

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
SOUTHGATE SANITATION DISTRICT
ARAPAHOE AND DOUGLAS COUNTIES, COLORADO**

March 9, 2010

The Board of Directors of the Southgate Sanitation District, Arapahoe and Douglas Counties, Colorado, met in regular joint session with the Board of Directors of the Southgate Water District on Tuesday, March 9, 2010, at the office of the Districts, 3722 East Orchard Road, Centennial, Colorado 80121. The meeting was called to order at 4:00 p.m., by the President and Chairman, John J. Herbolich. These minutes reflect the proceedings of the Board of the Southgate Sanitation District.

Notice of the meeting was duly posted as required by law. The agenda for this meeting was posted at the District office more than 24 hours before the meeting convened. The purpose of the meeting was stated to be for consideration of any and all business that may come before the Board of Directors of the Southgate Sanitation District.

The following Directors were present:

David Bickham
John J. Herbolich
Terry Kirkpatrick
George J. MacDonald

Don E. Winslow - Absent and excused.

Also present were:

Duane Tinsley, District Manager
Peter Gabel, Candidate
Tom Mansfield, Operations Supervisor
Matt Schlanger, Operator
Jeff Cooper, Engineering Technician GIS

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Mike Schlanger, Operator (arrived as noted below)
Dennis Whiting, Operator (arrived as noted below)
David Culberson, Candidate (arrived as noted below)

Chairman Herbolich extended welcome to the visitors and introductions were made.

Approval of Agenda:

Director MacDonald MOVED to approve the agenda as presented. Director Bickham SECONDED the motion. Upon a call of the vote, all Directors present voted "AYE", and the motion was declared UNANIMOUSLY PASSED.

Public Comment:

Mr. Gabel spoke of his 10 year residency in the Southgate Districts, his experience as an operations manager for a document imaging company, and his interest in community service as a member of the Southgate Board of Directors.

Consent Matters:

Chairman Herbolich identified the items to be considered under "Consent Matters" and asked if any Director wished to pull any item for discussion. Director Kirkpatrick asked about the variance in property tax revenues. Manager Tinsley reported that the variance is a "timing issue". Manager Tinsley briefly discussed the other variances in revenues and expenditures. There being no further questions or discussion, Director MacDonald MOVED to approve the consent matters, consisting of:

1. Minutes February 9, 2010 - Regular Meeting
2. S10-06(A) Investments - February, 2010
3. S10-06(B) Financials - February, 2010
4. S10-06(C) Improvements Agreements: None.

Director Kirkpatrick SECONDED the motion. Upon a call of the vote, all Directors present voted "AYE", and the motion was declared UNANIMOUSLY PASSED.

Public Hearings/Scheduled Visits:

David Culberson, Mike Schlanger and Dennis Whiting arrived at this point.

Grease, Oil and Sand Trap Enforcement (10-XXX)

Supervisor Mansfield and Operator Matt Schlanger briefed the Board on the District's fats/oil/grease interceptor, and sand/petroleum interceptor, inspection and enforcement program. In support of that briefing Operator Schlanger presented a Power Point slide show. He reported that there are approximately 250 fats/oil/grease interceptors within the service area of the District, (all are associated with food preparation

establishments). He further reported that there are approximately 25 sand/petroleum interceptors within the service area of the District, (all are associated with auto service establishments). The interceptors are the first line of defense against foreign materials entering the Southgate facilities and the Bi-City Wastewater Treatment Plant. The impact of such materials in the wastewater collection facilities and treatment plant was discussed. Mr. Schlanger discussed and illustrated the design of the interceptors, the manner in which the interceptors work, the customer training and inspection practices, and enforcement procedures.

There was discussion of the current conditions at the Park Meadows center and the results of recent Hydrogen Sulfide testing. Interceptor location data will be made part of the Geographic Information System and inspection/enforcement data will be captured through the CityWorks work management system. Sewer video inspection activities are recorded through the CityWorks work management system and the results (data and video) are archived through the GraniteXP software and will be made accessible through the Geographic Information System.

The Directors were highly complimentary of the efforts of the Operations Work Group, the presentation, and Matt Schlanger's efforts. There was suggestion that the efforts and successes of the District be documented and submitted for presentation at future conferences and workshops.

Recess:

Director Herbolich MOVED to recess at 5:20 p.m. Director MacDonald SECONDED the motion. Upon a call of the vote, all Directors present voted "AYE", and the motion was declared UNANIMOUSLY PASSED.

Tom Mansfield, Matt Schlanger, Mike Schlanger, Dennis Whiting and Jeff Cooper departed at this point.

The meeting was reconvened at 5:58 p.m.

Engineering and Capital Projects:

Engineering Project Status (10-05A):

District Manager Tinsley provided a status report on the following project:

- 2006 Sewer Improvement Program - Work is moving forward in "fits and starts". Eight of the eleven project elements are substantially complete, (only punch list items remaining). The majority of the Willow Creek work is complete but a section of directional boring is awaiting the availability of the specialty sub-contractor. Pipe work at the Verona Estates site is complete but site clean up and landscape restoration remains. Work has begun on the Preserve project element. The question is whether or not we will be able to keep the contractor active on these remaining

work elements. Staff will continue to push. Director MacDonald recommended corrections to the project engineer's status report.

2006 Sewer Program - Phase III (06-15)

District Manager Tinsley presented and reviewed a memorandum from Engineering Manager Krori and proposed Change Order No. 5. The change order relates to un-anticipated conditions and additional work. It was recommended that the Board approve Change Order No. 5 in the amount of \$28,382.88, bringing the contract amount to \$4,719,114.00 and establishing a new substantial completion date of December 20, 2009.

Following discussion, Director Kirkpatrick MOVED to approve Change Order No. 5 as presented. Director MacDonald SECONDED the motion. Upon a call of the vote, all Directors present voted "AYE", and the motion was declared UNANIMOUSLY PASSED.

Administrative:

Administrative Project Status (10-05B):

District Manager Tinsley provided brief status reports on the following projects:

- Asset Management - A special meeting has been scheduled for March 26, 2010 to meet with Woolpert representatives, discuss the scope of work and anticipated out-comes, and further consider the proposed service agreement. There was discussion of the anticipated out-comes and determination that the Board and Manager are on the "same page". The next step will be to verify that the District and the consultant are on the "same page" regarding the anticipated out-comes
- Headquarters Security - Manager Tinsley briefed the Board regarding a recent meeting with the Business Liaison Officer of the Arapahoe County Sheriff Department and the potential enhancements for security at the District's offices.

Cash Receipts and Expenditures (10-06-D):

The Board reviewed the cash receipts and expenditures for February, 2010. There being no questions or discussion, Director Kirkpatrick MOVED to approve the expenditures in the amount of \$263,886.36 as set forth in the disbursement schedule attached hereto. Director MacDonald SECONDED the motion. Upon a call of the vote, all Directors present voted "AYE", and the motion was declared UNANIMOUSLY PASSED.

Administrative - Special Reports:

Manager Tinsley directed the Board's attention to the favorable tap sales report in the packet.

Legal - Special Reports: None.

Finance - Special Reports:

The Board's attention was directed to the Auditor's monthly letter.

Board:

Directors - Special Reports:

Director Herbolich and Manager Tinsley briefed the Directors regarding their recent attendance at the AWWA/WEF Utility Management Conference. Each spoke of their attendance at sessions regarding "Effective Utility Management", the "Continuous Improvement Cycle", and the anticipated involvement in (and benefits of) AWWA QualServe.

Training:

There was review of upcoming training opportunities and record of expressions of attendance.

Director Herbolich spoke of the merits of: 1) the AWWA/WEF Utility Management Conference, 2) regular attendance by the Manager, and 3) periodic attendance by the Directors.

Adjournment:

There being no further business to come before the Board of Directors, Director MacDonald MOVED to adjourn the meeting. Director Kirkpatrick SECONDED the motion. By UNANIMOUS vote the meeting was adjourned at 5:58 p.m.

Director

President & Chairman

Director

Director

Absent and Excused
Director Don E. Winslow