

SPECIAL MEETING
WATER PROJECTS AND FUNDING
AUGUST 27, 2018
FIRE TERRITORY MEETING ROOM
102 E. MAIN STREET

Mayor Shane Evans opened the meeting and led in the Pledge of Allegiance to the Flag.

Roll call: Carolyn Pearson, Dick Traeger, Dale Seward and Mike Shockley were present. Brian Garrison was absent.

Mayor Evans introduced Matt Spidel of BF&S presented a break-down of the proposed projects and their time lines. Phase I is anticipated construction beginning in 2019. Phase 1 includes well#7 connection, well#7 building controls, hook well 3 to 5, Carrollton Road ground storage and aeration for sulfides. Phase II would have construction in 2020. Phase II would cover maintenance on Hilltop tank, maintenance on Deer Creek tank, maintenance on old Armory Road tank and Prince William loop main. Phase I projected cost with engineering land and contingency would be \$6,560,000. Phase II would be \$7,760,000. Matt stated there is a 5-day comment and question period. Questions could be submitted and BF&S will respond.

Carolyn Pearson stated she did not see this was to be a hearing in her agenda. Mayor Evans stated it was an oversight in the agenda preparation but he did include the notice of public hearing in the packet.

John Julien, Umbaugh, stated there is a limited amount of grants that could apply to phase II. OCRA has a \$600,000 at certain times of the year that can be applied for and awarded. It is a precise set of rules including when you can incur costs. There is also a federal program through US Department of Rural Development. It is a much slower process than OCRA and we should be able to use on the second stage. We could be looking at 1 to 2 million in grant money.

Ice Miller explained the borrowing process. An ordinance would be drafted to cover borrowing from 3 different options: bond, SRF and open market.

SRF – state loans to local communities and there are two programs. The traditional is a subsidized program with a fixed rate for 20 years. The second is a pooling process. There are unlimited funds to lend, SRF borrows and passes the cost to us. Rated AAA. It would be for 35 years and at 4%. John Julien recommends the pool process since we did not qualify for the traditional program.

In order to qualify for the pool program, the legal process must be done by October. The ordinance process would begin in September and finish in October.

Water rates will become higher due to this process and could see an increase by December billing but more likely in the January billing of 2019.

When Matt Spidel finished, public questions were asked.

Denny Myers stated he would still like for the city to contact the specialists at Purdue University in order to allow them to look into our situation and make suggestions. Cost could be around \$150,000.

Jeff Watson stated he had seen where several surrounding communities had taken advantage of grants and this would reduce the impact on utility users.

Ice Miller stated they had worked on Royal Center for 3 years to secure a grant. Consider how much construction had gone up in that 3 years.

Gayle Conner asked if the new rates would be available by the next council meeting and Mr. Julien stated it was not possible.

Sharon Milburn stated she feels these projects should be done in stages as we can afford or secure the funds. She is a single mother with 2 daughters and if this happens as proposed, she would probably need to move from the area.

Jayne Abbott explained her concern if we were unable to pay back the loan and also agreed the projects should be done in stages.

John Gingrich stated he had lives here for 51 years but will be forced to leave Delphi if the bill goes up 140%.

John Brand stated water mains life span is around 50 years. The life span of storage tanks is 50 to 75 years and wells are 35 to 50 years. Completing the proposed projects would put the city in a good place.

Anita Werling questioned what would happen if we don't move forward and asked if we had done the necessary maintenance in the past, would ~~are~~ ^{our} bills be higher? John Brand, ^{stated} if we don't move forward we could be boiling water and ~~are~~ ^{our} bills would have been higher had we done the work on a regular basis.

Dale Seward stated he is concerned all the information is not on the table. We need to look at grants before not afterwards. We need think about doing this in stages so we don't place a burden on the residents. All information must be on the table before action is taken. John Julien of Umbaugh explained grants could still be applied for but we needed Preliminary Engineering for idea of scope of project to apply for.

Mayor Evans stated this process will be a living document and can be amended.

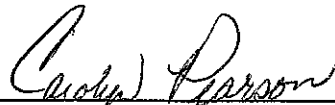
The hearing closed at 7:53 PM.

John Brand of BF&S explained an alternative project procurement called guaranteed savings contract. Earlier collaboration with the contractor increases the likelihood for enhanced value. The traditional design-bid-build process always had change orders bringing the final cost up. The GSC eliminates change orders.

Meeting closed at 8:08 PM



Mayor Shane Evans



Carolyn Pearson

Richard Traeger

Richard Traeger

Dale Seward

Dale Seward

Mike Stockley

Mike Stockley