

WATER AND SEWER COMMITTEE MINUTES

Thursday, January 14, 2016, 8:30 AM

Water & Sewer Department Office

1. Call to Order & Freedom of Information Requirements

The Freedom of Information Requirements having been met, the meeting was called to order at 8:30 AM. Those present were Committee Members, Mark Howard, Bachman Smith and Susan Middaugh (Chair); Staff Member Greg Gress, Jason Blanton and Andy Benke.

2. I&I Phase II Planning continued

a. Phase II Scope of Work Options Continued:

Mr. Gress presented a new Scope of Work option at an estimated cost of \$2.2 M. The Committee discussed this plan and accepted it as the recommended plan for Phase II of the I&I Remediation Project. It consists of Test & Seal work for Subsection # 3 plus CIP work for Subsections # 5 and # 6 as well as Subsection # 3. This will also include prioritized grouting of laterals to property line, locating and installing cleanouts, and manhole rehab/relining. This will also include replacement/relocation of sewer lines on Poe. This represents a comprehensive approach for these Subsections.

b. Phase II Funding Options to cover a \$2.2 M SRF Application:

The overall approach is to pre-pay of one of two current Bonds that end in FY19, a GO Bond paid by Water revenue and a Sewer Revenue Bond. The revenues can then be applied to pay for the new SRF Bond. Only the GO Bond can be paid in advance, as of October 2017. Also, this GO Bond carries an interest rate of 3.99%. Funding will be needed need to cover the required 1 year reserve equal to 1 year's annual Bond payment plus the GO Bond buy-out amount equal to FY17, FY18 and FY19 Bond payments. Estimated cost is \$500 K to \$600 K.

The Reserve and Buy-Out costs can be covered one of three ways:

- 1) Borrow the \$500-600 K, half from the Water Reserve Fund and half from the Town General Fund, with scheduled pay-back.
- 2) Sale of the old Town Hall
- 3) Raise W&S Rates. The working premise has been that Phase II should be funded without a raise W&S rates, but this option needs to be looked at.

MOTION: To recommend to Council to authorize staff to proceed with an application to the State Revolving Fund for Phase II Subsection #3 and Subsection #5 and #6 CIP work estimated at \$2.2 M. Motion by Bachman Smith, seconded by Mark Howard, and passed unanimously.

- 3. Next W&S Committee meeting is set for February 25, 2016.**
- 4. Adjournment:** The meeting was adjourned at 9:38 AM on a motion by Bachman Smith, seconded by Mark Howard and passed unanimously.

Pending Items (To be considered in future meetings)

- a. FEMA Grand update
- b. CWS Contracted water usage update
- c. Rate Study update
- d. Development of a Cost Recovery Program
- e. Pre-Disaster Mitigation Grant for submersible pumps
- f. Update of W&S Policy on Sewer Laterals
- g. Water Pumping Station Fencing & Site Improvements
- h. ASR: Aquifer Storage and Recovery