

NASHVILLE TOWN COUNCIL MEETING TUESDAY, JULY 28, 2009

ATTENDANCE – Council members present – Vice-President Robert Kirlin and Councilmember Charles B. King. Council members not present – President Roger Kelso, Councilmember Dale Cassidy and Councilmember Arthur Omberg. Also in attendance –Town Superintendent Roger Bush, Chief Administrator Phyllis Carr, ARa Representative Lisa Westenberger, Tony Akles of Strand Engineers, Michael Strahl of Rural Development, Deb Woodrow of Rural Development and Rate Consultant Patrick Callahan.

MEETING

1) **CALL TO ORDER** by Vice-President Kirlin at 2:05pm.

2) DISCUSSION OF SEWER PROJECT WITH RURAL DEVELOPMENT, STRAND ENGINEERS AND ARa

Town Superintendent Bush handed out a list of questions they would address at the meeting. Vice-President Kirlin asked Lisa Westenberger for opening comments. Ms. Westenberger explained she and Town Superintendent Bush received an email from Matthew Crouch of OCRA regarding Disaster Recovery 2 funds and the Town is still in the running for the funds for the sewer project. They don't know how much money would be available at this time. As soon as they get a commitment of funds from Rural Development they can submit that information to OCRA for the DR2 funds.

Town Superintendent Bush asked what Rural Development still needs from the Town to get a funding commitment. Mike Strahl of Rural Development advised they need to finish up the Environmental Review which they are close on doing and they are looking at a categorical exclusion on that environmental review which means they will not have to advertise and allow thirty days for response. Tony Akles of Strand Engineers commented he has the report and would give it to Mr. Strahl today so he could review it.

Mr. Strahl advised he also needs the preliminary engineering report and it is close to being done. He still needs a couple of issues clarified with Strand Engineers. Mr. Akles reported he would have all that information to Mr. Strahl next week.

Mr. Strahl noted he cannot determine how much grant and loan Rural Development can do until he has the preliminary rate report. Patrick Callahan provided a hard copy of the rate report and added he would e-mail the information to Mr. Strahl as well. Mr. Strahl reported interest rates are now at 2.625% and the last time they met it was at 2.75%. Mr. Callahan advised he used an interest rate of 3% in his report.

Mr. Strahl explained obligating the money means that a 1940-1 form will need to be completed and signed by the Town Council and Rural Development's State Director. Once the money is obligated the interest rate is locked in unless the interest rate goes down, then they would get the lower rate. Vice-President Kirlin asked what the target date for obligating the funds would be. Mr. Strahl cannot give a date until he gets all of the information but the rate report will help quite a bit.

Mr. Strahl went over a list of items he still needs from the Town to move forward. Town Superintendent Bush advised he would take responsibility for making sure all the needed items would get to Mr. Strahl as soon as possible. Discussion.

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Mr. Strahl repeated the interest rate at this time is 2.625% but it could go down or up or stay the same. They will not know if it will change until August 14th as that is when the bond index is adjusted. Vice-President Kirlin clarified this would be a 40 year loan. Mr. Strahl acknowledged it would be a 40 year loan at a fixed rate once the loan is obligated.

A question was raised regarding a bond anticipation loan to start the engineering as soon as possible. After a lengthy discussion, it was determined a bond anticipation loan would not be helpful in the process. Mr. Strahl added the Town would not score any higher or lower with Rural Development by having a bond anticipation loan.

Town Superintendent Bush asked if the Town could include a capital improvement charge for the extension of the collection system to the new customers to be fair to the existing customers. Mr. Callahan explained the Town of Centerville implemented a capital charge to bring in an additional area. Mr. Callahan did a quick calculation for the Town of Nashville to do the total project with no tap fees and it would create a capital charge of \$61.50 per customer per month on top of their monthly bill. Mr. Strahl asked if it would be a big increase to spread it out to all the customers on the system. Discussion. Mr. Akles asked what Rural Development looks at to hand out grants. Mr. Strahl explained they look at several things: median household income, equivalent dwelling units, planned unit developments, etcetera. Mr. Akles asked if Rural Development will look at the proposed rates and try to buy the rate down. Mr. Strahl said they would if it was high enough. Discussion.

Town Superintendent Bush asked Ms. Westenberger when she would submit an application to OCRA. She advised the proposal is due August 13th, 2009 and October 2nd, 2009 the CFS for the \$600,000 is due. Regarding the DR2, she is not sure when she will submit because they need Rural Development commitment first. Discussion.

Mr. Strahl advised prior to obligating money, there will be a letter of conditions. The Town has had that letter in the past with Rural Development Loans. They will also add the Recovery Act conditions as well. With the letter of conditions, the Council will need to sign a notice of intent to meet the conditions. Once all the paperwork has been signed Mr. Strahl will deliver it up to the state office for obligation for the state director's signature.

Mr. Strahl explained the process that Rural Development would obligate the loan, the engineer designs the project, the design is approved by the State office, close the loan and put it out for bid. Mr. Strahl added the bond counsel will have to get in gear and rate ordinances will need to be established as well as all the publications.

Vice-President Kirlin commented that the two areas in which they are planning the sewer expansion, they have about 80-90% of the easements and right-of-ways. Mr. Strahl noted before they close they will have to have all the easements signed. Vice-President Kirlin explained they would take those that will not approve of an easement out of the project area. Mr. Akles added they have already done that in the Preliminary Engineering Report and noted those homeowners would eventually have to hook on to the sewers by ordinance. Discussion. Mr. Akles asked if once Rural Development obligates the loan, if the Town could engage in engineering services. The Town Council agreed Mr. Akles could start designing the project now.

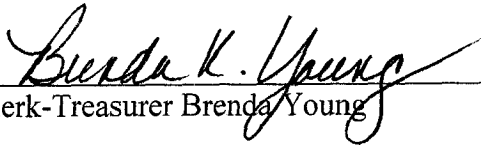
Mr. Strahl, the Town Council and Town Superintendent Bush agreed to keep in contact to make sure all the forms and documents have been completed as necessary. Vice-President Kirlin suggested they also


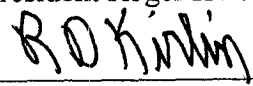
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schedule a Public Hearing with Deb Woodrow of Rural Development who will help low income people with this project including low interest loans or grants depending on their needs. Mr. Strahl added they could make the tap in fee part of it, but the program is also good for roofs and furnaces, windows, etcetera. Town Superintendent Bush recommended waiting until they have their numbers finalized so they will know what their tap fee costs will be. Discussion. Vice-President Kirlin asked that Ms. Woodrow attend a quarterly meeting the Town Council has with County Council so she may explain what opportunities are available for low income residents.

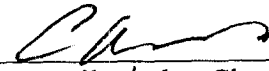
ADJOURNMENT

With nothing further to discuss the meeting was adjourned by Vice-President Kirlin at 3:19pm.


Clerk-Treasurer Brenda Young


President Roger Kelso

Vice-President Robert Kirlin

Councilmember R. Dale Cassiday


Councilmember Charles B. King


Councilmember Arthur Omberg