

RECORD OF PROCEEDINGS

MINUTES

SOUTH FORT COLLINS SANITATION DISTRICT

SEPTEMBER 19, 2018

The Regular Meeting of the South Fort Collins Sanitation District was held on September 19, 2018 at 9:00 a.m., at 5150 Snead Drive, Fort Collins, Colorado 80525.

1. Roll Call

Present: Directors James Ling, Gary Young, James Stewart, and Ernie Brown

Excused Absence: Director Wayne Irelan

Others Present: Chris Matkins, District Manager, Terry Farrill, District Engineer, Amanda Proctor, District Controller, Eric Bailey, Plant Superintendent, Dave Oerke of CH2M Hill/Jacobs, Stan Javernick, Chad Oeltjenbruns and Jim Eurich of Hydro Construction, and Joe Fonfara, the District's Attorney

2. Reading of the Minutes

The Minutes of the Regular Meeting of August 8, 2018 were read and approved.

3. Public Comments

None

4. Impact Fee and Cost of Service Final Presentation

Amanda Proctor, District Controller, presented the Board with a copy of the final technical memo from Raftelis in regards to the rate study. She stated that Raftelis was preparing the report, which should be issued in October. Amanda stated that staff is recommending no change in the monthly service rates and increasing the Plant Investment Fee to \$6,217 as of January 1, 2019. This change will be incorporated into the 2019 Budget and administered at the November public hearing.

5. Guaranteed Maximum Price and Construction Manager at Risk Contract with Hydro Construction Approval

Chris Matkins, District Manager, went through the history of the project from inception to today. He stated that Joe Fonfara, District Attorney, District staff, CH2M Hill/Jacobs, and Hydro Construction have all reviewed the Construction Manager at Risk Contract. After the Board asked questions pertaining to general contract provisions, it was:

**Moved by Director Young and seconded by Director Stewart to accept the guaranteed maximum price, as defined in Attachment B of the "Owner and Construction Manager at Risk Agreement," and to authorize the Chairman of the board to execute the "Owner and Construction Manager at Risk Agreement," including the Addendum and Attachments A, B, and C, and to execute the Standard General Conditions of the Construction Contract including the Supplementary Condition.
Motion carried 4-0**

6. Ptarmigan Lift Station Pump Replacement

Terry Farrill, District Engineer, stated that due to corrosion, the District cannot repair the Lift Station pump any more. He stated that the use of ferric/ferrous may cause further corrosion if the pump is not replaced now. He stated that there are three pumps in the Lift Station. These three pumps service about 25% of the District's flow.

Terry stated that the pumps, including the stainless steel jacket and propellers, have about a 20 week lead time. Each pump costs approximately \$38,000. After discussion, it was:

**Moved by Director Stewart and seconded by Director Young to approve the procurement and installation of the three Ptarmigan Lift Station pumps for up to \$135,000.
Motion carried 4-0**

7. Budget Highlights and Setting of Budget Adoption Public Hearing for November 14, 2018

Chris Matkins, District Manager, went over the highlights of the proposed 2019 budget. Including:

- Increased Human Resource Support;
- Increased Soft Skill and Leadership Training;
- One less Collection Department Employee; and
- The Planned Plant Expansion

The Board inquired into employee salaries to ensure that they had been bench marked. Chris stated that all salaries were compared to multiple sources at the end of 2017 to ensure pay scales were appropriate.

The Board suggested to start planning for the transition from project completion to normal operations.

The Board directed Chris Matkins, District Manager, to schedule the Budget hearing for November 14, 2018.

8. Manager's Update

A. Plant Operations Report – Eric Bailey

Eric Bailey's (Plant Superintendent) written report was submitted to the Board for review and included in the Board packet. Eric stated that there was a change in the logic for the effluent filters. Now the effluent filters won't work strictly on levels; rather they will operate in stages. This will be a better utilization of the equipment.

The Board commended Eric on this continuous improvement of the Plant Operations.

B. General Information – Chris Matkins

Chris Matkins presented a petition for inclusion from Horton Enterprises for Approximately 52 Acres. The Board had no objections. The hearing for the petition will be scheduled for the October Board meeting.

Chris discussed the I-25 widening project and the impact that it had on existing infrastructure. Chris also provided the Board an update on the new website design.

Chris informed the Board that he would be on vacation from October 22-25.

Chris and the Board discussed a bonus for Bob Belz, who recently retired. After discussion, it was:

**Moved by Director Brown and seconded
by Director Stewart to award Bob a
\$5,000 bonus for 26 years of exemplary
service and willing to go above and
beyond.
Motion carried 4-0**

Chris and the Board discussed developing a bonus plan based on milestones to build employee loyalty. Chris stated that he would draft a plan to present to the Board.

C. Financial Statements

Financial Statements prepared by District Controller, Amanda Proctor, were included in the Board's packet.

D. Tap Purchases

The Manager reported that 119 taps were sold for the month of August with revenues totaling \$1,147,750. 481 taps have been sold for the year for a total of \$3,238,000.

9. Other Business

None

10. Disbursements

The Manager presented disbursements for August 2018 in the amount of \$785,673.89. After discussion, it was:

**Moved by Director Stewart and
seconded by Director Young to approve
the disbursements for August 2018.
Motion carried 4-0**

11. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 11:25 AM.

Respectfully,

/s/ James D. Ling

/s/ Chris White

Date Approved

10/10/2018