

Upper Blue Sanitation District
Board of Directors Meeting
Thursday September 12, 2019 @ 5:30 PM

I. ROLL CALL:

Mrs. Signe Stimson called the meeting of the Upper Blue Sanitation District Board of Directors to order at 5:30 PM. Mrs. Signe Stimson, Mr. Rick Orwig and Mr. Robin Theobald answered "present" at roll call.

Mr. Andrew Carlberg and Ms. Marjorie Covey attended as well.

II. MINUTES:

August 8, 2019 minutes: Mr. Orwig made a motion to approve the August 8, 2019 Board of Directors meeting minutes. Mrs. Stimson seconded the motion. The motion was passed unanimously by the Board.

III. PUBLIC HEARINGS:

- Resolution 8, Series 2019, Inclusion of Lot 13 Overlook Retreat
- Resolution 9, Series 2019, Inclusion of Lot 14 Overlook Retreat
- Resolution 10, Series 2019, Inclusion of Tract A Overlook Retreat
- Resolution 12, Series 2019, Inclusion of Tract B Overlook Retreat

The Board discussed the Overlook Retreat Inclusion Petitions during the August 8, 2019 work session. The Board wanted to clarify the ownership and legal description of Overlook Retreat lot 13, 14 and 1-12 in SBE 1-4.

Mr. Carlberg explained to the Board that Overlook Retreat lot 13 & 14 were not included in the 1990's. The Inclusion Fee in 1990 was \$250.00. Due to the oversight Mr. Carlberg recommended that the District waive the Inclusion Fees.

Mr. Theobald made a motion to approve Inclusion Resolutions 8, 9, 10 and 12, Series 2019; and waive the Inclusion Fee due to the District's oversight in 1990. Mr. Orwig seconded the motion. The motion was passed unanimously by the Board.

IV. PUBLIC COMMENT: None

V. BILLS:

Mr. Orwig made a motion to approve the bills. Mrs. Stimson seconded the motion. The motion was passed unanimously by the Board.

VI. FINANCIAL REPORT:

The August Financial Report was accepted by the Board of Directors.

VII. MONTHLY REPORTS:

A. Plant and Collection:

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

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B. Manager Report:

-Mountain View Liftstation

Mr. Carlberg informed the Board that the District was successful in clearing the force main air lock with increase flows and additional flushing.

-Budget 2020

The District's 2020 budget was discussed during the work session.

-Iowa Hill Permit

Mr. Carlberg reported that the District has settled with the Health Department regarding the extension of the compliance schedule to 8 years on arsenic and 5 years on inorganic Nitrogen limits.

-Employee Housing Project

Mr. Carlberg said that the employee housing project is moving ahead and that a few adjustments have been made on the size and layout.

VIII. OLD BUSINESS: None

IX. NEW BUSINESS:

C. Pay Request #2, DRC Warriors Mark Line Repairs

DRC Construction has completed televising Warriors Mark and will continue working on the Peak 8 line. The majority of the slip lining has been completed.

DRC Construction is submitting pay request #2 in the amount of \$367,233.01. Mr. Carlberg recommended that the Board approve DRC Construction pay request #2.

Mr. Orwig made a motion to approve DRC Construction pay request #2 in the amount of \$367,233.01. Mr. Theobald seconded the motion. The motion was passed unanimously by the Board.

D. Short Term Rental Discussion

The Board was presented the short term rental draft report from Mott MacDonald and discussed the report during the work session. Mott MacDonald will have an updated report at the October 10, 2019 Board meeting.

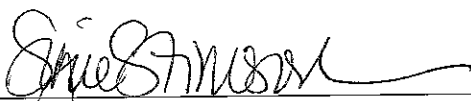
E. 2020 Draft Budget

The 2020 Draft Budget was discussed during the work session. The Board reviewed the proposed increases in tap fees and service fees. In addition, the Board discussed the impacts of short term rentals of single family homes. The 2020 Draft Budget will be posted on the District's website.

X. CORRESPONDENCE:

XI. ADJOURN:

Mr. Orwig made a motion to adjourn the meeting at 5:59 PM. Mr. Theobald seconded the motion. The motion was passed unanimously by the Board.


Mrs. Signe Stimson, Secretary


Mr. Rick Orwig

Upper Blue Sanitation District
 Comparative Balance Sheet-UNAUDITED DRAFT
 August 31, 2019

	<u>2019</u>	<u>2018</u>	<u>Increase</u> <u>(Decrease)</u>
<u>Current Assets:</u>			
Petty Cash	\$200	\$200	-
Checking-Wells Fargo Bank	15,007,395	16,087,072	(1,079,677)
Cash-Centennial Bank Money Market	-	-	-
Colotrust Plus	15,476,521	12,124,789	3,351,732
ColoTrust Prime	3,801,636	3,718,971	82,665
Total Cash and Equivalents	34,285,752	31,931,032	2,354,720
Investments			
FK Construction Retainage Escrow	-	-	-
Cert. of Deposit & Treasuries	-	-	-
Total Investments	-	-	-
Other Current Assets			
Receivables-Utility + Spec. Assessments	40,993	12,238	28,755
Developer/Contractor Escrow	127,244	177,029	(49,785)
Interest Receivable & Market Adjustments	12,388	-	12,388
Notes Receivable	113,502	173,459	(59,957)
Prepaid Expenses	55,274	52,735	2,539
Emp. Loan Assist. Notes Receivable	30,000	-	30,000
Total Other Assets	379,401	415,461	(36,060)
Total Current Assets:	34,665,153	32,346,493	2,318,660
Property Plant and Equipment:			
Land	721,070	721,070	-
Easements	98,254	98,254	-
Sewer Lines	17,101,665	15,133,847	1,967,818
Treatment Plants	79,761,354	79,430,768	330,586
Office Equipment	243,617	228,938	14,679
Other Machines & Equipment	545,163	545,163	-
Autos & Trucks	1,266,862	1,246,967	19,895
IH Administration Building	153,903	153,903	-
Upper Blue System Costs	9,288,377	9,307,387	(19,010)
Telemetry	429,229	429,229	-
Employee Housing	1,038,191	1,038,191	-
Total Property Plant and Equipment :	110,647,685	108,333,717	2,313,968
Less Accumulated Depreciation	(41,626,349)	(39,011,020)	(2,615,329)
Net Property Plant and Equipment :	69,021,336	69,322,697	(301,361)
Total Assets:	103,686,489	101,669,190	2,017,299

Liabilities

	<u>2019</u>	<u>2018</u>	<u>Increase</u> <u>(Decrease)</u>
<u>Current Liabilities:</u>			
Accounts Payable	137,829	451,540	(313,711)
Construction/Developer Escrow	127,244	177,029	(49,785)
Earned Employee Benefits	126,809	127,071	(262)
Unearned User Fees	485,548	478,733	6,815
Interest Payable	10,564	11,373	(809)
Loan Payable (Current Portion)	99,082	97,130	1,952
Retainage Payable-Construction in Progress	158,801	-	158,801
Retainage Payable-Blue River	-	-	-
Employee Housing Deposit Payable	1,750	1,750	-
Total Current Liabilities:	<u>1,147,627</u>	<u>1,344,626</u>	<u>(196,999)</u>
Long Term Liabilities:			
Loan Payable	1,168,590	1,267,672	(99,082)
Total Long Term Liabilities:	<u>1,168,590</u>	<u>1,267,672</u>	<u>(99,082)</u>
Total Liabilities	<u>2,316,217</u>	<u>2,612,298</u>	<u>(296,081)</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	67,743,100	67,743,100	-
Unrestricted Net Assets	17,627,172	17,313,792	313,380
Unrestricted Net Assets - Nutrient Reserve	16,000,000	14,000,000	2,000,000
Total Contributed Capital	<u>101,370,272</u>	<u>99,056,892</u>	<u>2,313,380</u>
Total Liabilities and Equity	<u>103,686,489</u>	<u>101,669,190</u>	<u>2,017,299</u>

Upper Blue Sanitation District
 Monthly Financial Statement-UNAUDITED DRAFT
 August 31, 2019

	2019	2019	2019	2019	2019
	<u>August</u>	<u>Year To Date</u>	<u>Approved Budget</u>	<u>Uncollected</u>	<u>% Uncol/Col</u>
Operating Revenue					
Sewer User Fees	500,200	3,892,605	5,838,176	1,945,571	33
Tap Inspection Fees	600	4,600	10,000	5,400	54
Miscellaneous Revenue	0	3,556	15,000	11,444	76
CEBT Dividend	0	11,268	0	(11,268)	#DIV/0!
Camper Dump Fees	2,139	6,459	9,000	2,541	28
Late Fees	(8,318)	8,127	10,000	1,873	19
Line Extension Fees	0	69,010	50,000	(19,010)	(38)
Rental Income	4,184	33,284	45,000	11,716	26
Total Operating Revenue	498,805	4,028,909	5,977,176	1,948,267	33
Miscellaneous Revenue					
Interest on Loan Payments	23	5,664	15,000	9,336	62
Plant Investment Fees	169,126	1,694,160	1,800,000	105,840	6
Inclusion Fees	0	54,188	100,000	45,812	46
Interest on Investments	50,462	407,945	350,000	(57,945)	(17)
Transfer from Reserve	0	0	0	0	0
Total Miscellaneous Revenue	219,611	2,161,957	2,265,000	93,707	4
Total Revenue	718,416	6,190,866	8,242,176	2,051,310	25

Administration Expense	2019 <u>August</u>	2019 <u>Year to Date</u>	2019 <u>Approved Budget</u>	2019 <u>Available</u>	2019 <u>% Available</u>
Payroll & Employee Benefits					
Salaries	97,268	777,695	1,378,343	600,648	44
Overtime	4,641	29,776	45,000	15,224	34
FICA-Admn	5,822	48,697	88,247	39,550	45
Medicare-Admin	1,456	11,483	20,638	9,155	44
401K Contributions	6,981	54,993	103,376	48,383	47
Worker's Compensation Insurance	1,772	12,285	30,000	17,715	59
Health Insurance	25,599	204,837	280,000	75,163	27
Total	143,539	1,139,766	1,945,604	805,838	41
Office Supplies	172	1,517	5,000	3,483	70
Telephone	679	11,319	22,000	10,681	49
Business Expenses	570	32,081	45,000	12,919	29
Bank Service Fees - Admin	1,369	4,865	9,000	4,135	46
Legal Counsel	0	71,205	50,000	(21,205)	(42)
Education	878	11,560	25,000	13,440	54
Audit & Accounting	2,375	9,500	10,000	500	5
Legal Publications	0	2,779	5,000	2,221	44
Board Members	500	3,900	6,000	2,100	35
Elections	0	0	0	0	#DIV/0!
Computer Expenses	2,850	26,247	40,000	13,753	34
Copy Machine & Supply	0	0	1,000	1,000	100
Postage & Meter Rent	875	10,582	12,000	1,418	12
Insurance - General	12,047	96,758	135,249	38,491	28
Insurance - Deductible	0	0	1,000	1,000	100
Engineering	0	41,220	75,000	33,780	45
Tools	142	1,969	2,500	531	21
Vehicle Expense	0	0	500	500	100
Dues & Memberships	0	7,370	7,000	(370)	(5)
Safety	298	3,542	5,000	1,458	29
Summit Water Quality	0	18,531	18,000	(531)	(3)
Building Maintenance	1,460	17,329	20,000	2,671	13
Employee Housing Maintenance	74	11,753	15,000	3,247	22
Employee Housing Utilities	0	1,240	4,000	2,760	69
Total Administration	167,828	1,525,033	2,458,853	933,820	38
Iowa Hill Plant Expenses					
Utilities					
Gas	216	14,465	26,000	11,535	44
Electric	8,409	94,350	220,000	125,650	57
Freight	1,876	12,927	18,000	5,073	28
Equipment Repairs	0	12,076	50,000	37,924	76
Chemicals	29,970	162,363	200,000	37,637	19
Supplies	1,825	7,876	10,000	2,124	21
Contracted Repairs	9,176	61,285	60,000	(1,285)	(2)
Laboratory Supplies	710	11,298	15,000	3,702	25
Biomonitoring	0	2,784	8,000	5,216	65
Discharge Permit	0	7,529	8,000	471	6
Site Monitoring	334	14,181	23,000	8,819	38
Total Iowa Hill	52,516	401,134	638,000	236,866	37

	2019 <u>August</u>	2019 <u>Year to Date</u>	2019 <u>Approved Budget</u>	2019 <u>Available</u>	2019 <u>% Available</u>
Farmers Korner Expenses					
Utilities					
Gas	0	36,984	60,000	23,016	38
Electric	35,940	230,506	400,000	169,494	42
Freight	0	15,444	30,000	14,556	49
Equipment Repairs	1,088	8,888	60,000	51,112	85
Chemicals	9,735	204,130	330,000	125,870	38
Supplies	65	7,284	10,000	2,716	27
Contracted Repairs	1,786	40,943	60,000	19,057	32
Dumpster Charges	1,188	9,505	15,000	5,495	37
Biomonitoring	0	4,227	7,000	2,773	40
Discharge Permit	0	15,712	15,000	(712)	(5)
Composting	0	76,104	110,000	33,896	31
Site Monitoring	619	9,728	23,000	13,272	58
Sludge Hauling Costs	8,171	56,771	70,000	13,229	19
State Health Fees	0	0	2,500	2,500	100
Total Farmers Korner	58,592	716,226	1,192,500	476,274	40
South Blue Expenses					
Utilities					
Gas	120	2,778	10,000	7,222	72
Electric	1,605	20,642	38,000	17,358	46
Equipment Repairs	0	0	2,500	2,500	100
Supplies	0	41	1,000	959	96
Contracted Repairs	0	0	5,000	5,000	100
Discharge Permit	0	0	3,000	3,000	100
Site Monitoring	558	4,220	8,000	3,780	47
Total South Blue	2,283	27,681	67,500	39,819	59
Collection Expenses					
Utilities	1,031	8,538	20,000	11,462	57
Vehicle Expense	2,638	19,136	40,000	20,864	52
Line Cleaner Expenses	0	6,588	10,000	3,412	34
Manhole Repairs/Line Repairs	12,624	100,304	130,000	29,696	23
Equipment Repairs	79	3,648	9,000	5,352	59
CCTV Expense	0	765	5,000	4,235	85
Total Collection	16,372	138,979	214,000	75,021	35
Total Operating Expenditures	297,591	2,809,053	4,570,853	1,761,800	39
Net Cash from Operations	201,214	1,219,856	1,406,323		
Replacement Capital					
Administration	0	0	35,000	35,000	100
Plant:					
IH	0	9,117	600,000	590,883	98
FK	0	153,475	575,000	421,525	73
South Blue	6,182	6,182	50,000	43,818	88
Collection					
Misc.	0	408,182	1,225,000	816,818	67
Vehicle	0	36,929	55,000	18,071	33
Total Replacement Capital	6,182	613,885	2,540,000	1,926,115	76
Non Operating Expenses					
Bond Principal	0	99,082	97,129	(1,953)	(2)
Bond Interest	0	24,860	26,813	1,953	7
Total Non Operating	0	123,942	123,942	0	0

August Financial Statement Cont.

	<u>2019</u> <u>August</u>	<u>2019</u> <u>Year to Date</u>	<u>2019</u> <u>Approved Budget</u>	<u>2019</u> <u>Available</u>	<u>2019</u> <u>% Available</u>
Capital Outlay					
Plant:					
IH	0	0	300,000	300,000	100
FK	16,115	50,760	310,000	259,240	84
South Blue	0	0	0	0	0
Employee Housing	2,236	41,984	900,000	0	0
Collection	7,624	9,125	600,000	590,875	98
Administration	0	5,902	30,000	24,098	80
Total Capital Outlay	<u>25,975</u>	<u>107,771</u>	<u>2,140,000</u>	<u>1,174,213</u>	<u>55</u>
Total Expenses	<u>329,748</u>	<u>3,654,651</u>	<u>9,374,795</u>	<u>5,720,144</u>	<u>61</u>
Total Revenue - Total Expenses	<u>388,668</u>	<u>2,536,215</u>			

Upper Blue Sanitation District
 Comparative Financial Statement-UNAUDITED DRAFT
 August 31, 2019 vs. August 31, 2018

	2019 <u>August</u>	2018 <u>August</u>	2019 <u>Year To Date</u>	2018 <u>Year to Date</u>	Increase <u>(Decrease)</u>
Operating Revenue					
Sewer User Fees	500,200	480,419	3,892,605	3,810,536	82,069
Tap Inspection Fees	600	1,300	4,600	7,000	(2,400)
Miscellaneous Revenue	0	0	3,556	17,523	(13,967)
CEBT Dividend	0	0	11,268	0	
Camper Dump Fees	2,139	1,781	6,459	6,838	(379)
Late Fees	(8,318)	337	8,127	6,519	1,608
Line Extension Fees	0	15,820	69,010	108,921	(39,911)
Rental Income	4,184	3,800	33,284	28,450	4,834
Total Operating Revenue	498,805	503,457	4,028,909	3,985,787	31,854
Miscellaneous Revenue					
Interest on Loan Payments	23	86	5,664	7,161	(1,497)
Plant Investment Fees	169,126	655,654	1,694,160	3,297,154	(1,602,994)
Inclusion Fees	0	9,667	54,188	110,440	(56,252)
Interest on Investments	50,462	38,908	407,945	206,462	201,483
Transfer from Reserve	0	0	0	0	0
Total Miscellaneous Revenue	219,611	704,315	2,161,957	3,621,217	(1,457,763)
Total Revenue	718,416	1,207,772	6,190,866	7,607,004	(1,416,138)

Administration Expense	2019 <u>August</u>	2018 <u>August</u>	2019 <u>Year to Date</u>	2018 <u>Year to Date</u>	Increase <u>(Decrease)</u>
Payroll & Employee Benefits					
Salaries	97,268	88,674	777,695	710,077	67,618
Overtime	4,641	6,163	29,776	28,864	912
FICA-Admn	5,822	5,790	48,697	45,250	3,447
Medicare-Admin	1,456	1,354	11,483	10,583	900
401K Contributions	6,981	6,460	54,993	50,887	4,106
Worker's Compensation Insur	1,772	2,155	12,285	16,049	(3,764)
Health Insurance	25,599	23,963	204,837	175,199	29,638
Total	143,539	134,559	1,139,766	1,036,909	102,857
Office Supplies	172	200	1,517	2,690	(1,173)
Telephone	679	1,501	11,319	13,918	(2,599)
Business Expenses	570	174	32,081	29,521	2,560
Bank Service Fees - Admin	1,369	1,394	4,865	5,597	(732)
Legal Counsel	0	1,840	71,205	30,953	40,252
Education	878	813	11,560	8,816	2,744
Audit & Accounting	2,375	2,300	9,500	9,300	200
Legal Publications	0	393	2,779	2,429	350
Board Members	500	500	3,900	4,000	(100)
Elections	0	0	0	0	0
Computer Expenses	2,850	6,434	26,247	30,793	(4,546)
Copy Machine & Supply	0	0	0	45	(45)
Postage & Meter Rent	875	601	10,582	8,741	1,841
Insurance - General	12,047	11,028	96,758	84,080	12,678
Insurance - Deductible	0	0	0	0	0
Engineering	0	0	41,220	15,461	25,759
Tools	142	0	1,969	1,546	423
Vehicle Expense	0	0	0	0	0
Dues & Memberships	0	0	7,370	4,874	2,496
Safety	298	258	3,542	4,709	(1,167)
Summit Water Quality	0	0	18,531	17,611	920
Building Maintenance	1,460	1,216	17,329	16,661	668
Employee Housing Maintenan	74	60	11,753	7,325	4,428
Employee Housing Utilities	0	0	1,240	2,460	(1,220)
Total Administration	167,828	163,271	1,525,033	1,338,439	186,594
Iowa Hill Plant Expenses					
Utilities					
Gas	216	183	14,465	10,898	3,567
Electric	8,409	14,455	94,350	112,249	(17,899)
Freight	1,876	2,305	12,927	12,374	553
Equipment Repairs	0	898	12,076	16,419	(4,343)
Chemicals	29,970	14,868	162,363	113,086	49,277
Contracted Repairs	1,825	1,693	7,876	15,528	(7,652)
Laboratory Supplies	9,176	3,372	61,285	11,763	49,522
Biomonitoring	710	0	11,298	5,172	6,126
Discharge Permit	0	0	2,784	7,529	(4,745)
Supplies	0	164	7,529	6,265	1,264
Site Monitoring	334	1,195	14,181	13,926	255
Total Iowa Hill	52,516	39,133	401,134	325,209	75,925

August Comparative Statement Cont.

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	2019 <u>August</u>	2018 <u>August</u>	2019 <u>Year to Date</u>	2018 <u>Year to Date</u>	Increase <u>(Decrease)</u>
Farmers Korner					
Utilities					
Gas	0	774	36,984	30,659	6,325
Electric	35,940	28,704	230,506	234,356	(3,850)
Freight	0	2,175	15,444	13,459	1,985
Equipment Repairs	1,088	2,206	8,888	24,710	(15,822)
Chemicals	9,735	25,123	204,130	235,309	(31,179)
Supplies	65	745	7,284	6,408	876
Contracted Repairs	1,786	3,337	40,943	23,675	17,268
Dumpster Charges	1,188	1,320	9,505	8,985	520
Biomonitoring	0	0	4,227	1,536	2,691
Discharge Permit	0	0	15,712	14,092	1,620
Composting	0	7,965	76,104	75,172	932
Site Monitoring	619	1,099	9,728	22,259	(12,531)
Sludge Hauling Costs	8,171	6,075	56,771	45,900	10,871
State Health Fees	0	0	0	1,335	(1,335)
Total Farmers Korner	58,592	79,523	716,226	737,855	(21,629)
South Blue Expenses					
Utilities					
Gas	120	44	2,778	4,003	(1,225)
Electric	1,605	2,297	20,642	19,693	949
Equipment Repairs	0	0	0	1,487	(1,487)
Contracted Repairs	0	0	41	1,299	(1,258)
Supplies	0	696	0	992	(992)
Discharge Permit	0	100	0	2,925	(2,925)
Site Monitoring	558	261	4,220	1,986	2,234
Total South Blue	2,283	3,398	27,681	32,385	(4,704)
Collection Expenses					
Utilities					
Gas	1,031	993	8,538	7,665	873
Vehicle Expense	2,638	3,723	19,136	26,468	(7,332)
Line Cleaner Expenses	0	14	6,588	2,279	4,309
Manhole Repairs/Line Repair	12,624	15,128	100,304	79,709	20,595
Equipment Repairs	79	35	3,648	7,772	(4,124)
CCTV Expense	0	0	765	0	765
Total Collection	16,372	19,893	138,979	123,893	15,086
Total Operating Expenditure	297,591	305,218	2,809,053	2,557,781	251,272
Net Cash from Operations	201,214	198,239	1,219,856	1,428,006	(208,150)
Replacement Capital					
Administration					
Plant	0	5,919	0	14,679	(14,679)
IH	0	0	9,117	0	9,117
FK	0	68,523	153,475	226,419	(72,944)
Upper Blue	6,182	0	6,182	0	6,182
Collection	0	0	0	0	0
Misc	0	11,629	408,182	132,484	275,698
Vehicle	0	0	36,929	42,126	(5,197)
Total Replacement Capital	6,182	86,071	613,885	415,708	198,177
Non Operating Expenses					
CWRPDA Loan Principal					
Loan Interest	0	0	99,082	97,129	1,953
Total Non Operating	0	0	123,942	123,942	0

August Comparative Statement Cont.

	2019 <u>August</u>	2018 <u>August</u>	2019 <u>Year to Date</u>	2018 <u>Year to Date</u>	Pg. 4 Increase (Decrease)
Capital Outlay					
Plant-IH-CO	0	0	0	0	0
Plant-FK-CO	16,115	0	50,760	0	50,760
Plant-South Blue-CO	0	938	0	2,330	(2,330)
Employee Housing	2,236	0	41,984	0	41,984
Collection	7,624	254,565	9,125	284,872	(275,747)
Administration	0	0	5,902		#VALUE!
Total Capital Outlay	25,975	255,503	107,771	287,202	(179,431)
Total Expenses	329,748	646,792	3,654,651	3,384,633	270,018
Revenue Less Expenses	388,668	560,980	2,536,215	4,222,371	(1,686,156)