



551 Hot Springs Boulevard
Post Office Box 1859
Pagosa Springs, CO 81147
Phone: 970.264.4151
Fax: 970.264.4634

**PAGOSA SPRINGS SANITATION
GENERAL IMPROVEMENT DISTRICT MINUTES
THURSDAY, JUNE 18, 2009
Town Hall Council Chambers
12:00 P.M.**

- I. CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Pierce, Council Member Weiler, Council Member Volger
- II. NEW BUSINESS**
- III. OLD BUSINESS**
 - 1. Update on Waste Water Treatment Plant Funding** – The District has applied for a new loan through the Water Pollution Control Revolving Fund (WPCRF) for 2 million dollars at 2% interest. This loan will replace the 1.5 million dollar DOLA loan at 5% interest. The extra half million of the new loan will allow us to fund option 1 or 2 with no increases in rates due to the lower interest rate. Option 1 will not change the plant capacity, therefore we will not have to resubmit a new site application or request new PEL's from the State. We will retrofit the Lagoons to accomplish this and give us the ability for several years without additional costs. The downside is the sludge will not be able to be used in the compost facility. This option is a temporary solution, but it means that we will have everything we need to provide the highest quality effluent without loss in capacity. Town Manager Mitchem believes that although it seemed attractive, going with the USDA loans was too risky at this time. Council Member Volger asked about the contingencies. Sanitation Supervisor Phil Starks explained that there will be contingencies and the contract bid will stand. Any change orders will need to be approved. He explained there may be money available for possible changes. The plant will need to add digesters in the future and a sludge removal system would be desirable. Phil Starks explained that at the time of engineering the projected plant needed to be very large, he still feels the facility will give the community a capable plant for many years. Mayor Aragon would like to somehow alleviate the high sewer rates for our customers and if there is a way to drop the rates, staff should look at options. Council Member Weiler still doesn't feel that by building this new plant is fiscally responsible and will not support the project. He believes the Town has to do more with less and adjust from today forward; he would like to go back to the State and ask for help to correct violations. Attorney Bob Cole says that working with other sanitation providers in similar situations, the State has come in with building moratorium and financial sanctions. Council Member Cotton agrees with Council Member Weiler and feels this option might bankrupt the district. Council Member Holt agrees with Council Member Weiler and Cotton and would like to look at the option of upgrading our current plant. Phil Starks said there may be options to upgrade the current plant to satisfy the State. Council Member Pierce moved to pursue the production scope alternative option #1 as described by Brilliam Engineering which essentially eliminates the digesters, also approve the request for loan with Colorado Water and Power Authority and request the Colorado Water and Power Authority hold an emergency meeting in regards to the loan application and respectfully request a lower interest rate, also move to approve staff send a letter to Triad asking to extend their bid to July 15th 2009 while the District secures the proper funding, Council Member Volger seconded, discussion between council commenced including how to construct or retrofit a plant for the least amount of money and decrease the user fees, motion failed with one aye (Council Member Pierce). Council Member Weiler directed staff to solicit the best ideas to fix the problem from outside engineering firms on the internet, investigate and return the information to council in a work session. Council Member Volger suggested a work session on Thursday June 25th at 12noon to discuss the sewer plant; a work session was agreed upon and above mentioned date set.
- IV. Approve May Financial Statement and Accompanying Bills** – Council Member Pierce moved to approve May's financial statement and accompanying May bills, Council Member Volger seconded, unanimously approved.
- V. Next Board Meeting July 7th, 2009 at 5:00pm** – Council Member Volger moved to reschedule the July 16th district meeting to the 23rd of July, Council Member Jackson seconded, unanimously approved.
- VI. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 3:09pm