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**PAGOSA SPRINGS SANITATION
GENERAL IMPROVEMENT DISTRICT MINUTES
THURSDAY, MAY 21, 2009
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** – In 2003, the Colorado Department of Public Health and Environment ordered that the Town take action to rectify non-compliance with clean wastewater standards. In response, the Town PSSGID has completed engineering for a new wastewater treatment plant. At the request of the State of Colorado, the District raised its monthly sewer service rate to prove its capability to pay back loans on the new plant. The total current funding is \$4,750,000 however the bids for construction of the new plant ranged from \$5.9 million to \$8.8 million; therefore the district has been exploring alternative financing. Town Manager Mitchem met with representatives from DOLA, Rural Development of the US Department of Agriculture, and Colorado Department of Public Health and Environment. Sanitation Supervisor Phil Starks explained some funding options including a lease back option which works with those entities that do not create revenue so would not be an option for the PSSGID. The utility service option is also not viable because it is not available for a small operation like the PSSGID. USDA will help but requires the process to go back to step one. Mr. Starks explained it would be a long rigorous process with cost increased \$70,000-\$100,000. Mr. Patrick O'Brien with Brilliam Engineering explained that USDA is a Federal Agency with rigid requirements and rules. The USDA requires the sewer plant be built outside the 500 year floodplain and if it is within the 500 year floodplain, how it will be change, which may include moving the basins out of the ground 10 feet or more. The costs will be amplified significantly but the grant ratio could be increased, however USDA will not guarantee the loan/grant package. Brilliam Engineering produced several options for alternative funding. Council Member Cotton believes that spending the \$100,000 and going with the grant/loan option through USDA would be a good alternative. Town Manager Mitchem brought up another possibility of receiving a grant from FEMA to move the plant higher out of the ground, out of the 100 year floodplain. Council Member Weiler does not want to be in a rush to get the plant completed. He would like to the Federal Government to lead and not have the Town spend all its money with no end. Mayor Aragon had attended the meeting with the USDA and explained the USDA said they had the money to help the PSSGID. Town Manager Mitchem explained the plan might be to go back to the CDPHE letting them know the district is working on getting a plant established and extend the timeline, go to DOLA and CWRPA regarding the extension of loans and grants, then engage Rural Development (USDA) with the options for a loan/grant. The additional costs to complete an application to USDA is not budgeted at this time and with a September 30, 2009 deadline, there may not be time to complete the application. Council Member Volger asked staff their recommendations, Phil Starks believes going through USDA would be the

best option, Patrick O'Brien suggests going with additional loans with CWRPA at a lower rate with minimal increases in monthly fees, Town Manager Mitchem suggests discovering if the 500 year floodplain mapping is available, then go to all the associated agencies and extend loans, timelines, etc. More information should be available for council by the June 2nd council meeting. Patrick O'Brien explained that if the Levine property has completed the mapping then Brilliam would take the information and call the appropriate person at FEMA for more answers. Council Member Weiler moved to not spend any more money on engineering until staff talks to the two funding sources regarding additional and current loans and grants, then get an agreement with CDPHE for an extension of compliance schedule, Council Member Jackson seconded, motion failed with two ayes, five nays. Council Member Volger moved to approve expenditures of no more than \$1,000 for additional information from Brilliam Engineering regarding mapping and FEMA floodplain, and pursue answering questions regarding funding sources with CWRPA, loans and grants with DOLA and CDPHE compliance deadline, Council Member Cotton seconded, motion carried with one nay (Council Member Weiler).

- IV. Approve April's Financial Statement and Accompanying Bills** – Council Member Cotton moved to approve April's financial statement and accompanying April bills, Council Member Pierce seconded, unanimously approved.
- V. Next Board Meeting June 2, 2009 at 5:00pm**
- VI. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 3:15pm