

**RICHMOND WATER AND SEWER
COMMISSION MEETING
December 27, 2016 MINUTES**

Members Present: Bard Hill, Chair; David Sander, Vice Chair; Lincoln Bressor; Fran Huntoon; Bob Reap

Members Absent: None

Others Present: Geoffrey Urbanik, Town Manager; Kendall Chamberlin, Water Resources; Maureen Kangley; and the meeting was not televised.

Mr. Hill called the meeting to order at 6:30 pm.

Welcome and Public Comment

Mr. Hill asked if there was any public comment, but there was none.

Discussion on Interlocal Agreement for Utility Service to Riverview Commons Mobile Home Park

Mr. Hill explained the need for an interlocal agreement. Recent discussions with USDA had identified key information and deadlines for finalizing the town's application for federal funding. USDA was convinced that interest rates were going to rise on January 1st, automatically, and today's 1.875% interest rate was the lowest that their rural development loans had ever been. If the Federal Reserve raised rates as expected in the coming year, there would be two rate adjustments for USDA in the first two quarters of the year – leading to a possible interest rate in April of over 2.5%. The difference in rates from now to then would mean the town would have to qualify for grants of 30% or higher to obtain the same financial situation as a 100% loan today. USDA has told the town that it is unlikely their application would qualify for grants that high.

There was discussion on the need to finalize the application now. Mr. Hill urged action because the users have spent funds to get to this point and since this does not bind the town to actually take the funds and do the project, it is important to the financial plan if the project moves forward.

Mr. Reap was in favor of this interlocal agreement, which he and Mr. Hill had developed. The interest rates were favorable, and following submission of the application the town would have time to explore options and talk about the financial plan for the project.

Mr. Sander believe this did not commit the town to actually completing the project but allowed the planning and discussion to move forward to the next steps.

Ms. Huntoon was not in favor of approving the interlocal agreement, she did not understand what the obligations were in the document. Mr. Hill said this was to remain unsigned, and we did not need the approval of the mobile home park to take this action. Therefore, it was not legally binding on either party, but approving it tonight would outline to USDA the town's intentions on the project.

Mr. Bressor questioned why no one was signing this document. Mr. Hill reiterated that this was a submission requirement for the application only, and did not obligate the town or the park to complete the project. There was additional discussion on this, and how it fit into the timing of the USDA application.

1 Mr. Hill said that the loan offer from USDA would have conditions regarding time to start or complete
2 the project, which were not known at this time, and a separate connection agreement with the park
3 would be needed in the future to spell out financial terms.
4

5 Maureen Kangley said that this has been going on for a long time, and residents of the mobile home
6 park didn't own the ground and were concerned about lot rent and additional charges.
7

8 Some changes to the document were discussed and marked up, specifically on the proposed senior
9 housing and economic development items. Following these edits, a motion was made.
10

11 Mr. Sander offered a motion to approve that we submit this non-legally binding interlocal agreement,
12 as modified. Mr. Bressor seconded the motion, and the motion carried 5-0.
13

14 **Adjourn**

15
16 Mr. Bressor offered a motion to adjourn at 7:25 pm and was seconded by Ms. Huntoon. So voted.

DRAFT