

Upper Blue Sanitation District
Board of Directors Meeting
Thursday October 13, 2011 @ 5:30 PM

I. ROLL CALL:

Mr. Robin Theobald called the meeting to order at 5:30 PM. Mr. Robin Theobald, Mr. Larry Crispell, Mr. Michael Turek and Mr. Barrie Stimson answered "present" at roll call. Mr. Andrew Carlberg and Mrs. Marjorie Borsina attended as well.

Note: There was a work session preceding the Board Meeting from 3:30 PM to 4:30 PM at the Farmers Korner plant. David Heyde from Mortenson gave the Board a construction update on the Farmers Korner plant expansion during the work session. Mr. Robin Theobald, Mr. Larry Crispell, Mr. Michael Turek, Mr. Barrie Stimson and Mr. Andrew Carlberg were present at the Farmers Korner work session.

II. MINUTES:

September 8, 2011 minutes: Mr. Turek made a motion to approve the September 8, 2011 Board of Directors meeting minutes. Mr. Crispell seconded the motion. The motion was passed unanimously by the Board.

III. PUBLIC HEARINGS:

Mr. Theobald opened the Public Hearing. There was not anyone present from the public.

Mr. Theobald closed the Public Hearing.

A. Resolution 5, Series 2011, Inclusion of Lot 117 Breckenridge Park Estates Subdivision: Mr. Carlberg explained to the Board that lot 117 in Breckenridge Park Estates Subdivision is having problems with their septic system. The Public Hearing has been advertised in the Summit Journal and to date the District has not received any comments. Mr. Carlberg recommended that the Board approve the Inclusion of lot 117. Mr. Crispell made a motion to approve Resolution 5, Series 2011 for the Inclusion of Lot 117 in Breckenridge Park Estates subdivision. Mr. Turek seconded the motion. The motion was passed unanimously by the Board.

B. Resolution 6, Series 2011, Inclusion of Lot 122 Breckenridge Park Estates Subdivision: Mr. Carlberg explained to the Board that lot 122 in Breckenridge Park Estates Subdivision is having problems with their septic system. The Public Hearing has been advertised in the Summit Journal and to date the District has not received any comments. Mr. Carlberg recommended that the Board approve the Inclusion of lot 122. Mr. Turek made a motion to approve Resolution 6, Series 2011 for the Inclusion of Lot 122 in Breckenridge Park Estates subdivision. Mr. Stimson seconded the motion. The motion was passed unanimously by the Board.

IV. PUBLIC COMMENT: None

V. BILLS:

The bills were reviewed and discussed by the Board of Directors. Mr. Turek made a motion to approve the bills as submitted with the exception of items on the agenda which will be discussed later in the meeting. Mr. Crispell seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

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VI. FINANCIAL REPORT:

The Financial Report was reviewed and discussed by the Board of Directors.

VII. MONTHLY REPORTS:

C. Plant and Collection:

The Plant and Collection reports were discussed by the Board of Directors during the work session.

D. Manager Report:

The Manager report was discussed by the Board of Directors during the work session.

-Blue River Phase II:

Mr. Carlberg reported that the Blue River Phase II line extension project is complete except for clean up. The project was a success with the final cost coming in under budget. The reason the cost were under budget is because the District decided not to extend across Pennsylvania Creek. Mr. Carlberg informed the Board that Redline Pipeline has claims which will need to be resolved.

Mr. Carlberg said that he will be sending out letters to the Blue River property owners in the Coronet, Wilderness and the remainder of the Royal Subdivisions to see if there is any interest from the property owners to extend the sewer line next year.

-Breckenridge Park Estates:

Mr. Carlberg reported that the Breckenridge Park Estates was also a success and the final cost came in approximately \$17,000 under the contract price. Mag Chloride has been applied to the road and the County has accepted the road.

-Service Stub outs during construction projects:

Mr. Carlberg, in addition to the discussion, explained to the Board that generally the District does not provide sewer service stub outs during a construction project. However, occasionally there are circumstances where it would be difficult for the homeowners to tap the sewer line themselves. For example: prohibitive State and Federal permitting requirements i.e. CDOT or wetlands and storm water discharge. Under those circumstances that the District has provided sewer service stubs, the District has included the sewer service stub cost in the line extension fee per lot, which is how the District has been repaid for sewer service stubs. In the Blue River Phase II project the contractor had no problem providing sewer service stubs to homeowners, but did not want to contract directly with the homeowners because of past problems with collection. Through further discussion with the contractor they agreed to deal directly with the homeowners.

The consensus of the Board was that the Manager should continue to use his discretion on future sewer service stub outs.

-Nutrient Regulations Update:

Mr. Carlberg updated the Board on the new Nutrient Regulations that will be enacted soon and will have a financial impact on the District. At recent meetings with the Water Quality Control Division the stakeholders have been trying to reduce the impact in draft regulations. Mr. Carlberg proposed numerous suggestions and the effects of the proposed regulations to the Water Quality Control Division. The recent redraft of the regulation incorporated most of the District's suggestions. If the redraft is finally adopted by the Water Quality Control Commission in the spring of 2012, the District will save an estimated \$10 million dollars in the next five years for the South Blue Plant. Although, the District faces upgrades that will be needed to the other plants for nitrogen removal, which will have a substantial financial impact. Mr. Carlberg suggested that the Board commit to budget at least \$2 million per year in reserve for construction to begin in 2018 for the anticipated Nutrient Regulation upgrades. In addition, Mr. Carlberg is budgeting to have a full engineering study conducted next year for an analysis

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of the effects from the Nutrient Regulations. The Board thanked Mr. Carlberg for his efforts which may result in the South Blue Plant not being affected by the new Nutrient Regulations. The Board directed the Manager to set aside money in reserve for the ten year financial plan to address the new Nutrient Regulations.

Mr. Carlberg thanked Mr. Theobald for his help with Phase I and II of the Blue River line extension by selling the necessary easements to the District at fair market value.

VIII. OLD BUSINESS: None

IX. NEW BUSINESS:

E. Mortenson Construction Pay Request #28:

Mr. Carlberg recommended approval of Mortenson's pay request #28 in the amount of \$26,033.24. Mr. Turek made a motion to approve Mortenson's pay request #28 in the amount of \$26,033.24. Mr. Stimson seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

F. Glacier Construction Pay Request #27:

Mr. Carlberg recommended approval of Glacier's pay request #27 in the amount of \$455,669.36 representing costs for work completed thru September 30, 2011. Mr. Stimson made a motion to approve Glacier's pay request #27 in the amount of \$455,669.36. Mr. Crispell seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

G. Carollo Pay Request #0118204:

Mr. Carlberg reported that staff and the Construction Manager have reviewed the bill and Carollo has performed the services rendered thru August 31, 2010. Mr. Carlberg recommended payment of Carollo pay request #0118204 in the amount of \$45,643.39. Mr. Turek made a motion to approve the Carollo pay request #0118204 in the amount of \$45,643.39 for work completed thru August 31, 2011 with the condition that the Manager talk to Carollo about the District receiving a partial credit of the engineering cost for the conduit rack. Mr. Crispell seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

H. BHH Partners Pay Request:

Mr. Carlberg recommended that the Board approve BHH Partners pay request for work completed on the Farmers Korner plant expansion during the month of August 2011 (a detailed description of services is attached) in the amount of \$6,246.04. Mr. Stimson made a motion to approve payment of BHH Partners pay request in the amount of \$6,246.04 for the Farmers Korner plant expansion project thru the month of August 2011. Mr. Turek seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

I. Pay Applications for Farmers Korner Improvements:

Mr. Carlberg said that the improvements to the old Farmers Korner plant are near completion and recommended payment for W.H.K. Masonry in the amount of \$16,425.00, Systems Buildings Inc. in the amount of \$146,268.00 and Allman Painting in the amount of \$17,100.00. Mr. Stimson made a motion to approve the pay requests for W.H.K. Masonry in the amount of \$16,425.00, Systems Buildings Inc. in the amount of \$146,268.00 and Allman Painting in the amount of \$17,100.00. Mr. Crispell seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

J. Stan Miller, Inc. Pay Request #3117-2:

Mr. Carlberg reported that the Breckenridge Park Estates line extension project has been completed at \$17,691.79 under the contracted amount. The roads have been treated with Mag Chloride and have been accepted by the County. Mr. Carlberg recommended payment of Stan Miller, Inc. pay request #3117-2 in the amount of \$105,317.80. Mr. Turek made a motion to

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approve Stan Miller, Inc. pay request #3117-2 in the amount of \$105,317.80. Mr. Crispell seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

K. Redline Pipeline Pay Request #2:

Mr. Carlberg reported that Redline Pipeline pay request #2 for the Blue River phase II line extension has been reviewed and recommended payment in the amount of \$229,832.05. Mr. Turek made a motion to approve Redline Pipeline pay request #2 in the amount of \$229,832.05. Mr. Crispell seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

L. Draft Budget 2012 and 10 year Master Plan:

Mr. Carlberg stated that the 2012 budget revenues reflect a 4% increase in Plant Investment Fees and Sewer Service Fees. The Sewer Service Fees will increase \$1 per sfe, per month. The increase is in accordance with Red Oak Consultant's recommendations for cost of living. Mr. Carlberg showed the Board how he was showing reserve money that the District is budgeting for the new Nutrient Regulations.

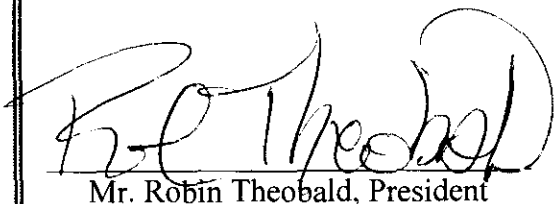
M. Inclusion Petition Lot 1, Filing #1 Ten Mile Vista:

Mr. Carlberg reported that the owner of lot 1, filing #1 Ten Mile Vista has submitted a Petition for Inclusion. The septic system is failing and they need to connect. Due to County regulations the owner cannot run an extended service line in the County road. Therefore, the District will extend the main sewer line approximately 250 feet in order to accommodate the connection. The 250 foot line extension will allow 4 properties to connect, including another property with a failing septic system. Mr. Turek made a motion to approve the Inclusion Petition for lot 1, filing #1 Ten Mile Vista and schedule a Public Hearing for the November Board meeting. Mr. Crispell seconded the motion. The motion was passed unanimously by the Board.

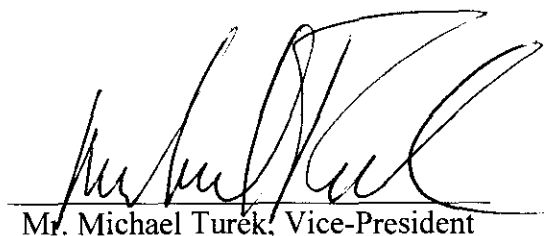
X. CORRESPONDENCE:

XI. ADJOURN:

Mr. Turek made a motion to adjourn the meeting at 6:30 PM. Mr. Stimson seconded the motion. The motion was passed unanimously by the Board.



Mr. Robin Theobald, President



Mr. Michael Turek, Vice-President

Memorandum

To: Andy Carlberg

From: Marjorie Borsina

Date: October 7, 2011

Re: Financial Update

-The District's Financial Records are in good order.

-We have still not received some of the September 2011 bills. Therefore, the September Financial Statements are a preliminary draft for your review.

- All of the Alpine Bank outstanding checks have cleared. Therefore, we can proceed with closing out the District's Alpine Bank operating account.

Marjorie

Upper Blue Sanitation District
 Comparative Balance Sheet-UNAUDITED DRAFT
 September 30, 2011 and September 30, 2010

	<u>2011</u>	<u>2010</u>	<u>Increase</u> <u>(Decrease)</u>
<u>Current Assets:</u>			
Petty Cash	\$200	\$200	-
Checking-Alpine Bank	\$ 1,002,096	\$ 8,479,759	(7,477,663)
Checking-Wells Fargo Bank	9,429,416	-	9,429,416
Cash on Deposit with CWRPDA	-	4,056,516	(4,056,516)
ColoTrust Prime	3,637,122	9,530,025	(5,892,903)
Total Cash and Equivalents	<u>14,068,834</u>	<u>22,066,500</u>	<u>(7,997,666)</u>
Investments			
FK Construction Retainage Escrow	1,302,531	1,151,248	151,283
Cert. of Deposit & Treasuries	1,503,660	5,117,823	(3,614,163)
Total Investments	<u>2,806,191</u>	<u>6,269,071</u>	<u>(3,462,880)</u>
Other Current Assets			
Receivables-Utility + Spec. Assessments	35,248	31,880	3,368
Developer/Contractor Escrow	122,244	122,244	-
Interest Receivable & Market Adjustments	-	-	-
Notes Receivable	166,709	122,767	43,942
Prepaid Expenses	34,131	27,259	6,872
Loan Issuance Costs (Net)	151,549	163,849	(12,300)
Total Other Assets	<u>509,881</u>	<u>467,999</u>	<u>41,882</u>
Total Current Assets:	<u>17,384,906</u>	<u>28,803,570</u>	<u>(11,418,664)</u>
Property Plant and Equipment:			
Land	721,070	721,070	-
Easements	69,583	61,720	7,863
Sewer Lines	13,105,905	12,953,474	152,431
Treatment Plants	65,498,666	52,115,891	13,382,775
Office Equipment	173,451	147,154	26,297
Other Machines & Equipment	459,772	459,772	-
Autos & Trucks	791,743	769,511	22,232
Upper Blue System Costs	3,080,936	1,868,670	1,212,266
Telemetry	102,075	102,075	-
Employee Housing	1,038,191	1,038,191	-
Total Property Plant and Equipment :	<u>85,041,392</u>	<u>70,237,528</u>	<u>14,803,864</u>
Less Accumulated Depreciation	<u>(24,660,391)</u>	<u>(23,376,428)</u>	<u>(1,283,963)</u>
Net Property Plant and Equipment :	<u>60,381,001</u>	<u>46,861,100</u>	<u>13,519,901</u>
Total Assets:	<u>77,765,907</u>	<u>75,664,670</u>	<u>2,101,237</u>

Liabilities

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Current Liabilities:			
Accounts Payable	879,375	1,018,814	(139,439)
Construction/Developer Escrow	122,244	122,244	-
Earned Employee Benefits	117,720	110,478	7,242
Unearned User Fees	-	-	-
Interest Payable	175,689	166,690	8,999
Loan Payable (Current Portion)	867,859	751,782	116,077
Retainage Payable-Construction in Progress	1,302,531	1,151,248	151,283
Retainage Payable-Blue River	40,317	-	40,317
Employee Housing Deposit Payable	1,250	1,750	(500)
Total Current Liabilities:	<u>3,506,985</u>	<u>3,323,006</u>	<u>183,979</u>
Long Term Liabilities:			
Loan Payable	11,094,434	12,716,281	(1,621,847)
Total Long Term Liabilities:	<u>11,094,434</u>	<u>12,716,281</u>	<u>(1,621,847)</u>
Total Liabilities	<u>14,601,419</u>	<u>16,039,287</u>	<u>(1,437,868)</u>
Net Assets			
Contributed Capital	8,000,000	-	8,000,000
Invested in Capital Assets, Net of Related Debt	28,856,241	28,856,241	-
Restricted Net Assets (CWRPDA Escrow)	-	8,000,000	(8,000,000)
Unrestricted Net Assets	26,308,247	22,769,142	3,539,105
Total Contributed Capital	<u>63,164,488</u>	<u>59,625,383</u>	<u>3,539,105</u>
Total Liabilities and Equity	<u>77,765,907</u>	<u>75,664,670</u>	<u>2,101,237</u>

Upper Blue Sanitation District
 Monthly Financial Statement-UNAUDITED DRAFT
 September 30, 2011

	2011	2011	2011	2011	2011
	<u>September</u>	<u>Year To Date</u>	<u>Approved Budget</u>	<u>Uncollected</u>	<u>% Uncol/Col</u>
Operating Revenue					
Sewer User Fees	415,990	3,732,691	4,939,461	1,206,770	24
Tap Inspection Fees	400	3,550	1,000	(2,550)	(255)
Miscellaneous Revenue	0	1,657	1,000	(657)	(66)
Camper Dump Fees	0	1,895	2,500	605	24
Late Fees	11,374	29,212	25,000	(4,212)	(17)
Line Extension Fees	10,863	37,091	20,000	(17,091)	(85)
Rental Income	3,750	27,583	20,000	(7,583)	(38)
Interest on Investments & Loans	3,883	64,712	114,431	49,719	43
Total Operating Revenue	446,260	3,898,391	5,123,392	1,225,001	24
Capital Revenue					
Plant Investment Fees	110,712	1,352,100	445,520	(906,580)	(203)
Inclusion Fees	7,083	45,785	20,000	(25,785)	(129)
Bonds and Grant	0	0	0	0	0
Transfer from Reserve	0	0	0	0	0
Total Capital Revenue	117,795	1,397,885	465,520	(932,365)	(200)
Total Revenue	564,055	5,296,276	5,588,912	292,636	5

Administration Expense	2011 September	2011 Year to Date	2011 Approved Budget	2011 Available	2011 % Available
Payroll & Employee Benefits					
Salaries	77,511	731,548	1,120,000	388,452	35
Overtime	2,796	20,788	45,000	24,212	54
FICA-Admn	4,156	44,903	75,000	30,097	40
Medicare-Admin	1,145	10,728	18,000	7,272	40
401K Contributions	5,501	52,370	58,000	5,630	10
Unemployment Insurance	1,157	11,292	18,000	6,708	37
Health Insurance	18,255	153,539	237,574	84,035	35
Total	110,521	1,025,168	1,571,574	546,406	35
Office Supplies	110	2,237	4,500	2,263	50
Telephone	955	10,822	13,500	2,678	20
Business Expenses	406	18,521	30,000	11,479	38
Legal Counsel	2,224	43,552	50,000	6,448	13
Education	360	7,402	25,000	17,598	70
Audit & Accounting	0	7,725	8,000	275	3
Legal Publications	682	4,313	6,000	1,687	28
Board Members	500	4,500	6,000	1,500	25
Elections	0	0	0	0	0
Computer Expenses	705	9,478	6,000	(3,478)	(58)
Copy Machine & Supply	0	0	1,000	1,000	100
Postage & Meter Rent	0	7,536	13,000	5,464	42
Insurance - General	8,709	78,385	130,000	51,615	40
Insurance - Deductible	0	0	1,000	1,000	100
Engineering	1,420	23,880	25,000	1,120	4
Tools	35	64	3,000	2,936	98
Radios	0	0	0	0	0
Vehicle Expense	0	0	500	500	100
Dues & Memberships	0	6,114	7,000	886	13
Safety	128	3,883	3,500	(383)	(11)
Summit Water Quality	961	8,646	12,500	3,854	31
Building Maintenance	1,797	10,510	25,000	14,490	58
Employee Housing Maintenance	1,316	28,523	15,000	(13,523)	(90)
Employee Housing Utilities	218	4,675	10,000	5,325	53
Total Administration	131,047	1,305,934	1,967,074	661,140	34
Iowa Hill Plant Expenses					
Utilities					
Gas	94	12,515	20,000	7,485	37
Electric	17,705	141,499	200,000	58,501	29
Freight	756	7,350	9,000	1,650	18
Equipment Repairs	1,750	22,643	50,000	27,357	55
Chemicals	2,738	96,863	100,000	3,137	3
Contracted Repairs	130	8,065	15,000	6,935	46
Laboratory Supplies	174	9,201	15,000	5,799	39
Biomonitoring	29	4,449	10,000	5,551	56
Discharge Permit	0	0	7,000	7,000	100
Supplies	923	3,828	8,000	4,172	52
Total Iowa Hill	24,299	306,413	434,000	127,587	29

	2011 <u>September</u>	2011 <u>Year to Date</u>	2011 <u>Approved Budget</u>	2011 <u>Available</u>	2011 <u>% Available</u>
Farmers Korner Expenses					
Utilities					
Gas	60	19,421	75,000	55,579	74
Electric	22,834	247,288	360,000	112,712	31
Freight	0	8,993	7,000	(1,993)	(28)
Equipment Repairs	1,707	18,737	50,000	31,263	63
Chemicals	12,241	107,776	175,000	67,224	38
Supplies	29	6,801	4,000	(2,801)	(70)
Contracted Repairs	2,487	3,241	18,000	14,759	82
Dumpster Charges	995	8,935	13,000	4,065	31
Biomonitoring	315	4,265	7,000	2,735	39
Discharge Permit	0	245	17,000	16,755	99
Composting	7,993	66,889	110,000	43,111	39
Site Monitoring	1,824	21,522	25,000	3,478	14
Sludge Hauling Costs	3,150	39,600	55,000	15,400	28
State Health Fees	0	1,175	1,000	(175)	(18)
Total Farmers Korner	53,635	554,888	917,000	362,112	39
Collection Expenses					
Utilities	1,077	10,160	18,000	7,840	44
Vehicle Expense	2,225	17,591	25,000	7,409	30
Line Cleaner Expenses	0	5,896	5,000	(896)	(18)
Manhole Repairs/Line Repairs	4,620	82,728	80,000	(2,728)	(3)
Equipment Repairs	102	2,771	8,000	5,229	65
CCTV Expense	0	1,162	8,000	6,838	85
Total Collection	8,024	120,308	144,000	23,692	16
Replacement Capital					
Administration	14,320	31,829	43,000	11,171	26
Plant:		0			
IH	0	877	75,000	74,123	99
FK	0	13,351	100,000	86,649	87
Upper Blue	0	0	60,000	60,000	0
Collection	0	0	400,000	400,000	100
Misc	0	0	0	0	0
Vehicle	0	0	30,000	30,000	100
Total Replacement Capital	14,320	46,057	708,000	661,943	93
Non Operating Expenses					
Bond Principal	0	522,859	867,859	345,000	40
Bond Interest	0	274,869	421,234	146,365	35
Total Non Operating	0	797,728	1,289,093	491,365	38

September Financial Statement Cont.

	2011 <u>September</u>	2011 <u>Year to Date</u>	2011 <u>Approved Budget</u>	2011 <u>Available</u>	2011 <u>% Available</u>
Capital Outlay					
Plant:					
IH	0	1,378	25,000	23,622	94
FK	714,130	8,322,927	10,770,000	2,447,073	23
Upper Blue	0	276,001	750,000	473,999	63
Collection	122,508	203,366	60,000	(143,366)	(239)
Administration	0	0	0	0	0
Total Capital Outlay	<u>836,638</u>	<u>8,803,672</u>	<u>11,605,000</u>	<u>2,801,328</u>	<u>24</u>
Total Expenses	<u>1,067,963</u>	<u>11,935,000</u>	<u>17,064,167</u>	<u>5,129,167</u>	<u>30</u>
Revenue Less Expenses	<u>(503,908)</u>	<u>(6,638,724)</u>	<u>(11,475,255)</u>		

Upper Blue Sanitation District
 Comparative Financial Statement-UNAUDITED DRAFT
 September 30, 2011 vs. September 30, 2010

	2011 September	2010 September	2011 Year To Date	2010 Year to Date	Increase (Decrease)
Operating Revenue					
Sewer User Fees	415,990	393,443	3,732,691	3,522,058	210,633
Tap Inspection Fees	400	750	3,550	2,850	700
Miscellaneous Revenue	0	10	1,657	9,234	(7,577)
Camper Dump Fees	0	0	1,895	2,248	(353)
Late Fees	11,374	10,024	29,212	28,851	361
Line Extension Fees	10,863	17,500	37,091	32,951	4,140
Rental Income	3,750	2,750	27,583	17,125	10,458
Interest on Investments	3,883	11,152	64,712	187,228	(122,516)
Total Operating Revenue	446,260	435,629	3,898,391	3,802,545	95,846
Capital Revenue					
Plant Investment Fees	110,712	127,409	1,352,100	617,123	734,977
Inclusion Fees	7,083	39,479	45,785	47,579	(1,794)
Bonds & Grant	0	0	0	0	0
Transfer from Reserve	0	0	0	0	0
Total Capital Revenue	117,795	166,888	1,397,885	664,702	733,183
Total Revenue	564,055	602,517	5,296,276	4,467,247	829,029

Administration Expense	2011 September	2010 September	2011 Year to Date	2010 Year to Date	Increase (Decrease)
Payroll & Employee Benefits					
Salaries	77,511	90,851	731,548	734,931	(3,383)
Overtime	2,796	4,560	20,788	40,675	(19,887)
FICA-Admin	4,156	5,348	44,903	46,141	(1,238)
Medicare-Admin	1,145	1,343	10,728	10,884	(156)
401K Contributions	5,501	4,550	52,370	37,130	15,240
Unemployment Insurance	1,157	1,122	11,292	11,385	(93)
Health Insurance	18,255	16,104	153,539	161,874	(8,335)
Total	110,521	123,878	1,025,168	1,043,020	(17,852)
Office Supplies	110	0	2,237	1,331	906
Telephone	955	1,032	10,822	8,778	2,044
Business Expenses	406	805	18,521	21,777	(3,256)
Legal Counsel	2,224	4,378	43,552	47,039	(3,487)
Education	360	2,168	7,402	9,543	(2,141)
Audit & Accounting	0	0	7,725	7,500	225
Legal Publications	682	68	4,313	3,068	1,245
Board Members	500	500	4,500	4,500	0
Elections	0	0	0	7,354	(7,354)
Computer Expenses	705	1,319	9,478	6,870	2,608
Copy Machine & Supply	0	400	0	400	(400)
Postage & Meter Rent	0	0	7,536	7,287	249
Insurance - General	8,709	7,965	78,385	74,113	4,272
Insurance - Deductible	0	0	0	500	(500)
Engineering	1,420	0	23,880	15,866	8,014
Tools	35	588	64	1,395	(1,331)
Radios	0	0	0	124	(124)
Vehicle Expense	0	0	0	0	0
Dues & Memberships	0	0	6,114	4,759	1,355
Safety	128	0	3,883	1,947	1,936
Summit Water Quality	961	0	8,646	11,531	(2,885)
Building Maintenance	1,797	1,357	10,510	24,815	(14,305)
Employee Housing Maintena	1,316	340	28,523	13,932	14,591
Employee Housing Utilities	218	83	4,675	6,612	(1,937)
Total Administration	131,047	144,881	1,305,934	1,324,061	(18,127)
Iowa Hill Plant Expenses					
Utilities					
Gas	94	130	12,515	11,863	652
Electric	17,705	15,894	141,499	145,804	(4,305)
Freight	756	516	7,350	5,362	1,988
Equipment Repairs	1,750	1,946	22,643	24,005	(1,362)
Chemicals	2,738	5,100	96,863	67,349	29,514
Contracted Repairs	130	0	8,065	10,409	(2,344)
Laboratory Supplies	174	1,926	9,201	9,918	(717)
Biomonitoring	29	0	4,449	4,439	10
Discharge Permit	0	0	0	6,090	(6,090)
Supplies	923	15	3,828	4,146	(318)
Total Iowa Hill	24,299	25,527	306,413	289,385	17,028

September Comparative Statement Cont.

Pg. 3

	2011 <u>September</u>	2010 <u>September</u>	2011 <u>Year to Date</u>	2010 <u>Year to Date</u>	Increase <u>(Decrease)</u>
Farmers Korner					
Utilities					
Gas	60	0	19,421	21,856	(2,435)
Electric	22,834	19,985	247,288	244,090	3,198
Freight	0	1,001	8,993	4,642	4,351
Equipment Repairs	1,707	2,323	18,737	14,364	4,373
Chemicals	12,241	5,100	107,776	87,198	20,578
Supplies	29	27	6,801	1,666	5,135
Contracted Repairs	2,487	102	3,241	10,125	(6,884)
Dumpster Charges	995	975	8,935	8,775	160
Biomonitoring	315	0	4,265	2,600	1,665
Discharge Permit	0	0	245	3,070	(2,825)
Composting	7,993	6,981	66,889	56,493	10,396
Site Monitoring	1,824	0	21,522	18,674	2,848
Sludge Hauling Costs	3,150	2,250	39,600	31,950	7,650
State Health Fees	0	0	1,175	0	1,175
Total Farmers Korner	53,635	38,744	554,888	505,503	49,385
Collection Expenses					
Utilities	1,077	1,008	10,160	9,491	669
Vehicle Expense	2,225	2,941	17,591	17,800	(209)
Line Cleaner Expenses	0	0	5,896	2,887	3,009
Manhole Repairs/Line Repai	4,620	6,179	82,728	48,881	33,847
Equipment Repairs	102	191	2,771	6,584	(3,813)
CCTV Expense	0	0	1,162	316	846
Total Collection	8,024	10,319	120,308	85,959	34,349
Replacement Capital					
Administration	14,320	0	31,829	18,993	12,836
Plant			0		
IH	0	0	877	1,963	(1,086)
FK	0	1,983	13,351	4,736	8,615
Upper Blue	0	0	0	639	(639)
Collection	0	0	0	56,494	(56,494)
Misc	0	0	0	0	0
Vehicle	0	0	0	23,055	(23,055)
Total Replacement Capital	14,320	1,983	46,057	105,880	(59,823)
Non Operating Expenses					
CWRPDA Loan Principal	0	0	522,859	764,141	(241,282)
Loan Interest	0	0	274,869	403,390	(128,521)
Total Non Operating	0	0	797,728	1,167,531	(369,803)

September Comparative Statement Cont.

Pg. 4
Increase
(Decrease)

	2011 <u>September</u>	2010 <u>September</u>	2011 <u>Year to Date</u>	2010 <u>Year to Date</u>	
Capital Outlay					
Plant-IH-CO	0	0	1,378	1,574	(196)
Plant-FK-CO	714,130	666,151	8,322,927	8,149,557	173,370
Plant-South Blue-CO	0	312,160	276,001	778,643	(502,642)
Collection	122,508	1,062	203,366	100,469	102,897
Administration	0	2,991	0	2,991	(2,991)
Total Capital Outlay	<u>836,638</u>	<u>982,364</u>	<u>8,803,672</u>	<u>9,033,234</u>	<u>(229,562)</u>
Total Expenses	<u>1,067,963</u>	<u>1,203,818</u>	<u>11,935,000</u>	<u>12,511,553</u>	<u>(576,553)</u>
Revenue Less Expenses	<u>(503,908)</u>	<u>(601,301)</u>	<u>(6,638,724)</u>	<u>(8,044,306)</u>	<u>1,405,582</u>

CAPITAL 2011

	Current Month	Year To Date	Budget
FARMERS KORNER - REPLACEMENT			
10-85-8524			
Miscellaneous Equipment Repair/Replace	\$0.00	\$0.00	\$100,000.00
New Allen Bradley VFD-RAS Pump #1 Hardware		\$8,317.00	
VFD Intigration/Programming/Software-Raw S. Pump	\$0.00	\$5,033.54	
TOTAL	\$0.00	\$13,350.54	\$100,000.00
FARMERS KORNER - NEW			
10-95-9540			
Plant Expansion	\$714,130.53	\$8,322,927.17	\$10,700,000.00
Miscellaneous Equipment Repair/Replace	\$0.00	\$0.00	\$50,000.00
SCADA Upgrade	\$0.00	\$0.00	\$20,000.00
TOTAL	\$714,130.53	\$8,322,927.17	\$10,770,000.00
IOWA HILL - REPLACEMENT			
10-85-8522			
Miscellaneous Equipment Repair/Replace	\$0.00	\$0.00	\$75,000.00
Computer Replacement		\$877.00	
TOTAL	\$0.00	\$877.00	\$75,000.00
IOWA HILL - NEW			
10-95-9510			
Miscellaneous Equipment Repair/Replace	\$0.00	\$0.00	\$25,000.00
ICS Upgrade	\$0.00	\$1,378.00	
TOTAL	\$0.00	\$1,378.00	\$25,000.00
SOUTH BLUE - REPLACEMENT			
10-85-8526			
Town of Blue River:			
Plant Expansion/Main Line	\$0.00	\$0.00	\$60,000.00
TOTAL	\$0.00	\$0.00	\$60,000.00
SOUTH BLUE - NEW			
10-95-9590			
Town of Blue River:			
Plant Expansion/Main Line	\$0.00	\$201,651.26	\$750,000.00
Bal. of Phase I Line Extension	\$0.00	\$37,231.90	
Flow Equalization Pumps for Plant	\$0.00	\$11,933.00	
Engineering	\$0.00	\$25,184.96	
Lift Station	\$0.00	\$0.00	
TOTAL	\$0.00	\$276,001.12	\$750,000.00
COLLECTION - REPLACEMENT			
10-85-8530			
GIS Mapping Replacement	\$0.00	\$0.00	\$40,000.00
Warriors Mark Repairs	\$0.00	\$0.00	\$60,000.00
Town of Breckenridge-6" to 8"	\$0.00	\$0.00	\$100,000.00
Miscellaneous Extensions/Repairs	\$0.00	\$0.00	\$200,000.00
Vehicle Replacement	\$0.00	\$0.00	\$30,000.00
TOTAL	\$0.00	\$0.00	\$430,000.00
COLLECTION - NEW			
10-95-9520			
Miscellaneous Extensions/Repairs:			\$60,000.00
GIS System	\$3,575.00	\$40,844.60	
Breckenridge Park Estates Line Extension	\$106,932.80	\$150,521.76	
Susan Court Line Extension	\$12,000.00	\$12,000.00	
TOTAL	\$122,507.80	\$203,366.36	\$60,000.00
ADMINISTRATION - REPLACEMENT			
10-85-8510			
Springbrook Software Upgrade	\$14,320.06	\$31,829.61	\$43,000.00
TOTAL	\$14,320.06	\$31,829.61	\$43,000.00
GRAND TOTALS	\$850,958.39	\$8,849,729.80	\$12,313,000.00

UPPER BLUE SANITATION DISTRICT
 CERTIFICATES OF DEPOSIT
 2011

	<u>ALPINE</u>	<u>FIRST BANK</u>	<u>MILLENNIUM</u>	<u>TOTAL</u>
Bal. Forward 1/1/2011	\$1,106,504.91	\$3,007,441.16	\$1,012,962.06	\$5,126,908.13
January Interest	\$2,278.98	\$3,959.86	\$836.79	\$7,075.63
Redemption				\$0.00
Bal. 1/31/2011	\$1,108,783.89	\$3,011,401.02	\$1,013,798.85	\$5,133,983.76
February Interest	\$2,283.68	\$594.00	\$707.01	\$3,584.69
Redemption				\$0.00
February 28, 2011	\$1,111,067.57	\$3,011,995.02	\$1,014,505.86	\$5,137,568.45
March Interest	\$2,066.98	\$1,485.30	\$585.12	\$4,137.40
Redemption				\$0.00
March 31, 2011	\$1,113,134.55	\$3,013,480.32	\$1,015,090.98	\$5,141,705.85
April Interest	\$2,292.63	\$1,486.20	\$595.36	\$4,374.19
Redemption				\$0.00
April 30, 2011	\$1,115,427.18	\$3,014,966.52	\$1,015,686.34	\$5,146,080.04
May Interest	\$2,223.30	\$1,487.10	\$861.59	\$4,571.99
Purchase			\$1,000,000.00	\$1,000,000.00
Redemption			(\$514,853.29)	(\$514,853.29)
May 31, 2011	\$1,117,650.48	\$3,016,453.62	\$1,501,694.64	\$5,635,798.74
June Interest	\$2,301.91	\$1,487.70	\$875.27	\$4,664.88
Purchase			\$500,000.00	\$500,000.00
Redemption			(\$501,498.11)	(\$501,498.11)
June 30, 2011	\$1,119,952.39	\$3,017,941.32	\$1,501,071.80	\$5,638,965.51
July Interest	\$1,361.61	\$1,886.60	\$843.31	\$4,091.52
Purchase				\$0.00
Redemption	(\$1,121,314.00)	(\$3,019,827.92)		(\$4,141,141.92)
July 31, 2011	\$0.00	\$0.00	\$1,501,915.11	\$1,501,915.11
August Interest	\$0.00	\$0.00	\$891.86	\$891.86
Purchase				
Interest Paid				
Redemption				
August 31, 2011	\$0.00	\$0.00	\$1,502,806.97	\$1,502,806.97
September Interest	\$0.00	\$0.00	\$852.68	\$852.68
Purchase				
Redemption				
September 30, 2011	\$0.00	\$0.00	\$1,503,659.65	\$1,503,659.65
October Interest				\$0.00
Purchase				
Redemption				
October 31, 2011				\$0.00
November Interest				\$0.00
Redemption				
Purchase				
November 30, 2011				\$0.00
December Interest				\$0.00
Redemption				\$0.00
Purchase				\$0.00
December 31, 2011				\$0.00

DATE: October 5, 2011

TO: Andrew Carlberg, District Manager

FROM: Greg Brown, Chief Plant Operator

SUBJECT: Treatment plant operations for September, 2011.

1. Total influent flow for the Upper Blue Treatment Facilities was 34.5 million gallons for the month of September. The flow for the previous September was 32.5 million gallons. There was a 2.0 million gallon increase (5.8% increase).
2. Influent flow to the Iowa Hill Treatment Facility was 14.1 million gallons for the month of September. Influent flow for the Farmer's Korner Treatment facility was 20.4 million gallons.
3. Solids loading at Farmer's Korner was up for September from 37,181# to 87,790#. Solids loading for Iowa Hill was up from 37,846# to 40,282# for September. Total loading was up for September from 75,027# to 128,072# (41.4% increase). The Farmer's Korner solids increase is due to the amount of solids that was wasted out of Iowa Hill to Farmer's Korner.
4. Construction at the Farmer's Korner North Plant is progressing well. Mechanical work is continuing. Painting is ongoing. Electrical work is moving along with equipment panel installations, wire pulling, and wire terminations. Instrumentation is installed. Scada system programming is still to be completed. Chemical feed systems are still being piped up and wired. The odor control and HV ductwork is still being installed. We are beginning to do individual equipment start-up and training. This will take over a month to complete. Construction meetings are occurring weekly with Mortenson and Glacier.



Greg
cc:file

PLANT STATISTICS - FARMERS KORNER

MONTH	FLOW (MG)			PHOS (LBS)			INF SS (LBS)			SLUDGE (TONS)		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
JAN	34.0	33.9	31.2	2.7	4.1	1.9	102827	163448	132341	55.2	49.9	54.5
FEB	30.3	30.7	29.0	2.6	3.1	2.0	209878	84794	180701	43.1	24.3	35.8
MAR	32.9	36.3	35.8	1.8	3.9	2.9	101388	155910	155768	53.8	70.4	59.0
APR	32.0	28.7	35.7	2.2	0.6	1.4	128621	140701	137501	52.7	55.2	46.0
MAY	33.7	28.8	44.3	0.6	1.1	0.7	72416	48401	67212	39.0	13.2	41.8
JUN	29.0	31.3	30.2	1.5	1.2	1.0	61683	42767	72034	43.5	36.4	55.6
JUL	27.0	27.4	37.0	2.5	2.3	0.9	93499	50175	66111	34.8	52.2	62.6
AUG	22.8	26.0	31.2	1.1	1.7	2.5	194821	128708	123291	41.8	39.6	48.1
SEP	20.7	17.6	20.4	2.0	1.4	1.5	131053	37181	87790	24.5	25.2	28.3
OCT	18.3	18.2		1.4	0.8		167304	77049		37.2	15.7	
NOV	20.3	19.2		1.0	1.4		208767	80043		27.3	29.5	
DEC	32.5	28.9		1.6	1.1		121010	138477		32.0	46.5	
TOTAL	333.5	327.0	294.8	21.0	22.7	14.8	1593267	1147654	1022749	484.9	458.1	431.7

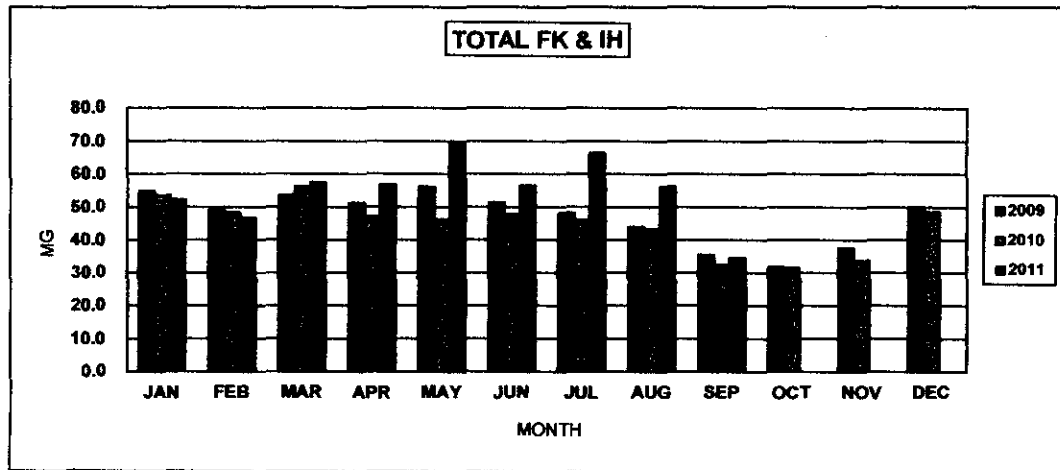
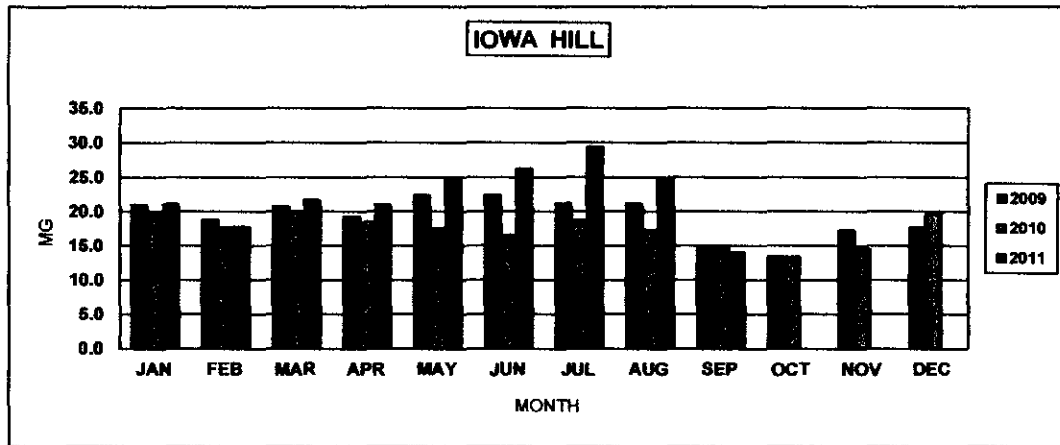
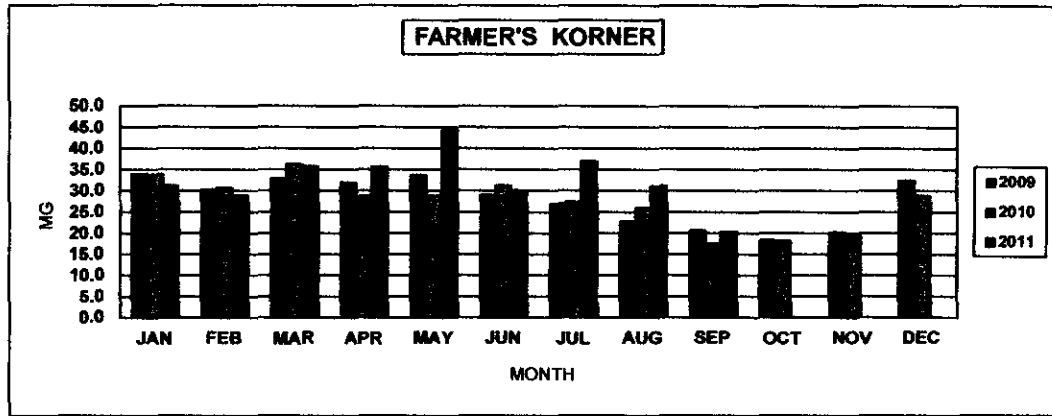
PLANT STATISTICS - IOWA HILL

MONTH	EFF FLOW (MG)			EFF PHOS (LBS)			INF SS (LBS)		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
JAN	21.0	19.7	21.1	4.6	2.7	1.8	57077	50748	86584
FEB	18.8	17.7	17.8	5.1	2.9	1.5	65609	53585	73806
MAR	20.7	19.9	21.7	3.9	3.3	2.0	60561	69125	67754
APR	19.3	18.5	21.0	1.9	1.9	2.3	37500	38484	40209
MAY	22.4	17.5	24.8	1.8	2.0	2.3	36507	26866	24633
JUN	22.4	16.6	26.3	2.4	4.8	3.7	42486	29572	36937
JUL	21.2	18.7	29.4	1.8	2.2	4.3	65688	49902	71311
AUG	21.2	17.4	25.0	1.9	2.1	2.0	64077	40950	50532
SEP	14.7	14.9	14.1	1.3	1.5	1.6	26832	37846	40282
OCT	13.4	13.4		1.5	1.6		28235	26909	
NOV	17.3	14.5		1.8	1.1		27765	25263	
DEC	17.7	19.7		2.5	1.6		40866	63962	
TOTAL	230.1	208.5	201.2	30.5	27.7	21.5	553203	513212	492048

PLANT STATISTICS - TOTAL

MONTH	EFF FLOW (MG)			EFF PHOS (LBS)			INF SS (LBS)			SLUDGE (TONS)		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
JAN	55.0	53.6	52.3	7.3	6.8	3.7	159904	214196	218925	55.2	49.9	54.5
FEB	49.1	48.4	46.8	7.7	6.0	3.5	275487	138379	254507	43.1	24.3	35.8
MAR	53.6	56.2	57.5	5.7	7.2	4.9	161949	225035	223522	53.8	70.4	59.0
APR	51.3	47.2	56.7	4.1	2.5	3.7	166121	179185	177710	52.7	55.2	46.0
MAY	56.1	46.3	69.1	2.4	3.1	3.0	108923	75267	91845	39.0	13.2	41.8
JUN	51.4	47.9	56.5	3.9	6.0	4.7	104169	72339	108971	43.5	36.4	55.6
JUL	48.2	46.1	66.4	4.3	4.5	5.2	159187	100077	137422	34.8	52.2	62.6
AUG	44.0	43.4	56.2	3.0	3.8	4.5	258898	169658	173823	41.8	39.6	48.1
SEP	35.4	32.5	34.5	3.3	2.9	3.1	157885	75027	128072	24.5	25.2	28.3
OCT	31.7	31.6	0.0	2.9	2.4	0.0	195539	103958	0	37.2	15.7	0.0
NOV	37.6	33.7	0.0	2.8	2.5	0.0	236532	105306	0	27.3	29.5	0.0
DEC	50.2	48.6	0.0	4.1	8.7	0.0	161876	202439	0	32.0	46.5	0.0
TOTAL	563.6	535.5	496.0	51.5	56.4	36.3	2146470	1660866	1514797	484.9	458.1	431.7

FACILITY FLOW



To: Andy Carlberg, District Manager
From: Wally Esquibel, Collections System Foreman
Date: October 5, 2011

RE: September 2011 Collection System Report

Andy,

1. No sewer backups reported to the month of September.
2. South Blue River (Susan Court) 380 linear feet of eight inch SDR-35 and one manhole have been installed and inspected by UBSD personal.
3. Sewer mainline installation along highway 9 has been completed, and we are in the process of site rehabilitation of work site(s). Vacuum testing is scheduled to begin Thursday October 6th.
4. UBSD line cleaning crews have cleaned, inspected and recorded 19.5 miles of sewer mainline as of October 1, 2011.
5. UBSD personal have also completed the cleaning and inspection of all collective and individual lift stations.
6. UBSD received 390 utility locate requests during the month, 30+ have been located in addition to 20 requested meets.
7. All service line inspections are complete and up to date.
8. UBSD fleet maintenance is up to date, and prepping for winter.

Sincerely,

Wally Esquibel

MANAGER REPORT

10-2011

- 1) Blue River Phase II is complete except for clean up. This project was an overall success with the final cost coming in well under cost. Not one complaint was submitted to the District.
Breck Park Estates also a success and approximately \$17,000 under contract price. Mag Chloride has been applied and the County has accepted the road
- 2) Service Stub outs during construction. There was discussion at the last meeting concerning District providing stub out during construction projects. Generally the District does not provide the stub outs, however there are conditions that we do especially when there are circumstances where it would be difficult for homeowners to tap the lines themselves. Circumstances such as prohibitive and cumbersome State and Federal Permitting requirements ie. CDOT, wetlands and storm water discharge. The District has provided stubs in these cases, the costs are included in the per lot calculations and are reimbursed upon connection. The District has also included in the typical bid form a line item for service stubs. This protects the District with a fixed cost when faced these circumstances. In addition the District has a fixed price that homeowners can compare to other excavators. We have encouraged homeowners to contact the District's contractor to get the fixed price and deal directly with them. However in the Blue River project the Contractor had no problem in providing service stubs to homeowners but did not want to contract with homeowners because of past problems in collection. Because of numerous requests I decided to deal with the homeowners and collect the money directly. If not paid to the District in accordance with the District's Rules and Regulations we would follow our collection procedures. I understand this concerned some Board members so I withdrew the offer to the homeowners and had further discussions with the District's Contractor and they agreed to deal directly with the homeowners.
- 3) Nutrient Regulations Update. As the Board will recall there are new Nutrient regulations that will be enacted soon that will have a significant financial impact on the District. At one time the estimate was between 50 and 60 million dollars within the next ten years. Since my last report to the Board I have been able to discuss several of our concerns and propose numerous suggestions, outlined in the letter of July 13 to the Health Department. In that letter I explained the effects of the proposed regulations and the financial impacts on the South Blue Treatment Plant. The good news is that the recent redraft of the regulation incorporated most of the suggestions and if finally adopted by the Water Quality Control Commission in the spring, will save the District an estimated \$10

million dollars in the next five years. But we are not out of the woods yet. The District still faces upgrades to the other plants in terms of nitrogen removal. There will be a financial impact it's just how much. I have budgeted expenditure of at least \$16M beginning in 2018. I am also budgeting for a full engineering study to be conducted next year for a complete analysis of the effects.