

Final Yacolt Conference Call Meeting Notes  
November 10, 2011

**Participants**

Pete Roberts, Tim Caire, Chuck McDonald, Dave Knight, John Stormon, Cathi Read

**Financial Analysis**

Updated cost estimates

Tim reported that the new estimate for capital costs is lower than estimated in the General Sewer Plan. For O&M cost estimates, KJ is considering factoring in 1.0 FTE initially to run the facilities (due to lower flows in early years), although ultimately 1.5 FTE is expected to be required.

Preliminary rates and assumptions

Tim reviewed the 'Wastewater Funding Analysis' handout that was previously sent, including Options I – IV. Cathi asked a few questions and provided a few comments on the assumptions used in the handout.

- Cathi volunteered to send Tim information (from another project) regarding the order in which grants and loans can be spent, and must be repaid (DONE)
- Cathi volunteered to send Tim requirements for reserve contributions of loan programs (see page 3).

**Monitoring Wells**

Utility locates are done. The drillers will begin drilling the monitoring wells on Monday, November 14. John Stormon is planning to be present for the drilling. Tim asked about parameters for groundwater quality testing. John S. said he would send KJ the parameters for both 'Treated Municipal Wastewater Discharge' and 'Reclaimed Water/ Ground Water Recharge' (DONE)

**Treatment System**

Tim sent Dave a memo late Monday (Nov 7) regarding biosolids handling. Tim asked Dave to give him a call once he has had a chance to look at the memo. Dave will do so.

- Dave suggested that after 20 years, the Town might want to have a solids treatment system instead of a facultative lagoon (but a facultative lagoon is appropriate for now)
- Dave also commented that he is aware that the Town/KJ has received approval from Ecology's biosolids staff (Kyle Dorsey) on the proposed cleanout cycle (7 years)

## **Schedule**

Tim said that the Facilities Plan will now be submitted to Ecology for review during the second half of January 2012. Tim said this was approved by John Peterson.

## **Property Appraisal**

The appraisal for the property where the Town would like to locate the infiltration facilities and monitoring wells came back at \$12,500/acre. Ten acres would be enough area, but the Town would prefer twelve acres to accommodate the northern-most monitoring well also.

Pete said the Town is planning to submit a CDBG application to Clark County, which would fund construction of recreational facilities in the area that would later include the drainfield. It is acceptable to locate drainfields under such recreational facilities (but not sure about parking lots - TBD).

## **Environmental Review**

Cathi asked about what level of environmental review would be completed as part of this contract. There was a lot of discussion about whether SEPA or SERP should be completed at this stage. (Following the conference call, several e-mails were sent between Ecology and KJ regarding their respective interpretations of what should be completed at this stage.)

*[Note: Cathi asked about SERP because she was not aware (before talking with John Peterson on Nov 16) that KJ's contract for this work had been amended in August 2011 to, among other things, only complete SEPA at this time, not SERP.]*

Note: Clark County will be completing the SEPA process for Yacolt Urban Growth Area (UGA) expansion in 2012.

## **Next Conference Call**

Thursday, January 5, 2012, 8:30 – 9:30 am. Cathi has already sent meeting invitation and call-in instructions.

## **Reserve contribution requirements**

Rural Development – Bruce Whittle said “RD requires that the borrower set aside 10% of their annual payment per year until after 10 years they have at least 1 full payment. However, the purpose is to force the applicant to have a capital needs fund so they don’t have to keep coming back to us for repairs. They can use the money anytime for capital projects but then the deposit is extended beyond the 10 year period; There is no emergency reserve requirement for those entities that have suffered a loss of water or sewer and we provide a grant only to them. It is the loan that has the reserve requirement which is usually under the O&M. If they already have a capital fund for the system we can also count that and not require additional funds be set aside as long as they meet the minimum cumulative reserve amount.”

Ecology - (from a loan agreement) For loans that are Revenue-Secured Debt with terms greater than five years, the RECIPIENT must accumulate a reserve for the LOAN equivalent to at least the Average Annual Debt Service on the LOAN during the first five years of the repayment period of the LOAN. This amount will be deposited in a Reserve Account in the LOAN Fund in approximately equal annual payments commencing within one year after the Initiation of Operation or the PROJECT Completion Date, whichever comes first.

“Reserve Account” means, for a LOAN that constitutes Revenue-Secured Debt, an account of that name created in the Loan Fund to secure the payment of the principal and interest on the LOAN. The amount on deposit in the Reserve Account may be applied by the RECIPIENT (i) to make, in part or in full, the final repayment to the DEPARTMENT of the LOAN Amount or, (ii) if not so applied, for any other lawful purpose of the RECIPIENT once the LOAN Amount, plus interest and any other amounts owing to the DEPARTMENT, have been paid in full.

Public Works Trust Fund – No reserve requirements at this time.