

A special called meeting of the Kirklin Town Council was held on Thursday, November 15, 2018 at 6:00 p.m. at Kirklin Town Hall.

Council Members present were: Jerry Faucett, Melinda Jobe, & Valerie Pearson. Walt Minnick and Jennifer Rustin were absent.

Also present were: Katharine Calabro - Frankfort Times, Darren Wells, Billy Walker, Jay Moore, Kent Schuch, Steve Brock, and Mary King.

WASTEWATER PROJECT - Kent Schuch presented a revised change order #5 for Crosby Construction. After discussion, a motion was made by Valerie Pearson to approve change order #5 in the amount of \$36,035.00, with the balance of the SRF loan going to the town for expenses already incurred. The motion was supported by Jerry Faucett and carried with a unanimous vote. A motion was made by Valerie Pearson to approve pay application #13 to Crosby Construction in the amount of \$63,744.00. The motion was supported by Jerry Faucett and carried with a unanimous vote. Kent explained to the Council that the last item that has not been completed for the project is some landscape re-seeding. He presented pay application #14 for Crosby Construction and explained that the Council could go ahead and pay out the money and ask them to come back in the spring to finish, or the Council could withhold the approximate value of \$1,000.00 until they come back to complete the work. The Council reviewed pay application #14, but agreed to withhold \$1,000.00 for re-seeding work that has not been completed. Kent will revise the pay application and will mail it to the town prior to the meeting on November 28th.

WATER PROJECT FINANCING AND RATE ORDINANCE INTRODUCTION - Steve Brock has met with Bill Harkins at the SRF. He said that Mr. Harkin's efforts has resulted in an additional \$1,585,000.00 being given to the town in the form a forgivable loan. Steve stated that the SRF loan that will be needed will be financed at an interest rate of 2%. Steve and Darren discussed some final costs for the project. The additional funding comes with a stipulation that all three aspects of the project be completed. Steve also stated that the engineer we are working with was a factor in getting the additional funding. The SRF has confidence in Darren's ability to make sure the town has a good working system when complete. Steve Brock noted that with the additional funding, the final water rate for adoption will be below \$50.00 for 4,000 gallons. Mary King asked about the SRF requirement that communities with a user rate below \$50.00 be funded at 2.25% interest rate. Darren said that there is a filing for green project reserve and that may qualify us for a 2% loan. Steve Brock will work with the SRF to try and get the rate of 2%.

RATE ORDINANCE #2018-11-2 - Mary King read the proposed Water Rate Ordinance out loud. After discussion, a motion was made by Valerie Pearson to pass Water Rate Ordinance #2018-11-2 on first reading. Jerry Faucett supported the motion and it was carried with a unanimous vote. The advertised rate will be \$52.68/4,000 gallons and the hydrant rental fee will increase to \$763.64 per hydrant. Steve reported that he has spoken with Mary and understands that the Council has already adopted the 2019 Budget. He explained that there are some things we can do after the first of the year to handle the situation with increased hydrant fees. Darren reviewed the Summary of Bids Report given to the Council. In summary, the total water project is estimated at approximately \$4,306,822.00 with construction and administrative costs. Mary King stated that we are so blessed to end up with grants for this project totaling \$3,155,000.00. This is due to receiving grants from OCRA and the SRF and the amazing work of all those involved. **WATER ASSET MANAGEMENT PLAN** - The town will be required to develop an Asset Management Plan prior to the close of the SRF loan for the water project. This is a new requirement and they are offering an additional \$25,000.00 grant for the development of the plan. This grant is contingent upon the town having signed contracts prior to loan closing on December 13th. GRW Engineering provided a proposal to complete their portion for \$24,500.00 and Steve Brock presented a proposal to complete the financial portion for, not to exceed \$10,000.00. The Asset Management Plan replaces the Fiscal Sustainability Plan that is currently required to be completed prior to the final drawdown on SRF loans. The Asset Management Plan includes the entire water system, whereas the Fiscal Sustainability Plan only requires the sustainability of the Wastewater Treatment Plant. A motion was made by Valerie Pearson to accept the proposal from GRW Engineering in the

amount of \$24,500.00. The motion was supported by Jerry Faucett and carried with a unanimous vote. A motion was made by Valerie Pearson to accept the proposal from Therber & Brock Associates in an amount not to exceed \$10,000.00. The motion was supported by Jerry Faucett and carried with a unanimous vote.

WASTEWATER PROJECT - The Fiscal Sustainability Plan for the Wastewater SRF loan close-out has been completed by Steve Brock. The document was given to the Town Council and Jay Moore at the last meeting. Jay found only minor typos, but questioned if the frequency of when Billy provides reports to the Council concerning assets should be quarterly rather than monthly. A motion was made by Valerie Pearson to approve the Fiscal Sustainability Report with the typos being corrected and the reporting requirement be changed to quarterly. The motion was supported by Melinda Jobe and carried with a unanimous vote.

Seeing no other business to come before the Town Council, the meeting was adjourned at 7:19 p.m.

Melinda Jobe