



**REGULAR MEETING
of the
BOARD OF DIRECTORS**

MINUTES

Thursday, 9:00 a.m.

September 17, 2009

Called to order at 9:30 a.m.

The meeting of the Boxelder Sanitation District Board of Directors was held at the Boxelder Sanitation District administrative office located at 3201 E. Mulberry, #Q, Fort Collins, CO 80524. Mr. Les Gelvin acting as the Chairman with Mr. Fred Walker acting as Secretary, called the meeting to order.

Prior notice of the meeting was given in accord with §32-1-903 CRS.

1. Roll Call:

Directors Present: Mr. Les Gelvin, Chairman
Mr. Scott Taylor, Vice-Chairman
Mr. Stephen Pink, Treasurer
Mr. Gordon Woelfle
Mr. Dennis Gatlin

Staff Present: Mr. Fred Walker, Secretary, General Manager
Ms. Pat Mathena, Assistant Manager and Controller
Mr. Randy Siddens, District Engineer, in at 9:03 am

Public Present: Mr. Rick Zier, District legal counsel, 9:00 am – 12:42 pm
Mr. Jim Manier, James Capital Advisors Inc., 1:04 pm-1:57 pm

Roll was called and it was determined that a quorum was present.

2. Public comment: None

3. Mr. Woelfle moved to approve the minutes of the August 20, 2009 special meeting as presented. Motion seconded. Minutes approved unanimously [5-0-0].

4. Mr. Woelfle moved to call an executive session per §24-6-402(4)(b) C.R.S. for conference with attorney for the District for the purpose of receiving legal advice on specific legal questions regarding provision for sanitary sewer service in and around the Town of Timnath; such discussion to include the legal counsel, general manager, assistant manager and district engineer (who joined after the executive session was called). Motion seconded. Motion passed unanimously [5-0-0] at 9:02 a.m. The executive session ended at 10:00 a.m. Mr. Rick Zier, legal counsel to the Board, provided a signed written statement (attached) that no record or electronic recording

of the executive session was kept because such discussion constituted privileged attorney-client communication.

5. Mr. Pink moved to amend the September 17, 2009 agenda to add action items for modification to the Rules and Regulations §201 and Alpine Cabinet Co. Motion died for lack of a second.
6. Discussion was held on the topic of Larimer County's proposed amendment to Section 14 of the Larimer County Land Use Code, which would designate the siting and development of new or extended domestic water or sewer transmission lines as activities of the state and require a 1041 permit for those activities.
7. Mr. Pink moved to accept action items as reflected on the revised agenda. Motion seconded. Motion passed unanimously [5-0-0].
8. Mr. Gatlin moved to incorporate changes to Rules and Regulations §601.B. as listed on board packet pages 201 and 202. Motion seconded. Motion passed unanimously [5-0-0].
9. Mr. Gatlin moved to supersede his previous motion to Rules and Regulations §601.B., incorporate changes to §601.B. such that, in its entirety, §601.B. states:

B. Except as otherwise provided in these Rules and Regulations, a property owner or developer shall be responsible for the design and extension costs of the External Collection System required to be installed to service the development subsequent to approval of the plans and specifications by the District. The entity responsible for the actual construction of the External Collection System will be at the discretion of the District. The District shall inspect and approve the actual construction of the External Collection System, prior to connection of structures.

1. A property owner or developer responsible for the costs of the External Collection System may request the District to enter into a recovery agreement. The District may in its discretion elect to enter into such recovery agreement, and if so, the parties shall first negotiate and execute a binding agreement to fund part or all of the External Collection System, as appropriate. Such "agreement to fund" shall, at the latest, be entered into before construction begins, although the District in its discretion may require that the agreement to fund be entered into prior to any design work. The recovery agreement shall be entered into after construction is concluded and final construction costs known.

2. Extension of External Collection System may be addressed by contract between the District and the owner or developer.

Motion seconded. Motion passed unanimously [5-0-0].

10. Mr. Taylor moved to incorporate changes to Rules and Regulations §605.F. such that, in its entirety, §605.F. states:

F. REFUNDS: Requests for a refund of System Development Charges paid under this Section for connections not constructed shall be made in writing and received by the District within 240 days of payment. The Board of Directors, in its discretion, may elect to refund the paid SDC less any outstanding account balances or fees. Any paid System Development Charges less any associated

outstanding account balances or fees which are not refunded shall be retained by the District as a contribution in aid of construction, and shall be applied as a credit towards the payment of system development charges for the same connection which may become due thereafter. System Development Charges paid that are associated with a separate contract [Section 601(B)(2)] with the District are not eligible for refund.

Motion seconded. Motion passed unanimously [5-0-0].

11. Mr. Woelfle moved to change the definition of 'Oversizing' in the Rules and Regulations §201 to state:

OVERSIZING shall mean the difference between a District requested increase in hydraulic capacity of Wastewater Facilities needed to serve either a portion of or the entire anticipated sewage flow generated within its associated sewer basin and the flow generated from the request for service, subject to District minimum pipe size allowed, that requires the installation of the Wastewater Facilities.

Motion seconded. Motion passed unanimously [5-0-0].

12. Alpine Cabinet Co. sanitary sewer configuration was discussed.
13. Mr. Taylor moved to authorize the expenditure of an additional \$6,973.12 for the repair of the semi-collapsed sewer line between manholes PDI-0440 and PDI-0450. Motion seconded. Motion passed unanimously [5-0-0].
14. Mr. Pink moved to authorize the additional expenditure of no more than \$89,473.60 for the Infiltration and Inflow reduction program this year. Motion seconded. Motion passed unanimously [5-0-0].

Lunch was served. Mr. Zier left the meeting during the lunch break.

15. Mr. Gatlin moved to incorporate changes to Rules and Regulations §601.A. including an introductory paragraph immediately prior to §601.A. such that, in its entirety, the §601 introductory paragraph and §601.A. state:

The design and extension of wastewater facilities can be achieved by various funding and construction approaches. The final manner of extension of wastewater facilities will be at the discretion of the District Board of Directors.

- A. *A property owner or developer shall be responsible for the costs and construction of the Internal Collection System in and through its property or development subsequent to approval of the plans and specifications by the District. The District shall inspect and approve the actual construction of the Internal Collection System, prior to connection of structures.*

1. *The District may require the property owner or developer to pay the entire cost and construct the Internal Collection System, in and through its property or development, larger than that required for its needs, for the service of lands adjacent to his property or development.*
2. *A property owner or developer responsible for the Internal Collection System may request the District to enter into an agreement to determine the method of funding the costs relative to the Oversizing of the Internal Collection*

System. The District may in its discretion elect to enter into an Agreement to Fund which will be negotiated and executed before construction begins, although the District in its discretion may require that the Agreement to Fund be entered into prior to any design work. The Agreement to Fund can represent the final agreement for the Oversizing of the Internal Collection System or can be the preliminary step ending with an approved recovery agreement as identified in Section 606 of the District Rules and Regulations.

- a. *Any recovery agreement shall be entered into after construction is concluded and final construction costs known.*

Motion seconded. Motion passed unanimously [5-0-0].

16. Discussion was held of the lagoon evaluation to be performed by Dr. Michael Richard, local lagoon consultant.
17. Mr. Manier joined the meeting and made a presentation on financing options for Colorado Local Governments.
18. Financial Information:
Presented to the board was information on financial status, inflow and outflow of funds, and growth in customer base:
 - Cash and Cash Equivalents as of August 31, 2009;
\$3,232,001.44 Ending Cash, July 31, 2009
185,117.44 August Receipts
-192,161.34 August Cash Disbursements
\$3,224,957.54 Ending Cash, August 31, 2009
 - Details of revenues, including components of cash received monthly, monthly sewer billings and # of sewer accounts, current monthly charges – comparison by user class, fee revenues, and WDR receipts were presented. Delinquent billings and delinquency statistics were not presented.
 - Details of outflow of funds were presented; including contract status, contingent commitments, purchase orders, cash disbursement listing, and credit card detail for the month ended August 31, 2009.
 - Unaudited draft financial statements for the seven months ended July 31, 2009 were presented at the meeting. Total net assets (graph), total current assets (graph), and financial ratios were presented.
19. Operations: Information on the treatment plant, industrial pretreatment program, wastewater collection system, and administration operations for August 2009 was presented.
20. Information Transfer
 - Tour of plants scheduled for the afternoon of the October 15, 2009 regular board meeting.
 - District project update
 - Articles of Interest
 - "First National Bank under watch", Pat Ferrier, *Coloradoan*, August 23, 2009.
 - "Development in Jeopardy," Pat Ferrier, *Coloradoan*, August 23, 2009.
21. New Business: None

22. Mr. Gatlin moved to adjourn the meeting. Motion seconded. Motion approved unanimously [5-0-0].

Meeting adjourned at 2:53 pm.

These minutes were approved on the 15th day of October, 2009 by an action of the Board of Directors.

/s/ Les Gelvin
Chairman of the Board

/s/ Fred E. Walker
Secretary

TO: Board of Directors of Boxelder Sanitation District
FROM: Rick Zier, Counsel to the Board
RE: Executive Session of the Board
DATE: September 17, 2009

No record of the executive session (including electronic recording or otherwise) held on September 17, 2009 at 9:02 am was kept. The executive session was for the purpose of "Conferences with an attorney for the public entity for the purposes of receiving legal advice on specific legal questions." §24-6-402(4)(b), C.R.S.

SIGNATURE: /s/ Richard F. Zier

DATE: 9/17/09