Upon motion duly made by Director Christensen, seconded by Director Spaulding and unanimously carried, the Board approved the minutes.

Pat Mulhern reviewed the expenditures with the Board dated November 18, 2015 through January 26, 2016. Following Board 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, 2015. Following Board discussion and upon motion duly made by Director Christensen, seconded by Director Spaulding and upon vote, unanimously carried, the Board accepted the financial statements and investments.

WATER RIGHTS ACQUISITION UPDATE

Pat Mulhern updated the Board on the decision of Denver Water to refuse the offer to participate in the Red Hill Ranch Water Rights. Hence, Inverness will no longer pursue purchase of this water.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed and detailed on the attached memo and spreadsheet:

- 1. Underground Storage Tank (\$62,000) for CRGS to remove old storage tank and replace with 2 new smaller, above ground tanks;**
- 2. Grange Lift Station Emergency Pump (\$19,972) for Excell Pump to provide a new wastewater back up pump**
- 3. Grange Lift Station Emergency Pump (\$5,540) for Cross Diamond Electric to connect electrical service for the new wastewater back up pump.**

The estimate provided by CRGS for the Underground Storage Tank is above staff's estimate. Staff will get competing bids for a cost comparison and recommended that the Board not consider this item at this time.

Upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, unanimously carried, the Board approved items 2 & 3 listed above for the Grange Lift Station Emergency Pump and directed staff to continue and obtain another cost estimate for the Underground Storage Tank.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the District 2016 Goals, Golf Course Fiber Optic Damage, the Denver Pump Station, Well #4 failure, the WISE Connection, the Chloramine Conversion Project and the Underground Storage Tank repair/replacement.

Pat answered questions related to the WISE deliveries and the District's ability to receive the supply.

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 April 6, 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: April 11, 2016 at 3:00pm
at
2 Inverness Drive East, Suite 200
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, Luis Tovar and Kelly Conover; Mulhern MRE, Inc., Kristin Cisowski; Norton and Smith P.C., Jennifer Atkins and Mike Shirley; Inverness Hotel

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 Ms. Atkins and Mr. Shirley addressed the Board and staff regarding the recent brown water events at the Hotel. They expressed concern that these events are detrimental to the hotel's business and reputation. They were also appreciative of the effort of staff in working with the Hotel on solutions to the problem. They will keep staff informed of further brown water events.

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 February 3, 2016 meeting. Upon motion duly made by Director Christensen, seconded by Director Stone and unanimously carried, the Board approved the minutes.

Pat Mulhern reviewed the expenditures with the Board dated January 27, 2016 through March 22, 2016. Following Board discussion and upon motion duly made by Director Stone, 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 February 29, 2016. 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.

RESOLUTION TO CANCEL 2016 ELECTION

Upon motion duly made by Director Christensen, seconded by Director Davis, and upon vote, the Board unanimously approved the Resolution to cancel the 2016 Election. The Board declared Director Stone and Director Davis elected, each for a 4 year term, until the May 2020 election.

DISCUSSION OF BROWN WATER EVENTS

Pat Mulhern reviewed the recent events related to the brown water occurrences that have increased in frequency as of late. The Marriot and the Inverness Hotel have had an increase in brown water. The District engineers are working with their staff to mitigate the problem. Pat reviewed with the Board the suspected cause and the District's previous action in hiring CH2M to complete a more detailed study. Ms. Atkins and Mr. Shirley with the Hotel were present to provide feedback and to understand what is being done.

REVIEW OF DRAFT AGREEMENT WITH MERIDIAN METRO DISTRICT

Pat Mulhern circulated a brief memo outlining the need for the agreement between the District and the Meridian Metropolitan District and the main points of the agreement. There is a need for an easement for construction as well as access and operation of the WISE connection vault and meter. Meridian asked for an emergency connect with Inverness for potential service through Denver Water. They would provide easements to the District and the District would design and construct an emergency interconnect for them. Meridian would need to design and install a booster pump in the vault for the WISE connection due to pressure differences. Staff and legal counsel will finalize a draft and send to Meridian for review and comments.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed and detailed below:

- 1. Inverness Hotel Filter System – Excell Pump Services proposal for \$9,300 to install a pre-filter booster pump to increase building pressure on upper floors while using iron filters.**
- 2. Brown Water Incident Consulting – CH2M for \$20,000 for additional consultation related to the brown water events.**
- 3. Brown Water Incident Support – Mulhern MRE for \$5,000 to meet with owners, oversee a system wide flushing program and developing plan of action.**
- 4. Well #2 Maintenance – Applied Ingenuity for \$6,400 to video well to assess damage from a blowout due to a new meter installation**
- 5. Well #4 Equipment – Applied Ingenuity for \$47,815 to replace equipment needed for operation of the well**
- 6. Irrigation Repairs – Inverness Landscaping for \$20,760 for repairs of leaking gate valves along County Line.**

7. Aquifer Storage and Recovery – Acuity Environmental Services for \$18,005 to provide a geotechnical evaluation of storing WISE water back into the aquifer.

Upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, unanimously carried, the Board approved items #1-5 & 7 listed above. Item #6, Irrigation Repairs, was approved as a Not-to-Exceed cost of \$20,760 with staff obtaining further proposals.

PROJECT UPDATES

Pat Mulhern and Randy Warren reviewed the memos provided in the Board packet related to the ACWWA wastewater rates, Grange Lift Station, Wells #2 and #4, the WISE Connection, Chloramine connection, Meter Replacements, the Golf Course Fiber Optic Damage and Underground Storage Tank.

Pat answered questions related to the WISE deliveries and the District's ability to receive the supply.

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 1, 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: June 1, 2016 at 3:00pm

at

2 Inverness Drive East, Suite 200
Englewood, CO 80112

ATTENDEES

Directors present: Joel Christensen, Charlie Davis, and Brett Stone. Others present: Steve Christensen; Inverness Properties, Pat Mulhern, Randy Warren, and Kelly Conover; Mulhern MRE, Inc., Erin Smith; Norton and Smith P.C., Tara Cates with the Residence Inn, John Dellaport with Quantum Water and Environment and Jason Curl with CH2M. Upon motion duly made, seconded and upon vote, Director Spaulding 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.

AGENDA

The Board reviewed the agenda. Director Christensen requested that the agenda be amended to have the Public Comment follow the discussion of brown water events. Upon motion duly made, seconded and upon vote, unanimously carried, the Board revised the agenda.

CONSENT AGENDA

The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the April 11, 2016 meeting. Upon motion duly made by Director Christensen, seconded by Director Stone and unanimously carried, the Board approved the minutes.

Pat Mulhern reviewed the expenditures with the Board dated March 23, 2016 through May 17, 2016. Following Board discussion and upon motion duly made by Director Stone, 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 April 30, 2016. Following Board discussion and upon motion duly made by Director Stone, seconded by Director Davis and upon vote, unanimously carried, the Board accepted the financial statements and investments.

DISCUSSION OF BROWN WATER EVENTS

Pat Mulhern discussed the increase in brown water events throughout the District over the last few years and reviewed District efforts to mitigate the brown water through hydrant flushing.

Pat informed the Board of the water quality testing results that contained lead, and of follow up sampling done throughout the District system. The District notified the Colorado Department of Public Health and Environment (“CDPHE”) of the test results regarding lead and other constituents and additional sampling. The CDPHE requested lead and copper sampling be completed, which is currently underway.

The District has also changed its source water to solely Denver Water for the coming month as we get a better handle on addressing these iron and manganese sediments in the distribution system.

Pat discussed the Ice Pigging process that staff recently observed as a possible solution to ‘flushing’ the system and the sediments within the pipelines. Pat proposed to the Board contracting with USI (Suez) for Ice Pigging operations, contracting for labor to assist operations staff with valve exercising/operations during the Ice Pigging, traffic control and management oversight. The cost is estimated at \$350,000. These items are detailed in the contract spreadsheet.

Tara Cates, General Manager from the Residence Inn, asked questions related to the ice pigging operation. If the project is approved, the project could be underway in 4-5 weeks with an estimated building down time of 2 hours. There will be a district-wide notification of the project, then specific date and time will be coordinated with buildings.

The Residence Inn had installed a filtration system with 5 micron filters currently in use for 2 weeks. They will keep us informed as to the frequency of filter changes but did not have information handy.

John Dellaport, with Quantum Water & Environment, is a consultant to the Residence Inn. He requested that if the Ice Pigging is approved that the contractor take sediment samples periodically to find out the constituents.

John asked if the elevated water tower was a part of the cleaning process. The Ice Pigging will not occur within the tower. The tower was cleaned last year, and we had the contractor return to find that there was sediment at the bottom of the tower. Operation staff has been using the flush valve at the bottom of the tank to remove sediments.

Following the Public Comment and Board discussion, upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, the Board unanimously approved contracting with USI (Suez) for Ice Pigging in the amount of \$260,000.

PUBLIC HEARING ON RATES

Upon motion duly made, seconded and upon vote, the Board opened a Public Hearing on Rates. There was no comment by the public, and the hearing was closed.

Steve Christensen reviewed the recommended rate increase of 5% on Water Service Fees and no increase on Sewer Service Fees effective with usage beginning June 1, 2016. Steve reviewed the service fee analysis provided in the board packet and addressed questions from the Board.

CONSIDER RESOLUTION TO INCREASE RATES FOR WATER AND SANITARY SEWER SERVICES

Following Board discussion, upon motion duly made by Director Davis, seconded by Director Stone, and upon vote, the Board approved the Resolution to Increase Rates for Water and Sanitary Sewer Services in the amount of 5% for water fees and 0% for sanitary sewer fees.

DISCUSSION OF POTENTIAL FORCEMAIN SEWAGE SPILL

Pat Mulhern reviewed the memo regarding the potential force main leak in Easter Ave provided in the Board packet. There was no board action necessary.

DISCUSSION OF COLORADO COURT OF APPEALS RULING IN THE LANDMARK TOWERS CASE

Erin Smith reviewed a confidential memo provided to the Board regarding the findings of the Landmark Towers Case which effects special district funding.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed and detailed on the attached memo and spreadsheet:

1. **Ice Pigging – Utility Services Company Inc (Suez)** – Proposal for cleaning sediments, loose deposits, and biofilms from the water mainlines throughout the District for \$260,000.
2. **Labor to Assist Ice Pigging – C&L Water Solutions** – Proposal for contract operators to assist District Operators to isolate valves and service lines during the operation for \$33,020.
3. **Traffic Control for Ice Pigging** – TBD
4. **Valve & Hydrant Exercising – C&L Water Solutions** – Proposal for contract staffing to prepare for the ice pigging operation and improve overall district operation for \$20,000
5. **Ice Pigging Coordination/Oversight – Mulhern MRE** – Proposal for District staff engineer to be on site daily during operation for \$10,000.
6. **County Line Road Irrigation Repair – C&L Water Solution** – Proposal to repair valves along County Line Road prior to

irrigation season start up with a revision to the scope of work for \$34,443. This item was previously approved via email, please ratify the expense.

7. **Chloramine Conversion Construction Services – Mulhern MRE** – Proposal for staff to continue coordination and oversight of the project with anticipated completion in June for \$8,000.

Upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, unanimously carried, the Board approved the Items 1-5&7 listed above and ratified Item 6.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the Grange Lift Station, the Denver Pump Station, Well #4, the WISE Connection, Chloramine Conversion, Meter Replacements, and Underground Storage Tank.

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 August 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: August 3, 2016 at 3:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

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

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.

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

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the June 1, 2016 meeting. Upon motion duly made by Director Davis, seconded by Director Christensen and unanimously carried, the Board approved the minutes with minor revisions suggested by staff.

Pat Mulhern reviewed the expenditures with the Board dated May 18, 2016 through July 27, 2016. 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.

Clay Boelz provided a review of the Financial Statements and Investments as of June 30, 2016. Pat Mulhern addressed the solar leasing and the option to purchase the array on the anniversary date of November 1st. Staff has asked Zion' to confirm that date and provide pay off information. Staff will bring further information to the next meeting scheduled for October. 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.

CONSIDER 2015 DRAFT AUDIT Upon motion duly made by Director Davis, seconded by Director Christensen and upon vote, the Board unanimously approved the 2015 Audit subject to minor corrections noted by staff.

DISCUSSION OF DISTRICT REFINANCING

Clay Boelz reviewed the opportunity to prepay the 2006 bonds callable on December 1, 2016. Staff proposes to prepay these bonds, and at the same time, to use its option to draw upon its loan available through the Colorado Water Conservation Board since these funds are available at a lower interest cost.

DISCUSSION OF ICE PIGGING

Pat Mulhern reviewed the update memo provided in the board packet. The project has been more intense and time consuming than anticipated. Staff has been working daily in the field and addressing customer complaints and concerns. The total cost previously estimated at \$340-350,000 is low by as much as \$185,000. Approval of these additional costs is requested as part of the contracts presented below. Staff anticipates project completion by August 20th.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed and detailed below:

1. **GEI Consultants - \$39,047** – Proposal for design, permitting and installation of an above ground diesel storage tank. The proposal also includes removal and closure of the existing underground diesel storage tank.
2. **C&L Water Solutions - \$30,000** – Traffic control services during the ice pigging operation
3. **Mulhern MRE - \$40,000** – Continued ice pigging project support by staff engineers and customer service.
4. **C&L Water Solutions - \$10,000** – Continued assistance with support staff in the field through ice pigging project completion
5. **Liberty Waste Management - \$15,600** – Port-o-let services daily during ice pigging operations
6. **T Lowell Construction - \$31,650** – Provide a direct connection of Well #4 to the distribution system and abandon connection to the golf course water line.
7. **Inverness Properties – \$60,000** - Complete repairs to the driveway, entry, gates and add sandstone facing and retaining wall at the Denver Pump Station to repair damage from the water line break.
8. **Eurofin Labs - \$5,100** – Additional water sampling is required for the District's application for Aquifer Storage & Recovery as required by the EPA.
9. **HDR Engineering - \$12,160** – Costs for their engineering consultant to assist the District with startup process & procedure of the chloramine conversion project at each well
10. **Mott MacDonald - \$28,400** – Costs for their engineering consultant to help with the start-up process & initial operation of the chloramine system at each well
11. **C&L Water Solutions - \$100,000** – Valve repairs needed as a result of ice pigging operation.
12. **Ted Miller & Assoc - \$1,000** – Complete a new calibration of the Lift Station meter where wastewater is pumped to ACWWA.
13. **Ted Miller & Assoc - \$3,700** – Cost to rent a laser flow meter to test accuracy of lift station meter as part of calibration.
14. **Browns Hill - \$3,100** – Electrical drawings for WISE local connection.

15. **Ground Engineering - \$4,700** – Provide soils testing and report to determine subgrade and compaction requirements for WISE connection facilities.
16. **Ground Engineering - \$2,200** – Will provide geo-technical services during construction of the WISE metering vault and pipeline
17. **Bell Surveying - \$3,500** – Surveying for construction of the WISE pipeline and vaults.

Upon motion duly made by Director Christensen, seconded by Director Davis and upon vote, unanimously carried, the Board approved the Items listed above.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the residential water allocations, the Grange Lift Station, the Denver Pump Station, Well #4, the WISE Connection, Chloramine Conversion, lead and copper sampling, Meter Replacements, Underground Storage Tank and Aquifer Storage Recovery.

EXECUTIVE SESSION

Upon motion duly made by Director Davis and seconded by Director Christensen, the Board moved into an executive session pursuant to C.R.S. Section 24-6-402 (4)(b) for a conference with the attorney for the District for the purpose of receiving legal advice on specific legal questions related to CSM Park Meadows, LLC's request for reimbursement.

The session was recorded.

The Board moved out of Executive Session.

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 5, 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: October 5, 2016 at 3:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

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

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 MEMBER APPOINTMENT Following proper publication and there being no expressed interest in the Board Position other than Thomas Morton, upon motion duly made by Director Christensen, seconded by Director Stone, and upon vote, the Board unanimously approved the appointment of Thomas Morton to the Inverness Water and Sanitation District Board of Directors. The Oath of Office was administered to Director Morton and his Conflict of Interest statement currently on file with the State of Colorado was 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 approved the agenda.

CONSENT AGENDA The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the August 3, 2016 meeting. With a minor modification proposed by legal counsel, and upon motion duly made by Director Davis, seconded by Director Christensen and unanimously carried, the Board approved the minutes.

Pat Mulhern reviewed the expenditures with the Board dated July 28, 2016 through September 27, 2016. Following Board discussion and upon motion duly made by Director Christensen, seconded by Director Morton 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 August 31, 2016. Following Board discussion and upon motion duly made by Director Christensen, seconded by Director Morton and upon vote, unanimously carried, the Board accepted the financial statements and investments.

2017 DRAFT BUDGET

The Board was provided a draft 2017 budget for their review and input. Staff reviewed the budget briefly and will incorporate Board input and update the budget as may be needed, and will present it in December for final consideration.

APPROVE PURCHASE OF SOLAR PANEL ARRAYS

Pat Mulhern reviewed the solar panel lease. The lease is available for buyout at this time. Staff is recommending the purchase. The buyout amount is approximately \$233,000. Upon motion duly made by Director Davis, seconded by Director Morton, and upon vote, the Board unanimously approved the purchase of the solar array system with the payment amount to be finalized and prorated according to the buyout schedule from Zions Bank.

DISCUSSION OF DISTRICT REFINANCING

Clay Boelz reviewed the opportunity to prepay the 2006 Bonds callable on December 1, 2016. Clay also recommended requesting funds from the CWCB Loan for reimbursement of District cash used for payment of WISE Project costs. Following Board discussion and upon motion duly made by Director Morton, seconded by Director Davis, and upon vote, the Board unanimously approved prepayment of the 2006 bonds and drawing down funds from the CWCB Loan.

CONSIDER REIMBURSEMENT AGREEMENT WITH SOUTH METRO WISE AUTHORITY

Pat Mulhern reviewed the purpose of the agreement between the District and the WISE Authority to provide reimbursement of costs for design and construction to repair erosion found near the location of the WISE local connection. The cost of the trench repair is \$15,600 which will be recovered from the WISE Authority in addition to a cost contribution of \$6,100 toward bidding, construction services and preparation of the agreement.

Upon motion duly made by Director Christensen, seconded by Director Davis, and upon vote, the board unanimously approved entering into an agreement with the Authority subject to staff and legal counsel completing and negotiating conditions.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed and detailed below:

1. **CH2** – Change Order #1 to the original Water Quality contract to continue a water quality evaluation including addition of an iron sequestering agent, improved control of chlorine additions, better monitoring of residuals and recommendations for expanded testing of water quality for \$39,678.
2. **Mountain High Tree** – As a result of the Well 4 connections to the distribution system, some trees were removed and replaced for a cost of \$7,070.
3. **Mulhern MRE** – Provide recommendations and design services for sewer line realignment west of buildings 56 & 58 for \$16,000.
4. **Bell Surveying** – Survey information provided to complete design of sewer realignment west of buildings 56 & 58 for \$1,500.
5. **Eurofin Labs**- Lab services to sample water for Aquifer Storage Recovery from the Aurora water sources for \$5,000.
6. **American West** – Construction of the WISE Local Connection for \$496,950.
7. **Mulhern MRE** – Construction oversight services for the WISE local connection for \$28,050.
8. **JPL Cares** – Snow removal services for 2016-2017 with no labor or equipment cost increase from 2015-2016 service year.

Upon motion duly made by Director Davis, seconded by Director Morton and upon vote, unanimously carried, the Board approved Contract Items 1-8 listed above.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the Marriot Claim, the WISE local connection, water quality, the Denver pump station, Ice Pigging, chloramine conversion, lead and copper sampling, meter replacements, underground storage tank, Aquifer Storage Recovery and the sewer realignment.

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 December 7, 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 7, 2016 at 3:00pm
at
2 Inverness Drive East, Suite 200
Englewood, CO 80112

ATTENDEES Directors present: Joel Christensen, Charlie Davis, Tom Morton and Brett Stone. Others present: Clay Boelz and Brian Wilkerson; Inverness Properties, Pat Mulhern, Randy Warren, Luis Tovar 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.

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

CONSENT AGENDA
The Board considered the Consent Agenda. The Consent Agenda included approval of the minutes from the October 5, 2016 meeting. Upon motion duly made by Director Christensen, seconded by Director Morton and unanimously carried, the Board approved the minutes.

Pat Mulhern reviewed the expenditures with the Board dated September 28, 2016 through December 2, 2016. Following Board discussion and upon motion duly made by Director Morton, seconded by Director Stone 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 October 31, 2016. Following Board discussion and upon motion duly made by Director Morton, seconded by Director Stone and upon vote, unanimously carried, the Board accepted the financial statements and investments.

Upon motion duly made by Director Christensen, seconded by Director Davis, and upon vote, the Board unanimously approved the designated posting locations and meeting dates for 2017 as follows:

Posting Locations: 2 Inverness Drive East
19 Inverness Way East
312 Inverness Way South
Douglas and Arapahoe County Clerk's office

Meeting Dates: The first Wednesday of every even month at
3:00pm at District offices, 2 Inverness Drive East,
#200, Englewood, CO 80112

PUBLIC HEARING ON 2017 DRAFT BUDGET

Director Christensen opened a public hearing for discussion of the proposed 2017 Budget. The Board was provided a 2017 proposed budget for their review and information. Pat Mulhern and Clay Boelz reviewed the budget. The mill levy is proposed to be lowered from 6.1 to 5.23 in the Debt fund. There being no public present, the public comment portion of the hearing was closed.

Following Board discussion and upon motion duly made by Director Christensen, seconded by Director Morton, and upon vote, the Board unanimously approved the 2017 budget, appropriated funds, set the mill levy and authorized staff and the manager to certify the mill levy and budget with the Counties and Department of Local Agencies.

DISCUSS 2017 PRIORITIES

Pat Mulhern provided the Board with a memo on suggested priorities for 2017 related to the water quality, WISE deliveries, drought year delivery plan, sanitary sewer upgrades and general District maintenance. There was no Board action.

EMERGENCY INTERCONNECT/ EASEMENT AGREEMENT WITH MERIDIAN

Pat Mulhern reviewed the agreement with the Board. The easements are needed to construct and connect the WISE Metering Vault to the WISE Pipeline on the north side of E-470. Negotiations with Meridian resulted in a request for an emergency interconnect between the Districts.

Upon motion duly made by Director Morton, seconded by Director Christensen, and upon vote, the Board unanimously approved the agreement.

CONTRACTS

Pat Mulhern reviewed the Contracts as listed and detailed below:

1. **GEI Change Order #1** – The Fire Department required a change to the setback to the underground storage tank. These changes required a revision to the site plan for a cost of **\$977.50**.
2. **Mulhern MRE** – Chloramine Conversion Start Up Services, continued work with consultants for **\$15,000**
3. **Am West** – WISE Local Connection SCADA system for **\$66,000**.
4. **Xcel Energy** – WISE Local Connection electrical services for **\$TBD**

5. **Browns Hill** – WISE Local Connection separate SCADA system for Inverness use for **\$24,450**.
6. **Simmons & Wheeler** – 2016 Financial Audit services for **\$9,000**.
7. **Mulhern MRE** – 2017 District Management services NTE **\$183,000**.
8. **Inverness Properties LLC** – 2017 District Oversight NTE **\$11,300**.
9. **Inverness Properties LLC** – 2017 District Accounting NTE **\$94,000**.
10. **Inverness Landscaping** – 2017 District Landscaping services NTE **\$20,000**.
11. **C & L Contractors** – 2017 Emergency Utility Services on a time and materials basis.
12. **Suez** – District staff would like to complete additional ice pigging for one day at **\$10,000**

Staff recommended a delay in approval of items #3 & #4 due to costs. Special District requirements call for a public bid on project costs estimated above \$60,000. Staff noted that there was no increase in the Inverness Properties contract amounts as stated in the board packet.

Upon motion duly made by Director Christensen, seconded by Director Morton and upon vote, unanimously carried, the Board approved the Action Items 1 and 2, and 5 through 12 as listed above.

PROJECT UPDATES

Pat Mulhern reviewed the memos provided in the Board packet related to the WISE local connection, water quality, the Denver Pump Station, Ice Pigging, Chloramine Conversion, lead and copper sampling, Underground Storage Tank, and Aquifer Storage Recovery.

EXECUTIVE SESSION

At 4:42pm, upon motion duly made, seconded and approved, the Board moved into executive session pursuant to C.R.S. Section 24-6-402(4)(b) for a conference with the attorney for the District for the purpose of receiving legal advice on specific legal questions related to CSM Park Meadows, LLC's request for reimbursement. The session was recorded.

Upon motion duly made, the Board moved out of executive session at 5:00pm.

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 1, 2017 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 22, 2016 at 10:00am

at

2 Inverness Drive East, Suite 200

Englewood, CO 80112

ATTENDEES Directors present: Bart Spaulding (via phone), Joel Christensen, Charlie Davis, Tom Morton and Brett Stone. Others present: Clay Boelz and Brian Wilkerson; Inverness Properties, Pat Mulhern, Randy Warren, and Kelly Conover; Mulhern MRE, Inc., Kim Crawford, Butler Snow.

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 RESOLUTION DEFEASING ALL OF THE CURRENTLY OUTSTANDING 2006A BONDS Randy Warren introduced Kim Crawford with Butler Snow. Ms. Crawford reviewed the requirements of the District when paying off a bond. Following Board discussion and upon motion duly made by Director Morton, seconded by Director Davis, and upon vote, the Board unanimously approved the Resolution.

UPDATE ON MARRIOTT CLAIM The Board asked for an update on the Marriott claim. Pat Mulhern informed the Board that the offer presented to the Marriott was accepted with conditions and a requirement of release language. The District's counsel will negotiate language and provide an update at the next scheduled meeting in February.

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 1, 2017 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