

2011-East Valley Metropolitan District Meeting Minutes

January 26, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, January 26, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present: Bill Waller, President
Sheryl Smyth, Vice President
Larry Hammond, Secretary
Kevin Farrell, Treasurer
James Mumey, Director

Staff Present: Darcy Beard, Manager
Bob Clodfelter, Professional Water Services

Guests Present: None

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

Director Smyth requested addition of the discussion of a survey of contractor pricing and the District's membership level in the UNCC. Director Farrell requested addition of discussion of electronic bill payment and conflicts of interest.

DIRECTOR'S COMMENTS

No Director comments.

PUBLIC COMMENTS

No public comments.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Clodfelter reported that the system was operating smoothly and that well levels have recovered to a level higher than the same period one year ago. He noted the water loss analysis showed a 20% loss of the water pumped. He reported that he had cleaned the well meters but that he did not know why the District was experiencing the loss. The Jordan well will be running during the next billing cycle and this may affect the difference.

Mr. Clodfelter reported that CDPHE will be performing the water system review. This review is conducted every three years. Mr. Clodfelter noted that the CDPHE may require the installation of an online chlorine monitor.

Director Farrell presented notes from the discussion he had with Alan Leaks, ACWWA Director and Engineer regarding the Caley Street sewer project. The notes are attached to the minutes.

Water Violation/Delinquent Notices

No water violations or delinquency notices have been issued.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports. Director Waller noted there were five accounts in a past due status.

Mr. Clodfelter noted that he had been asked to pick up a payment from a customer. He told the board that he does not want to pick up payments or have payments delivered to him. He noted all payments need to go to the post office box. The board agreed.

Contractor Pricing Survey

Director Smyth noted that she would like Ms. Beard to obtain information regarding pricing of maintenance and management personnel from other districts.

UNCC Membership

Director Smyth asked Mr. Clodfelter if the level of membership the District currently has in the UNCC is adequate to ensure that the locate requests are properly directed to the District. Mr. Clodfelter reported the District is currently a Tier 2 member. If the District changed to a Tier 1 member, UNCC will generate a fax for all activity that may occur within or near the District. Mr. Clodfelter noted that he felt the Tier 2 membership was more cost effective because the UNCC calls when activity may occur within the District. Many of the calls received are for activity that is not within the District boundaries and the locate call can be screened by the manager ensuring that only locates within the District are forwarded to Mr. Clodfelter.

Electronic Bill Payment

Director Farrell reported that Wells Fargo offers an option to transfer funds from customer to customer and thought this process could be used to offer electronic bill payment to customers. After discussion, the board directed Ms. Beard to discuss the option with Mr. Waisecko.

Conflict of Interest

The board asked Ms. Beard to add "Conflict Check" to the beginning of each agenda. Director Smyth noted that each director has an inherent conflict of interest due to ownership of property within the District and each Director receives compensation to attend board meetings. After discussion, the board decided to discuss this issue with Mr. Lindholm at the February meeting.

SDA Newsletter

Director Farrell noted the January newsletter has an alphabetized index of all the articles from the prior year.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the December 20, 2010 meeting. Director Hammond made a motion to approve the minutes. The motion was seconded by Director Mumey. Upon vote the motion passed with Director Waller abstaining.

Acceptance of Financial Statements

Ms. Beard presented the Unaudited Treasurer's Report for year ended December 31, 2010. Director Farrell made a motion to accept the financial statements as presented. The motion was seconded by Director Hammond and upon vote unanimously approved. Director Farrell requested Ms. Beard present comparative statements in the future.

Approval of Expenditures

Director Farrell presented the expenditures for December 2010, payable in January 2011 for approval. He reported the December 2010 expenditures total \$15,994.88. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Hammond and upon vote unanimously approved.

2011 Meeting Matters

Ms. Beard presented a proposed schedule outlining the meeting dates, meeting location and meeting posting places for 2011. Upon review, Director Mumey made a motion to approve the schedule as presented. The motion was seconded by Director Hammond and upon vote, unanimously approved. The schedule is attached to the minutes.

Agreement with Mr. & Mrs. Parker

The board reviewed the letter outlining the easement agreement with Mr. & Mrs. Parker. The board directed Ms. Beard to change the letter to an annual notification that would not require a signature.

Inactive Water Service

The board reviewed Amendment to East Valley Metropolitan District Rules & Regulations, Section 8.8 Inactive Water Service. Director Smyth made a motion to approve the Amendment. The motion was seconded by Director Hammond and upon vote the motion passed with Director Waller and Director Mumey abstaining.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approved by the Board on the 23rd day of February, 2011.

Respectfully submitted,

Larry Hammond, Secretary

February 23, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, February 23, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

A regular meeting of the East Valley Metropolitan District was held on Wednesday, January 26, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present: Bill Waller, President
Sheryl Smyth, Vice President
Larry Hammond, Secretary
Kevin Farrell, Treasurer
James Mumey, Director

Staff Present: Darcy Beard, Manager
Bob Clodfelter, Professional Water Services

Guests Present: None

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

Director Farrell requested addition of discussion tax treatment of Director Fees.

DIRECTOR'S COMMENTS

No Director comments.

PUBLIC COMMENTS

No public comments.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Clodfelter reported the CDPHE had completed the tri-annual inspection with the following mandated changes to the water system:

- Secondary containment of onsite chlorine. This requires a larger building. Mr. Clodfelter recommended the District utilize a Tuff Shed, located on the south west corner of the well site, set on concrete with pit below the shed.
- Formal backflow prevention action plan.

Mr. Clodfelter noted he had compared the water metered for the last billing period to the same period billed in 2010 and the 2011 amount is significantly higher than the 2010 amount. He noted that he will verify the 2011 well meter readings.

Water Violation/Delinquent Notices

No water violations or delinquency notices have been issued.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports.

SDA Newsletter

No comments.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the January 26, 2011 meeting. Director Mumey made a motion to approve the minutes. The motion was seconded by Director Hammond. Upon vote the motion passed unanimously.

Acceptance of Financial Statements

Ms. Beard presented the Unaudited Treasurer's Report for the month ended January 31, 2011. Director Farrell made a motion to accept the financial statements as presented. The motion was seconded by Director Mumey and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for January 2011, payable in February 2011 for approval. He reported the January 2011 expenditures total \$15,583.24. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Mumey and upon vote unanimously approved.

Quarterly Newsletter

Director Farrell suggested the District resume a quarterly newsletter which can be used to communicate important information to customers. Director Waller offered to discuss cost of producing a newsletter with Blue Spruce Management and report back to the board at the March meeting.

Tax Treatment of Director Fees

Ms. Beard reported that some special districts had received letters from the Internal Revenue Service mandating Director Fees are treated as W-2 income instead of 1099 income. After discussion, the board directed Ms. Beard to prepare W-2s, quarterly payroll tax reports and corrected 1099s for the 2010 Director Fees.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

March 23, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, March 23, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller	President
	Sheryl Smyth	Vice President
	Larry Hammond	Secretary
	Kevin Farrell	Treasurer
	James Mumey	Director

Staff Present:	Darcy Beard	Manager
	Bob Clodfelter	Professional Water Services
	Tom Dea	TZA Water Engineers

Guests Present: None

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

Director Farrell requested addition of discussion of the analysis of the Water Produced vs. Water Billed Report and the chlorine containment.

DIRECTOR'S COMMENTS

No Director comments.

PUBLIC COMMENTS

No public comments.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Dea reported that he will meet on site with Mr. Clodfelter to find a simple solution for the CDPHE chlorine containment issue. Director Waller made a motion to authorize Mr. Clodfelter to:

1. Resolve the chlorine containment issues including expansion of the meter pit and necessary piping modifications,
2. Replace the Jordan Meter
3. Test 5 to 10 water meters and have them calibrated if necessary.

The motion was seconded by Director Hammond. Director Farrell offered an amendment to the motion which limited the motion to Item 1 only. The motion to amend was seconded by Director Smyth and approved with Directors Smyth, Farrell, Hammond and Mumey voting yes and Director Waller voting no. After further discussion,

the board approved the amended motion with Director Smyth, Farrell, Hammond and Mumey voting to approve and Director Waller voting no.

Director Farrell noted that he had discussed the East Valley Metro District and ACWWA intertie with Mr. Dougal of ACWWA and noted the presence of water within the intertie vault. Mr. Dougal stated ACWWA is certain the valve does not leak and further noted that ACWWA checks the intertie quarterly. The turn on to the intertie is chained and only ACWWA has the padlock code to open the valve. The board requested that Mr. Clodfelter read the intertie meter on a regular basis.

Director Farrell reviewed the Water Produced vs. Water Billed report. He listed the following as possible explanations for the difference in water produced vs. water billed:

- A leak in the intertie with ACWWA
- Wear in house or well meters
- Low flow in house meters which individual meters are not detecting
- Leaks in the distribution system

Mr. Dea noted that using a best case scenario with a new system the District would most likely continue to experience a 5-10% loss. The board determined to continue monitoring the report.

Water Violation/Delinquent Notices

No water violations or delinquency notices have been issued.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports.

SDA Newsletter

No comments.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the February 23, 2011 meeting. Director Hammond made a motion to approve the minutes. The motion was seconded by Director Mumey. Upon vote the motion passed unanimously.

Acceptance of Financial Statements

Ms. Beard presented the Unaudited Treasurer's Report for the two months ended February 28, 2011. Director Farrell made a motion to accept the financial statements as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for February 2011, payable in March 2011 for approval. He reported the February 2011 expenditures total \$17,131.48. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Mumey and upon vote unanimously approved.

Quarterly Newsletter

Director Farrell reported that he had discussed the costs of writing and printing a newsletter with Mr. Wasiecko, owner of Blue Spruce Management. Mr. Wasiecko quoted a not to exceed price of \$90 with no charge for printing if the newsletter is printed in black and white. After discussion, the board decided to produce the newsletter in black and white and to send the newsletter in a mailing separate from the monthly bills.

2011 Water Schedule

Director Mumey made a motion to remove all watering restrictions for 2011. Director Smyth seconded the motion. Director Farrell noted the original schedule allowing one-third of the customers to water at a time was established before the District had adequate wells. Further, he does not believe removing restrictions will pose a risk to the aquifer or the water system. Director Mumey added the tank levels were not affected by the change from one-sixth

to one-third of the customers watering at a time and the neighborhood has a lot of xeriscaping. The removal of restrictions will allow customers to keep yards green if they choose. Director Hammond noted customers have their irrigation clocks set and many customers will likely adhere to the schedule dictated in 2010 to avoid re-setting irrigation clocks. Director Smyth noted surrounding Districts do not have restrictions and the removal of restrictions will allow customers to use what they need when needed. Director Waller noted that if customers are allowed to water at any time, the water pressure in the District may be negatively affected and he would prefer to limit the watering schedule to an every other day cycle. Director Waller offered an amendment to Director Mumey's motion to include a phrase that if the water situation changes, the District may revert to restrictions and to encourage conservation of water by the customers. After three calls for a second to amend the motion, there was none. A vote was then called for the original motion and the motion passed with Director Waller abstaining.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

April 27, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, April 27, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller President	
	Sheryl Smyth	Vice President
	Larry Hammond	Secretary
	Kevin Farrell	Treasurer
Staff Present:	Darcy Beard	Manager
	Bob Clodfelter	Professional Water Services
	David Lindholm	Attorney
Guests Present:	None	

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

No additions/changes to the agenda.

DIRECTOR'S COMMENTS

Director Smyth noted that a customer had discussed the \$40 monthly fee with Steve Waisecko of Blue Spruce Management. The customer reported his understanding that the fee was imposed because of large cost overruns in the drilling/equipping of the new Carson Well. Mr. Waisecko had clarified that the \$40 increase was due to the increased cost of the project due to delays caused by the difficulties the District experienced obtaining an easement necessary from the City of Centennial and not due to cost overruns.

PUBLIC COMMENTS

No public comments.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Clodfelter reported that in the last billing cycle the usage was 818,000 gallons. The same period one year ago had usage of 575,000 gallons. However, the Jordan well level is as high as it has been in five years. He further reported that during the sampling he had one bad Bac T sample. When he completed the re-sampling the results came back clear. Since there was one bad sample, the state requires the District to take five additional samples for the next two months and if the results of the additional samples come back fine, the District can resume a typical sampling schedule.

Mr. Clodfelter noted he is working on the chlorine containment vault and is waiting for fittings necessary to install the magnetic flow meter.

The water loss was 29% for April. Mr. Clodfelter noted that he is still planning to test the accuracy of five or six individual meters.

Water Violation/Delinquent Notices

No water violations or delinquency notices have been issued.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports.

SDA Newsletter

Director Farrell noted the SDA has several Director related seminars available.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the March 23, 2011 meeting. Director Farrell made a motion to approve the minutes. The motion was seconded by Director Hammond. Upon vote the motion passed unanimously.

Acceptance of Financial Statements

Ms. Beard presented the Unaudited Treasurer's Report for the three months ended March 31, 2011. Director Farrell made a motion to accept the financial statements as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for March 2011, payable in April 2011 for approval. He reported the March 2011 expenditures total \$16,283.88. Director Hammond made a motion to approve the list of expenditures. The motion was seconded by Director Smyth and upon vote unanimously approved.

2011 Rebate Program

Director Waller made a motion to follow the Denver Water 2011 rebate program for toilets, washing machines, rain sensors and weather based smart controllers effective immediately. He added that all rebate applications must be submitted for reimbursement within six (6) months of the purchase. The motion was seconded by Director Hammond. Director Farrell offered an amendment to the original motion adding that the previous rebate program will be revoked in its entirety. The amendment was seconded and unanimously approved. Then the board voted on the amended motion which was unanimously approved.

Director Smyth made a motion that the maximum annual limit in 2011 for rebates is \$5,000 and stated that applications will be processed in the order received. The motion was seconded by Director Farrell and upon vote unanimously approved.

Adjournment

There being no further business to come before the board, a motion was made by Director Hammond to adjourn the meeting. The motion was seconded by Director Smyth and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

May 25, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, May 25, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller	President
	Sheryl Smyth	Vice President
	Larry Hammond	Secretary
	Kevin Farrell	Treasurer
	James Mumey	Director

Staff Present:	Darcy Beard	Manager
	Bob Clodfelter	Professional Water Services

Guests Present: None

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

No additions/changes to the agenda.

DIRECTOR'S COMMENTS

No Director's comments.

PUBLIC COMMENTS

No public comments.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Clodfelter reported the Jordan Well may have a bad valve which creates a vacuum when the sampling valve is opened. He will contact Hydro Resources. Mr. Clodfelter further reported that this may explain the water loss because water from the Jordan well is flowing into the Carson well.

Mr. Clodfelter presented a diagram detailing the way he would like to have the meter installed to monitor the water leaving the tanks and the flow through all three pumps. In addition, the meter installation as presented would accommodate the installation of a VFD on the smaller tank pump which may lower electricity costs. He reported the costs to replace and program the existing PLC and purchase the meter would cost approximately \$6,500 to \$7,000. Mr. Clodfelter also noted he would like to add a valve to the meter vault which will allow work to be done

on the system without shutting all the water off. The addition of the additional valve will take a couple of hours to complete.

Director Farrell requested a complete proposal on the meter install. In addition, Director Farrell noted the need to discuss the costs to repair the check valve on the Jordan well with Hydro Resources prior to moving forward with the proposed meter install. The Board directed Mr. Clodfelter to contact Hydro Resources. Director Waller volunteered to contact Mr. Lindholm regarding the possible failed check valve.

Water Violation/Delinquent Notices

No water violations or delinquency notices have been issued.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports. Director Smyth noted the District had received partial payment on the account referred to Arapahoe County for collection.

SDA Newsletter

Director Farrell noted the annual SDA Conference will be held this year in September. He noted that he would like to attend. Director Waller made a motion authorizing payment of the SDA Conference registration fee for Director Farrell. The motion was seconded by Director Hammond and upon vote the motion was approved with Director Farrell abstaining. Director Waller advised the board that other board members should also attend if interested.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the April 27, 2011 meeting. Director Farrell made a motion to approve the minutes. The motion was seconded by Director Hammond. Upon vote, the motion passed with Director Mumey abstaining.

Acceptance of Financial Statements

Ms. Beard presented the Unaudited Treasurer's Report for the four months ended April 30, 2011. Director Mumey made a motion to accept the financial statements as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for April 2011, payable in May 2011 for approval. He reported the April 2011 expenditures total \$27,807.00. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Hammond and upon vote approved with Director Mumey abstaining.

New Business

Director Farrell discussed the idea of the District buying water in the future from other water providers such as Cottonwood or Aurora.

Mr. Clodfelter reported Arapahoe County is planning to widen Arapahoe Road. He suggested the board should consider putting a water main down the frontage road when this project occurs. The board asked Ms. Beard to add this to the June agenda so this matter can be discussed with Mr. Lindholm present.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

June 22, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, June 22, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Walle	President
	Sheryl Smyth	Vice President
	Larry Hammond	Secretary
	Kevin Farrell	Treasurer
	James Mumey	Director

Staff Present:	Darcy Beard	Manager
	Bob Clodfelter	Professional Water Services
	David Lindholm	Attorney

Guests Present: None

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

No additions/changes to the agenda.

DIRECTOR'S COMMENTS

No Director's comments.

PUBLIC COMMENTS

No public comments.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Clodfelter reported HydroResources has replaced both check valves and two sections of pipe on the Jordan Well. After the repairs the water produced versus water billed is very close. Mr. Clodfelter reported the water levels in the wells are still above the levels recorded one year ago. Water usage for the last billing cycle was over three million gallons.

Mr. Clodfelter noted that Tom Dea, TZA Water Engineers, will be suggesting the best options to comply with the State of Colorado's requirement for the chlorine containment.

Delinquent Notices

No delinquency notices have been issued.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports.

SDA Newsletter

Director Farrell noted the SDA is offering a series of webinars. He reported that he had recently watched a webinar on tax issues for special districts and noted special districts can file for exemption from communication tax, excise tax, sales and use tax. However, it was noted to qualify for exemption from sales tax purchases must be made directly by the special district and not by a contractor of the special district.

Director Farrell also noted the April SDA Newsletter has an excellent article on the rules of executive session and the May Newsletter discussed a statewide internet portal authority which can handle electronic payments at 75 cents per transaction with no upfront set up fees. The June Newsletter reports the SDA Annual Conference will have three keynote speakers.

Arapahoe Road Project

The Arapahoe Road Corridor Study has plans online. The Board noted the need to continue to build reserves to ensure the District can fund installation of water lines in the frontage road when the Arapahoe Road expansion occurs.

SDA Award Nomination

Director Farrell alerted the Board to the deadline for submittal of nominations for awards at the SDA Annual Conference.

Transfer of Funds Authorization

Ms. Beard reported that she had contacted ColoTrust regarding authorization to transfer funds to/from the ColoTrust account to/from the Wells Fargo checking account. Ms. Beard was on the list of authorized individuals. Director Farrell made a motion to ratify Ms. Beard as an individual authorized to transfer funds to/from the East Valley Metropolitan District ColoTrust account to/from the East Valley Metropolitan District Wells Fargo Checking account. The motion was seconded by Director Mumey and upon vote unanimously passed.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the May 25, 2011 meeting. Director Farrell noted a change regarding approval the District paying for the registration fee for the SDA Annual Conference. Director Mumey made a motion to approve the minutes as amended. The motion was seconded by Director Hammond. Upon vote, the motion passed unanimously.

Acceptance of Financial Statements

Ms. Beard presented the Unaudited Treasurer's Report for the five months ended May 31, 2011. Director Farrell noted the year to date expenditures are under the year to date budget. Director Farrell made a motion to accept the financial statements as presented. The motion was seconded by Director Mumey and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for May 2011, payable in June 2011 for approval. He reported the May 2011 expenditures total \$59,391.54. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Hammond and upon vote approved.

New Business

Director Farrell suggested the District issue a summer newsletter to discuss topics such as the information from Tri-County Health regarding septic systems. After discussion the Board determined a summer newsletter should be prepared by Blue Spruce Management.

Mr. Clodfelter noted the Consumer Confidence Report will be mailed with the June bills.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the

meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

July 27, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, July 27, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller	President	
		Sheryl Smyth	Vice President
	Larry Hammond	Secretary	
	Kevin Farrell	Treasurer	
Staff Present:	Darcy Beard	Manager	
	Bob Clodfelter	Professional Water Services	
Guests Present:	Tom & Dianne Kienbaum		

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

No additions/changes to the agenda.

DIRECTOR'S COMMENTS

No Director's comments.

PUBLIC COMMENTS

Dianne Kienbaum presented several kitchen items which she had run through her dishwasher. The items presented had a heavy white film and appeared to be etched. Tom Kienbaum stated that the film appears on dishes run through the dishwasher every year during irrigation season but this year the film seems to be worse. He further stated that all homeowners on his street are experiencing the same issues and suggested the issue may be aggravated for homeowners on his street because the water line is not looped. Director Farrell stated the District is currently pumping approximately 20% of the water pumped from the Dawson Well. Director Waller suggested the District eliminate use of the Dawson Well for one month to determine if the film is caused by use of the Dawson well. Director Farrell explained that the District pumps from the Dawson during irrigation season because it is less expensive to pump. The board suggested that other District residents have found the installation of a whole house water filter helped reduce the film on dishes. Mr. Kienbaum stated that he did not feel he should have to install a filter on his drinking water. He suggested the District mix only 5% of Dawson water year round and centrally filter the water instead of expecting homeowners to add filters. Mr. Clodfelter noted the installation of a filter on the wells prior to the distribution system would be a very expensive project. The Board agreed to stop using the Dawson well for one month to determine if the Dawson water is causing the problem. Mr. Clodfelter suggested the District conduct sampling which will include a sample from the Jordan Well, a sample from the Dawson Well and a blended sample to try to isolate the issue. Director Smyth assured Mr. and Mrs. Kienbaum that all water pumped into the distribution system is routinely tested and meets all standards as required by the Colorado Department of Public Health and Environment despite the high calcium levels in the Dawson Well water.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Clodfelter reported the water system is running well and the well levels remain good. The water billed to water pumped ratio has been reduced to 6% which is within the low end of the expected range.

Mr. Clodfelter reported the District's selenium levels are less than 5 ppm which is the level allowed by the EPA.

The Chlorine Containment discussion was tabled until August pending the finalization of a design to be provided by Tom Dea, TZA Water Engineers.

Delinquent Notices

Ms. Beard reported she had received a request for a billing adjustment. The Board discussed the request but did not take action on the request due to lack of information about whether the customer had been inappropriately billed.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports.

SDA Newsletter

No comments.

Arapahoe Road Project

Director Farrell reported CDOT plans to repave Arapahoe Road in the next two years. In addition, CDOT is considering elevating Arapahoe Road however, this project appears to be several years in the future.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the June 22, 2011 meeting. Director Hammond made a motion to approve the minutes as presented. The motion was seconded by Director Farrell. Upon vote, the motion passed unanimously.

Acceptance of Compilation Report

Ms. Beard presented the Compilation Report for the six months ended June 30, 2011. Director Farrell noted after making the annual debt service payment on the new well, year to date cash has only declined by \$3,500. Director Farrell made a motion to accept the financial statements as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for June 2011, payable in July 2011 for approval. He reported the May 2011 expenditures total \$17,003.08. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Hammond and upon vote approved.

Newsletter

The Board reviewed and approved the draft newsletter prepared by Blue Spruce Management.

Adjournment

There being no further business to come before the board, a motion was made by Director Hammond to adjourn the meeting. The motion was seconded by Director Smyth and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

August 24, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, August 24, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller	President	
		Sheryl Smyth	Vice President
	Larry Hammond	Secretary	
	Kevin Farrell	Treasurer	
	James Mumey	Director	

Staff Present:	Darcy Beard	Manager
	Bob Clodfelter	Professional Water Services
	David Lindholm	Attorney

Guests Present: None

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

Director Farrell requested addition of Long Range Planning to the agenda.

DIRECTOR'S COMMENTS

No Director's comments.

PUBLIC COMMENTS

No public comments.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Clodfelter reported that the water levels in the Jordan Well had dropped from 158 feet to 85 feet due to shutting off the Dawson Well in the prior month. He presented the sampling reports showing a high level of dissolved solids in the Dawson water which he suggested would be best addressed by homeowner installation of water softeners. Mr. Clodfelter further noted the installation of a variable frequency drive on the Dawson Well would help to monitor the flow. The approximate cost of a variable frequency drive is \$5,000. Mr. Clodfelter further noted that the residue problem experienced by some customers would not be caused by the lack of looped water lines. The Board discussed and determined to begin mixing the Dawson Well water into the system again.

Mr. Clodfelter reported Tom Dea, TZA Water Engineers had analyzed the chlorine containment issue and suggested the best solution is the addition to the building containing the meter pits. Mr. Clodfelter proposed to give the board an approximate cost to complete the addition based on a time and materials basis.

Delinquent Notices

Due to the timing of the meeting the billing reports and delinquent notices have not been generated.

Customer Usage/Billing

Due to the timing of the meeting the billing reports and delinquent notices have not been generated.

SDA Newsletter

No comments.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the July 27, 2011 meeting. Director Farrell made a motion to approve the minutes as presented. The motion was seconded by Director Hammond. Upon vote, the motion passed with Director Mumey abstaining.

Acceptance of Compilation Report

Ms. Beard presented the Compilation Report for the seven months ended July 31, 2011. Director Mumey made a motion to accept the financial statements as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for July 2011, payable in August 2011 for approval. He reported the July 2011 expenditures total \$14,385.31. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Mumey and upon vote unanimously approved.

Service Line Locates

The Board requested Mr. Lindholm comment on the District's liability to locate service lines on private property. Mr. Lindholm noted that the service line from the curbstop to the house is the homeowner's responsibility. He further noted that he does not believe the District has responsibility or liability to locate lines on private property. However, if possible it seems prudent to mark the location of the curbstop in the right of way.

Long Range Planning

Director Farrell requested the board resume a formal long range planning process which results in the preparation of a formal document. This document will focus on the following: mission statement, organizational structure, size of District, infrastructure, financial goals and customer relations. The Board determined to address each item separately over the next several months.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

September 28, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, September 28, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller	President	
		Sheryl Smyth	Vice President
	Larry Hammond	Secretary	
	Kevin Farrell	Treasurer	
	James Mumey	Director	

Staff Present:	Darcy Beard	Manager
	Bob Clodfelter	Professional Water Services
	Beth Clodfelter	Professional Water Services

Guests Present: None

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

Director Farrell requested addition of his report on the SDA Conference.

DIRECTOR'S COMMENTS

No Director's comments.

PUBLIC COMMENTS

No public comments.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports. Mr. Clodfelter reported the water levels in the Jordan Well had not recovered when pumping from the Dawson Well was resumed. He further reported the cost to put a VFD on the Dawson Well would be approximately \$3,900, the cost to add a drive to the small turbine would be approximately \$8,500 and the cost to upgrade the PLC would be approximately \$2,000.

Director Mumey requested Mr. Clodfelter investigate the cost of converting the meter reading to a remote system. Mr. Clodfelter reported the meters are ERT ready. The cost of converting meters to a remote system would involve the purchase of the ERT (\$127 each), \$25 per meter for a receiver which would be mounted on a post by the meter and \$5,000 for a DCU which manages the data. In addition, new software at an upfront cost of approximately \$22,000 and an annual support fee of \$1,000. Alternatively, the District could contract with an out of state company which will process the data at a cost of 35 cents per unit.

Mr. Clodfelter reported that the cost to prepare the chlorine containment space is approximately \$8,000.

Delinquent Notices

The board discussed the routine notice regarding delinquent accounts which appears on all bills. After discussion the board determined the statements need to be modified to only include the delinquent account information on accounts which are delinquent.

SDA Conference

Director Farrell reported the SDA Conference was very informative. He had attended several educational sessions including a session on bond and lease financing which had encouraged attendees to refinance debt if call dates allowed refinancing, a session on special assessments, and a session with Pat Mulhern, SDA President. Mr.

Mulhern discussed and strongly encouraged consolidation of special districts - illustrating the costs savings of consolidations. Director Farrell will prepare a written memo to the board discussing the SDA Conference.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the August 24, 2011 meeting. Director Farrell requested the addition the board's decision to direct Mr. Clodfelter to maintain a mix of water from the Dawson Well of between 15% and 20%. Director Mumey made a motion to approve the minutes as amended. The motion was seconded by Director Hammond. Upon vote, the motion passed.

Acceptance of Compilation Report

Ms. Beard presented the Compilation Report for the eight months ended August 31, 2011. Director Farrell made a motion to accept the financial statements as presented. The motion was seconded by Director Mumey and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for August 2011, payable in September 2011 for approval. He reported the August 2011 expenditures total \$17,310.35. This amount includes addition of check 1943, payable to the U.S. Treasury in the amount of \$4.69. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Hammond and upon vote unanimously approved.

Budget Officer

A motion was made by Director Smyth to appoint Ms. Beard as Budget Officer. The motion was seconded by Director Farrell and upon vote unanimously approved. The Board set the Budget Hearing for November 21, 2011. In addition, after discussion the Board changed the meeting date in December to December 12 to allow additional budget discussions if necessary prior to the mill levy certification.

Drinking Water Eligibility Survey

The Board reviewed the Drinking Water Eligibility Survey. After review and discussion, the board directed Ms. Clodfelter to complete the survey indicating a need for water meters, chlorine containment, a new water line loop in Carson Street, a master meter on the water tanks and replacement of the VFD on the small distribution turbine pump.

Director Farrell made a motion to approve the following capital improvements subject to funding: the Chlorine Containment at a cost not to exceed \$8,000, the Dawson turbine and VFD on the small distribution turbine pump at a cost not to exceed \$15,000, the Carson - Blackhawk - Billings water line at a cost not to exceed \$200,000, the remote meter reading system at a cost not to exceed \$45,000, and three new fire hydrants at a total cost not to exceed \$28,000. The motion was seconded by Director Hammond and upon vote unanimously approved.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

October 26, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, October 26, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller	President	
		Sheryl Smyth	Vice President
	Larry Hammond	Secretary	
	Kevin Farrell	Treasurer	
Staff Present:	Darcy Beard	Manager	
	Bob Clodfelter	Professional Water Services	
	David Lindholm	Attorney	
Guests Present:	None		

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

Director Farrell requested addition of Investment Policy as a discussion item.

DIRECTOR'S COMMENTS

No Director's comments.

PUBLIC COMMENTS

No public comments.

CONFLICT CHECK

Director Smyth noted that she has accepted a job as a consultant for the State of Colorado and because of a potential conflict she will recuse herself from any vote on the bonds.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports and noted the well levels are recovering. Mr. Clodfelter reported the chlorine containment project is nearly complete. The parts for the VFD will not be available until approximately December 8, 2011. Mr. Clodfelter further noted a waterline leak occurred on a line which serves a fire hydrant at Atchison and Billings. The leak has been repaired.

Mr. Clodfelter noted that Colorado Custom Backhoe has rebuilt fire hydrants available for approximately \$1,300 - 1/2 the cost of a new fire hydrant. He noted the District has two hydrants which need to be replaced. The board asked Mr. Clodfelter to get a bid on the installed cost.

Delinquent Notices

The board noted six accounts which exceed the overdue limit.

SDA Newsletter

No comments.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports.

2012 Proposed Budget

Ms. Beard reviewed the line items on the 2012 Proposed Budget. Director Smyth asked Ms. Beard how the addition of a 6th tier, charging \$20/1,000 gallons on usage in excess of 114,999 gallons would impact the budget. Ms. Beard noted that if the sixth tier had been in place during the 2011 irrigation season, a resulting \$1,752 in revenue would have been recognized. Director Farrell noted if a customer had an accident which resulted in excessive water use

(i.e. a major leak) the customer could bring the facts to the board for consideration of a reduction in the bill. The board asked Ms. Beard to prepare budgets with 3% and 5% increases and a reduction of the base rate for the November meeting.

Investment Policy

Director Farrell noted the ColoTrust account is earning .05% which is lower than rates available at other institutions. Ms. Beard noted the state statute limits investment vehicles available to special districts. The board asked Ms. Beard to prepare an investment policy for the board's consideration at the November meeting. This investment policy should include authorization for the District to invest funds in Certificates of Deposit.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the September 28, 2011 meeting. Director Hammond made a motion to approve the minutes. The motion was seconded by Director Smyth. Upon vote, the motion passed unanimously.

Acceptance of Compilation Report

Ms. Beard presented the Compilation Report for the nine months ended September 30, 2011. Ms. Beard noted that the sewer fees which have been billed year to date appear to be under billed and noted she will discuss the issue with Mr. Waisecko. She further noted water revenues are projected to be approximately \$7,000 more than budgeted. Director Farrell made a motion to accept the financial statements as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for September 2011, payable in October 2011 for approval. He reported the September 2011 expenditures total \$22,998.68. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Hammond and upon vote unanimously approved.

Resolution No 11-01 Series 2011

Director Waller presented Resolution No. 11-01 Series 2011, A Resolution of the Board of Directors of the East Valley Metropolitan District authorizing the Certification of Delinquent Accounts to the Arapahoe County Treasurer for Collection. A motion was made by Director Smyth to approve Resolution No. 11-01 Series 2011. The motion was seconded by Director Hammond and upon vote unanimously approved.

Adjournment

There being no further business to come before the board, a motion was made by Director Hammond to adjourn the meeting. The motion was seconded by Director Farrell and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

November 21, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Wednesday, November 21, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller	President	
	Larry Hammond	Secretary	Sheryl Smyth
	Kevin Farrell	Treasurer	Vice President

James Mumey Board Member
Staff Present: Darcy Beard Manager
Bob Clodfelter Professional Water Services
Guests Present: None

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

No addition or changes to the agenda.

DIRECTOR'S COMMENTS

No Director's comments.

PUBLIC COMMENTS

No public comments.

CONFLICT CHECK

Director Waller reminded the board of the conflict of interest regulations.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports and noted the levels of the Carson well and the Jordan well are continuing to recover. Mr. Clodfelter reported the system is operating well and the chlorine containment is complete.

Mr. Clodfelter reported he received a quote from Colorado Custom Backhoe totaling \$9,025 to remove and replace two fire hydrants with rebuilt fire hydrants. Director Hammond made a motion to approve the proposal. The motion was seconded by Director Mumey and upon vote the motion was unanimously approved.

Delinquent Notices

The board noted one account which exceeds the \$350 past due limit.

SDA Newsletter

Director Farrell noted the receipt of an email from the Special District Association reminding districts to pay 2012 dues.

Customer Usage/Billing

The Board reviewed the customer usage and billing reports.

2012 Proposed Budget

Ms. Beard presented the 2012 Proposed Budget showing the impact of a 3% increase in water rates and a 5% increase in water rates and the addition of Tier 6 for water usage in excess of 114,999 gallons per month. The board discussed combining the monthly flat fee and the monthly well service fee into a single fee of \$135 per month (\$4 decrease per month). After discussion the board directed Ms. Beard to prepare the budget for consideration at the public hearing on December 12, 2011 with a 5% increase in tiers, the addition of the suggested Tier 6 and the combined flat fee of \$135 per month.

Investment Policy

Ms. Beard presented a draft investment policy. Director Farrell requested the addition of verbiage indicating the Investment Policy is subject to an annual investment authorization which is to outline specific authorized

investments detailed in an Exhibit B. For 2011 and 2012 the investments are to be limited to FDIC Insured Deposits and Approved Pooled Investment Funds. After further discussion, a motion was made by Director Farrell to approve the Investment Policy as amended. The motion was seconded by Director Smyth and upon vote unanimously approved.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the October 26, 2011 meeting. Director Hammond made a motion to approve the minutes. The motion was seconded by Director Smyth. Upon vote, the motion passed with Director Mumey abstaining.

Acceptance of Compilation Report

Ms. Beard presented the Compilation Report for the ten months ended October 31, 2011. Ms. Beard noted that the sewer fees which have been billed year to date have been overbilled and ACWWA has agreed to credit the District for the overbilled amount. Director Mumey made a motion to accept the financial statements as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for October 2011, payable in November 2011 for approval. He reported the October 2011 expenditures total \$22,666.60. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Hammond and upon vote unanimously approved.

Long Range Planning

Director Smyth notified the board that due to potential conflicts of interest with her new job she will resign from her Director position after the December 12, 2011 meeting. The board directed Ms. Beard to notify the District residents of the board vacancy on the District website and on the water bills.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

December 12, 2011 MEETING MINUTES

A regular meeting of the East Valley Metropolitan District was held on Monday, December 12, 2011 at 6:30 p.m. at TACAir, 7425 S Peoria Street, Englewood, Colorado 80112.

Board Members Present:	Bill Waller	President
	Smyth	Vice President
	Larry Hammond	Secretary
	Kevin Farrell	Treasurer
	James Mumey	Board Member
	Sheryl	

Staff Present:	Darcy Beard	Manager
	Bob Clodfelter	Professional Water Services

David Lindholm Attorney

Guests Present: Neil Sandstead
Diane & Tom Kienbaum

CALL TO ORDER AND ROLL CALL

Director Waller called the meeting to order and called the roll at 6:30 p.m. noting the presence of a quorum.

ADDITIONS/CHANGES TO AGENDA

Director Smyth requested addition of an Action Item - Director resignation

DIRECTOR'S COMMENTS

No Director's comments.

PUBLIC COMMENTS

Tom Kienbaum complained the board minutes have not been posted on the website since March 2011. The Board apologized and directed Ms. Beard to ensure Blue Spruce Management had copies of the minutes and to ask Blue Spruce to update the minutes on the website. Tom and Diane Kienbaum noted the water quality has deteriorated with the heavy white residue again being a problem. Mr. Clodfelter reported that the Jordan Well had not turned on when it should have resulting in the storage tank filling with water from the Dawson Well. He further noted that he did not know what caused the failure of the Jordan Well to turn on and that this issue had never occurred before.

Director Smyth noted the District has ordered and will be installing a VFD which should help alleviate this issue from occurring again and consequently will ensure the proper mix of Jordan and Dawson water.

After additional discussion, the Board reached a consensus to send an email blast to the District customers when water issues arise. The board directed Mr. Clodfelter to notify Ms. Beard and Blue Spruce Management of any issues relating to perceived water quality or quantity to ensure timely notification of District customers.

Mr. Sandstead complimented the Board on the consistency of providing water to the District. Director Mumey noted Mr. Sandstead is interested in filling the upcoming board vacancy. He further noted Mr. Sandstead has previously served as a director for the District and was instrumental in securing EVMD customer approval of the drilling of the Jordan well.

BUDGET HEARING

Director Waller opened the Budget Hearing. There were no comments offered by the attending public. Hearing no public comments Director Waller closed the Budget Hearing.

CONFLICT CHECK

Director Waller reminded the board of the conflict of interest rules.

REVIEW ITEMS – NO ACTION REQUIRED

System Operator Monthly Report

The board reviewed the system operator reports and noted the levels of the Carson well and the Jordan well are continuing to recover. Mr. Clodfelter reported the system is operating well. He further noted the new Carson well has experienced a significant recovery in water level and is at the same level it was two years ago. He reported Tom Dea, TZA Water Engineers had anticipated this occurring as the well continued to develop. Mr. Clodfelter also noted the well continues to exhibit the presence of chloriform, a naturally occurring bacteria found in soil. He assured the board the chloriform is eliminated with the addition of chlorine.

SDA Newsletter

Director Farrell noted the SDA Newsletter has an article about the Laws Notebook available online.

Customer Usage/Billing

Due to the date of the board meeting, billing has not been completed.

ACTION ITEMS REQUIRING MOTION

Approval of meeting minutes

Director Waller presented the minutes from the November 23, 2011 meeting. Director Mumey made a motion to approve the minutes. The motion was seconded by Director Farrell. Upon vote, the motion passed unanimously.

Acceptance of Compilation Report

Ms. Beard presented the Compilation Report for the eleven months ended November 30, 2011. Director Mumey made a motion to accept the compilation report as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Approval of Expenditures

Director Farrell presented the expenditures for November 2011, payable in December 2011 for approval. He reported the November 2011 expenditures total \$9,134.92. Director Farrell made a motion to approve the list of expenditures. The motion was seconded by Director Hammond and upon vote unanimously approved.

2012 Rate and Fee Schedule

Ms. Beard presented the 2012 Proposed Rate and Fee Schedule which was prepared as directed by the Board at the November 2011 meeting. After review of the proposed 2012 rates and fees, a motion was made by Director Mumey to accept the new rates and fees as proposed. The motion was seconded by Director Smyth and upon vote the motion was unanimously approved. The schedule is included as part of these minutes.

2012 Budget

The Board reviewed the proposed 2012 Budget. Director Mumey made a motion to approve the 2012 Budget as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Mill Levy

The Board reviewed the certification of mill levies as prepared by Ms. Beard setting the mill levy at 8.079 mills for operations and 13.15 mills for General Obligation Bond repayment resulting in a total mill levy certification of 21.229 mills. Director Farrell made a motion to set the mill levies as presented. The motion was seconded by Director Hammond and upon vote unanimously approved.

Appropriation of Funds

Director Farrell made a motion to appropriate the funds for the year beginning in January 1, 2012 and ending December 31, 2012 as set forth in the approved 2012 Budget. The motion was seconded by Director Mumey and upon vote unanimously approved.

Director Resignation

Director Smyth presented the Board with a letter indicating her resignation effective December 15, 2011 due to conflicts of interest which could be present due to her new place of employment. The Board accepted Director Smyth's resignation. Director Farrell made a motion to thank Ms. Smyth for her exemplary service to the District. The motion was seconded by Director Waller and unanimously approved with Director Smyth abstaining.

Adjournment

There being no further business to come before the board, a motion was made by Director Mumey to adjourn the meeting. The motion was seconded by Director Hammond and upon vote unanimously approved.

Respectfully submitted,

Larry Hammond, Secretary

