

# RECORD OF PROCEEDINGS

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## MINUTES

### SOUTH FORT COLLINS SANITATION DISTRICT

JANUARY 11, 2017

The Regular Meeting of the South Fort Collins Sanitation District was held on January 11, 2017 at 6:00 p.m., at 5150 Snead Drive, Fort Collins, Colorado 80525.

#### 1. *Roll Call*

Present: Directors David Hawes, Eldon Savage, Wayne Irelan, James Ling, and Robert Underhill.

Excused Absence:

Others Present: Chris Matkins, District Manager, Eric Bailey, Plant Superintendent, Glenn Scott and Bob Krug with Morgan Stanley

#### Business Conducted:

#### 2. *Executive Session to Receive Legal Advice from Andy Nathan Regarding M. Timm Litigation. §24-6-402(4)(b), C.R.S.*

The meeting was called to order by Chairman Savage. At 6:00 PM, Chairman Savage motioned that the Board enter a Joint Executive Session per Colorado Revised Statutes §24-6-402(4)(b) with the Fort Collins-Loveland Water District for the purpose of receiving legal advice from District Special Council Andy Nathan concerning litigation by M. Timm related to development fees.

**Moved by Director Savage and seconded  
by Director Underhill to enter into  
Executive Session  
*Motion carried 5-0***

After the Executive Session, Andy Nathan certified that the Executive Session was conducted in accordance with State law.

#### 3. *Reading of the Minutes*

The Minutes of the Regular Meeting of December 14, 2016, were accepted and read at 7:00 PM.

#### 4. *Public Comments*

None

**5. Solids Handling and Soil Stabilization Alternative Evaluation Project – CH2M**

Dave Oerke and Al Paquet with CH2M presented the proposed approach for this project. After much interaction with the Board, it was:

**Moved by Director Ling and seconded by  
Director Irelan authorize the General  
Manager to execute the hourly, not-to-  
exceed Agreement for Professional  
Services with CH2M Hill in the amount of  
\$159,975  
Motion carried 5–0**

**6. Morgan Stanley Fiduciary Contract**

Mr. Scott Glenn and Mr. Bob Krug (proposed Corporate Cash Account Representative) discussed the proposed contract for Fiduciary Advisor for the Sewer Enterprise, including Morgan Stanley's standard agreement for these types of contracts. The Board expressed concern over the difficult-to-understand language, and terms that appeared to be "boilerplate" and not specifically applicable to the District. Director Ling also expressed concern with a "one size fits all" approach to this contract. Morgan Stanley apologized for the confusion and offered to work with the District to better communicate this proposal, at the Board's invitation. No action was taken.

**7. Public Hearing on Petition of Inclusion of 23.38 Acres of Land**

The General Manager described this proposed project as dependent upon construction of infrastructure on adjoining parcels, including a Lift Station. District staff is working with the applicant to memorialize this understanding in development comments and easement descriptions. The Board requested additional information including development layout of the proposed project prior to taking action on this item.

**8. Approval of the 2017 Schedule of Board Meetings and Posting Locations**

The proposed schedule and location of 2017 Board meetings was reviewed.

**Moved by Director Irelan and seconded  
by Director Ling to approve the schedule  
for 2017  
Motion carried 5–0**

**9. Manager's Update**

- A. *General Information* – The General Manager updated the Board on various District items, including an update on the Crossroads Lift Station, and a reimbursable form developed by Controller Hawkins for submitting expenses to the District incurred while each Board Member is representing the Board or attending business meetings that concern the District. Expenses that the Board authorized for reimbursement include: mileage, lunches, parking, and Board fees.

The Board of Directors was updated on the annual crop sharing proceeds from Bob Dickinson, a farmer harvesting crops on District owned lands South of the WWTP.

- B. *Plant Operations Report* – Plant Superintendent, Eric Bailey, stated that the WWTP continues to function acceptably. Renovation construction work previously authorized by the Board will be initiated by Hydro Construction at the Old Headworks Building in March 2017.

C. *Financial Statements* – The District Manager informed the Board that \$18.9 million of District Investments were moved from First Bank into Colotrust funds to yield better investment returns. Financials prepared by District Controller, Kathy Hawkins were included in the Board's packet.

D. *Tap Purchases* – The Manager reported that 21 taps were sold for the month of December with revenues totaling \$126,000. 407 taps have been sold for the year for a total of \$3,354,750.

**10. New Business**

None

**11. Old Business**

Director Ling requested that District staff confirm that notification inserts will be sent with January billings to all customers concerning increased monthly service fees, effective February 1, 2017.

**12. Disbursements**

The Manager presented disbursements for December 2016 in the amount of \$338,193.30. After review and discussion, it was:

**Moved by Director Irelan and seconded  
by Director Ling to approve the  
disbursements for December 2016 as  
presented.**

***Motion carried 5–0***

**13. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 9:15 PM.

Respectfully,

/s/ Edon R. Savage

/s/ Chris White

Date Approved

1/8/2017