

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL HELD ON
MAY 5, 2011, 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Acting Mayor Paul Whitcomb called the meeting to order. Council members present were, Victoria Hallin, Dick Dobson and Thom Walker. Mayor Jeremy Riddle was absent. Staff present was Finance Director Steve Jackson, Public Works Director Bob Gerold, City Clerk Katie Hunter. Administrator Mark Karnowski was absent. Also present: City Attorney Dick Schieffer.

Waste Water Treatment Plant Bid Results Discussion

Ekola said that the City of Princeton is eligible for \$500,000 toward the treatment plant project as long as the bids are certified, which they have been. Hallin asked if this money was a new item. Ekola said that last July, the city applied for it. As long as the bids were done on time and certified on time, the money will come through. Both of which have been completed, we are just waiting on MPCA to approve everything.

Ekola said Rice Lake Construction Group came in at the lowest price of \$10,298,000.00. Funding for the project will include a \$15,118,000 Rural Development loan and an \$857,000 Rural Development grant.

The six reed beds are being recommended to be completed at a later date. A cost of \$750,000 is estimated to complete those beds today or the city could award the contract without it and add those later. But, the contractor will only hold these prices for sixty days because increasing fuel costs.

Walker asked what the process would be once the city decided to add the reed beds. Ekola said that the permit will state that the design capacity is set up for liquids. On the solids side, the permit will be indicate that 'facility plans to add reed beds'. There will not be a drawn out process when the reed beds are needed.

HALLIN MOTIONED TO TAKE BID FROM RICE LAKE CONSTRUCTION GROUP FOR \$10,298,000.00 WITH 12 REED BEDS. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

SMITH SYSTEM ROAD PROJECT

Nielson said that this project was originally suggested to be funded with the Waste Water Treatment Plant project. At this point, the funding is getting close to going through. Originally we were going to cross Highway 169 and go into Industrial Park lift station. It is a great option for the future, but at this time, the East side of the highway is the main portion needing to be completed.

Out of the estimated project cost of \$2.47 million, the costs that are not eligible for USDA funding is \$347,000.

Total WWTP project cost is \$20,099,550 with USDA funding of \$18,299,000 with a possible Phosphorous Grant of \$500,000, ineligible city cost of \$347,000. That leaves an additional funding needed for full Smith Systems Project is \$953,500.

Nielson said if things come in on estimate, the city will end up under funded at around \$444,500.

Hallin asked if the \$445,500 was in addition to the \$243,000 that the city is already short. Nielson said she was correct, so the total would be \$643,000 under funded. PUC will give the city back \$222,000.

Jackson asked if the Smith Systems Road Project listed on page three of the handout is the only "optional" project. Nielson said that yes, the others listed are "required".

Walker asked what fuel prices will do to these estimates. Nielson said a year ago he thought the bids would come in twenty percent of what is estimated. Now it is hard to gage with the rising fuel costs. Walker went on to ask if the Pond Decommissioning cost may come down any. Nielson said the Public Works Director Bob Gerold has lined fields up for sludge spreading. The fields are near the city and Nielson thought the estimate may have included a further distance. That amount of \$743,000 may come down some.

Walker said his feeling is that the city is pretty maxed out at this point.

Jackson asked if all of the planning for the project is complete and Nielson said it has been. Jackson asked if it would cost the city to get advertising bids. Nielson said that it would not. The numbers could come in and then the Council could make a decision; if the numbers come in higher or lower than expected.

WALKER MOVED TO ADVERTISE FOR BIDS FOR WEST PORTION OF THE SMITH SYSTEM ROAD PROJECT. HALLIN SECONDED THE MOTION. ALL IN FAVOR, MOTION CARRIED. (4 AYES, 0 NAYS.)

EFFLUENT OUTFALL BIDS

DOBSON MOTIONED TO APPROVE ADVERTISING FOR EFFLUENT OUTFALL BIDS. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

WASTE WATER TREATMENT PLAN CHECK REQUEST

Schieffer said that the purchase agreement for the last remaining easement for the WWTP out fall has been negotiated at a price of \$2,499.00 and recommended that the Council approve the expense.

WALKER MOTIONED FOR THE CHECK TO BE DRAFTED FOR THE EASEMENT AT A PRICE OF \$2,499.00. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

PUBLIC HEARING FOR EAST BIRCH ESTATES EASEMENT

Schieffer explained that a Public Hearing was needing to be set for the East Birch Estates easement and road vacation. There is utility and drainage easements and a road Right-of-way also needs to be vacated before platting.

HALLIN MOTIONED TO APPROVE SETTING A PUBLIC HEARING FOR THE VACATION OF ROAD RIGHT OF WAY AND UTILITY AND DRAINAGE EASEMENTS IN PRINCETON ARCADIAN HOMES PLAT AND LOT 1, BLOCK 1, GREAT NORTHERN ADDITION, ALL IN MILLE LACS COUNTY ON THE EARLIEST DATE POSSIBLE WITH A TWO WEEKS PUBLICATION AND POSTED. DOBSON SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY. (4 AYES, 0 NAYS.)

INDUSTRIAL PARK STORM WATER FEASIBILITY REPORT

Neilson explained that there is only one storm water discharge area in Industrial Park. More and more flooding is occurring with the businesses in the park.

There are four acres that are left for additional development; one being a ten acre plot on the westerly portion of Industrial Park which will cause for more run off.

The improvements do not need to be made this year. The improvements will be property owner driven either when the streets need improvement or when property owners indicated that the improvements needed to be constructed. As for costs, assessments would be made to the property owners.

Dobson asked if any of this would this fall into place with the extension of 21st Avenue. Neilson said that it quite possibly could.

Nielson added that more and more runoff is becoming a problem. The next step would be to meet with the Industrial Park business owners and let them know that the City does have a Feasibility Report complete. Let them know that there are some future storm water and roadway improvements that are needed.

Nielson said the city is looking at a cost of upwards around 2.9 million to do the total improvements.

Karnowski has several copies of the report if anyone would like to see it.

Jackson asked if issues with Glenn Metalcraft prompted the original study; which Neilson confirmed that, yes, the triggering event happened two years ago.

ADJOURNMENT

There being no further business:

HALLIN MOVED TO ADJOURN THE MEETING AT 5:32 PM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter
City Clerk

ATTEST:

Paul Whitcomb, Acting Mayor