



**TOWN OF ALPINE
PUBLIC HEARING
NOTHSTAR UTILITY
DECEMBER 2ND, 2005**

Mayor David Lloyd, called the meeting to order at 7:10 p.m. and held the pledge of allegiance. See attached attendance sheets and speaker's list.

Mayor Lloyd advised there is no set agenda for tonight's public hearing and offered that Mr. Chris Hawkes, attorney for the Meridian Group, will advise the public as to the focus of the meeting.

(Clerk's note: attachments to the minutes can be obtained from the clerk's office by calling the Town Hall at 654-7754 or stopping by at 250 River Circle, Alpine. Only letters read aloud during the public hearing are quoted verbatim within the minutes)

Chris Hawkes, Attorney for the Alpine Meadows Project/ Northstar Utility: Mr. Hawkes advised he represents Northstar Utility and the Meridian Group in an effort to present two (2) proposals/ agreements to the Town of Alpine as outlined in the letters from Mr. Mike Halpin. The letters propose the Town of Alpine enter into agreements with Northstar Utility to provide wastewater treatment service for the effluent produced by Northstar Utility's service district. The second proposal requests the Town of Alpine enter into an agreement with Northstar Utility to provide water service selling only excess water reserves of the Town which would be sold to Northstar Utility. These agreements are outlined in the letters dated December 1st, 2005 (Attachment A) and November 16th, 2005 (Attachment B) all of which have been submitted to the Council and available for public review, according to Mr. Hawkes. Mayor Lloyd advised the letters have not been made public as the last letter was received December 1st, 2005, however, are now available for public review and other developers have had access to the letters. He offered the public access to review the documents at tonight's meeting.

After reviewing and studying the options for treating the wastewater produced from the Northstar Utility district and options for water service provided by Northstar Utility, Mr. Hawkes feels these proposed agreements will clearly benefit both the existing Town of Alpine customers and Northstar Utility customers. Mr. Hawkes asked the Town of Alpine council and mayor to authorize their attorney, engineers, advisors, and accountants to work with Northstar Utility to arrive to an appropriate agreement. He asked that the proposed resolutions be reviewed and discussed with the public tonight and that final resolutions would be agreed upon tonight and, in turn, voted on at the next council meeting set for next Tuesday night.

Steve Fusco, council: Mr. Fusco advised the letters propose a demand from Northstar Utility customers of 900 gallons per minute of water and questioned what the utility already has for a water supply. Mr. Hawkes deferred the question to Mr. Bob Ablondi, Rendezvous Engineering, and that he would try to address all public comments and questions together.

Mayor Lloyd questioned Mr. Abi Garaman and Clarence Reinhardt whether they had any questions or comments.

Clarence Reinhardt, Business Owner seeking annexation into the T.O.A.: Mr. Reinhardt advised he has attempted for the past 5-6 years to develop a utility on the north side of the river in conjunction with the county.

Bryant Brown, local resident: Before entering into the phase of public, oral comments Mayor Lloyd asked Bryant Brown, local resident, to read his November 29th, 2005 letter (Attachment C); the letter reads as follows:

“Dear Mayor Lloyd:

Apparently, the time has come for serious consideration for annexation of Alpine Meadows, Alpine Junction and one or more associated subdivisions. Also, it seems that the Alpine Meadows developer has become most anxious for the annexation to be effected soon.

As an interested and likely affected citizen of Alpine, I wonder why the Town might feel obligated to rush the annexation process? In any case, I would hope Alpine Planning/ Zoning Board review and input are not bypassed. After appropriate review and negotiation, it may well be in the best public interest to continue to conclude the annexation.

The following terms or conditions are recommended.

Irregardless what satisfies county requirements, any public travel ways (roads, bike or pedestrian paths) intended to come under Alpine jurisdiction should be paved with hot asphalt plant mix surfacing; the compacted thickness to be provided might be negotiated and logically would depend upon expected usage; public roadways should normally be paved with at least three (3) inch depth. Such treatment of the public roads would assure minimal maintenance and upkeep for ten to twenty years. Buried utility crossings and even extra pipe sleeves should be planned for and provided in advance of any paving.

If developer time tables allow, why not situate the new well, already planned for by the town, so as to serve North Alpine developments and connect into existing Alpine water system. Linkage across the Snake River might most reasonably be via the US-89 bridge. If the Town provides the well, then developer responsibility should include the linkage in its entirety. Also, does the Town have preference for standard stock hydrant and water valve items?

The Town's negotiation stance with North Alpine developers might be further enhanced if liquid sewer effluent is accepted and disposed of under current DEQ point discharge permit. This certainly benefits the developers several ways. The primary sewer treatment facility, however, should be located on north side of the river and the solid waste retained there. Economics do not favor transfer of North Alpine sewer solids to a combination single sewage treatment plant on south side of the river. Total responsibility for design and construction of sewer facilities associated with North Alpine developments should rest with the developers; performance bond should also be provided to better assure functional facilities over initial startup period, say three (3) years. Phased construction of the sewer system should not be entertained. –Respectfully Submitted, Bryant Brown”

Damien Mavis, Letter dated November 28th, 2005 – Alpine Development Group, LLC: Dave Turner on behalf of Damien Mavis read the letter as follows (Attachment D):

“To the Alpine Town Council,

As the developers of a proposed project (Snake River Junction) adjacent to the Town of Alpine, we would like to voice our support for the expansion of water and sewer infrastructure on the north side of the Snake River.

The current proposal from North Star Utilities seems like a win/win situation for the developers in the area and the town. By enlarging and updating the current treatment facility the town positions itself well for potential future growth. This will help pave the way for future development and tax income for the town. Instead of having to annex raw land, provide services, wait through construction, then finally begin to receive tax income, the city can wait until the potential annexable properties begin to produce tax income and then annex them. The consolidation of North Star with the towns utilities could come at time when it has proved itself out, financially, again, removing much of the risk.

The sooner we can build our projects the sooner they will start to produce tax dollars, which may make them a town asset if annexed. Even though our project has yet to be approved, one of the biggest hurdles we face is the development of wet utilities. It doesn't make sense to build the first phases on well water and septic systems only to replace them later with centralized service. Acting swiftly on the issue will help us immensely and place the town a great step closer to realizing some of the financial and community benefits of development.

The potential environmental and life safety benefits of centralized sewer and an updated water system are also great reasons to work towards an agreement to expand and enhance the towns' current water and sewer system.

Thank you for taking the time read the letter, if you have any questions or comments please don't hesitate to call. – Sincerely, Damien Mavis, Alpine Development Group”

Bob Ablondi, Rendezvous Engineering: Mr. Ablondi explained his firm was selected by the Water Development Commission to complete a study of the Town's water system. Vern Hinckley, geologist, has assisted the firm and has already completed studies on wells in the Alpine area on other projects. This Level II Study is funded 100% by the Water Development Commission and the objective of the study is determine the current supply system and the future needs of the communities in order to formulate recommendations for expansion and future needs. Construction funding is available to the Town once this study is complete with a 50% matching loans and grants. This study began in June 2005; one of the main objectives of the study was to determine the capacity of the Town wells. The potential for considerable growth all around the Alpine area further enhanced the need for a study. The Water Development Commission looks heavily at regionalized water systems rather than disjointed, separate systems scattered throughout communities.

One of the conclusions gained as a result of this study is the fact that the Town of Alpine has some of the best wells in the area. The wells currently can produce 350-360 gallons per minute with the potential to produce up to 500 gallons or more per minute with upgraded pump installation. Another conclusion resulting from this study is the well field has the potential for an additional well or wells to be drilled in the area. The Alpine Wells are located at the entrance to the Grey's River on Forest Service land. Considering the growth in the greater Alpine area, Mr. Ablondi's firm has recommended to the Commission the two existing wells are upgraded and expansion should occur by drilling a new exploratory well. Given the recent demands for water service since the completion of the study in November 2005, the firm is looking at expanding the wells beyond a 500 gallon per minute range; the wells seem to have the potential to go beyond 500 gpm and additional testing may be warranted to confirm this theory. Overall, the Town of Alpine has the best wells in the area with the capacity for expansion of the wells and systems to supply water for the growth that is occurring.

Steve Fusco, council: Mr. Fusco inquired what the demand for water is going to be from the Alpine Meadows Project (to his understanding, 900 gpm is needed) and where will the water come from to service their proposed utility district. Mr. Ablondi advised the exploratory well to be drilled in 2006 will shed much more information on the status of the aquifer in this area; this will give everyone greater confidence to say without hesitation additional wells can be drilled which will supply the demand to these other projects in the north alpine area beyond the needs of the existing town. The 900 gpm demand from the Northstar Utility district will not happen immediately, however, Mr. Ablondi advised the upgrading of the wells and expansion and drilling of the test well should occur now; the water demand from the Town already is at 500- 550 gpm.

Chris Hawkes, Northstar Utility Attorney: Mr. Hawkes advised tonight's focus is on the formation and needs of the Northstar Utility district and should not be confused with the Alpine Meadows Project. Currently, the water for the Alpine Meadows Project has already been secured; the water being requested pursuant to the agreement before the council tonight is water to serve the remainder of the Northstar Utility service district which goes well beyond the Alpine Meadows Subdivision. Mr. Hawkes advised a map detailing the Northstar Utility District boundary is available for public and Town administration review.

Steve Fusco, council: Mr. Fusco questioned Mr. Hawkes whether the Alpine Meadows Project is still wanting to be annexed into the Town of Alpine. Mr. Hawkes advised the statutory timelines for the annexation petition has expired and the letter sent to the mayor from Mr. Halpin indicates they are still willing, ready and able to continue the talks regarding annexation if the Town desires annexation, however, he advised they are not "pushing" annexation. Mr. Fusco advised it is in the best interest of the Town that everything is lined up so they know what they are getting, have time for the engineer to review and determine if annexation is feasible, and many questions still need answering. Mr. Hawkes stated, "One of the things that is important is the timing of this. As you know, the timeframe for the annexation lapsed long ago and the timing for us now that we have platted our subdivision to get the "will serve" letters is something that we're hoping to get much sooner than much later. So, were not necessarily pushing on the annexation, but the issue of these two agreements and getting the resolutions to move forward is something where time does matter for us." The mayor advised the annexation issue is back to square one and everything will be started over again and he feels all the developers in the room tonight desire to be annexed which is in the best interests of the Town.

Mr. Hawkes feels the agreements before the Town tonight regarding Northstar Utility District will allow them to provide centralized water and sewer services to all developers in the room tonight or owners within their district. In the end this will facilitate growth for the community, according to Mr. Hawkes.

Leon Kjellgren, Town of Alpine Engineer/ Nelson Engineering: Mr. Kjellgren reviewed the letters from Northstar Utility from November 16th, 2005 and has discussed some of the ramifications of the sewer system with Mr. Halpin. Potential water ramifications have been discussed with Bob Ablondi and Mr. Halpin as well. Mr. Kjellgren advised there is no appreciable amount of sewer capacity left in the Town's existing plant beyond a reasonable reserve that could be provided for undeveloped lots still on the south side of Town; this is based on flow analysis completed earlier in the year that indicate the Town's existing sewer plant is 70-77% of capacity. The sewer issues with the Town are not imminent as far as sewer capacity, however, there is not a lot of capacity left. The feasibility/facilities study will examine alternatives and develop costs for a new wastewater treatment plant. This study is truly the means to proceed with a new plant which every other community completes. The study examines the best processes for sludge handling, disinfection, discharge permits, costs, ways to pay for the plant, and projected sewer use fees. An important reason to complete the feasibility study is to have a better chance at securing funding through grants and loans through the State Loan and Investment Board. Some time was wasted this fall in regard to submitting grant applications and being able to start on the feasibility study; the timeframe for the needs of the customers on the north side of the river stayed the same. Now they are really under the gun to complete the study.

Nelson Engineering completed a cost proposal for initiation of a feasibility study for a new wastewater treatment plant to service both the north and south sides of the river. The feasibility study will cost approximately \$46,000.00 according to Kjellgren. Additional items have raised the initial price due to the fact that preparation of grants and loans to three state agencies has been included. Costs for an environmental review required by one of the grants is also included in the costs. He asked the council and mayor to review the document dated December 1st, 2005 (Attachment E). Mr. Kjellgren advised he is in disagreement professionally with Mr. Brown's statement that it doesn't make sense to have a single wastewater treatment facility on the south side of the Snake River. It is his opinion to have a single unit on the south side of the river which treats effluent from both sides of the river. The proposal submitted by Northstar Utility assumes this single wastewater treatment plant located on the south side of the river at the location where the current plant exists. Nelson Engineering will be looking at several different types of plants, however, the site location will remain constant. Mayor Lloyd advised the rest of the existing Town of Alpine needs to be added to the sewer system as well and feels the location of the sewer plant will not change and allow for expansion. Although many residents of River View Meadows may not care for the site location of the proposed sewer treatment plant, early on in creating the feasibility study public input will be received including any architectural concerns as to the extent it is affordable and feasible.

The facilities plan should be paid for by non-refundable, impact fees contributed by the entities on the north side of the river, according to Mr. Kjellgren. The reasons for this approach is due to the fact the Town does not have the budget appropriation for this expenditure and due to the urgency of the needs of the north side of the river the study should be paid by the various developers. The Town as it exists today could operate for at least two more years before a facilities study would be needed. In reviewing the projected flow demand from the north side of the river compared to flow needs on the south side of the river, Mr. Kjellgren feels the north side flow demand will be greater than two (2) times that of the south side.

The facilities plan will lead into a final design for the treatment plant; financial arrangements may have to be made to keep the process flowing. Due to the lapse of the last three months, the timing isn't right to go to the funding agencies at the state level to request all of the money that is needed to do the project either for design or construction. Adjustments may have to be made to the process in order to keep the project flowing. The next grant will be due February 2006. There is a lot of work to do with the feasibility study in order to complete this before the grant that is due. Nelson Engineering is committed to completing the study on time and will submit the grant before the deadline.

After reviewing the proposal or request for a resolution to move forward with negotiations regarding the sewer plant, and recommends the Town to approve the resolutions. There is no other commitment at this time other than to continue to negotiate.

In regard to water, Mr. Kjellgren believes at this time there is no surplus to sell the north side of the river at this time. The historical water productions of 2004 and 2005 required operation of both existing wells to meet the water demand. This is even with the inclusion of even and odd water days for customers. This scenario isn't expected to change until the end of 2006 or early 2007 as it will take time to drill the new well and upgrade the existing pumps due to the timing of the Water Development Commission and funding. The town will experience another season as it has always done. Mr. Kjellgren commended Bob Ablondi and Mayor Lloyd for securing significant amount of grants and loans for the community from the Water Development Commission. The Town was successful in receiving \$184,000.00 grant for drilling and pump testing an exploratory well and \$537,000.00 grant/ loan mix for improvements to the existing wells. It is not a "slam dunk" as it must meet legislature approval. The changes of the project being denied is virtually nil in his opinion due to the community's ever expanding growth. The well will have to be drilled and tested to determine its capacity. The upgrades may be available during December 2006 and the wells should be upgraded in the fall rather than the summer at its highest demand period.

Northstar Utility, according to Kjellgren is asking for "surplus water" rather than a set amount of water. The Town must define what surplus water is and this may vary from year to year. The Town should control how much water should be sold across the water. The Town also needs to be able to sell the water to the north side in order to pay the loans back that are tied to these projects. Mr. Kjellgren referenced Rock Springs/ Green River Joint Powers Water Board who are relatively in the same situation as Alpine. They have used the wholesale water sales from the Simplot Fertilizer Plant to subsidize the rest of the town. It is in the Town's best interest to sell as much water as they can to Northstar Utility without compromising service to the existing residents. Both from the existing wells and the future wells, Mr. Kjellgren believes excess water should be available for sale. He advises this water should be considered supplemental only and not primary and the initial water supply should be developed by the north area parties and supplemented from the Town. He doesn't feel the Town can guarantee any surplus quantities to Northstar Utility. But at least the water system will be ahead by completing the water study. There is a good chance in 12-14 months the problems and issues with the wastewater system can be resolved.

Mr. Kjellgren advised he is not "in love" with the bridge crossing of the proposed water system. The pipes can be heat traced. He knows that heat tracing can break. He doesn't want to see an 8" or 12" full of ice. He feels the water pipeline servicing the north alpine area should be buried under the river rather than exposed to air. Mr. Kjellgren advised Northstar Utility would be responsible for improvements in the town's system required to deliver the water to them. For example, one of the 8" lines running along Grey's River Road may need to be replaced in order to accommodate the extra pressure. Mr. Kjellgren objects to Mr. Halpin's statement that water would be supplied at no cost in order to recapture the impact fees. The water has to be sold for a fee; the impact fees may or may not be refunded, however, the water has to be sold at a fee. Mr. Kjellgren believes they should move forward with approving the resolution to continue negotiations regarding water development for Northstar Utility.

Regarding annexation Mr. Kjellgren would defer to Paula Stevens and the Town's attorney as it is more a planning issue. He does feel annexation should occur only if the Town isn't obligated to provide services they cannot provide. If for some reason the water and/or sewer negotiations break down, he is concerned for any town obligation to provide services. He has never been involved in an annexation in which the Town hasn't provided water and sewer services. Leon Kjellgren advised the feasibility study will take 60 days, however, the grant is due February 16th, 2006 for the mineral royalty grant (SLIB grant) which monies will be allocated in June 2006. The money is for design and construction for the Town's portions of the project.

Steve Chichinsky, local land owner: Mr. Chichinsky questioned how the Northstar Utility Company is going to be able to guarantee water supply to its customers if the Town doesn't commit to a number of surplus water which can be sold to the utility company. Mr. Kjellgren advised he must come down on the side of the town on this issue. He feels Rendezvous Engineering has the best hydrological engineer in the state, however, the engineer cannot see underground. The possibility of the exploratory well being defunct is a remote possibility. Again, he cautioned the

Town not to make any guarantees for exact amount for water service for across the river. The aspect of developing anything is a gamble in its own right. He doesn't feel government should be responsible to guarantee anything until the Town knows for sure they can provide it. Northstar Utility has access to a water source initially and he encouraged them to develop this resource as well. Mr. Chichinsky questioned if annexation would cause the responsibility to provide utility services to shift from the developer to the town. Mr. Kjellgren advised he feels annexation must occur so the Town isn't put in this situation. Since the engineers cannot guarantee any set amount of surplus water the negotiations should be structured in this regard. Mr. Kjellgren feels it's the developer's responsibility to take any chances or risks under the guides the council should not withhold surplus water as it would benefit the town and the developer.

Bryant Brown, local resident: Mr. Brown advised he appreciates the recommendation for the feasibility study. He would hope the feasibility study would consider an option of handling the sewer on the north side of the river due to the costs associated with pumping it underneath the river and also taking into consideration the sewer demand would be twice as great from the north side development vs. the south side. He asked the feasibility study would consider the economics for two separate sewer facilities or separate, partial treatment capability on both sides. Mr. Kjellgren advised the council is responsible to decide the scope of the feasibility study. If the work is increased the fees should be altered. The engineering firm has offered the scope of the feasibility study, and therefore the appropriate fees, as to what they thought the council wanted. Mr. Kjellgren advised the feasibility study will look at different process alternatives, however, the feasibility study assumes the site location for the plant will remain constant—near the existing treatment plant.

Steve Fusco, council: Mr. Fusco questioned whether a new DEQ discharge permit would be needed and how the sludge would be handled as obviously much more would be processed. Bob Norton, Nelson Engineering Director, indicated the plant would be increased in size which would increase the amount of bio-solids the plant would process. The feasibility study would look at the treatment and disposal of the bio-solids. Also, the discharge permit would have to be renewed if altered. Steve Fusco asked to be excused to attend a fire department function.

Bryant Brown, local resident: Mr. Brown asked if any consideration has been given to water storage issues with the new well development. Leon Kjellgren advised that water storage for any water pumped to the north side of the river would most likely be kept on the north side of the river. This infrastructure would be installed by Northstar Utility. A basic fundamental rule in water design is to put your storage where the demand is located which minimizes the size of your distribution and transmission system. Additional storage may still be needed in the future on the south side of the river, according to Mr. Kjellgren.

Mayor Lloyd advised he and Bob Ablondi dropped a "hint" to the Water Development Commission that once they finish the projects at hand the next step would be to tackle water storage needs on the south side of the river.

Steve Chichinsky, local land owner: Mr. Chichinsky questioned whether the solid waste is exported out of the county currently to which the mayor replied it is not removed. Bob Norton, Nelson Engineering, in response stated the feasibility study would be to look at the bio-solids, such as land application or processing it to the point it can be sold as fertilizer for landscaping or placing it in landfills. The most cost effective application is to land apply the bio-solids to pasture lands or taking it to the land fill.

The mayor advised the Town has a permit to land apply the bio-solids near the sewer plant and DEQ would ultimately chose the application of the bio-solids.

Leon Kjellgren, Nelson Engineering: Mr. Kjellgren clarified that Alpine just doesn't need a package wastewater treatment plant that exists currently, and there is no reason the treatment plant can't be designed to be housed in a building which architecturally blends into the surroundings and subdivisions. Mr. Kjellgren advised Bob Norton designed the treatment facility in Teton Village which produces discharge water so clean it is discharged back into the aquifer underneath the Snake River. The building itself blends into the condominiums and buildings surrounding it. The design shall be concrete and not steel with expansion capability for several years—a permanent structure which will be part of the community and that everyone can be proud of.

Mary Flowers, local resident: Mary Flowers asked why the Town is in such a hurry for February 2006. They mayor advised a grant application has to be filed. Leon Kjellgren stated, "We have essentially wasted all fall, the two parties of which I am a part. Negotiations have not proceeded and have not progressed because of some misunderstandings and some other things that have occurred. The Town does not have the money to pay for either the design or the construction of its share of the plant; therefore, the Town must seek funding from outside agencies." Alpine is a growth-impacted community and the chances of receiving approval for funding is very good according to Mr. Kjellgren. Predominantly, the reason for moving forward is due to the growth and expansion on the north side of the river and it is doubtful the Town can produce and manage this as the system exists today. However, it isn't just the north side of the river and Mr. Kjellgren feels he could be back in 2-3 years asking for the same for the town. Mayor Lloyd advised the remaining 2/3 of the existing Town still isn't on the sewer system which is of priority too.

Don Jorgensen, council: Mr. Jorgensen inquired what capacity would the Town's existing treatment plant have if the remaining 2/3 of the Town was hooked onto the Town's current sewage system. Mr. Kjellgren responded by stating, "I don't have an exact answer for that and the reason that I don't it's heavily dependent upon densities. It has been rumored recently been a large purchase made of a parcel land in Town." Mr. Jorgensen further clarified his question is in regard to the existing homes that are not connected to the sewage system. Mr. Kjellgren advised he doesn't have a good answer at this time. There are approximately 200 existing customers who have water who are not hooked onto the sewer system which are separate from any undeveloped lots existing in the Town.

Larry McKenzie, area resident: Mr. McKenzie stated, "I don't know a lot about developing and all that. But we're talking a lot about water and we know how important that is and sewage and we know which way that runs. But we're forgetting all these developers are gonna put this in and they're gonna leave this and there's gonna be future residents that aren't even here. I am concerned about being under the umbrella of this Town government and local police department of this Town. I oppose the current situation of being annexed in concerning all the other water and sewage."

Donn Wooden, local resident: Mr. Wooden applauds the project, and he supports annexation. However, he has a problem with the Town selling water to a private utility company. Mr. Wooden reviewed the annexation history of the River View Meadows area from the Jorgensens and Mr. Belvin. He reviewed the history of the creation of the Alpine Water District formulated in 1974 and a lot of struggling and problems ensued. The Town was driven to incorporation in 1988 in order to move forward and take advantage of the state and federal revenue streams. Mr. Wooden reviewed the history of the site location of the current sewage treatment facility. He added he cannot dispute the fact a new sewer plant shouldn't be placed at the current site, however, he feels the plant should be enhanced and designed to not push against the River View Meadows home owners. Mr. Wooden advised the developer of the River View Meadows subdivision, J&W, carried the full costs of water and sewer systems, including the first sewer treatment plant. In addition the developers gave the Town an additional \$80,000.00 for reserve money to complete the second phase of the development. The developer petitioned the Town for annexation and he feels anyone owning over 20 acres of land needs to petition the Town for annexation. Mr. Wooden stated, "The Town don't come and beg them to be annexed. They need to petition the Town. They need to put up the money to put in the infrastructure that it takes. They will be profiting from the sale of those lots." Mr. Wooden stated to his understanding the developer has enough water to supply the Alpine Meadows Project but questioned why they need the water for the rest of the district. He stated, "Is this a legal district or is just this is our territory now – North Alpine –Northstar Utility Company? I mean no disrespect Mr. Halpin or for anybody here. I just believe there is right way to do things and a wrong way to do things." He feels the funds should come for the feasibility study; however, he feels annexation of this project is essential to this community as they are going to use everything the Town has without paying any part of the bill.

Mr. Wooden expressed concerns over selling the water to the utility company at cost or the water would be free of charge to offset their impact fees. According to Mr. Wooden the impact fees don't need to be offset initially and isn't the Town's obligation. Mr. Wooden feels there is plenty of water and the Town should drill for it, obtain it, and own the water and the water shouldn't be sold wholesale. Water is a precious commodity in our area and, therefore, the public should own the water and sewer systems, according to Mr. Wooden. Annexation of the entire district should be considered not just one development. He feels this will also help unite the greater community. An 8 mil tax levy,

after everyone is annexed, will provide much more revenue to the Town and all its residents. By annexing Mr. Wooden feels the new residents will save on their fire insurance and will already be covered by the local fire department. He feels the water and sewer issues can be solved by uniting the community to write for grants and loans rather than paying “homage” to a private utility company.

Mr. Wooden feels the feasibility study proposed for the wastewater treatment plant should cover the north and south sides of the river. Mr. Wooden questioned Mr. Hawkes whether the Northstar Utility is a legal district to which Mr. Hawkes stated, “Northstar Utility is a Wyoming Public Utility formed by order of the Wyoming Public Service Commission (PSC). It is a public record document and is available from the PSC. We can get copies to anybody who would like them.” Mr. Wooden requested a copy of the document.

Mr. Wooden stated the Town of Alpine assumed the responsibility, assets, and debts of the Alpine Water District formed many years ago. In conclusion, Mr. Wooden stated he cannot argue that water service is extended across the bridge as he helped develop this agreement. However, Mr. Wooden cautioned that the agreement never committed to providing sewer services and he stated, “I feel like we are making a real mistake if we don’t annex them. If we allow them to pipe into the sewer system over here. It won’t happen ladies and gentlemen. The county will reap the benefits of the taxes. We won’t have the 8 mil tax levy. The representation will be down the road. We have been divided and conquered my friends if that happens. Let’s do it right. Let’s have mutual respect for each other and do it right. Let’s incorporate all of Alpine and let’s make the developer pay the bill.”

Dave Jenkins, local business owner: Mr. Jenkins registered his “vote” for one central district and one sewer treatment plant to service both side of the bridge. It is in the best interests of the Town to proceed and move forward.

Dave Turner, representative for Damien Mavis, Alpine Development Group: Mr. Turner, on behalf of Damien Mavis, offered some key points; everyone has seen the proposal for their Snake River Junction project and currently, the DEQ does not want to recommend the subdivision move forward as there is no sewer and water services. Mr. Turner advised many residents are voicing desire for a drug store and other businesses to come to the community, however, sewer and water services are vital to this progress which makes the agreement between the Town and Northstar Utility essential.

Terry Moore, area resident: Mr. Moore advised he is in favor of everything that is happening between the Town and the developer. In regard to the Mayor’s statements the Town could take over the utility company in the future agreements. Mr. Moore advised Mr. Halpin stated, “If we wish” and he was worried the mayor and council didn’t hear this statement. He cautioned the mayor and council the last thing they needed was to get into a fight with their utility company. He feels it is a great project and cautioned the negotiations should be geared around the fact the developer needs the Town. Otherwise, Mr. Moore feels a lawsuit could occur in the future and offered this warning from being a trial lawyer for the past 37 years. Mr. Moore feels the water and sewer agreements with the developer should be written very clearly the Town will assume or take over the utilities without paying a “Kings ransom.” He offered the Kentucky phrase, “the devil’s in the details” for consideration. He also offered the developer will have experienced legal representatives negotiating these contracts and further cautioned the mayor and council to be very, very careful. He doesn’t feel two water companies fighting over the water in the future and a lawsuit could be filed in the future from the developer who has considerable financial capability to sue the Town.

The mayor offered the podium to Mr. Halpin’s attorney who declined to wait until all public comments are made.

Steve Chichinsky, local land owner: Mr. Chichi sky agreed whole-heartedly with Mr. Moore’s comments. He believes the \$150,000.00 proposed impact fee from this development is minimal at best to handle the true impacts. Mayor Lloyd advised the proposed \$150,000.00 is for water only. Mr. Chichinsky believes this proposed amount is still minimal given the project.

Chris Hawkes, Attorney for Northstar Utility/ Meridian Group: Mr. Hawkes reviewed and clarified key points and questions raised by the public and town administration. If the resolutions are adopted tonight, he would ask that

they include the bullet points contained in Mr. Halpin's letters. In respect to annexing the Alpine Meadows Project with Northstar Utility in existence, Mr. Hawkes advises there is precedent within Wyoming. Mr. Hawkes advised they must have their infrastructure in place and it isn't uncommon for an annexation to take place and have a district survive the annexation. Mr. Hawkes noted both Mr. Ablondi and Mr. Kjellgren, generally, are in support of moving forward with this project, proposed resolutions, etc. Mr. Kjellgren noted the Town should not commit to an annexation if it cannot provide certain services; Mr. Hawkes stated they are not asking the Town to do this and, therefore, Northstar Utility was created. In regard to responsibility to provide services to residents following annexation, Mr. Hawkes stated, *"I want to be very clear it is our expectation that Northstar Utility would survive any annexation and continue to provide the services and that would go on unless and until the Town of Alpine were to acquire Northstar Utility. That's not something we necessarily even discussed at this point but we can certainly put it on the table. But at this juncture we are fully intending the utility to survive the annexation."*

Mr. Hawkes emphasized that any developer will take their lead from the Town, therefore, any other developers will be closely watching how the Town handles the situation with Northstar Utility, infrastructure development, and annexations. In regard to Mr. Wooden's comment, Mr. Hawkes voiced very clearly Northstar Utility is a public utility issued by an ordered by the Wyoming Public Service Commission. Public hearings were held by the commission and, moreover, Mr. Wooden submitted comments to the Commission which were also heard and considered. The utility is a legal district with a legal boundary. Mr. Wooden commented several times the Town shouldn't do anything free for the developers and are asking the Town to pay for everything. Mr. Hawkes stated, *"I am hopeful that this council knows and understands that neither the Alpine Meadows Subdivision nor Northstar Utility are asking the Town to pay for anything."*

The bullet points proposed in recent correspondence from Northstar Utility to the Town council outline the terms and conditions of the proposed agreements in skeleton form, however, these letters state all of the infrastructure items Northstar Utility is willing to pay for at their expense. Mr. Hawkes asked for any questions from the council.

D.R. Hutchinson, council: Mr. Hutchinson recalled from a public meeting a year ago that Mr. Halpin advised the public utility would survive, however, within a 3-5 year period he would hope that the Town would be in a position to take it over as he wasn't interested in running a water and sewer district which is different than what Mr. Hawkes is proposing. Mr. Hawkes advised a more reasonable timeframe would be 10-15 years after talking with Mr. Halpin. Again, Mr. Hutchinson advised Mr. Halpin he remembers the timeframe being 3-5 years.

Donn Wooden, local resident: Mr. Wooden clarified and corrected his statements as summarized by Mr. Hawkes. Mr. Wooden advised he never stated the developer was asking the Town to pay for anything. Mr. Wooden feels the developer should pay for the entire infrastructure costs and turn it over to the Town of Alpine. Mr. Wooden questioned where the Alpine Meadows Water system source is coming from, as proposed, and why this source can't be utilized for the additional developments on the North side. Mr. Hawkes in response stated, "Alpine Meadows has a source for their subdivision and it's adequate to fill the needs of the subdivision." Mr. Chichinsky questioned the site location of the proposed water source. Mr. Hawkes stated, "I think that if people who are interested in these questions would take a look at our PUD application to Lincoln County, they would see that all those items have been answered and taken care of. We have agreements for a water supply and we have an approved lot within the subdivision to construct a wastewater treatment facility." Mr. Chichinsky questioned Hawkes whether the single lot proposed within the Alpine Meadows project for a wastewater treatment plant could handle the demand beyond their project which Northstar Utility's district services. Again, Mr. Hawkes advised he is only talking about the Alpine Meadows subdivision.

Mayor Lloyd called for a short break and asked Carter Wilkinson to be ready to address the council with a draft proposal after the break.

Carter Wilkinson, Town of Alpine attorney: Reconvening the public meeting at 9:10 p.m., Mayor Lloyd turned the meeting over to Carter Wilkinson. The focus of tonight's meeting was to discuss whether the Town should move forward with negotiations with Northstar Utility; the two proposed, draft resolutions will solidify moving forward with the utility company. Mr. Wilkinson read the two resolutions into the record; see below:

DRAFT RESOLUTION FOR WASTEWATER SERVICES (ATTACHMENT F):

RESOLUTION

WHEREAS THE TOWN OF ALPINE AND NORTH STAR UTILITY ARE DESIROUS OF MOVING FORWARD WITH A WASTEWATER TREATMENT AGREEMENT:

IT IS HEREBY RESOLVED THAT THE TOWN OF ALPINE STAFF, ENGINEERS, ACCOUNTANTS, AND ATTORNEYS WILL WORK COOPERATIVELY WTH NORTH STAR UTILITY TO NEGOTIATE THE DETAILS OF A WASTEWATER TREATMENT SYSTEM, INLCUDING PHASING, DESIGN, CONSTRUCTION, AND FEES.

THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER THE DATE OF ITS PASSAGE.

PASSED AND APPROVED THIS _____ DAY OF DECEMBER, 2005.

VOTE: _____ YES; _____ NO; _____ ABSTAIN; _____ ABSENT

David H. Lloyd, Mayor

ATTEST: _____

Tracy Matthews, Clerk

DRAFT RESOLUTION FOR WATER SERVICE (ATTACHMENT G):

RESOLUTION

WHEREAS THE TOWN OF ALPINE AND NORTH STAR UTILITY ARE DESIROUS OF MOVING FORWARD WITH A POTABLE WATER DELIVERY AGREEMENT:

IT IS HEREBY RESOLVED THAT THE TOWN OF ALPINE STAFF, ENGINEERS, ACCOUNTANTS, AND ATTORNEYS WILL WORK COOPERATIVELY WTH NORTH STAR UTILITY TO NEGOTIATE THE DETAILS OF A POTABLE WATER DELIVERY SYSTEM, INLCUDING PHASING, DESIGN, CONSTRUCTION, AND FEES.

THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER THE DATE OF ITS PASSAGE.

PASSED AND APPROVED THIS _____ DAY OF DECEMBER, 2005.

VOTE: _____ YES; _____ NO; _____ ABSTAIN; _____ ABSENT

David H. Lloyd, Mayor

ATTEST: _____

Tracy Matthews, Clerk

Mayor Lloyd advised the actual reading and voting on the resolutions will occur at the next council meeting on Tuesday, December 6th, 2005. **Mayor Lloyd asked for a motion to approve these resolutions. D.R. Hutchinson so moved. Don Jorgensen seconded. VOTE: 3- Yes; 1- No (Shirley Brown); 0- Abstain; 1- Absent (Steve Fusco). Motion carried.**

Leon Kjellgren asked for a committee to be created and appointed regarding these issues and asked for Paula Stevens, Planning & Zoning, the Town's attorney's, and either one or two members of the council to be appointed to the committee. D.R. Hutchinson asked if Donn Wooden would have enough time to be appointed to the committee. Mr. Wooden advised he would consider the appointment for the sake of the Town.

Mayor Lloyd called for a motion to form a committee. D.R. Hutchinson moved to form a committee. Don Jorgensen seconded. VOTE: 4-Yes; 0- No; 0- Abstain; 1- Absent (Steve Fusco). Mayor Lloyd agreed to consider Mr. Wooden's appointment and advised a resolution would be needed in addition.

Again, Mayor Lloyd reiterated the final versions of the two proposed, draft resolutions will be read and voted on at the next council meeting to be held December 6th, 2005 at 7:00 p.m. Mayor Lloyd advised the "bullet points" will be determined between Chris Hawkes and Carter Wilkinson and added to the resolutions by Tuesday night. Carter Wilkinson advised the resolutions actually will not change in written form to add the bullets points from the letters as to not to commit the Town to any specifics rather a commitment to move forward with negotiations only. Mr. Hawkes advised he is in agreement with the resolutions as written. D.R. Hutchinson reiterated to the public audience the resolutions are not committing the Town to any specifics at this point rather to negotiate the details of a wastewater treatment system, and potable water delivery system including the phasing, design, construction and fees of both systems. Mr. Hutchinson thanked the many public residents in attendance on a Friday night to participate.

Deb Wolfley, Lincoln County Commissioner: Mr. Wolfley commended the public for participating and advised the county's position is for everyone to work together on several issues including the growth and potential for North Alpine. The possibilities for service development for everyone is exciting for our area. Creating regionalized water and sewer systems is a top priority for many agencies and legislators around our state in which local, state, and county systems work together rather than small, isolated systems. He feels the

developments are very well planned and the benefits the Town will receive from these developments are considerable in his opinion. He offered the Lincoln County Planning and Development Office's assistance.

Mayor Lloyd called for a motion to go into an executive session after this meeting to discuss financial matters concerning the Town and these matters will be made public next Tuesday. **Don Jorgensen motioned to go into executive session. D.R. Hutchinson seconded. VOTE: 4-Yes; 0- No; 0- Abstain; 1- Absent (Steve Fusco)**

Meeting adjourned at 9:20 p.m. by Mayor David Lloyd.

David H. Lloyd, Mayor

Date

ATTEST:

Tracy Matthews, Clerk

Date