

# RECORD OF PROCEEDINGS

## KREMMLING SANITATION DISTRICT

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REGULAR BOARD MEETING  
FEBRUARY 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 7:00 p.m. Directors present: Jim Ward, Dwayne Uhrich, Dave Sammons and Dave Jones. Director(s) absent: None. Staff present: Superintendent Jeremy Bock, Engineer Nick Marcotte and District Manager Rich Rosene. Audience present: Dr. Kraig Johnson and Mike Manuel.

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

**APPROVAL OF EXPENDITURES:** SAMMONS MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF JANUARY 12, 2016 THROUGH FEBRUARY 8, 2016 IN THE AMOUNT OF \$38,183.04. WARD SECONDED. ALL "AYE" VOTES.

**PUBLIC COMMENT:** Mike Manuel came before the board to discuss the past due amount on the small house at 404 S. 3<sup>rd</sup> Street owned by Bud Lee, Mr. Manuel's father-in-law. Manuel said the amount due to the district is about \$2,430. Manuel plans to pay off the water bill to the town later this week and needs to have the sewer bill current before the town will turn on the water. The water was shut off on December 4, 2009 and has been accruing sewer fees and water availability charges since then. Rosene said that Mr. Lee has been making some payments on the bill. The current amount due is about \$2,825 in monthly fees and \$325 in late fees. The town is requiring them to pay all water charges and late fees before the water is turned on. The district has some flexibility in the late fees, but Sammons told Manuel we don't have any flexibility in the monthly fees. He said that he would be OK with waiving the late fees if the bill is paid in full, but the late fees would need to be paid if there was an installment payment plan. Manuel said he would prefer to pay the amount in full.

SAMMONS MOVED THAT FOR THE HOUSE LOCATED AT 404 S. 3<sup>RD</sup> STREET OWNED BY BUD LEE, IF THE SEWER FEES ARE PAID IN FULL, THE LATE FEES WOULD BE WAIVED. UHRICH SECONDED. ALL "AYE" VOTES.

**ENGINEER'S REPORT:** Nick Marcotte of RG and Associates (RGA) said that the district has been awarded the Small Communities Grants in the amount of \$850,000. This can be used as a match for the DOLA Energy and Minerals Impact grant we also received. Marcotte said that the Design and Engineering grant of up to \$125,000 is part of a loan package through the state revolving fund. He said the district may have enough funds through the two grants to not need the loan with the design grant attached. This can present an issue as the engineering and design grant comes with the caveat that you will take out a loan to get the grant. Rosene said he understood that 80% of the engineering and design grant was as a loan forgiveness even if we did not need a loan and that the remaining 20% would be loan forgiveness if we got a loan through the state revolving fund. Marcotte said the site application has been submitted and approved by CDPHE and they are now working on the Process Design report and the plans and specifications. They plan to submit the report along with the plans and specs in March for CDPHE review. Hopefully the review will be done sometime in June and we can order domes soon thereafter. There will likely be some further discussion with CDPHE over the numbers submitted. CDPHE had previously approved the domes for use in Kremmling for removing 0.07 pounds of ammonia per day per dome and the new results look like removal should be 0.1 pounds per day per dome. This improvement came from moving the blowers and covering the ponds.

The annual biosolids and wastewater treatment plant reports have been completed and submitted.

**PUBLIC HEARING FOR THE PROJECT NEEDS ASSESSMENT FOR THE KREMMLING WASTEWATER TREATMENT PLANT:** President Bock opened the public hearing at 7:15 pm for the Kremmling wastewater treatment plant project needs assessment. Marcotte explained the purpose and need is to get down to the state limits for ammonia discharge. Two other options were considered to meet the limit including a pipeline to the Colorado River and a mechanical facility. This is the fourth winter of pilot testing of the Bio-Dome system. The estimated cost is about 2 million dollars and Wastewater Compliance Systems (WCS) has committed to a maximum cost of 1.3 million dollars for the domes themselves. Several grant and loan options have been explored and two grants were received that may cover the cost of the installation of Bio-Domes and necessary equipment. There is a three stage design process and the final report with plans and specs will be submitted in March. The Bio-Dome procurement may need to be bid and a bid announcement placed in the paper.

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The actual construction will be a joint effort of WCS and the district. WCS will provide the domes and the necessary parts and equipment to connect them for full operation. The district will assist in the installation to help avoid contractor markup in costs. The goal is to get the domes installed by fall this year.

Sammons asked how the domes are working this particularly cold December and January. Superintendent Bock said the domes have been removing ammonia about one-third better than last year. The removal has been pretty consistent at 5 to 6 mg/L of removal of ammonia which is getting us to the 0.1 #/dome/day versus the 0.07 #/dome/day last year. The number of domes should be reduced dramatically with the new removal numbers so the total cost will also be much less. Marcotte concurred that the better numbers should greatly reduce the cost. Marcotte will submit all of the hearing information to the state.

President Bock closed the public hearing at 7:20 pm.

**ENGINEER'S REPORT (continued):** Superintendent Bock asked Dr. Johnson to discuss where WCS is in the process. Johnson said they are very excited to keep moving forward on the project. He does need to convince his board that the construction of domes needs to get started. He understands that the district can't commit funds at this point due to grant contracts needing completion. He suggested a letter of intent that the district intends to move forward with the project. He feels that this may help him convince his board to purchase the necessary materials to begin construction. The pilot testing has been done with the Bio-Domes and the state isn't going to change the technology without all new testing of another technology. Rosene said he isn't sure how or if a letter of intent may affect the current grants in process and needs to discuss this with the granting entities. WCS will prepare some documentation to spell out the installation process and how the various tasks will be carried out. Johnson will continue to work on his board to get them to start ordering materials.

Sammons asked if this will also get us closer to being able to do reuse water. Bock said we are currently at 4.8 ntu and the limit for reuse is 3 ntu, so we are pretty close now. Bock said that the BOD is at 2.6 and turbidity is consistently below 5 ntu. Once the system is allowed to stabilize, the process is very effective. Marcotte said that this would be the first lagoon system in the state to meet the reuse turbidity limit. Other reuse systems use very involved and expensive treatment and filtration to meet the limit. All were in agreement that Bio-Domes are a very good and economical technology to allow lagoon systems to meet discharge limits and that CDPHE should move more quickly to allow other communities to use them.

**OPERATOR'S REPORT:** Superintendent Bock said the ammonia removal is looking very good. The very cold air temperatures in December and January did not affect the activity in Pond C due to the new covers. Even when we had our 33 below zero temperatures, the diffuser in Pond C was able to keep the ice open. He and Pat Etlar have been helping the town with plowing and they are doing the three times per week sampling for the pilot test. He has been working with WCS to keep things rolling on the pilot test and for the future installation. WCS can deliver about 8 to 10 domes per truck load, so it will take a while to deliver all the necessary domes. Bock would like WCS to consider starting hauling domes as soon as we are ready and they can be staged around the ponds for later installation.

**OLD BUSINESS:** Rosene said that we have three originals of the contract paperwork for the DOLA Energy and Minerals Impact grant and each needs a signature.

**SAMMONS MOVED TO SIGN THE CONTRACT WITH THE STATE OF COLORADO FOR THE DOLA GRANT. UHRICH SECONDED. ALL "AYE" VOTES.**

Sammons asked if the grants we received were due to really well written grants or because of the new technology we presented. Rosene said he felt the new technology was very well received by the impact board last year and the board saw a great value in a new cost-effective technology for lagoon systems. Many small communities would benefit from not having to build a mechanical plant at \$4 million or more and needing an 'A' or a 'B' operator. Many lagoon systems would not need the covers we used due to warmer temperatures and the cost could be well below \$1 million to meet their discharge requirements. The small communities grant was likely awarded in support of the new technology and to get the technology in use to show cost savings in the future for small communities by using the dome technology.

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Sammons asked if we are still paying off loans for the original plant. Rosene said we have two loans in place from the original plant modifications in 2005. The larger loan is a 20 year revolving fund loan through water resources and we got a second smaller 10 year loan from DOLA due to cost overruns. The smaller loan will be paid off this year and the larger one goes until about 2025. In the future, from 2017 on, we will have some funds available to get back on track with other capital projects that we have deferred due to a lack of funds. Some of the deferred projects are additional lining of some sewer mains and manholes and the rerouting of the piping around the old Kremmling Country lift station. Superintendent Bock looked at his budget and said the final payment for the small loan will be \$18,700 this year and the large loan is about \$66,450 per year.

Bock said that we may need 20 truckloads or more of domes. Additional equipment will include flow curtains, tubing and possibly blowers. WCS will be doing the domes, tubing, blowers, etc. and the district will do the flow curtains. Bock would like to do Pond B first with the curtains and domes. It will need to be drained before installation. He would like to move the existing 50 domes to the front of Pond C and that will require removing the floating disk covers and the draining of the pond. That may have to wait until 2017, depending on the time to finish Pond B and weather conditions. WCS is located in Salt Lake City and Bock said they are considering buying a larger trailer to reduce the number of trips needed.

Rosene said that he has completed and submitted a Risk Assessment for the small communities grant and is waiting for a response. The biggest issue seemed to be our ability to deal with cash flow as we don't have much cash in the bank and either we need a quick turnaround on reimbursement or we need them to do more money up-front similar to the DOLA grant. We are waiting on the final grant paperwork for the approved small communities grant. The design and engineering grant paperwork is in process, but we are still not sure if that will be needed.

**NEW BUSINESS:** Rosene said that the annual agreement with the town for shared employees and equipment has been approved with our budget adoptions and we need to approve the Exhibit A which sets the pay rates each will charge the other for shared employees and equipment.

**SAMMONS MOVED TO APPROVE THE EXHIBIT A TO THE 2016 BUDGET. UHRICH SECONDED. ALL "AYE" VOTES.**

Rosene provided the self-nomination forms to Ward and Sammons for the upcoming board election in May. The forms need to be submitted by February 26<sup>th</sup>. Rosene said that the legal notice about the election was in the paper last week.

**ADJOURNMENT:** JONES MOVED TO ADJOURN AT 7:55 PM. UHRICH SECONDED.

Signed:



Secretary