

Regular Meeting – June 2, 2009

Board Members

Mike Hayes
Craig Johnston
Tony Lucas
Gary Peterson

Excused Absence

Jim Matchett

Visitors

Bonnie Anderton
Richard Anderton
Steve Hough – Service Master of Colorado Springs, Inc.
Paul Jordan – Service Master of Colorado Springs, Inc.
Judy LaCrosse
Keith Worley

Staff / Consultants

Alan Hill – Tienken & Hill, LLP
Sue Byrnes – District Staff
Diana Miller – District Manager
Scott Monroe – Semocor, Inc.

1.0 Call To Order

The meeting was called to order at 16:30.

2.0 New Business

- 2.1 Meeting Minutes – Director Hayes requested that the meeting minutes be modified to reflect when the Executive Session ended and the Regular Meeting reconvened. A motion was made and seconded; (RESOLUTION 09-052): TO APPROVE THE MINUTES OF THE MAY 19, 2009 REGULAR BOARD MEETING OF THE PERRY PARK WATER AND SANITATION DISTRICT AS AMENDED. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 09-053): TO APPROVE THE MINUTES OF THE MAY 19, 2009 EXECUTIVE SESSION AS PRESENTED. The motion passed unanimously.

- 2.2 Disbursements – A motion was made and seconded; (RESOLUTION 09-054): TO APPROVE CHECK 19611 IN THE AMOUNT OF \$3,310.25 WHICH WAS PREVIOUSLY DISBURSED FROM WELLS FARGO BANK WEST. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 09-055): TO APPROVE CHECKS 19612 THRU 19627 IN THE AMOUNT OF \$42,483.83 TO BE

DISBURSED FROM WELLS FARGO BANK WEST. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 09-056): TO RATIFY CONSENT AGENDA ITEMS DATED MAY 29, 2009 IN THE AMOUNT OF \$4,912.57 WHICH WERE PREVIOUSLY DISBURSED FROM WELLS FARGO BANK WEST. Passed unanimously.

- 2.3 Water Main Break - Mr. Alan Hill the District's legal counsel provided a legal overview to the Board regarding the issues surrounding the recent water main break on Fox Circle. He advised the Board that the District was responsible for maintaining and repairing water distribution mains owned by the District. He added that as a governmental entity, the District is immune from liability for damages caused by the District's actions, with a limited number of exceptions, one of which is if negligence by the District is proven. The District's insurance company Travelers determined that no negligence was involved. Mr. Hill reiterated several times that homeowner's insurance should cover the claim.

Mr. Scott Monroe the District's Operator in Responsible Charge summarized the events that occurred on the day of the water main break on Fox Circle, on May 26, 2009. He indicated that he received an emergency call at approximately 5:00 a.m. with a report of low water pressure. He responded immediately to the report and found that the water main was broken on Fox Circle. The repair was executed by Fischer Enterprises and monitored throughout the day by Mr. Monroe or his staff. Service was restored by approximately 4:00 p.m. the same afternoon.

The District Manager added that she had received a call from Mr. Monroe at approximately 5:30 a.m. regarding the water break and that she forwarded the District phone to her cell phone to speak with customers directly. She indicated that the Anderton's first contacted the District while she and Mr. Monroe were at the repair site. Upon her return she responded to the message that the Anderton's had left and she and Mr. Monroe went to the Anderton's home to see the damage. She advised the Board that she had seen the broken basement window and the water and mud that had entered their basement. She indicated that she went back to the office to contact the District's insurance company and to help the Anderton's find a reputable water damage cleaning company.

Mr. Anderton introduced Mr. Paul Jordan with Service Master. He requested that Mr. Jordan provide to the Board a summary of what they had encountered at the Anderton's property. Mr. Jordan advised the Board that they had classified the damage as a Category 3 meaning that flooring, insulation and drywall would need to be removed from the property. Mr. Jordan indicated that many personal items had been removed from the property and were being cleaned by Service Master offsite.

Mr. Anderton responded to the Board's inquiry regarding his homeowner's insurance policy being responsible for the claim. Mr. Anderton indicated that there was a clause in his policy that made the claim ineligible for payment. He requested that the Board consider assisting he and Mrs. Anderton in paying for the clean up costs.

The Board expressed their concern and sorrow over the damage that had occurred to the Anderton's home. The Board discussed the legal and fiduciary responsibilities of the District. The Board requested that Mr. Anderton supply the District with a written estimate of the damage. The Board requested that Mr. Anderton supply the District with a letter from their insurance documenting that their claim had been denied. Mr. Anderton agreed to provide both before the next Board meeting.

The District Manager advised the Board that she had received two additional reports of damage one to a driveway the other to the right of way. The Board agreed that it is the responsibility of the District to restore the right of way. The Board requested that an estimate be provided for the driveway repair and documentation from the homeowner be obtained regarding their insurance deductible.

Mr. Alan Hill advised the Board that a release from the homeowner and insurance company or an indemnification agreement from the homeowner should be obtained prior to the District contributing funds to any damage claim.

3.0 Old Business/Immediate Issues

Director Peterson requested that the District Manager obtain a letter from TEC that describes the life of system piping. The letter will be used as a management tool for future decision making.

4.0 Audience Participation

Mr. Keith Worley commented on the importance of decision making consistency.

5.0 Adjournment - A motion was made and seconded; (RESOLUTION 09-057): TO ADJOURN THE REGULAR MEETING. Passed unanimously. The meeting adjourned at 18:08.

ATTEST:

Secretary