

Tri-Lakes Facility Joint Use Committee, Jan. 13

Questions raised about state grant funding availability

By Jim Kendrick

On Jan. 13, Woodmoor Water and Sanitation District Manager Jessie Shaffer advised the Joint Use Committee (JUC) of the Tri-Lakes Wastewater Treatment Facility that his district's board is concerned that the Colorado Legislature might not allocate funding for state nutrient grants for the state fiscal year starting this July and wants to get as much construction completed as possible for the treatment constituent expansion for total phosphorus removal by the end of the state's current fiscal year on June 30.

The Tri-Lakes facility operates as a separate public utility and is jointly owned, in equal one-third shares, by Monument Sanitation District (MSD), Palmer Lake Sanitation District (PLSD), and Woodmoor Water and Sanitation District (WWSD). The three-member JUC acts as the board of the facility and consists of one director from each of the three owner districts' boards: Don Smith of Monument, Ken Smith of Palmer Lake, and Rich Strom of Woodmoor. Tri-Lakes accountant Jackie Spegele of Numeric Strategies LLC presented national changes to accounting standards for 2015. Several other directors of the owner district boards, Monument District Manager Mike Wicklund, Palmer Lake District Manager Becky Orcutt, and Shaffer also attended the meeting.

Tri-Lakes Facility Manager Bill Burks reported that Jan. 2 was his 25th anniversary at the plant to a round of applause from all these attendees.

Financing of total phosphorus project still unresolved

Burks asked the JUC, "Can we proceed with construction without a financial plan? We're running into going out for bid by the end of the month. I'd hate to bring contractors in and then find out we're not going to do it."

Strom replied "We cannot award the contract without having the money." Strom then proposed the total phosphorus project be put out for bids as soon as possible so that a contract could be awarded at the Feb. 10 JUC meeting. He offered a fill-in-the-blank draft agreement that would allow each district to specify what percentage it was willing to pay in the interim until a final settlement on cost sharing for the total phosphorus project is negotiated between the parties or determined in district court. The agreement called for the districts to settle within 10 business days after the final cost sharing determination is made.

The amount that each of the three owner districts will contribute to pay for their ownership shares of the new total phospho-

rus constituent plant expansion, as well as the method used to determine their separate shares of future phosphorus chemical treatment operating costs, is still being negotiated at this time in separate private inter-district meetings that do not involve the JUC.

There were no phosphate limits when the existing Tri-Lakes activated sludge facility was designed and constructed in 1988, nor were there any EPA or state Water Quality Control Division or commission discussions at that time that there would ever be specific organic discharge constituent limits for phosphorus in treated effluent in 1988 or later in 1998 when the Tri-Lakes facility was expanded by Woodmoor. Tetra Tech has stated in its design and engineering proposal to the state Health Department that there is no designed total phosphorus removal in the existing plant.

Monument's position, as stated at previous JUC meetings, is that each district should pay the same percentage of the cost of expansion for removing the in-plant constituent total phosphorus as the amount of currently owned treatment capacity for treating hydraulic flows and removing biosolid wastes and that each district should own this same percentage of the new chemical total phosphorus treatment capacity of 264 pounds per day. This allocation of owned hydraulic capacity and biosolids treatment capacity is specified as follows in the Joint Use of Facilities Agreement, which controls facility operations and funding plant expansions for new constituents:

Woodmoor—64.28 percent, Monument—19.79 percent, and Palmer Lake—15.93 percent.

Monument also believes it is fairest to all ratepayers in the Tri-Lakes facility service area if the three owner districts receive these same percentages of the \$1 million state grant for design and construction.

Woodmoor's position is that each district should pay one-third of the estimated \$2.32 million construction cost of the new total phosphorus treatment equipment expansion, even though Woodmoor would still own 64.28 percent of the new total phosphorus treatment capacity of 264 pounds, 169.7 pounds per day (ppd). This position would require a subsidy of 13.54 percent (\$314,128) by Monument's ratepayers to Woodmoor ratepayers, and a subsidy of 17.40 percent (\$403,680) by Palmer Lake ratepayers to Woodmoor ratepayers. All three districts would receive one-third of the \$1 million state design and construction grant to reduce their equal

individual \$733,333 costs by an equal individual grant share, \$333,333 each. The net cost by thirds would be \$440,000 each.

However, Monument's position is if it has to pay a third of the total phosphorus treatment expansion cost of \$2.32 million (\$773,333), it should own a third of the new 264 ppd of phosphorus treatment capacity, which is 88 ppd. Monument believes that if it is only going to own 19.79 percent, or 52.2 ppd of the new total phosphorus expansion's treatment capacity, rather than 88 ppd, then Monument should only be responsible for 19.79 percent of the estimated \$2.32 million construction cost, \$459,128, which would be partially paid by 19.79 percent of the \$1 million grant (\$197,900) for a net Monument cost of \$261,228.

The Palmer Lake staff and board appear to have approved paying the \$2.32 million construction cost by thirds even though Palmer Lake would own only 15.93 percent of the new 264 ppd of total phosphorus treatment capacity, which is 42.1 ppd rather than the 88 ppd it would have paid for. If Palmer Lake only paid 15.93 percent of the \$2.32 million cost, it would only pay \$369,576, which would be reduced by 15.93 percent of the \$1 million grant, (\$159,300) for a net total cost of \$210,276 instead of \$440,000.

Burks said that the facility's engineer, Steve Tamburini of Tetra Tech RTW, had told him on Jan. 9 that the project would be going out for bid by the end of January. Burks also noted two state Health Department nutrient grant reimbursements of \$25,504 and \$31,086 in December, which are part of a \$1 million state nutrient design and construction grant awarded to the facility by Gov. John Hickenlooper in July 2013. (See <http://ocn.me/v13n8.htm> and <http://ocn.me/v13n8.htm#grant> for more information.)

Wicklund stated that Tamburini had not yet presented his 90-percent-completed design proposal to Burks or the owner districts much less the final design. He added that the Tetra

Tech RTW design had not been vetted by the state's 208 plan committee process or approved by the state and was therefore not a final design ready to be put out to bid.

Shaffer said he believed no state site application review process was required. He also expressed concern that the state might renege on paying any more nutrient grant money for the Tri-Lakes expansion after the end of June 2015 even though it had signed a grant contract that the time available for receiving grant reimbursements does not expire until June 2016.

The meeting recessed so Burks could call Tamburini at Tetra Tech RTW in Denver to get more information, however Tamburini could not be reached.

Don Smith said that Monument will only pay 19.79 percent of the costs not covered by the \$1 million grant prior to a final settlement. He offered a payment of 15.93 percent of the unreimbursed costs, but Orcutt said that Palmer Lake should pay a third. Strom said Woodmoor would pay the rest of the unreimbursed costs in the interim. Shaffer said he would send a digital copy of the draft agreement to Palmer Lake and Monument after adjournment for their boards to consider during their regular January board meetings on Jan. 14 and 15 respectively.

Wicklund said having a Monument reply ready for Woodmoor on its interim financing proposal by Jan. 16 would depend on Monument's ability to consult with its attorney regarding the interim agreement, whether Tamburini has secured final state approval on the final engineering proposal, and

whether there would have to be a state 208 review of the engineering proposal.

Backup electrical generator discussed again

Burks asked the JUC if he should delete the \$200,000 emergency electrical generator proposed by Tetra Tech RTW as part of the total phosphorus tertiary clarifier chemical treatment expansion and rely on use of a rented backup generator to save construction costs. He said he could only recall one time in 25 years when power was lost for a significant time—during a blizzard that knocked out power for the whole Tri-Lakes region.

Burks stated that he did not believe this generator is needed because the existing plant can operate for several days as a settling pond by gravity without electrical power during a "reasonable power outage." Burks added that manual cleaning of the bar screen and grit collector in the plant's headworks by the Tri-Lakes operators is all that is required to sustain gravity flows through the treatment plant during a power outage. The length of a "reasonable outage" is not defined in state water quality regulations. After the tertiary total phosphorus chemical removal clarifier is built, the facility's discharge permit's total phosphorus limit will be a rolling annual monthly median rather than a combination monthly average and daily maximum limit like those that apply to the rest of the plant's permitted treatment constituents.

Wicklund said Tamburini had told the JUC that Tetra Tech RTW had added the emergency electrical power generator to the Tetra Tech plans, part of the lat-



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