

RECORD OF PROCEEDINGS

KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING
AUGUST 8, 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 7:07 p.m. Directors present: Dwayne Uhrich, Dave Sammons, Jim Ward and Dave Jones. Director(s) absent: None. Staff present: District Manager Rich Rosene and Engineer Nick Marcotte. Audience present: Billi Lewis and Yadira Chivira of McMahan and Associates.

APPROVAL OF MINUTES: SAMMONS MOVED TO APPROVE THE REGULAR MEETING MINUTES OF JULY 11, 2016 AS PRESENTED. WARD SECONDED. ALL "AYE" VOTES.

APPROVAL OF EXPENDITURES: SAMMONS MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF JULY 12, 2016 THROUGH AUGUST 8, 2016 IN THE AMOUNT OF \$426,075.49. UHRICH SECONDED. ALL "AYE" VOTES.

PUBLIC COMMENT: None.

AUDITOR'S REPORT: Billi Lewis of McMahan and Associates introduced Yadira Chivira who did much of the work on the district's audit this year. Lewis went over the audit report and said that there were no problems with the audit this year. The audit is an independent review of the district's financial statements. Section A states that the district has received a clean opinion again with no issues of concern. Section B is the Management Discussion and Analysis and is an overview of the financials. Section C is the actual financials and net financial position. Most of the district's net worth is in capital assets, such as the treatment plant, sewer lines, etc. Cash and cash equivalents are about 10% of the net assets. The district's net position increased about \$700 for the year, the first time in several years to be an increase. The operating loss in 2015 was a continuation of previous years. Section D contains notes to the financial statements with more details and summaries of the financial condition of the district. Section E is the comparison of the budget, current year and previous year. Capital outlay was increased in 2015 as some of the district's capital project on the treatment plant upgrade finally began. The final item is the letter of communication with the board which indicates no problems with management were found. They noted that the segregation of duties is limited due to the small size of the organization and she said that the process of the board approving all expenditures at each meeting helped. The recommendation that the debit card be canceled was taken care of in April.

ENGINEER'S REPORT: Nick Marcotte provided the report for RG and Associates (RGA). Much of the work they have done recently is to work with the grant agencies due to the changes in personnel and explaining how the grants were timed and acquired. The state is also not used to doing some of the grants without a loan as part of the package. The planning grant for \$10,000 hasn't been used as much of the work for the Project Needs Assessment (PNA) was mostly completed. We have one invoice for engineering on the PNA and the grant reimbursement submittal needs to be done by September 15. Marcotte will check on whether we can use the grant for equipment or only for engineering. If it is only eligible for engineering, we need to submit the one invoice. We are covered well for engineering with the current design and engineering grant of \$125,000. Marcotte said that he had submitted the annual eligibility survey that Rosene normally submits. Rosene was able to update the information that was submitted with some additional items.

Marcotte said that he has the second pay request from WCS for the Bio-Domes and provided the board with a copy. He is still waiting on the letter approving the blowers and a submittal for the soda ash machine from WCS. He has visited with WCS about the letter and submittal and expects them soon. The soda ash machine will be provided by WCS and they need to submit the specs for the machine to be sure it meets the state's requirements. The blower specs were submitted by the manufacturer (Keyser) and Marcotte has passed them on to WCS. Four blowers will be provided instead of the three in the original plan; two for the diffusers and two for the Bio-Domes.

SAMMONS MOVED TO APPROVE PAY REQUEST NUMBER 2 FROM WASTEWATER COMPLIANCE SYSTEMS IN THE AMOUNT OF \$176,039.06. UHRICH SECONDED. ALL "AYE" VOTES.

The pay request will be submitted to DOLA and CDPHE for grant reimbursement.

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OPERATOR'S REPORT: Superintendent Bock was unable to attend the meeting. Rosene said that Bock had said things were going well at the plant with the dome deliveries. He is waiting on Mountain Parks Electric to get the new power pole set. He still does not have a solid cost estimate from Eric Guthrie on the rest of the electrical work. Mountain Parks will be providing the conduit and wire for the new power supply and Guthrie will do the installation to the building.

OLD BUSINESS: None.

NEW BUSINESS: A budget officer needs to be appointed for the 2017 budget.

SAMMONS MOVED TO APPOINT RICH ROSENE AS THE BUDGET OFFICER FOR THE 2017 BUDGET. WARD SECONDED. ALL "AYE" VOTES.

Rosene told the board that the first shipment of insulated disk covers for Pond A was delivered and partially installed. Bock took a random sample of 10 disks and found that all 10 were deficient in the amount of foam inside the disk. He contacted Water Technology Group (WTG), our supplier, about the problem. WTG is going to California to talk to the manufacturer, AWTT, and find out what the injection problem is before more are delivered. We also had problems with the disks in Pond C with poor seam welding that had to be replaced. WTG will then decide what to do with the disks already in the pond. WTG has assured Bock that they will make things right on the disks.

ADJOURNMENT: SAMMONS MOVED TO ADJOURN AT 7:42 PM. JONES SECONDED.

Signed:



Secretary