

A SPECIAL MEETING OF THE SEWER BOARD OF THE CIVIL CITY OF NEW ALBANY, INDIANA, WILL BE HELD IN THE THIRD FLOOR ASSEMBLY ROOM OF THE CITY-COUNTY BUILDING ON THURSDAY, FEBRUARY 18, 2010 AT 4:00 p.m.

Present: Mr. Harbison, Mr. Brinkworth, Mr. Wilkinson, Mr. Fifer, Mrs. Benedetti and Ms. Wisman

Mr. Harbison called the meeting to order at 4:00 p.m.

PLEDGE OF ALLEGIANCE:

Mr. Harbison asked Mr. John Skomp to address the board.

Mr. Skomp presented the board with the alternative rate scenario and reviewed the history of his negotiations with SRF and explained that it wasn't until 10:00 this morning that he could not reveal the deal that had been made with SRF. He stated that if this proposal is not approved the former 70% is the only alternative. He reviewed the Alternative Rate Scenario which is on file with the City Clerk's office and explained that with the deal that is being presented the city would need to pass a 36% increase now and then in 2012 they would need to approve an additional 19%. He stated that SRF is going to loan the City the money for the capital improvements scheduled for 2010 and 2011; even though the city does not qualify for loans and they will require that the payments be _____ for two years rather than three and they want the City to pay off the BAN notes by March 1. He detailed the incremental increases that would be required if they chose to accept this deal with SRF. He stated that they are going to release money from the reserve of \$1.9M to pay that off, but they are requiring that the city shore up its surety rating by creating a reserve fund.

Mr. Brinkworth applauded his efforts with SRF.

Mr. Harbison stated that the best part is that we can move forward with the projects to improve the sewers which they need to do immediately.

Mr. Brinkworth stated that if they can do this immediately it should get the off the EPA's hit list. He asked about adding an amount for a CPI increase after 2012.

Mr. Skomp stated that something like this is almost too good to be true and he kept waiting for the catch but as they kept working through it he realized that they can get the EPA off their back, get projects done and does a 37% rate increase immediately instead of the 70%. He explained that they do have to pass both increases to make this work because they will be at risk and will not accept one increase with talks of another.

Mr. Brinkworth asked about adding an amount for a CPI increase after 2012.

Mr. Skomp stated that he thinks that is fine.

Mr. Wilkinson asked if once the bonding money is in place for the projects they could do them in the sequence that they saw fit at that point and time.

Mr. Skomp stated that since they are going through SRF there will need to be some engineering done and approve it but he hasn't heard that they have a sequence of projects in mind.

Mr. Brinkworth stated that they have an amended cap agreement with EPA right now and it gives a time line for the projects and asked if that would still be in play.

Mr. Skomp stated that he thinks that would weigh pretty heavily with the state.

Mr. Fifer reviewed the proposed increase for clarification.

Mr. Skomp informed the board that they have before them a contract to give authority to make the filings to the bond companies.

Mr. Skomp stated that to show good faith they need the City Council to pass the first reading tonight so that they can get it set for a public hearing.

Mrs. Benedetti asked if there are still discussions to have EPA to come down and meet with the council and the board.

Mr. Harbison stated that it was his understanding that they needed to address it first before the council would be willing to have a work session with the.

Mr. Brinkworth stated that they have discussed having the EPA come down but this goes back to last year when they were working on the amended caps and right now it is on the back burner. He stated that they did suggest having a work session with the council prior to tonight but they were told not to do it.

Mr. Skomp stated that they are actually in litigation with them at this point so he isn't sure they would come down for a meeting.

Mr. Fifer stated that they probably won't be able to get them to come down and meet face to face until they have a blueprint as to where they are headed and approvable or close to approvable document.

Mr. Wilkinson moved to approve sending this study as an amendment to the prior Resolution No. 2010 – 1 and move the CPI of 3% starting as of January 1, 2013, Mr. Brinkworth moved to approve, all voted in favor.

Mr. Fifer stated that they need to authorize Crowe Horwath to move forward on the reports to the other bond holders to determine compliance on the loan _____ on the existing debt (please ask Greg to go over this statement. I couldn't flesh it out)

Mr. Brinkworth moved to approve, Mr. Wilkinson second, all voted in favor.

ADJOURN:

There being no further business before the board, the meeting adjourned at 4:50 p.m.

Roger Harbison, President

Marcey Wisman, City Clerk