

TO: Mayor Thacker; Town Council; Aaron Bates
FR: Alex Sewell
DATE: 1/6/17
RE: USDA Water & Sewer Projects

Purpose: This memorandum's purpose is to provide the background related to potential water and sewer infrastructure projects as it relates to potential USDA funding. Additionally, this memorandum recommends to the Town Council a course of action.

Background: The Town commissioned a utilities system asset management/capital improvement plan which was finalized in May 2014. Among other things, this plan identified numerous infrastructure maintenance and replacement needs over the next 20 years and attached a cost-prohibitive expense to these projects.

To start addressing these infrastructure needs while operating within the financial means of the Town's customers, the Town Council funded engineering work necessary to identify and apply for certain infrastructure grants. Town Engineer Bill Lester (LKC) working with Town staff have identified USDA as the best option for these projects and is seeking authorization to submit an application to USDA for these projects.

Analysis: The total estimated cost of these proposed projects is not affordable. However, the Town is not committing to these projects by filing an application and can scale back the scope based on the amount of grant amount potentially awarded by USDA. Based on our research, it is advantageous to go ahead and submit this application based on the federal fiscal calendar.

Recommendation: Authorize and direct the Town Engineer and Town staff to submit applications to the USDA water and sewer projects as outlined per the attached and take any related action.

**ATTACHMENT F
JANUARY 9, 2017 MINUTES**