
RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF
THE ARAPAHOE COUNTY WATER AND WASTEWATER AUTHORITY**

HELD: May 11, 2022

13031 E. Caley Ave.
Centennial, CO 80111

ATTENDANCE:

Present were Directors: Doyle Tinkey, Brad Cromer, Geri Santos-Rach, Tom Wood, Jeff Baker, Perry Deeds, Derek Killebrew, and Nancy Sharpe. Also in attendance were Steve Witter, Matt Vigil, Kevin McBrien, Patty Pratt, Sandor Rebek, Sam Waxlax, and Legal Counsel Ron Fano. The guests in attendance were Alan Leak, of Respec and Jim Marshall, developer and President of the Spring Valley Metro District.

CALL TO ORDER:

Director Tinkey called the meeting to order at 9:02 a.m. Director Tom Wood led the Pledge of Allegiance.

ADOPTION OF THE AGENDA:

Attorney Ron Fano suggested that the agenda, specifically the consent agenda, be modified by removing Item 4 – Request for Approval Regarding Family and Medical Leave Insurance. Mr. Fano explained that the regulations for implementing Colorado Proposition 118, which provides the Family and Medical Leave Insurance program are still in the process of being developed by the State of Colorado and will not be finalized until August or September 2022. Consequently, it would be best to table this item until they are finalized. Director Wood then made a motion to adopt the agenda as modified. The motion was seconded by Director Baker and passed unanimously 7 to 0

PUBLIC FORUM

No one came forward to address the Board.

Director Sharpe arrived at the meeting at 9:05 a.m.

CONSENT AGENDA:

Director Santos-Rach made a motion to approve the Consent Agenda as modified. The motion was seconded by Director Wood and passed unanimously 8 to 0.

The Consent Agenda consisted of the following:

1. Request for Approval of Minutes of the Board of Directors of the Arapahoe County Water and Wastewater Authority - from April 13, 2022
2. Request for Approval of Payment Register for April 2022
3. Request for Approval of the Chambers Pipeline Fifth Amendment to Lease Agreement

GENERAL BUSINESS ACTION ITEMS

ITEM No. 5 – Discussion and Possible Action Regarding ACWWA’s Hunt Water and Spring Valley Metro District

Discussion of this item was moved to the end of the meeting.

ITEM No. 6 – Discussion and Possible Action Regarding ACWWA’s Hunt Water and Black Sun LLC

Mr. Rebek reported that previously Black Sun LLC and ACWWA have entered into several agreements for the purchase and sale of portions of ACWWA’s Hunt water rights. Black Sun is again interested in purchasing an additional ninety-nine acre-feet of ACWWA’s Hunt water rights. Staff and the Planning, Water Resources, and Capital Projects (PWRCP) Committee recommend approval of the sale for the purchase price of \$124,000. After a brief discussion, Director Tinkey moved to approve the terms as proposed by Black Sun LLC and authorize staff and legal counsel to prepare the necessary documentation to execute a purchase and sale agreement. The motion was seconded by Director Cromer and passed 8 to 0.

ITEM No. 7 – Discussion and Development of a Strategy to Secure Operations of the JWPP in 2023 and Beyond

Mr. Witter reported that Jacobs OMI Group (Jacobs) began managing the operations of the JWPP in 2018 and that the original three-year contract was extended to December 31, 2022, due to issues with the start-up at the plant. Mr. Witter proposed three different courses of action regarding the future operations: 1) ACWWA takes over and solely manages the operations of the plant; 2) Jacobs continues to manage the operations of the plant; and 3) ACWWA contracts with a third-party to manage the operations of the plant. After analyzing the three options, staff and the PWRCP Committee realize that due to the unique and complicated equipment at the JWPP, the current staff at ACWWA is not adequately trained to run the operations. Consequently, they recommend that staff and legal counsel pursue a new operations contract with Jacobs to operate the JWPP for five years. The terms of the contract would be developed with the assistance of outside consultant, Carollo Engineers, to ensure the operations needs continue to be met. If, an acceptable contract with Jacobs cannot be agreed upon, then staff suggests issuing an RFP to select a third-party contractor to manage the JWPP. After extensive discussion, the Board directed staff to move forward with the proposed plan.

ITEM No. 8 – Discussion and Possible Action Regarding the Selection of Kennedy Jenks and Scope/Fee for the Strategic Asset Management Plan

Mr. Witter explained that with Asset Management being a key priority of the Board, staff and PWRCP recommend engaging consultants Kennedy Jenks to assist staff with the development of a Strategic Asset Management Plan. This plan will help ACWWA set in place some of the fundamental structures of a successful asset management plan, including workflow processes and data governance. After a brief discussion, Director Baker moved to approve the funding of \$183,585 for the Strategic Asset Management Plan Project. The motion was seconded by director Wood and passed 8 to 0.

ITEM No. 9 – Discussion and Possible Action Concerning Ladera HOA Non-Potable Irrigation Water Connection

Mr. McBrien gave a brief history of how the non-potable water used to irrigate the common areas of the Ladera community has stained the sidewalks due to the high iron and manganese levels in the water. The HOA has requested that ACWWA switch the water supplying the community from non-potable to potable, which has lesser amounts of iron and manganese to reduce the amount of sidewalk staining. After extensive discussion, Director Santos-Rach made a motion to direct staff and legal counsel to draft a Memorandum of Understanding (MOU) between ACWWA and the Ladera HOA, including among others the following terms: ACWWA will convert the existing non-potable irrigation system to potable water; ACWWA will fully pay for the initial conversion; the conversion is to take place as soon as possible, after executing the MOU; ACWWA reserves the right to re-convert the potable water connection back to non-potable water when alternate supplies are available that meet acceptable iron and manganese levels; said re-conversion costs will be borne by Ladera HOA; Ladera HOA is responsible for all rates, fees and charges set by ACWWA for use of potable water and must meet all requirements for backflow prevention testing; and Ladera HOA is encouraged to reduce the amount of water used to irrigate the common areas. The motion was seconded by Director Sharpe and passed 8 to 0.

ITEM No. 10 – Discussion of ACWWA System Board of Directors Tour

Discussion took place regarding two proposed tour dates that would follow an already scheduled board meeting. Neither date was available for many directors. Staff was directed to conduct an online poll to determine a different date/time (4-hour block) that would work for most of the board members.

ITEM No. 11 – Discussion Regarding ACWWA’s Water Supply Outlook

Mr. Rebek gave a brief presentation explaining peak water demand times. During the two hottest months of the year, July and August, the forecast for ACWWA’s water supply shows a very minor deficit, but that because the deficit is so small, and due to ACWWA’s multi-faceted water portfolio, ACWWA will be able to meet the demand.

ITEM 5 – Discussion and Possible Action Regarding ACWWA’s Hunt Water and Spring Valley Metro District

Mr. Rebek introduced Jim Marshall, the Developer and President of the Spring Valley Metro District, who gave a brief overview of the current ownership, the specific lots they are looking to purchase and a brief overview of the plan for the development.

FIRST EXECUTIVE SESSION

At 10:37 a.m., Director Tinkey made a motion to enter into the First Executive Session, pursuant to §24-6-402(4)(e) to develop negotiating positions, strategy, or instruct negotiators with respect to Spring Valley Metro District. The motion was seconded by Director Cromer and passed 8 to 0. The following Board Members were present in the Executive Session: Doyle Tinkey, Brad Cromer, Geri Santos-Rach, Tom Wood, Jeff Baker, Perry Deeds, Derek Killebrew, and Nancy Sharpe. Also in attendance were Steve Witter, Matt Vigil, Sandor Rebek, Patty Pratt, Consultant Alan Leak, and Legal Counsel Ron Fano. (Executive Session recordings are retained for 90 days.)

At 11:02 a.m., a motion to adjourn the First Executive Session was made by Director Tinkey. The motion was seconded by Director Baker and passed unanimously 8 to 0.

Mr. Witter opened the meeting to the public.

ITEM No. 12 – Discussion and Possible Action Regarding Water and Wastewater Services for the Vermilion Creek Development Project

SECOND EXECUTIVE SESSION

At 11:04 a.m., Director Tinkey made a motion to enter into the Second Executive Session, pursuant to §24-6-402(4)(e) to develop negotiating positions, strategy, or instruct negotiators with respect to Vermilion Creek. The motion was seconded by Director Baker and passed 8 to 0. The following Board Members were present in the Executive Session: Doyle Tinkey, Brad Cromer, Geri Santos-Rach, Tom Wood, Jeff Baker, Perry Deeds, Derek Killebrew, and Nancy Sharpe. Also in attendance were Steve Witter, Matt Vigil, Kevin McBrien, Patty Pratt, Consultant Alan Leak, and Legal Counsel Ron Fano. (Executive Session recordings are retained for 90 days.)

At 11:15 a.m., a motion to adjourn the Second Executive Session was made by Director Tinkey. The motion was seconded by Director Baker and passed unanimously 8 to 0.

Mr. Witter opened the meeting to the public.

In Open Session Director Cromer moved to direct staff to present at the Cherry Creek Basin Water Quality Authority board meeting ACWWA’s Board’s opinion that the

Vermilion Creek Site Application should be denied for the reasons stated in the Second Executive Session. The motion was seconded by Director Santos-Rach and passed 8 to 0.

ITEM No. 13 – Discussion and Possible Action Regarding the Joint Water Purification Plant (JWPP) RO Reconversion Project

Legal Counsel Ron Fano updated the Board stating that ACWWA’s General Manager, Steve Witter, and Cottonwood Water and Sanitation District’s (CWSD) District Manager, Luis Tovar, met with their counterparts at Jacobs, relaying ACWWA’s and CWSD’s demand of \$9.5M. A follow-up meeting is scheduled to take place on May 13, 2022, whereby Jacobs will respond to this demand. Mr. Fano continued stating that ACWWA’s litigation counsel, Jim Wooll is diligently working to get a mediation scheduled, but both parties have had a challenging time agreeing as to which mediator will be acceptable to both sides.

REPORTS

ITEM No. 14 – General Manager’s Report to the Board of Directors

Mr. Witter reminded the Board of Directors that Centennial’s State of the City Luncheon was scheduled for tomorrow, May 12, 2022, and offered to carpool the directors. Those interested were instructed to meet at the ACWWA Administrative Offices at 10:45 a.m.

ITEM No. 15 – Finance and Administration Report – No further to report necessary at this time.

ITEM No. 16 – Legal Report – Mr. Fano stated there was nothing further to report.


ITEM No. 17 – Updates – No further report necessary at this time.

ADJOURNMENT

At 11:24 a.m., the meeting was adjourned.

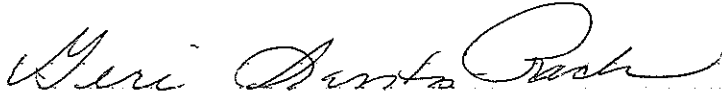
Approved: _____ 6-8- _____ 2022.

ARAPAHOE COUNTY WATER AND
WASTEWATER AUTHORITY



Doyle Tinkey, President

ATTEST:



Geri Santos-Rach, Secretary