

## SEWER WORKSHOP MEETING MINUTES

WEDNESDAY, JANUARY 23, 2013 @ 1:00PM  
MUNICIPAL BUILDING, 301 N. STAGECOACH RD.

ABSENT: SUSAN TERRY

PRESENT: DANNEY MCCORT, STEPHEN PETERS, BRYAN FRITCH, SHANNON ASHE, HANS FIELDS

OTHERS: DIANNA BARKER, SEE ATTACHED LIST OF SPEAKERS

MAYOR MCCORT CALLED THE MEETING TO ORDER AT 1:12PM.

RICK KASBERG – KASBERG, PATRICK, & ASSOC: GAVE BRIEF HISTORY OF SEWER PROCESS THUS FAR. 2010 VILLAGE OF SALADO (VOS) COMMISSIONED KPA TO DO A FEASIBILITY STUDY FOR WASTEWATER. 4 OPTIONS WERE PRESENTED: 1) CONVEY WASTEWATER NORTH TO PLANNED TREATMT PLANT IN BELTON, 2) CONVEY WASTEWATER SOUTH TO JARRELL, 3) CONVEY TO PLANNED HIGHLANDS DEVELOPMENT OFF OF ROYAL STREET, 4) VOS OWNE ITS OWN PLANT. CONCLUDED OPTION 3 WAS MOST VIABLE. '11-2012 HIGHLANDS DEVELOPER TERRY WEAVER ASKED VOS IF INTERESTED IN COST SHARING PUTTING A PLANT TOGETHER. KPA DID PRELIM DESIGN ON OPTION 3 & RE-ESTABLISHED SERVICE AREAS.

KPA PRESENTED MAP SHOWING PROPOSED PHASES OF PROJECT.

AREA 1A CAN GENERATE 64 THOUSAND GALLONS PER DAY (G.P.D.)

AREA 1B ADDS ANOTHER 155 THOUSAND D G.P.D. = 210 THOUSAND G.P.D. TOO MUCH FOR HIGHLANDS DEVE FACILITY.

ALL AREAS = 491 THOUSAND G.P.D. RESULTING COST FOR ALL INFASTRUCTURE = 4.3 MILLION \$.

1A = \$9/GAL AT 64 THOUSAND G.P.D.

COST ESTIMATE WOULD REQUIRE VOS TO ADOPT MAIN STREET. INFASTRUCTURE RUNS W/I ROW OF MAIN STREET OR DOWN CENTER OF MAIN. COST ESTIMATE INCLUDES REPAIRING MAIN. TXDOT WILL REQUIRE VOS TO TAKE OVER MAIN STREET. TXDOT STATES VOS HAS TO TAKE ALL OF MAIN (BRIDGES TOO) OR NONE.

TERRY WEAVER W/SALADO UTILITIES – OFFERING 85,000 GPD AT HIGHLANDS DEVELOPMENT AT APPROX \$17.58/GAL. HIGHLANDS INTENDS TO HAVE THEIR INFASTRUCTURE IN PLACE EARLY 2014. HIGHLANDS WANTS ONE-TIME FEE OF \$1,495,000 FROM VOS TO SEND 85,000 GPD.

STEPHEN PETERS - TOTAL 5.5 MILLION \$ FOR SYSTEM; \$25,000 TREATMENT COST PER MONTH; COST FOR PERSON TO MONITOR/REPAIR, APPROX \$72,000/YR; = \$375,000/YR ESTIMATED VOS OPERATING COST. AREA 1A PROBABLY HAS ABOUT 100 CUSTOMERS, THAT MEANS AN ESTIMATED \$3750.00 PER CUSTOMER PER YR. ONLY SOURCE OF MONEY FOR PROJECT, BONDS.

TERRY CHENOWETH W/USDA RURAL DEVELOPMENT - USDA OFFERS ASSIST TO CITIES FOR SEWERS. DIRECT LOANS UP TO 40 YRS AT FIXED RATE, 3.25% SUBJECT TO CHANGE ON QRTRLY BASIS. DUE TO MEDIUM HOUSEHOLD INCOME, VOS WOULD PAY MARKET RATE. IF MED HOUSEHOLD INCOME IS OVER \$40,853 LOAN WOULD BE 100%, NO GRANT CONSIDERATION. ONCE USDA GETS NEEDED INFO, W/I 45 DAYS THEY DETERMINE IF VOS QUALIFIES. THEN MORE INFO NEEDED. APPROX TIME-LINE FROM START TO FINISH, AT LEAST 2 YRS (IF LUCKY). MUST GO OUT FOR BIDS ON CONSTRUCTION.

CHRIS LANE W/ SAMCO CAPITAL MARKETS - IF ONLY HAVE 100 CUSTOMERS, LOAN & OPERATING COST WOULD REQUIRE A \$.25 AD VALOREM TAX. CANNOT DO THIS PROJECT WITH 100 CUSTOMERS. ENTIRE CITY MUST PARTICIPATE TO MAKE THIS WORK. CAN DO CERTIFICATE OF OBLIGATION. BOA CAN VOTE ON C.O.'S BUT CAN BE ROLLED BACK BY CITIZENS. CAN DO REVENUE BOND ISSUE BUT ONLY USERS PAY.  
VOS NEEDS TO CONSIDER MANDATORY HOOKUP, OR NOT.  
CONVERT TO "TYPE A" CITY DUE TO CAP OF AD VALOREM TAX OF \$.25 IN TYPE B.  
SEWER ASSESSMENT TAX IS ANOTHER OPTION.

TYLER JOHNSON – W/COMPASS BANK. INVOLVED IN BOND PLACEMENT PHASE. BANKS WOULD BID ON BONDS.

BONDS – VOTERS VOTE ON ISSUE/REFERENDUM, IS SPECIFIC.  
C.O.'S – PARTICULAR TO TX LAW, DO NOT NEED REFERENDUM. BUT CAN BE ROLLED BACK BY CITIZENS. MUST BE A TYPE A CITY TO DO CO'S.

2:34 - INTERMISSION. ALL LEFT EXCEPT BOA AND TERRY WEAVER AND RICK KASBERG.  
2:40 – RECONVENE

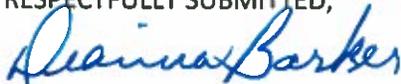
TERRY WEAVER – HIGHLAND DEVELOPMENT IS BUILDING 100,000 GAL PLANT. WHEN VOS DECIDES HOW MUCH CAPACITY WE WANT, WILL SIT DOWN AND TALK NUMBERS.  
IF VOS NEEDS 85,000/GAL, THE ONE TIME FEE OF \$1,495,000.00 WAS SO THEY COULD BEGIN PHASE TWO. WILL SUBMIT NEW \$ NUMBERS ON 64,000.

64,000/GALS = \$8.50, ABOUT \$13.00 ON CAPITAL COSTS, FROM T. WEAVER.

RICK SUGGESTS DOING AN ENVIRONMENTAL ASSESSMENT BEFORE BEGINNING.  
MAIN STREET WOULD NOT BE COMPLETELY SHUT DOWN DURING CONSTRUCTION.  
DIANNA WILL CHECK TO SEE IF IT'S TOO LATE TO PUT BOND ELECTION ON MAY BALLOT.

ADJ @ 3:15

RESPECTFULLY SUBMITTED,



DIANNA BARKER  
VILLAGE SECRETARY