

Minutes
Eastern Iowa Regional Utility Services System Commission

DATE: Wednesday, March 28, 2007
TIME: 5:00 p.m.
PLACE: ECIA Offices-Lower Level Conference Room

MEMBERS PRESENT: Dennis Boedeker Cedar County Representative
 Jon Bell Cedar County Alternate
 Jill Davisson Clinton County Representative
 Robert Summers Clinton County Alternate
 Steve Koeneke Delaware County Representative
 Shirley Helmrichs Delaware County Alternate
 Bill Skinner Delaware County Alternate
 Frank Frieberg Jackson County Representative
 Larry Koos Jackson County Alternate
 Joe Cruise Jones County Representative
 Keith Dirks Jones County Alternate

OTHERS PRESENT: Roger Stoakes, USDA Rural Development
 Greg Thompson, USDA Rural Development
 Warren Johnson, Limestone Bluffs RC&D
 Dennis Lyons, Delaware County Sanitarian
 Charles Cate, IIW Engineers & Surveyors
 Lisa Treharne, ECICOG

STAFF PRESENT: Nagle, Nesteby, Schneider

Call To Order

The meeting was called to order by Chairperson Boedeker at 5:05 p.m.

Action on the March 28, 2007 Agenda

Motion by Koeneke, second by Frieberg to approve the March 28, 2007 agenda of the Eastern Iowa Regional Utility Services System. The motion passed unanimously.

Review/Approve Minutes of the January 10, 2007 Meeting

Motion by Cruise, second by Koeneke to approve the minutes of the January 10, 2007, EIRUSS meeting. The motion passed unanimously.

Review/Action on Financial Status Reports

Schneider said the financial status reports were included in the agenda packet to the board members. The Balance Sheet shows Total Liabilities and Equity of \$26,554.17. The Profit and Loss from July 1, 2006, to March 15, 2007, lists total income of \$88,723.85, total expenses of \$79,175.95, and net income of \$9,547.90. Schneider explained the Transaction List by Vendor in relation to each project to the board members. The third installment of \$12,500 has been received for the DNR Grant.

Motion by Koeneke, second by Frieberg to approve the Financial Status Reports. The motion passed unanimously.

Elvira Project

- A. Update/Report on water sample results**
- B. Review/Action on acceptance of Preliminary Engineering Report**
- C. Action to authorize submittal of USDA Rural Development Application**

Schneider said Pope of Garden & Associates presented the preliminary engineering report in December and discussion followed by board members on the necessity and cost effectiveness of installing a water system and property owners installing private onsite systems if required. ECIA staff, Pope, and Davisson met with Elvira residents to discuss the water system option. Residents said their water was fine. Water samples from Elvira were taken and tested by Summers, Delaware County Sanitarian, and the test results show the water is fine.

Schneider said based on the test results, a water system will not be installed in Elvira. Schneider said the preliminary engineering report presented by Pope of Garden & Associates in December needs to be approved in order to send reports to the Iowa DNR and submit an application to the USDA. Schneider said an application in the amount of \$422,120 plus development fees, would be prepared and submitted with Board approval.

Motion by Summers, second by Frieberg to approve and accept Garden & Associates' Preliminary Engineering Report and authorize submittal of a USDA Rural Development Application for Elvira. The motion passed unanimously.

Leisure Lake Project

- A. Review/Action on Limestone Bluffs RC&D WIRB Subrecipient Agreement**

Schneider said a Subrecipient Agreement between Limestone Bluffs RC&D and EIRUSS needs to be approved to pass the \$500,000 WIRB funds from Limestone Bluffs RC&D to EIRUSS. Walters has reviewed the agreement and recommended changes that were incorporated. The Limestone Bluffs RC&D Board has already approved the agreement.

Motion by Frieberg, second by Koeneke to approve the WIRB Subrecipient Agreement for the Leisure Lake Wastewater System Project. The motion passed unanimously.

- B. Update on project**

Schneider said a Jackson County CDBG grant was awarded in March for the Leisure Lake project. Project design will begin soon and as soon as the USDA funds come through, the project can start construction. Stoakes said the USDA funds should be available this fall.

Stoakes said a house count will need to be completed in Leisure Lake and requested that someone from the EIRUSS board accompany Thompson to document the number of users. Frieberg will set a date with Thompson to complete the count. Frieberg said that any new construction will be permitted a holding tank only until the wastewater system is constructed.

Fairview Project

A. Review/Action on IIW Engineers & Surveyors contract for PER

Schneider said IIW Engineers & Surveyors was selected as the engineering firm for Fairview, after Howard R. Green Company declined to submit a revised report. A contract for \$3,500 from IIW Engineers & Surveyors has been submitted for the board's approval.

Motion by Cruise, second by Summers to approve the IIW Engineers & Surveyors \$3,500 contract for the Preliminary Engineering Report for Fairview wastewater project. The motion passed unanimously

B. Review/Action on Preliminary Engineering Report

Schneider said Charles Cate from IIW Engineers & Surveyors was at the meeting to present the preliminary engineering report for Fairview. Cate said their report covers only those areas that truly need wastewater assistance at this time: the mobile home park and the approximately 20 plus homes nearby. Cate showed maps which indicated the lack of available land for onsite systems and the difficulty of complying with the required separation distances from wells. A gravity collection system and controlled discharge lagoon to be constructed south and east of the mobile home park are proposed.

Cate has been in contact with Jim Carroll, USDA RD on the options for Fairview and the DNR office to consider waivers for Fairview system. Discussion followed concerning several waivers: reduce from a three-cell lagoon to a two-lagoon, allowing two draw-off pipes instead of three, the use of pvc pipes in certain locations, modifying the bottom of the depression shape, and some pipe sizing.

Cate distributed revised collection system costs based on USDA RD input totaling \$298,878 for a gravity system versus \$313,311 for a low pressure pumped system. With the median income of residents around \$30,000; this would cost the average homeowner about \$34.06 per month. Stoakes said the USDA considers that cost to the homeowner to be acceptable. Cate said if the board approves the report, he will then incorporate the amendments into the report, review it with Jim Carroll for his approval, and file it with the DNR office.

Motion by Cruise, second by Koeneke to approve the IIW Engineers & Surveyors Fairview Preliminary Engineering Report, with amendments. The motion passed unanimously.

C. Action to authorize submittal of USDA Rural Development Application

Schneider requested the board authorize submittal of a revised USDA Rural Development Application of \$837,120 plus development fees for Fairview. He reminded the board that Jones County is under an administrative consent order that is near to being signed by the DNR and Jones County. The Jones County Supervisors recently sent a letter to the DNR after ECIA staff negotiated a six month extension to the previously proposed end date.

Motion by Cruise, second by Frieberg to approve and authorize submittal of a USDA Rural Development Application for Fairview project. The motion passed unanimously.

D. Review/Action on Howard R. Green contract

Schneider distributed a letter he had received from Howard R. Green Company concerning the payment of \$4,000 for the subsequent design, bidding, and construction agreement on the Fairview project. He said the first payment of \$3,500 had already been made to them. ECIA staff met with company representatives who state they have fulfilled their obligations with the best solution. The contract does not state that the solution must be cost feasible or that it must be approved by the USDA Rural Development. Schneider said he contacted our attorney; Walter's legal opinion is that the contract as written by Green will not hold up in court and would be ruled in EIRUSS' favor. Discussion followed concerning full payment, no payment, or a settlement. Board consensus is to take no action on the \$4,000 payment on the Howard R. Green contract.

Andover Project

A. Review/Action on Resolution providing for the sale and issuance of a Waterworks Revenue Bond Anticipatory Note

Schneider said they received four proposals from Clinton County banks for the interim financing for the Andover project. The low bid was from Gateway State Bank at 3.95% interest. Schneider said Dorsey & Whitney prepared the resolution for the board members' approval.

The Chairperson announced that the Board may authorize the issuance of waterworks revenue bond anticipation notes.

After due consideration and discussion, Koeneke introduced the resolution next hereinafter set out and moved its adoption, seconded by Summers. The Chairperson put the question upon the adoption of said resolution, and the roll being called, the following Members voted: Ayes: Boedeker, Cruise, Frieberg, Koeneke, Summers. Nays: None.

Whereupon, the Chairperson declared the resolution duly adopted as hereinafter set out.

B. Update on Project/Land Acquisition

Schneider said notices were sent to all homeowners involved with the land acquisition for the Andover project. A public hearing will be held April 2 and staff will meet with several property owners after the hearing. The land is agricultural and there will likely be some compensation for crops to the homeowners. If the land value is less than \$10,000; no appraisal is required. The city's water referendum was approved unanimously and no acquisition problems are anticipated. Schneider said IIW Engineers & Surveyors have the plans close to being ready for bid and hopefully the land acquisition will be successful next week.

Center Junction Project

A. Project Update

Schneider said the project is out to bid; bids will be opened on April 20 at 11:00 a.m. at the Center Junction city hall.

B. Set date for public hearing on plans and specifications, form of contract, and estimate of cost

Schneider noted that a resolution setting a public hearing on plans, specifications, form of contract, and estimate of cost must be held at the next EIRUSS meeting, April 25, at 5:00 p.m. for the project. The Board considered the proposed sewerage system improvement project. Cruise introduced the resolution next hereinafter set out and moved its adoption, seconded by Frieberg. The Chairperson put the question on the motion and the roll being called, the following named Members voted: Ayes: Boedecker, Cruise, Frieberg, Koeneker, Summers. Nays: None.

C. Review/Action on Sewer Use Resolution

Schneider said the board members need to approve a Sewer Use Resolution for the system, materials, use and discharge. The City of Center Junction has already adopted this resolution.

Motion by Cruise, second by Koeneker to approve the Sewer Use Resolution for Center Junction project. The motion passed unanimously.

D. Review/Action on Sewer Rate Resolution

Schneider said a Sewer Rate Resolution needs to be adopted, even though the rates are unknown at this time. The City of Center Junction has already adopted this resolution. Stoakes said the rates will be set depending upon the bid and the final funding noting the form is being approved, not the actual sewer rate. This resolution will need to be amended in the future, depending upon the billing.

Motion by Cruise, second by Summers to approve the Sewer Rate Resolution for Center Junction project. The motion passed unanimously.

E. Review/Action on Plan of Operation

Schneider said the Board needs to approve a plan of operation for the project. The proposed plan includes contracting with a licensed contractor, the business arrangements, emergency information, and reporting procedures.

Motion by Cruise, second by Frieberg to approve the EIRUSS Center Junction project Plan of Operation. The motion passed unanimously.

Petersburg Project Update

Schneider said two years ago EIRUSS contracted with IIW Engineers and Surveyors for a sewer project in Petersburg. Both applications for CDBG and USDA funding were turned down at that time and the project was put on hold. Recently a drain tile collapsed and a basement was filled with sewage. The basement was cleaned out and the line was plugged to prevent sewage from continuing to back up. The DNR said this line can no longer be discharged into the nearby creek. The Delaware County Board of Supervisors has met and approved submission of a CDBG Imminent Threat application for the project. Petersburg residents asked that alternative systems be considered. Cate said he is looking to reduce costs by looking at two cells instead of three and several other modifications since the DNR will waive some restrictions. He has met with a resident of Petersburg who wants an exclusive contract to put in a sewer system for the residents. However, public funds can not be used to pay a private business to put in the sewer system. Schneider suggested that Cate look at all options, discuss them with Jim Carroll of the USDA RD, and present the options to Petersburg residents and make a recommendation at the next EIRUSS meeting.

Review/Action on Iowa DNR Building Sustainability Grant Application

Schneider said EIRUSS was awarded a DNR Building Sustainability grant for \$50,000 last year. Schneider said he hopes to submit another application this year, which is due April 4, 2007, with the board members' approval. Board consensus is to authorize Schneider to submit an Iowa DNR Building Sustainability Grant Application for 2007.

Other Business

A. Lake Delhi Project

Schneider said Lake Delhi is the largest unincorporated area in need of a sewer system in the State of Iowa. There are approximately 900 households, which includes both permanent and seasonal. The USDA RD desires to have applications for projects submitted to document their need for additional funds in Iowa in anticipation of the Farm Bill reauthorization.

Stoakes said because of the high incomes of the residents, they are likely not eligible for CDBG or USDA grants. Stoakes said they may be eligible for a USDA loan, or to find a way for the homeowners to pay for part of the system. He said they could be eligible for a Watershed Improvement Grant, but Schneider said the State prefers watershed runoff type projects, not wastewater projects. Because of the high cost to put in a sewer system in this area, Stoakes suggested that a pressure collection system be put in with EIRUSS funding, and the homeowners pay for their own pumps and maintenance. The deadline for submission of a Watershed Improvement Grant is August, 2007. Schneider said a Request for Proposals would need to be sent to engineering firms for preliminary engineering reports; and the board would need to make a decision based on the responses and report whether or not to submit an application.

Motion by Koenke, second by Frieberg to approve that Request for Proposals (RFP) be sent to engineering firms for preparation of a Preliminary Engineering Report for a Lake Delhi sewer system. The motion passed unanimously.

B. Election of Officers

Schneider said the EIRUSS bylaws state the election of officers will be held at a July meeting. Officers are elected every two years.

C. Other

Board members congratulated Stoakes on his upcoming retirement and thanked him for his work with the EIRUSS. Stoakes said the EIRUSS is a good group and they should take credit for their hard work.

Adjournment

Motion by Koeneke, second by Frieberg to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 7:15 p.m.

Respectfully submitted,

Mark Schneider
Community Development Director