

**CITY OF GILBERT**  
**MINUTES OF CITY COUNCIL WORK SESSION MEETING**  
**TUESDAY, MARCH 13, 2018**  
**COUNCIL CHAMBERS**

Mayor Pro-Tem Robich called the Work Session to order at 5:34 p.m.

Present: Councilors Robich, Pontinen and Ouke. Mayor Milos arrived late.

Absent: Councilor Bol absent without notice.

Staff Present: Public Works Operations Director Lautigar, City Engineer Jamnick and City Clerk/Treasurer Sakrison.

Tom Dye, Stantec reviewed costs.

|                        |                             |
|------------------------|-----------------------------|
| Construction sub-total | \$10,064,506                |
| 5% MBR contingencies   | <u>456,138</u>              |
|                        | \$11,997,301                |
| IRRRB & CDBG Grants    | (350,000)                   |
| PSIG Grant             | <u>\$(6,750,811)</u> verbal |
|                        | \$ 4,896,490                |
| WIF Grant              | unknown                     |
| Loan Amount            | unknown                     |

WIF Grant spoke with the PFA – Fayal agreement needs to be determined if only one customer or all 700 connections, will add some complexity.

Gilbert’s costs are currently over the affordability index. Various scenarios presented with variables of WIF Grant funding.

Without any WIF Grant funding, \$17.84 would be added as a monthly user charge.

Scenarios with different levels of grant funding and different annual debt service were included in the handout.

5 years ago projected an increase of approximately \$17 per connection.

Depreciation is not included in affordability index for PFA.

Will also apply for the Green Energy Grant.

Need to be careful with WIF funding and IRRRB because WIF may offset some with what we get from IRRRB. Pursue IRRRB Grant for project costs not covered by PSIG (mercury) or WIF (affordability).

Fayal complexity – if the 700 connections are included, would need to include the costs for these 700 connections.

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Gilbert will be taking out the loan so PFA is looking at Gilbert.

Fayal is willing to apply for IRRRB Grant for funding for this project.

Need Resolution for MN PFA.

Conference call with PFA Finance Officer so everyone is on the same page, go through what is required and why it is required.

Loan could be as low as 1% with PFA, 30 years at 1.25%. Will look at affordability for both 20 and 30 year loans.

Bids came in \$2 million over engineer's estimate, the electrical is 30% higher, the site is tight so added money for that. General conditions, insurance and bonding 10%.

Concrete repair and paving are line item bids so they can be adjusted.

If we don't do this project, what would the fine be from the MPCA. Response, unknown.

The project is ranked very high on Intended Use Plan with the MPCA.

Required to meet mercury limit by February of 2020.

Membranes have 7-10 years average, membrane total replacement is approximately \$245,000.

In the winter during low flows, we can take one membrane train out of service to extend useful life.

Conference call with PFA on Tuesday March 20, 2018.

Access Broadband Water Tower Antenna Rent.

Motion by Robich, second by Ouke to close the Work Session at 6:30 p.m.

  
Debra Sakrison, City Clerk

ATTEST:

  
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D. Elizabeth Milos, Mayor