

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

April 13, 2010

The Board of Directors of the Southgate Water District, Arapahoe and Douglas Counties, Colorado, met in regular joint session with the Board of Directors of the Southgate Sanitation 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 Water 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 Water 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.

(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 Kirkpatrick inquired about the \$6,000 expenditure from "Emergency Reserve". Manager Tinsley committed to research and report. 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. W10-06(A) Investments - March, 2010
5. W10-06(B) Financials - March, 2010
6. W10-06(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.

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): None.

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 March, 2010. There being no questions or discussion, Director Kirkpatrick MOVED to approve the expenditures in the amount of \$129,402.40 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.

Zone 10E Pump(s) (10-08)

Manager Tinsley reported that the Operations Supervisor and District Engineer have been working with the Arvada Pump Company to analyze the pump needs and specifications for the Zone 10E pump station. The results were summarized and transmitted in a memorandum from Operations Supervisor Mansfield and another from the Arvada Pump Company.

The 2010 budget provides \$60,000 for replacement of one (1) pump. It was not anticipated that we would need to replace the drive controller. Staff expressed the desire to explore the possibility of replacing all three (3) pumps and controllers. Such would enhance operational capabilities and achieve the necessary capacity to build out.

Discussion followed. It was the consensus of the Board that the matter be tabled pending additional information and demonstration of competitive pricing.

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 highly of his recent opportunity to observe the operation of the new valve spinning trailer. He commented upon the ability to download data from the operations and Manager Tinsley confirmed that such data will be imported to the CityWorks data base.

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

also spoke of a piece of equipment he observed at the American Water Works Association conference, which could expedite and automate data collection associated with the chemical testing during fire hydrant flushing operations.

Director Herbolich requested an update on the website use statistics.

Training:

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

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.

Director

President & Chairman

Director

Director

Director