

FRANKLIN CITY COUNCIL

PUBLIC HEARING

APRIL 7, 2016

MEETING WAS CALLED TO ORDER by Mayor Todd Hawkes at 6:30 pm.

Present: Mayor Todd Hawkes, Council Members: John Packer, Bryce Wood and Emily Chatterton. Joyce Bayles was excused.

Also present: Jeremy Kimpton, Derek Kimball, Lana Duke from USDA, Tom Midzinski (did not sign in), Barbara Packer, Glen Seamons, Max Richards, Don Newbold, Mark Dietrich, Stella Sharp, Ammon Sharp, and Leon McGuire. Max Richards and Don Newbold both left after 30 minutes.

Mayor Hawkes stated that this public hearing is to gather public comments and gives the council the opportunity to let the citizens know the reasons why the sewer rates have to go up to \$57.00. Mayor Hawkes gave a brief recap of what has been going on since the last public hearing that was held in October 2014. One of the things that have happened is that there has been some engineering done and then it stalled for a while. There has been flaws in the process and we have lost about \$1 million dollars in grant money. This means that the city will still be able to pay for the project but the money goes from grant money to loan money. Due to the article in the Preston Citizen, the city attorney has talked with the Mayor Hawkes at length on what can and what should not happen and then the head of DEQ (Department of Environmental Quality) in Boise Idaho has called and talked to the mayor about this project. Lana Duke from USDA is here to help explain what has happened. The city is trying to make the best of a bad situation. Mayor Hawkes has talked with the director of Idaho DEQ just today again about this project. Everyone is now on board with the city and is working hard trying to get this project done and now the city has the full focus of DEQ. There are differences in the project and the city is looking at different scenarios of the project on what the city can do. Mayor Hawkes stated that the city must meet the rate level that is required by USDA so the city will not lose any more of the grant money. The city attorney explained that the city cannot fight DEQ as they have the badges that they can do what they need to do and can level fines against the city.

This is a public hearing and the council will be listening to the public. We have Lana Duke from USDA and Derek Kimball from JUB Engineers here to help answer questions.

Glen Seamons asked about the external review that was talked about in the newspaper. He asked Mayor Hawkes to explain what an external review is and what he meant by the statement in the paper. Mayor Hawkes stated that at first he wanted a fresh set of eyes to look at this project to make sure there was nothing missed. After speaking to the city attorney and now that the city has the full attention of DEQ and he has come to the opinion that this would not be the best way to spend extra money. Mayor Hawkes stated that we have not done a review at this point and he doesn't see the benefit of spending the money on this. Communication should have been better with all entities involved. DEQ has made some changes in the processing and this will help other communities in the future. Mayor Hawkes has asked for any additional money from those entities involved they may have. But the city has to go ahead with the project. The city cannot wait to see what will happen, we have to move forward. Glen Seamons stated that he wants this documented so the citizens will know what has happened. Mayor Hawkes stated that this public hearing had to take place so the citizens have the opportunity to come and express their concerns and also so the city will not lose any additional grant money that the USDA has right now. The grant money was taken back by the Federal USDA level. After the meeting today he gained some confidence back with these agencies and we will be able to move forward on this project.

Glen Seamons asked about the water from the sewer system if it can be used in the parks. Derek Kimball stated that the water is treated and can be sprinkled on farm ground. The water is treated. Mayor Hawkes stated that this is what has been done in the past. The ground that has been used in the past is not enough ground for the water that has to be discharged. Glen Seamons wanted to know if the water can be used for park irrigation. Mayor Hawkes stated that to be used that way it has to be treated by a mechanical plant to be able to get everything out to the level that people can be around the water.

Tom Midzinski asked who dropped the ball on this. It has been 1 ½ years since the bond election and if the city administrator is the one who dropped the ball. Mayor Hawkes stated that he will not let this go to a personal attack on Mr. Kimpton, he has done a phenomenal job.

Mayor Hawkes stated that he has looked everywhere to find where the problem was. Tom Midzinski stated that he wants someone else to pay for the delay that is not him.

Mayor Hawkes stated that the city already has some expense in engineering already. The engineering firm has been working on the project even though the money has not started to come through. The engineering reviews took long to get passed through the system and that pushed us back so that the city lost some of the funding. The project is still the same as when this was started the only difference is that some of the grant money is no longer there.

Glen Seamons asked about Susan Lorenz from SICOG and what does she get paid and if they get paid on the amount of the project. Lana Duke stated SICOG gets paid a set fee and it is not a percentage of the project. Lana Duke stated that if she was not involved there would be \$500,000 less money available as she was the one who was able to get that grant. Mayor Hawkes stated that the city has used Susan Lorenz on different projects in the past and she has done a great job. There are a lot of agencies working on this together and the city has not looked at the whole project to see if everything was working. Tom Midzinski asked if there was a check list for all these changes as things changed. Mayor Hawkes stated that the check list kept changing. The list of items needing work kept changing when they came back from DEQ. Mayor Hawkes stated that the EID (Environmental Impact Document) paper work was sent back to DEQ with the three changes they wanted and they would send it back with another 63 items they wanted changed and they keep making changes to the documents that were sent in. The city and engineers have been making the changes to the documents as they came in.

The other people are paying for this or is this just the Franklin Citizens to pay for this. Don Newbold stated that there must be someone who should be in charge of this project in one of those other agencies looking forward on the project. Mayor Hawkes stated that he just received an email recapping the meeting today and after the meeting today the Bruce Olenick from DEQ has gone back to their office stating that they should be trying to help these communities to accomplish their projects and not hindering them. Mayor Hawkes stated that there are engineering working on this and they speak a different language than the rest of us. DEQ engineers has been look at this project and seeing if the classification of the sewer lagoons

could be changed but if that happened then the buffer area would increase and you would lose that land for application or you could put up a 6 ft. fence.

Mayor Hawkes stated there are some rules that are changing and now the Davis Bacon wage comes into this project instead of using regular wages and this runs up the cost of the project. The elected people can make changes especially in the Federal Government but they also need to be able to see the waste in these agencies requiring more things than necessary. It wasn't until that article came out in the paper that we got the attention of DEQ in Boise.

Tom Midzinski asked if this project can be expedited. Mayor Hawkes asked Bruce Olenick who he can call and talk to that would be able to answer his questions as he does not make a phone call to someone who then has to call someone else to make the decision. Bruce Olenick told him that Tom Hepworth is the man in Pocatello to talk to. Mayor Hawkes stated that he has respect for Tom Hepworth as he has been able to talk the same language with him. There are some people in DEQ office that are hard to work with. Bruce Olenick has stated that he can be called if the city cannot get things working in the local DEQ office. Mayor Hawkes stated that he understands the frustration in all of this. There are some loan forgiveness from DEQ but it is tied to the \$57 a month rate.

Lana Duke stated that if this USDA/RD funding is gone the user rate would be about \$74 a month per user. Mayor Hawkes stated that these are types of issues we are facing and trying to deal with. The city will keep fighting where we can. Tom Midzinski asked Mayor Hawkes if he has talked with the head man at EPA in Seattle. EPA has not been involved in the funding but they have given out the fines and deadlines. DEQ is working with EPA on the fines and deadlines for the city. Tom Midzinski suggested that Mr. Bergman write EPA to let them know what is going on here. Mayor Hawkes stated that Aaron has been calling people and things have been going forward again.

Mark Dietrich asked if the separate entity look at this project. Mayor Hawkes stated that right after the paper came out there have been phone calls and meetings with DEQ and engineers to make this work.

Tom Midzinski asked who is watching over the program. Bruce Olenick is the head of DEQ and he is now watching this project to make sure things are now moving forward. JUB

Engineers has tried to set up meetings with DEQ and the city and the other agencies and the city is the only one that could meet.

Lana Duke stated that the money had to be obligated by last August. Lana stated that when the new funding came out from the federal government the local office found out that the federal government pulled the money back. They did not notify the local funding office of USDA on the funding until the middle of March. Lana Duke explained that you can reapply but it would not replace the loan/grant money that is there right now. The loan/grant money is in place once the city signs the letter of intent. If there is a cost overrun then you can apply for additional money. Mayor Hawkes asked Lana about the money they have and she stated that each year it is different so the money might not be there next year.

Tom Midzinski asked if this money is enough to finish the project to completion to full build out. Mayor Hawkes stated that the \$57 should be enough for everything to full build out. The city has gone over the project to see if there is anything that can be cut from the project. The city does not want to build to what is needed to day and then in a few years have to do this over again as it needs to be redone to a higher capacity. The city wants to do this right the first time. Mayor Hawkes stated that the city is still looking at what can be done to minimize the impact to the citizens. Mayor Hawkes stated that to get the loan forgiveness you have to be at the \$57.

Tom Midzinski asked if the rates could go lower if additional money comes in. Mayor Hawkes stated that yes the rates would go lower if more grant money or loan forgiveness comes in. Tom stated that he wants this in writing. Glen Seamons asked how much you can raise the rates before you have a bond election. Mayor Hawkes stated that the rates can only be raised 3% a year without a public hearing. Glen Seamons wants to know how much the city can raise his bill without a bond election. Mayor Hawkes stated that the city has a public hearing on this to be able to raise the rates over the 3%. Mayor Hawkes stated that it can only be raised 5% with a public hearing. Lana Duke stated that the bond election was for \$2.5 million and right now the city will not be going over this amount. The loan right now \$1.8 million owed right now. Mayor Hawkes stated that he told DEQ that he is ready to give this system over to DEQ to run. They told him that they are not in that business but they would hire

someone who would run it but the city would still have to pay for it. If the city gives this back to DEQ they will fix the system and you will be paying them probably a lot more than this.

Glen Seamons asked again how much more money can the city raise the monthly water/sewer bill. Mayor Hawkes stated that the city can raise the bill 3% a year if needed without a public hearing. Glen asked again how much can the city raise the bill without going back to the citizens for a vote.

Bryce Wood stated that the bond election was to vote on the bond money that would be putting the city in debt. This increase has been done in steps to help the citizens with the cost.

Glen Seamons stated that so there is not a limit the city can raise the water/sewer rates. Emily Chatterton stated that this council does not want the bill to go higher. Mayor Hawkes stated that that the government agencies do a medium income to say what the rates should be. We are looking into how they got this number. We are still fighting the fight but it is still painful. The city is still trying to make sure the medium income is only from the citizens of Franklin City and not the surrounding area.

Mark Dietrich asked if raising the bill to \$57 if this will cover the cost of the project. Mayor Hawkes stated that there is a possibility that we do not need the extra chlorine contact chamber. But that depends on how long you have to store the water. Mayor Hawkes stated that this has been talked about with DEQ and they are looking at other options. Since the city does own the land we can water earlier and later in the season. We are not legally obligated to put in the extra contact chamber if we can meet the regulations. If not then the extra contact chamber will be needed. Mayor Hawkes stated that he has been talked off the cliff edge. He wants this done right so we are not here in a few years doing this again. The city is looking at impact fees to help pay the cost of this but you have to spend money to see if this will help the city.

Glen Seamons asked if we felt uncomfortable without doing an external review can the city do a review using a voluntary citizen review committee. He wants to review this to see what the city has done. Glen stated that there are a lot of smart good people in Franklin that

can look at this. Mayor Hawkes stated that this is all public information and he will not call this voluntary committee as they have hired professionals to do this project.

Mayor Hawkes stated that he appreciated all the comments made tonight.

Mayor Hawkes adjourned this portion of the meeting at 7:30 pm.

City Clerk

Mayor