

Upper Blue Sanitation District
Board of Directors Meeting
Thursday April 11, 2013 @ 5:30 PM

I. ROLL CALL:

Mr. Robin Theobald called the meeting to order at 5:30 PM. Mr. Robin Theobald, Mr. Ken Trausch, Mr. Allyn Mosher and Mr. Michael Turek answered "present" at roll call. Mr. Andrew Carlberg and Mrs. Marjorie Borsina attended as well.

II. MINUTES:

March 14, 2013 minutes: Mr. Turek made a motion to approve the March 14, 2013 Board of Directors meeting minutes. Mr. Mosher seconded the motion. The motion was passed unanimously by the Board.

III. PUBLIC HEARINGS: None

IV. PUBLIC COMMENT: None

V. BILLS:

The bills were reviewed and discussed by the Board of Directors during the work session. Mr. Trausch made a motion to approve the bills as submitted. Mr. Turek seconded the motion. Mr. Theobald asked the Board for a roll call and the motion was passed unanimously by the Board.

VI. FINANCIAL REPORT:

The Financial report was discussed 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. Glacier Construction is still working on some minor warranty items at the Farmers Korner North Plant. The solids loading at Farmers Korner was down 57.8% in February. This was due to the Colorado Department of Health changing the permit influent sampling point from before the bar screens to after the bar screens.

B. Manager Report:

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

-Nutrient Trading:

Mr. Carlberg reported that the District recently met with the Colorado Department of Public Health regarding nutrient trading in the Upper Blue. The Colorado Department of Public Health was encouraged that the District was being proactive. Mr. Carlberg included in the Managers Report recent correspondence with the Colorado Department of Public Health.

-Redline Construction Dispute:

To date the District has not heard back from Redline's attorney.

-Blue Grouse Trail Claim:

Mr. Carlberg reported that he is continuing to work with the insurance company.

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-Town of Blue River:

The District continues to work with the Town of Blue River on projects such as a bike trail along Highway 9 and thawing frozen culverts. Master planning and design of the sewer line extension through Blue Rock Springs has begun. During the work session Mr. Carlberg presented to the Board a proposed alignment of the 2014 sewer line extension.

-Town of Breckenridge:

Mr. Carlberg reported that Mr. Gary Roberts with the Town of Breckenridge and their water consultants scheduled a meeting with him to discuss several issues concerning the proposed water plant. The Town of Breckenridge is leaning toward locating the water plant at Farmers Korner. Mr. Carlberg said that he explained to the Town of Breckenridge the financial impacts to the District if the water plant was located at Farmers Korner.

-Woodmoor Repair Project:

The Woodmore repair project bid was awarded at the March Board meeting and work is to begin towards the end of May.

-Iowa Hill Project:

Mr. Carlberg said that he and Greg Brown are investigating newer technologies for the upgrades of the final filters.

-Administration Building:

Mr. Carlberg reported in the Manager's Report that the repair of the Administration Building project is out to bid and so far the District has a few interested General Contractors. The bid opening is scheduled for April 10, 2013 and the Board would discuss the results at the Board meeting. Prior to the Board meeting Mr. Carlberg decided to put the bid off for two weeks due to a mis-locate by the Town of Breckenridge Water Department. The District has asked the architect to look at new engineering for jacking up the building since the water line goes next to the building. Mr. Carlberg said that the bid should be ready in a couple of weeks for the Board to approve at the May Board meeting. The Board asked Mr. Carlberg to have the architect also look at air flow in the Iowa Hill building once the construction is complete.

VIII. OLD BUSINESS:

IX. NEW BUSINESS:

C. IRS 179(d) refund request – Baker Hogan Houx:

Mark Hogan of BHH Partners and BHH's certified engineering firm were present. Mark Hogan has requested that the Board of Directors allow BHH Partners to apply for a 179(d) tax deduction for the energy efficient design of the Farmers Korner plant expansion. The 179(d) tax deduction is fully authorized by the Federal Government and is available to design firms of public construction projects. The Board discussed the information in the Board packet at great length with Mark Hogan and their certified engineer. The Board requested that Mark Hogan contact Carollo Engineering to see if they would also be submitting a 179(d) tax refund request. The Board decided that they would not make a decision at this Board meeting pending further research on the 179(d) tax deduction.

D. Health Insurance Renewal:

The Board discussed the District's health insurance renewal information and bids from three other health insurance plans during the work session. Colorado Employer Benefit Trust (CEBT) is the District's current provider of health insurance. CEBT is the Special District's Pool plan and is negotiated each year by the Colorado Special District Association. The District's current health insurance costs will increase by 5.5% effective July 1, 2013. The District currently pays 100% of the employee's health insurance. Employees with dependents pay \$15.00 per pay period. The Board discussed several options to keep the increasing health insurance costs within the District's means.

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Mr. Turek made a motion to increase the health insurance deductible from \$600.00 to \$1,000.00 and to eliminate employees with dependents from paying \$15.00 per pay period. Mr. Mosher seconded the motion. The motion was passed unanimously by the Board.

E. Inclusion Petition Lot 38 Ten Mile Vista-Filing #1:

Mr. Carlberg told the Board that the owners of lot 38, filing #1 in the Ten Mile Vista subdivision have submitted a petition for inclusion. Mr. Carlberg said that the owners would like to expand the house but the septic system cannot be expanded due to the size of the lot. The main sewer line needs to be extended in order for lot 38, filing #1 in Ten Mile Vista to connect. The line extension options were discussed during the work session, which will cost the District approximately \$25,000.00 to \$50,000.00. Mr. Carlberg said that he would contact other property owners to see if there is any interest in connecting. Mr. Carlberg recommended that the Board accept the inclusion petition.

Mr. Turek made a motion to accept the Inclusion Petition for lot 38, filing #1 in the Ten Mile Vista subdivision and to set the Public Hearing for the May Board meeting. Mr. Mosher seconded the motion. The motion was passed unanimously by the Board.

F. Inclusion Petition Lot 34/35 and 36 Breckenridge Park Estates:

Mr. Carlberg told the Board that the owner of lot 34/35 and 36 Breckenridge Park Estates subdivision has submitted a petition for inclusion. Mr. Carlberg said that the owner would like to connect this summer, but the sewer line would need to be extended in accordance with the District's line extension policies.

Mr. Turek made a motion to accept the Inclusion Petition for lot 34/35 and 36 Breckenridge Park Estates subdivision and to set the Public Hearing for the May Board meeting. Mr. Mosher seconded the motion. The motion was passed unanimously by the Board.

X. CORRESPONDENCE:

Town of Breckenridge-Fee Waiver Request:

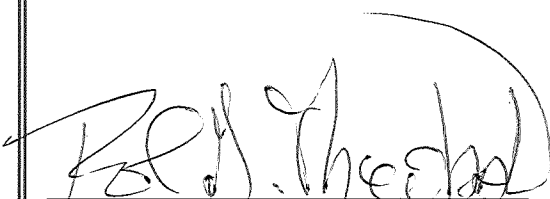
The Board discussed during the work session the letter received from the Town of Breckenridge Mayor. In the letter the Town of Breckenridge requested that the District waive fees associated with the inclusion and development of the Claimjumper property. No decision was made by the Board at this time on the Town of Breckenridge's request. The Board asked Mr. Carlberg to draft a letter for the Board to send to the Town of Breckenridge Mayor. The Board recommended that the letter suggest the Town of Breckenridge file an inclusion petition in order to start the formal inclusion process of the Claimjumper property.

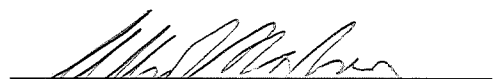
Backstage Theatre:

Mr. Carlberg reported to the Board that the Backstage Theatre has asked the District for use of the vacant employee house for actor lodging this summer. The letter of request from the Backstage Theatre was presented to the Board. The District currently has an employee housing lease agreement that was written by the District's attorney which can be utilized.

XI. ADJOURN:

Mr. Turek made a motion to adjourn the meeting at 6:32 PM. Mr. Trausch seconded the motion. The motion was passed unanimously by the Board.


 Mr. Robin G. Theobald, President


 Mr. Allyn T. Mosher, Secretary

Memorandum

To: Andy Carlberg

From: Marjorie Borsina

Date: April 10, 2013

Re: Financial Update

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

-We have not received all of the March 2013 bills. Therefore, the March 2013 Financial Statements are a preliminary draft for your review.

-We have scheduled the 2012 Audit with Johnson, Holscher & Company the week of April 22, 2013.

-There will not be any changes to the capital asset and depreciation numbers until after the numbers have been reviewed by the auditor.

-The District sent out requests for bids on investing \$1,000,000.00 in a PDPA insured money market account. The request for bid was sent to Bank of the West, Centennial Bank, U.S. Bank and Wells Fargo. The District received three bids. The highest bid was at 0.20% which is the current interest rate the District is earning on the savings account with Wells Fargo.

Marjorie

Upper Blue Sanitation District
Comparative Balance Sheet-UNAUDITED DRAFT
March 31, 2013 and March 31, 2012

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<u>Current Assets:</u>			
Petty Cash	\$200	\$200	-
Checking-Alpine Bank	\$ -	\$ -	-
Checking-Wells Fargo Bank	9,761,190	8,194,631	1,566,559
Cash on Deposit with CWRPDA	-	-	-
ColoTrust Prime	3,639,494	3,637,877	1,617
Total Cash and Equivalents	13,400,884	11,832,708	1,568,176
Investments			
FK Construction Retainage Escrow	-	478,605	(478,605)
Cert. of Deposit & Treasuries	2,010,590	1,508,295	502,295
Total Investments	2,010,590	1,986,900	23,690
Other Current Assets			
Receivables-Utility + Spec. Assessments	37,386	61,015	(23,629)
Developer/Contractor Escrow	135,743	122,244	13,499
Interest Receivable & Market Adjustments	-	-	-
Notes Receivable	176,663	189,908	(13,245)
Prepaid Expenses	348,651	339,254	9,397
Loan Issuance Costs (Net)	139,249	139,249	-
Total Other Assets	837,692	851,670	(13,978)
Total Current Assets:	16,249,166	14,671,278	1,577,888
Property Plant and Equipment:			
Land	721,070	721,070	-
Easements	69,583	69,583	-
Sewer Lines	13,368,225	13,368,225	-
Treatment Plants	75,663,825	75,663,825	-
Office Equipment	210,830	210,830	-
Other Machines & Equipment	459,772	459,772	-
Autos & Trucks	821,984	821,984	-
Upper Blue System Costs	3,587,750	3,587,750	-
Telemetry	102,075	102,075	-
Employee Housing	1,038,191	1,038,191	-
Total Property Plant and Equipment :	96,043,305	96,043,305	-
Less Accumulated Depreciation	(25,913,128)	(25,913,128)	-
Net Property Plant and Equipment :	70,130,177	70,130,177	-
Total Assets:	86,379,343	84,801,455	1,577,888

Liabilities

	<u>2013</u>	<u>2012</u>	<u>Increase</u> <u>(Decrease)</u>
Current Liabilities:			
Accounts Payable	54,060	349,055	(294,995)
Construction/Developer Escrow	135,743	122,244	13,499
Earned Employee Benefits	121,784	121,416	368
Unearned User Fees	-	433,717	(433,717)
Interest Payable	164,671	164,671	-
Loan Payable (Current Portion)	890,595	890,595	-
Retainage Payable-Construction in Progress	34,847	478,605	(443,758)
Retainage Payable-Blue River	-	-	-
Employee Housing Deposit Payable	1,250	1,250	-
Total Current Liabilities:	1,402,950	2,561,553	(1,158,603)
Long Term Liabilities:			
Loan Payable	10,203,839	10,203,839	-
Total Long Term Liabilities:	10,203,839	10,203,839	-
Total Liabilities	11,606,789	12,765,392	(1,158,603)
Net Assets			
Invested in Capital Assets, Net of Related Debt	58,871,070	58,871,070	-
Unrestricted Net Assets	11,901,484	11,164,993	736,491
Unrestricted Net Assets - Nutrient Reserve	4,000,000	2,000,000	2,000,000
Total Contributed Capital	74,772,554	72,036,063	2,736,491
Total Liabilities and Equity	86,379,343	84,801,455	1,577,888

Upper Blue Sanitation District
Monthly Financial Statement-UNAUDITED DRAFT
March 31, 2013

	2013	2013	2013	2013	2013
	<u>March</u>	<u>Year To Date</u>	<u>Approved Budget</u>	<u>Uncollected</u>	<u>% Uncol/Col</u>
Operating Revenue					
Sewer User Fees	436,389	1,309,991	5,231,574	3,921,583	75
Tap Inspection Fees	600	1,100	7,000	5,900	84
Miscellaneous Revenue	0	7,791	1,000	(6,791)	(679)
Camper Dump Fees	0	0	3,000	3,000	100
Late Fees	11,074	9,075	25,000	15,925	64
Line Extension Fees	0	0	25,000	25,000	100
Rental Income	3,750	11,250	40,000	28,750	72
Total Operating Revenue	<u>451,813</u>	<u>1,339,207</u>	<u>5,332,574</u>	<u>3,993,367</u>	<u>75</u>
Miscellaneous Revenue					
Interest on Loan Payments	1,251	2,682	9,000	6,318	70
Plant Investment Fees	143,642	265,274	400,000	134,726	34
Inclusion Fees	0	0	30,000	30,000	100
Interest on Investments	1,781	5,451	18,000	12,549	0
Transfer from Reserve	0	0	0	0	0
Total Miscellaneous Revenue	<u>146,674</u>	<u>273,407</u>	<u>457,000</u>	<u>177,275</u>	<u>39</u>
Total Revenue	<u>598,487</u>	<u>1,612,614</u>	<u>5,789,574</u>	<u>4,176,960</u>	<u>72</u>

Administration Expense	2013 March	2013 Year to Date	2013 Approved Budget	2013 Available	2013 % Available
Payroll & Employee Benefits					
Salaries	84,322	248,098	1,139,399	891,301	78
Overtime	1,101	5,172	45,000	39,828	89
FICA-Admn	5,212	15,449	74,000	58,551	79
Medicare-Admin	1,219	3,613	19,000	15,387	81
401K Contributions	6,044	18,159	80,000	61,841	77
Worker's Compensation Insurance	1,373	4,119	19,000	14,881	78
Health Insurance	20,086	60,259	256,238	195,979	76
Total	119,357	354,869	1,632,637	1,277,768	78
Office Supplies	949	1,288	4,000	2,712	68
Telephone	1,211	3,388	16,500	13,112	79
Business Expenses	1,399	17,770	32,000	14,230	44
Legal Counsel	615	3,881	50,000	46,119	92
Education	678	2,787	25,000	22,213	89
Audit & Accounting	0	0	9,000	9,000	100
Legal Publications	1,594	1,703	12,000	10,297	86
Board Members	500	1,500	6,000	4,500	75
Elections	0	0	0	0	0
Computer Expenses	662	2,900	9,000	6,100	68
Copy Machine & Supply	0	0	1,000	1,000	100
Postage & Meter Rent	600	3,108	13,000	9,892	76
Insurance - General	10,108	30,324	115,000	84,676	74
Insurance - Deductible	109	109	1,000	891	89
Engineering	0	11,468	100,000	88,532	89
Tools	0	985	3,500	2,515	72
Radios	0	0	0	0	0
Vehicle Expense	0	0	1,000	1,000	100
Dues & Memberships	0	2,908	7,000	4,092	58
Safety	206	553	4,000	3,447	86
Summit Water Quality	0	0	12,000	12,000	100
Building Maintenance	879	4,013	17,000	12,987	76
Employee Housing Maintenance	486	1,073	20,000	18,927	95
Employee Housing Utilities	88	1,407	3,000	1,593	53
Total Administration	139,441	446,034	2,093,637	1,647,603	79
Iowa Hill Plant Expenses					
Utilities					
Gas	1,429	4,547	6,000	1,453	24
Electric	2,813	8,658	50,000	41,342	83
Freight	0	70	2,000	1,930	97
Equipment Repairs	0	362	25,000	24,638	99
Chemicals	0	0	10,000	10,000	100
Contracted Repairs	0	1,646	25,000	23,354	93
Laboratory Supplies	2,978	5,604	15,000	9,396	63
Biomonitoring	0	0	0	0	0
Discharge Permit	0	0	7,000	7,000	100
Supplies	0	0	3,000	3,000	100
Total Iowa Hill	7,220	20,887	143,000	122,113	85

	2013 <u>March</u>	2013 <u>Year to Date</u>	2013 <u>Approved Budget</u>	2013 <u>Available</u>	2013 <u>% Available</u>
Farmers Korner Expenses					
Utilities					
Gas	954	19,421	75,000	55,579	74
Electric	35,613	109,440	550,000	440,560	80
Freight	1,856	6,790	25,000	18,210	73
Equipment Repairs	2,353	11,629	60,000	48,371	81
Chemicals	27,268	127,580	350,000	222,420	64
Supplies	29	1,525	15,000	13,475	90
Contracted Repairs	120	341	15,000	14,659	98
Dumpster Charges	995	2,985	14,000	11,015	79
Biomonitoring	0	0	7,000	7,000	100
Discharge Permit	153	153	17,000	16,847	99
Composting	8,696	27,766	115,000	87,234	76
Site Monitoring	491	3,651	25,000	21,349	85
Sludge Hauling Costs	5,175	17,100	55,000	37,900	69
State Health Fees	0	0	2,500	2,500	100
Total Farmers Korner	83,703	328,381	1,325,500	997,119	75
Collection Expenses					
Utilities	2,482	5,765	18,000	12,235	68
Vehicle Expense	658	4,801	27,000	22,199	82
Line Cleaner Expenses	0	0	5,000	5,000	100
Manhole Repairs/Line Repairs	1,160	11,033	120,000	108,967	91
Equipment Repairs	0	1,158	9,000	7,842	87
CCTV Expense	0	0	3,500	3,500	100
Total Collection	4,300	22,757	182,500	159,743	88
Replacement Capital					
Administration	3,171	11,563	120,000	108,437	90
Plant:					
IH	0	0	275,000	275,000	100
FK	8,709	8,709	613,000	604,291	99
Upper Blue	0	10,648	10,000	(648)	0
Collection	2,000	8,197	470,000	461,803	98
Misc	0	0	0	0	0
Vehicle	0	0	0	0	0
Total Replacement Capital	13,880	39,117	1,488,000	1,448,883	97
Non Operating Expenses					
Bond Principal	0	221,246	913,365	692,119	76
Bond Interest	0	186,693	372,948	186,255	50
Total Non Operating	0	407,939	1,286,313	878,374	68

March Financial Statement Cont.

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	<u>2013</u> <u>March</u>	<u>2013</u> <u>Year to Date</u>	<u>2013</u> <u>Approved Budget</u>	<u>2013</u> <u>Available</u>	<u>2013</u> <u>% Available</u>
Capital Outlay					
Plant:					
IH	0	0	25,000	25,000	100
FK	0	2,386	85,000	82,614	97
Upper Blue	0	1,165	65,000	63,835	98
Collection	0	0	305,000	305,000	100
Administration	0	0	0	0	0
Total Capital Outlay	<u>0</u>	<u>3,551</u>	<u>480,000</u>	<u>476,449</u>	<u>99</u>
Total Expenses	<u>248,544</u>	<u>1,268,666</u>	<u>6,998,950</u>	<u>5,730,284</u>	<u>82</u>
Revenue Less Expenses	<u>349,943</u>	<u>343,948</u>	<u>(1,209,376)</u>		

Upper Blue Sanitation District
Comparative Financial Statement-UNAUDITED DRAFT
March 31, 2013 vs. March 31, 2012

	2013 <u>March</u>	2012 <u>March</u>	2013 <u>Year To Date</u>	2012 <u>Year to Date</u>	Increase <u>(Decrease)</u>
Operating Revenue					
Sewer User Fees	436,389	432,784	1,309,991	1,298,748	11,243
Tap Inspection Fees	600	100	1,100	300	800
Miscellaneous Revenue	0	2,400	7,791	2,400	5,391
Camper Dump Fees	0	0	0	100	(100)
Late Fees	11,074	13,175	9,075	12,820	(3,745)
Line Extension Fees	0	0	0	0	0
Rental Income	3,750	3,750	11,250	11,250	0
Total Operating Revenue	451,813	452,209	1,339,207	1,325,618	13,589
Miscellaneous Revenue					
Interest on Loan Payments	1,251	1,156	2,682	3,039	(357)
Plant Investment Fees	143,642	118,003	265,274	220,886	44,388
Inclusion Fees	0	0	0	0	0
Interest on Investments	1,781	1,970	5,451	6,120	(669)
Transfer from Reserve	0	0	0	0	0
Total Miscellaneous Reven	146,674	121,129	273,407	230,045	43,719
Total Revenue	598,487	573,338	1,612,614	1,555,663	56,951

Administration Expense	2013 March	2012 March	2013 Year to Date	2012 Year to Date	Increase (Decrease)
Payroll & Employee Benefits					
Salaries	84,322	80,273	248,098	243,750	4,348
Overtime	1,101	3,245	5,172	8,342	(3,170)
FICA-Admin	5,212	5,094	15,449	15,379	70
Medicare-Admin	1,219	1,191	3,613	3,597	16
401K Contributions	6,044	5,871	18,159	17,446	713
Worker's Compensation Insu	1,373	1,295	4,119	3,885	234
Health Insurance	20,086	18,251	60,259	54,753	5,506
Total	119,357	115,220	354,869	347,152	7,717
Office Supplies	949	42	1,288	466	822
Telephone	1,211	1,443	3,388	3,565	(177)
Business Expenses	1,399	2,071	17,770	13,107	4,663
Legal Counsel	615	6,216	3,881	19,729	(15,848)
Education	678	1,113	2,787	1,259	1,528
Audit & Accounting	0	6,000	0	6,000	(6,000)
Legal Publications	1,594	1,119	1,703	3,143	(1,440)
Board Members	500	500	1,500	1,500	0
Elections	0	0	0	21	(21)
Computer Expenses	662	712	2,900	1,609	1,291
Copy Machine & Supply	0	0	0	400	(400)
Postage & Meter Rent	600	600	3,108	3,066	42
Insurance - General	10,108	9,142	30,324	27,426	2,898
Insurance - Deductible	109	0	109	0	109
Engineering	0	0	11,468	9,450	2,018
Tools	0	0	985	212	773
Radios	0	0	0	1,104	(1,104)
Vehicle Expense	0	0	0	0	0
Dues & Memberships	0	0	2,908	2,320	588
Safety	206	495	553	1,580	(1,027)
Summit Water Quality	0	0	0	0	0
Building Maintenance	879	865	4,013	2,356	1,657
Employee Housing Maintena	486	0	1,073	5,151	(4,078)
Employee Housing Utilities	88	231	1,407	1,881	(474)
Total Administration	139,441	145,769	446,034	452,497	(6,463)
Iowa Hill Plant Expenses					
Utilities					
Gas	1,429	1,831	4,547	6,069	(1,522)
Electric	2,813	7,746	8,658	36,026	(27,368)
Freight	0	86	70	5,164	(5,094)
Equipment Repairs	0	0	362	2,439	(2,077)
Chemicals	0	0	0	19,812	(19,812)
Contracted Repairs	0	0	1,646	7,578	(5,932)
Laboratory Supplies	2,978	385	5,604	3,110	2,494
Biomonitoring	0	2,254	0	2,254	(2,254)
Discharge Permit	0	0	0	0	0
Supplies	0	366	0	871	(871)
Total Iowa Hill	7,220	12,668	20,887	83,323	(62,436)

March Comparative Statement Cont.

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	<u>2013</u> <u>March</u>	<u>2012</u> <u>March</u>	<u>2013</u> <u>Year to Date</u>	<u>2012</u> <u>Year to Date</u>	<u>Increase</u> <u>(Decrease)</u>
Farmers Korner					
Utilities					
Gas	954	5,265	19,421	22,857	(3,436)
Electric	35,613	36,275	109,440	106,764	2,676
Freight	1,856	2,487	6,790	5,628	1,162
Equipment Repairs	2,353	1,854	11,629	5,702	5,927
Chemicals	27,268	26,996	127,580	88,558	39,022
Supplies	29	29	1,525	86	1,439
Contracted Repairs	120	902	341	1,403	(1,062)
Dumpster Charges	995	995	2,985	2,985	0
Biomonitoring	0	1,327	0	1,327	(1,327)
Discharge Permit	153	0	153	0	153
Composting	8,696	10,129	27,766	20,732	7,034
Site Monitoring	491	0	3,651	3,753	(102)
Sludge Hauling Costs	5,175	5,850	17,100	13,000	4,100
State Health Fees	0	0	0	0	0
Total Farmers Korner	83,703	92,109	328,381	272,795	55,586
Collection Expenses					
Utilities	2,482	1,026	5,765	3,243	2,522
Vehicle Expense	658	2,041	4,801	5,375	(574)
Line Cleaner Expenses	0	0	0	1,590	(1,590)
Manhole Repairs/Line Repair	1,160	3,565	11,033	17,092	(6,059)
Equipment Repairs	0	56	1,158	1,031	127
CCTV Expense	0	0	0	0	0
Total Collection	4,300	6,688	22,757	28,331	(5,574)
Replacement Capital					
Administration	3,171	0	11,563	0	11,563
Plant					
IH	0	0	0	0	0
FK	8,709	4,331	8,709	4,331	4,378
Upper Blue	0	0	10,648	0	10,648
Collection	2,000		8,197		
Misc	0	0	0	4,455	(4,455)
Vehicle	0	0	0	0	0
Total Replacement Capital	13,880	4,331	39,117	8,786	22,134
Non Operating Expenses					
CWRPDA Loan Principal	0	0	221,246	42,884	178,362
Loan Interest	0	0	186,693	127,667	59,026
Total Non Operating	0	0	407,939	170,551	237,388

March Comparative Statement Cont.

Pg. 4

	<u>2013</u> <u>March</u>	<u>2012</u> <u>March</u>	<u>2013</u> <u>Year to Date</u>	<u>2012</u> <u>Year to Date</u>	<u>Pg. 4</u> <u>Increase</u> <u>(Decrease)</u>
Capital Outlay					
Plant-IH-CO	0	0	0	0	0
Plant-FK-CO	0	254,819	2,386	674,575	(672,189)
Plant-South Blue-CO	0	0	1,165	0	1,165
Collection	0	3,765	0	16,135	(16,135)
Administration	0	0	0	0	0
Total Capital Outlay	<u>0</u>	<u>258,584</u>	<u>3,551</u>	<u>690,710</u>	<u>(687,159)</u>
Total Expenses	<u>248,544</u>	<u>520,149</u>	<u>1,268,666</u>	<u>1,706,993</u>	<u>(446,524)</u>
Revenue Less Expenses	<u>349,943</u>	<u>53,189</u>	<u>343,948</u>	<u>(151,330)</u>	<u>495,278</u>

CAPITAL 2013

	Current Month	Year To Date	Budget
FARMERS KORNER - REPLACEMENT			
10-85-8524			
Upgrade Blowers	\$0.00	\$0.00	\$300,000.00
Sump Pump Replacement - East Plant	\$0.00	\$0.00	\$25,000.00
Filter Valves/Actuators - South Plant	\$0.00	\$0.00	\$50,000.00
Effluent Flow Meter - South Plant	\$0.00	\$0.00	\$5,000.00
Alum Pump System	\$8,708.64	\$8,708.64	\$20,000.00
Lighting Refurbish	\$0.00	\$0.00	\$10,000.00
Gen Set Roof	\$0.00	\$0.00	\$50,000.00
Telemetry Upgrade	\$0.00	\$0.00	\$115,000.00
Digester Air Flow Meter	\$0.00	\$0.00	\$18,000.00
Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$20,000.00
TOTAL	\$8,708.64	\$8,708.64	\$613,000.00
FARMERS KORNER - NEW			
10-95-9540			
Fence for Storage Yard	\$0.00	\$0.00	\$50,000.00
Spare VFD Influent Pump	\$0.00	\$0.00	\$15,000.00
Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$20,000.00
Ladder Assembly	\$0.00	\$2,386.48	\$0.00
TOTAL	\$0.00	\$2,386.48	\$85,000.00
IOWA HILL - REPLACEMENT			
10-85-8522			
Refurbish BAF's, Filters	\$0.00	\$0.00	\$250,000.00
Replace Flow Control Valves with Electric	\$0.00	\$0.00	\$25,000.00
TOTAL	\$0.00	\$0.00	\$275,000.00
IOWA HILL - NEW			
10-95-9510			
Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$25,000.00
TOTAL	\$0.00	\$0.00	\$25,000.00
SOUTH BLUE - REPLACEMENT			
10-85-8526			
Miscellaneous Equipment Replace/Repair	\$0.00	\$10,648.13	\$10,000.00
TOTAL	\$0.00	\$10,648.13	\$10,000.00
SOUTH BLUE - NEW			
10-95-9590			
Blue River Master Plan	\$0.00	\$0.00	\$30,000.00
Blue River Lift Station Landscaping	\$0.00	\$0.00	\$25,000.00
Miscellaneous Equipment Replace/Repair	\$0.00	\$1,164.75	\$10,000.00
TOTAL	\$0.00	\$1,164.75	\$65,000.00
COLLECTION - REPLACEMENT			
10-85-8530			
Woodmore Repairs I/I and Lining	\$0.00	\$0.00	\$200,000.00
Town of Breckenridge Repairs/slipline	\$0.00	\$0.00	\$80,000.00
Miscellaneous Line Extensions/Redline	\$0.00	\$0.00	\$100,000.00
Mapping	\$2,000.00	\$8,197.50	\$25,000.00
Replace Main LS - Peak 7	\$0.00	\$0.00	\$30,000.00
Replace Individual Lift Stations	\$0.00	\$0.00	\$25,000.00
TOTAL	\$2,000.00	\$8,197.50	\$460,000.00
COLLECTION - NEW			
10-95-9520			
New LS Pump - Blue River	\$0.00	\$0.00	\$20,000.00
Miscellaneous Line Extension	\$0.00	\$0.00	\$260,000.00
TOTAL	\$0.00	\$0.00	\$280,000.00
VEHICLE - RC			
10-85-8550			
Vehicle Replacement	\$0.00	\$0.00	\$35,000.00
TOTAL	\$0.00	\$0.00	\$35,000.00
ADMINISTRATION - REPLACEMENT			
10-85-8510			
Administration Building Repair	\$3,170.90	\$11,562.91	\$80,000.00
Equipment/Car Replacement	\$0.00	\$0.00	\$40,000.00
TOTAL	\$3,170.90	\$11,562.91	\$120,000.00
GRAND TOTALS	\$13,879.54	\$42,668.41	\$1,968,000.00

UPPER BLUE SANITATION DISTRICT
CERTIFICATES OF DEPOSIT
2013

	<u>MILLENNIUM</u>	<u>TOTAL</u>
Bal. Forward 1/1/2013	\$2,009,036.74	\$2,009,036.74
January Interest	\$551.70	\$551.70
Redemption		\$0.00
Bal. 1/31/2012	\$2,009,588.44	\$2,009,588.44
February Interest	\$499.48	\$499.48
Redemption		\$0.00
February 28, 2012	\$2,010,087.92	\$2,010,087.92
March Interest	\$502.13	\$502.13
Redemption		\$0.00
March 31, 2012	\$2,010,590.05	\$2,010,590.05
April Interest		\$0.00
Redemption		\$0.00
April 30, 2012		\$0.00
May Interest		\$0.00
Purchase		\$0.00
Redemption		\$0.00
May 31, 2012		\$0.00
June Interest		\$0.00
Purchase		\$0.00
Redemption		\$0.00
June 30, 2012		\$0.00
July Interest		\$0.00
Purchase		\$0.00
Redemption		\$0.00
July 31, 2012		\$0.00
August Interest		\$0.00
Purchase		\$0.00
Interest Paid		\$0.00
Redemption		\$0.00
August 31, 2012		\$0.00
September Interest		\$0.00
Purchase		\$0.00
Redemption		\$0.00
September 30, 2012		\$0.00
October Interest		\$0.00
Purchase		\$0.00
Redemption		\$0.00
October 31, 2012		\$0.00
November Interest		\$0.00
Redemption		\$0.00
Purchase		\$0.00
November 30, 2012		\$0.00
December Interest		\$0.00
Redemption		\$0.00
Purchase		\$0.00
December 31, 2012		\$0.00

DATE: April 2, 2013

TO: Andrew Carlberg, District Manager

FROM: Greg Brown, Chief Plant Operator

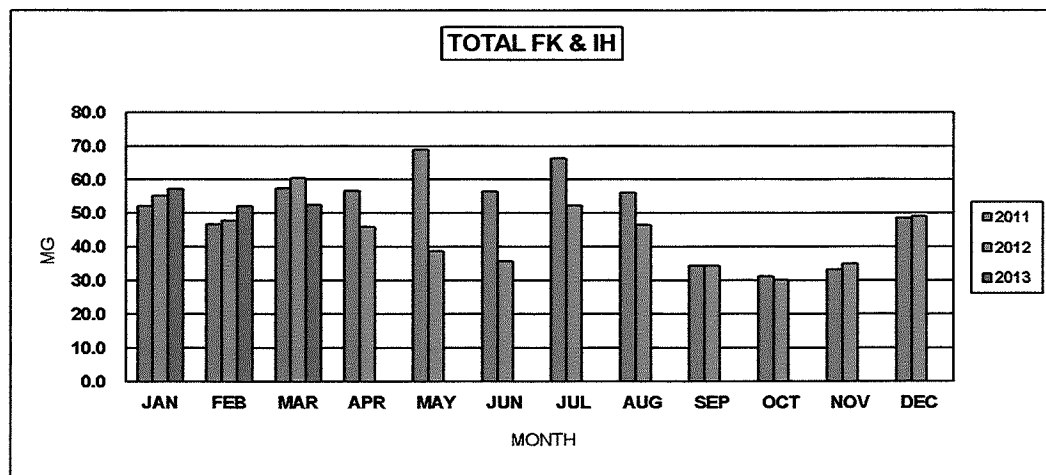
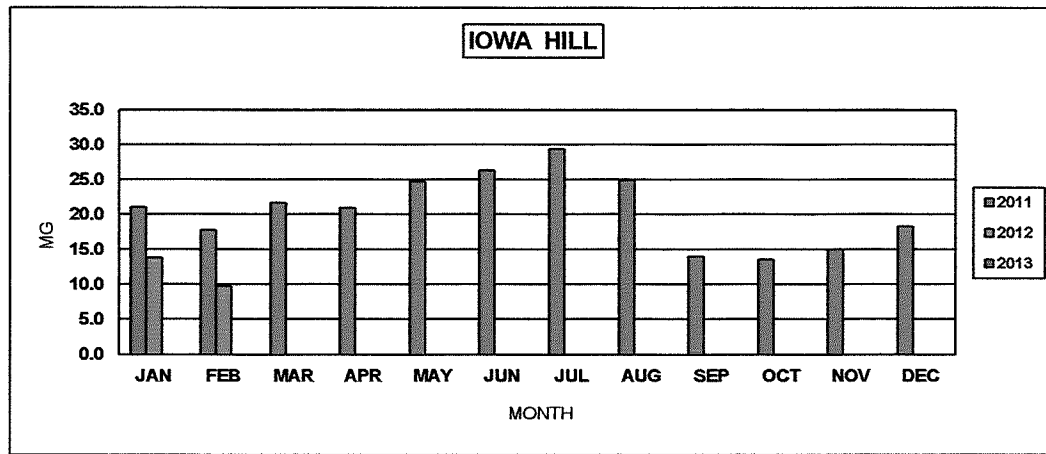
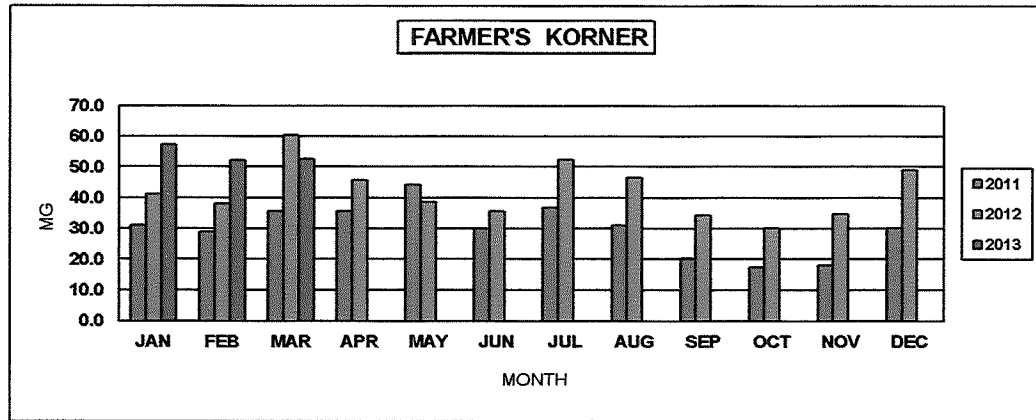
SUBJECT: Treatment plant operations for March, 2013.

1. Total influent flow for the Upper Blue Treatment Facilities was 52.6 million gallons for the month of March. The flow for the previous March was 60.6 million gallons. There was an 8.0 million gallon decrease (13.2%).
2. Solids loading at Farmer's Korner was down for February from 172,780# to 73,437# (57.8% decrease). This dramatic reduction is due to the Colorado Department of Health changing our permit influent sampling point from before the bar screens to after the bar screens. That has greatly reduced the solids test results. There is also the factor that the Iowa Hill Treatment Facility is no longer wasting into Farmer's Korner. This means that no nitrogen sludge from the BAFs is being produce or wasted.
3. Glacier is still working on some warranty items that have occurred. The major warranty issue has been the HSI high speed turbo blowers. One blower out of the 4 has been consistently failing. HSI has been unable to fix the blower permanently or in a timely fashion according to the warranty specifications. We are still waiting for the blower to be returned. One Moyno pump that pumps chemical sludge for the Densedeg has been return under warranty service and is working properly.
4. We are discharging good water that meets all discharge permit requirements. The average phosphorus discharge concentration is at 0.017mg/l (ppm).
5. The South Blue River project is complete. All 3 new blowers are up and running.


Greg

cc: A. Carlberg
cc: file

FACILITY FLOW



Memo: Collection System Report for March 2013

From: Wally Esquibel – Collections System Foreman

To: Andy Carlberg – District Manager

Date: April 2, 2013

1. No backups reported for the month of March
2. District personnel continue to monitor Lift Stations to include eight individual stations and twenty three Main Lift Stations.
3. We have started our infiltration inspections in Blue River and will continue into town.
4. Working on summer line cleaning schedule. We will be starting our three year line cleaning and maintenance schedule all over again. District personnel will have a goal of thirty miles of line cleaning as in previous years.
5. Fleet maintenance and locates are up to date, along with Service Line inspections.

MANAGER REPORT

April 2013

- 1) Nutrient Trading.** We have recently met with the health department concerning nutrient trading in the Upper Blue. They were encouraged that the District was being proactive. Attached to this report is recent correspondence.
- 2) Redline Construction Dispute.** There has been no further communication.
- 3) Blue Grouse Claim.** I am continuing to work with the insurance company
- 4) Town of Blue River.** We continue to work with the Town on projects; Master planning and the design of Blue Rock Springs has begun. At the work session I will present a proposed alignment and discuss the 2014 extension.
- 5) Town of Breckenridge.** The Town of Breckenridge scheduled a meeting with me to discuss several issues concerning the proposed water plant. At this point they seem to be leaning towards locating the plant at Farmers Korner. I explained to them the potential financial impacts on the District
- 6) Woodmoor Repair Project.** The project was awarded at the last meeting and work is to begin towards the end of May.
- 7) Iowa Hill Project.** Greg and I are investigating newer technologies for the upgrades of the final filters.
- 8) Administration Repair.** The project is out to bid and so far we have a few interested General Contractors. Bid opening is scheduled for April 13. The Board will review the results at the Board meeting.

Subj: **Re: Nutrient Trading**
Date: 3/26/2013 2:23:35 P.M. Mountain Daylight Time
From: dick.parachini@state.co.us
To: acbrecksan@aol.com
CC: philip.hegeman@state.co.us, bonie.pate@state.co.us, james.saunders@state.co.us,
bill.veydovec@hatchmott.com, gqlane@nwc.co.gov

Andy,

Just a quick reply that I receive your E-Mail. It is encouraging to the Division that you are being proactive in planning for nutrient controls. We look forward to seeing the results of your studies.

Dick Parachini

Clean Water Program Manager

Water Quality Control Division

Colorado Department of Public Health and Environment

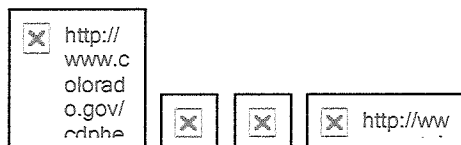
4300 Cherry Creek Drive South

Denver, CO 80246-1530

303-692-3516 Office

303-916-4738 Cell

dick.parachini@state.co.us



On Fri, Mar 22, 2013 at 9:54 AM, Andy Carlberg <acbrecksan@aol.com> wrote:

Dick,

As discussed in our conference call the other day, and our letter dated February 15, 2013, the Upper Blue Sanitation District is investigating the feasibility of a program to provide an incentive for current users of OWTS to connect to one of the District's wastewater treatment facilities. The goal of the program would be to reduce the nutrient loading from OWTS to the Blue River and Dillon Reservoir. There is already a phosphorus trading program in place that allows the District to receive phosphorus credits for connecting these systems. With the implementation of the nutrient regulations, the District would like to also receive credit for nitrogen when connecting these systems. The District believes that water quality and public health would be better served, and greater positive results realized, with the investment of funds in the elimination of OWTS. If the final determination is that the District will eventually be required to expand facilities to reduce nitrogen then we should know that now and our efforts and finances focused on facility expansion. Establishing a nitrogen trading program similar to the existing phosphorus trading program may be one method for the District to receive credit for connecting OWTS. However, the District is open to other

Thursday, March 28, 2013 AOL: ACbrecksan

options . Establishing a baseline year to account for the current nitrogen contributions from OWTS to the Blue River may be another feasible approach. The District intends to invest in water quality modeling and analysis to better understand these options.

We understand that the implementation of the requirements in the new nutrient regulations have been deferred for 10 years for facilities with existing control regulations. But, as you are aware, to design and construct such expensive facilities one must begin at least 6 years prior. Therefore, we would like to be proactive and hope that we can work with the CDPHE to establish a program that would allow us to receive credit for connecting OWTS beginning this year.

Thank You.

Andrew Carlberg
District Manager
Upper Blue Sanitation District
970-453-2723

UPPER BLUE SANITATION DISTRICT

February 15, 2013

Mr. Dick Parachini
Clean Water Program Manager
Colorado Department of Public Health & Environment
WQCD-OQ-B2
4300 Cherry Creek Drive South
Denver, CO 80246-1530

RE: Upper Blue Sanitation District
On-site Wastewater Treatment System Removal and Nitrogen Trading Study

Dear Dick:

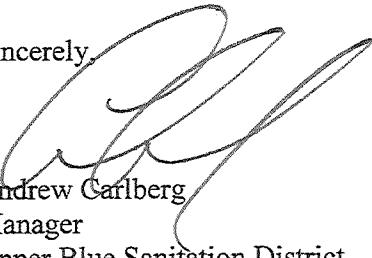
Due to the recent implementation of nutrient regulations that may result in costly treatment facility upgrades, the Upper Blue Sanitation District (District) has initiated a project to evaluate the feasibility and cost effectiveness of implementing a nitrogen trading program in the Upper Blue River Watershed. The Dillon Reservoir Control Regulation (Regulation No. 71) has a well-established nutrient trading program for phosphorus. It is our goal to develop a similar program for nitrogen that may provide a cost-effective tool to achieve water quality standards for nitrogen, initially in the Blue River Basin and possibly for the entire Dillon Reservoir Basin.

The goal of the trading program would be to reduce the overall nitrogen loading to the Blue River by connecting residences with onsite wastewater treatment systems (OWTS) to the South Blue and/or Iowa Hill Wastewater Treatment Facility (WWTF) and/or the Farmers Korner Wastewater Treatment Facility. This reduction in nitrogen loading would provide nitrogen credits to the District that may eliminate or reduce the need for future nitrogen removal upgrades at the District's downstream wastewater treatment facilities as the interim numeric nitrogen values in Regulation No. 31 are adopted as standards for the Blue River. Cost savings realized by the District due to the reduction or elimination of facility upgrades could then be used to justify the District providing a financial incentive to encourage residences with OWTSs to connect to the District's wastewater collection system.

The initial phase of the program will be to conduct a water quality model for the Blue River below Goose Pasture Tarn to determine whether, under future conditions, the concentration of total nitrogen (TN) in the Blue River below the Iowa Hill WWTF would exceed the cold water TN standard. If this were to be shown, then cost studies would be conducted to determine the value of nitrogen credits. In the meantime, the District is interested in pursuing connection of OWTS to its collection system and would like to work with the Division to establish a procedure for the District to establish an appropriate value for the expected reduction in total nitrogen loading to the Blue River (lbs./yr.) for each OWTS connected. Once an agreed-upon value is established, the District would want to begin to receive credit as residences with OWTSs are connected to the South Blue or Iowa Hill WWTF. Assuming the District and Division can reach agreement on an appropriate credit value, the District would appreciate the

Division's agreement, in advance, to allow such credits to begin to accumulate prior to the completion of the study. It is anticipated that some of these connections will commence as early as this spring and the District requests that nitrogen credit accumulation begin as soon as possible, ideally no later than May 1st. Ultimately, whether credits are shown to be of value to meeting future standards for the Blue River, the District anticipates working with the other entities that have allocations under Regulation No. 71 to assess the viability of a nitrogen trading program for the Dillon Reservoir Basin. We look forward to working with the Division as we develop a nitrogen trading program.

Sincerely,



Andrew Carlberg
Manager
Upper Blue Sanitation District