

Special Meeting – June 24, 2009

Board Members

Mike Hayes (via telephone)
Craig Johnston
Tony Lucas
Jim Matchett
Gary Peterson

Visitors

Judy LaCrosse

Staff / Consultants

Terry Brownfield
Diana Miller – District Manager
Scott Monroe – Semocor, Inc.

1.0 Call To Order

The meeting was called to order at 16:30.

2.0 Old Business

- 2.1 Water Main Break – Fox Circle – Director Johnston described the District's responsibility their customers. He offered that the District should support the repair of the damage that was done to the property located at 6252 S. Pike Drive which was a result of the Fox Circle water main break.

Director Matchett advised that Board that he had been brought up to speed on the circumstances surrounding the incident by the District Manager and Mr. Scott Monroe and felt well prepared to participate in the resolution of the situation.

Director Peterson recounted the action that the Board had taken at the last meeting, which was to pass a motion authorizing the District Manager to prepare an indemnification agreement for the Anderton's and their insurance company USAA to execute, in amount of \$11,023.95, which was fifty percent of the damage estimates. The Anderton's had agreed to submit to the District a claim denial letter from their insurance company.

Director Johnston clarified that his nay vote at the previous Board Meeting was because all of the necessary documentation was not yet available to the Board.

Director Hayes stressed the fiduciary responsibility that the Board has and the need to minimize the exposure to the District for future claims.

Director Lucas requested that the opinion of the District's legal counsel be clarified as to whether to District should contribute funds to the damage repair. The District Manager advised Director Lucas that advice from the District's legal counsel was to not contribute funds.

Director Peterson cited sections of the Federal Emergency Management Agency (FEMA) flood definition and the Department of Regulatory Agencies (DORA) Colorado Division of Insurance documents which had been presented by the District Manager to add clarity to the definition of a flood, what homeowner's insurance policies do and do not cover as well as what flood insurance coverage through FEMA would cover for a similar event. He stressed the importance of utilizing the recent event as a case study to educate the property owners in the District on insurance coverage and liability.

The Board discussed various contribution scenarios. Director Peterson stressed that the District is not and should not act as an insurance company and that any agreement with the Anderton's would be a negotiated settlement.

A motion was made and seconded; (RESOLUTION 09-064): TO EXECUTE THE SETTLEMENT AND MUTUAL RELEASE DOCUMENT WITH ANDERTON'S AND THEIR INSURANCE PROVIDER USAA WITH THE SUM OF \$11,023.95 BEING PAID TO THE CLAIMANT. The motion passed unanimously.

The District Manager brought to the Board's attention the claim from Mr. Alex Scott for the damage done to his driveway. The Board agreed that the claim would be resolved in a similar manner and that the District would repair the right of way damage as required.

5.0 Audience Participation

6.0 Adjournment - A motion was made and seconded; (RESOLUTION 09-065): TO ADJOURN THE REGULAR MEETING. Passed unanimously. The meeting adjourned at 17:35.

ATTEST:

Secretary