

**SPECIAL CALLED MEETING: OCTOBER 22, 2009****ITEM #2 – MATTERS RELATIVE TO HOLIDAY LAKE**

City Manager Ted Meadows explained that a decision needs to be made on whether Holiday Lake should be left at the level of the old weir or raised back up to the new weir level. Because of the excessive amount of rainfall received this summer, the lake has never been below the old weir level. A report was submitted on the estimated cost for repairs to properties with damage claims, if the lake is left at the higher level. This cost, utilizing city crews, is now estimated at approximately \$200,000. He also cautioned that he would expect more claims once the City began the repairs. Mr. Meadows recommended that the lake be left at the original level, which would reduce the cost to about \$40,000-50,000. The repairs would be limited to those damages actually caused by the higher level. Once a decision is made, the City Manager will meet with each property owner individually to discuss their situation and the remedial work that is planned.

Councilman Wyatt stated his opinion that he didn't want to lose the additional 9" that is now available from Holiday Lake. Mayor Graham agreed, but stated that he was now less concerned with the availability of water from Lake Tansi during the construction period on Meadow Park Lake. He now believes the available water from Tansi will make the difference in a drought situation. Councilman Wyatt stated that the vast majority of property owners are pleased with the higher level.

Mayor Graham expressed his desire to get flowage easements at the higher level, if the repairs for the higher level are made. City Attorney Chadwell stated that he felt it could be accomplished. Councilman Duer stated that he felt like the claims would substantially rise if we raised the lake back up. He also commented that a lot of the erosion and property claims are the result of water levels that have accumulated for 30-40 years and not just from the past few months of higher water. It was also pointed out that, with all the rain this year, the problems would have been much worse if the spillway giving the City better control.

City Attorney Chadwell stated that there is a one year limit for inverse condemnation claims. When that time started is believed to be about December 2008 or January 2009.

A motion was made by Councilman Duer, seconded by Councilman Dean, that Holiday Lake be left at the long term level of 1760.5' above sea level and the City Manager be given the authority to negotiate with the property owners in the amounts shown on the spreadsheet for the lower level. **Vote:** Motion carried by unanimous roll call vote (**summary:** Yes = 5). **Yes:** Councilman Boyd Wyatt, Sr., Councilman Carl Duer, Councilman Jesse Kerley, Mayor J. H. Graham, III, Mayor Pro-Tem Earl Dean.

**ITEM #3 – MATTERS RELATIVE TO CASH FLOW CONCERNS FOR THE WATER AND SEWER FUND**

Mayor Graham expressed his concerns that the cash has been reduced to about \$2,500,000, which is enough to pay the bills, but doesn't leave the reserves he feels are appropriate. The repairs to Caryonah dam are an additional concern. Director of Engineering Tom Wolf stated that the cost for those repairs could easily reach \$500,000-\$750,000. In addition, there are some possibilities that there may be TDEC fines over damages caused by the breach of the dam. Mr. Wolf reviewed meetings and discussions regarding the issues with the Water Pollution Control and Safe Dams divisions of TDEC. Bids are being solicited for the repairs and will be received on November 12.

Mayor Graham asked for permission to begin conversations on bond issues either from the TML Bond Fund or a loan from the City's General Fund. He also pointed out that the water harvesting loan from SRF does not include the costs for acquisition, which have also contributed to the lower cash reserves.