

RECORD OF PROCEEDINGS

MINUTES OF A RECONVENED REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
NORTHWEST LAKEWOOD SANITATION DISTRICT
AND THE BOARD OF DIRECTORS OF THE
WASTEWATER UTILITY ENTERPRISE
HELD
SEPTEMBER 2, 2008

A reconvened regular meeting of the Board of Directors of the Northwest Lakewood Sanitation District and the Board of Directors of the Wastewater Utility Enterprise (referred to hereafter as "Board") was reconvened on Tuesday, the 2nd day of September, 2008, at 6:00 P.M., at the offices of Martin/Martin Consulting Engineers, 12499 W. Colfax Avenue, Lakewood, Colorado 80215. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Curran, President
Catherine "CiCi" Kesler
Anthony M. Dursey
James D. "Jim" Zimmerman

Upon motion duly made by Director Dursey, seconded by Director Kesler and, upon vote, unanimously carried, the absence of Richard Billings was excused.

Also In Attendance Were:

Lisa A. Johnson, Lisa A. Jacoby and Marina Wilson; Special District Management Services, Inc.

Tim Flynn, Esq.; Collins, Cockrel & Cole, P.C.

Jeff Rabas; Ramey Environmental Compliance

Bill Willis; Martin/Martin

Jim Manire; James Capital Advisors, Inc.

Greg Fabisiak, Barbara Barry, Bob Burm and Dave De Giacomo; Citizens Advisory Committee

See attached list for members of the public also in attendance.

RECORD OF PROCEEDINGS

COMMUNITY MEETING

Members of the public were invited to sign-in and request to speak forms were distributed. Informational kiosks were available for viewing.

Director Curran introduced the Board members and presented a brief history of the District and the process that led to the formation of the Citizens Advisory Committee ("CAC").

Mr. Greg Fabisiak, Chairman, CAC, introduced the CAC members and reviewed the process followed by the CAC to arrive at the recommendations given to the Board.

Director Zimmerman arrived at this point.

Mr. Willis gave a brief presentation on the state of the system and the need for improvements.

Attorney Flynn explained the proposed ballot questions.

Mr. Manire explained the effect of a 3.500 mill levy increase on an average homeowner owning a home with a market value of \$350,000. The mill levy would increase taxes for this homeowner in the amount of approximately \$98 per year.

The public in attendance asked the following questions and responses were given as noted.

What is the plan to repair the system? Mr. Willis explained the master study and the plan to spend \$400,000 to \$750,000 annually over the next 5 to 8 years to rehabilitate the failing portions of the system.

Director Kesler explained the increasing costs that are being passed on to the District by Metro Wastewater due to new EPA regulations and other economic factors that affect processing of wastewater.

Has the District evaluated bringing the treatment plant back online? Mr. Willis explained that the plant was performing primary treatment only and the District would still need to send the wastewater to Metro for additional treatment.

RECORD OF PROCEEDINGS

What happens if the people vote "No"? Director Kesler stated that the Board would then have to consider imposing a fee.

Has communication improved? It was noted that the District now has a website and has been communicating with its customers with newsletters.

LEGAL MATTERS

November 4, 2008 Special Election: **Resolution to Call the November 4, 2008 Election.** Following discussion, upon motion duly made by Director Dursey, seconded by Director Kesler and, upon vote, unanimously carried, the Board adopted Resolution No. 2008-09-01 Resolution to Call the November 4, 2008 Election, in substantially the form presented. A copy of the Resolution is attached hereto and incorporated herein by this reference.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By




Secretary for the Meeting

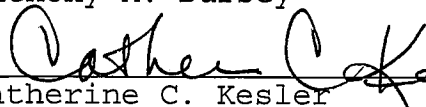
THESE MINUTES APPROVED AS THE OFFICIAL SEPTEMBER 2, 2008 MINUTES OF THE NORTHWEST LAKEWOOD SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



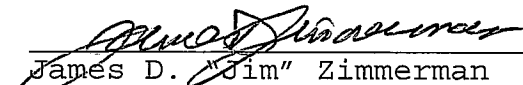
Michael A. Curran



Richard Billings

Anthony M. Dursey


Catherine C. Kesler



James D. "Jim" Zimmerman

NORTHWEST LAKEWOOD SANITATION DISTRICT

Community Meeting

Tuesday, September 2, 2008

Please **print** your name, address and phone number / email.

NAME	ADDRESS	TELEPHONE/EMAIL
Alexy Billings	3435 WRIGHT ST WYR	303-238-2025
Elise Goshorn	1115 YANK ST Golden	303-324-0433
Sonja Kjell ZANDIN	13000 WILLOW LN	303-274-6579
Laura M. Ray	2202 Yellowstone St	414935@netscaper.net

RESOLUTION 08-9-1

NORTHWEST LAKEWOOD SANITATION DISTRICT

JEFFERSON COUNTY, COLORADO

**A RESOLUTION CALLING AN ELECTION ON NOVEMBER 4, 2008
AUTHORIZING THE INCREASE IN THE DISTRICT'S PROPERTY TAX MILL
LEVY AND THE ISSUANCE OF BONDS OR OTHER MULTIPLE FISCAL
YEAR OBLIGATIONS; SETTING THE BALLOT TITLES AND BALLOT
ISSUES FOR THE ELECTION; PROVIDING OTHER MATTERS AND
RATIFYING ACTION PREVIOUSLY TAKEN RELATING THERETO; AND
PROVIDING THE EFFECTIVE DATE OF THIS RESOLUTION**

WHEREAS, the Northwest Lakewood Sanitation District, Jefferson County, Colorado (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado (the "State"), acting pursuant to the provision of Article 1 of Title 32 of the Colorado Revised Statutes ("C.R.S.") and established for the purpose of providing sanitary sewer services within the District; and

WHEREAS, the Board of Directors (the "Board") of the District has determined and hereby determines and declares that the interest of the District and the public interest and necessity require that the District increase its property tax levy, have the authority without increasing taxes to issue bonds or other multiple fiscal year obligations, and collect, retain and spend all revenues generated from the District's general operating property tax mill levy without regard to the restrictions set for in Article X, Section 20 of the Colorado Constitution ("TABOR") and Section 29-1-301, C.R.S.; and

WHEREAS, it is necessary to submit to the eligible electors of the District the questions of increasing the District's property tax levy, issuing bonds or other multiple fiscal year obligations, and receiving and spending all revenues received by the District from the District's general operating property tax mill levy, and the Board hereby determines that such questions shall be presented to the District's eligible electors at the election to be held on November 4, 2008 ("Election"), in accordance with the provisions of the Special District Act ("Act"), the Uniform Election Code of 1992 ("Code"), and TABOR; and

WHEREAS, the Board has determined that the interest of the District and public interest or necessity demands the ability of the Board to provide for the repair, replacement, and improvement of the sanitary sewer system of the District in the event that the need to do so arises; and

WHEREAS, there are not sufficient funds in the treasury of the District and the Board does not anticipate that existing sources of revenue will be sufficient to generate the moneys necessary to undertake the repair, replacement, and improvement of the sanitary sewer system of the District in the event that the need to do so arises; and

WHEREAS, the total estimated costs of the repair, replacement, and improvement of the sanitary sewer system of the District in the event that the need to do so arises are not expected to exceed the dollar amounts provided in the ballot issues and no part of said costs are expected to be defrayed out of any state or federal grant; and

WHEREAS, the principal amount of the indebtedness shall not exceed \$5,000,0000, and the maximum net effective interest rate thereon shall not exceed 8.5% per annum; and

WHEREAS, the Election will be conducted as a coordinated election, and the Jefferson County Clerk and Recorder ("County Clerk") is the Coordinated Election Official for the election and shall be responsible for mailing the notice required pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR Notice"); and

WHEREAS, the District is required to enter into an Intergovernmental Agreement with the Jefferson County Clerk and Recorder regarding the conduct of the election and the mailing of the TABOR notice required pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR Notice") on or before August 26, 2008; and

WHEREAS, the District intends to cooperate with the County Clerk to provide all necessary ballot titles and notices and various agreements with the County Clerk for the conduct of the election.

NOW, THEREFORE, be it resolved by the Board of Directors of the Northwest Lakewood Sanitation District in the County of Jefferson, State of Colorado as follows:

1. A special election of the eligible electors of the District shall be held on Tuesday, November 4, 2008, at which election there shall be submitted to the eligible electors of the District: (a) a ballot issue authorizing the increase in the mill levy rate levied by the District, which ballot issue shall be substantially in the form attached hereto as Exhibit A; and (b) a ballot issue authorizing the issuance of bonds or other multiple fiscal year obligations, which ballot issue shall be in substantially the form attached hereto as Exhibit B. Exhibits A and B are hereby incorporated into this Resolution as if set forth in full herein.

2. The Board hereby designates Lisa A. Johnson of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, CO 80228, as the Designated Election Official for the conduct of the Election on behalf of the District, and she is hereby authorized and directed to proceed with any action necessary or

appropriate to effectuate the provisions of this Resolution and of the Act, Code, TABOR or other applicable laws. The Election shall be conducted in accordance with the Act, Code, TABOR, and other applicable laws. Among other matters, the Designated Election Official shall arrange for the required notices of election, including the TABOR Notice, (either by mail or publication), appoint election judges, and direct that all other appropriate actions be accomplished.

3. The Board hereby approves and authorizes the Designated Election Official to execute and enter into the Intergovernmental Agreement with the County of Jefferson, Colorado, on behalf of the District, regarding the conduct of the election and the mailing of the TABOR Notice. The Election and mailing of the District's TABOR Notice shall be in accordance with the provisions of such Intergovernmental Agreement.

4. The Election shall be conducted in coordination with the Jefferson County Clerk and Recorder in accordance with all relevant provisions of the Code. The County Clerk is the Coordinated Election Official for the election and shall be responsible for mailing the TABOR Notice.

5. All acts required or permitted by the Code relevant to voting by early voters' ballots, absentee ballots, and emergency absentee ballots, which are to be performed by the Designated Election Official, shall be performed by the County Clerk.

6. No later than September 3, 2008, the Designated Election Official shall submit to the County Clerk, in the form, if any, specified by the County Clerk the TABOR Notice.

7. No later than October 15, 2008, the Designated Election Official shall ensure that the additional posting of financial notices made on the District's website, or if the District does not maintain a website at the District Chief Administrative Office in accordance with requirements of Section 1-7-908, C.R.S.

8. If a majority of the votes cast on the ballot issues submitted at the Election shall be in favor of such ballot issues, the District acting through the Board shall be authorized to proceed with the necessary action to issue bonds and levy taxes, as the case may be, in accordance with the ballot issue which has been so approved. Any authority issue bonds, if conferred by the results of the Election, shall be deemed and considered a continuing authority to issue the bonds so authorized at any one time, or from time to time, and neither the partial exercise of the authority so conferred, nor any lapse of time, shall be considered as exhausting or limiting the full authority so conferred.

9. For purposes of Section 1-11-203.5, C.R.S., this Resolution shall serve to set the ballot title and content for the ballot issues set forth herein and the ballot title and content for such ballot issues shall be the text of the ballot issues.

10. The officers and employees of the District are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

11. All actions not inconsistent with the provisions of this Resolution heretofore taken by the members of the Board and the officers and employees of the District, and directed toward holding the election for the purposes stated herein are hereby ratified, approved and confirmed. All prior acts, orders or resolutions or parts thereof, by the District in conflict with this Resolution are hereby repealed, except that this repeal shall not be construed to revive any act, order, or resolution, or part thereof, heretofore repealed.

12. If any section, paragraph, clause, or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provisions shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution, it being the intention that the various parts hereof are severable.

13. This Resolution shall take effect immediately upon its passage.

ADOPTED AND APPROVED this 2nd day of September, 2008.

NORTHWEST LAKEWOOD SANITATION
DISTRICT

By: Michael A. Curran
Michael A. Curran, President

Attest:

Catherine C. Kessler
Catherine C. Kessler,
Secretary/Treasurer

EXHIBIT A
FORM OF MILL LEVY INCREASE BALLOT ISSUE

Ballot Issue 5A

SHALL NORTHWEST LAKEWOOD SANITATION DISTRICT TAXES BE INCREASED UP TO \$600,000 ANNUALLY IN THE FIRST FULL FISCAL YEAR (2009) AND IN EACH YEAR THEREAFTER BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED FROM AN AD VALOREM PROPERTY TAX MILL LEVY IMPOSED AT A RATE OF 3.500 MILLS FOR THE PURPOSES OF, IN ORDER OF PRIORITY, (I) INITIALLY REPLENISHING A DISTRICT RESERVE WHICH HAS BEEN DEPLETED TO PROVIDE FOR EMERGENCY EXPENDITURES, (II) PROVIDING FOR THE PAYMENT OF DEBT, IF ISSUED, FOR SYSTEM REHABILITATION AND IMPROVEMENTS, AND (III) FUNDING ONGOING DISTRICT OPERATIONS AND MAINTENANCE, WHICH INCREASE, TOGETHER WITH THE DISTRICT'S CURRENT MILL LEVY MAKES THE TOTAL DISTRICT MILL LEVY 11.196 MILLS; AND SHALL THE REVENUE FROM SUCH 11.196 MILLS CONSTITUTE A PERMANENT VOTER-APPROVED REVENUE CHANGE WITHIN THE MEANING OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND AN EXCEPTION TO THE LIMITATIONS SET FORTH IN SECTION 29-1-301 OF THE COLORADO REVISED STATUTES AND ANY OTHER LAW?

EXHIBIT B
FORM OF BOND BALLOT ISSUE

Ballot Issue 5B

SHALL NORTHWEST LAKEWOOD SANITATION DISTRICT DEBT BE INCREASED UP TO \$5,000,000 WITH A REPAYMENT COST OF UP TO \$10,250,000, BUT WITH NO INCREASE IN DISTRICT TAXES, FOR THE PURPOSE OF FINANCING THE COSTS OF PROVIDING FOR SCHEDULED AND EMERGENCY REPAIR, REPLACEMENT AND IMPROVEMENT OF THE SANITARY SEWER SYSTEM OF THE DISTRICT, SUCH DEBT TO CONSIST OF THE ISSUANCE OF BONDS OR OTHER MULTIPLE FISCAL YEAR OBLIGATIONS TO BE PAID FROM LEGAL AVAILABLE REVENUES OF THE DISTRICT, WHICH BONDS OR OBLIGATIONS SHALL BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE, NOT TO EXCEED 8.5% PER ANNUM, AND BE ISSUED AT SUCH TIME OR TIMES, AT SUCH PRICES (AT, ABOVE OR BELOW PAR) AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND SHALL ANY EARNINGS ON THE INVESTMENT OF PROCEEDS OF SUCH BONDS OR OBLIGATIONS, (REGARDLESS OF AMOUNT) CONSTITUTE A VOTER APPROVED REVENUE CHANGED WITHIN THE MEANING OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION.