

Mayor Darrell Kerby called the special meeting of April 11, 2007 to order at 12:35 p.m. Present for the meeting were Mayor Kerby, Council President Russ Docherty, Council Members John Langs, Mick Mellett, and Dave Gray, Clerk Kris Larson, City Administrator Stephen Boorman, City Engineer Mike Klaus, and Water and Sewer Superintendent Chuck Lycans. Also present were Nancy Mabile and Sherri Westweet from Panhandle Area Council, Necia Maiani, Phil Boyd, and Steve Cordes from Welch Comer, and Jeff Beeman from USDA Rural Development.

The purpose of the special meeting was to go over water projects and their history.

Nancy Mabile spoke to the group about intermodal transportation and grant funding that is being sought for the project. Eastport, Idaho is the only city in the United States that has both UP and CP railways through them according to Nancy.

Stephen gave a brief history of the water projects and the need for repairs that were discovered due to the Myrtle Creek fire.

Phil Boyd spoke about the funding that the city has received to complete the projects. He also spoke about the city merging with North Water and Sewer District and South Hill Water and Sewer District and the water master plan that was done. Phil said it was quite unique how the city received funding from so many different funding sources to accommodate the projects that were done. He also commented on the water revenue bond that was passed by the voters.

Necia said DEQ rules changed concerning disinfection byproducts and the new chlorine contact chamber would get the city in compliance with the new DEQ rulings. In addition the storage tanks had to be kept full for chlorine contact time and additional storage was needed in case of a fire. The new tank is built at a higher elevation and pressure problems will be alleviated by the new tank.

Stephen said the projects were split into phase 1 and phase 2. The first phase was for \$2 million from USDA Rural Development and the city wanted to get as much done for this amount of money as possible. DEQ is providing interim financing and Rural Development will pay off the loan to DEQ when the project is complete. Phase 1 construction included the water storage tank and chlorine contact chamber and distribution improvements. Stephen said we had intended to apply for another block grant for phase 2. Nancy said the application is due in November, 2007. She said the best bet for the city would be to go for engineering and administration funds for our project because the funding is very competitive. Under this scenario we would not qualify for \$500,000. Sherri said there was also the fact that the city did not have to pay Davis Bacon wages due to the grant funds not being used for construction but were only used for engineering and administration. Nancy said material can also be part of the block grant application.

Stephen said we are in violation for the water backwash and there is about \$300,000 left from the Corps of Engineers that can be used for the backwash project. The city's match

is 25 percent. The cost of the discharge project will be between \$300,000 and \$500,000. The clarifiers will cost about \$200,000 according to Steve Cordes. Steve spoke about the backwash project. The project should be done in the low turbidity time of year which is typically September and October. Steve said we can make Myrtle Creek work during construction. Mayor Kerby said we could possibly intertie with Three Mile Water District to serve part of the city load on the northside.

Stephen said another project that is necessary is a new transmission line from the City yard to the South Hill water pump station and this will add another 30 psi to the area. Increasing this pressure will cause problems. Necia said there will be funding left over from phase 1 and there is the possibility to spend the funding on the design of the transmission line. The new tank will go online the end of May or early June and Necia would like to see the transmission line project done before the tank goes online. Jeff said USDA would like to see the transmission line go out for bid. Steve Cordes said if we got a four inch pressure reducing valve it would not cost too much. The transmission line would be on city right of way. Mike Klaus said we may want to go down El Paso rather than the highway. Mick suggested using the tow of the hill rather than using the street right of ways. This was not thought to be workable due to the private ground and topography of the property.

The group reviewed a generic timeline for projects design through the beginning of construction.

The estimated cost of the transmission project is about \$400,000 according to Necia.

Steve Cordes spoke about the backwash project. The estimated cost for the total project is about \$500,000 including engineering and construction. Steve said the sludge will be sent over to the sewer lagoon. Mike Klaus said the clarifiers need to be ordered twelve to sixteen weeks before construction. Steve said DEQ needs a month to review the plans. The clarifiers are metal structures that can be moved in the future.

The highest priority projects are the backwash and transmission line. The group continued to discuss funding and the timelines for the projects. Elk City has bid clarifiers and Bonners Ferry may be able to piggy back on their bid.

Sherri Wastweet said the contract with Welch Comer should be reviewed and approved by Department of Commerce for the transmission line since we will be using left over grant dollars from the phase 1 block grant.

The wastewater lagoon project was reviewed. Steve Cordes explained the discharge problem for the sewer plant. He said algae is the problem as it is being discharged into the river. Steve said lagoons are not good at containing suspended solids.

At 2:39 p.m. Mick Mellett moved to go into executive session per Idaho Code 67-2345 to discuss property acquisition. John Langs seconded the motion. The motion passed – Mick Mellett “yes”, John Langs “yes”, Russ Docherty “yes”, Dave Gray “yes”. At 3:04

p.m. Russ Docherty moved to go out of executive session. John Langs seconded the motion. The motion passed, all in favor. No action was taken.

Nancy Mabile and Sherri Wastweet left the meeting.

Jeff Beeman spoke to council regarding USDA funding that is available for water projects. The paperwork Jeff presented to council was an amendment of the original loan and grant approval conditions dated July 26, 2005 and amended August 22, 2006. The total amount of the allotment will now be \$3,000,000 loan funding and \$1,000,000 in grant funding. This letter of conditions includes a block grant of \$355,000 and \$9,000 in city cash. The loan would be for 30 years at interest rates of 4.125% for the first \$1,500,000 and then 4.5% for the second \$500,000 and then 4.125% for the next \$1,000,000. Jeff went over the rules and regulations and rate schedule that the city must comply with. The city must maintain a monthly minimum rate of \$34.00 per EDU for 1,000 cubic feet of water and charge \$.01165 per cubic foot over 1,000 cubic feet.

The city will need to obtain interim financing. Jeff said the paperwork he is submitting will not obligate the city but will set aside the funding.

The group discussed archeologists.

Phil Boyd and Jeff Beeman left the meeting.

The group recapped the next steps that should be followed. The city needs to speak to the Corps of Engineers to see if the clarifiers can be purchased and then use the remainder of the funding for the transmission line that needs to be built for the new contact chamber and storage tank. Mick commented on how a UV light kills the algae in his pond. The city needs to research the options presented by Welch Comer for the sewer lagoon discharge problem. Mayor Kerby asked that option A be sent to DEQ and EPA on the sewer lagoon fix to be considered. Steve Cordes said there is risk of being fined while we are working on the fix. The cost of additional sewer fee for a sewer bond would be about \$8.50 per EDU according to Welch Comer. Mayor Kerby suggested having EPA come to Bonners Ferry to look at our options.

Mick Mellett moved to adjourn at 3:36 p.m. Dave Gray seconded the motion. The motion passed, all in favor.

Darrell Kerby, Mayor

Attest:

Kris Larson, City Clerk