

RECORD OF PROCEEDINGS

KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING
MARCH 14, 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 and Dave Jones. Director(s) absent: Jim Ward. Staff present: Superintendent Jeremy Bock and District Manager Rich Rosene. Audience present: Jeff Miller (arrived at 7:07 pm).

APPROVAL OF MINUTES: SAMMONS MOVED TO APPROVE THE REGULAR MEETING MINUTES OF FEBRUARY 8, 2016 AS PRESENTED. UHRICH SECONDED. ALL "AYE" VOTES.

APPROVAL OF EXPENDITURES: SAMMONS MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF FEBRUARY 9, 2016 THROUGH MARCH 14, 2016 IN THE AMOUNT OF \$25,682.79. UHRICH SECONDED. ALL "AYE" VOTES.

PUBLIC COMMENT: None.

ENGINEER'S REPORT: Superintendent Bock read the report submitted by RG and Associates (RGA). The site application for the Bio-Domes is done and the final pilot test report was submitted on March 9th. They plan to submit the Process Design Report in April and the final plans and specifications in July. They are hoping for construction/installation to begin in the early fall. Several grants have been approved for the Bio-Dome project including a Small Communities Grant for \$850,000 and a DOLA Energy and Minerals Impact Grant for up to \$1,050,000. A Design and Engineering Grant/Loan for \$125,000 has been approved but we are waiting to hear from CDPHE on whether this will be awarded as a grant or awarded only if we have to take out a revolving fund loan. Bock said that CDPHE is in a new process with awarding design and engineering grants prior to construction and the timeframes are conflicting, especially as we were awarded the small communities grant. When we started the grant and loan applications, we didn't know if we would get any grants or if we would need a large loan to complete the project. Now that we have been so successful with grants, the timing is getting confusing.

The final approval from CDPHE and the required number of domes will be based on the current 0.1#/dome/day of ammonia removal versus the 0.07#/dome/day in last year's pilot test. Bock said it looks like we may need as many as 600 domes to meet the full 300,000 gallons per day of our current discharge permit. Of these, about 200 would be needed just to remove BOD and the other 400 for ammonia removal. Bock is looking at arranging the domes to have the domes at the back half of each pond so that the initial entry area would be open and used for BOD removal without domes. We will also need flow curtains and new compressors as the current blowers won't be able to support all of the domes as well as the air going to the ponds.

PUBLIC COMMENT: Jeff Miller came before the board to ask for relief on his commercial overage charges due to a water line break at the Muddy Creek Cabins. A water line has been leaking for several months, but he could not find the leak until it finally surfaced. He was able to dig his way back to the curb stop for cabins 3 and 4 and found the broken water line. He repaired the broken line and stopped the leak in February. Sammons said he did not think we could give a credit on the overage charges as it would be a waiver of fees. Rosene said he wanted to look into this further as he thought the waiver of tap fees was the only restriction we had. Miller is looking at adding a water meter for his irrigation use at the RV Park to minimize his overage charges. Miller said he would like to get a credit for the months of December and January and Rosene said that would be around \$1,000. There have been some previous adjustments made for the Highway 9 Business Park and the RV Park. Rosene will report back to the board at the next meeting on what options we may have on overage charges and late fees.

OPERATOR'S REPORT: Superintendent Bock reported that a very strong gust of wind on February 19th blew off some sections of the insulated floating cover on Pond A. The insurance company was notified of the loss and sent an insurance adjuster out to look at the damage and get some cost estimates for repairing or replacing the cover. The adjuster recommended that the cover be replaced. The insurance company then contacted Lemna Technology, the manufacturer, to look at the cover. Their estimates were a repair cost of the existing cover of \$198,000 and a replacement cost with a new technology fabric cover of \$305,000.

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The insurance company decided to pay for the repair cost only. We will receive a check for about \$193,800 which is the estimated cost less our deductible and we can use the money as we feel is most beneficial for us. Bock asked that they reconsider doing a replacement instead as we had a claim in 2008 for the cover on Pond D and a portion of Pond A. This would relieve them of any future claims as the hex covers are wind resistant. Bock wanted to look at another option and received a cost estimate of \$267,500 for replacement with HexProtect-R insulated floating disk covers with an insulating value of R-17.

With the insurance funds, we would be about \$74,000 short for the disks plus the cost of removal. The current fabric cover is about 10 years into its useful life of 20 years. There are 144 diffusers in Pond A that are difficult to access for maintenance and cleaning through the existing cover. The disks would provide more insulation and can be moved aside for diffuser work. Bock said that, unfortunately for us, we are in the midst of the Bio-Dome project and we really don't have the \$74,000 to pay for the balance of the full replacement. Rosene said that there would also be additional costs of at least \$25,000 to remove and dispose of the existing cover. The fabric cover repair sections would be about 8 weeks out before delivery.

Rosene and Bock have started looking for a lease/purchase provider to fund the \$100,000 balance as we can't get a long term loan without voter approval. Bock said that Hot Sulphur Springs may be interested in some of the fabric cover pieces for use at their ponds. The rest of the covers would need to be hauled to the Eagle County landfill for disposal. There are two different thicknesses of covers as some are used as a walkway for maintenance and they don't pack down very well so it is more of a volume problem than a weight problem for hauling. We will pay off our smaller loan this year and that will allow about \$18,700 that could go toward a lease/purchase payment. We will only have about \$200,000 total in the bank after the Bio-Dome project and the current pond cover grant. Rosene said he is reluctant to spend the \$100,000 and leave us with a fund balance of only \$100,000. Rosene said that repairing the cover with old technology just doesn't make sense and it would still be a future liability for more wind damage. We should receive the insurance check next week from F&W Insurance, our agent. Rosene said that we may need a special meeting to decide on a lease/purchase agreement as we need to move on this before the next meeting in April.

Bock told the board that he has received a grant for his tuition for the operator's class he is going to in Longmont next week. Our only costs will be the motel and food.

OLD BUSINESS: Rosene said that the Small Communities Grant paperwork has been signed and submitted. We should see the final signed copy back in a little over a week.

NEW BUSINESS: Rosene said that Dave Sammons and Jim Ward were the only people to submit self-nomination forms for the two seats on the board.

UHRICH MOVED TO ADOPT RESOLUTION #2016-3-1, A RESOLUTION TO CANCEL ELECTION AND DECLARATION DEEMING CANDIDATES ELECTED. SAMMONS SECONDED. ALL "AYE" VOTES.

Rosene said that the swearing-in ceremony will be at the May board meeting and President Bock will perform the oaths. Rosene gave Sammons his letter acknowledging his election and will get Ward's to him.

ADJOURNMENT: SAMMONS MOVED TO ADJOURN AT 7:49 PM. UHRICH SECONDED.

Signed:



Secretary