

Special Called Work Session Minutes

Regular Meeting: September 16, 2022

Place: Shelbyville Recreation Center, 220 Tulip Tree Road

Call to Order: 12:03 PM, Mayor Wallace Cartwright

Roll Call: The following were present: Councilmember William Christie, Councilmember Henry Feldhaus, Councilmember Rick Overcast, Councilmember Marilyn Ewing, Councilmember Gary Haile, and Councilmember Stephanie Isaacs. Also, in attendance were City Manager Scott Collins, City Treasurer Kay Parker, City Recorder Lisa Smith, City Attorney Ginger Shofner, Public Works Director Buck Vallad, Planning Director Waleed Albakry, General Manager Shelbyville Power, Water and Sewerage System, Jason Reese, Chairperson of the Shelbyville Power, Water and Sewerage System Board, Claudia Mallard, John Freeman, Engineer, Shelbyville Power, Water and Sewerage System and Greg Davenport, Engineer, J. R. Wauford Engineering. Additional attendees were Shane Hooper, Economic Development Director, and representatives from Uncle Nearest and Tennessee Downs.

Discussion of \$2.9 million American Rescue Program Fund Grant for rehab of current sewer and/or installation of new sewer lines. City Recorder Smith advised the reason for this meeting is to come to a decision on how to spend the \$2.9 million of American Rescue Program Funds that has been set aside for the City of Shelbyville. The funds are a one-time amount for the City and are to be used for sewer, water, and/or stormwater issues. In order to receive the funds a Resolution must be passed by the Council prior to the Application being submitted and the deadline is approaching so a decision needs to be made concerning the intended use. The original Resolution presented at the Council meeting earlier this month was to use all the funds for rehab of the Little Hurricane Creek sewer shed, however Council requested a Workshop to discuss this further prior to a vote.

Councilmember Feldhaus stated he understood from State Comptroller that these funds are to be used for a generational change and his suggestion is to move the sewer lines north along Highway 231 from our existing Park to service the businesses that are locating there and allow them to be annexed into the City. This would help the area in developing. Feldhaus gave a handout showing Shelbyville Power, Water, and Sewer System (SPWSS), income for the last four (4) years and noted the revenue streams are in the \$5 million area and currently show cash on hand of \$3,388,542.40. He further stated the City of Shelbyville does not need to be subsidizing their capital needs on sewer lines that are fifty (50) years old when they should be addressed by SPWSS's capital program and revenue stream.

SPWSS Board Chairperson Claudia Mallard provided a handout with the dollar amounts spent for sewer rehab by SPWSS since 2007. She advised there is a rehab crew that is strictly dedicated to sewer upgrade/replacement work year-round. Jason Reese, General Manager of SPWSS advised some of the numbers on Feldhaus' handout have not yet been audited. He noted that in the last fifteen (15) years they have reinvested around \$32 ½ million back into the sewer system. Mallard stated as a Board they are asked to look at critical needs and make a recommendation where funds should be spent and they did that with the advice of their independent engineer Greg Davenport of J.R. Wauford, the system engineer John Freeman and SPWSS administration. She further noted they are taking the growth on the north side of the City into consideration in the decision to rehab the Little Hurricane sewer shed. Currently there are 1500 home in the pipeline to be built and added to this sewer system. Additionally, the Board has agreed to put in the match for the funds on this project. Engineer John Freeman advised the Little Hurricane Creek sewer shed is from the 1960's and he

indicated that a large area is in that system with a lot of the undeveloped land set to be developing in the future. He further noted if the system can be upgraded to absorb the inflow infiltration (INI) they could handle the expected growth. After questioning from Councilmember Ewing, Freeman advised if nothing is done INI, which is groundwater, surface water that is allowed to get into the sewer system, will cause overflows. If a system experiences more than the allowed number of overflows in a period of time, a moratorium is place on the area that is serviced by that sewer shed and no more water taps can be issued in that area until the issues are corrected. Councilmember Feldhaus stated he understood there was a problem but if there was not this \$2.9 million what would you be doing. Also, there is a requirement that 25% of the funds are to be used to rehab but the rest should be spent for a generational change.

Economic Developer Shane Hooper and representatives from Uncle Nearest and Tennessee Downs updated the Council on the continuing growth to the North which will bring higher paying jobs and tourism opportunities to the community. They all requested that the Council consider that in their decision.

Greg Davenport, J. R. Wauford, advised that the proposed improvement do not dramatically increase capacity but makes it more stable and reliable. However, there will be a finite capacity for development with the planned worked. He further noted the liability that faces the SPWSS with rehabbing the sewer system is astronomical and they have not neglected Little Hurricane Creek, they have just been working in other needed areas. SPWSS is at a disadvantage position in serving the 231 Business Park area in that they are not allowed to sell water there. Sewer is a much more expensive utility to provide than water, which is serviced by Bedford County Utility District (BCUD). With BCUD providing the water it makes it almost impossible to charge a fair rate for the sewer to cover repairs.

Further discussion ensued with Councilmember Christie advising he is in favor of development and wants to support the new businesses but not at the expense of the taxpayers and if this system is not repaired it could jeopardize new development.

Announcements: None

With no further items of business **Mayor Cartwright adjourned the meeting at approximately 1:15 PM.**

Approved:



Wallace Cartwright, Mayor

Attest:



Lisa Smith, City Recorder

Approved as to Form:



Ginger Bobo Shofner, City Attorney