

PLUM CREEK WATER RECLAMATION AUTHORITY
4255 N. US Hwy 85, Castle Rock, CO 80108
REGULAR MEETING MINUTES
Held Via Conference Phone
May 26, 2020

CALL TO ORDER:

7:30 a.m.

ATTENDEES:

Jim Worley, Mark Marlowe, and Dick Munday, Board Members; Tim Friday, Alternate Board Member; Wes Martin, Authority Manager; Kirby Clark, Assistant Authority Manager; Lissa Oelkers, Director of Administrative Services; Natalie Hopkins, Administrative Assistant; Darryl Farrington, Semple, Farrington, Everall & Case, PC; Burt Knight, Castle Pines Metropolitan District; Christine McLeod, Haynie & Company; Nick Warnick, Haynie & Company; Jeff Drabing, Castleton Water & Sanitation.

ANNOUNCEMENT OF QUORUM:

Quorum present.

PUBLIC COMMENT:

None.

APPROVAL OF AGENDA:

Dir. Marlowe moved to approve the agenda. Dir. Munday seconded the motion. The motion was unanimously approved.

ACTION ITEMS:

MINUTES OF APRIL 28, 2020 REGULAR BOARD MEETING:

Dir. Marlowe moved to approve the minutes of the April 28, 2020 regular board meeting. Dir. Munday seconded the motion. The motion was unanimously approved.

PAYABLES FOR THE PERIOD ENDING APRIL 30, 2020:

Mr. Martin noted the \$8,000 expenditure for Haynie & Company was payment for the 2019 financial audit. He highlighted the amount of \$3,438.91 to Kennedy Jenks Consulting were costs associated with the implementation of the new Industrial Pretreatment permitting program and the \$10,540.00 for Seal Analytical was a result of renewing the annual support for the lab analytical equipment. Dir. Marlowe moved to approve the April 30, 2020 PCWRA payables in the amount of \$300,542.39 and the 3.0 Capacity Expansion expenditures of \$1,015,343.75. Dir. Munday seconded the motion. The motion was unanimously approved.

Mr. Marlowe requested clarification regarding the biosolids budget at 40 percent and if staff expects to exceed this budget. Mr. Martin responded that staff is hopeful with the new ATAD, the plant will see a decrease in biosolids production for a few months.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Mr. Warnick noted that all reports to be submitted were completed well within stated deadlines. Mr. Warnick praised staff on continuously receiving the award for excellence year after year and stated that in light of the circumstances surrounding COVID-19, all documentation and communication was successful to complete the 2019 financial audit. He reported there were no weaknesses or internal deficiencies regarding internal control. The audit was given a clean opinion from Haynie & Co.

Ms. McLeod directed the Board's attention to the Report to Governance document provided in the board packet and provided a financial overview of the Authority. Ms. McLeod continued to further explain the pensions and liabilities as well as new disclosures which are not likely to affect PCWRA in the future.

Errors were noted on page 7 regarding appointed officials and will be revised before submission. Mr. Marlowe directed a question to Mr. Martin asking if there is a plan to get to a full staff of 18 employees as it seems year after year the Authority continues to struggle at 16 FTEs while the budget plans for 18 FTEs. Mr. Martin responded that staff is now at 17 employees, and that management is considering bringing in a compliance specialist.

Dir. Marlowe moved to approve the 2019 Comprehensive Annual Financial Report. Dir. Munday seconded the motion. The motion was unanimously approved.

Mr. Warnick and Ms. McLeod thanked the board, excused themselves from the meeting and disconnected from the call.

BURNS & MCDONNELL 3.0 CAPACITY CONTRACT AMENDMENT

Mr. Martin stated that staff is seeking to amend the Burns & McDonnell contract for construction management. Staff, as well as representatives from the Town of Castle Rock, held a meeting with Burns & McDonnell to discuss extending the contract and to gain additional information. The soil conditions and IREA requirements are among the reasons that the project has had to be extended, but staff believes Dale Pearce has been an invaluable asset in order to keep the project on schedule for December of 2020. The additional funds would allow for Mr. Pearce to stay onsite through the remainder of the project to ensure the best quality result. Mr. Martin noted that PCWRA does not have engineers on staff to manage a project of this magnitude, making Mr. Pearce vital to project completion.

The amount requested in the amendment, \$325,792, includes the extended schedule and additional funds for warranty items as well as engineering hours. Some of the contingency funds will be utilized to cover the amendment. However, along with interest earned, there are still unused funds available ensuring additional funds will not need to be requested from the members.

Dir. Marlowe agreed there appears to be adequate funds to cover the cost of the proposed amendment. He requested clarification on what the initial contingency has been used for. Mr. Martin replied additional piping, overhead door changes, and additional insulation for the ATAD piping that was not considered in the initial design contract, were all included.

Dir. Marlowe inquired whether there are any additional change orders expected which will require additional funds. Mr. Martin responded that with the project being at 75 percent complete, all unexpected changes should be accounted for and no significant change orders are expected.

Dir. Munday moved to approve the 3.0 Capacity Contract Amendment. Dir. Marlowe seconded the motion. The motion was unanimously approved.

INDUSTRIAL PRETREATMENT PERMIT PROGRAM

Staff has completed the creation of the Industrial Pretreatment Permit Program and details will be sent out to customers upon Board approval. A letter was sent, notifying all applicable entities of the new program however, no responses have been received from the community. Mr. Drabing noted that there had not been an issue to date and inquired why this program is needed. Mr. Martin explained that the purpose of this new program is to improve communication between PCWRA and any new businesses regarding the code of rules and regulations as well as the requirement to install a grease interceptor. The permit will be used for tracking and informational purposes and allow better communication prior to change in ownership for businesses in the area and notifying them of requirements. There has been a communication barrier where new businesses are concerned, and staff has not had the ability to explain the requirements before construction has begun to meet rules and regulations. Additional communication gaps occur at the sale of a business and the new owner has not been made aware of PCWRA requirements.

Mr. Drabing then inquired how a new business owner would know to contact PCWRA to ensure compliance with the rules and regulations and whether or not PCWRA will be included in the business licensing process. Mr. Drabing questioned implementation and if Castleton Water and Sanitation will need to be involved in any

processes or paperwork surrounding this new program since it owns the collection system or if it would be directly between property owners and PCWRA. To which Mr. Martin responded that communication would occur directly between PCWRA and the business owner. He expressed his apologies for not considering the impact on Castleton's collection system. The process will be reviewed to consider Castleton Water and Sanitation involvement.

Dir. Marlowe interjected that new business approval processes will not change. PCWRA and Castleton are considered referral agencies during which time it will be determined if a grease interceptor is required. The new program puts in place a permit system so that a restaurant will clearly know their requirements and those are posted inside the facility. This also ensures potential new owners will be aware of these rules and regulations based on the posted permit. Mr. Drabing requested a copy of the new program to which Mr. Martin responded the packets will be sent to all business owners and he will ensure Castleton receives one as well.

Dir. Munday moved to approve the Industrial Pretreatment Permit Program. Dir. Marlowe seconded the motion. The motion was unanimously approved.

REUSE RESERVOIR PROJECT

The RFP for the engineering to rehabilitate the 33-million-gallon reuse reservoir and design a new pump station was published utilizing the BidNet site. Six firms were present at the required meeting but only four responses were received. After reviewing the proposals, staff ranked the proposals in the following order: GEI Consultants, Burns & McDonnell, PSI, and Spartan. Staff believes that GEI is the best option due to their proposal, cost, and references. PSI and Spartan are from the oil & gas industry and did not produce references applicable to the scope of the project.

Dir. Marlowe questioned how a total project cost of roughly two million dollars would affect the reuse rates to the golf courses and stated it is important for staff to look into these rates before moving forward as the golf courses should be given the opportunity to be involved and provide input. Staff should be prepared for any questions that they may have. Mr. Martin will review the reuse rate model.

Due to the expiration date of the current bids, Dir. Marlowe feels comfortable approving the design with the condition this is discussed with the golf courses. Dir. Munday stated the reservoir needs to be addressed due to state regulations to which Mr. Martin agreed. Discussion ensued among the board.

Mr. Knight requested that he and Mr. Martin set aside time to notify the golf courses of the potential changes and the proposal of the project.

Dir. Marlowe moved to approve the Reuse Reservoir Project design on the condition that the rates will be evaluated, and communication will take place with the golf courses. Dir. Munday seconded the motion. The motion was unanimously approved.

OTHER ACTION ITEMS:

NONE

DISCUSSION ITEMS:

3.0 EXPANSION PROJECT UPDATE:

Mr. Martin stated that the project has started to move quickly due to the better weather. There have continued to be issues with the masonry and completion of their portion of their project. Staff is holding funds of approximately \$65,000 and the substantial completion notice until a quality product is realized. The equipment is being installed very quickly and staff is considering timing to bring the new equipment online to avoid any potential disruptions. Dir. Marlowe inquired about the completion date to which Mr. Martin responded the project is still on schedule to be completed by the end of December 2020. Dir. Worley expressed interest in a tour upon completion. Mr. Martin stated he is comfortable providing tours to see the current progress of the project as well.

MANAGEMENT REPORT:

CDPHE Update

Mr. Martin stated that because of the negative response received regarding staff's submission surrounding Reg. 38 for temperature, staff pulled the extension request and has decided to develop an effort along with other wastewater utilities to dispute temperature requirements. Many feasibility studies have been conducted which show temperatures measuring very high and the utilization of technology, such as cooling towers and chillers, have the potential to result in a high carbon footprint as well as very high costs. Staff is also participating in Reg. 84 and will be providing comments and requests. The TENORM process is continuing with the State requesting stakeholder review. Staff will participate in all meetings and provide comments.

The state is projecting a \$6 billion deficit over the next 2 years and may be pushing for a new fee bill. There should be more information made available in July.

There is a FEMA mask project where 90,000 masks were made available. They are not N95 masks, but rather fabric masks. If any utilities are in need, there will be a second round of distribution soon.

Industrial Pretreatment

Staff reached out to Aaron Crooks of 212 Pizza to seek updates on the status of their grease interceptor installation. Due to the projected cost of \$48,000 provided by engineering to Mr. Crooks, he is concerned this expense could put 212 Pizza out of business. Mr. Crooks requested any information regarding assistance programs to alleviate costs. Staff is unaware of any programs of this nature but is continuing to work with Mr. Crooks regarding an extended schedule.

Mr. Martin provided additional information on discussions with the State regarding PFAS. The main concern is to avoid being classified as a generator.

Mr. Martin was recently made aware that the augmentation requirements for Chatfield storage are changing and will require daily reporting by 8AM which will interfere with current weekend operations. There will be a meeting between all members to discuss any new requirements. The division is once again requesting to host the augmentation website.

COVID-19 UPDATE

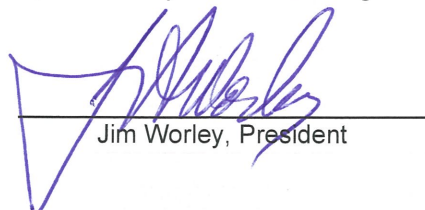
Split shifts are continuing and all staff who can work from home are continuing to do so. Staff has looked into large-scale wastewater analysis being conducted in relation to COVID-19. However, due to the large number of participating utilities, the group is not taking new utilities at this time. Due to the high cost of the analysis, Mr. Martin does not see the benefit of collecting the data as the data alone is not as valuable as participating in the full study.

OTHER DISCUSSION:

Dir. Marlowe updated the board on the proposed development, Pine Canyon, which has applied to develop an urban-level development within the boundaries of unincorporated Douglas County but right next to the Town of Castle Rock and at a higher density than initially proposed to the Town. He described issues such as available water and their intent to build a wastewater treatment facility. The development has intentions of utilizing solely non-renewable groundwater. The development does not have enough non-renewable groundwater to meet Douglas County standards, but they plan on submitting a water appeal to Douglas County to proceed in any event. The Town plans to officially oppose the development at the next council meeting.

ADJOURNMENT

There being no further business to come before the board, Dir. Worley declared the regular meeting adjourned at 8:53 a.m.



Jim Worley, President