

**Milton Town Council Meeting
Milton Library
121 Union Street
Thursday, January 24, 2013
6:30 p.m.**

**Transcriptionist: Helene Rodgville
[Minutes Are Not Verbatim]**

1. Call to Order – Mayor Newlands
2. Moment of Silence – Vice Mayor Betts
3. Pledge of Allegiance to the Flag
4. Roll Call – Mayor Newlands

Councilman Booros	Present
Councilman West	Present
Vice Mayor Betts	Present
Councilman Lester	Present
Mayor Newlands	Present
Councilwoman Patterson	Absent
Councilwoman Jones	Absent

5. Additions or Corrections to the Agenda

Mayor Newlands: Do we have any additions or corrections to our short agenda?

6. Agenda Approval

Councilman West: Mr. Mayor, I make a motion that we approve the agenda.

Councilman Lester: Second.

Mayor Newlands: We have a motion and a second to approve the agenda. All in favor say aye.
Opposed. Motion is carried.

7. New Business – Discussion and possible vote on the following items:

- a. Water Facilities Improvements full application for State Revolving Fund (SRF) loan

Mayor Newlands: The reason we called this meeting is we need to start finalizing our paperwork and Win you can jump in whenever I start missing things. The Office of Drinking Water is getting ready to submit their paperwork to the Environmental Protection Agency for funding for new projects and they've asked all the towns who have submitted pre-applications to finalize what they need to have on their applications and be in what's called a "ready to proceed" mode. So they've asked us to get our information to them by January 31st. Win received this January 14th, so it didn't give us much time, so we needed to put together a Special Meeting in a hurry so we could have this information to them by January 31st. Do you want to say anything?

Win Abbott: Yes, just to be sure that everyone understands the timeline. The Environmental Protection Agency is the funding agency. All funds for loans for drinking water system improvements for both public utilities and private utilities that serve the public purpose have pre-application put in. The Town of Milton put in two pre-

applications, as per the direction of Council. One was focused upon a storage facilities, water tank and the other was on system improvements. Both of them rated relatively high and the next step is to put in a full application. The full application deadline is on February 15th, however, as Mayor Newlands has indicated, the Office of Drinking Water sent out a memo saying that they wanted to be certain that the towns that were going to move forward with this, were truly ready to proceed and they're going to be making telephone interviews on January 30th or 31st. So "ready to proceed" means that the town is committed to having a referendum. Now between the time that this memo was received and tonight, the Water Committee met, the Water Committee received a presentation from our consulting engineer, Pennoni Associates with regard to the details that were in each one of the State Revolving Fund loan pre-applications. One of the loan pre-applications was on drinking water system improvements and the other one was on an elevated storage tank. The Water Committee recommended that the storage tank component be tabled and that the foundation improvements to the existing Shipbuilder's tower be a part of the regular water system improvements; within the water system improvements loan pre-application, the inter-connection with other facilities, it was recommended it be taken out. We have Mr. McCabe of Pennoni Associates here to help address any questions that you should have, with regard to your selection of components to go into your final application and, of course, it is the Council's discretion to consider whether or not to adopt the recommendations of the Water Committee.

Mayor Newlands: Also, the Office of Drinking Water, Heather Warren, noted to us that low interest rates and subsidies will not be available next year, so and they're stating, and I don't think they did this last year; they're actually stating that as 1.5%. They didn't do that last year, that I recall, and that was an issue with the Council not knowing what the rate was going to be. So they're actually stating that this year.

Win Abbott: You are correct.

Mayor Newlands: Which is a good thing. So that should be a comfort level for people. So you submitted two pre-applications. We have in front of us the list of items that went in the pre-applications, correct? Alternative A was one application, Alternative B was the second application, so we separated out the storage tower from the rest of the maintenance work that needs to be done, because there was a lot of opposition to the water tower, so we wanted to get that separated out so that we could get all of the other work completed. Now, you said that we... Do we have another update from this after the Water Committee met?

Win Abbott: Just for purposes of clarification, the Council has before them one page that came out of the much larger packet that you had reviewed prior to be receiving your direction as to what to put on the loan pre-applications. This one page, called Exhibit E, breaks down the alternatives offered in the Planning Document. Alternative A was to increase supply and that included testing and permitting, well pump upgrades, well drilling, well head pumps and piping, treatment building upgrades and an updated control system. Alternative B was an elevated storage tank, 500,000 gallons and Alternative C was inter-connectivity with neighboring private utility. At the direction of Council, the components in Alternative A and Alternative C, for the most part, were combined into one pre-application. Alternative B was put into a separate pre-application. Now the pre-applications that were put together, and this is summarizing things, were water system improvements, including upgrades to Well No. 5, which is the one on the south side of the Broadkill River and inside the compound where Tidewater has their facilities. It included the private inter-connection, the Wagamon's loop and an upgraded control system for all of our systems. Then the other pre-application was the elevated

storage tank. When this was presented to the Water Committee, they recommended to not forward with the storage tank, however, with some assistance on my part, the foundation repairs for the Shipbuilder's tower was integrated with the general water system improvements application.

Mayor Newlands: Okay, so on A we're adding in the foundation for Shipbuilder's?

Win Abbott: Correct.

Mayor Newlands: Okay, so for Alternative A we're going to add in the foundation for Shipbuilder's, foundation repair...

Vice Mayor Betts: And how much is the difference?

Mayor Newlands: I've got to get that.

Win Abbott: Now Mr. McCabe can answer your questions about the financial components that go into this package that we have here.

Mayor Newlands: The Alternative C, we're getting rid of the pipe, the connection, right? The control valve and the meter pit, we're still keeping, on Alternative C?

Win Abbott: Okay, Alternative C was inter-connectivity which included meter pit, control valve and connection piping.

Mayor Newlands: Oh, all that's going out.

Win Abbott: All that was part of Alternative C. Now, as was pointed out, during the Water Committee meeting, this did not include the cost of enough piping to take our utilities to where that inter-connection could occur and nonetheless, it was the recommendation of the Water Committee to not have inter-connectivity. It's at the discretion of Council whether or not you want to move on the recommendation of the Water Committee.

Councilman Booros: Could I ask a question Mr Abbott? You added the foundation repair at Shipbuilder's, which is great. Did I understand that the repairs that were made to the water tower out here were temporary repairs and that the full repair has to be made?

Win Abbott: The full repair is being paid for through our maintenance contract that we have with Corrosion Control. We do not have to finance that.

Councilman Booros: Okay, thank you.

Mayor Newlands: Can you give us the price for the foundation for Shipbuilder's?

Win Abbott: Mr. McCabe can you help me here?

Steve McCabe, Pennoni Associates: The price to repair the foundation hasn't come back yet. I'm expecting it any day and I'll report it to the Town Manager as soon as it comes back.

Mayor Newlands: Do we have a ballpark at all?

Steve McCabe: Not off the top of my head. No.

Win Abbott: I have been in contact Baker, Ingram & Associates, the firm that evaluated the foundation. They have quoted an approximate figure which was, Mr. McCabe correct me if I'm wrong, just under \$10,000 to do the drawings and the specifications for the design of the repairs. There are two other components to that repair. One is for them to put together the bid document, manage the process for bringing in the right contractor, and inspection services; basically managing the job all the way through and then there's another component and that is for, whoever the contractor is that does the concrete work, to actually do it. Now, I had inquired of Baker, Ingram & Associates whether or not their cost of, I'll just say approximately \$10,000, represents one-third of the total cost and they said no, actually the concrete work will cost more than that equivalent amount. So if you wanted a ballpark figure, I would say, less than \$50,000, but certainly more than \$30,000.

Mayor Newlands: How are they going to repair the concrete? Did they come into that

yet? Have they explained that yet?

Win Abbott: No. They're not going to do it. What they're going to do is specify what needs to be done, put it in the contract to be bid, but that work hasn't been done because we haven't contracted for them to do it.

Mayor Newlands: Okay, so we're just adding \$50,000 and let's use that as a ballpark, are we just adding \$50,000 to the \$880,000 and that's it?

Win Abbott: Yes. Mr. McCabe?

Steve McCabe: The answer to that question is no. The pre-application, actually, the total amount of the loan is going to be about \$1.4 million, with all the components added in.

Mayor Newlands: Can we get the breakdown? Do you have a printout of that?

Steve McCabe: No, I don't. This was just decided last week, so this is something that's in progress that we're putting together as we speak.

Mayor Newlands: That's just a big jump from \$880,000 to \$1.4 million.

Steve McCabe: Well there are several components that the Water Committee directed us to put in to the State Revolving Fund full application.

Mayor Newlands: Hang on a second. You have a sheet. Robin's going to take your sheet that you're reading from... Do you have all the components listed there?

Steve McCabe: No, these are my notes for this meeting.

Mayor Newlands: You don't have all of the components that add up to the \$1.4 million? If we can get them, we can either hand write them ourselves, or Robin can go downstairs and try to get them Xeroxed, so we can give out a copy to each of the Council Members. It's just \$600,000 is a big difference for us to just go... well it's on your list. I'm sorry.

Steve McCabe: I can prepare something for Council. I don't have anything for Council this evening.

Mayor Newlands: We're going to have to have something, if we're going to vote on doing this and getting Win to provide this information to Heather next week, we need this tonight.

Steve McCabe: Okay, well I guess I can handwrite you something.

Mayor Newlands: Okay. You have all the components and you have the prices of each one?

Vice Mayor Betts: It's a waste meeting.

Mayor Newlands: Yes, it is a wasted meeting, because that's too much money to just blanketly go...

Vice Mayor Betts: To say go with it. To not know what you're doing.

Mayor Newlands: Do you know what kind of leeway we can get with Heather on this stuff?

Win Abbott: All I can say is that what we have is a telephone interview appointment and our firm commitment date is February 15th for the application, so I imagine that we can put it off for a few days until we have our Council Meeting and have all these facts together for the Council Meeting.

Mayor Newlands: Yes, because we went through this last year with her and she put us to the bottom of the list, or took us off the list because we were not ready.

Win Abbott: I understand.

Councilman Booros: Can we recess this meeting and reconvene it in less than seven days?

Councilman West: Yes, you can do that.

Mayor Newlands: They've done that with one of your other meetings. Yes, we can do that. We can reconvene it. I'm fine with doing that, recess it, reconvene it. I just want to

do the Executive Session though.

Win Abbott: To be sure, when the Water Committee met, one unexpected turn that the whole cost estimate thing took, was the request that we upgrade all of the pumps, in order to increase the amount of supply through pumping capacity, as opposed to simply doing Well No. 5. That was the extra layer of work that was necessary for cost estimating.

Mayor Newlands: See that's going to need some extra discussion, because I need to talk about... Find out what you want to do. We're doing 400, 500 gallons a minute, out of each well right now and they're requesting to go to 1,500 gallons a minute?

Win Abbott: I would have to review the minutes from that meeting, but...

Mayor Newlands: Actually I would like... Are the minutes typed yet?

Win Abbott: No.

Mayor Newlands: I would like to see the minutes beforehand and at least get that data out of that meeting, so that Council can have that, because quite frankly, upgrading these pumps to 1,500 gallons, I don't know where you're going to put it; you'll pump water out in two hours and you'll have the tanks filled and you've spent how many thousands of dollars upgrading these pumps and we don't have any place to put the water.

Win Abbott: I understand your question, Mr. Mayor, that was not my proposition. That was the Water Committee.

Mayor Newlands: It's a math issue, too, you've got to figure out how fast you're going to pump water. Where are you going to put it all? You can have more capacity than you have places to put it. Let me talk to Seth quickly and what did you say, recess the meeting?

Councilman West: Yes.

Mayor Newlands: Okay.

Councilman West: Just like you do in a court system.

Mayor Newlands: And you can do it until...

Councilman West: You can do it until Monday night, Tuesday night.

Mayor Newlands: Tuesday we have Personnel Committee meeting, but we can do it until Monday night. That's fine.

Councilman West: You can do it at 6:00 p.m., because we got that ruling from Seth before.

Councilman Booros: You have to do it at 6:00. Well I can't make it here at 6:00.

Mayor Newlands: Why do we have to do it at 6:00?

Councilman West: I've got a meeting at 7:00.

Mayor Newlands: Where's your meeting?

Councilman West: Lewes.

Mayor Newlands: If you do it at 6:00, you're not going to be at Lewes at 7:00; I can tell you that right now. Give me a second. He's not answering. Let's just recess the meeting after we do Executive Session. We can always just cancel it, if we have to, if he rules that we can't do it, so let's just recess the meeting after Executive Session. I'll talk to him tomorrow.

Councilman West: Because in the court system, we got that ruling. What did he tell us that time when we did it for the Water Committee? We recessed that meeting until such and such time, just like you would do it at the end of the day in the Court. I recessed this hearing until 9:00 a.m. tomorrow morning, so whatever time you set, and whatever day...

Mayor Newlands: But that was a...

Councilman West: But you can do it for a couple of days.

Mayor Newlands: Right. No, I understand that. I understand. I just want to make sure that we're covered, but everybody in the room here understands it and knows it, so that's fine; so then we'll do that and we'll recess it until Monday. Robin's got to find out. I hope he's going downstairs to find out if the room is available.

Steve McCabe: Do you want a cost estimate and a breakdown from me for the State Revolving Fund loan before Monday?

Mayor Newlands: I want to know the difference between \$880,000 and \$1.4 million; what each item is for and how much each item is.

Steve McCabe: Okay.

Mayor Newlands: Can you see if the room's open for Monday night at 6:30 p.m.

Robin Davis: Do you need the big room, you think; do you need the total?

Mayor Newlands: Half is fine.

Robin Davis: Okay.

Mayor Newlands: Thank you. 6:30 Monday night.

Councilman West: If you take this to a referendum with the water tower on it and with that inter-connection, it's not going to pass and it's a waste of time.

Mayor Newlands: Right.

Vice Mayor Betts: It is.

Councilman Booros: But the system needs repair.

Councilman West: The system needs repair.

Vice Mayor Betts: It does.

Councilman West: And some of the things have to do with the Office of Drinking Water, they're requirements of how much we're supposed to be able to produce at any given time.

Vice Mayor Betts: That has nothing to do with the tax.

Councilman Booros: No.

Mayor Newlands: Mr. McCabe, I would also like an explanation, also, if you can, next week about these extra capacity pumps they want to put on, because somebody recommended at the Water Committee meeting to increase the capacity of the pumps, from I guess 500 gallons a minute, to whatever... Wasn't that the recommendation?

Steve McCabe: No. I can't speak for the Water Committee, because their recommendation is what they recommended, but what was presented to the Water Committee was exactly what the Town Manager had previously said. There were two State Revolving Fund pre-applications that were submitted. The Water Committee elected to not pursue one and to go with the other one, modified with what they asked, and basically what they asked for was to take out the inter-connectivity and add in the Shipbuilder's Village repair, the water tower repair. The numbers that we're working with are estimates for a loan application, so there has been no design, there have been no effort spent looking at redoing the well pumps that we already have; that's not really been discussed in detail. I think that was just a comment that was made by one of the Committee members present, but in this loan application, what is being suggested is that we apply for an State Revolving Fund loan for testing and permitting and upgrading the well at Well No. 5 and the Wagamon's West Shores inter-connection of the dead-end main, a new control system to run the system, and the water tower repair at Wagamon's West Shores.

Mayor Newlands: There's no water tower at Wagamon's West Shores.

Steve McCabe: I'm sorry. Shipbuilder's Village, the one that was damaged. And there are many more steps that have to take place, but it was my understanding that the Water Committee reviewed the State Revolving Fund pre-applications, they decided what they

want to go into the full State Revolving Fund application and it was my understanding that this meeting was the Town Council's endorsement or non-endorsement of the Water Committee's recommendation.

Mayor Newlands: It was, as long as we could see all the details.

Councilman Booros: If the application for \$880,000, I'm ready to vote right now.

Vice Mayor Betts: Yes.

Councilman Booros: But now, all of a sudden, it's gone up to \$1.4 million?

Steve McCabe: Yes, the pre-application that went into State Revolving Fund, was not for \$880,000. What you have before here is an exhibit that was from the report that I had made prior to the State Revolving Fund pre-applications that were submitted. The actual State Revolving Fund pre-application that was submitted, that had this alternative in it, was for...

Mayor Newlands: Do you have that Win?

Win Abbott: I do.

Mayor Newlands: Alright. This is not going to equal...

Win Abbott: Construction, engineering, contingency, estimated. This was the application for these things, which included the inter-connection, so I think you have the inter-connection component here and you could subtract it.

Mayor Newlands: A quarter of a million dollars, yes.

Win Abbott: So take that off, plus approximately 15%.

Mayor Newlands: Can you go downstairs and make 10 copies of these two pages, please?

Robin Davis: I can do it in the Library, but they're going to charge us.

Mayor Newlands: Tell them we'll pay them. Both, separately is fine.

Steve McCabe: Alright, I have the numbers. The pre-application one was for \$1,687,000 and that was for the water tower and that was the pre-application that the Water Committee recommended that they did not want to pursue. The pre-application number two that was submitted by the Town, was for \$1,725,000 and that was for Well No. 5 replacement, the main extensions to the Wagamon's West Shores to Federal, the updated control system and the inter-connection, such that a private utility could come to us. The Water Committee asked me, last week to take out the inter-connection and to add in the water tower repair at Shipbuilder's Village. The previous pre-application was for \$1,725,000 and the numbers I have so far, that are still coming in, I don't have my water tower repair numbers yet. It's right around \$1.4 million.

Mayor Newlands: So we're estimating \$50,000 for the water tower repair.

Steve McCabe: And you have to factor in your administrative fees and your other fees.

Mayor Newlands: It doesn't really matter, but we have \$250,000 only for the inter-connection. I thought somewhere along the line, Tidewater said it was a million and change, from those meetings; not that it matters, because we're taking it out.

Steve McCabe: That's running it from where they are to where you are.

Mayor Newlands: Okay.

Councilman West: You're talking nine miles vs. two miles.

Steve McCabe: Right.

Mayor Newlands: I'm just wondering how they got \$250,000, when Tidewater said \$1 million and change.

Councilman Booros: The quarter million is for the valve, here in town.

Mayor Newlands: That's just for the connection.

Councilman Booros: It doesn't include the \$1.5 million to run the pipe.

Mayor Newlands: Oh, okay, so I'm... thank you.

Councilman Booros: That's why they removed the quarter million off of it. It's just for the valve and the little meter that we're going to use to spend the extra \$1.5 million to...

Mayor Newlands: So we wouldn't have included the full amount anyway, with that?

Councilman Booros: Because we thought they were bringing the water to us.

Mayor Newlands: Okay. Okay.

Councilman Booros: And just for the sake of argument, since it's come up, when we had the Tidewater presentation about bringing the water to us from out there near Hudson River and Shipbuilder's Village and from where we would connect there, to bring it to the town all along Cave Neck Road, is Artesian's licensed area. We would be going through Artesian's licensed area, so we're not selling water to anywhere along that pipeline, because Artesian has the license for that area.

Mayor Newlands: Oh, I didn't know they had the license already.

Councilman Booros: Oh yes. They just didn't tell us.

Mayor Newlands: Artesian didn't tell us either.

Councilman Booros: Artesian sat in the back of the room with his room shut. He didn't say a word.

Mayor Newlands: When they came, they didn't tell us that they had the whole... because they generally...

Councilman Booros: Because we didn't talk about the south side of town, Tidewater talked about the south side of town and they told us that if we paid to run that pipe, we could sell it to people in neighborhoods that were built along that area. They're licensed already to service that area.

Mayor Newlands: I'm just surprised they didn't tell us.

Councilman Booros: That's why Tidewater wanted you to sell water along that area. We would sell the water along that area.

Mayor Newlands: Okay.

Councilman Booros: Because they don't have the license to sell water along that area.

Mayor Newlands: What did it cost us?

Robin Davis: They charge more than we do.

Mayor Newlands: Ha, ha, ha.

Robin Davis: Five bucks.

Mayor Newlands: Really? Well they give us the room for free, it's the least we could spend. 50¢ a page.

Robin Davis: Actually it's 25¢ a page. I got 10 of them, because of the other.

Mayor Newlands: Oh, okay, thank you. Alright for everybody that has it, page 10 and 11, on page 10 actually, the list in the middle there, item number one, matches this little chart we have here. Okay? So, it's the information on the next page that really increases it from \$880,000 out to the \$1.7 million, but you reduce from \$1.7 million, the \$250,000 for the inter-connection, so we're at \$1.5-ish million. Win, where in this math here is the \$880,000? Is it part of construction, or is it... I just want to get my brain wrapped around your construction engineering, other. Where's the \$880,000; I'm assuming it's got to be on the construction end.

Win Abbott: Okay, if you'll look on page 10, where it says Project Description, second paragraph, item one it says either Well No. 5 will be rehabilitated, or another well also on the south side of the Broadkill River will be established. The Well would be accompanied by on-site treatment. The budget for each component is a) testing and permitting \$50,000. That's the first item that you see under Alternative A, increase in supply on the exhibit. b) Well pump upgrades for new and existing wells \$250,000. That's the second item you see under Alternative A, increase in supply well pump

upgrades, from your exhibit. c) Well drilling \$160,000. That's the third item under Alternative A, increase in supply. Do you see how this follows along?

Mayor Newlands: Right.

Win Abbott: Okay. It says c) again, where it should be d) Well head, pumps and piping \$120,000. If you'll look over, that is the fourth item that is listed under Alternative A, increase in supply. And then it follows d) which should be e) Treatment building upgrades \$250,000, follows Treatment building upgrades in Alternative A, increase in supply. Then finally, upgraded control system \$50,000, that's the last item under Alternative A, increase in supply.

Mayor Newlands: And that's \$880,000?

Win Abbott: That's \$880,000.

Mayor Newlands: So the \$880,000 belongs as part of the \$1.38 million?

Councilman Booros: Yeah.

Win Abbott: That is correct.

Councilman Booros: On the \$880,000, why didn't we add the \$250,000 to the \$880,000 for the connection from Wagamon's over to Federal Street? That's down below on page 10 at the very bottom, the 10" 2,300 linear for the connection between the town...

Win Abbott: The \$880,000, plus the cost of \$250,000 for inter-connectivity is equal to \$1.380 million.

Councilman Booros: I'm not talking about inter-connectivity, I'm talking about the loop from Wagamon's over to Chestnut Street.

Win Abbott: Okay.

Councilman Booros: That had nothing to do with connectivity to anybody. It had to do with looping the system where it dead ends at those areas.

Win Abbott: Okay.

Councilman Booros: That's now at the bottom of page 10. That's the \$250,000 that's missing from that \$880,000.

Win Abbott: Correct.

Mayor Newlands: It's on top of the \$880,000.

Councilman Booros: It's on top of the \$880,000, it's not included in this list that was left with us today. So there's \$250,000 of it, right there.

Mayor Newlands: Right. That's \$1.3 million. Okay. I just wanted to... Now I understand.

Councilman Booros: And that was recommended that we continue the loop from Wagamon's over to Chestnut Street.

Win Abbott: Correct.

Councilman Booros: As part of the improvements to the system. That makes sense to me now.

Mayor Newlands: Okay. Okay. Now I understand. I've got them right now.

Win Abbott: Okay, so the engineering component, \$207,000; this is in the same range of percentage costs as was recommended and verified by the Office of Drinking Water. The same with the contingency fund. Which comes out with a total of \$1.725 million.

Mayor Newlands: Alright, so we're \$1.3 million with all of the construction, that's detailed in these exhibits and then we have engineering, other, which is still going to get us to \$1.6 or \$1.7 million. Okay. So even though we took out the \$250,000 for the inter-connect pipes between the vendors, we put in the Wagamon's for \$250,000; so that's a wash.

Councilman Booros: I don't think it's a wash, because they were both included in the \$1.725 million. On this application, they're both included, because it's listed on page 10.

Mayor Newlands: Oh, I see, yes. Okay.

Councilman Booros: So it would be the \$1.725 million, less the \$250,000 for not doing the inner-connectivity thing. But we picked up the Shipbuilder's for \$250,000.

Mayor Newlands: No, the math still doesn't work, John, because you do \$880,000, plus \$250,000, that's still \$1.3 million.

Win Abbott: \$1.130 million.

Mayor Newlands: Okay, sorry. Okay. Alright so we got off the \$1.38 million, we take the \$250,000 off of that.

Councilman Booros: And that is the loop that ensures that if there's a problem on one side of town, the other side of town still has water.

Mayor Newlands: Yes.

Councilman Booros: So that's a very important component.

Mayor Newlands: Yes. Okay. I think we've got it all put together now.

Win Abbott: That's great.

Mayor Newlands: Is everybody comfortable with what we're doing?

Councilman West: Yes.

Councilman Booros: Yes.

Mayor Newlands: Good. Any discussion, any questions?

Councilman Booros: Is the water tower off the table?

Councilman West: Yes.

Mayor Newlands: For now, yes. For this cycle... This cycle is done.

Councilman Booros: For this cycle.

Mayor Newlands: This is it for the cycle. Yes, the water tower is off the table.

Councilman Booros: Then I have no questions.

Vice Mayor Betts: How much is it?

Mayor Newlands: It's around \$1.6 million.

Councilman Lester: So the engineering is firm, or that's just an estimate?

Win Abbott: That's just an estimate and I validated this percentage number with the Office of Drinking Water and it falls within the range of what they expect it to be. It's important for everyone to understand that all these numbers are estimates and that the process that this goes through is just like a home construction loan, where you're given a loan limit, basically, for value and then you take draws until the project is completed. The dollar value could come in significantly lower, or very close to the same.

Mayor Newlands: And engineering, like you were saying, explain it further, that's a percentage of the construction?

Win Abbott: 12% to 15%.

Mayor Newlands: 12% to 15%. Okay.

Councilman Lester: Is that negotiable?

Councilman West: Now, how much money are we proposing to borrow?

Mayor Newlands: You're just taking the \$250,000 off the \$1.7 million? Robin's got \$1.475 million.

Councilman Lester: And add \$50,000 to that.

Mayor Newlands: Okay, so \$1.525 million.

Win Abbott: So there's \$1.525 million... Adding the totals of all the construction components together and then doing the math for 15% engineering fee for the \$1.525 million project, comes to \$1.754 million. Add together that with the contingency of \$138,000...

Mayor Newlands: Now you're double-adding.

Councilman Lester: Isn't that already in the \$1.725 million?

Mayor Newlands: Yes, it's already there.

Vice Mayor Betts: Yes.

Mayor Newlands: All Robin did was take the \$250,000 off the \$1.725 million and then we added back \$50,000. He took it off the total, he didn't break it down.

Win Abbott: Right.

Mayor Newlands: And that's fine.

Win Abbott: Very well.

Councilman Lester: Then our engineering costs should drop by some percentage of the \$250,000 and...

Mayor Newlands: Correct. So we're at \$1.525 million. \$1,525,000?

Win Abbott: Yes, Sir.

Mayor Newlands: Do we know the forgiveness of this? Is it a third, still?

Win Abbott: It's not known.

Mayor Newlands: Okay, so there's a possible... Last time we were given 35% forgiveness on what we were asking for, so we don't know if that's still available. I think Heather's indicating in her email that there are subsidies available this year. We don't know what they will be, so this is a max number that we'll get hit with. So this is a max number we'll be borrowing. It could be a third less.

Vice Mayor Betts: At 1.5%.

Mayor Newlands: Yes. 1.5% for 30 years. These are 30 year loans, right?

Win Abbott: I believe they are 30 year loans.

Mayor Newlands: I know last year it was a 30 year loan. Does somebody have a calculator to do the mortgage math, please?

Councilman Booros: Yes.

Mayor Newlands: Thank you.

Councilman Booros: Was it \$1.525 million?

Mayor Newlands: Yes. Thirty years at 1.5%.

Councilman Booros: \$5,263.08 a month and that's without any forgiveness, unless I'm doing it wrong. Thirty years, \$1.525 million, 1.5% interest for 30 years, \$5,263.08.

Mayor Newlands: Under \$70,000 a year.

Councilman Booros: That's my amortization schedule.

Mayor Newlands: What's the annual?

Councilman Booros: It doesn't do that.

Councilman West: Multiply times twelve.

Councilman Booros: This isn't a calculator. It's an amortization schedule.

Mayor Newlands: It's probably \$60,000, \$65,000 a year. I just want to get a larger number, so it's probably \$65,000 a year.

Councilman Booros: \$63,156.

Mayor Newlands: Okay. Any further questions, comments, motions?

Councilman West: Mr. Mayor, I'll make a motion that we let Win proceed with this application for \$1.525 million.

Mayor Newlands: And do you want to just, please, read what's in Alternative A? Don't read the prices, just read the items, please.

Councilman West: Per Alternative A, testing and permitting, well pump upgrades, well drilling, well heads, pumps and piping, treatment building upgrades, updated control system, Shipbuilder's tower foundation and the connectivity from Chestnut Street to Wagamon's West Shores.

Mayor Newlands: Good.

Councilman Booros: I second that motion.

Mayor Newlands: Okay we have a motion and a second to do Alternative A, which is

testing and permitting, well pump upgrades, well drilling, well heads, pumps and piping, treatment building upgrades, updated control system, Shipbuilder's tower foundation and the connectivity from Chestnut Street to Wagamon's West Shores. We'll do a roll call.

Councilman Booros: Excuse me. Does this need to be amended to include a Resolution or a Referendum... move forward with the Resolution or the Referendum, or just for the application?

Win Abbott: Councilman Booros, I think this will be fine. Then I can speak with the Office of Drinking Water saying, yes indeed, this Council is ready to proceed and we will have a Resolution on the agenda for the February 4th meeting.

Councilman Booros: So then why don't we add that an agenda item be placed for Resolution on the February 4th meeting?

Councilman West: And I'll make the amendment that this Resolution be brought before the Council at the February 4th meeting to be brought to a Referendum.

Councilman Booros: And I'll second that.

Mayor Newlands: Okay, we have a motion and a second. Roll call please.

Councilman Booros	Yes
Councilman West	Yes
Vice Mayor Betts	Yes
Councilman Lester	Yes
Mayor Newlands	Yes

Mayor Newlands: Motion is carried. Thank you all.

Win Abbott: Mr. Mayor, for the benefit of the Council and public, there is a two-step Resolution process. First there's a Resolution to hold a Referendum and then a Public Hearing and then a second Resolution to set the date of the Referendum, at a future Council Meeting.

Mayor Newlands: Great, thank you.

8. Executive Session

a. Litigation – re: settlement of an insurance claim

Mayor Newlands: Can we get a motion to go into Executive Session?

Councilman West: Mr. Mayor, I make a motion we go into Executive Session.

Vice Mayor Betts: I'll second.

Mayor Newlands: We have a motion and second to go into Executive Session. All in favor say aye. Opposed. Motion is carried.

Councilman West: Mr. Mayor, I make a motion that we come out of Executive Session.

Vice Mayor Betts: Second.

Mayor Newlands: We have a motion and a second to come out of Executive Session. All in favor say aye. Opposed. Motion is carried.

Councilman West: Mr. Mayor, I make a motion that we approve the settlement agreement as discussed in Executive Session.

Councilman Lester: I'll second that.

Mayor Newlands: We have a motion and a second to approve the settlement agreement as discussed in Executive Session. We'll take a roll call:

Councilman Lester	Yes
Councilman Booros	Yes

Councilman West	Yes
Vice Mayor Betts	Yes
Mayor Newlands	Yes

Mayor Newlands: Motion is carried.

9. Adjournment

Councilman Booros: Mr. Mayor, I make a motion that we adjourn at 7:39 p.m.

Councilman West: I second that.

Mayor Newlands: We have a motion and a second to adjourn. All in favor say aye. Opposed.

Motion is carried. Thank you all.