

RECORD OF PROCEEDINGS

KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING
JULY 11, 2016

The Board of Directors for the Kremmling Sanitation District met in the boardroom located at 200 Eagle Avenue. The meeting was called to order by President Jason Bock at 7:00 p.m. Directors present: Dwayne Uhrich, Dave Sammons, Jim Ward and Dave Jones. Director(s) absent: None. Staff present: Superintendent Jeremy Bock, Engineers Nick Marcotte and Laura Moser and District Manager Rich Rosene. Audience present: Wade Stinson of Wastewater Compliance Systems.

APPROVAL OF MINUTES: SAMMONS MOVED TO APPROVE THE REGULAR MEETING MINUTES OF JUNE 13, 2016 AS PRESENTED. UHRICH SECONDED. ALL "AYE" VOTES.

APPROVAL OF EXPENDITURES: SAMMONS MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF JUNE 14, 2016 THROUGH JULY 11, 2016 IN THE AMOUNT OF \$37,234.28. WARD SECONDED. ALL "AYE" VOTES.

PUBLIC COMMENT: None.

ENGINEER'S REPORT: Nick Marcotte provided the report for RG and Associates (RGA). He introduced Laura Moser, a new engineer at RGA. The final approval of the Bio-Domes has been completed by CDPHE. Marcotte went through the proposed agreement with Wastewater Compliance Systems, the payment schedule and the Notice to Proceed. The retainer the district will keep is 10% and will be returned after the first year each pond has been in use. Rosene provided Stinson a version of the agreement with some minor edits compared to their current version for his review prior to signing.

Rosene said that Georgia Noriyuki, our attorney, had reviewed the agreement and had no problems with it. She did recommend that the board consider a performance bond, but left that to the discretion of the board. Marcotte said that performance bonds are generally more applicable to construction contracts rather than suppliers such as WCS.

Superintendent Bock said that the contract amount has changed due to the requirements from CDPHE and the new blowers needed. The total cost in the proposed agreement is \$1,295,000 which is \$50,000 higher than the last proposal. Marcotte went through the cost estimate form he provided the board and explained the changes made. Schedule 80 PVC piping will be used in the ponds for the air supply rather than ductile iron pipe and will be less expensive and easier to handle. They have done the buoyancy calculations and there will not be a problem keeping the pipe at the bottom of the ponds. Marcotte said that Bill Bruner, RGA's electrical engineer, and Mountain Parks Electric, our electric provider, have looked over the new power supply proposal and have a cost estimate for the new work they will do. Bock will be talking to Mountain Parks Electric, about bringing in the higher voltage and amperage supply from their poles. All of the project costs are pretty firm at this point except for the electrical and possibly some pipe costs for miscellaneous pieces and parts. Marcotte has talked to our new grants project manager at CDPHE and has another teleconference tomorrow to discuss the design and engineering grant.

SAMMONS MOVED TO APPROVE AND SIGN THE AGREEMENT WITH WASTEWATER COMPLIANCE SYSTEMS AND TO SIGN THE NOTICE TO PROCEED. UHRICH SECONDED. ALL "AYE" VOTES.

The agreement and Notice to Proceed were signed by President Bock for the district and Wade Stinson for WCS. Marcotte passed out the first pay request from WCS as shown in the agreement and went through the payment request process and payment schedule.

SAMMONS MOVED TO APPROVE PAY REQUEST #1 FROM WASTEWATER COMPLIANCE SYSTEMS IN THE AMOUNT OF \$352,078.13. UHRICH SECONDED. ALL "AYE" VOTES.

The pay request will be submitted to the Small Communities Grant and the DOLA Energy and Minerals Impact Grant for payment.

President Bock opened the public hearing for the proposed rate increase at 7:40 pm. Rosene went over the proposal to start an Inactive Tap monthly service charge for those sewer taps on property where either the water service was in a shut-off status with the town or which had no water tap. The monthly rate would be one-half of the standard monthly base rate. The proposal includes a one-time \$10 administrative fee to change an account into the Inactive Tap status. The public hearing was closed at 7:42 pm.

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SAMMONS MOVED TO ADOPT RESOLUTION 2016-7-1, A RESOLUTION TO AMEND THE RULES AND REGULATIONS OF THE KREMMLING SANITATION DISTRICT TO ESTABLISH AN INACTIVE TAP MONTHLY SERVICE FEE AND AN ADMINISTRATIVE FEE. UHRICH SECONDED. ALL "AYE" VOTES.

At last month's meeting the board wanted to adopt a change in the Rules and Regulations to allow for the use of a deduction water meter for irrigation systems that do not have any discharge into the sewer collection system. Rosene presented a resolution to amend the Rules and Regulations for irrigation system water meters to allow a commercial customer to have the irrigation water usage deducted from their total water usage prior to the commercial overage calculation occurring.

UHRICH MOVED TO ADOPT RESOLUTION 2016-7-2, A RESOLUTION TO AMEND THE RULES AND REGULATIONS OF THE KREMMLING SANITATION DISTRICT FOR THE USE OF DEDUCTION METERS FOR IRRIGATION PURPOSES. SAMMONS SECONDED. ALL "AYE" VOTES.

OPERATOR'S REPORT: Superintendent Bock said that the power service we have to the plant is not enough to run the new blowers we will need. The original plan for additional power was to tie in to the existing power in a new meter pit or vault at an estimated cost of \$20,000. However, since we now know that we don't have enough power being supplied to the property, this would not work. The new plan is to add a whole new service line and power pole to provide power to the blower building without interrupting our power to the plant building. The pole cost is about \$7,000 plus the cost of a transformer. The conduit and wire needed are cheapest through Mountain Parks Electric. Electrical code will not allow two sources of power to the blower building, so we will need to remove the power service we installed last year. This will, however, give us a conduit for other purposes. Bock has completed the permit application and paid the \$500 fee on the credit card. The estimated cost for the new power supply completed is about \$100,000. This will be a 480 volt service with a 300 amp breaker which can run up to three blowers at a time and would have some excess capacity for other needs down the road. The plant building currently has a 200 amp service but has a 400 amp breaker, which caused some of the confusion on how much power went to the building.

EDI come up today to do the diffuser replacements but ran into a problem with the air piping in Pond A as it is like a bunch of spaghetti; all over the place and difficult to untangle. In order to install the new diffusers, Pond A will need to be drained to untangle the air piping and that can't happen until next summer since we are already draining Pond B for Bio-Domes. The pond cover disks will need to be installed this year, so they will need to be moved around next summer to do the diffuser work.

Bock said that the Bio-Dome price was set at \$2,600 each by Dr. Kraig Johnson, which is actually below cost. A soda ash feeder will need to be installed, as newly required by CDPHE, to help keep the pH in balance and this is a new cost above any previous cost estimates. The changes in our ammonia limits by CDPHE were also something neither of us had planned on. Bock did some negotiations with WCS and was able to get the price down from their \$1.7 million to \$1.295 million. He is trying to keep the total project cost below \$1.7 million so we won't need to use all of the energy and mineral impact grant at a 50% match or get a loan from the revolving fund.

Sammons asked when we would have a firm cost on the electrical work and Bock said he should have a firm cost from Mountain Parks Electric soon, but the cost of the work to be done by Guthrie Electric is not going to be easy to estimate soon.

Bock is continuing to fight the CDPHE decision that we will become a B plant and need a B licensed operator. He has sent a letter to CDPHE challenging the decision and it may have to go all the way to the operator certification board if CDPHE doesn't come around.

OLD BUSINESS: Rosene said he did get a letter completed for Justin Villegas concerning the un-abandonment of his sewer tap at his home. A payment plan for the \$1,688 due was attached to the letter to get the back charges paid within six months. If the house is sold prior to repayment, the balance would be due at or before closing. Rosene will check with Villegas to see what his plan is.

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Rosene updated the board on the credit for the water leak at the Muddy Creek Cabins. He looked at previous usage at the cabins in 2013, 2014 and 2015 to determine the average usage for the period with the leak. Jeff Miller, owner of the cabins, had asked for a two month credit and our new policy allows up to three years. The credit for the two year period would be about \$980.00.

Miller will be coming in this summer to get two additional sewer taps; one for the new cabin and one for the new laundry building he is building. Rosene said he will apply a \$1,000 credit to the tap purchase rather than to the monthly billing as it would take several years to work off the credit monthly and would make the bookkeeping difficult. The credit being applied to the tap purchase resolves the issue quickly and cleanly while still showing the full purchase price of \$10,000 for the two taps with a \$1,000 credit being applied for a balance due of \$9,000.

NEW BUSINESS: None.

ADJOURNMENT: SAMMONS MOVED TO ADJOURN AT 8:03 PM. UHRICH SECONDED.

Signed:



Secretary