

RECORD OF PROCEEDINGS

KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING
JUNE 13, 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 7:02 p.m. Directors present: Dwayne Uhrich, Dave Sammons, Jim Ward and Dave Jones. Director(s) absent: None. Staff present: Superintendent Jeremy Bock, Engineer Nick Marcotte and District Manager Rich Rosene. Audience present: None.

APPROVAL OF MINUTES: SAMMONS MOVED TO APPROVE THE REGULAR MEETING MINUTES OF MAY 9, 2016 AS PRESENTED. UHRICH SECONDED. ALL "AYE" VOTES.

APPROVAL OF EXPENDITURES: SAMMONS MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF MAY 10, 2016 THROUGH JUNE 13, 2016 IN THE AMOUNT OF \$125,666.98. UHRICH SECONDED. ALL "AYE" VOTES.

PUBLIC COMMENT: None.

ENGINEER'S REPORT: Nick Marcotte provided the report for RG and Associates (RGA). He is working on the final Process Design Report and has responded to a request for information from CDPHE. He expects that we should get our approval tomorrow and it should include a waiver of the 100% plans and specs submittal. The blower sizing calculations done by Baseline Engineering for the original plant upgrade were difficult to figure out and were incorrect to get us the air volume we really needed. They found that the blowers are not sized correctly to provide 1600 cfm of air and we are now getting about 800 cfm. The correct amount of air will help to reduce BOD and get us much better treatment in Pond A. Marcotte checked with a blower company about re-sheaving the current blowers to increase their output and they recommended against it due to the age of the blowers. Marcotte provided two options on getting our air volume up to spec with Alternative #1 being adding one blower to the existing two blowers and installing 595 Bio-Domes with the associated dome air piping system and upgraded electrical to the blower building. This alternative was estimated at \$1,760,391 which is more than the matching grant funds we have. The second alternative is to purchase three new blowers, improve the air volume into Pond A with new air piping to the pond and installing 477 Bio-Domes. This alternative reduces the number of domes needed because the airflow to Pond A is improved and would result in better treatment in the pond and a lower number of domes to treat the remaining BOD and ammonia in Ponds B and C. This alternative is estimated at \$1,571,115 which is slightly below the matching funds we have.

Sammons asked if we were committed to a certain number of domes from Wastewater Compliance Systems (WCS) and Superintendent Bock said that we had sent them a letter of intent, which they did not really like. They have committed to \$2,600 per dome no matter what. He had talked to Dr. Kraig Johnson of WCS and suggested they buy either one of the new blowers or the air piping for Pond A. WCS came up with a proposal for them to supply the soda ash machine and include that in the \$1,240,200 for the 477 domes and the district would buy the piping and the three blowers and hopefully get a quantity discount on them. The air needed in Pond A is 4 psi and the domes need 10 psi, so one blower would be sheaved and dedicated to the ponds and one dedicated to the domes. The third blower would be our redundancy required by the state and would likely be sheaved for pond use and could be changed to dome use if needed.

Our original agreement with WCS was for \$1.3 million for a complete turn-key system when we thought we would only need about 400 domes. The estimate has been up when we thought we were going to need 595 domes and is now down again since we only need 477 domes. Bock said that both the district and WCS have gotten the shaft from the state with their changing of our permit requirements. This new proposal will get us a better system than originally planned as we are improving the air into Pond A. WCS was reminded by Bock of the level of commitment and funding that the district has provided over the past four years.

Marcotte said he will get the contract prepared by WCS to indicate that they would provide the domes and the soda ash machine along with the process warranty. This will need to be reviewed by our attorney, Georgia Noriyuki, prior to signing. This could include monthly pay requests from WCS and then submitted to the granting entities for payment. WCS understands that they won't get paid until we get the grant funds. The cost analysis done by RGA was part of the request for information from the state and as part of that analysis the air flow problem in Pond A was found. This provided us the opportunity to improve the air into Pond A and reduce the number of domes.

RECORD OF PROCEEDINGS

KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING

June 13, 2016

Page 2 of 3

Superintendent Bock said that he talked to Doug Kamrud of the state about our letter and Kamrud was going to talk to the permits section of CDPHE first to be sure they weren't going to change some parameters on our next permit in 2018 or 2019. This should be extra time well spent to avoid a new requirement from permitting that we would have to design around again. Marcotte said he hoped to have the proposed contract from WCS within a couple of weeks for attorney review.

Bock said we still don't have a good estimate on the cost of upgrading the electrical for the blower building. We will need more power supply to be able to run two blowers at a time. He will be meeting with the electrical engineer, Bill Bruner, and our electrician, Eric Guthrie, tomorrow to look over the current supply.

Bock said that the air diffusers in the ponds need to be serviced to be able to provide the new full air supply. The diffusers in Pond A will need to be pulled up and replaced. The diffuser parts for Ponds B and C will be provided for later installation by the district. Bock has a bid from Aeration Works to have the work done with EDI parts. This will also be part of the grant as it is part of the upgrading of the air supply. Marcotte will check with the granting entities to be sure they are aware of this additional cost being part of the full project. Bock said we need to get the contract done in a week and then provided to the attorney for her review. We could then have a special meeting to approve the contract. Marcotte said we do not have to advertise for bids since this is a sole source supplier and the amount in-house work. Marcotte said he recommends holding back 20% of each pay request and Bock said he had talked to Dr. Johnson of WCS about retainage. The held funds would be released in spring of 2018 to allow for two summers of operation.

OPERATOR'S REPORT: Superintendent Bock said the bid for the diffuser replacements is \$49,557 through Aeration Works and will be overseen by Water Technology Group (WTG). This would include all labor and materials to complete the work in in Pond A and the supplies and materials provided for Ponds B and C. They can be here the week of July 11 to do the work. The disk covers for Pond A should be arriving that week also.

The air piping replacement for Pond A may be higher than the estimate and he is trying to hold the total project cost at about \$1.6 million, just below our grant funds of \$1.7 million. The diffusers can be serviced without lowering the pond and would be easier to do without the pond cover in place.

SAMMONS MOVED TO APPROVE THE CONTRACT WITH AERATION WORKS FOR THE DIFFUSER PROJECT AS PROPOSED FOR \$49,557. UHRICH SECONDED. ALL "AYE" VOTES.

Bock is waiting to lower Pond B for the dome installation until the releases in Muddy Creek come down so he can avoid any chance of the pond liner floating up. He said that WTG and Action Blowers will each be providing bids for the three new blowers. So far, no one has expressed interest in the old blowers. The air piping to Pond A will be upsized from 6" to 10" in diameter to get the needed volume and Bock hopes to be able to borrow equipment to do the installation in-house. He is also looking into using 4" Schedule 80 PVC piping in Ponds B and C for the dome air manifolds as it is much less expensive than ductile iron, easier to handle and only needs to hold about 10 psi in pressure. Our seasonal worker, Dillon Willson, is working on getting his CDL. The jetting of the mains in town is going well.

OLD BUSINESS: Rosene presented a resolution based on the discussion from the previous meeting concerning water leaks and commercial overage charges. Director Ward removed himself from the board for the discussion.

SAMMONS MOVED TO APPROVE RESOLUTION 2016-6-1. UHRICH SECONDED. ALL "AYE" VOTES WITH ONE ABSTENTION.

The issue discussed last month concerning Justin Villegas asking that the sewer tap he abandoned in 2013 at 210 S. 3rd Street be reinstated. He went to the town board to ask that his water tap be reinstated and they granted his request, provided he pays the back water usage from abandonment through current at the stand-by water rate. Rosene said that he recommends that if the board approves the request to get his abandoned tap back, that some sideboards be placed on the request so that he can't wait until sometime in the future to say yes or no on getting his tap back and that the rate would be our standard monthly fees and no late fees or penalties.

RECORD OF PROCEEDINGS
KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING

June 13, 2016

Page 3 of 3

Rosene said he wants to avoid Villegas being able to sit on the decision until he sells his property and that if he chooses to abandon, it would be done with the new form that clearly spells out that the tap is abandoned and that a new tap fee at the then current rate would need to be paid to get a new tap. Sammons said he felt that a letter should be sent to explain his obligations and give him 20 days to decide with a 6 month payment schedule. If he misses a payment, the tap is considered abandoned. Rosene asked if a missed payment meant a late payment and Sammons said he meant no payment made.

SAMMONS MOVED TO SEND A LETTER TO JUSTIN VILLEGAS TO EXPLAIN HIS OBLIGATIONS AND GIVE HIM 20 DAYS TO DECIDE WITH A 6 MONTH PAYMENT SCHEDULE OF THE PAST CHARGES WITH NO LATE CHARGES OR PENALTIES TO BEGIN APPROXIMATELY THE AUGUST BILLING CYCLE. IF HE MISSES A PAYMENT, THE TAP IS CONSIDERED ABANDONED. UHRICH SECONDED. ALL "AYE" VOTES.

The public hearing for the proposed rate changes will be held at 7:15 pm at the July 11, 2016 meeting. This includes the proposed "Inactive Tap Monthly Service Fee" and the new administrative fee.

NEW BUSINESS: None.

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

Signed:



Secretary