

**Minutes**  
**Eastern Iowa Regional Utility Services System Commission**

DATE: Wednesday, April 25, 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:    Greg Thompson, USDA Rural Development  
                          Charles Cate, IIW Engineers & Surveyors  
                          Jack Pope, Garden & Associates  
                          Pat Osterhaus, Petersburg  
                          John Murphy, Congressman Braley's Office

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 April 25, 2007 Agenda**

An amended EIRUSS agenda was distributed to the board members. Items added or changed on the agenda are #5B, C, D, E for Center Junction, #6F for Fairview, #7F for Leisure Lake, and #10C for Elvira.

Motion by Cruise, second by Koeneke to approve the amended April 25, 2007 agenda of the Eastern Iowa Regional Utility Services System. The motion passed unanimously.

**Review/Approve Minutes of the March 28, 2007 Meeting**

Motion by Koeneke, second by Cruise to approve the minutes of the March 28, 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 \$29,152.64. The Profit and Loss from July 1, 2006, to April 18, 2007, lists total income of \$111,301.35, total expenses of

\$99,154.98, and net income of \$12,146.37. Schneider explained the Transaction List by Vendor in relation to each project to the board members.

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

### **Center Junction Project**

#### **A. Public hearing on plans and specifications, form of contract, and estimate of cost**

Motion by Cruise, second by Summers to open the public hearing on plans and specifications, form of contract and estimate of cost for the Center Junction wastewater project. The motion passed unanimously.

The public hearing opened at 5:10 p.m. Schneider said the documents were prepared by Jack Pope of Garden & Associates. No written or verbal comments have been received prior to the public hearing. Pope explained the cost estimates and divisions of the Center Junction project.

Motion by Koenke, second by Summers to close the public hearing on plans and specifications, form of contract and estimate of cost for the Center Junction wastewater project. The motion passed unanimously.

The public hearing closed at 5:20 p.m.

#### **B. Review/Action on Resolution finally approving and confirming plans, specifications and form of contract**

Schneider said a resolution approving and confirming plans, specifications and a form of contract for the Center Junction project has been prepared by Dorsey & Whitey for the board's approval.

Motion by Cruise, second by Koenke to approve the Resolution on plans, specifications, form of contract and estimate of cost for the Center Junction wastewater project. The motion passed unanimously.

#### **C. Review construction bids received**

Schneider distributed a bid tabulation sheet from Garden & Associates for the project. Pope said seven bidders responded to the three project divisions: lagoon, collection system, and service lines. The lowest bid for the first division, the lagoon, was Smith Seeding of Eldridge, IA at \$202,600.00; the lowest bid for the second division, the collection system, was Anstoetter Construction of Farley, IA at \$365,338.13; and the lowest bid for the third division, the service lines, was Anstoetter at \$93,273.50. Within the second division, there were three alternate bids: Alternate A, the Individual Grinder Station, was bid at \$14,380.20 by Anstoetter; Alternate B, the Standard Manhole, etc., was bid at \$14,736.00 by Anstoetter; and the only bid for Alternate C, Installation of Sanitary Sewer Utilizing Directional Boring, was \$226,339.30 by Tschiggfrie. Pope said the bids were within the projected estimates, except for Alternate C which is too high. The recommendation by Garden & Associates is to award construction bids to the following firms: Division 1 to Smith Seeding for \$202,600.00; Division 2 with Alternates A and B to Anstoetter for a total of \$394,454.33; and Division 3 to Anstoetter for \$93,273.50.

Thompson said he has talked to both Pope and Jim Carroll from USDA about the original estimate of \$640,000 for 70-73 users for the Center Junction project. Thompson proposed taking out Division 3 of \$93,273.50, which leaves a total \$520,000 for the project with approximately \$19,000 contingency. Discussion followed concerning users contracting with individual plumbers to connect to the system and the cost to the homeowners. Thompson said there may be

more USDA funds available later; and he would contact the State and National Office for more funding for the project.

**D. Review/Action on Resolution awarding the contracts and fixing the amounts of the performance and/or payment bonds**

**E. Review/Action on Resolution approving contracts and performance and/or payment bonds**

Schneider said the construction awards can be approved by the EIRUSS board, subject to USDA approval. The Board further considered proposals received for the proposed Center Junction Sanitary Sewerage Improvements Project and embodied its findings in the resolution next hereinafter referred to.

Board Member Cruise introduced the resolution next hereinafter set out, and moved that the said resolution be adopted; seconded by Board Member Koeneke to approve the Resolution awarding lagoon construction project contract to Smith Seeding; and awarding collection and lateral system construction project contracts to Anstoetter Construction subject to receipt of performance/payment bonds and USDA approval for Center Junction wastewater project, and after due consideration by the Board, the Chairperson put the question upon the motion and the roll being called, the following named Board Members voted: Ayes: Boedeker, Cruise, Frieberg, Koeneke, Summers; Nays: None.

Whereupon, the Chairperson declared the said motion duly carried and the said resolution duly adopted as hereinafter set out.

**Fairview Project**

**A. Review/Action on IIW Engineers & Surveyors design contract**

Schneider said there has been much discussion between Cate of IIW Engineers & Surveyors and Jim Carroll of USDA regarding the project cost estimate and engineering fees for Fairview. Carroll uses average engineering fees across the State of Iowa, while IIW Engineers estimate items on a per project basis. Cate said he and Carroll are very close on their figures with the total project cost estimated at \$766,565 including approximately \$60,000 for engineering design work, \$41,000 for construction observation, plus reimbursable expenses. This would be a monthly cost per 59 users of \$32.45. Cate is asking for EIRUSS Board concurrence on the engineering fees in the contract which could then be sent to Carroll for USDA approval.

Motion by Cruise, second by Frieberg to approve and accept the engineering contract from IIW Engineers & Surveyors for the Fairview wastewater project. The motion passed unanimously.

**B. Review/Action on Iowa DNR administrative consent order**

Schneider referred to Enclosure #3 which is a letter to Cruise from Jon Tack of the Iowa Department of Natural Resources. The letter states that if the County wants to extend the proposed compliance schedule for one year, the up-front penalty of \$2,000 would need to be paid. The Fairview project is scheduled to be operational by October 2008. The only concern is if the land would need to be acquired by condemnation, which would affect the schedule. The seeding and other final details can be done after the wastewater treatment system is operational. Cate of IIW Engineers is in agreement with the scheduled operational date. Schneider's recommendation to the Jones County Board of Supervisors is to not extend the compliance schedule or pay the penalty. Cruise said he would inform the Supervisors about Schneider's recommendation.

**C. Discussion/Action on bond counsel**

Schneider said Dorsey & Whitney are the Bond Counsel for other EIRUSS projects and recommends that we continue to use them for future projects.

Motion by Cruise, second by Koeneker to approve Dorsey & Whitney for Bond Counsel for the Fairview wastewater project. The motion passed unanimously.

**D. Discussion/Action on legal counsel**

Schneider said Walters is currently the designated attorney for the Center Junction project, while Blum is the designated attorney for the Andover project. Walters charges \$160/hr, while Blum charges \$100/hr. Schneider said Blum has done outstanding work on the Andover project. Blum's proposal for the Fairview project is \$100/hr, capped at \$5,000.

Motion by Cruise, second by Frieberg to approve and authorize the EIRUSS chairperson to sign a Legal Services Agreement between EIRUSS and Bill Blum for services related to the Fairview wastewater project. The motion passed unanimously.

**E. USDA Rural Development Application**

Schneider said at the last meeting, the EIRUSS board approved submission of a revised USDA Rural Development Application of \$837,120 for the Fairview project. He has just received information from Jim Carroll and will be submitting the application shortly.

**F. Review/Action on archaeological services proposals**

Schneider said four projects were sent out for archaeological services proposals; three were EIRUSS projects, the other project is Sherrill. The low bid of \$4,940.75 was submitted by Wapsi Valley Archaeology for the Fairview project.

Motion by Cruise, second by Koeneker to approve the Archaeological Services proposal from Wapsi Valley Archaeology for the Fairview wastewater project. The motion passed unanimously.

**Leisure Lake Project**

**A. Review/Action on Jackson County CDBG Subrecipient Agreement**

Schneider referred to Enclosure #4, a Subrecipient Agreement for Leisure Lake between Jackson County and EIRUSS. This agreement will allow for CDBG funds to pass from the County to EIRUSS. The Jackson County Board of Supervisors has already approved the Subrecipient Agreement.

Motion by Frieberg, second by Summers to approve the Jackson County/EIRUSS CDBG Subrecipient Agreement for the Leisure Lake wastewater project. The motion passed unanimously.

**B. Review/Action on IIW Engineers & Surveyors design contract**

Cate explained he has discussed the engineering system design and fees for Leisure Lake with Carroll. The system operating cost per user is \$18.43/mo. Thompson said the USDA usually expects a fee of \$28-\$29/mo. per user. Discussion followed regarding the high cost of land acquisition, number of homeowners and USDA funds. Cate noted the conversation was similar to the Fairview discussion and he and Jim Carroll are close to agreement with their estimates. Cate is again asking for EIRUSS Board concurrence on the engineering fees at a cost of approximately \$201,000 for design work, \$80,000 for construction observation, plus reimbursable expenses in the contract which could then be sent to Carroll for USDA approval.

Motion Frieberg, second by Summers to approve and accept the engineering contract from IIW Engineers & Surveyors for the Leisure Lake wastewater project. The motion passed unanimously.

**C. Discussion/Action on bond counsel**

Schneider again said Dorsey & Whitney are the Bond Counsel for other EIRUSS projects and recommends that we continue to use them for future projects.

Motion by Cruise, second by Koeneker to approve Dorsey & Whitney for Bond Counsel for the Leisure Lake wastewater project. The motion passed unanimously.

**D. Discussion/Action on legal counsel**

Schneider again said Blum is the designated attorney for Andover, and now Fairview. Blum's proposal for the Leisure Lake project is \$100/hr; however, the cap will be higher than \$5,000. Blum is not sure what the cap will be right now.

Motion by Cruise, second by Frieberg to approve and authorize the EIRUSS chairperson to sign a Legal Services Agreement between EIRUSS and Bill Blum for services related to the Leisure Lake wastewater project. The motion passed unanimously.

**E. Update on project**

Schneider said Nagle, Cate, Frieberg, and Thompson met to count homes in the Leisure Lake area. Cate said the project is ready to move into the design phase. Discussion followed concerning USDA funding, with Thompson saying he will check with the State and National Office.

**F. Review/Action on archaeological services proposals**

Schneider said Leisure Lake was one of the four projects sent out for archaeological services proposals. The low bid of \$5,289 was submitted from Wapsi Valley Archaeology for the Leisure Lake project.

Motion by Cruise, second by Koeneker to approve the Archaeological Services proposal from Wapsi Valley Archaeology for the Leisure Lake wastewater project. The motion passed unanimously.

## **Petersburg Project**

### **A. Update on project**

Osterhaus said he has been elected by the residents of Petersburg to oversee the wastewater project. Cate said because of the recent waste discharges to Bear Creek, the DNR wants a wastewater system to be installed in Petersburg. The State is considering imposing more stringent ammonia levels in lagoon systems because of agricultural runoff. Possible funding through a DNR grant or the Soil Conservation Office could find recommendations to prevent future runoff occurrences. Cate suggests considering a low pressure collection system and controlled discharge lagoon for Petersburg. They are discussing design concepts with USDA and DNR. Discussion followed concerning the size of Petersburg and USDA funding. Petersburg does not qualify for a USDA grant. Schneider said the Delaware County Board of Supervisors has met and approved submission of a CDBG Imminent Threat application for the project. Schneider said the State is working on legislation with funding for 40 years at 0% interest which also might be an option for Petersburg rather than USDA funding. Cate said he needs accurate information from the DNR office in order to present a proposal for Petersburg.

## **Andover Project**

### **A. Update on project**

Schneider said staff has met with all but one property owner for the Andover project. Some piping has been redrawn, and they are working on the easements. Schneider said they want to submit the plan to the DNR and then send the project out for bids. Murphy from Braley's office said they had received the USDA announcement concerning the loan and grant for Andover and were very excited about it. Boedeker thanked Murphy for all the help that Braley's office had done for this project.

## **Elvira Project**

### **A. Update on project**

Pope said the water tests turned out fine and the report was submitted to the USDA and DNR. A meeting will be set up with the DNR for a project initiation meeting in order to have a reviewer assigned to Elvira. Thompson said the USDA would look at FY2008 funding for Elvira.

### **B. USDA Rural Development Application**

Schneider said at the last meeting, the EIRUSS board approved submission of a USDA Rural Development Application for the Elvira project. The application will be submitted in the next two months.

### **C. Review/Action on archaeological services proposals**

Schneider said in the USDA's agreement with the State Historical Society, the guideline for archaeological services is necessary only for five acres or more, and since Elvira is less than five acres, the services will not be needed.

## **Lake Delhi Project**

### **A. Review/Action on engineering qualifications/proposals received in response to RFP/Q**

Schneider said he received seven responses to the request for engineering qualifications/proposals for Lake Delhi. He distributed a chart outlining the firm, lead engineer, years experience, and the price. Discussion followed by board members concerning the firms. At this time, both Cate and Pope offered to step out of the room. Discussion followed narrowing the decision down to two firms: IIW Engineers & Surveyors and Garden & Associates. Board members agree both are experienced firms with good reputations.

Motion by Koeneke, second by Summers to approve a contract with Garden & Associates to prepare a Preliminary Engineering Report for the Lake Delhi wastewater project. The motion passed with Frieberg voting nay.

At this time, Cate and Pope returned to the meeting. Boedeker congratulated Pope and Garden & Associates for the award of the Lake Delhi project, and thanked Cate and IIW Engineers for their work on the proposal.

## **Other Business**

### **A. Iowa DNR Building Sustainability grant**

Schneider said he submitted another Iowa DNR Building Sustainability grant as the board authorized at the last meeting. He has received a notice from the DNR that EIRUSS has been awarded another \$50,000 grant. This grant will be used for general operating administration.

### **B. Other**

Schneider said he received a letter from the Howard R. Green Company suggesting that the \$4,000 fee for the subsequent design, bidding, and construction agreement on the Fairview project be split equally; otherwise they will pursue legal options. Discussion followed with board consensus to split the \$4,000 equally and pay \$2,000 to Howard R. Green Company.

## **Adjournment**

Motion by Cruise, 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