

JOINT WORKSHOP SESSION of the Burrillville Town Council and the Burrillville Sewer Commission held Monday, April 10, 2006 at 7:00 P.M. in Council Chambers, Burrillville Town Building, 105 Harrisville Main St., Harrisville, RI 02830

MEMBERS PRESENT:

Burrillville Town Council: Council President Wallace F. Lees, Councilors Jacqueline Zahn, William A. Andrews, Nancy F. Binns, Edward F. Bonczek, Margaret L. Dudley and Ronald E. Faford.

Sewer Commission: Scott P. Rabideau, Chairman and Wallace F. Auclair, Secretary

Also Present: John E. Martin III, Superintendent William Skerpan Jr. – Beta Group, Inc.

06-076 Relative to discussion of financial alternatives for completing expansion of the sewer system to the eastern villages.

Scott P. Rabideau, Chairman of the Sewer Commission, introduced the discussion of financing the remainder of the sewer project. Mr. Rabideau distributed a map of the project, reviewed the areas that had been completed, the area for which the Commission had voted to give a contract, and several areas for which no funds remained. A

copy of the map is on file with the record of the meeting. Mr. Rabideau noted that a portion of the project (indicated in orange on the map) along Route 7, including the mill village, is the next critical area, but that the Sewer Commission does not have money to complete this section. There were five alternative sections (indicated by pink on the map) identified which cannot be completed with current funds. Finally, there were several areas (indicated by grey on the map) which are distant future phases of the project.

Scott P. Rabideau, Chairman of the Sewer Commission, distributed a chart that indicated the cost for each area. Mr. Rabideau described each area and explained the philosophy the Sewer Commission used in prioritizing each of the six sections. Mr. Rabideau discussed the cost per customer, noting that in more rural areas the cost per customer rises.

Scott P. Rabideau reviewed Sewer Commission discussions with Clean Water Finance, which assured the Sewer Commission that they would lend up to \$3,000,000 towards the project. Mr. Rabideau indicated that the Sewer Commission would handle this loan as a revenue pledge, providing that the Waste Water Treatment rate payers would repay the loan. Mr. Rabideau pointed out that the Sewer Commission cannot authorize borrowing money, but that the Town Council would have to authorize borrowing.

There was discussion that the estimate to complete the project was

\$3,500,000, one-half million dollars more than the prospective loan, that the project might be completed through better bids, extended contracts, commitment of the Waste Water Treatment reserve fund and/or additional borrowing. It was noted that the remainder of the contract would be through contract extensions. Walter J. Kane, Town Solicitor, noted that \$3,000,000 would pay for the critical area along Route 7 and the first two alternatives, because of the costs and hold-back associated with the loan.

There was discussion of the details of the construction, changes in the plan, and the benefits of completing the entire project rather than delaying some of the alternatives.

Scott P. Rabideau referred the Town Council to a hand-out that provided an estimate of the user rate change for debt service on the \$3,000,000. Mr. Rabideau noted that the estimate would change as customers were brought into the system due to the completion of various projects around town. Mr. Rabideau noted that the proposal would result in a significant rate change.

There was general discussion that the entire project, at an estimated cost of \$3,500,000, should be completed, rather than delaying any of the alternative service areas. It was noted that the longer the project was delayed, the higher the cost. Mr. Rabideau indicated that the Town Council would borrow the money and the Sewer Commission would repay the loan through user charges.

Michael C. Wood, Town Manager, recommended that the Sewer Commission consider an increased betterment program for users that tie into the sewer at a later date. Walter J. Kane, Town Solicitor, noted that betterment fees have been increased to build the capital fund. Mr. Wood discussed the beneficial impact to homeowner rates of commercial customers tying into the system. Mr. Wood also discussed the possibility of alternate funding of the loan fee and the escrow on the loan, to allow for more actual construction. Mr. Rabideau discussed the possible use of the WWTF capital reserve.

Mr. Wood discussed the possibility of the Town funding those fees. He pointed out that there would be an agreement between the town and the Sewer Commission relative to repayment. Mr. Wood also indicated that the Town Council and the Sewer Commission must make policy decisions related to funding. He indicated that, until the termination of the Ocean State Power agreement, the Town would have sufficient money in debt reduction funds to offset the costs in an amount of approximately \$100,000 per year, which could be used to increase the scope of the project or reduce the impact on the rates.

Walter J. Kane, Town Solicitor, noted that, while the \$3,000,000 was being reserved at SRF, there would be details to work out, including an agreement between the Town Council and the Sewer Commission. Mr. Kane indicated that the item would be considered and acted upon at the next regular meeting of the Town Council. He recommended

that, if the Town Council and Town Manager agreed, then the Town Council could, at that meeting, instruct the Solicitor to begin developing an agreement and to explore sources of the additional one-half million dollars.

VOTED to adjourn at 7:56 P.M.

Motion by Councilor Jacqueline Zahn. Seconded by Councilor Ronald E. Faford. The motion was unanimous. Voting in favor of the motion were Council President Wallace F. Lees, Councilors Jacqueline Zahn, William A. Andrews, Nancy F. Binns, Edward F. Bonczek, Margaret L. Dudley and Ronald E. Faford.

Louise R. Phaneuf, Town Clerk