



WATER & WASTEWATER COMMITTEE  
REGULAR MEETING AGENDA  
FRASER TOWN HALL, 153 FRASER AVENUE  
TUESDAY, JULY 10, 2018  
9:00 a.m. - 11:00 a.m.

NOTE: Times are approximate and agenda subject to change.

1. 9:00 A.M. Roll Call
2. Approval Of Agenda
3. Consent Agenda
4. Discussion Items
  - a. Northern Water

Documents:

[COST SHARING OUTLINE \(5.24.18\).PDF](#)

- b. Utility Service Line Incentive Program Amendments
5. Other Business
6. 11:00 A.M. Adjourn

Members of the Fraser Board of Trustees may attend this meeting.

## PRELIMINARY OUTLINE

### Cost Sharing Agreement for upgrading Fraser Valley Wastewater Treatment Plant

#### **A. Parties.**

1. WGFP Enterprise, Municipal Subdistrict, Northern Colorado Water Conservancy District (“Subdistrict”)
2. Town of Fraser, Grand County Water and Sanitation District #1, and Winter Park Ranch Water and Sanitation District, joint owners of the Fraser Valley Wastewater Treatment Plant (“Owners”)

#### **B. Background.**

As part of its Windy Gap Firming Project, the Subdistrict needs to develop a nutrient reduction plan for phosphorous and nitrogen, and that plan currently includes point source nutrient reductions at the Fraser Valley Wastewater Treatment Plant (“WWTP”).

Under the WWTP’s existing discharge permit, the Owners do not have a current need to reduce either phosphorous or nitrogen, but they do have an immediate need to upgrade the WWTP to reduce copper and zinc concentrations. It is anticipated that the Owners will need to reduce phosphorous concentrations when the next permit renewal for the WWTP is issued, which will likely be in the next 3 to 5 years. The Owners do not believe they will need to reduce nitrogen in the foreseeable future until Regulation 31 limits by CDPHE are in place and enforceable under the WWTP permit.

In order to address its immediate needs, the Owners have prepared a Preliminary Engineering Report (“PER”) and performed other activities related to the addition of a tertiary treatment process to the WWTP that will remove copper and zinc (“WWTP Upgrade”). Fraser is interested in participating in the Voluntary Incentive Program for Early Nutrient Reductions which is defined in Policy 17-1 published by the Water Quality Control Commission. If the plant can achieve effluent Total Inorganic Nitrogen (TIN) lower than 9 mg-TIN/l and effluent Total Phosphorus (TP) lower than 0.9 mg-TP/l, the plant would be granted a 10-year grace period before the Reg 31 limits are incorporated into their discharge permit. That The proposed process will also remove phosphorus, which will enable the Owners to meet the anticipated phosphorous limits of 1 mg/L in the next permit renewal. Those phosphorous reductions could also be used by the Subdistrict as part of its nutrient reduction plan if the Subdistrict participated in the WWTP Upgrade. The Subdistrict permits require phosphorous levels of 0.5 mg/L or less. The Subdistrict’s participation in the WWTP upgrade will enhance the ability of the WWTP to meet the future phosphorous limit required under Reg 31 in the future, anticipated to be 0.1 mg/L.

#### **C. Proposed Cost Sharing Concepts.**

1. 1. The proposed WWTP Upgrade can benefit both the Owners and the Subdistrict, and they have agreed to share the Engineering, and Capital costs, and Operation and Maintenance (“O&M”) costs on the following basis: 60% by

the Owners, and 40% by the Subdistrict. The Owners and Subdistrict will share the Operation and Maintenance (“O&M”) costs as follows:

- The Owner will pay O&M costs to remove the copper and zinc levels, which is also expected to remove phosphorous levels to 1.0 mg/L.
- The Subdistrict will pay the additional O&M costs required to achieve phosphorous levels to below 0.3 mg/L or lower.
- If WWTP effluent concentrations are between 0.3 and 0.5 mg/L the Subdistrict O&M payment will be reduced by 10%.
- If WWTP effluent concentrations are above 0.5 mg/L the Subdistrict will not be required to make any O&M payment.
- The Owners and Subdistrict will work together to develop the actual O&M Costs based on careful record-keeping of operation of the plant.
- The Subdistrict’s obligation to pay for O&M costs will cease if and when the WWTP permit requires phosphorous limits below 0.3 mg/L.

2. The Owners are currently financing all of the Engineering costs which includes the already completed PER and future development of: all Site Application materials including a Preliminary Design Report; and all construction and bidding documents. It is estimated that the Engineering costs for the WWTP Upgrade will be about \$300,000. The Subdistrict agrees to pay the Owners 40% of the estimated Engineering costs, or \$120,000. The Subdistrict will pay \$60,000 , at the time the formal cost sharing agreement is signed and will pay the remaining design cost when the final design is approved by the Subdistrict’s consultant as outlined in Par. 5. The Subdistrict will also pay 40% of any actual Engineering costs in excess of the estimated \$300,000.

3. The Capital costs for the WWTP Upgrade are estimated to be \$5.1 million. Construction is anticipated to begin in the first quarter of 2019. To ensure timely payments to the contractor, the Subdistrict will deposit in a separate Construction Account to be administered and accounted for by the Owners, 40% of the selected bid plus 20% for contingencies, construction phase engineering, and change orders at least 10 days before the projected Notice of Award for the WWTP Upgrade but not before March 30, 2019.

4. In designing the WWTP Upgrade, the Owners will incorporate provisions for the addition of a nitrogen reduction unit to accommodate any nitrogen reduction the Subdistrict would like to achieve at the WWTP and will consider the Subdistrict's comments for design to allow the plant to meet in the future under the Subdistrict's nutrient reduction plan.

5. Both parties' rights should be protected throughout the design so that upon construction of a facility both parties can achieve their goals. The Owner's consultant will be responsible for the design and permitting of the work. The Subdistrict's consultant will review the design documents at 30%, 60% and 90% complete design to ensure that the goals of the WGFP Enterprise are met and that the construction costs are being accurately accounted for within the contract documents so that a fair apportionment of costs can be developed. If the Subdistrict's consultant determines that the proposed design will not meet their needs, the Subdistrict will have the ability to terminate this agreement.

The Subdistrict will be provided an opportunity to review and comment on the construction and bidding documents, but the Owners will be solely responsible for all final design and construction decisions.

6. The Owners will be in charge of and will be responsible for construction of the WWTP Upgrade, but they will provide the Subdistrict with routine progress reports. The Owners will construct the WWTP Upgrade in substantial conformance with the final construction and bidding documents, and will operate and maintain the entire WWTP, including the WWTP Upgrade, as contemplated by the final design calculations for the WWTP Upgrade.

7. Once operational, the Owners will provide inflow and outflow phosphorous data using weekly composite sampling to enable the Subdistrict to calculate the reduction in phosphorous loading achieved by the WWTP Upgrade. The Subdistrict will pay for any data collection not already required by the WWTP permit.

8. It is the parties' goal to sign a formal agreement memorializing these concepts within the next 90 days. This will provide the cost sharing commitment from the Subdistrict that the Owners will need before completing the engineering work for the WWTP Upgrade that incorporates the Subdistrict's phosphorous reduction goals.