

LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD MEETING
May 19, 2005
MINUTES

A meeting of the Cadillac Local Development Finance Authority Board was called to order by Chair Stalker at 8:10 a.m. on Thursday, May 19, 2005 in Conference Room One of the Municipal Complex, 200 N. Lake Street, Cadillac, MI.

ROLL CALL

BOARD MEMBERS PRESENT: Liabenow, Petersen, Stalker, Frisbie, Benson, Tencza
BOARD MEMBERS ABSENT: Crooks, Brovont, Briggs
STAFF: Larry Campbell, City of Cadillac Utilities Director

- I. **Approval of the Minutes of October 28, 2004.** It was motioned by Benson and supported by Liabenow that the minutes of the October 28, 2004 meeting be approved as presented. Motion carried.
- II. **Review and Approval of the LDFA Operation and Utilities Budgets.** There were only two budgets to consider instead of three because the bonded debt incurred to build the groundwater treatment plant, piping and wells has been retired. The power plant is now on the regular tax roles. The LDFA could undertake a new public infrastructure project but would not be able to capture school millage. For the first time, all Tier I properties are owned by individuals who recognize their responsibility to pay the assessment. This should help the Operations Fund moving forward.

It was motioned by Petersen and supported by Benson to approve the Operation and Utilities Budgets. Motion was approved.

- III. **Bond Payoff.** Stalker noted that refinancing the debt a few years ago saved the LDFA over \$2 million in principle and interest expenses and allowed the LDFA to retire the debt about five years earlier than originally planned.
- IV. **Operations Report.** Larry Campbell reported that all operations continue as designed. We have requested closure of the chromium operation but have yet to receive EPA authority to do so. Even though capture levels are such that closure is warranted, we have yet to secure requisite approvals. 878 million gallons of water was treated in 2004, which is up slightly from prior years. 2004 saw a significant level of maintenance activity.
- V. **EPA Superfund Site Second Five Year Operational Audit.** Campbell noted that the EPA was conducting this audit and has placed a notice in the *Cadillac News* attempting to solicit public input. SVE site closure, chromium remediation closure, and a change in the PCE cleanup standard are the main topics the EPA is being asked to review. EPA indicated preliminarily that they are very pleased with the overall operation.

VI. Rexair and AAR Summary.

1. AAR – The Attorney General has filed a unilateral order against AAR to compel action. The City has worked to broker a meeting with all parties to ensure proper communication to attempt to find a resolution to the dispute surrounding the cleanup program and the best way to proceed. Currently, AAR and DEQ are in disagreement as to the extent of the plume, the direction it is heading and the source of the original contamination. AAR has been performing its own cleanup since 1985. DEQ believes the system is not adequate to completely remediate the site.
2. Rexair – The Rexair dispute is currently in the courts with both Stalker and Campbell having been deposed. Rexair has been doing its own cleanup since the late 1980s and states that they are capturing the plume attributable to their site. DEQ disagrees. LDFA Well I-7 has seen an increase in TCE over the last several years. The DEQ believes the source is Rexair. The LDFA believes the best course of action is to closely monitor this situation and take appropriate action once final resolution has been reached.

VII. Adjournment. There being no further business before the Board, the meeting was adjourned at 9:45 a.m.

Respectfully submitted,

Steve Frisbie
Secretary