

Closed Session of the Town Council
Office of the Town Manager
April 15, 2014

Minutes & General Account

Council Members Present: Mayor Volz, Council Members Thomas, Montgomery, Ragsdale (Council Member Nixon-Roney absent)

Staff Present: Chuck Smith, Judy Gallman, Martha Wolfe and Beth Koonce, Town Attorney

Visitors Present: Greg Flory, PTRWA

Mayor Volz called the meeting to order and turned the meeting over to Greg Flory, Executive Director for PTRWA. Flory said he is here tonight to update the Council on the downstream hydro law suit. Mr. Flory gave a history of the law suit which was initially filed in 2008. He stated some downstream hydroelectric producers sued the PTRWA claiming their ability to produce electricity had been impacted. PTRWA challenged the rules of law but lost the case.

The PTRWA went into mediation settlement on April 1, 2014. They have come to an agreement of \$2,350,000.00. The PTRWA Board accepted this settlement amount today. From a financial impact, the breakdown to the partners is determined by a percent ownership. Jamestown's percent ownership is 2.5%. So, the impact to the Town is \$58,750.00.

Realizing it is the end of the budget year, it may not be possible for some partners to pay this amount in this fiscal year. The settlement amount must be paid by June 1, 2014. The Water Authority can through the Capital Reserves pay this amount. Then we can collect from the partners in next budget year. A press release has been sent to the local newspapers.

Smith stated Jamestown voted no on the vote to accept the settlement. Jamestown was the single no vote. It was clarified that Jamestown voted no due to the fact that Jamestown Town Council had not met to discuss the settlement. The Town Manager nor the PTRWA Representative had the authority to obligate the Town the amount of \$58,750.00.

Smith asked if the Council needs to authorize him to make the payment of \$58,750.00. Gallman stated she would prepare a budget amendment for the May 20, 2014 Council meeting for the Council to approve. That would give the proper approval necessary for the payment.

Council Member Thomas made a motion to end the closed session and resume the regular session. Council Member Montgomery made a second to the motion. The motion passed by unanimous vote.

The Council reconvened to the Council Chambers for the regular meeting.