

**Town of Proctor Selectboard Special Meeting
October 19, 2010
2:00 – 4:25 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

Ted Schaft
Kevin Smith, Marble Valley Engineering

Agenda Items

I. Call to Order – Meeting Purpose

The meeting was called to order at 2:00 p.m. The purpose of the special meeting was to review the funding information presented on October 14, 2010 by representatives of the Rural Development (RD) and Drinking Water State Revolving Loan Fund (DWSRF) and generate a list of questions about how to proceed with the water system improvements.

II. Review Information Presented on October 14

The Board reviewed in detail the funding scenarios presented on October 14, 2010 [reference meeting minutes from October 14, 2010 for details regarding the three funding scenarios presented by RD and DWSRF].

They reviewed the responses from RD regarding water meters, flexibility with regard to a funding commitment in light of the Superior Court petition for the outer district customers, the status of the Preliminary Engineering Study approval, and flexibility with regard to the median household income thresholds for “intermediate” funding status (see attached).

They discussed how the DWSRF functions and its thresholds for extending loan terms from 20 to 30 years and reducing interest rates from 3% to -3%.

Based on information provided to date, the Selectboard made a decision about which funding agency to work with to complete the water system capital improvements. Bill Dritschilo made the motion that it was in the public interest to pursue funding for the water system capital improvements through the DWSRF. The motion was seconded by Susan Feenick and unanimously approved.

Given the estimate for median household income (MHI) used by the DWSRF, the Selectboard agreed it was in the public interest to complete an income survey of the Proctor drinking water system service area. The Selectboard believes the actual MHI in Proctor is less than the \$52,339 estimate used by the DWSRF. Susan Feenick made the motion to complete an income survey for the Proctor drinking water system service area. The motion was seconded by Lloyd Hughes and unanimously approved.

III. Generate List of Questions About How to Proceed with Water System Improvements

Remaining unanswered questions about how to proceed with water system improvements included:

1. How long do we need to have debt service for it to be eligible in the DWSRF loan calculation?
2. Can we revisit the O&M estimate?
3. Can we revisit the equivalent unit estimate?
4. How should we charge schools for water/sewer?
5. Should we pursue the \$100,000 loan forgiveness even though we are not going to utilize RD funding?

There was also a question about whether the Town would consider retaining operation of the surface water plant if the Superior Court does not find in favor of the Town's disconnection of the outer district. Susan Feenick made the motion to support discontinuance of the filter plant as a source of water regardless of the outcome of the Superior Court ruling. The motion was seconded by Lloyd Hughes and unanimously approved.

IV. North Street Project Update

Rick Anderson and Kevin Smith provided a brief update on the North Street project.

V. Adjourn

Lloyd Hughes made the motion at 4:25 p.m. to adjourn the October 19, 2010 special meeting of the Selectboard. The motion was seconded by Dick Norris and unanimously approved.