

RECORD OF PROCEEDINGS

KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING
OCTOBER 14, 2019

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 6:00 p.m. Directors present: Jason Bock, Dave Sammons, Dwayne Uhrich, Eric Bradley and Ken Bentler. Director(s) absent: None. Staff present: Superintendent Jeremy Bock and District Manager Rich Rosene. Audience present: None.

APPROVAL OF MINUTES: UHRICH MOVED TO APPROVE THE REGULAR MEETING MINUTES OF SEPTEMBER 9, 2019 AS PRESENTED. BENTLER SECONDED. MOTION CARRIED.

Superintendent Bock said that the Mountain Parks Electric bill will be high throughout the winter due to turning up the power on the large blowers to better remove BOD.

APPROVAL OF EXPENDITURES: BRADLEY MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF SEPTEMBER 10, 2019 THROUGH OCTOBER 14, 2019 IN THE AMOUNT OF \$26,916.36. SAMMONS SECONDED. MOTION CARRIED.

UHRICH MOVED TO APPROVE THE LOAN PAYMENT TO CWRPDA IN THE AMOUNT OF \$33,223.49. BENTLER SECONDED. MOTION CARRIED.

PUBLIC COMMENT: None.

ENGINEER'S REPORT: None.

OPERATOR'S REPORT: Bock said that he and Rosene met with Rick Reliford of Grand Adventure Brewing and Red Waldron of Blue Valley Spirits concerning the letter sent to them about taps and monthly service charges. After the discussion, it was proposed that they purchase one new sewer tap to be shared by the two businesses and pay two additional monthly service charges. Bock has purchased an auto-sampler to check their discharges. He wants to sample each business separately and then do a sample of all three businesses in the building. There is a small utility room with a drain that he can access for sampling. He is concerned about whether all of the brewery mash and distillery solids will be sent outside to the storage tank.

Bock has a potential buyer for the 1997 green Chevrolet for \$500. It is in pretty rough shape with a rusted out utility box, broken door handles, brake issues, worn out tires, etc. The truck would be sold as-is and the potential buyer is aware of this.

SAMMONS MOVED TO SELL THE 1997 CHEVROLET FOR \$500. BRADLEY SECONDED. MOTION CARRIED.

The sprinkler system at the plant worked great all summer. All of the reuse and sprinkler lines have been blown out for the winter. He needs the sprinkler control at the plant hard wired by Guthrie Electric. Right now it is plugged into an extension cord.

Browns Hill came up to fix the data lines that had been affected by a CenturyLink upgrade. The blowers have been turned up for the winter months. Bock said he will not be at next month's meeting.

Uhrich asked if the one additional tap for the brewery and distillery was sufficient if they discharge more than planned. Rosene said that the main effect would be on the monthly charge. If their BOD is higher than normal for a household or business, then an additional monthly charge could be added. Bock said that a normal household discharge has 200 – 400 mg/L for the \$42 per month we charge. If they are going to send us 1400 mg/L, then there would be 3 or 4 additional monthly charges.

Right now we do not have a differential commercial rate based on higher BOD levels. Bock has some information from Tabernash sanitation with their charges for additional BOD. Bock and Rosene had discussed this a few years ago but since we didn't have any high discharge commercial customers it wasn't put into place. Rosene and Bock will get a proposal to add this to our fee schedule.

Sammons said that the previous brewery that we supposedly "ran off" was going to have very high BOD levels and high monthly charges. We told them they could pretreat to reduce the discharge levels and that we would need to do sampling to monitor the discharge. Their discharge numbers were directly from their consultant, not ones we thought might happen. They felt that they didn't want to pretreat and that our fees were too high, so they decided not to build here.

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Bentler asked what the sampling frequency might be to account for the high business seasons. The summer season is very busy and he assumed that the brewery would be brewing a lot of beer and washing out frequently. Sammons said that the brewery is also doing kegs for off-site use. Bock said that he would watch this and can sample in the manholes above and below the building discharge.

2020 BUDGET PROPOSAL: Rosene presented the proposed 2020 budget to the board. It is pretty similar to the budgets of the past few years. On the revenue side, there will be no significant changes except in grant income as we expect to get a grant for the Ceriani Park reuse line extension. Our initial assessed valuation did go up about 22% as it was a reassessment year and there was some new construction. The budget does include a proposed rate increase of \$1 per month for all users and \$0.50 per thousand gallons for the commercial overage. We are getting close to meeting the actual cost of the commercial overage charge. The increases are about 6.7% for the commercial overage and about 2.3% for the monthly charge.

On the expense side, the Supplies and Expenses category includes our share of the annual maintenance cost for the accounting software that the town uses. Most of the other administration costs will remain the same. The utility costs are based on a rolling 12 month actual cost from the previous year and a small inflation factor for any rate increases from the utilities. The insurance costs will be based on the actual cost that we will receive from the insurers before we finalize the budget in December. We have one loan with CWRPDA and we will be done with it in 2025.

The Collections and Treatment expenses are on a base amount level or a calculated level. Most of the maintenance and repairs are on a base amount and this allows Superintendent Bock to do the routine things needed. If something breaks down, then we will deal with it at that time. The reuse costs are calculated mainly on the cost of the chlorine and minor repairs. The salaries are based on a 3% cost of living adjustment (COLA). The range of the COLAs is from about 2.5% to 3% depending on who does the study. Capital outlay will include the reuse line extension, engineering, and lease-purchase payments for the septage receiving station. The training line is for costs for Bock and Etler to keep their licenses current and for Bock to get his B license.

SAMMONS MOVED TO SET THE PUBLIC HEARING FOR THE 2020 BUDGET FOR NOVEMBER 11, 2019. UHRICH SECONDED. MOTION CARRIED.

OLD BUSINESS: None.

NEW BUSINESS: Superintendent Bock has the new lease-purchase agreement with Water Technology Group for the septage receiving station. The total price is \$161,247 and they will carry us for two years at 0% interest with a monthly payment of \$6,718.63. Our attorney, Georgia Noriyuki, looked over the agreement and added some TABOR language that was missing and a few other items. WTG has agreed to the changes. Sammons asked if this was the total price with installation and ready to operate and Bock said yes. The station needs to be up and running by April 1 of next year as both haulers have contracts that will expire then with their hauler. Bentler asked if it included a new gate at the plant entrance and Bock said no. We will add it when needed. They hope to start construction of the concrete base next week. Bock said the projected revenue based on the gallonage the haulers currently have and at our proposed rate of \$.11/gallon should be about \$80,000 per year.

SAMMONS MOVED TO APPROVE THE LEASE-PURCHASE AGREEMENT WITH WATER TECHNOLOGY GROUP. UHRICH SECONDED. MOTION CARRIED.

ADJOURNMENT: SAMMONS MOVED TO ADJOURN AT 6:43 PM. UHRICH SECONDED. MEETING ADJOURNED.

Signed:

/s/ Richard A. Rosene
Secretary