

RECORD OF PROCEEDINGS

MINUTES

SOUTH FORT COLLINS SANITATION DISTRICT

MAY 10, 2017

The Regular Meeting of the South Fort Collins Sanitation District was held on May 10, 2017 at 7:00 p.m., at 5150 Snead Drive, Fort Collins, Colorado 80525.

1. Roll Call

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

Excused Absence:

Others Present: Chris Matkins, District Manager, Eric Bailey, Plant Superintendent, David Oerke and Kile Snider of CH2M, Tyra Litzau of Anton Collins & Mitchell, Gary Young, Kathy Hawkins, District Controller and Eric Fuhrman of TST

Business Conducted:

2. Reading of the Minutes

The Minutes of the Regular Meeting of April 12, 2017 were accepted and read at 7:00 PM.

3. Public Comments

None

4. Reorganization of the Board of Directors

The Board discussed the retirement of Director Eldon Savage and reorganized the Positions on the Board of Directors. After discussion, it was:

**Moved by Director Ling and seconded by
Director Underhill to appoint Director
Ling as Chairman, Director Irelan as
Vice-Chairman and Director Underhill as
Treasurer of the Board.
Motion carried 4-0**

5. Petition of Inclusion of 29.92 Acres of Land in "Old Town Timnath"

The General Manager introduced Eric Fuhrman with TST Engineering. Mr. Fuhrman described this inclusion as the 3rd phase of the effort to bring sewer service to the Town of Timnath. District staff confirmed that these properties have been included in the Master Plan efforts, and can be served by the Ptarmigan Lift Station. Staff also confirmed that the Treatment Plant also has adequate capacity to serve.

**Moved by Director Irelan and seconded
by Director Hawes, to set the matter for
public hearing on June 14, 2017.
Motion carried 4-0**

6. Solids Handling and Soil Stabilization Alternative Evaluation Project Update-CH2M

Dave Oerke, Project Manager with CH2M, gave a project update, including answering general questions regarding ATAD biology and cost expectations. Board feedback/questions regarding St. Vrain tour, and ATAD in general. Mr. Oerke also relayed to the Board that previous cost estimates are likely low. The final report will be delayed a few days to correct for increases in opinions of cost. Mr. Oerke stated these increases are across-the-board, and affect all alternatives similarly. Relative ranking of alternates will be unaffected and still support the Board's previous direction.

7. Presentation of the 2016 Draft Audited Financial Statements – Tyra Litzau

Ms. Litzau presented the Financial Audit wrap up: Oversaw the Audit of the Financial statements and presented the final draft form. She anticipates submitting this to the state next week. District Controller, Kathy Hawkins, and her staff were praised and Ms. Litzau stated District Staff support was excellent and appreciated. Three 'significant deficiencies' were noted: a written agreement between the Water and Sewer District is recommended; the District should update its credit card policy; and the District Manager should be included in periodic review of all journal entries by the District Controller.

Ms. Litzau stated that the Financial Statements received a 'clean opinion' indicating acceptability. One correction was noted by Director Irelan involving two transposed expense classifications. After discussion, and pending the noted correction, it was:

**Moved by Director Irelan and seconded
by Director Underhill to accept and
approve the 2016 Financial Audit.
Motion carried 4–0**

8. Manager's Update

- A. **Plant Operations Report** – Plant Superintendent, Eric Bailey stated the Plant is functioning well. Staff continues to investigate the sCOD anomaly, with a focus on the 'airport park' basin and interceptor. Mr. Bailey also stated that recent 'wet testing' results were acceptable. All routine plant maintenance for the month has been completed, and Staff conducted a kickoff meeting for the permit renewal process with CH2M, including gathering data.
- B. **General Information** – The General Manager gave the Board an update on Controller Kathy Hawkins retirement timeline (late July) and the Districts new Controller, Pat Murphy, scheduled to start employment on June 19, 2017. The Board was briefed on Mr. Murphy's extensive professional experience and impressive work history. The Board of Directors was also updated on final costs associated with M Timm litigation, including the April 20th Bill of Costs hearing, at which the Districts were awarded \$124,000 in professional service fees.

The Board was informed that manhole rehabilitation proposals are due May 19th, and will be brought to the Board for consideration in June. The Board was also updated on the flow monitoring efforts being performed by Ayers Associates, who will be attending the June Board meeting to present preliminary results.

The Board was informed that, per Board direction, the General Manager executed a \$27,000 change order to the CH2M contract for assistance in preparing and submitting the NPDES permit renewal this year.

Staff has explored improvements to the Districts' online BillPay system, and will present proposed improvements at the July Board meeting. The General Manager informed the Board that a Cost of Service Study is underway for the Fort Collins-Loveland Water District. South Fort Collins Sanitation District Cost of Service Study will be initiated once the sewer Board is seated with the three replacement Director positions.

The General Manager informed the Board that negotiations with the Old Headworks Renovation contractor (Hydro Construction) have begun. These negotiations will address the ground settlement concerns near the Interchange Tanks, as explored by CH2M.

The General Manager will schedule a tour of the Plant for current Board Members soon. Additionally, another plant tour will be offered later this year, once the Sewer Board is seated with three replacement Director positions. Another Plant tour is being scheduled per Director Ling's request with the Larimer County Board of Health.

The General Manager updated the Board on a catered summer picnic for employees, scheduled for Tuesday, May 23, 2017. This will also include a tour for District Staff, and an awards ceremony for 'Years of Service' employee awards.

Lastly, the General Manager updated the Board of Directors on the current finalization of a North Poudre Irrigation Company Ditch crossing license. The General Manager, District Engineer, and District Council have been negotiating provisions in this agreement on behalf of the Board. These NPIC required provisions have not been included in previous Crossing Agreements and contain some liquidated damages requirements that are problematic.

- C. **Financial Statements** – Financials prepared by District Controller, Kathy Hawkins, were included in the Board's packet.
- D. **Tap Purchases** – The Manager reported that 41 taps were sold for the month of April with revenues totaling \$184,500. 187 taps have been sold for the year for a total of \$902,250.

9. Other Business

None

10. Disbursements

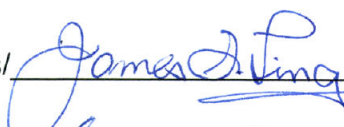
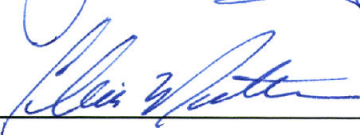
The Manager presented disbursements for April 2017 in the amount of \$354,973.40. After review and discussion, it was:

**Moved by Director Irelan and seconded
by Director Hawes to approve the
disbursements for April 2017 as
presented.
Motion carried 4-0**

11. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 8:50 PM.

Respectfully,

/s/ 
/s/ 

Date Approved

6/14/17