

**A. CALL TO ORDER**

A special meeting of the Palmer City Council was held on March 16, 2010, at 6 pm in the council chambers, Palmer, Alaska.

Mayor Combs called the meeting to order at 6:04 pm.

**B. ROLL CALL**

Comprising a quorum of the Council, the following were present:

John Combs	Kevin Brown	Brad Hanson
Mike Chmielewski	Kathrine Vanover	Richard Best
Ken Erbey		

Also in attendance were the following:

Michael Gatti, City Attorney – via Webex  
Janette Bower, City Clerk  
Bill Allen, City Manager

**C. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Council Member Chmielewski.

**D. AUDIENCE PARTICIPATION**

Mr. Clark, University of Alaska:

- spoke of University land and the water tank project;
- emphasized the necessity of connecting to the water system;
- expanded on the University's class A water system and the extensive water testing conducted on the system;
- spoke of the waterline benefits; and
- commented on fire suppression.

**E. NEW BUSINESS**

**Item 1 – Southwest Utility Extension Project**

City Manager Allen:

- highlighted the overall project;
- expanded on the cooperation between the involved entities;
- commented on past rate payers and expansion of the system; and
- declared grant funds would not always be available.

Public Works Director Carter Cole:

- presented a powerpoint presentation regarding the Southwest Utility Extension Project, Phase II a & b;
- highlighted the hospital well and tentative land agreements with the hospital;
- expanded on the Experimental Farm's high volume wells;
- reviewed the pipeline portion of the project within the Trunk Road right of way;
- commented on the expense involved in purchasing right-o- way;
- stated the sewer line would not follow the same path as the waterline;
- expounded on the conversations held with State Historic Preservation Office (SHIPO), Department of Transportation (DOT), and the contractor;
- spoke of Project IIa funding and monies included in the Governor's budget;
- explained the goal to complete Project II a & b by 2011;
- commented on community wells in the project area;
- highlighted subdivisions and community properties in the involved area;
- referred to the completed cost analysis';
- announced a cost savings of \$800,000;
- expanded on administration costs;
- expounded on the demand for services and estimated revenues;
- reiterated the project finances; and
- clarified the City's system operating costs.

Chris Bowman, Hattenburg, Dilley, & Linnell:

- expanded on the Comprehensive Utility Extension Plan;
- explained pressure zone 1 and elevation of the proposed reservoir;
- stated site elevations were considered for the new reservoir; and
- emphasized the City was under the recommended storage of water.

Council Member Hanson:

- questioned the City's assumption of the Mat-Su Regional Hospital well;
- inquired of Phase IIa funding;
- asked of community wells in the project area;
- questioned the projected revenues;
- spoke of the fund balance monies and rates based on return;
- commented on the impact to the water and sewer fund concerning the mandatory 30 percent match;
- questioned the validity of spending one-third of the water/sewer fund on a redundant water system project; and
- voiced the need for an overall investment decision.

Dave Lundin, Hattenburg, Dilley & Linnell:

- spoke of the need for additional water storage;
- stated the tank and pipeline portion of the overall project to the college was termed Project IIa;
- expanded on the projected cost of completing the pipeline in the future;
- expounded on the Department of Transportation's (DOT) permission to construct the project within their right of way;
- announced the pipeline would be constructed in the bike path;
- reported on the agreement with DOT over the right of way;
- explained the project budget;
- expounded on the City's three pressure zones and reservoirs; and

- spoke of the need for adequate storage for emergencies.

Council Member Vanover:

- questioned the need for an additional well;
- inquired why the sewer would not being built during the current project;
- stated as a rate payer she did not agree with paying for a system for the project;
- described the funds as the peoples and not the City's; and
- asked when the project needed to be completed.

Mayor Combs:

- provided historical information regarding the Southwest Utility Extension Project;
- spoke of the improved relationship with DOT;
- expanded on arsenic in the community wells; and
- stated the need for project recapture costs.

Council Member Best:

- expanded on the Plan and tearing up the bike path at a future date;
- inquired of the difference between the listed administration costs contained in the action memorandum; and
- asked who would provide the required inspections.

Council Member Chmielewski:

- inquired how DOT and the City came together on the project;
- spoke of the need to clarify the history of the water/sewer fund in financial terms; and
- questioned what the expenditure would do to the water fund and expense to the consumer.

Administration Director Kelli Veech:

- explained the required match for overall project;
- stated the water/sewer fund balance as \$3.8 million; and
- expanded on the water/sewer fund.

MOVED BY:	Chmielewski	To adopt Action Memorandum 10-021 and Resolution No. 10-023
SECONDED BY:	Erbey	

Council Member Best:

- requested clarification regarding reservoir two and one;

Director Cole:

- commented on the increased costs;

Mayor Combs:

- spoke of the overall system and previous expansions;
- commented on the college area growth; and
- spoke of the accumulation of funds and the opportunity to expand.

VOTE ON MAIN MOTION: Carried by unanimous voice vote			
	Yes:		No:
Chmielewski	Combs	Hanson	
Brown	Best	Vanover	
Erbey			

**F. ADJOURNMENT**

With no further business before the council, the meeting adjourned at 8 pm.

**Approved this thirteenth day of April, 2010.**

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John C. Combs, Mayor

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Janette M. Bower, MMC, City Clerk