

Minutes of the Special Meeting of the City Council of the City of Lava Hot Springs, Idaho held Monday, October 26, 2009 at 5:30 p.m., Lava City Hall, 115 West Elm Street, Lava Hot Springs, Idaho.

Present:

Marshall N. Burgin, Mayor
Michael Vice, Councilman
Newton J. Lowe, Councilman
Phillip Beeson, Councilman
Katherine Smith, Council member

Canda L. Dimick, City Clerk

Guests attending: Kathleen Lewis and Susan Lorenz, Southeast Idaho Council of Governments.

Mayor Burgin called the meeting to order at 5:30 p.m.

Wastewater Improvement Project (Keller Associates Contract) The benefit of having an engineering contract was questioned. There seems to be a loop hole for everything. A contract holds the engineer liable for errors and omissions and prevents the city from being overcharged for additional services. According to the proposed contract, the engineers will be required to ask the city in writing and approval granted before incurring any additional service expenses. Engineers are willing to adjust the factor rate for reimbursable and additional services from 1.15 to 1.05. The USDA contract is standard form, approved nationwide. USDA is willing to review and consider revising a few of the most important issues that the city has and has asked that the list be narrowed down to one or two items. The uninsurable provisions would be an appropriate start as many Idaho cities are insured by ICRMP and are apparently signing the contract without seeking any legal advice. Involving the Association of Idaho Cities in the process would be wise. It was questioned why the city has to use the USDA engineering contract because the engineering services are being paid for from the Army Corp grant not USDA. Susan Lorenz explained that it is in the best interest of Lava to have USDA participate in funding the construction phase and that even though the engineering services are being paid for from the Army Corp grant, USDA is going to require the use of their contract for design. Army Corp has a history of contributing ongoing funding to project until the project is complete. The city anticipates on apply for additional Army Corp funds. Susan Lorenz reported that the city has received an additional \$243,000 from a federal appropriation for the project. Council discussed the additional prime contractor options that Keller's provided and selected the option to incorporate into the contract (2 primes, cost \$1,260,000.) It was explained that the city's attorney was not present or involved in the negotiations with Keller's and most likely would still have terms with provisions of the contract as revised, but the majority of the items of legal concerns

Wastewater Improvement Project Cont.	are with the standard form of the contract which USDA is not willing to change at this time. Motion was made by Councilman Lowe and seconded by Councilman Vice accepting the revised contract with the two prime option, \$1,260,000., as negotiated with authorization for the mayor to execute. All voted aye. Unanimous.
(ARRA Funding)	Deadline for commitment is February 17, 2010. Project must be under construction contract by deadline. Project funding is not totally secured. Current user rate is \$64.00 per equivalent user. Susan Lorenz, SICO, guaranteed that the city will be able to secure enough money to totally fund the project.
(Block Grant Application)	Applications are due November 20, 2009. City Clerk and engineers are compiling the information needed to complete the applications. The block grant funding will be used to acquire the land and do some onsite construction.
(USDA Application)	Application is ready for the mayor signature and will be submitted this week. Funding will be used for construction.
Fire Station Solar Project Change Order #2	Change order #2 to route the PV output through the building instead of through the concrete pad around the building for a \$790 decrease was considered. Motion was made by Councilman Vice and seconded by Councilman Lowe accepting and authorizing the mayor to execute change order #2. All voted aye. Unanimous.
Lava Chamber Website	Proposal for the city to make the initial payment to Web Impactt for the design of the Lava Chamber of Commerce website was considered. It was mentioned that the city has heard a lot of controversy about the website because the existing host, Homeland Web, could have offered the same options. Motion was made by Councilman Vice and seconded by Councilman Lowe approving the 50% initial payment from the 1% tourism promotion funds. All voted aye. Unanimous. It was questioned and confirmed that the services are under contract with Lava Chamber. The city will pursue a separate contract for the city's share of the expense.
Water Reservoir Fencing	Estimated cost to fence three sides of the water reservoir property is \$1,100. The city will have better control of the property and no longer be involved in any neighboring property issues. Motion was made by Councilman Beeson and seconded by Councilman Lowe approving the \$1,100 expenditure to fence the three surveyed sides of the City's water reservoir property. All voted aye. Unanimous.
Copier Disposal	Council agreed to notify local non-profit organizations or churches that the city is offering the old copier for free to them for taking it off the city's hands. The copier needs some repairs. Mayor Burgin will approach Lava's American Legion Post.

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Wastewater Improvement Project (Grand Administration Contract) Mayor mentioned to council that the contract with Southeast Idaho Council of Governments provides that the city will negotiate a 5% to 10% fee for administration services which will apply to the DEQ, USDA, and federal appropriation funding. Council felt that 5% was fair compensation.

Motion was made by Councilman Vice and seconded by Councilman Beeson to adjourn. All voted aye. Unanimous. Meeting adjourned at 7:10 p.m.

Canda L. Dimick, City Clerk

Marshall N. Burgin, Mayor