

Town of Proctor Selectboard Special Meeting Minutes
DRAFT
December 28, 2011
2:30 - 3:30 P.M.

Board Members Present

Rick Anderson, Chair
Bruce Baccei
Susan Feenick
Vincent Gatti
Lloyd Hughes

Employees Present

Todd Blow, Chief Operator
Stan Wilbur, Town Administrator

Guests Present

Joe Manning
Steffanie Bourque, Marble Valley Engineering
Bryan Redmond, VT Water Supply Division
Tim Raymond, VT Water Supply Division
Warren McCullough
John Jozwiak
Ted Schaft

Agenda Items

I. Call to Order

The meeting was called to order at 2:30 p.m. by Chair Anderson

II. Water System Improvement Project

Chair Anderson noted that the Rutland Herald published an article regarding State Revolving Fund interest rates and the amount to be repaid, but the Town has not received any information from the State. Bryan Redmond responded that the information he furnished the paper was based on generalities and preliminary figures without specific details. The preliminary information resulted in a negative 1.9% interest rate. The final rate will be based on an annual user cost of \$490 (1% of the \$49,000 median family income), current debt service, operations and maintenance cost and the debt service for the new loan. The new loan will be a 30 year note and the amount will take into account principal forgiveness. The State will be performing new calculation and will be providing the Board with a detail analysis.

Chair Anderson reviewed the history of the project and that the Town cannot accept the \$1.1 million low bid. He noted that Kevin Smith will be meeting with the low bidder in an attempt to

negotiate an acceptable contract. If the project cannot be shaved down, the Town will have to go back out to bid. Board discussion on redesign and rebid the project and ability to meet the December 2012 compliance date

Tim Raymond stated that the State has been delegated enforcement responsibilities and will be monitoring the milestones that need to be met. The State Enforcement Division is ready to act and there could be environmental penalties for non-compliance.

Steffanie stated that Kevin Smith will be meeting with the low bidder tomorrow and will present the results of the negotiations and his recommendations at a January 11 Special Board meeting. Todd Blow noted that the negotiations are a good step even if we have to go out for bids again.

The Town wants to be up front with the State and to assure them that we are working on the problem. There was discussion regarding additional financial assistance from the State. Bryan Redmond went over how the program works and that only the approved core project could be considered for additional assistance. New components would fall under separate ranking. If the Town wanted to consider additional funding, they will have to have a bond vote for the increase. The maximum negative interest rate is 3% on a 30 year loan. Chair Anderson expressed concern about cost as we have six more contracts to bid. Bryan Redmond noted that Rural Development funding is still an option. We should not be going for additional authorization now, but wait until we are further along in the project.

Tim Raymond asked about the status of the legal issues with Outer District customers. A mediated settlement has been accepted by all parties and the attorneys are preparing documents for the court. He suggested that we send a note regarding the status to Julia Heckbauth. Bryan Redmond will run new numbers and get them to the Board in a week to 10 days.

III. Other New and/or Old Business

Chair Anderson reported that the VLCT has completed the Town Administrator search and there were 43 applicants. The League will be sending five packets to the Board. The search will be included on the agenda for the January 9 regular meeting. Information in the packets should be kept to the 5 Board members and maybe the packets should stay in the office.

There is a budget work session on Friday, beginning at 2:30 pm.

IV. The Selectboard reviewed and signed orders totaling \$47,030.30.

V. Adjourn

Vincent Gatti made the motion to adjourn the meeting at 3:30 p.m. The motion was seconded by Lloyd Hughesi and unanimously approved.