

# RECORD OF PROCEEDINGS

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## CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT

### REGULAR MEETING OF THE BOARD OF DIRECTORS

February 22, 2024

The regular meeting of the Board of Directors of the Cherry Creek Valley Water and Sanitation District was held at the District Office, 2325 S. Wabash Street, Arapahoe County, Colorado, at 6:00 pm on February 22, 2024.

#### **PRESENT**

Mark Lampert - Chairman  
Brad Rastall – Vice Chairman  
Ken Jensen – Secretary/Treasurer  
Candace Merrell - Director  
Lisa Glenn – District Manager  
John Engel – Assistant Manager  
Eric Hein – Merrick & Company  
Jonathan Fung - Bernstein  
Corbin Fromm – Fromm and Company LLC

Chairman Lampert called the regular meeting to order at 6:09 pm.

The Board unanimously excused Asst Secretary/Treasurer Norman.

The Board unanimously approved the agenda.

Jonathan Fung from Bernstein presented a written report to the Board on the District's investment portfolio. He spoke about the Federal Reserve rates last year and what's expected this year; the Federal Reserve's equilibrium with GDP, unemployment, inflation, and policy rates; the Fed learning from double dip recessions in the past, bond issuance is down, investment strategies, and 2023 return on the District's portfolio. The District has some larger capital projects in 2024 that will require some investment funds to be available for those projects. Cash projections will be made as soon as there is a better idea of when the projects will start. Mr. Fung answered several questions from the Board. Mr. Fung will return in late summer for an update. The Board thanked Mr. Fung for his time, and he left the meeting at 7:00 pm.

Mrs. Glenn presented the financial report for the unaudited financial statements for

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### MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT ON FEBRUARY 22, 2024; CONTINUED

2023. There will be a few more journal entries to be made for 2023 that are not material to the financial statements. The change in net position is about nine point four million dollars, mainly due to the eight point three million dollars in contributed water and sewer mains from developments. Water revenue is down due to more precipitation received in 2023, creating a larger water operating loss than in 2022. Income from sewer operations is up about seven percent. The loss from operations is about six hundred thousand dollars, the loss about twenty-eight percent greater than 2022. This demonstrates the need to adjust service charges every year so that revenue is more stable in the future. Investment earnings for 2023 were about one point seven million dollars compared to an earnings loss of two point two million in 2022. There were very few tap fees collected in 2023.

Corbin Fromm from Fromm and Company introduced himself to the Board and provided some background on himself and the company. They work with many other special districts. He stated that he was experiencing the same type of water revenue loss in other districts due to the increased precipitation received in 2023 and some districts had no tap fee revenue also. Secretary Jensen asked about preparing a cash flow statement. Mr. Fromm volunteered to put one together for the Board. Mr. Jensen will provide a cash flow spreadsheet for Mrs. Glenn to use for forecasting cash needed for future projects. The Board thanked Mr. Fromm and he left the meeting at 7:22 pm.

The Board unanimously approved the consent agenda consisting of the January 25, 2024 regular minutes, the January 2024 financial report, and January 2024 payment of bills.

Chairman Lampert opened and closed the meeting for public comment at 7:24 pm since there were no members of the public present.

Mr. Hein presented his engineering report:

- Developer Projects
  - Arcadia Development: Water and sanitary plans are fully approved. We understand that the County plans are approved also. The preconstruction meeting was today. They will start on the sewer near Clinton. Clinton will be shut-down at two separate times for sewer main replacement in the middle of the road.
- Capital Improvement Projects
  - Iliff/Quebec (Syracuse) Master Meter Vault: Construction is complete. Preparing as-built plans and other close out procedures with Denver Water.
  - Iliff/Dayton Master Meter Vault: Construction is complete. Preparing as-built

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- plans and other close out procedures with Denver Water.
- Syracuse/Valentia Master Meter Vault: Will update design and address Denver Water comments.
- Evans Ct Waterline Replacement: The final hydrant easement document is with the homeowner for signature.
- Valentia Sewer CIPP: The contractor will prepare a quote for additional work for a few of the manholes on the project. The pipe liner material is on order. Work should begin in the next couple of weeks.
- Dayton St Sewer Florida to Mississippi: 12-inch sewer main is size to use for upsizing this main. There will be a combination of replacement and pipe bursting on this project.

Prepared a capacity analysis for Dayton St from Mississippi Ave south to Parker Rd. The review assumed build out on parcels with infill or redevelopment in the future. Capacity shortfalls will be addressed in the upcoming capital improvement projects this year and possibly the next two years. Some costs may be recouped from future developments.

Prepared a capacity analysis of the existing sewer system in Mississippi Ave from Valentia St to Dayton St – the sewer in Mississippi from Alton St to Dayton St is adequate. West of Alton, the sewer has adequate capacity today, but significant infill or redevelopment in the area may trigger a capacity shortfall. Any development in that area must be evaluated as to the development's responsibility to increase the sewer main size.

Mr. Farrington will provide information on a grease trap program next month.

Mrs. Glenn presented the Manager's report:

- C&L Water Solutions Assignment Consent – The Board unanimously approved signing the assignment consent requested by C&L. C&L has been acquired by Insituform, a subsidiary of Aegion. Chairman Lampert signed the document.
- Denver Water Tap Fees – The District currently collects Denver Water tap fees and paperwork and then remits both to Denver Water. Other master meter Districts collect the District's tap fees but have the developer send paperwork and pay Denver Water tap fees directly to Denver Water. Mrs. Glenn has requested to change the District's process to the latter. Julie Bowers at Denver Water is discussing with staff internally and will let us know what procedures to use.
- Recording and Listening Device Policy – Most companies have a recording policy. The stand-alone policy will be signed now by employees, then it will be added to

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- the next revision of the employee handbook.
- Construction Projects Worksheet – Mrs. Glenn updated this spreadsheet for the Board. Two new topics will be added to the spreadsheet for future years: Dayton sewer south of Florida in 2025 and the Parker water main under the Aurora storm sewer in 2025/2026. Updates were also presented during the engineering report.
- Parker and Warren Water Main Break – The repair took about two weeks to complete. Aurora had a storm sewer installed directly over the District’s water main in Parker Rd. It appears the break was caused by the weight of the storm sewer manhole on top of the water main. Aurora agreed to pay for the storm sewer portion of the repair. The invoice has not been received from C&L. The storm sewer was just installed to allow access to the new water valve in Parker Rd.
- 2401 S Wabash St Demolition – Still waiting on the demolition date. Sewer capping has been completed. The County has received the permit application.
- 2673 S Lima St – The waiver valuation is in process now and will take about eight weeks to complete.
- S Beeler St Sewer Back up – A certified letter was mailed and emailed to the management company stating that the District could impose a fine of \$5,000 for foreign materials violation as provided in the District’s Rules and Regulations. The fine has not been imposed yet. The property owner may request, in writing to attend a hearing with the District Board before possible water shut off. Today the management company sent an email stating they will send a check for the invoice they agreed to pay for Guildner catching the debris in the amount of \$2,356.25.
- Nazar Market Grease Trap – Same as last month. The management company asked for a reduction in the size of grease trap required since a 1,500-gallon grease trap was quoted at \$80,000 and may be too large for their application. Mr. Hein is in the process of revising the District’s grease trap rules and regulations and Mrs. Glenn has a fine schedule prepared also.
- Zam Zam International Market Grease Trap – The District granted a sixty-day extension from the October 15, 2023 deadline to December 15, 2023 for Zam Zam to complete the plumbing from inside their unit to the grease trap. The plumbing has not been completed as of today, connecting the indoor plumbing to the grease trap, therefore fines were imposed starting December 16, 2023. A letter was sent regular mail and certified mail on December 23, 2023 to the property owner and the tenant imposing fines starting December 16, 2023. The fines will increase \$25 every month and will continue until the grease trap is

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- connected.
- Country Club and Villas Usage – Mr. Poznanovic should be able to provide Mr. Farrington the information for his report for next month.

A special meeting may need to be set up in a couple of weeks for personnel issues.

Office and maintenance positions are being advertised as of yesterday.

There being no further business, the Board unanimously voted to adjourn at 8:17 pm.

READ AND APPROVED \_\_\_\_\_ DATED \_\_\_\_\_