

TOWN OF ALPINE

December 6th 2007

Special Meeting Minutes WWTP

Special Workshop Waste Water Treatment Plant *This is a copy only of clerk's notes summary of minutes.

Mayor DeCora called the meeting to order at 7.00p.m. And held the pledge of allegiance. A quorum was established by the clerk through a roll call.

In Attendance: Donn Wooden, Shirley Brown, Victoria DeCora, Beau Taylor, Don Jorgensen. Staff in attendance, Attorney Stefan Fodor; Clerk Whitney Heller; Commissioner Tammy Archibald.

❖ *This meeting is a reconvene of regular council session 12/4/2007.

Victoria DeCora: Our bids came in high from initial projection. If we go with bidder for deadline we need to come up with ½ million. We need to amend the contract Town with North Star Utility that has the plant running by September 2008; Attorney Stefan Fodor is working with North Star and hoping to get extension. North Star is invested in this. Leon Kjellgren: the way the documents are set up you go with the low bidder; there are bid bonds by both. Vickie DeCora: what is bothering me is we offered an extension on deadline. We entered into a contract with North Star to have this up and running by the deadline date. Why don't we have a contingency in this? Leon: I thought we could meet it. Vickie DeCora: who is the responsible party here? Donn Wooden: it should be prudent that North Star back off on the date. We have done all we can do and put in the effort so why would they be so rigid to not extend contract. Beau Taylor: as I was looking at these projections 3000,000 gallons will give us 8 years to come up with \$75,000 more. Donn Wooden: this has got to be a 2 way street and believes any contract can be amended and modified; we need to get better control on this. Stefan Fodor asks: Bob Norton sent email; bid is subject to acceptance until January 19th. Bob Norton: the contractor is obligated to original bid. Beau Taylor: if we don't accept this until January 19, then we are extending timetable for 2 weeks. Bob Norton: what the contractor will do; put in liquidated damages at \$2,000.00 per day. Tammy Archibald: can't the town do something that Mr. Halpin is doing; he has an obligation to his people as well? Attorney Stefan Fodor, I spoke with Jon Wiley NSU attorney regarding the price of using the small plant and financial responsibility NSU would have. North Star is unable to make a financial commitment to increase ERU's. There are 2 ways to go, assuming they accept deadline, they are in a hard place also. One you can wait until next meeting and hope NSU pays for ERU's or choose one of the hypothetical's of Bob Norton regarding an increase in user fees and monthly fees, and applying for a SLIB loan by the deadline December 20th. If NSU doesn't come through we can proportionally increase user fees. Liquidating damages per day is not going to equal what it cost what North Star to dispose of waste per day. We have obligations thate need to be met. The downside can be

mitigated , if NSU has a leach field in place. Vickie DeCora: engineering studies it will be in the ground water, but as Mayor I cannot let him do that. They are going through 4-5000 gallons a day. If we do not come up with WWTP we will responsible For their waste at 10 cents a gallon a day to transport to Jackson. Page 2 of agreement the Town has to use its best ability to have plant set up by September 30th 2008. I am recommending the council accepts user fees and applies for grant and that enables us to enter a contract today, also seeking NSU to extend completion date of WWTP. Beau Taylor: increasing rates the bare lot owners are getting better price than existing home owners. Tammy Archibald: normally the County does not get involved with sewer, what dollar amount are you looking at. Vickie DeCora: with December date we are ½ million short. Tammy Archibald: the County can not consider until next budget Donn Wooden: our plant still needs attention and if the county can help with us dealing with flow, if there was commitment from County to upgrade this. We have raised our capacity to 80,000 gallons. Vickie DeCora: with that if you could take this back to the county and let them know of our situation. In the interest of ending this meeting where do we need to go with this? Attorney Stefan Fodor: I would like for you to review and consider the contingencies you are comfortable with. Vickie DeCora: Bob's scenarios are great but we need to figure out where we can come up with the money. According to treasurer we cannot come up with money to finance the mandatory hookups for the people. Donn Wooden: there has to be means and will call WWCD which do bonding for municipalities. Leon: first of all you are requiring a bridge loan which is transferring loans from collection plant to the Waste water plant. If the loan did go through you have a 75% grant and you would increase the amount of loan. You would still move forward. Don Jorgensen: You are using the money as available as collateral. Stefan Fodor: we are taking the money set aside the collection system to build the plant? Bob Norton: the loan is spread out over a year and won't use until when you need it, the cost of the collection system is in spread sheet, if you picked a scenario where you increased fees as an incentive to hook people on. You can build the plant but without loan If you wanted to finance the hookups that would be the \$750,000 loan. Make application to state land investment board. Leon Kjellgren: 5000 x 137 is the money we are short. Beau Taylor: we are trying to help our residences. Stefan Fodor: when will we need the money? Leon: we will need the money July- August. The collection system is unique. Donn Wooden: knowing the collection is not bid yet we have done the right thing and are anticipating \$400,000.00 savings. There is an overall cost and an end result. Leon: after listening to this tonight we added one small item scenario where we go and ask for \$750,000.00 but instead ask for \$100,000.00. Vickie DeCora: I just want to know all things we need to cover if people were to pay the fees right off. By January 2009 you either pay your \$5000.00 or sign a financial agreement. Leon Kjellgren: in this 750,000 that is in here he has plugged in 107 additional uses and limited it to \$5000.00. Donn Wooden: also the cost to hookup from the street to their home and all houses are different. Bob Norton: what is an interest rate you would like to use? Donn Wooden: 5%. Beau Taylor: I don't want this to be money making issue. Don Jorgensen: maintenance fees should be used from user fees. Donn Wooden: we would appreciate 100,000.00. Tammy Archibald: what is the plan for the annexation across the river, Vickie DeCora: unfortunately we have dealt with a water franchise and working on a sewer franchise. We are dealing with NSU and until we can reach agreement on what we are going to charge we cannot annex. Stefan Fodor: I came into this picture July and it is a work in progress and we have been diligent trying to get this annexation done. Not only that there is a March deadline for census. Rest Town Of Alpine Special Meeting Minutes 12/06/2007

assured I will not put a franchise in front of council until I feel comfortable. Turning back to hypothetical's what are you willing to do? Leon: I think you are in favor for the loan for \$750,000 loan and provide 5000.00 hookup fees for 107 users with the provisional that negotiations with NSU we may not have to use. I would like NSU to contribute. Let me remind council contract is written, NSU is required to pay hookup and capacity fees beyond the 370 they have. Bryant Brown: have heard good comments and it sounds resolved and cut and dry we need to go for another loan. Collection system phase 1 & phase 2 I think we can justify going for 1-3 million. Who is to say the collection system won't overrun. I think we should anticipate unknown surprises and delays it might be in fact, be in 2009, it is a possibility. Vickie DeCora: I would like to phone Graham Mark he has helped us with our grants. Bob Norton: the town was able to obtain a 75% loan because of population factor and the DEQ wants to see the septic plants eliminated. Victoria DeCora: if we applied for loans but didn't need this it would be our safety net. Bob Norton: you would go into phases of loans of completion of plant. Bryant Brown: this has to do what is bid we saw a metal structure versus the block is there a concern with fire danger than with block? If the metal pre fab is used there is a cost saving and time. Bob Norton: block is not as fire retardant as brick. Stefan Fodor: Accept one of these hypothetical's and work with Northstar and work with December 19th 2008. Donn Wooden: we should delete the clause that we should be up and running Sept. 12th and extend till the end of year. And negotiate with the Moltz bid. Donn Wooden: it is recommended that we apply for loan grant and offer financing or look to banks to consider bonding. Vickie DeCora: what will we need to do if we want a loan? Bob Norton: how much would you want and we will go through that. Vickie DeCora: \$750,000.00 and this will be applied through SLIB so we can accept the bid.

- ❖ Donn Wooden: would like to move forward and to make a **motion** to accept some of these items to a certain degree. (1) I would like to approve the steps to negotiate with NSU and agree to delete September 31 2008 deadline date to December 31st 2008. (2) Bid from Moltz Construction deletes from bid, membrane, and negotiated price for metal building. (3) Apply for loan with SLIB at \$750,000.00 (4) Continue to visit with NSU and their participation. (5) Connection fees, can pre-pay \$5000.00 up to date of plant becoming operational then raise price to \$7500.00 to connect. (6) In meantime, further assist methods to help the Town with connection fees from the street to the homes in addition funding for mandatory connections. **Beau Taylor seconded. VOTE 5 yes; 0 no; 0 abstain; 0 absent. Motion carried.**
- ❖ Donn Wooden **motions** to accept Moltz bid of \$4,320,000.00 for completion for December 19th 2008. **Beau Taylor seconded. VOTE: 5 yes; 0 no; 0 abstain; 0 absent. Motion carried**
- ❖ Don Jorgensen **motions** to adjourn the meeting Shirley Brown seconded. **VOTE: 5 yes; 0 no; 0 abstain; 0 absent. Motion carried.**

Victoria DeCora

Victoria DeCora, Mayor

ATTEST:

Whitney Heller

Whitney Heller, Clerk

