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**PAGOSA SPRINGS SANITATION  
GENERAL IMPROVEMENT DISTRICT MINUTES  
TUESDAY, JUNE 2, 2009  
Town Hall Council Chambers  
5:00 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. **APPROVAL of MEETING MINUTES FROM MAY 4<sup>th</sup> AND 21<sup>st</sup>, 2009** – Minutes were approved as read.
- III. **NEW BUSINESS**
  1. **Update on Waste Water Treatment Plant Funding** – On Monday May 11<sup>th</sup> the Town Manager met with Colorado Department of Local Affairs representatives Susan Kirkpatrick, Executive Director, Charles Unseld, Deputy Director, Teri Davis, Director of Services, and Berry Cress, Public Works Specialist. The town asked if we could uncouple the DOLA grant and loan in order to permit the district to seek alternate financing to replace the \$1.5 million dollar loan. The preliminary answer was yes. The Town Manager also met with Michael Buck, Business and Community Program Specialist for Rural Development of the US Department of Agriculture. The USDA has funds available that can be utilized for wastewater treatment plants. The meeting with the USDA on May 19<sup>th</sup> outlined steps needed to apply for funding through USDA and requirements that include a comprehensive environmental study, re-bidding and moving the construction site outside the 500 year floodplain. The Town Manager also met with representatives from CDPHE and Colorado Water and Resources and Power Development Authority. The CWRPDA will entertain the Town's application for a 2% interest rate loan to replace the DOLA 5% loan. The USDA funding cycle deadline of September 2009 is not possible to meet due to additional engineering of the 500 year floodplain, so this project might need to be delayed until next funding cycle in September 2010. Mr. Starks suggested the 2 million dollar loan at 1.87% from Water and Power Authority be retained, return the DOLA loan and apply for a 3 million dollar loan from Water and Power Authority at a lower interest rate. Mr. Duane Dale, with the RDUSDA, said the requirements for funding from Rural Development are stringent and that moving out of the 500 year floodplain, if not an option, will be required to be engineered and explained. He explained the Preliminary Engineering Review application from the Town will give Rural Development the options of the costs of the plant and Rural Development might be able to help the District. Mr. Dale said the timing of the monies is what is important and that the money will be available, it's just a matter of when. Asking for funds from Rural Development after the project has begun will only bring the application back to square one. After the meeting on May 19<sup>th</sup>, 2009 with Town staff, Mr. Dale is very confident that he can get the District some funds. Council Member Weiler asked about a grant for the PER, Mr. Dale said that Rural Development will not be able to extend a grant for the PER but that the District can ask for the fees retroactively. Estimated costs for the PER is \$50,000-\$100,000 and engineering a 500 year floodplain

map will take at least 6 months. Mr. Mitchem will ask DOLA, Region 9 and other entities if they would be willing to grant the District the money for the PER and look into other grant sources for the project. Mayor Aragon feels the RDUSDA 500 year floodplain requirement is over the top and that the district is being coerced into a project they can't afford. Mr. Phil Starks believes the RDUSDA option is the best route at this point. Council Member Cotton would like refined loan numbers and says it is difficult to spend the money for the USDA PER with no assurances. Council Member Jackson would like to consider going with the USDA PER. Council Member Holt would like to get the loans from Water and Power authority and go forward, but would like to first look at upgrading the current plant which Mr. Starks says would cost around \$2 million. Council Member Weiler doesn't believe the current path is fiscally responsible and will not support the monies for the PER to Rural Development, he would like to do nothing and keep the plant as is currently. Council Member Pierce believes the 500 year floodplain is not something we should go with, but would like to look into downsizing the plant at this time and expanding at a later date. If the district could receive grant funding for the PER she would consider moving forward with Rural Development. Council Member Volger sees it as a gamble with the USDA to move forward with the PER, restructuring the loans might be a possibility but feels it's risky. He would like to look at taking a step back, upgrading the current plant to be in compliance and complete a phased plan to add onto the current plant. Mr. Mitchem will produce a spreadsheet giving the council the detailed information on financial options at the mid-month meeting.

#### **IV. DEPARTMENT HEAD REPORT**

- 1. District Manager Report** – April's flows were .217 MGD on average, which is 6.5 million gallons of wastewater and over 16,920 pounds of BOD were processed. There was a violation in April for 30 day average BOD discharge of 33.mg\L, the limit is 30 mg\L. This is due to the rapid temperature increase and high algae content. A main line backup occurred on May 21<sup>st</sup> near Florida and North 6<sup>th</sup> Streets. The blockage was jetted and found to be caused by grease buildup; the line was last cleaned in 2006. A power surge on May 24<sup>th</sup> caused several issues to the Chamber lift station. Four of the five float switches, one control relay and one pump were replaced.

#### **V. Next Board Meeting June 18, 2009 at 12:00pm**

#### **VI. ADJOURNMENT** – Upon motion duly made the meeting adjourned at 8:00pm.