

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

**April 13, 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, April 13, 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

Also present were:

Duane Tinsley, District Manager  
Christopher Sheffer, District Engineer  
Bert Bondi, District Auditor  
David Culberson, Board Candidate (arrived as noted below)  
Peter Gabel, Board Candidate (arrived as noted below)

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**Approval of Agenda:**

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

**Public Comment:**

No public comment was offered.

**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 MacDonald asked about the relationship of the sewer video files, through the Granite XP software, to the geographic information system. Manager Tinsley reported that the video and data files are presently stored to the Granite software and work is underway to determine the best way to then import the files to the geographic information system (GIS). Both Granite and our GIS software vendors have import software and the above referenced work is to determine which would be the best for Southgate.

(David Culberson arrived at this point.)

Director MacDonald, with reference to the Woolpert asset management materials, asked for clarification of the reference to "leverage". Manager Tinsley interpreted the term to mean that the District's investment in GIS and CityWorks has established the necessary base upon which asset management could be built, "without reinventing the wheel". Director Winslow asked if the Investment Advisor had attended the March Board meeting, (during Director Winslow's absence). Manager Tinsley advised that the Advisor did not attend that meeting and is scheduled to attend in August, unless circumstances warrant a sooner visit.

(Peter Gabel arrived at this point.)

Director Herbolich asked about the variance in "Plan Review" revenues. Manager Tinsley reported that several large developments have entered into plan review resulting in revenues greater than anticipated.

There being no further questions or discussion, Director MacDonald MOVED to approve the consent matters, consisting of:

1. Minutes March 9, 2010 - Regular Meeting
2. Minutes March 23, 2010 - Special Meeting
3. Minutes March 26, 2010 - Special Meeting
4. S10-06(A) Investments - March, 2010
5. S10-06(B) Financials - March, 2010
6. 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:** None.

**Executive Session:**

Director Kirkpatrick MOVED and Director MacDonald SECONDED a motion to adjourn to executive session pursuant to 24-6-402(4)(f) of the Colorado Revised Statutes for purposes of discussing personnel matters. Upon a call of the vote, all Directors present voted "AYE", and the motion was declared UNANIMOUSLY PASSED. The Board adjourned to executive session at 4:12 p.m.

(Culberson, Gabel, Sheffer and Tinsley were excused for the duration of the executive session.)

The Board reconvened in regular session at 4:44\_ p.m., at which time Chairman Herbolich announced that only personnel matters had been discussed during the executive session.

The audio record (tape) of the Executive Session was delivered to the Secretary of the Board for safekeeping.

(Mr. Bondi departed at this point.)

**Engineering and Capital Projects:**

**Engineering Project Status (10-05A):**

District Engineer Sheffer provided a brief status report on the following:

- 2006 Sewer Improvement Program - Engineer Sheffer reported that meetings have been scheduled with Legal Counsel and contractor/surety representatives to discuss the status and issues associated with this project. Specific issues will be: 1) status of Twin Peaks, 2) the role of surety and their local representatives, and 3) the plan for timely completion of the contract work. As to current project status the Board's attention was directed to the Burns and McDonnell report. Specifics were discussed. Director MacDonald stressed the need for Burns and McDonnell to use better grammar, ensure clarity of meaning, and use spell check. The adequacy of field inspections by the Burns and McDonnell was questioned.

**Administrative:**

**Administrative Project Status (10-05B):**

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

- Asset Management - Manager Tinsley reported that the contract with Woolpert has been executed, a project kickoff meeting has been conducted, and a followup meeting will

occur on the next business day. That meeting will focus on developing a mutual understanding of the "Business Risk Evaluation"; with attention to sufficiency of the data in the GIS, identification of pilot areas within the District, useful life assumptions, criticality rating criteria and other associated modeling expectations.

- 2010 Election - Manager Tinsley advised the Board relative to preparations for the May election. A special issue of the WaterViews newsletter, (focusing on the election and the candidates) has been prepared, mailed and posted to the website. The process of mailing of ballots to the "Permanent Mail-in Voters" is underway. Election Judge training has been scheduled. There followed discussion of the number of eligible electors, the very large number of ballots mailed to the mail-in voters, the anticipated burden upon the judges, and the anticipated costs for the conduct of this election. There followed discussion of the need for, and strategies for, a better way to conduct the election in 2012. Director Winslow advised that several legislators have offered to sponsor legislative amendments as may be necessary. The Colorado Special District Association has been contacted in the same regard and a followup contact is anticipated after the election is complete.

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

The Board reviewed and discussed the cash receipts and expenditures for January, 2010. There being no questions or discussion, Director Winslow MOVED to approve the expenditures in the amount of \$166,995.40 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:** None.

**Legal - Special Reports:** None.

**Finance - Special Reports:**

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

**Board:**

**Directors - Special Reports:**

Director Winslow advised that Senator Evans may be willing to sponsor a legislative amendment in 2011 to update the special districts directors fees.

Director Winslow spoke of his recent attendance at the Utility Management Conference; with emphasis on his participation in several customer service sessions.

Director Herbolich requested an update on the website use statistics.

**Training:**

There was review of upcoming training opportunities and record of expressions of attendance. The Board authorized Director Bickham to attend the Water Environment Federation "Collection Systems" conference. Manager Tinsley will work with Director Bickham to make the necessary arrangements.

**Executive Session:**

Director MacDonald MOVED and Director Kirkpatrick SECONDED a motion to adjourn to executive session pursuant to 24-6-402(4)(e) of the Colorado Revised Statutes for purposes of discussing matters that may be subject to negotiations or strategy for negotiations (strategic plan) and 24-6-402(4)(f) of the Colorado Revised Statutes for purposes of discussing personnel matters (employee benefits).

. Upon a call of the vote, all Directors present voted "AYE", and the motion was declared UNANIMOUSLY PASSED. The Board adjourned to executive session at 5:38 p.m.

The Board reconvened in regular session at 6:43 p.m., at which time Chairman Herbolich announced that only strategic plan and personnel matters had been discussed during the executive session.

The audio record (tape) of the Executive Session was delivered to the Secretary of the Board for safekeeping.

**Adjournment:**

There being no further business to come before the Board of Directors, Director Herbolich MOVED to adjourn the meeting. Director MacDonald SECONDED the motion. By UNANIMOUS vote the meeting was adjourned at 6:44 p.m.

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Director

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President & Chairman

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Director

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Director

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Director