

COMMISSIONERS RECORD 49
FRANKLIN COUNTY
SPECIAL BOARD MEETING
Commissioners' Proceeding for November 17, 2008

The Honorable Board of Franklin County Commissioners met on the above date in a special meeting held at Basin City, Washington, continuing from the morning meeting held at Pasco, Washington. Present for the meeting were Bob Koch, Chairman; Rick Miller, Chair Pro Tem; and Neva J. Corkrum, Member; Fred Bowen, County Administrator; and Mary Withers, Clerk to the Board.

Reconvened at 1:30 pm.

BASIN CITY WATER AND SEWER DISTRICT

Public Hearing: To review community development and housing needs, inform citizens of the availability of funds and eligible uses of the state Community Development Block Grant (CDBG) and receive comments on the proposed upgrade of the consolidated Basin City Water/Sewer District and Basin City Mobile Home Park water systems, particularly from low- and moderate-income persons and persons residing in the Basin City area. Up to \$1.0 million may be available to the County on a statewide competitive basis to fund public facility, community facility, economic development, housing rehabilitation, and planning projects that principally benefit low- and moderate-income persons.

Present: Commissioners Koch, Corkrum and Miller; County Administrator Fred Bowen; Andy Tom and Jason Mellin with Sewell & Associates; Basin City Water and Sewer District members Leonard B. Barnett, Bret Gledhill and Duane Johnson; Secretary Bridgette Scott, Interpreter Rosie H. Rumsey; and Clerk to the Board Mary Withers. Those present in the audience included: Jon and Cathy Fox, Dennis Stringer, Anthon Price, Edward A. Peterson, Clarence and Iris Smith, Pete Kowatsch of M&S, Inc., Colette Chase, Doris Barnett, Kathy McEachen, Steve Price, Robert Andrews, Lloyd O. and Rosemary G. Barnett, Leonard S. Marble, Mary and Kenneth Dickman, Chet Bauermeister, Jim Stoker and Tony Mills. The sign-in sheet is included as Exhibit 2.

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Mr. Koch opened the hearing and read the title from the agenda and the procedure of the hearing. A Spanish translator is present.

Mr. Bowen introduced Andy Tom and Jason Mellin from Sewell & Associates who work with the Basin City Water and Sewer District (BCWSD).

Mr. Tom said part of the grant application process is a public hearing concerning this grant and general oversight of the Community Development Block Grant (CDBG) program. The CDBG-required handouts were distributed in English and Spanish (Exhibit 1). Mr. Tom reviewed information from the handout.

He said one advantage the Basin City community has is that the 2007 census shows that 72.2% of the residents are low to moderate income residents. The criteria for the grant is greater than 50%. This is a very attractive project from the standpoint of CDBG & HUD. This particular grant is the general purpose grant. The specific application is for rehabilitation of the water system, both for the mobile home park as well as the community of Basin City.

He gave an overview. There is about \$11.5 million available in 2009 of HUD grant funds for projects statewide. We're applying for \$1 million for the first phase of this project.

Mr. Koch said we do have a Spanish interpreter with us. Mr. Tom asked if anyone needs an interpreter. There was no response.

Mr. Mellin showed a drawing of the area including the mobile home park and Basin City. The plan is to combine the two water systems and provide water from Basin City to the mobile home park. We would like to use one of the mobile home park wells and the main well at Basin City as two active wells on a combined water system. In order to do that, for the first phase we're looking at putting in an 8" distribution main through here (indicated) and 10" transmission main to the mobile home park.

Eventually we'd like to put in larger mains throughout Basin City and the mobile home park so that we can provide good fire flow throughout the two water systems. Part of the first phase will be putting in this transmission main (indicated) and replacing some

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valves and putting in some fire hydrants and water service meters along the route of the new transmission main and then making some improvements to the pump houses, particularly at both Basin City wells and down here at the mobile home park that we'd like to use as the active water system.

Mr. Mellin said that's basically the gist of what we think we can afford right now with this \$1 million grant.

Mr. Tom said the water company owned the project until earlier this year. The BCWSD has worked really hard to acquire the system. The district has received a lot of financial, administrative and other assistance from the county in order to do this. When we first talked, we were very concerned about the age of the existing infrastructure, which is over 40 years old, has no fire hydrants, and is undersized. It was critical to the BCWSD board and a lot of other people and the county that the system could be acquired so it could be rehabilitated. It was made pretty obvious to us early on that without rehabilitation of the system, the long-term existence of the community wasn't that great. So we all have been working hard at appraising the system, getting a fair price and acquiring the system from Ralph. Once the system was acquired, we looked at some of the other aspects of the project.

Early on we talked to Jon Fox with the mobile home park and he's under order from the Department of Health because of nitrates. We all felt it would be to everyone's benefit to consolidate the system. It worked out well in terms of acquiring the water permits. Right now we are in the process of final negotiations to consolidate both systems so there will be one system.

The BCWSD Board's long-term plan is to provide further extension, probably to the industrial area at some point, when it is affordable and the political climate is good, which would lead to an economic development scenario.

What we're doing now is the first phase of the project. Our plans for next year include not only the initial \$1 million grant but we're also applying for another \$1 million

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from USDA Rural Development, which we feel is affordable to the community without raising rates higher than they currently are.

Mr. Tom said Mr. Mellin can also talk about the next phase. A lot of the next phase will be dependent on what construction costs are going to be. There has been an escalation of construction costs over last year. We're hopeful with reduced material costs and commodity prices and eventually labor costs -- in reality, the recession -- that the construction costs will be lower so we can actually do more than we've estimated that we can do with the first \$2 million. Everything is dependent on how much grant and loan funding we can get from government agencies.

Mr. Dickman said there are two entities, one the trailer park and the other the Water and Sewer District. He said you just said the trailer park has got high nitrate water. What are they bringing into the system? To me, we've got good water. Why join?

Mr. Tom said in reality the story becomes the government agency is much more compelling because you have an enforcement order against you. The trailer park is bringing in the storage. They have high nitrate issues. Without the trailer park, it reduces your ability to get grants.

Len Barnett said furthermore, the fact that they're under order from the Health Department doesn't mean they currently have high nitrate problems and for the last year have not shown that high of nitrates in their primary well as the secondary well had originally shown. Currently that well is not producing dangerous levels of nitrates in any sense of the word. It is well within range.

Mr. Tom said the Health Department is very supportive of the entire project. They like to have public water systems under their jurisdiction. Also, it's much easier to deal with public entities, not that they don't like Jon Fox. It's just from their standpoint having one consolidated public water system meets their desires in this community and with that you get really good support out of regional staff and their assistance. They've told us they'll support us in any way trying to secure grants from the federal government

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and the state. Without the mobile home park, the system will continue to fall apart and you won't have the resources to pay for it.

Mr. Dickman said this is the first time that I have heard about it -- and I live in town -- that we were going to join the trailer court. I've got nothing against the trailer court. But why can't we know this ahead of time? I'm against it myself from what you've told me.

Jon Fox said it's my understanding this is just the first phase and in a few years you're hoping to drill another well somewhere else, maybe two or three phases down the path. My wells may be capped off some day where the nitrates won't be there. This is just to get us through the first one or two phases.

Mr. Tom said the benefit to the community is they will most likely participate in funding and drilling wells so you don't have to pay for it all yourself.

Bret Gledhill said from the BCWSD perspective, it is to our advantage to include the Basin City trailer park, because otherwise the rates would go up substantially for all of the residents of Basin City because we wouldn't be able to apply for the federal money that would require us to improve the system in Basin City. So in order for us to keep the rates at their current level, we almost have to include the trailer park in the plan. Otherwise the money that we would have to spend would just service the debt on the new system and our rates would go up substantially.

Mr. Tom told about part of the application submittal. He said the first phase is 20% to 25% of the project. The cost is about \$38 per household now. He gave an example of a 4% interest rate on a 20-year loan, which is somewhere in the ballpark for a municipal rate at a local bank. The cost per household would increase to \$62 for only about 20% of the improvements that need to be made. If it's five times over that, it would be an increased cost of \$24 to \$25 per household per month. It is very important to have the mobile home park be part of it.

Clarence Smith said he farms in Block 23. We have a community well there. There are about 70 farms on that. In the past 40 years he knows we've put down three

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different bigger pumps so we could get the capacity enough for the water. What's the capacity on this pump and the well we've got? Are we going to have a bigger pump?

Mr. Mellin said that's one thing we're looking at in the first phase is putting in a larger pump.

Mr. Smith asked are you going to be able to put a larger one in that hole?

Mr. Mellin said yes, we're looking at about 500 gallons per minute. Now the pump pumps about 145 gallons per minute. That larger pump would be to serve the combined system when we do have two systems.

Mr. Smith said every 30 days they've got to take a test of the water to see what's in it. Are you going to have to do that here?

Len Barnett said we're doing that at the present time. He said it is under constant tests from the Department of Health. Mr. Tom said the Health Department was here two weeks ago.

Mr. Smith said his system costs \$50 per month. We've got meters. It figures out to 600 gallons a day.

A man asked what street will the main line run down? Mr. Mellin said Basin Drive.

Mr. Tom said another issue that is pretty important is the age of the permits that the BCWSD owns and part of the permit that Mr. Fox has. The permit was really the major asset that the BCWSD purchased. That was the most valuable part of it. You've got to realize that the Department of Ecology (DOE) is looking very closely at usage so use that is manifested in the mobile home park is important because we can show they are using all that water. With the scarcity of water in this area, it's going to be really important that you have immediate use of water.

In response to a question by Mr. Smith, Mr. Tom said DOE permits what you can take out. You can't just get the water.

Chet Bauermeister asked are there any plans for a reservoir? Mr. Tom said yes, in Phase 2.

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Mr. Dickman said he is on a community system east of town that has been there for 50 years. We haven't had any serious problems at all. I don't know how this system is. Who were the engineers and who said it is failing? I'd like to talk to him and see what criteria he used.

Len Barnett said we put out 125 pipe, most 3" and 4" at the most. Virtually every household valve has a problem with it. Furthermore, it's difficult to get into some of the places where the valves are. There are fences and trees blocking the valves. The system has faults to it and it's going to have to go by the wayside within a reasonable length of time. We've got a great opportunity to consolidate this town and put it all under one system. A consolidated well will give us an opportunity to develop storage and develop adequate supply for down times. This is just the first phase of a comprehensive plan to consolidate the town and make it grow.

Mr. Dickman asked this is not a grant; it's a loan?

Mr. Barnett said this is a grant. We're considering coupling that with a loan/grant combination at a very significantly lower rate of interest that will allow us to repay that within the boundaries of our existing cost to our clientele. We're not talking any rate increase or anything. We're talking improvements.

Mr. Tom said the operating budget allocated a significant amount of money for debt repayment and that's how we came up with the amount for second phase. He explained. He gave an example of a 2.75% interest rate on a 40-year loan.

Mr. Dickman said it's not attractive to me at my age.

Mr. Tom said for the short term it maybe is not attractive but it is essential for the long term. It's very critical to us to get our grant applications in as quickly as possible because we're not sure federal money is going to be available. The federal government is going to be allocating almost \$1 trillion for recession reasons. There's simply not that kind of money available anymore for small communities.

Jon Fox asked how many phases do you think it's going to take to be done?

Mr. Tom said it depends on the ability of the community to pay and how many grants we

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can get. CDBG allows a certain amount with an annual limit. That will dictate the number of years the phasing will happen. We'll have to see what funding packages are available.

Mr. Mellin said the first phase covers about 20% of the entire project. The second phase has a water tower.

Mr. Tom said we structured this to handle Health Department concerns first because they are most critical. They have been so supportive so we wanted to make sure the wants of the Health Department were complied with.

Mr. Koch asked if there were any further questions.

Kathy McEachen asked how many households does the BCWSD as it is now serve? It serves 115. Ms. McEachen asked how many the trailer court serves. The trailer court serves 110. Ms. McEachen asked the idea is to combine the two wells and then it should be enough water at a higher rate to service everybody? Mr. Tom said yes.

Mr. Dickman said the trailer park has one well that's suitable for use at a reasonable level that's well within the limitations. That will be combined with our good well. What does it produce then?

Len Barnett said currently it's the one providing water for 110 customers so it's providing enough water for their customers at the current time.

Mr. Smith said leave it like it is then.

Len Barnett said the whole premise to combine is not only for water usage and control over water usage but also because of economic reasons. If the trailer park is involved, then we have more low income individuals involved and therefore it looks more attractive to the government. Not only that, but if in the future we get into the sewer situation, which we probably will at some future date, it's going to be absolutely necessary that we be on one system so we can control the water usage so the households are not abusing the system. That's one of the key issues to sewer is waste of water. If you get too much water in the sewer system, it creates problems. You've got to have

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people not using their domestic water for irrigation, for nonessential uses, non-potable purposes. The combined system makes the most sense from a logical standpoint.

Mr. Tom said Len Barnett brings up a good point. Previous to hiring on with Sewell and Associates, he came to Basin City a lot because he was the Ecology engineer in charge of the wastewater system. Part of the problem was that for the number of households, the sewage being discharged was really high. It's likely that you have capacity in Anthon Price's trailer park sewer system for the community as well but it will depend on regulating the amount of sewer water and raw sewage sent to a treatment plant, plus there is an 8" line running from the Day Care all the way down to the sewer system. Mr. Tom said at the time he approved that with a condition. He explained further.

Len Barnett said for the long-term health of the community, it is important to have a consolidated system and a public entity that can actually regulate it. It is important not only economically from the standpoint of getting funding, but also for the long term for getting operating revenues. Mr. Tom explained further.

Mr. Bowen asked if the grant money for the first phase is just to put a main and connect two pumps together? Mr. Mellin said it will also be used to put in controls at the pump houses so we can control the two pumps and then putting in water meters along the route of the line. His understanding is we can't read those meters until we get meters into the whole town.

Mr. Bowen said so the first phase is to put the main in and get prepped for the second phase. He asked what is the second phase?

Mr. Mellin said the next phase would include bringing in a new water line and hooking it up by the school and getting as much waterline in as we can throughout the rest of the town. We may also want to look at increasing the line size at the mobile home park depending on how much money we can get for the second phase and also putting in a water storage tank. We have a location picked out. He showed the location on the diagram.

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Mr. Bowen said by the time you complete your project you're looking at about a \$5 million to \$6 million project. He said he understands the phasing part of it. The ultimate goal would be a completed system. With limited grant funds, without one phase leading to the other, if we don't move forward with this we're just going to have a failed system. Is the system at its full capacity now?

Len Barnett said from a Department of Health standpoint there are seven hookups left.

Mr. Bowen said so you have a pump that pumps 140 gallons a minute and will be going to 500 gallons a minute. Will the well handle 500 gallons a minute?

Someone answered we think it will. The well logs say 1500 gallons per minute. We'll do a flow test to find out.

Mr. Bowen asked with additional pumping capacity you'll open up more availability for more development in the town?

Len Barnett said it should. The Department of Health would have to make the determination.

A man asked can you use the second well by Koelzer's? Len Barnett said it is used as an emergency backup. Like Jon Fox's second well, it has nitrate problems so we try not to use it. We did have to activate it this summer when our first well went down. We will keep it active just for the purpose of having a second well.

In response to Mr. Tom's question, Mr. Mellin said the mobile home park has meters, although we would like to replace them if we can. In the second phase, the rest of the lines and meters would be replaced. Once all the meters are in, the BCWSD can start reading all of the meters.

Len Barnett said Washington State is requiring use of meters being installed in all homes by 2010, not that they necessarily will be done by then, but that's their drive and purpose, that everybody use metered water. Mr. Tom nodded in agreement.

Mr. Dickman asked when you put in the main across the street, are you going to put in a new pipe for irrigation water? Len Barnett said there's no grant money available

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for sewer water. I'd love to see it go in. The grant money is not there for irrigation. Maybe we can phase it in out of our own resources but I just don't see it happening right away.

He said we're not going to lose the irrigation system but we might have to augment it. One advantage we would have is that when we switch to the road, if we have to we can switch lines and use the domestic lines in the alleyways for irrigation. If we have an irrigation line that goes bad we could switch it over to another line, allowing us to extend the life of it. The pipes that are there will always be there. We're not going to pull the pipes.

Mr. Koch asked if there were any further questions or comments. There was no response.

Mr. Miller read the title of the proposed resolution: Community Development Block Grant General Purpose Grant Application with Certifications of Compliance for the Basin City Water/Sewer District Project.

Motion - Mr. Miller: I move that we accept the resolution. Second by Mrs. Corkrum. 3:0 vote in favor. This is Resolution 2008-487.

Mr. Koch said this gives us the ability to apply for the grant. It does not guarantee anything.

Anthon Price said I own the lagoons and they're big enough for this town to grow to 10,000 people and I'm not asking for more money for them but I'm just asking if you're thinking of buying them eventually. Len Barnett said eventually we hope to go to a sewer system but we've got to get control over the water system first.

Mr. Price said you will get control to get water there but not take care of wastewater.

Len Barnett said we want to control water so we make sure there's not excessive waste. There are wastewater issues. I have no question about that. They will have to be addressed sooner or later.

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Mr. Price said my sewer line runs into town here. Len Barnett said it's a well-designed system.

Mr. Price said he has a letter from the DOE saying that it's one of the best systems in the West, from California to Montana.

Adjourned at 2:10 pm.

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There being no further business, the Franklin County Board of Commissioners meeting was adjourned until November 19, 2008.

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON

Chairman

Chairman Pro Tem

Member

Attest:

Clerk to the Board

Approved and signed November 19, 2008.