

**TOWN OF ARRIBA
BOARD OF TRUSTEES MEETING
Monday, December 9, 2019
Arriba Town Hall, 711 Front Street, Arriba, CO 80804**

Call to Order Mayor Alex Flores called the meeting to order at 7:45. Roll call for the Arriba Town Board was read and those answering were Marilyn Lightsey, Troy McCue, Leigh Anna Andersen, and Bob Rush. Carolyn Steinsiek and Courtney Dean were absent.

Pledge of Allegiance was led by Mike Becker.

Public Audience included: Jay Spurling.

Approval of Agenda Trustee Andersen moved to approve the Agenda as written. Trustee Rush seconded and the motion passed unanimously.

Approval of Minutes Clerk Hart said that Mike Becker had written up a statement concerning the events of what happened with Justin Myers. Trustee McCue moved to approve adding the statement to the October 14 minutes and to approve those minutes and the minutes from the November 11 Budget Hearing and the November 11 regular meeting as written. Trustee Andersen seconded and the motion passed unanimously.

Approval of Account Receivable and Payable

There was discussion on how Castle Rock is still pulling water but should be done for the winter this week or next.

Trustee McCue moved to approve the Receivables and Payables for November. Trustee Andersen seconded and the motion passed unanimously.

Approval of Bills

Mike Becker said he's been getting gas for the snow plow at DJ's. The bill from Nichols Electric is for the bucket truck rental for hanging Christmas decorations. Mike explained that Nichols charged \$375 and Mike paid \$225 of that since he used the bucket truck to cut down a tree in his yard.

Trustee McCue moved to approve the December bills for payment. Trustee Andersen seconded and the motion passed unanimously.

Upgrade Waste Water Treatment Facility

Mayor Flores said the concerns that were voiced on the most recent conference call were can the Town afford it by only raising the rates by \$20. The state said the Town would need to raise rates at least by \$50.

Clerk Hart said that the Town got the PNA review letter back from the state. She said that different financial scenarios are listed in the letter.

There was discussion on how far into the process would the Town know if it's getting any grants. Clerk Hart thought it would be pretty far into the process but that Alice did say at the last meeting that the Town can back out at that point if the financials weren't as the Town would like.

Trustee McCue said that Greg Etl asked why the Town is pushing itself into a new system when it's not in violation of anything and the Town can fix the existing system and save money.

Trustee McCue said that it was noted on the conference call that an evaporative pond would cut permit fees down and cut monthly operating costs down and would save the Town money in the long run. But it does come with a 2.7 million price tag. In the PNA review letter from the state it shows that if the town doesn't get any grants sewer rates would have to be increased by \$90. In Elements report their financial scenarios are much more optimistic.

Nick Marcotte with Element called in to the meeting. He said the state is making some assumptions on worst case scenarios of the Town not taking advantage of grants, and also shows the town getting a 20 year loan term instead of a 30, and that's where they get the \$90 increase. If the Town backed out if the financials didn't work like hoped the Town would be out the match amount which could be a significant amount.

The Board asked if towns that are not in compliance are more likely to get grants vs. towns like Arriba that are in compliance. Nick said that not through DOLA but USDA does reward extra points for being in non-compliance.

The Board discussed what the odds were of the Town getting a grant and if the town did get a grant would it be a lower percentage.

The Board discussed how the state doesn't seem concerned about the discharge permit changes that will be in effect in a few years and how that will affect the town. The state was more concerned about the huge financial burden on the town if the town went with the evaporative ponds.

A new liner will cost around \$150,000.

The Board discussed replacing both liners and getting a shredder and bar screen to make Mike's job easier.

There was brief discussion on the possibility of the rest area being shut down and how that would affect the Town's revenues. There was discussion on getting an influent meter to meter how much of the rest area's water ends up in the Town's sewer ponds.

There was brief discussion on changing the chlorine for the drinking water, according to Element this would cost \$20,000.

Trustee McCue moved to change directions and pursue repair and updates to the current wastewater system, this includes replacing both liners and purchase additional equipment for the wastewater ponds. Trustee Andersen seconded and the motion passed unanimously.

Town Christmas Event The Christmas event will be held on Saturday, December 21 at 1:00pm. Clerk Hart said she would be there at 11:30 to start getting things setup. Everyone needs to bring some cookies. She said she ordered everything from Osbornes- but she would need to buy more candy from Oriental Trading as Osbornes wasn't able to get all the candy in.

2020 Election Clerk Hart said that nomination petitions will be ready to circulate on January 7 and are due back by January 27th. She said the trustee seats that are up for election are Leigh Anna Andersen, Marilyn Lightsey, Courtney Dean, and Carolyn Steinsiek. Clerk Hart said a notice will be published in the paper this week.

Clerk Hart said it was suggested in a CML class she took that the Town have an ordinance in place allowing the Clerk to cancel the election if an equal amount of people run or if not enough people run, she'd also like to update the Town's write-in affidavit ordinance. Clerk Hart said she would work on an ordinance and have it at the next meeting.

Town Cleanup Nothing to report.

Employee Christmas Bonuses Trustee Andersen moved to give each employee \$350, and give Marie Daniel \$60. Trustee McCue seconded and the motion passed unanimously.

Maintenance Report Mike Becker said Richard Hopp will be out in the morning to pick up all the samples. The Christmas decorations need help. The wires going from the decorations to the pole needs worked on.

Clerks Report Clerk Hart said she took a couple of trainings on the new website platform and that changeover is still ongoing. She said she thought about sending a letter out to everyone about the wastewater project. The Board agreed this was a good idea.

Treasurers Report Everything looked good.

Trustees Report Trustee Rush said the letter Clerk Hart sent out about the water meter pits looked good.

Trustee Lightsey said that someone had asked her why the rest of the street crossings never got filled with concrete. Clerk Hart said she thought that after Mike had gotten one done the wastewater problems started. Trustee Lightsey had also heard concerns about the way the Christmas decorations looked.

Trustee Andersen asked if Mike had heard from the trucker that knocked her street sign down. Mike said he had talked to the trucker and a deputy and told them it would cost \$400 for repairs, they were supposed to send the Town an incident report.

LCEDC Report Trustee McCue's written report of what he has been doing with LCEDC and general news concerning other towns is attached to these minutes.

Mayors Report Mayor Flores said he felt this new direction on the wastewater project was better for the town.

There was brief discussion on raising the sewer rates. Clerk Hart said she would add this to January's meeting agenda.

Adjournment Trustee Andersen moved to adjourn the meeting, Trustee McCue seconded and the motion carried unanimously. Mayor Flores adjourned the meeting at 9:04pm.

Submitted by: Josie Hart, Arriba Town Clerk

Signed by:



Mayor Alex Flores

Approved by the Board on:

Town of Arriba
Board of Trustees
Regular Meeting
Monday, December 9, 2019
7:45pm

Sign In Sheet

Lay Spurling



ENGINEER'S PROGRESS REPORT

TO: Town of Arriba
FROM: Element Engineering, LLC
DATE: December 9, 2019
SUBJECT: Progress Report on Current Projects

WWTP Improvements

The town has decided to pursue an alternatives analysis to determine appropriate improvements to the existing wastewater treatment plant improvements project. The existing plant has a significant tear in the Pond No. 1 liner. Because of this existing problem as well as upcoming regulatory changes, appropriate long-term improvements to the system should be analyzed to determine the best use of town funds.

The proposed project will be funded through the Colorado Department of Public Health and Environment (CDPHE) State Revolving Fund (SRF). The first step in this process was the submittal of a pre-qualification form and a pre-qualification meeting with all involved agencies. The form has been submitted to CDPHE and the meeting was held on March 7th at town hall. CDPHE followed up with an award letter and the planning grant paperwork. This means the town has been awarded the \$10,000 planning grant and work on the next step of the process can proceed. This planning grant has been executed.

The next step of the process was the Project Needs Assessment (PNA). The PNA is the alternatives assessment as well as documentation of the existing plant, the need for the project, and detailed cost estimates. The total cost of this report is \$12,500. The report was funded with the \$10,000 planning grant and a \$2,500 town match (this match is a requirement of the planning grant funding). This report analyzes all feasible alternatives considering the impact of future regulatory changes. The PNA also serves as an application for grant funding (Design & Engineering Grant) for the design and permitting of the proposed project. The PNA was submitted to CDPHE on September 11, 2019. The report found that the best long-term project for the town if the board determines it is appropriate, is an evaporative pond system.

CDPHE, DOLA, and USDA held calls with the town and Element on November 6th and December 4th to further discuss details of the project and funding. A PNA review letter was issued on December 6th, which included concerns over the required rate increase to support the project. The following should be kept in mind by the board when reviewing the PNA Review letter rate analysis section:

1. The total project cost that is presented is \$2,748,000. This number includes the cost to compile the project needs assessment that has already been spent and completed, and engineering and bidding cost for the project, which should be funded by a CDPHE Design & Engineering principal forgiveness loan (essentially a grant). The true amount that will be funded and correlated to an increase in user rates is \$2,509,571.
2. The proposed project should qualify for a 30-year loan term. The expected lifetime of the proposed infrastructure is greater than 30-years.
3. Rate analyses presented in the letter do not include funding through USDA. USDA can offer grant funding, though there is no guarantee of award until an application is submitted and processed.

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4. The reduction in O&M costs due to the elimination of electrical and chemical costs is fairly significant. The PNA review letter does mention this on page 3.

The following information has been compiled by Element to show estimated possible user rate increases to support the project based on various funding scenarios. An equivalent monthly rate increase has been applied to all taps in the system for simplicity and does not account for potential distribution of the rate increase more heavily on the non-residential users. Additionally, the monthly expenses shown are only those expenses that will be affected by the project and does not account for existing expenses that will not be altered. This assumes that the existing sewer revenue adequately covers existing expenses.

As shown, if adequate grant funding is awarded through USDA and DOLA, the rate increase could remain at or below \$20 a month. However, the grant funding amount cannot truly be known until actual award. DOLA and USDA funding would not be applied for until the design of the project is close to complete and a realistic bidding and construction schedule is known.

Taps	141	141	141	141	141	141
Total Project Cost	\$ 2,509,571	\$ 2,509,571	\$ 2,509,571	\$ 2,509,571	\$ 2,509,571	\$ 2,509,571
Funding:						
Town of Arriba	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DOLA Grant	\$ 1,000,000	\$ 850,000	\$ 500,000	\$ -	\$ -	\$ -
SRF Loan	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 2,509,571
USDA Grant	\$ 504,786	\$ 579,786	\$ 754,786	\$ 1,004,786	\$ 452,871	\$ -
USDA Loan	\$ 504,786	\$ 579,786	\$ 754,786	\$ 1,004,786	\$ 1,056,700	\$ -
Total	\$ 2,509,571	\$ 2,509,571	\$ 2,509,571	\$ 2,509,571	\$ 2,509,571	\$ 2,509,571
Total Loan	\$ 1,004,786	\$ 1,079,786	\$ 1,254,786	\$ 1,504,786	\$ 2,056,700	\$ 2,509,571
Monthly Expenses						
USDA Loan Payment	\$ 1,571.64	\$ 1,805.16	\$ 2,350.02	\$ 3,128.89	\$ 3,290.02	\$ -
SRF Loan Payment	\$ 1,734.97	\$ 1,734.97	\$ 1,734.97	\$ 1,734.97	\$ 3,469.93	\$ 8,708.04
Debt Reserve	\$ 500.40	\$ 500.40	\$ 500.40	\$ 500.40	\$ 500.40	\$ 500.40
Short Lived Assets	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
System O&M Change	\$ (1,330.08)	\$ (1,330.08)	\$ (1,330.08)	\$ (1,330.08)	\$ (1,330.08)	\$ (1,330.08)
Total	\$ 2,601.93	\$ 2,835.44	\$ 3,380.30	\$ 4,158.67	\$ 6,055.27	\$ 8,003.36
Monthly User Rate	\$ 18.45	\$ 20.11	\$ 23.97	\$ 29.49	\$ 42.95	\$ 56.76
	Interest Rate	Term (yrs)				
CDPHE	1.50%	30				
USDA	2.125%	40				

Element will work with the town to gain final approval of the PNA and likely execute the Design & Engineering grant to move forward with the design of an evaporative pond project, if this is still the wishes of the board. The other items in the PNA review letter can be addressed by Element if the project is pursued.

To complete and evaporative pond project, the town will need to acquire additional land for construction. The PNA includes detailed calculations that show the total land needed is approximately 17 acres. The town currently owns approximately 6.5 acres. Element has been in contact with the property owner, Jerry Sauer, who has preliminarily agreed to sell land to the town for the evaporative pond system. Element is currently working with Mr. Sauer to determine an appropriate area of land. After this is decided, Element will assist in completing a fair value assessment for the land.



Water System

The possibility of changing from gas chlorine to liquid sodium hypochlorite was discussed with the board at the September board meeting. CDPHE's *Regulation 100 – Water and Wastewater Facility Operator's Certification Requirements* outlines the required operator licensure based on the treatment equipment and size of a facility. This regulation has recently been modified. Beginning March 1, 2021, the following regulations will apply. Note that an A level license is the hardest to obtain.

	Plant Design Flow Rate (in gpm)	
	< 350	350 - 1,400
Gas Chlorine	C	B
Sodium Hypochlorite	D	D

As shown, the operator requirement for a gas chlorine system is more onerous than a sodium hypochlorite system. The current operator, Richard Hopp, is an A level operator. Therefore, he will remain qualified to operate the system once the regulation modification is implemented if the town continues to retain his services.

If the town wishes to pursue a change in the disinfection system to a liquid sodium hypochlorite feed, the existing building, piping to the vault, and injection point could be utilized. The estimated cost of equipment is \$12,500, and the cost for engineering design and CDPHE permitting is \$7,500. The design, permitting, and installation process would take approximately 6-8 months.

A preliminary analysis on the effect of chemical usage and cost that would result from a change from gas to liquid disinfection was compiled to assist the town in its analysis. The calculation is presented below.

Water Source	Avg. Water Quantity (gpd)	Avg. Water Quantity (gpm)	Chlorine Dose (mg/L)	Chlorine Feed Rate (lb/day) ¹	Chlorine Feed Rate (gpd) ²	Chemical Cost Per Day (\$)	Chemical Cost Per Year (\$)
Raw Water	35,000	24	1.0	0.29	0.24	\$ 2.55	\$ 931
¹ Chlorine Feed Rate (lb/day) = pump rate (gpm) * Chlorine Dose (mg/L) / 1,000,000 (gal/MG) * 1440 (min/day) * 8.34 (lb-L/(MG-mg))							
² Chlorine Feed Rate (gpd) = Chlorine Feed Rate (lb/day) / solution concentration / (62.4 (lb/ft ³) * Specific Gravity) * (7.48 gal/ft ³)							
Note: Assumes 12% solution strength at a cost of \$10.50/gallon. Sodium hypochlorite specific gravity 1.20							

As shown, the estimated yearly chemical cost for liquid sodium hypochlorite would be \$931, assuming an average daily water usage of 35,000 gpd (this number may be conservatively high). The town is currently spending approximately \$816.75 a year for gas chlorine (three cylinders at \$272.25 each).

Finally, Element contacted Arriba about assisting with the coordination of a tank repair company to complete the repairs needed at the water tank. Arriba expressed interest in assistance with coordination. Element is working to coordinate these repairs.

Lincoln County Economic Development

Executive Director Report

December 9, 2019

-Lincoln County:

- Continuing Census 2020 support efforts, engaging with Limon Memorial Library for county outreach
- Working on current wind industry support project regarding potential transportation hub
- Working with Jessica Weeks (event planner) for Rural Philanthropy Days – Weekly Sub committee meetings, next Steering Committee in January in Hugo.

-Arriba:

- Begun work on basic zoning for Arriba.
- Working on wastewater plans, may be applying to USDA for funding – promises to be a long process, making decision on which direction to go. DOLA pushback for what they see as unneeded transition?

-Genoa:

- Exploring Opportunity Zone projects – utilizing rail access, housing, etc.

-Hugo:

- Helping closely plan RPD venues and area tours for June.
- Working with housing developers regarding Sandy Creek Property development-OZ straddle planning
- Planning tour with RPD Steering Committee in January for venues.
- Continuing participation in Main Street Program

-Limon:

- Cooperating closely with Ft. Morgan City EDO for signing possible FTZ client
- Hosted Housing Charrette presentation at Limon Town Board meeting in November
- Completed Incentive Agreement work with Wausau Supply, completing environmental review
- Awarded OEDIT planning grant application to assist with legal site requirements, \$7,500 in outside funding, received check on 11/2.
- Seeing three areas of specific progress on Brownfields-focus area in east Limon

-Karval: -Attended KCA meeting 11/12

- Working to identify USDA funding sources for construction of new food pantry/research center for Karval Community, with or without attachment to existing community center.

-Small Business Development Center:

- Attending all-day staff meeting in Greeley 12/13/19
- Preparing to invoice first quarter of Year 3 of CSBC Grant
- Participated in Harnessing Hemp seminar held in Limon on 12/2
- Sandy's Hometown Bakery opening latest success for Raejean's consulting efforts.

-Americorps/VISTA:

- Reached out to new candidate for VISTA year 3, awaiting her response for interview.
- Contemplating new VISTA program to re-energize the effort and gain volunteer/ also considering possible summer VISTA

-Your Community Foundation:

- Theater is covering holiday weekends and will measure results. Many special events flowing through theater, private/corporate/school.
- Pursuing electrical upgrades, part of H.S.A. Process

-Seminars/Training Events: -Troy's CECD Certification status: Completed 4 of required courses (Basic in 2015, Technology-Led ED online, and Real Estate Finance in June Salt Lake, Business Retention/Expansion in November in Omaha and FDI Online). 1 to go: Real Estate Redevelopment – Online, May 2020. Exam—October, 2020??

- Attended CRC's State of the Sector in Denver, 12/3 for Colorado Nonprofits

STRATEGIC PLAN LINK:

<http://lincolncountyed.org/index.php/places/strategic-plan>