

**Town of Proctor Selectboard Special Meeting
October 14, 2010
4:00 – 5:50 P.M.**

Board Members Present

Rick Anderson, Chair
Bill Dritschilo
Susan Feenick
Lloyd Hughes
Dick Norris

Employees Present

Steffanie Bourque, Town Administrator

Other Guests Present

Doug Hastings
John Jozwiak
Joe Manning
James Plouffe, Rural Development Program
Tim Raymond, Water Supply Division
Bryan Redmond, Water Supply Division
Gary Schultz, Water Supply Division
Kevin Smith, Marble Valley Engineering
PEG-TV

Agenda Items

I. Call to Order – Meeting Purpose

The meeting was called to order at 4:00 p.m. and began with a pledge of allegiance to the flag. The purpose of the special meeting was to discuss the process for finalizing funding for the public drinking water system capital improvements.

II. Review Preliminary Funding Scenarios

James Plouffe and Bryan Redmond presented funding options through the Rural Development (RD) and Drinking Water State Revolving Loan Fund (DWSRF) programs, respectively. The federal stimulus (ARRA) money previously available through RD is no longer available. RD will not be able to fund 100% of the Proctor project because of limits on their annual federally-appropriated budget.

Bryan Redmond reviewed the general aspects of the funding package – explaining the various factors involved in the funding calculations (e.g., median household income (MHI), equivalent units (EUs), and existing debt). He then reviewed three possible funding scenarios: 1) DWSRF for total project; 2) DWSRF for total project with \$400,000 State and Tribal Governments Assistance Grant; and 3) joint RD and DWSRF funding (see attached). All scenarios result in costs per EU in the same range as discussed in meetings leading up to the August 24, 2010 bond vote. Neither scenarios 1 nor 2 have realized the full benefits of the SRF funding program. Neither does Scenario 2 reflect the full benefit of the STAG grant. Scenario 3, with the inclusion of the STAG grant, would reduce the RD grant commensurately. Under Scenario 3, SRF funding is fully utilized.

Throughout the presentation the Selectboard discussed the pros/cons of conducting an income survey, financing the \$250,000 funds for assistance to the outer district in order to increase the project debt service, and locking in 2009 funds through the DWSRF. The Selectboard also discussed the impacts of the Superior Court filing for the outer district. The DWSRF indicated the Water Supply Division will allow construction permits for all project elements except for the termination of service to the outer district unless the court has ruled in favor of the Town. RD indicated they will not commit funding until the outer district matter is fully resolved by the courts and indicated that would be the case in spite of the duration of the court proceedings. Without a funding commitment, loan and grant terms would remain fluid.

No decisions were made at this time.

III. Timeframe for Funding Commitment – Next Steps

Bryan Redmond confirmed the environmental review, archeological review, and final design plans must be completed and approved before construction permits will be issued. The Selectboard agreed they needed to schedule a special meeting to discuss how to strategize improvements given the pending outer district court proceedings; whether or not to pursue income “sampling”; and what additional information is needed to finalize funding for the improvements.

James Plouffe agreed to follow-up on a variety of topics – 1) what would be required to obtain a meter waiver from RD; 2) whether RD has any flexibility with regard to a funding commitment in light of the Superior Court petition for the outer district; 3) status of the Preliminary Engineering Study approval; and 4) whether RD has any flexibility with regard to the median household income thresholds for “intermediate” funding status.

Bryan Redmond will prioritize review of the recently submitted Categorical Exclusion request.

IV. Adjourn

Bill Dritschilo made the motion at 5:50 p.m. to adjourn the October 14, 2010 special meeting of the Selectboard. The motion was seconded by Dick Norris and unanimously approved.