

MINUTES

**MONTEAGLE PUBLIC UTILITY BOARD
MEETING**

May 12, 2008

**PRESENT: Charles Rollins
Dean Lay
Bud Knott
Marilyn Nixon
Lex Orr**

This meeting of the Montecagle Public Utility Board was called to order at 5:16 pm by Mayor Charles Rollins.

The following items were discussed:

- 1. ENGINEERING REPORTS – The contract has been sent to Bill Killian to review.**

- 2. FINANCING – Ald. Orr reported on the available options for financing our utility projects. He has looked at the State Revolving Fund, the TML Bond Fund, and local financing. He said the option with the lowest interest and costs, in his opinion, is the State Revolving Fund. When he talked with them the rate was 1.64%. The rate as of this date is 1.25%. No one else came close to this rate. He said he felt this was to best way to go. The loan request would be for 7.2 million. We would not necessarily use that amount, but the state suggested we apply for that amount so we would not have to go through the process if we ended up needing more than the 6 million dollar estimate of the costs for the new sewer plant and the grinder pump system. Ald. Lay said we need to make sure that everyone is clear that this money will have to be repaid by the ratepayers. Then he made a motion to proceed with applying for the SRF loan and to approve the resolution for this loan. Ald. Knott seconded the motion. Ald. Orr said he would like everyone to understand that we are under a state mandate to do this work and that it has nothing to do with growth or development. The motion passed unanimously on roll call vote. The council asked the city recorder to send copies of the resolution to Bill Killian, Hailey Engineering, Arcadis, Dr. Urban, and Dr. Sami by certified mail.**

- 3. LAKE LEVEL – Ald. Lay asked about the level at Laurel Lake and was told that it is full at this time. The line from Lake Louisa to Laurel Lake should be completed this week.**

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- 4. WATER MANAGEMENT PROGRAM – The question was asked if we are receiving water from any other utility districts. Mr. Boynton said we are not receiving water from anyone else at this time.**

- 5. SEWER USER FEES – Ald. Lay asked if we have any information on this yet and was told that this will be discussed with Bill Killian on Thursday. The bid opening on the grinder pump system is set for Thursday.**

There being no further business the meeting adjourned at 5:57 pm.

Respectfully submitted,



Joy Sturtevant, City Recorder