

=*****July 30, 2012*****

The Signal Mountain Town Council held a special agenda meeting on Monday, July 30, 2012 at 10:00 a.m. Those present were:

Mayor, Bill Lusk
Vice Mayor Susan Robertson
Councilmember Annette Allen
Councilmember Dick Gee
Councilmember Bill Wallace

Others present were: Town Manager Honna Rogers
Town Recorder Carol White
See attached list for others present

Public Works Director Loretta Hopper introduced two new Public Works employees, Daniel Givens and Tracy Steele, to the Council. The Council welcomed them warmly.

Town Manager Honna Rogers opened discussions regarding a proposed water rate increase from Tennessee American Water Company. Representatives from TAWC were in attendance and available to answer questions. Councilmember Dick Gee stated that he was frustrated. He felt the Town was at a significant disadvantage when it came to negotiating with TAWC's regarding its proposed rate increase. He suggested that the Town should be cautious moving forward. He said the Town should continue discussions with Walden's Ridge Utility District while at the same time reaching out to TAWC in an attempt to strengthen the Town's working relationship with them.

In response, Kevin Rogers, Manager of Operations for TAWC, stated that he was aware of the Council's concerns, and he stated that Tennessee American desired to work with the Council to get a contract in place.

The Council thanked Mr. Rogers and he and a companion exited the meeting.

Councilmember Gee raised the question of what it would take to get the Town's sewer moratorium lifted now that the Consent Decree with Chattanooga has been finalized. Vice Mayor Robertson suggested that Dick Urban of TDEC be invited to attend an agenda meeting for an update. The Council agreed that would be a good idea. Ms. Rogers was asked to get an update and provide it to the Council.

Utility Director William Sanders expressed the Town's need to replace its water meters town-wide. Ms. Rogers presented the Council with an MTAS study regarding the purchase of an automatic meter reading system. The study does not recommend switching to an automated system at this time due to the size of the town and the cost of the proposed system. The Town currently purchases water meters for around \$40.00

each. Installing an automatic system would cost the town approximately \$200.00 per meter.

The MTAS study did recommend, however, that the Town might benefit from contracting with a meter reading service. Ms. Rogers suggested putting out a bid to see what the cost of this alternative would be. The Council agreed. The Council also expressed a desire to study the cost effectiveness of purchasing a hand-held device that can be used to download readings into a computer for billing purposes.

Recreation Director Jarred Thompson explained his research on a chlorine generator system fueled by salt designed for commercial swimming pools. He discovered many advantages of this type of system. Ms. Rogers presented a chart to Council outlaying the costs of the Town's current chemical-based system versus a salt system. Council requested a presentation by ChlorKing, Inc. at their next work session.

Councilmember Annette Allen began the discussion of a community garden. The Council expressed its interest and suggested various locations that might be used for this purpose. The community garden would be organized and run by volunteers from the community. Funds needed for this program would come from donations and fundraisers. The Town's involvement would be to offer approximately ½ acre for this purpose.

Ms. Rogers distributed a spreadsheet showing the current status of TIP projects phasing. She explained that the Old Towne sidewalk rehabilitation project was the newest project and, therefore, the engineering was just beginning. The Council was concerned about the increased costs associated with the James Boulevard project. There was discussion as to whether there could be significant cost savings if the tracks were not reinstalled as part of the construction. Ms. Rogers informed the Council that this project was approved as a historic preservation project and that other historic elements might need to be substituted, and she agreed to ask for clarification.

Ms. Rogers informed the Council the estimated costs for the Taft Highway bike/pedestrian path project are coming in extremely high. The engineering costs are almost what the total project cost allocation had been. Ms. Rogers will request that this project be amended to an engineering study at this time. Construction costs would be requested at the time of the Town's next TIP project requests.

Ms. Rogers informed the Council that the Long-Range Transportation Plan is now called the Regional Transportation Plan. She asked the Council to suggest possible projects for inclusion in this program. In addition to the replacement of the road up the front of the mountain, Mayor Lusk suggested an inter-connection between Timesville and Shackleford Ridge Roads.

Council discussed a draft ordinance that would allow Administrative Hearings for building code violations and allow for the contracting of an Administrative Hearings Officer.

Mr. VerDouw stated that they are trying to take it out as far as they can right now with the current case.

Mr. VerDouw stated that TAWC is proposing a distribution improvement surcharge to allow quicker recovery of plant being put in the ground to replace existing plant. Most of their lines are supposed to last 40 years, but have been in the ground 60 to 80 years. The surcharge requested would allow them to get a quicker recovery of replacement mains, valves, hydrants, services, laterals and meters.

Mayor Lusk stated that the only thing that TAWC provides to Signal Mountain is the main to our pumps and a meter to monitor what they are selling to us. We are not costing them all the other mentioned plant costs.

Ms. Rogers asked if TAWC would charge all bulk users the same amount.

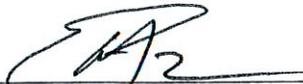
Mr. VerDouw replied in the affirmative. He then explained that if they put in a new main to Signal Mountain that cost would be spread among all of their "sale for resale" customers.

Mayor Lusk then asked what we can do to mitigate the impact of this particular rate increase.

Mr. VerDouw replied that other users' overall cost increase should be about 25%. However, TAWC is keeping the cost increase to Signal Mountain to just under 15%. They have tried to mitigate the increase by not passing all the costs along that the Cost of Service Study says should be borne by the "sale for resale" customers.

Mayor Lusk then stated that the dilemma faced by Signal Mountain is that rate increases imposed by TAWC are passed along to the Town's customers. Due to these rate increases being so high, this does not allow the Town to recover any costs for replacement and maintenance of the mains, laterals, meters, etc.

There being no further business, the meeting was adjourned.



Bill Lusk, Mayor



Recorder