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### **Board of Directors**

Position 1 – Joe Spendolini

Position 2 – Kevin Harter

Position 3 – Mike Koger

### **Board Secretary**

Cindy Oden

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## **SPECIAL BOARD MEETING September 10, 2021**

1. **Call to Order** – The meeting was called to order by Chairman Harter at 10:05 a.m.
2. **Roll Call of Directors** – Chairman Harter, Director Koger & Director Spendolini were all present. Cindy Oden & Sally Bratton were present. Present via conference call were Chris Horn, Dan Smith, Ken Robinson, Robert Steinmetz & Jeff Breezee all from E3 Technologies. Walt Meyer from West Yost.
3. **Old Business:**
  - a. **E3 Technologies** – The board went directly into the presentation given by E3 Technologies and reviewed the before and after data on the level of treatment of effluent given from E3 to the board in reference to Valley Creek & University of Texas. Discussion about board concerns that they will not get data they need to make an informed decision on their process in time to get the information to DEQ.

Director Spendolini asked if you bring your command trailer here start to finish what will we get from that presents?

E3: This is basically just the first phase. We can only tow one trailer at a time at this point. We have been readying our technology to right fit your place. We know this is moving quick and we are in the middle of retrofitting our demonstration trailer, which consists of two to four trailers. The first trailer would give you a preview of what we do so we can start getting to know each other. Understanding the process, understanding the landscape we are going to be working in. We have full confidence that we can do this it is just going to take time to bring to bring the second trailer, which would represent our aeration, and our advanced oxidation processes and our ultra-filtration.

Director Spendolini: Start to finish how long would it take for you to bring the entire process on site for a full benchmark, for a full pilot?

E3: As soon as possible. He is asking for a timeline. Bringing the first trailer up there is a start for us. We could probably within a week or two after we get the first trailer there the rest of them will start coming up. It is a logistic issue for us, and it would happen post hast and as soon as we could possibly do it. I would imagine we could be up there with everything by the end of the month with everything.

Chairman Harter: How long from that point would it be for you to get to testing with our design standards that Sally and Dan Scalas would put together based on the DEQ standards

that we would have to meet to go through the process. This will layout for you everything that needs to be accomplished at the end treatment of the effluent. To get DEQ approval we will have to have an alternative testing facility or agency come in like UL Laboratories to run comparisons to your test, Sally & Dan's tests to meet the DEQ standards. So, it is complicated to get this done to meet DEQ specifications to move forward with the plant. We will also need to work with our facilities engineer West Yost to design and build into the system if this is the chose that we go forward with. More discussion on bringing their technology here and what they are able to do for the district.

Sally asked several technical questions about their product, questions on DAF units and algae and storage of effluent.

Director Spendolini: A couple of questions. Do you guys think the next in an attempt to save everyone a bunch of money and headaches would be to sit down with DEQ and say would you be respectful to our district conducting a pilot study using this technology? We would have you guys in the room with us if you want to.

Director Koger: Yes, I think it all depends on DEQ and what they are going to say at the end.

E3: That is likely a very good idea and in that meeting we would have to sign our non-disclosures (NDA), because we would have to get into real, real extreme detail about how our system works.

Director Spendolini: Have your attorney draft any NDA you would feel comfortable with. Discussion on getting together with DEQ the week of September 27<sup>th</sup>.

Director Spendolini moved to have E3 Technologies bring their command trailer on their dime to the district and meet with the district and DEQ. Seconded by Director Koger. Passed unanimously. Sally will coordinate with E3 and DEQ this meeting for September 27, 2021.

- b. **Walt Meyer, West Yost** – Telephone conference with Walt Meyer of West Yost to discuss facility plan alternatives. Director Spendolini announced for the record that he had been under contract with Klamath Drainage District (KDD) as a consultant, and because this board is considering sending effluent to KDD to eliminate even a perception of a conflict of interest, he terminated that relationship. He no longer has a contractual arrangement with KDD and hasn't done any work for KDD since taking his position on the board of South Suburban Sanitary District. Chairman Harter: Duly noted.

Chairman Harter: stated the board wanted to talk about facilities planning and how we are moving forward with the facility plan after everything that has over the past several months here at the district. It is my understanding you guys have preliminary facilities plan to take that included taking effluent out to the Rocking Horse area and North Poe Valley. Those projects are dead at this point. They will not be revamped or revised. So, we need to move into a new direction with our facilities plan.

Walt Meyer: You have a draft plan that includes those alternatives and that is fine, because as a board you have the right to select the alternatives that fits the district best. What we need to do is develop the new alternatives more and add those to the facilities plan and ultimately to add a recommended project that once you submit this to DEQ you will want to include a

recommend project. Until DEQ does the actual permit modification, probably in a couple months, we have room to go back and say here this is what we are doing, and we need some more time to do a,b,c. It is a process, but it is important to get started on it, so you at least have the outline of the other alternatives and some direction once you submit a draft plan to DEQ.

Chairman Harter: That is good information. Walt so you know we are currently looking at two alternative companies. One called E3 Technology and the other is Aqua Pulsar. They have new technology to treat water that could take it to drinking water quality if we need it to get through our discharge permits. If we go to drinking water quality, will it help us with our permits or eliminate the permits.

Walt: It will help to some level, but no matter what level you treat it to you will always need some type of a permit. If continue to discharge to the river you have the difficult temperature to meet. Typically, it is less expensive to create class A water than drinking water.  
Chairman Harter: The attractive part of all of this is their technology is much cheaper than the standard technology to go to drinking water quality. This is why we are looking at these, but it is unproven. Aqua Pulsar does have EPA approval, but E3 does not.

Walt: As an agency you don't want to be the first one out of the gate on a technology. You do not want to be the lab rat. There are too many instances where people have done that and then you have to start over, because the technology failed. You would like to have a technology at least that has been tried somewhere a proven to work.

Chairman Harter: Both companies have worked with other entities. They just haven't gotten to the DEQ process. One of them has worked with Fort Worth. The other one has been treating water in the states and India and multiple countries. Their technologies have been proven; it just hasn't been to the DEQ standards to get the permitting through DEQ.

Director Spendolini: It has not been evaluated by any of the regulatory agencies.

Walt: In the long run, let's say you do the due diligence on the technology, you talk to folks in Fort Worth and the data they have, you evaluate that alternative based on the life cycle costs analysis and it proves to be a viable alternative DEQ will not disallow you from trying it. They may have some questions or say are you sure. As long as they can produce effluent that meets the class A water standards. You are good to go. The other thing you can do and that is why timing is so important. Let's say you do a preliminary assessment of their technology, and it proves to be less expensive than the other technologies we have looked at that produce class A water. We have the option of doing a pilot. They say they can do a,b & c, we do a pilot run it for the critical months and it demonstrates the fact it will perform then you have more assurance than if you just went on their word. That is the kind of thing you can integrated into your implementation plan. When we go back to DEQ I will not hesitate for a second to ask for more time if we think technology like this could save money for the ratepayers and prove to do the job for us.

Director Spendolini: Walt we got as part of the package you sent us. We got the alternative that was looked at for an onsite reservoir. We as a board voted to include two other potential alternatives that we agreed to issue you a professional services contract to take a look at.

Walt: Right now, we have this big contract, and I stopped all work on that.

Director Spendolini: I actual spoke to our attorney yesterday and he advised us to that when we give you your marching orders to move forward with evaluating these potential alternatives, we do it under a different and separate professional services contract.

Walt: And cancel the other one.

Director Spendolini: At this point yes. You have been paid for the work done up to date.

Walt: I might have some small residuals coming in yet from the subs, but I do not think it is going to amount to much. I think that would be the best is to just cancel that contract and come up with a new one.

Chairman Harter: Agreed.

Director Koger moved to extinguish the old contract and issue a new contract with our new alternatives for the facilities plan with West Yost. Seconded by Director Spendolini. Passed unanimously.

Walt: What I will need to do is scope that out for you because there will be some other elements to it there is going to be ongoing dialog with DEQ and there will also have to redo the environmental assessment, because to get funding through the State Revolving fund they will want an environmental assessment. But that is down the road, we can figure that out later.

Director Spendolini moved to issue professional services contract to West Yost to take a look at the alternatives that the board has approved at the last board meeting. That is the Sam Henzel property and the Luther Horsley alkali lake property. Seconded by Director Koger. Passed unanimously.

Chairman Harter: Walt how long after we get you the additional information will it take you together a package that would show the cost associated looking at these other alternatives.

Walt: It will take a couple of weeks once I get the information from you.

Director Spendolini: Will you package include permission agreements that we get the property owners to sign to give you permission to access if you need it?

Walt: In the past, it depends on how far you want to go. If we have to do any geotechnical work the answer would be yes.

Director Spendolini: My concern is, were you here when the district purchased the property by Miller Island? Were you associated with the district?

Walt: No, I was not. We were not involved in that at all.

Director Spendolini: Ok, the district years ago purchased a large tract of land by Miller Island, and they were looking at that site to do the exact same thing that we are considering here. They did not get through the process, but they did purchase the land. It was Fish & Wildlife that shut that project down. This piece of property is south of there along the same highway. I think it is a completely different set of land because up there further north you were facing the potential for intrusion into the wetlands system and marsh. Down here further south on this particular piece of land we should not run into that. It is lake bottom it is sealed already. There is no aquifer below it. I want to make sure the work you do answers any concerns that Fish & Wildlife might have in the front.

Walt: Ok and is any of those wetlands?

Director Spendolini: No, it is not.

Chairman Harter: It is not. It has been dry lakebed for as far back as record 1905. 1905 is the first recorded record of it being a dry lakebed.

Walt: I think I know where that is at, that a little bit further south then the north canal. Right?

Director Spendolini: Yes

Walt: I know where that is. I have looked at that on the map. In fact, I looked at when I talked to the KDD Manager one time, and we were looking at that. And he indicated that might be a good place for a reservoir.

Chairman Harter: Yes, I think there is some potential to do some wetland creation and storage. Run it through a series of ponds where the exiting water would be as clean as possible.

Walt: Well, if you did that. Were you thinking class A water?

Chairman Harter: Class A to drinking water quality. Depending on, you know if we go to drinking water quality and it eliminates a lot of concerns for DEQ. We would look at going to that step, but only if it makes sense financially.

Walt: If you produce class A water, DEQ will have zero concerns. They will be very supportive.

Director Spendolini: Except for temperature.

Walt: No, it doesn't matter if you are using it for irrigation or are you talking about discharging?

Director Spendolini: the potential is there for us to utilize this piece of property south of Highway 97 and South of Cross Road. To store it there, create a wetland, and then permit them to irrigate from that pond.

Walt: That would be no problem. What would be a problem is if you tried to discharge. Then you would be subject to all nutrient and temperature requirements. Which are pretty stringent.



Director Spendolini: Would the irrigation district or would we have to prove if you used to irrigate crops that not a drop of this water would enter into the waters of the state.

Walt: We would have to show pretty clearly that the water that South Suburban had treated is going to be used for irrigation at an agronomic rate and that it will not be returned to the river. Let's say you irrigated a field that is part of the KDD, you store the effluent in the winter, and you irrigate that site in the summertime. Then let's say KDD uses project water to flood the land in the wintertime. I think that would be ok. Because the water you added has been added at agronomic rates even though they flood later on in the year that should not be a problem. I think we could talk DEQ into doing that.

Chairman Harter: Does it make a difference on a discharge Walt if it is drinking water quality does it eliminate as an effluent? Because you can direct recharge aquifers.

Walt: No, even if you make drinking water if you discharge to a water of the state, which includes irrigation canals, they will want an NPDES permit. Now having said that you would probably meet all the requirements of the permit. If it is drinking water, you are not going to have nutrients in it. But we would have to see to what level that process would treat. It won't get DEQ off your back, but if you have a reuse program and let's say you signed up farmers and you are irrigating in the long term you could get away from a NPGES permit and go to just a WPCF permit. It is a lot less prescriptive, and it would be the way to go.

Chairman Harter: That is good news.

Director Spendolini: So, what is the next step, Walt?

Walt: The next step is to send me the information you have on the alternatives. I am going to enlist some help with my assistant project manager, Katherine Deese. She will help me on this and she an expert in reuse. She knows exactly what to do and we will get you a scope of work. Wants you look at it and when you think the scope is appropriate, we will put an estimate cost on it and get back to you.

Director Spendolini & Chairman Harter: both say perfect.

Chairman Harter: Asks if there are any more questions. Seeing none he thanks Walt and tells him the information will be coming. Walt hangs up.

Director Koger: I have a question. I believe we discussed a few months back if we were going to KDD and they were irrigating with it by building a pond here we would not even need one out there.

Chairman Harter: Even if we build a 120-acre pond here it would not store enough water to make it through the wet year, months.

Director Koger: My question is if we build the new pond and if E3 works and the influent is treated at the headgate, why can't we utilize these 4 ponds for storage?

Director Spendolini: They could be.

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Chairman Harter: Yes. But we would have to clean them. And we would still have an algae problem in these ponds that we would somehow mediate.

Director Spendolini: We know the on-site alternative is over \$14 million. I don't anticipate that being less. Those KDD alternatives being less. It is really going to depend on these governing bodies and what they determine to be the most attractive.

Sally: The other thing, this was years ago, we were told if we drain the lagoons, we cannot put them back into service. That will need to be discussed with DEQ. Walt would know, DEQ would know. But that is what I was told.

Director Spendolini: That makes sense and we do not want to do anything to alter our current use until we have found a solution. Because that will alter the definition of what we have.

Chairman Harter: We are not going to do that until we are 100% and I don't know if we will ever do that.

Director Spendolini: At least at the end of this exercise we should have a pretty good idea of what our path forward is going to be. And that is the most important thing and for me that is why I serve on this board. In an idea world we get all of this resolved and I don't run for re-election.

Chairman Harter: I agree and hopefully we will have the policies and procedures in place that the lack of intelligence won't hurt this district ever again.

Director Spendolini: We will. There are some things Cindy and I have been working on regarding the contract rules that are currently in place here. I have our attorney looking at the contract rules and he is definitely going to recommend modification, so that the district is protected. In the past the District Manager was basically given a blank check to sign whatever size contract he wants. That can never happen again. Now with a change of boards they can change the resolution whenever they want, but we have to get this right.

Chairman Harter: Absolutely

Director Spendolini: I agree with everything you just said we need to get this working the way that it is supposed to work. And we have a pre-con meeting for the sludge removal project on Monday, September 20, 2021, from 10 a.m. to noon.

4. **Approval of Minutes** – Director Koger moved to approve the minutes from September 7, 2021, Special Board Meeting. Seconded by Director Spendolini. Passed unanimously .

5. **Other**

- a. Chairman Harter: I received a telephone call from the City Manager today. About an issue that happened with a new contractor in town. He is building in the district, but he went down to the city and there was some confusion whose sewer service it was. HE continued to build because the city told him it was ok. Well one of our employees met him on-site, there was an issue on-site where he degraded the city and talked bad about the city. It is our service he had

not paid our SDC, but he didn't know. He did his due delinquencies at the city to try to find out, but it was miscommunicated whose service who he should be paying those fees to.

Director Spendolini: Was the city confused as well.

Chairman Harter: They were.

Director Spendolini: Did the city receive his SDC?

Chairman Harter: They did. So, right now he has paid his money to the city and to us.

Cindy: He hasn't paid us yet. He asked us to bill the property owner and so we did.

Chairman Harter: I guess there was some bad blood between our employee and the city employees. We need to take care of that. We need to create some kind of flier that we can hand the city that says this is our zone and this is our fees. I don't know how we work together with the city to solve this problem, but we need to find a way to integrate both sides so there is no confusion. Especially for new people coming to our community trying to help our housing

Cindy: I agree with you 100%. We have been trying for years to get the city to work with us. And they don't do it they will not. That lot is in the city limits, they asked for them to be connected to our sewer service because the city doesn't have sewer available in that area and we agreed. We went through everything to get that to happen. We have asked the city if it is in our district to please inform us and to inform the contractor that they need to come pay our SDC. Sometimes they do, sometimes they don't. They majority of the time they don't. When I started working here way back in 2006 the city took on all of Washburn Way and that is all in our district. But the city didn't inform the district or the contractor that SDC fees needed to be paid. I investigated this after I started and got the matter resolved for Washburn Way. Kent the district manager & I went to the city in 2007 and asked them what we can do to let the contractor know that SDC's need to be paid to us in order for this to not happen again. They said they would let them know, but here we are now in 2021 and it is still happening. Some of the city employees will send us an email and give us the name of the contractor and a phone number and others do not. Because we have areas that we know construction is happening in areas and the city doesn't always inform us we send employees out to those areas and if a contractor is building and if we do not have paperwork, we tell the contractor. The contractor came into our office after going down to the city and the contractor said the employee, they spoke to on-site was very professional, but they wanted to get the communication between us, and the city resolved too because they are new, and they have never been told they didn't pay their permit fees before. I do not know how we can resolve this. How can we get the city to tell us when people are building?

Director Spendolini: So, one way I believe the building permits are public record. We know where our district borders are.

Cindy: Right, but this isn't in our borders this in the city borders. This is not in the district boundaries.

Chairman Harter: But it is our sewer.



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Cindy: It is because we made that agreement with the city.

Chairman Harter: It is Shalynn Court that we are talking about.

Cindy: We know that area is supposed to be our sewer and the city doesn't always tell us, so we send someone going out there on a regular basis to check to see if someone else is building up there that we do not know about. That is how we resolved the problem because the city doesn't tell us. We asked them at the time when we went to talk to them in 2007, we will provide you with a form, you can get them to sign off on it. You give them the form and we have to sign off on it before they get there permits.

Director Spendolini: I think it is going to require a deep dive, so there is and understanding. The city doesn't issue building permits right.

Chairman Harter: They do not. It is the county.

Director Spendolini: The stop gap should be the county.

Cindy: In the past when we talked to the county about it, they said it is in the city the city needs to deal with it.

Director Spendolini: We will get that fixed.


Chairman Harter: With the new managers down there, I think we can get this worked out. We need to.

Cindy: Yes, we totally need to get this worked out. We would love to see this resolved and if there is anything I or anyone else can do to help get this resolved please let us know.

Director Spendolini: We will get this fixed.

6. **Adjourn**, Director Koger moved to adjourn the meeting at 12:10 p.m. Seconded by Director Spendolini. Passed unanimously. Next meeting will be September 15, 2021, at 2:45 p.m.

  
Cindy Oden, Board Secretary

  
Kevin Harter, Board Chairman

