



**MINUTES OF THE SPECIAL MEETING OF THE  
PALISADE BOARD OF TRUSTEES  
February 2, 2023**

The special meeting of the Board of Trustees for the Town of Palisade was called to order at 6:00 pm by Mayor Greg Mikolai with Trustees present: Jamie Sommerville, Bill Carlson, Stan Harbaugh, and Mayor Pro-Tem Ellen Turner. Trustees Thea Chase and Nicole Maxwell were absent. A quorum was declared. Also in attendance were Town Manager Janet Hawkinson and Town Clerk Keli Frasier.

**AGENDA ADOPTION**

*Motion #1* by Trustee Somerville, seconded by Mayor Pro-Tem Turner, to approve the agenda as presented.

A voice vote was requested  
Motion carried unanimously

**NEW ITEMS**

***USDA Grant/Loan for Sewer***

Town Manager Janet Hawkinson reviewed the specifics of the grant/loan from the USDA for the sewer connection to Clifton Sanitation District project.

Town Manager Hawkinson clarified that signing the letter of intent and attached Certifications of Approval do not lock the Town into a contract at this stage.

*Note: The outline from Town Manager Hawkinson will be a permanent attachment to these minutes.*

Trustees asked for clarification on the two different loan/grant forms/amounts and what BABA stands for.

Town Manager Hawkinson replied that the USDA will only loan up to \$10,000,000.00 for a single project, so the forms break up the loan into two parts – hence the different amounts. She also clarified that the BABA Act is the Build America By America, which requires that all iron, steel, manufactured products, and construction materials used in federally funded projects must be produced in the United States. This Act will increase construction costs, so the USDA is requiring the Town to submit this paperwork before the Act goes into effect.

*Motion #2* by Trustee Somerville, seconded by Trustee Harbaugh, to direct the Mayor to sign USDA Form 1940-1 Request for Obligation of Funds in the amount of a loan of \$9,999,000.00 and a grant amount of \$5,650,000.00, AND directing the Mayor to sign USDA Form 1940-1 Request for Obligation of Funds in the amount of a loan of \$6,496,000.00, AND directing the Mayor to sign USDA Form RD

1942-46 Letter of Intent to Meet Conditions – all letters to be signed upon approval of Town Attorney Jim Neu.

A roll call vote was requested.

**Yes:** Trustee Somerville, Trustee Carlson, Mayor Mikolai, Trustee Harbaugh, Mayor Pro-Tem Turner

**No:**

**Absent:** Trustee Chase, Trustee Maxwell

Motion carried.

**ADJOURNMENT**

*Motion #3* by Trustee Somerville, seconded by Mayor Pro-Tem Turner, to adjourn the meeting at 6:05 pm.

A voice vote was requested.

Motion carried unanimously.

X   
\_\_\_\_\_  
Greg Mikolai  
Mayor

X   
\_\_\_\_\_  
Keli Frasier  
Town Clerk



USDA Grant & Loan for the Consolidation of Sewer to Clifton Sanitation  
1.27.2023

The Town Staff and Town Engineers, JUB, having been working on the application for the funding request application with USDA since fall of 2021.

There have been many challenges and time frames to meet – Preliminary Engineering Report, letters to various tribes, study on historic sites, etc.... all of these take months to perform.

The Town submitted the finalized application to USDA October 2022.

We met weekly with USDA staff. They are determining schedule of funding, processing of loan and funds.

USDA started processing our application a few weeks ago. USDA requested us to update various pieces of information from operational costs to lift station replacements.

USDA is rushing our loan request as they informed us that the Federal government passed BABA – Buy American Build American – that will be required with USDA loans starting Friday, February 3, 2023.

USDA is now rushing our application to have submitted by next Friday, February 3, 2023 – otherwise our project is estimated to cost 10% more.

Yesterday the USDA called with numbers for the grant/loan. Staff requested additional grant funding and lower loan interest.

Friday, January 27, 2023 the USDA presented updated figures by phone for the grant/loan with an additional \$1 million added to the grant funds from yesterdays figures.

Because of BABA coming into effect February 3, 2023:

The Board of Trustees needs to vote by Thursday February 2, 2023 if they agree with the conditions and accept loan.

The Town will not receive a written agreement from USDA in regard to the grant/loan conditions until Wednesday or Thursday February 2 or 3 – as it is being processed at the Federal level.

The Grant/ Loan Presented to Staff Verbally - but NOT OFFICIAL YET:

\$16,495,000 USDA Loan over 40 years

2.068% Interest

\$5,650,000 USDA Grant

\$2,068,000 Town Contribution

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\$627,480 per year to pay back loan

\$49,951 a month – (\$27,491 Interest + \$22,459.42 Principal) (see attached sheet)

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Fees to Clifton Sanitation to Process Sewer: Estimate \$396,000+/- a year

\$33,000 a month for 996 taps (see attached breakout)

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ADD to determine monthly cost:

\$49,951 Loan Payment

\$33,000 Clifton processing fee

\$30,000 Town collections system maintenance

Total: \$112,951

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Monthly Sewer Fee (will vary with commercial & residential)

\$112,951 a month divided by 996 taps = +/- \$114 a month sewer fees

**\*\*\*These numbers are estimates**

### Palisade Monthly Service Fee to Clifton Sanitation

- (this is a bulk charge to Palisade that the Town charges to residents)

Estimated Palisade will send 200,000 gallons a day to Clifton

Charge is estimated at \$33,000 a month to Town (\$1,100 a day x 30 days)

Rate with 3.5% increase for next year is \$5.50 per 1,000 gallons.

With 996 taps – this is a \$33.13 charge to residents monthly.