

**APPROVED MINUTES  
WASTEWATER PUBLIC FORUM  
CITY OF EAST GRAND FORKS  
TUESDAY, JUNE 18, 2013 - 7:00 P.M.**

Mayor Stauss, Council President Buckalew, Vice-President Leigh, and Council members Vetter, Vonasek, Tweten, and Olstad were present.

Meeting convened at 7:00 pm.

Staff present: Brad Bail, City Engineer; Greg Boppre, City Engineer; Karl Lindquist, Interim City Administrator; Megan Nelson, Executive Assistant; and Jason Stordahl, Public Works Director.

Council President Buckalew started the meeting at 7:00 pm and asked the council how they would like to proceed with this meeting or if someone would like to start off the discussion. Council member Vetter stated he would start the meeting.

Council member Vetter listed the three project options the council had previously discussed which were the interconnect with Grand Forks, redoing of the lagoons, and a mechanical plant. He stated that all of the figures that the council had been presented with were based off of 5% for 20 or 30 years. He suggested that more realistic figures should be used since the city is currently able to get an interest rate under 2%. He added that the life of the final project will be longer than 20 years so the council should be considering 30 and 40 year terms. Council member Vetter continued by saying when using 30 or 40 years at 2% the interconnect project will actually be more expensive than redoing the lagoon system. Another issue Council member Vetter brought up was that the City will lose control and later down the road might have to spend another 20 million to redo the lagoons anyway. He stated the only way he would consider an interconnect would be to bypass Grand Forks and work out a deal with the fertilizer plant to take waste water from East Grand Forks. He is no longer going to consider the interconnect project. He said he had debated between redoing the lagoons and building a treatment plant in East Grand Forks. Council member Vetter said this was a difficult decision just because of unknown future requirements from MPCA so he is leaning towards a hybrid system which would be redoing the lagoons with the addition of a treatment plant of some sort to help offset some of the future unknowns of waste water treatment if needed.

Council member Vonasek said when this process first started he thought the City should move forward with what was most reasonable and spend as little money as possible. He continued by saying how his opinion has changed with the more people he has spoken with who think the City should maintain control over as much as possible and are opposed to the interconnect project with Grand Forks. He stated approximately 70% to 80% of the people who have contacted him feel this way and he stated if there is someone who doesn't feel this way to please contact him. Council member Vonasek said that he liked the idea of keeping the lagoons and possibly adding some sort of plant that was suggested by Council member Vetter. He stated he doesn't want to keep kicking this can down the road but there are still a lot of unanswered questions.

Council member Tweten stated he had yet to talk to one person who would like to move forward with the interconnect. He continued by saying how people are better informed about this issue than most

realize. He added the council had been given testimony that the lagoons are not a liability but an asset which should be used if possible. Council member Tweten said that the City should be able to rehab the lagoons and possibly add a plant like Council member Vetter had mentioned so the City can plan ahead for when the population reaches 12-13,000 residents. He continued to say how the engineers gave the City a very high figure to have all of the concrete removed which at one time was required to be installed. He stated that if the Minnesota Pollution Control Agency insists on the removal of this concrete the City should go to a higher authority. Council member Tweten considered that wasting government which he doesn't agree with. He also said doesn't agree with the 5% figures the city engineers have used to show the estimate costs of the projects. Council member Tweten stated he will not vote for the interconnect. He added how he is not mad at anyone, commented on many projects the cities have worked on successfully together, how the City has to realize how long this will take, and that they will need to ask for help from the state. He stated how he is not only concerned about the present but about the future as well and finished by stating how he had no other comments at this time.

Council member Olstad commented on how long this discussion has been going on. He asked Council member Vetter to see the numbers he had come up with looking at a 40 year plan. Council member Vetter said he would get them but that the estimates for 30 year at 2% which does include the decommissioning of the lagoons for two of the projects. He stated the figures he came up with for standalone project was 21 million, for the interconnect was 20.5 million, and a mechanical plant was 27.4 million. Council member Olstad stated that he has spoken with many people about the options and what would be the best way to go. He continued by saying how recently more regulations will be coming from both MPCA and possibly the EPA. He is worried about moving forward with a lagoon or plant and having the new regulations that cannot be met with either of these systems. Council member Olstad pointed out that the City has an option to hook up with Grand Forks and not have to worry about MPCA regulations. He added that the numbers and contract have been reviewed; the City could have a 25 year contract and not pay any more than what Grand Forks residents pay. Council member Olstad said he doesn't know how the City would be able to afford to clean up the lagoons and put up a plant. He said some people have told him they would like to keep the lagoons but there have been others who would like to move forward with the interconnect. He said how some people say they don't want to lose control but he asked how the City would be losing control or if they did it wouldn't be very much. Council member Olstad stated he doesn't see this as a control issue but of getting rid of something the City doesn't want or need by working with Grand Forks. He said how the estimate costs have come back fair, that Grand Forks isn't going to be over charging for these services. Council member Olstad stated how he watches the numbers everyday and now the interest rates are starting to rise and more than like they will keep going up. He added the longer the City waits the more any project is going to cost. He said that a decision needs to be made and he thinks the right choice is to move forward with the interconnect. He added this is something the City can work with Grand Forks on and the 25 year contract includes protection for the residents of the City which includes only paying a little over 6% for major upgrades. Council member Olstad said he understands and respects the difference in opinions on this topic and hopes that others can understand and respect his.

Council Vice-President Leigh stated he has always been in favor of redoing the lagoons. He said he has spoken with many people in the community who feel the same way and would like to keep our independence. He added he doesn't want to keep kicking this can down the road but if there is an option of redoing the lagoons and with the possibility of adding some sort of mechanical plant for the same cost of the interconnect he would like more information about that. Council member Vetter

stated the City could modify the lagoons but he didn't know what the cost would be of adding some sort of treatment plant. Council Vice-President Leigh said that it was one more option that should be considered because it would allow the city to keep the lagoons. He added that after this option and costs have been reviewed all possible options have been reviewed and the council will have to move forward. He said that regardless of what decision is made, not all members of the community will be happy. Council Vice-President Leigh ended by saying how this issue is different from garbage since the City has the ability to change vendors but there is no coming back from getting rid of the lagoons and how in the future the North Dakota regulations will more than likely be getting more restrictive.

Council President Buckalew began by saying how this has been a long discussion but whatever the decision is it needs to be the right decision. He mentioned that if the City is not required to remove the sludge from the ponds that would be a 4.5 million dollar difference and the hybrid system discussed by Mr. Tininenko was approximately 1.2 million dollars to get up and running. He added that analyzing all of the numbers, even knowing that they will more than likely change, the council needs to consider the yearly fee of treating waste water, the cost to maintain the facilities, and with the cost of licensing people to care for the facilities up to MPCA standards, he doesn't see how the City would be able to afford all of these things. He continued by saying if the City went forward with the interconnect, for the time being anyway, we would be done worrying about the treatment and regulations. Council President Buckalew stated he is a numbers guy who wasn't originally from in the community and have been told by some that he doesn't understand. He said he thinks he can understand but this is a business decision that is going to be paid for by the taxpayers. He continued by saying there is development on the north end of town and asked why people would want to build homes with a lagoon system so close. He added that currently Grand Forks is running at 35% capacity which could handle East Grand Forks and the future expansion of the City's population. If the City moved forward with the lagoons or a hybrid system they would have plan for the population 40 years from now. He did recognize the reason of considerable concern when it comes to drafting and signing the contract. The taxpayers need to be protected so he does not have any issues paying for someone to draft the contract protecting the residents. He said the Cost of Service analysis was done very well by a group from Grand Forks. He added that one person from this group is from East Grand Forks and has confidence that they would not do something treacherous to our community. Council President Buckalew stated how the City needs a way to move forward down the road and be able to deal with the changes. He suggested a board, like the Water & Light Commission be formed which would not include politicians, to represent the community to deal with changes and negotiate when changes come up in the future. He also suggested the agreement that is entered be a working document so if changes need to be made they can. Council President Buckalew reminded the council there are other projects that will be coming up in the future that will need to be addressed so they should keep those in mind also.

Council President Buckalew stated how it was a great crowd that had come to the meeting and thanked them for coming. He added they need to spread the information from these meetings to their neighbors and friends so residents have an understanding what the COSA agreement is all about, what East Grand Forks will actually have to pay for, how the City will have to maintain and expand our own system with the growth of the city.

Council President Buckalew continued with informing the group he had been in contact people in La Crescent, Minnesota, just across the river from La Crosse, Wisconsin. This community was told they needed to modify their mechanical plant by the MPCA. He added they made this agreement with La

Crosse back in 2009 and this community does not pay any more than La Crosse residents do and since this agreement was made there have been six more communities that have joined with La Crosse for waste water treatment. Council President Buckalew stated he had a copy of the agreement and would be happy to share this with whoever would like to see it. He ended by saying any agreement that is entered into needs to make both parties happy and make sure there is a fair price for treating the sewage and asked others to comment.

Mayor Stauss commented that the lagoon system in Grand Forks was suppose to be put in for 19 million and ended up at 37 million. He added there are still issues and in about 15 years something will have to be redone. He continued by saying that if the City goes with the interconnect, the pipe that the City would be connecting to is 60 years old and he asked how much longer that pipe will last after the interconnect project is complete. Mayor Stauss added that the MPCA is getting ridiculous with their restrictions on phosphorus. He asked the MPCA to test the water before the lagoon and after the lagoon to see how much phosphorus East Grand Forks was contributing to the river. He continued by saying how both Fargo and Grand Forks don't have the same restrictive regulations as East Grand Forks and Moorhead and added that in the future the federal government will become more restrictive on the communities in North Dakota and possibly the farmers down the road. Mayor Stauss then stated that the proposed agreement with Grand Forks has East Grand Forks paying approximately 6%. He asked if that rate would change since their population is growing faster than East Grand Forks is. Another issue he addressed was engineering fees.

He said he had contacted engineers from Wisconsin and Nebraska who had given cheaper fees. Mayor Stauss asked that the city engineers look for the best and cheapest way for this project to be completed otherwise he will be asking others to come in and take a look at things to keep the cost down for the citizens of East Grand Forks. He continued by saying he agrees with Council member Tweten on how it isn't right to require the removal concrete from the lagoons, which at one time was required to be added by the MPCA, and now if any of it is removed the City would have to upgrade. As for accepting everything Grand Forks has to say, Mayor Stauss asked if Grand Forks was ready to accept what East Grand Forks has to say. He added that there have been some things that have happened in the past with Grand Forks that make people worried about what could happen if East Grand Forks moved forward with the interconnect. Mayor Stauss said he has mixed emotions and feels that if the lagoons can be redone at a reasonable price that should be the way to go. He asked the group what would happen if an industry would like to come into East Grand Forks and Grand Forks tells us that it would be too much. He added he has nothing against Grand Forks as a town, he gets along great with the mayor and aldermen, but he also believes in East Grand Forks and feels that East Grand Forks can do some of this on our own.

Council member Vetter mentioned that he would be more willing to work with Grand Forks if they had informed East Grand Forks about the possibility of the fertilizer plant coming and worked together to bring this plant into town. He didn't like how they kept it a secret while they were trying to contract with East Grand Forks. Another issue Council member Vetter brought up was how Mr. Feland has stated in the next 20 years the Grand Forks waste water treatment facility will need 50 to 70 million dollars worth of work. He added how at 6% the City's share would be 4.2 million above the \$500,000 yearly fee paid for treatment. He stated that looking at this like a business decision, the lagoons lasted 50 years so the timeline should be extended to 50 years at 2%, anything over 30 years the lagoons system will be much cheaper. Council member Vetter also suggested having a closed system and

treating the waste water in the water treatment plant or looking at partnering with American Crystal Sugar and using the same lagoons.

Mayor Stauss thanked everyone for coming to this meeting but he added the chambers should be packed with people since this is such a big decision that will affect the community for years to come. Council President Buckalew then asked for members of the audience for their comments.

Mr. Duane Walden, 212 7<sup>th</sup> St NE, told the council that he is leaning towards the interconnect project right now. He asked why no one has shown the real numbers of what would happen if the City kept treating its own waste water. He said how this decision keeps getting put off but asked kind of timeline the City has until Minnesota would come in and force a decision to be made. Mayor Stauss stated he thinks the City would have until about 2016. Mr. Walden then asked how long it would take to get funding to help with this project. Mayor Stauss said that right now it is difficult to find money anywhere but the sooner the city picks a project and prepares the plans and specifications the City would then be able to approach the State for help and get full consideration. Mr. Walden asked if the City moved forward with a lagoon would they have solid numbers to go by. Mayor Stauss stated the engineers could answer better than he could at this time.

Mr. Boppre introduced himself to the group and said that cost estimates have been handed out showing the prices for the different projects. Mr. Boppre pointed out the original numbers were from three years ago when everyone was going through a recession and now all the prices have gone up. He added the 18 million Mayor Stauss had talked about included construction costs as well as all of the soft costs which includes 35% of engineering, legal, and administration costs. He also added they made sure that contingencies are included. Mr. Boppre stated he feels confident in the numbers that were handed out today. He added he thinks it is in the City's best interest to pick a solution and set a budget so the City can ask the legislators for help with the gap from what the project costs and what the City can fund.

Mr. Walden then asked if the City would be getting rid of the smell because it either comes from the north end or is coming from Crystal Sugar. Mr. Boppre said how the smell can be bad in the spring and this past spring it was really bad. He also said how Crystal Sugar came to the City to see if we could join together but won't be able to because of pH levels and that is when the discussion began with Grand Forks. Mr. Boppre added there have been other options looked at like moving lagoons 4 or 5 miles farther out. Mr. Bail said that the estimates are conservative estimates and will get closer to the actual numbers when more specifications are made about the projects. Mr. Boppre mentioned that they are trying to predict cost in four years from now so they are trying to put together the best estimates they can. He went on to say that the City currently has a five year permit with the MPCA and said that if the City does nothing in the next 3 ½ year or by the time the permit expires, the City will be out on compliance with MPCA and the state of Minnesota. He added there are many things that need to be done even after a project is picked. Mr. Walden responded by saying that answered his question but he is still leaning towards the interconnect.

Council member Tweten asked to make a few comments. He stated how certain things are said about the relationship between Grand Forks and East Grand Forks. He continued by saying how Grand Forks gets 80% of their water from the Red Lake River since the quality of water is so much better. Council member Tweten also explained other situations when East Grand Forks has helped and

worked with Grand Forks. He doesn't agree with people who say East Grand Forks doesn't work with Grand Forks because there are many times when the two cities do work together.

Dale Helms, 613 2<sup>nd</sup> Ave NE, told the council that he doesn't have all the answers and not sure if he is for or against it but what bothers him is it seems that everything East Grand Forks does has to cost millions. His first example was the swimming pool. He stated that at one time it was going to cost 6 million to fix and now it will be fixed for under a million and should be good for the next 15 years. He asked why everything has to cost millions of dollars when some of the best material to use is right there. He then asked how long the pipe has to be to cost upwards of 19 or 20 million dollars. Mr. Helms stated he hoped that no one has overlooked the possibility of the pipe under the river breaking and asked who will be paying for the pollution costs if this does happen. He added that this was one of the first things he thought of that really bothers him. He commented the cost of the cleanup could cost a lot more than fixing the lagoons. Council President Buckalew stated that there are already pipes under the river from the south end of town going up to the north end. Mr. Helms commented we already have the issue except if the City went with the interconnect it will be twice the problem. He said what bothers him the most is the cost. He asked how many feet of pipe would be put in.

Mr. Boppre answered by saying how the estimate for the interconnect includes a lift station at approximately 1.5 million dollars, a pipe across the river that will be less than 2,000 feet, boring a large enough hole underneath the river, the cost of the decommissioning of the ponds, and creating an equalization basin to have a holding pond just in case the electricity goes out etc.. He went on to say he can't control the costs but tries to identify the costs as best as he can which includes looking at different things to try and find the lowest. Mr Boppre also mentioned how the City deals with the MPCA and all of their regulations. Mr. Helms commented how in his business he is regulated and then he is charged a fee to comply. He said when the price tag is 19 million dollars, if a contractor bids on the job, he is would be stupid not to bid the job at that price. Mr. Boppre explained that is the present value cost. Mr. Helms then asked what is being salvaged. Mr. Boppre explained the salvage is a part of the facility plan required by MPCA when completing an upgrade to the system. He went on to explain they look at a 20 year design and that is why the 20 year plan is listed. He added that Council member Vetter asked for 30 year so that is why those numbers are also included. Mr. Boppre told the group that the City has been on the IUP list, Intended Use plan list, which will help with the funding of this project. Mr. Boppre said the salvage value is also included with the facility plan which is something the engineers will have to figure out based on the project the council chooses. Mayor Stauss asked what the backup was if the lift station broke down. Mr. Boppre said it has been called an equalization basin. Mayor Stauss asked if it was a type of pond system and Mr. Boppre confirmed that it would be. In closing Mr. Helms asked if we want to sell our souls over 20 to 30 years for \$700,000 to \$900,000.

Mike Powers, 437 5<sup>th</sup> Ave SE, came forward and asked if anyone knew what Council member Grassel was in favor of. Mayor Stauss stated he was in favor of keeping the treatment in East Grand Forks the last time they had spoke. Mr. Powers then said he had been to several government meetings with some including Representative Kiel and Senator Stumpf who prefaced their presentations by saying the Minnesota Pollution Control Authority is out of control. He then said how that scares him because they might come in and force the city to move forward with a project. Mr. Powers commented how he had coffee with different people today and all eight of them were in favor of the interconnect. He went on to say how some people are telling council members one thing and he is being told another which is

causing him great concern. Another question he was asked at coffee was how much is this going to cost or what amount will be on the utility bill which he replied that they don't know how much it is going to cost. Mr. Boppre said based on the facility plan from 2011, working through and identifying the options, the interconnect project would have cost \$15 dollars more a month and redoing the lagoons would have added \$17 dollars more a month on the utility bills. He went on to say that these numbers are not currently updated but that is something the Finance Director can do. Mr. Powers said he didn't mean to pick on Council member Vetter but during conversations he had that day, people were complaining that Crystal Sugar was starting to stink again. He added that he knows they are currently cleaning out their ponds but if our sewer was hooked up with their lagoons would that create another odor issue.

He knows that lots of time has been spent on this issue and he would like to throw out the idea of holding a referendum. Mr. Powers stated he knows that it would be expensive but there has already been a lot of money spent. He said he doesn't think the council has a real grasp of how the populous feels, thinks that if more simplified information was given out to the public and then hold a vote. Mr. Powers told the council he is an election judge and he would work the voting for the referendum pro bono. Mayor Stauss said the only problem that he has with that is the information has been available, there have been meetings for the public to attend, and people are not attending so sometimes the council has to make the decision. Mr. Powers stated that is what the council is there for. The last thing Mr. Powers said was that if Grand Forks is getting their water from our river then there should be a meter put on it; we could play the game both ways. Mayor Stauss said the State would say it was theirs so he doesn't think that would not work.

Allan Okins, 2005 10<sup>th</sup> St SE, told the council that he liked this meeting because there are seven people minus one that will be making this decision for East Grand Forks and he knows they have all worked at this and studied the information, which he really appreciates, and now has the right to make this decision. He then asked what will happen to the council 10, 15, 20 years from now and will they be able to make a momentous decision like this council. He commented on how the council had chosen to do this job and he feels they do a very good job as far as he is concerned. Mr. Okins stated that there are too many low information voters to hold a referendum. He then went on to say that there were six people he ate lunch with today and not one is at the meeting. He said how the council will have to make this decision and that they are qualified to do it. He added that this decision would be a lot easier if East Grand Forks was 25 miles east but all of the alternatives need to be considered. He wished the council well with the decision they make and ended by saying whatever decision the council makes he will go along with.

Council President Buckalew discussed the numbers on the sheet that was handed out at the beginning of the forum. He stated how in the beginning the interconnect is cheaper to do but then the yearly fee for the next 30 or 40 years also needs to be factored into the equation. He explained how present value is figured so the council will know how much money they will need to make the last payment in 20 years or more down the road. He added how this is different than borrowing money for a car or house so it is not something that people deal with on a regular basis. He explained that using present value was recommended by the peer group. Council President Buckalew told the group that if anyone has any questions about these figures to please contact Mr. Boppre, the Public Works Director, or someone in the office for help because it is not the easiest to understand.

Mayor Stauss asked if it is basically \$36 dollars difference a year that a resident would pay between the two. Council Vice-President Leigh stated those numbers were from before and it has changed.

Dale Carlson, 1033 10<sup>th</sup> Ave SE, said it was confusing to him but it seems that with the interconnect project had hard numbers and there aren't any real numbers for the other options. He then asked when has anything ever been built for the estimated cost. He stated he sees the potential for huge overruns and for him he would try and keep it simple. He said that the interconnect seems simpler.

Council President Buckalew asked if there were any more comments from the crowd or the council. Council Vice-President Leigh stated he would like to know figures for Council member Vetter's proposal and be able to tell the constituents how much each of the options would cost them a month. He continued by saying he doesn't think they don't care where it goes but how much it will cost them every month.

Mr. Boppre said with that direction and if the council is inclined he can ask Mark Hallan, WSN waste water expert, for an estimates on the proposed options and bring the numbers back to the council. Council President then asked the wishes of the group and then asked if anyone was interested in a full blown plant which was answered with no. Some discussion followed on what options will still be considered to find what the monthly costs would be for the residents.

Council President asked if there were any more comments or questions. Mr. Lindquist asked to have someone summarize exactly where the council is at. Council Vice-President Leigh stated the list consists of the interconnect, redoing of the lagoons, redoing the lagoons with a modified treatment plant, and hooking up the system to the water treatment plant.

Motion to adjourn was made by Council member Tweten, seconded by Council member Leigh. The meeting was adjourned at 8:26 pm.

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Karl Lindquist, Interim City Administrator