

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, January 30, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
David Smith, Co-Chair
Ken Knight, Co-Chair

AWD Personnel: Dale Glidden, General Manager
Jill Pierce, Office Manager
Michael Osborne, Controller
Brian Tarbuck, Assistant General Manager
Mike Grove, Treatment Plant Manager
Harold Wood, Engineer & Maintenance Manager

Other Attendees: Kay Rand

I. CALL TO ORDER: Meeting called to order by Co-Chair Knight at 1:02 p.m.

Item 1: PREVIOUS MEETING MINUTES
P. McClay made the motion to approve the minutes of the regular Joint Board dated December 19, 2005. D. Smith seconded the motion, and the vote to approve was unanimous.
Note: Co-Chair D. Smith authorized K. Knight to sign the previous minutes in D. Hasting's absence.

Item 2: DECEMBER 2005 AWD & ASD PRELIMINARY FINANCIAL REPORTS AND STATEMENTS

D. Glidden explained to the group that the December financials were very preliminary at this point.

Note: Co-Chairs K. Knight and D. Smith stated that they were happy with the new presentation of financial information. These changes were in response to a request made at a previous Board meeting.

Reserve Policy: D. Glidden discussed that the long-standing policy for the Sanitary District was to maintain a \$500,000 reserve. The Water District does not currently have a reserve policy. Dale stated that he and Brian intend to meet with the PUC to discuss maintaining a reserve for the Water District. They will bring forward a recommendation at a future Joint Board meeting. Further discussion ensued concerning what baseline for coverage and \$ amount of reserve should be used for both of the Districts.

**D. Smith made the motion to approve the preliminary financials.
B. Beaucage seconded the motion; and the vote to approve was unanimous.**

Item 3: AWD & ASD PAID BILLS

B. Beaucage made the motion to approve the paid bills. P. McClay seconded the motion; and the vote to approve was unanimous.

M. Osborne & D. Glidden informed the Board members that the approval of the paid bills for both Districts needs to remain in place since it is an important internal control for the Districts and their auditors. B. Beaucage made the point that this review & approval could be delegated by the Board to a single member.

Item 4: REVIEW/APPROVAL OF PERMIT FEES & SERVICE AVAILABILITY FEES

D. Glidden handed out the proposed 2006 fees for the Sanitary District. The connection and permit fees will stay the same; and the proposed service availability charges are as follows:

- New users increase from \$6.00 per gallon per day to \$10.00
- Residential from \$850.00 to \$1,000.00
- Office Buildings w/o history from \$6.00 to \$10.00 in the calculation
- Apartment Units from \$600 to \$750
- Retail Space from \$6.00 to \$10.00 in the calculation

D. Smith made the motion to approve the proposed 2006 fees as noted above. P. McClay seconded the motion; and the vote to approve was unanimous.

Item 5: DISCUSSION – CHARTER COMMITTEE

D. Glidden informed the Board members that B. Gasper, from Manchester, was going to be the Trunkline Group representative, with D. Wells from Winthrop as the alternate.

Co-Chair K. Knight informed the group that he and D. Smith proposed Don Roberts to serve on the Charter Committee as the 'Citizen at Large'.

P. McClay made the motion to appoint Mr. Roberts to the committee. B. Beaucage seconded the motion and the vote to approve was unanimous.

Discussion ensued concerning the importance of good communications with the "City" and our rate payers throughout the Charter creation and merger process. There were several suggestions made concerning how best to go about this. D. Glidden stated that he and K. Rand would put this issue on the agenda at an upcoming Merger Committee meeting, and bring a recommendation for marketing efforts to the Board at a future meeting.

K. Rand noted to the group that there is a tentative Charter Creation meeting set up for February 13, 2006 at 4:00. If the Mayor has not made his appointments to the committee by then, it was

agreed that that meeting would be used as a Merger Committee meeting and that the main topic will be changed to “marketing”.

Action Item: Dale will draft a letter to Don Roberts for Dave and Ken to sign, informing Don of his appointment to the Charter Committee as the “Citizen at Large”.

Item 6: HORIZON COMMUNICATION AGREEMENT

K. Knight & D. Glidden informed the group that the current “handshake” agreement with Horizon Communications needs to be formalized. This formalization will provide for Horizon to place their equipment on our tower. In exchange, they will provide us with a trunked VHF radio system. Approval of this agreement would cover the following:

- **Spending approx. \$11,000 to extend the height of the current tower**
- **Building a new tower (potentially with the aid of Homeland Security funds) at the Granite Hill Water Tank site**
- **Moving the extended tower to a new site on Route 27 (with State/County assistance)**

Per discussion amongst the group, this is a public/private partnering effort that is very progressive as well as good public relations for the Districts. There are also large financial returns for relatively small cash outlays up front. It was also pointed out that any Homeland Security funds would need ‘City’ agreement; and that there would have to be clear documentation regarding the Districts’ and any other parties’ responsibilities should that occur.

D. Smith moved to approve D. Glidden entering into an agreement with Horizon Communications including performance of the three bulleted items listed above. P. McClay seconded the motion and the vote to approve was unanimous.

Item 7: D. Smith moved to approve the draft Vehicle Use Policy for both Districts as presented by D. Glidden. B. Beaucage seconded the motion and it was approved unanimously.

Item 8: REVIEW PROPOSED 2006 PROJECTS

D. Glidden updated the Board on the Cancer Center. He has been working with MaineGeneral regarding provision of water and sewer services to this site. The Utility Districts’ Engineering Department will be doing the engineering design for this project. Cost savings in using PVC pipe instead of ductile iron will offset the engineering costs. The originally-estimated project cost has been reduced from \$4 million to \$1.7 million. The Board members complimented Dale on his dealings with MGH on this project.

Item 9: EXECUTIVE SESSION – UPDATE ON COLLECTIVE BARGAINING

B. Beaucage made a motion to go into Executive Session regarding Collective Bargaining; pursuant to Title 1, section 405, subsection 6, Paragraph A.

D. Smith seconded the motion, and the Board went into Executive Session at 2:34 p.m.

At 2:40 p.m., the Board came out of Executive Session; and the regular Joint Board meeting continued.

ITEM 10: INFORMATIONAL

A. 2005 Water Production: Per D. Glidden, the water sales reached yet another absolute low this year. The water sales are approximately 12.5% below the floor that was used for the last rate increase.

B. Augusta Tissue: At this point in time, it is almost a foregone conclusion that the DEP will step in and take over the landfill. The DEP is currently paying for the pumping of the leachate from this site. An assumption is that they would proceed to closing out the landfill and capping it.

The next Joint Board meeting is scheduled for February 27, 2006 at 1:00 p.m. at the Water Treatment Plant.

**Co-Chair K. Knight made the motion to adjourn the meeting at 2:49 p.m.
P. McClay seconded the motion, and the meeting was adjourned.**

Diane F. Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
SPECIAL BOARD MEETING
UTILITIES BOARD WORKSHOP
SEWER & STORMWATER RATE STUDY
Friday, February 24, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
David Smith, Co-Chair
Ken Knight, Co-Chair
Diane Hasting
Bill Bridgeo

AWD Personnel: Dale Glidden, General Manager
Jill Pierce, Office Manager
Michael Osborne, Controller
Brian Tarbuck, Assistant General Manager
Mike Grove, Treatment Plant Manager

Other Attendees: Grant Hoag, Brown & Caldwell
Steve Freedman, Brown & Caldwell
Ralph St. Pierre

I. Meeting commenced at 12:11 p.m.

II. BROWN & CALDWELL RATE CASE PRESENTATION

D. Glidden introduced Grant Hoag & Steve Freedman, of Brown & Caldwell, to the group as the consultants performing the 2006 Rate Study for the Augusta Sanitary District. He also detailed Steve Freedman's long-standing history with the Augusta Sanitary District that spans back over two previous rate studies and all of our CSO work.

Steve Freedman of Brown & Caldwell presented the 'Background' and 'Objectives' sections of a PowerPoint presentation prepared for the workshop.

D. Glidden interjected that the rate study was structured for a five-year time period in order to see the Sanitary District through its' short-term needs as well as the construction of the future CSO Phase III project.

Grant Hoag of Brown & Caldwell led the rest of the presentation, including a walk-through of the 'Rate-Setting Process', and explanations of the screens for 'Rate-based Revenue Requirements' 'Cost of Service v. Current Revenues' graph, 'Revenue Requirement Findings' and 'Wastewater Rate Alternatives'.

Discussion ensued and questions were asked by several of the members.

Steve Freedman discussed a 'Simplified Stormwater' slide to the group. A simplified Catch Basin fee of \$109.00 is being proposed, which was calculated as an average of the three different rates that are currently being charged to customers. It is felt that this would be less confusing for the customer, as well as easier to administer.

Additional background from D. Glidden: The previous rate case was devised to distribute costs more fairly amongst businesses, non-profits, families, the State and the City, and to increase Stormwater revenue to pay for the CSO project.

Steve Freedman talked about the upcoming schedule for presenting a draft report, 2nd Board Workshop, public hearing, final report and, finally, proposed effective date of July 1, 2006 for increased rates.

ACTION ITEM: B. Bridgeo mentioned that the next city council budget workshop was scheduled for April 6th at 6:30 p.m.. He agreed to arrange for our Board Co-Chairs, as well as G. Hoag & S. Freedman, from Brown & Caldwell, to attend this un-televised meeting and be first on the agenda to speak about our current rate case.

D. Glidden distributed to the group an additional handout showing the effect of the proposed rate increases on several examples of customers.

Discussion ensued about current and expected development in Augusta and the upcoming Phase III CSO project and related funding needs. D. Glidden told the group that future funding for the SRF program is going to be reduced. There is hope of a "Trust Fund" being developed, with proceeds coming from a general bottled-beverage tax. Yet to be detailed is who would receive the funds, and how they would be distributed. This new plan may not happen for several years.

ACTION ITEM: B. Beaucage & P. McClay would like to pursue the possibility of other borrowing alternatives to meet some of this monetary need in hopes of reducing the proposed rate increase of 17%. D. Glidden agreed to set up a meeting with Karen Asselin of the Maine Bond Bank.

Co-Chair D. Smith complimented Brown & Caldwell on the level of detail that was provided for the Board at this workshop session.

The group agreed that they should meet prior to the April 6th council meeting, so it was determined that Brown & Caldwell should attend the Joint Board meeting on March 27th at 1:00 p.m. in order to discuss their draft rate case report.

Co-Chair D. Smith adjourned the meeting at 2:07 p.m.

Diane F. Hastings
Clerk, Augusta Sanitary District
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Paul McClay
Clerk, Augusta Water District

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, February 27, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
David Smith, Co-Chair
Ken Knight, Co-Chair
Diane Hasting
Bill Bridgeo

Staff: Dale Glidden, General Manager
Jill Pierce, Office Manager
Michael Osborne, Controller
Brian Tarbuck, Assistant General Manager
Mike Grove, Treatment Plant Manager
Harold Wood, Engineer & Maintenance Manager

Other Attendees: Ellen Blair

I. CALL TO ORDER: Meeting called to order by Co-Chair Smith at 1:06 p.m.

Item 1: PREVIOUS MEETING MINUTES

K. Knight made the motion to approve the minutes of the regular Joint Board dated January 30, 2006. B. Beaucage seconded the motion, and the vote to approve was unanimous.

Item 2: DECEMBER 2005 AWD & ASD FINAL FINANCIAL REPORTS AND STATEMENTS

M. Osborne and D. Glidden presented the final 2005 financials. The Water District ended the year with a \$654,706 operating gain, of which over \$400,000 is spoken for in regards to upcoming 2006 projects as well as the 2006 budget increase. The Sanitary District ended with a \$297,231 operating gain, which is down \$80,000 from the 2004 year end.

The January 2006 financials will be presented for approval along with the February financials at the March Joint Board meeting due to the 2005 year-end audit having just been completed.

D. Hasting made the motion to approve the December 2005 final financials, B. Beaucage seconded the motion, and the vote to approve was unanimous.

Item 3: AWD & ASD PAID BILLS

B. Bridgeo made the motion to approve the January 2006 paid bills. K. Knight seconded the motion; and the vote to approve was unanimous.

Item 4: DISCUSS/APPROVAL OF PSA OXYGEN SYSTEM EVALUATION

D. Glidden explained to the group that the PSA system is the heart of the secondary system at the Treatment Plant. The equipment dates back 23 years, is finicky, and spare parts are now non-existent. Mixing & Mass Transfer Technologies (M2T) is the vendor currently performing the preventive maintenance on this equipment. The M2T proposal is single source due to the unique nature of their services, their long-standing relationship with the District and the fact that they are the only vendor providing this type of service. Per Dale, due to increased energy costs, equipment age, lack of spare parts and technology improvements, the timing is right to have M2T perform this system evaluation.

Additional discussion: In the event of an emergency, there is an on-site oxygen supply that will last for a two-week time period. After that, the District would have to make expensive, open market purchases of bulk oxygen on an on-going basis.

K. Knight made the motion to approve the proposed O2 System Evaluation by M2T for \$16,390.00. P. McClay seconded the motion; and the vote to approve was unanimous.

Item 5: APPROVAL OF LAND SALE TO PACKARD DEVELOPMENT, LLC

Packard Development would like to purchase 0.07 acres on Capitol Street Extension from the Water District. This is land that a pump station used to be located on, that the District has no future use for. The District would be provided with necessary easements for any underground infrastructure that will be left in place.

B. Bridgeo made the motion to accept Packard Development's \$5,000.00 offer for .07 acres owned by the Water District. K. Knight seconded the motion and the vote to approve was unanimous.

D. Glidden verified that Packard Development would be paying the paperwork expenses involved in completing the transaction.

Item 6: DISCUSS SALE OF 170 HOSPITAL ST. TO ME STATE CREDIT UNION

D. Glidden updated the group that he had received one high appraisal and one low appraisal for 170 Hospital St. Dale and the MSCU reps. agreed to take the average of the two, use this as the floor, then average with the high appraisal, to come up with a selling price of \$216,250.00.

The Districts' will be putting out RFP's for installation of new power and telephone entrances to the garage, since the existing entrances are from the 170 Hospital St. building being sold. The cost for this work will be taken from the sale proceeds, with the balance most likely used to help fund the upcoming Whitney Brook project. This will allow the Sanitary District to take less out of their cash reserves.

P. McClay made the motion to accept the selling price of \$216,250.00 and authorize the sale to the ME State Credit Union, subject to the terms and conditions laid out by D. Glidden, and subject to review by the Sanitary District's legal counsel. K. Knight seconded this motion and the vote to approve was unanimous.

B. Bridgeo made the motion to give D. Glidden the o.k. to move forward with the sale of the 170 Hospital Street property, as well as sending out RFP's for the power and telephone entrances. B. Beaucage seconded this motion, and the vote to approve was unanimous.

Item 7: DISCUSS INSPECTION & UPGRADING THE THREE AWD WELLS

B. Tarbuck & D. Glidden asked that the Board allow the Districts to hire a contractor, RE Chapman, to evaluate the condition of the wells. They propose using a step by step approach, starting with the Triangle well, and, depending on what is found there that needs attention, going on to the other wells.

B. Bridgeo made the motion to approve funds not to exceed \$15,000.00 for RE Chapman Company to perform the evaluations of the three wells. P. McClay seconded the motion, and the vote to approve was unanimous.

The understanding is that Dale & Brian will come back to the Board with the evaluation results and get funding approval at that time for any additional work that needs to be done.

Note: Per B. Tarbuck, the preferable time to do the evaluations/work is during periods of low water useage, like the Spring season.

Item 8: INFORMATIONAL

A. 2005 AUDIT

D. Glidden informed the Board that the 2005 first-year audit with Runyon Kersteen & Ouellette went well. The Board congratulated M. Osborne & J. Pierce on the work that was done. Mike passed along that the RKO partner complimented our "good internal controls".

B. STATUS OF AUGUSTA TISSUE

Per D. Glidden, it looks like the ME DEP will be taking over this landfill.

C. AWD CARLETON POND CUTTING OPERATION

Per Dale, the rain has hampered some of the cutting operations. But, even though they haven't been able to cut as much as expected, the Water District has already received \$16,000 of the estimated \$20,000 for this cutting season.

D. TOGUS VA – SEWER ISSUE

D. Glidden informed the Board that Togus is looking at an option of shutting down their

Treatment Plant and installing a pump station to be able to pump the wastewater from the VA Center into our system. There are various scenarios as to how best to hook up, and many details to be worked out. On a dry day, Togus' projected flow is 100,000 gallons, which would equate to \$150,000 to \$200,000, annually, in additional revenues for the Sanitary District. Per Dale, Togus does want to move quickly on this changeover if this becomes a viable option.

Other Discussion ensued about the upcoming Whitney Brook project, as well as the status of the current Sanitary District rate case.

B. Bridgeo asked about the possibility of a rate phase-in over a five year stepped basis versus all at once, and would like to discuss this further with M. Osborne.

ACTION ITEM: D. Glidden will have the rate consultants run this scenario through the model, and report the results.

D. Hasting brought up the issue of upcoming requirements concerning quantifying costs of health insurance for retirees. The current language speaks to the provision of health insurance for retirees being at the Board's discretion after 2001. There was discussion amongst the members that this language should be tightened up, because the current wording leaves the door open.

ACTION ITEM: B. Bridgeo will ask about piggybacking the Districts along with the City in the hiring of actuarial help to look into this issue further.

B. Beaucage made the motion to adjourn the meeting at 2:10 p.m. P. McClay seconded the motion, and the meeting was adjourned.

Diane F. Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, March 27, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
David Smith, Co-Chair
Ken Knight, Co-Chair
Diane Hastings
Bill Bridgeo

Staff: Dale Glidden, General Manager
Jill Pierce, Office Manager
Michael Osborne, Controller
Brian Tarbuck, Assistant General Manager
Jane Carroll, Laboratory Director
Harold Wood, Engineer & Maintenance
Manager

Other Attendees: Ellen Blair, Human Resources Director
Steve Freedman, Brown & Caldwell
Greg Chabot, Runyon, Kersteen & Ouellette
Hank Farrah, Runyon, Kersteen & Ouellette

I. CALL TO ORDER: Meeting called to order by Co-Chair Knight at 1:04 p.m. Per Co-Chair Knight, due to the presentations to be made by outside vendors, the agenda will be taken out of order.

Item 2 (b): PRESENTATION OF 2005 AUDIT

Gregory Chabot of Runyon, Kersteen & Ouellette spoke to the group about the 2005 audits of both Districts. He commended the accounting staff for being well prepared in advance of the audit and responsive during the on-site fieldwork. Mr. Chabot spoke to the Board members about the audit firm's responsibilities as outlined in the SAS 61 letter, and explained how those responsibilities, such as review of significant accounting policies & estimates, and determination of whether there were audit issues discussed prior to retention of independent auditors or difficulties encountered in performing the audit, are fulfilled during the course of the audit work. For 2005, both of the Districts received unqualified audit opinions; and there were no reportable conditions for management.

Mr. Farrah of RKO then presented the financial results for both Districts, explaining any large variances between 2004 and 2005 totals. His presentation also included various graphical representations of the year-end financial results for both Districts. Mr. Chabot also presented a management letter which outlined several suggestions for consideration by management, none of which were significant.

B. Bridgeo made the motion to approve the 2005 audits of both the Augusta Sanitary and Water Districts. D. Smith seconded the motion, and the vote to approve was unanimous.

Per D. Glidden, the 2005 management letter comments will be added to the agenda for discussion at the April 24th Joint Board meeting. B. Beaucage and D. Glidden both commended M. Osborne, J. Pierce and the rest of the accounting staff for their efforts, leading to successful 2005 audits with RKO.

Item 3: CONTINUED DISCUSSION OF ASD RATE INCREASE

S. Freedman of Brown & Caldwell updated the group on the efforts that have gone on with the rate case since the workshop on February 24th. The model has been thoroughly checked and reviewed, and several parameters have been changed as follows:

- Phase III CSO: changed the first year of the debt payment from 2009 to 2010
- Inflation rate changed from 2.50% to 2.25%
- Bond interest increased to 3% from 2.50%
- Simplified and reduced catch basin charge
- Increased ERU charge

The net result of the final tweaks is that the proposed rate increase still stands at 17%, which equates to a 7% wastewater increase and a 30% stormwater increase, and is the overall increase when averaging the rates of all service classes.

D. Glidden provided a User Fee Comparison handout to the members showing how the Sanitary District's increased rates compare on an annual basis with several other Maine cities. ASD's proposed new rates rank them in the bottom quarter, with a lower annual charge than five of the seven other communities that were surveyed.

Per a previous Board meeting action item, D. Glidden informed the members that he had met with representatives of ME Bond Bank and Gardiner Savings Institution to investigate whether any other financing options could compare with the State Revolving Loan Fund. Gardiner Savings has since informed Mr. Glidden that they cannot compete with the SRF program that the MMBB has in place currently. The scenario that was utilized in the rate study assumptions is a 3 year interim borrowing, followed by a final closing on an SRF loan. This will allow the District to follow the movement of the interest rates during the interim time period and lock in all or part of the financing sooner if the rates dictate. Also, the District would only be making interest payments on the interim borrowing amounts during the interim period.

Discussion ensued concerning the timing of the initial borrowing needs and the estimated amount of engineering costs, which would be the first project costs to necessitate the borrowing.

Mr. Glidden also cautioned the Board that the anticipated 2011 pay-off of the large Augusta Water District bond should be looked at as an opportunity for rate stabilization and not rate rebate, due to the age of the water infrastructure and the fact that much of the maintenance of distribution systems has been deferred over the years.

In response to D. Glidden's questioning about proceeding with the final proposed rate package and the proposed financing mode, the Board members gave Dale the go-ahead to proceed with the package as presented.

There was also discussion about the upcoming April 6th City Council meeting. It was suggested that the Kennebec Journal be met with on that same day, so that they would be fully informed on the same day as the City counselors. **Action item: Co-Chairs D. Smith & K. Knight will work on scheduling a meeting with the Kennebec Journal.**

Item 1: APPROVAL OF PREVIOUS MEETING MINUTES

D. Smith made the motion to approve the minutes of the February 24th Workshop meeting as well as the February 27th, 2006 Joint Board meeting. B. Beaucage seconded the motion, and the vote to approve was unanimous, absent B. Bridgeo, who was not present in the room at the time of the vote.

Item 2 (a): REVIEW/APPROVAL OF FINANCIAL REPORTS

B. Bridgeo made the motion to approve the January & February 2006 financial reports and statements for both Districts. B. Beaucage seconded the motion; and the vote to approve was unanimous.

Item 4: REVIEW/APPROVAL OF PAID BILLS

D. Hastings made the motion to approve the January & February 2006 paid bills for both Districts. B. Beaucage seconded the motion; and the vote to approve was unanimous.

Item 7 (a): PEARL STREET RECONSTRUCTION PROJECT

D. Glidden informed the members that the costs of the Pearl Street project for the Sanitary District had increased from the original \$80,000.00 estimate to \$200,000.00, plus another estimated \$160,000.00 for the Water District.

(b): CARLETON POND WOOD HARVESTING

D. Glidden reported that the revenues received from the wood harvesting were higher than expected, in spite of the wet weather during the winter.

(c): WATER TANK CLEANING & INSPECTION

The Districts are working to get the tank cleaning & inspections onto a rotating 5 year cycle.

(d): ANNUAL NEWSLETTER

Dale informed the Board that the annual newsletter will be scheduled for printing and distribution. The water quality data insert is required to be distributed to customers by the end of June.

Item 5: ADDITIONAL FLOW METERS FOR SEWER SYSTEM MODELING PROJECT

D. Glidden informed the group that due to an immediate need, and RFP had already been

sent out for two strap-on flow meters. As of this date, only one response has been received in the amount of \$17,000.00 for both.

D. Smith made the motion to approve D. Glidden and H. Wood proceeding with reviewing additional proposals, and accepting a proposal, not to exceed \$17,000.00, in order to purchase the two flow meters. P. McClay seconded the proposal and the vote to approve was unanimous.

Item 6: EXECUTIVE SESSION – UPDATE ON COLLECTIVE BARGAINING

**D. Smith made a motion to go into Executive Session regarding Collective Bargaining; pursuant to Title 1, section 405, subsection 6, Paragraph A.
P. McClay seconded the motion, and the Board went into Executive Session at 2:59 p.m.**

At 3:13 p.m., the Board came out of Executive Session, moved by D. Smith; seconded by P. McClay, and approved by unanimous vote.

At 3:14 p.m., B. Bridgeo made the motion to adjourn the meeting, P. McClay seconded the motion, and the meeting was adjourned.

**Diane F. Hastings
Clerk, Augusta Sanitary District**

**Paul McClay
Clerk, Augusta Water District**

**A TRUE COPY
ATTEST**

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, April 24, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
David Smith, Co-Chair
Ken Knight, Co-Chair
Diane Hastings
Bill Bridgeo

Staff: Dale Glidden, General Manager
Michael Osborne, Controller
Harold Wood, Engineer & Maintenance
Manager
Linnay Wathen, Accountant III

I. CALL TO ORDER: Meeting called to order by Co-Chair David Smith at 2:30 p.m. Smith noted that the Consolidated Board Meeting would not be recorded as was expected due to the absence of Brian Tarbuck. Smith stated that he would be willing to entertain the idea of approving Items 1, 2, 3, 7 and 8 in one collective motion.

- Item 1: APPROVAL OF PREVIOUS MEETING MINUTES**
- Item 2: REVIEW AND APPROVAL OF THE FINANCIAL REPORTS AND STATEMENTS FOR BOTH DISTRICTS**
- Item 3: REVIEW AND APPROVAL OF PAID BILLS**
- Item 7: APPROVAL TO PROCEED WITH ASD LIEN FORECLOSURE PROCESS**
- Item 8: APPROVAL TO SOLICIT RFP'S FOR NEW VEHICLE**

B. Bridgeo made the motion to collectively approve Item 1, Item 2, Item 3, Item 7 and Item 8. K. Knight seconded the motion, and the vote to approve was unanimous.

Item 4 DISCUSSION - APPROVAL OF POLICIES RESULTING FROM AUDIT COMMENTS IN MANAGEMENT LETTER

D. Glidden discussed the check signing policies currently in place for each of the Districts. The Augusta Water District requires two signatures on checks in excess of \$1,000.00, while the Augusta Sanitary District requires only one signature on all checks. There was discussion regarding standardization of the check signing policy by adopting the Augusta Sanitary District's policy of requiring only one signature. There was agreement that one signature would be acceptable for both Districts.

D. Glidden explained the Petty Cash procedures in place by both Districts. There is no more than \$100.00 to \$150.00 in the Petty Cash Drawers at each location. Receipts are required by the

employee prior to receiving reimbursement. Petty Cash is used for small dollar items only, otherwise the use of pre-paid checks is required. B. Beaucage suggested the implementation of random visits from persons not employed by the Districts to audit the Petty Cash trail in order to determine that the proper authority is handling Petty Cash and that receipts are being used.

D. Glidden discussed net assets and the reserve policy as well as the investment policy, stating that he is uncomfortable with having only a \$500,000.00 reserve for either District. There was much discussion about the appropriate levels for reserves of each District. The joint Board adopted the investment policy & net assets policy with the one change to the reserve level for each District being moved from \$500,000.00 to \$750,000.00. These policies will be reviewed annually.

Item 5: DISCUSSION REGARDING BONDING FOR CONSTRUCTION PROJECT

D. Glidden suggested that the Board consider either borrowing money or taking from reserves, funding for two large upcoming Augusta Sanitary District projects. He estimated the cost of the Whitney-Brook project to be between \$750,000.00 and \$1,000,000.00, and the cost of the storm drain system & water main on Pearl Street to be \$360,000.00 (combined Water & Sanitary). The Board decided to table further discussion for a few months until after the bidding process has been completed and the actual costs have been determined.

Item 6: DISCUSSION – APPROVAL TO EXTEND CONTRACT WITH KAY RAND OF BERNSTEIN SHUR GOVERNMENT SOLUTIONS

There was discussion concerning retaining Kay Rand's services for an additional amount as requested. The budget for Kay Rand's services has already been exceeded to date. B. Bridgeo stated that he supported continuation of the charter project and the retention of Kay Rand, and that he believed the parties directly affected in this charter process will all be supporting it.

B. Bridgeo made the motion to approve the authorization to spend \$15,000.00(not to exceed) with Bernstein Shur Government Solutions for Kay Rand's services. D. Hastings seconded the proposal and the vote to approve was unanimous.

Item 9: EXECUTIVE SESSION – UPDATE ON COLLECTIVE BARGAINING

B. Bridgeo made a motion to go into Executive Session regarding Collective Bargaining; pursuant to Title 1, section 405, subsection 6, Paragraph C.

K. Knight seconded the motion, and the Board went into Executive Session at 3:13 p.m.

At 3:26 p.m., the Board came out of Executive Session, moved by B. Bridgeo; seconded by K. Knight, and approved by unanimous vote.

Item 10: INFORMATIONAL

Item 10 (a) PERSONNEL CHANGES

A part-time person was hired for the business office. She will start work on May 9th, 2006. A road crew equipment operator left. This union position is to be filled by a utility worker position.

(b): FORECLOSURE SALES

D. Glidden informed the group that a foreclosure sale letter had been sent to two homeowners and that sales are scheduled for May. The Board authorized D. Glidden to sign the documents relating to the sales.

(c): SALE OF 170 HOSPITAL STREET

D. Glidden informed the group that the sale of the building closed on Thursday, April 20, 2006.

(d): HEATING OIL BIDS FOR 2006-07 SEASON

The low bid for heating oil was CN Brown. The Board authorized D. Glidden to sign the contract.

The Augusta Water & Sanitary Districts Consolidated Board Meeting was adjourned at 3:30 pm.

Diane F. Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, May 22, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
David Smith, Co-Chair
Ken Knight, Co-Chair
Bill Bridgeo (arrived at 1:34 p.m.)

Staff: Dale Glidden, General Manager
Brian Tarbuck, Assistant General Manager
Michael Osborne, Controller
Harold Wood, Engineer & Maintenance
Manager
Mike Grove, Treatment Plant Manager
Jill Pierce, Office Manager

Other Attendees: Ellen Blair, Human Resources Director
Kay Rand, Bernstein Shur

CALL TO ORDER: Meeting called to order by Co-Chair Ken Knight at 12:58 p.m.

Note: The Agenda was not followed due to the absence of Diane Hastings, and the late arrival of Bill Bridgeo. Items requiring two Sanitary Board members' votes were delayed until Bill's arrival.

Item 1 a.) APPROVAL OF PREVIOUS MEETING MINUTES

K. Knight made the motion to approve the minutes of the April 24th Joint Board meeting, B. Beaucage seconded the motion, and the vote to approve was unanimous, absent D. Hastings and B. Bridgeo.

Item 1 b.) REVIEW AND APPROVAL OF THE FINANCIAL REPORTS AND STATEMENTS FOR THE AUGUSTA WATER DISTRICT ONLY

Item 1 c.) REVIEW AND APPROVAL OF PAID BILLS FOR AWD ONLY

D. Glidden informed the group that the AWD was running on budget at this point in the year. In response to P. McClay's question, Dale & Mike O. verified that the AWD has implemented the use of payroll clearing accounts; similar to what had already been in place for the Sanitary District.

D. Smith made the motion to collectively approve Item 1 b. and Item 1 c., the Financials and the Paid Bills for the Augusta Water District only; B. Beaucage seconded the motion, and the vote to approve was unanimous.

Item 2: APPROVAL FOR CONFERENCE ATTENDANCE

P. McClay made the motion to approve D. Glidden's attendance at a Water Environment Federation Collection System Conference in Detroit from August 6th through 9th, 2006.; B. Beaucage seconded the motion, and the vote to approve was unanimous.

Item 3: DISCUSSION RE WATER LEVELS IN WELLS

D. Glidden led the discussion concerning water levels in the wells, which appear to be 20 feet lower than they were at this same time last year, due to dry Spring conditions. (Note: since recent rains, the water levels in the aquifer have rebounded.) Per Dale, the wells are not at any emergency level, but it does point out that the Districts need to be prepared to react, and to have another plan in the event of any shortfalls in water supply. The three options presented to the group were, as follows:

1. Have another well installed in a different aquifer.
2. Explore purchasing excess water capacity from the Hallowell Water District
3. Make arrangements to restart the Water Treatment plant

Discussion ensued concerning the different aquifers that the Districts have access to, through various parcels of land that they own. In response to a question from D. Smith, Dale said that the land owned near the Fish Hatchery in Augusta is not in the same aquifer as the three wells currently in use. Per information he had received, there is actually a breakline, so it's not the same aquifer, even though there is some interconnectivity. B. Tarbuck has applied for a \$10,000.00 grant through the Drinking Water Program, which, if it becomes available, the Districts would use to hire a Hydrogeologist to look into different scenarios, based upon the various aquifers we have access to.

D. Glidden felt looking into the Hallowell option would be a good idea, because the town doesn't utilize all of their capacity for water output. There would be several issues with this, such as the pressure differences, fluoridation, and determining the Hallowell Water District's interest in pursuing an agreement.

The Plant restart option is considered a last resort; due to the lack of expertise currently on staff, cost involved, and concern about getting "red" water in the system when flow is reversed from the plant back to Augusta.

The Board members did not voice any objections to the Districts' further investigation of the options detailed above.

Item 6: EXECUTIVE SESSION – UPDATE ON COLLECTIVE BARGAINING

K. Knight made a motion to go into Executive Session regarding Collective Bargaining; pursuant to Title 1, section 405, subsection 6, Paragraph D.

K. Knight seconded the motion, and the Board went into Executive Session at 1:26 p.m.

Board member B. Bridgeo arrived at 1:34 p.m.

At 1:41 p.m., the Board came out of Executive Session, moved by D. Smith; seconded by B. Beaucage, and approved by unanimous vote, absent D. Hastings.

B.. Bridgeo made the motion to collectively approve Item 1 b. and Item 1 c., the Financials and the Paid Bills for the Augusta Sanitary District only; D. Smith seconded the motion, and the vote to approve was unanimous.

The regular Joint Board meeting was recessed, and the annual meeting for the Augusta Sanitary District was opened at 1:40 p.m. K. Knight was appointed Clerk Pro Tem due to the absence of D. Hastings, with a motion by B. Bridgeo and a second by K. Knight.

B. Bridgeo made the motion to appoint the following officers, with a second by K. Knight:

**K. Knight - Chairperson
B. Bridgeo - Treasurer
D. Hastings - Secretary
D. Glidden – Assistant Treasurer**

The regular Joint Board meeting reconvened at 1:44 p.m.

Item 4: APPROVAL TO CONTRACT CLEANING OF RIVERSIDE DRIVE STORAGE TANKS

Per discussion led by D. Glidden, all equipment used by the divers is disinfected, and safety rules adhered to; and the contract includes vacuum removal of up to 6 inches of sediment. The Riverside Drive tanks were recommended to be the first to be cleaned, with two to follow each year, so that the tanks are cleaned on an approximate 5 year cycle.

D. Smith made the motion to approve cleaning of the Riverside Drive Storage tanks utilizing Underwater Solutions at an estimated cost of \$3,450.00; B. Bridgeo seconded the motion, and the vote to approve was unanimous.

Item 7 INFORMATIONAL

A. TOGUS VA CENTER

Per D. Glidden, there is currently a 95% probability that Togus VA will be hooking onto our Sanitary system versus pursuing some other scenario. They are looking at an Eastern Avenue route, all the way to Arsenal Street. This route would allow replacing, rebuilding existing infrastructure along Lower Eastern Avenue, and eliminating a CSO. Further discussion ensued about the possibly of negotiating the building of a sidewalk along the South side of Eastern Avenue from Cony Rd. to Hospital St. in lieu of street opening fees, as well as the possibility of the Sanitary District taking over the running of the project, and what would be entailed if that should occur. Dale informed the group that construction could begin as early as next year.

B. PROJECT UPDATE

Discussion centered around the new YMCA hoping to open in April 2007. In order to accomplish this, the Water District would need to begin replacing and upgrading the water main in Union Street in mid-August 2006, with the City road work following soon after.

K. Knight spoke to the group about the meetings he had been attending in regards to Homeland Security funds that might be available for the tower site(s). He recently gave a tour of the sites to Homeland Security representatives, and will find out shortly if additional monies will be leveraged by them. Ken also talked to the group about the pioneering nature of this project.

Item 5: MERGER UPDATE

Kay Rand informed the group regarding the merger process to date; as well as the fact that the 6th meeting was scheduled for later that evening. She went over the structure of the meetings to date, and then talked about what had been discussed as Governance Options. The 5 options presented were, as follows:

1. Status quo
2. Merger AWD/ASD only
3. Separate regional entity for treatment plant
4. Some representation for service area municipalites
5. Expanded territory, regional representation

At this point in time, the charter committee has asked for components of a study to discuss options #5 above. The study, if completed, would determine projected impacts on operations & rates for each District if consolidation were to occur, compared to projected impacts if each District remained independent.

K. Knight offered positive comments about the meetings having gone well to date; that it was a good group and always had lots of questions. He stated the group as a whole appeared open to discussing regionalization, and that it looks like the end result will be a good charter that is open to future changes.

The Augusta Water & Sanitary Districts Consolidated Board Meeting was adjourned at 2:25 p.m., with a motion by D. Smith, and a second by K. Knight, and all Board members present in favor.

Dale reminded the group of the Public Hearing regarding new Rates for the Sanitary District, which is scheduled for June 19th, 2006. D. Smith stated that he would like all Board members to attend if possible.

Ken Knight
Clerk Pro Tem, Augusta Sanitary District
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Paul McClay
Clerk, Augusta Water District

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, June 26, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
David Smith, Co-Chair (arrived at 1:17 p.m.)
Ken Knight, Co-Chair
Bill Bridgeo
Diane Hastings

Staff: Dale Glidden, General Manager
Brian Tarbuck, Assistant General Manager
Michael Osborne, Controller
Harold Wood, Engineer & Maintenance
Manager
Jill Pierce, Office Manager

Other Attendee: Kay Rand, Bernstein Shur

CALL TO ORDER: Meeting called to order by Co-Chair Ken Knight at 1:02 p.m.

Item 1 a.) APPROVAL OF PREVIOUS MEETING MINUTES

P. McClay made the motion to approve the minutes of the May 22nd Joint Board meeting; B. Beaucage seconded the motion, and the vote to approve was unanimous, absent D. Smith.

Item 1 b.) REVIEW AND APPROVAL OF THE FINANCIAL REPORTS AND STATEMENTS FOR BOTH DISTRICTS

D. Glidden presented the financials for both Districts. He noted that the Sanitary District is in a loss position on their Statement of Financial Operations for the month of May, illustrating the timeliness and need for the proposed ASD rate increase.

B. Bridgeo made the motion to approve the financial reports and statements for both Districts for the month of May 2006; P. McClay seconded the motion, and the vote to approve was unanimous.

Item 1 c.) REVIEW AND APPROVAL OF PAID BILLS FOR BOTH DISTRICTS

P. McClay questioned two payments to American Water Works Association that were for the same amount. D. Glidden promised to verify the two payments and provide an answer to Paul.

D. Hastings made the motion to approve the paid bills for both Districts for the month of May 2006; B. Beaucage seconded the motion, and the vote to approve was unanimous.

**Item 2: APPROVAL OF ASD RATE INCREASE - EFFECTIVE WITH
JULY 1, 2006 BILLING**

B. Beaucage made the motion to ratify the previously-discussed and presented, proposed new rates for the Augusta Sanitary District, with an effective date of July 1, 2006. D. Hastings seconded the motion, and the vote to approve was unanimous.

**Item 3: APPROVAL TO UTILIZE SRF FUNDS FOR WHITNEY BROOK
SEWER SYSTEM UPGRADE**

D. Glidden led the discussion, reporting that the estimate for this project is currently at \$1.2 million. Per Dale, based on the dollar amount involved, it seems appropriate to pursue ME Bond Bank financing, utilizing the SRF Program. Dale asked for approval to borrow up to \$1.25 million. He stated that we would start with interim financing. The bond closing will occur once final project costs are known or the interest rates start to go up.

B. Bridgeo made the motion to authorize pursuit of SRF funds according to the language below:

VOTED by the Board of Commissioners of the Augusta Sanitary District of Augusta, Maine as follows:

VOTED:

- 1. That the Chairman of the Board of Commissioners is authorized and directed to apply to the State Revolving Loan Fund at the Maine Municipal Bond Bank for approval to borrow up to \$1,250,000 of permanent financing to fund the Whitney Brook Sewer Replacement Project (the "Project"), said funding to include construction costs and any other costs reasonably related to the Project.**

- 2. That, pursuant to authority granted by the Charter of the Augusta Sanitary District, and specifically Section 17 thereof, and any other applicable law, the Augusta Sanitary District is hereby authorized to issue and sell to the Maine Municipal Bond Bank a Taxable Sewer Bond of the District (the "Bond") in an aggregate principal amount not to exceed \$1,250,000 to fund the Project, said funding to include construction costs and any other costs reasonably related to the Project.**

- 3. That the Treasurer and Chairman of the Board of Commissioners are hereby authorized to execute and deliver the Bond on behalf of the Augusta Sanitary District to the Maine Municipal Bond Bank. The Bond is to be sold upon such further terms and conditions and at such interest rates as may be approved by the Treasurer and Chairman of the Board of Commissioners, and shall have the District seal affixed and be attested by the District Clerk. The Bond may be issued with or**

without call or early redemption provisions, with or without premium (but not to exceed 5% of the principal amount of the call), as may be approved by the Treasurer. The term of the Bond does not exceed 120% of the economic life of the Project.

- 4. That the Treasurer and Chairman of the Board of Commissioners are authorized and directed to issue a revenue obligation note to the Maine Municipal Bond Bank in the amount of up to \$1,250,000.00 on behalf of the District on terms they deem appropriate, to fund the Project, said funding to include construction costs and any other costs reasonably related to the Project.**
- 5. That the District hereby irrevocably pledges the user fees, rates, assessments and other charges of the District for the payment of the principal of the Bond.**
- 6. That the Treasurer and Chairman of the Board of Commissioners are hereby authorized to execute and deliver a Loan Agreement with the Maine Municipal Bond Bank in such form as the Maine Municipal Bond Bank shall require.**
- 7. That the District officers and officials are hereby authorized to execute and deliver any and all documents and certificates, and to take any and all actions, including affixing the seal of the District as may be necessary or convenient to carry out the full purport and intent of the foregoing orders, or any one of them.**

Ken Knight seconded the motion, and the vote to approve was unanimous.

D. Glidden made the point that K. Knight, D. Hastings and B. Bridgeo will all need to sign the Bond documents. K. Knight, the Augusta Sanitary District Chairperson, signed the Bond Commitment document during the meeting so that M. Osborne could forward as necessary.

Item 4: DISCUSSION – REFINANCING AWD BOND(S)

D. Glidden reported that he and M. Osborne had looked into the possibility of refinancing AWD bond(s), as had been tasked to them by the Board. Per discussions with our legal representative, there is one bond that is eligible for refinancing, with a potential savings of approximately \$35,000 to \$40,000 over the life of the bond. Discussion ensued about the complexities involved in this restructuring, and what the actual realized savings of this restructuring would be once this issue is locked in at an interest rate, and the refinancing costs are factored into the savings amount. The Board members agreed that potential savings were not great enough to warrant pursuit of refinancing of the AWD bond at this point in time.

Board Co-Chairperson D. Smith arrived at 1:17 p.m. The Charter Committee discussion was taken next on the agenda, since D. Smith was now in attendance, so that K. Rand could exit afterwards.

Item 6: DISCUSSION – CHARTER COMMITTEE PROCESS

K. Rand led the discussion, which focused on the Charter Committee’s selection of Aqua Maine as the proposed consultant to evaluate the pros and cons of a regional utility. For a fee of \$19,500.00, this company would profile all the various utility Districts in Hallowell, Manchester, Winthrop, and Monmouth, as well as the Augusta Water and Sanitary Districts, and compare and contrast their financial and system viability, looking at them all as being part of a larger regional utility, and as stand-alone, independent Districts.

The Charter Committee has sanctioned this study. In order for the project to occur, authorization from the Joint AWD/ASD Board as well as the Boards of the other utilities has to take place.

K. Rand stated to the Board that authorization of this study will cause the Charter Committee to be idle until September. The committee will need to wait for Aqua Maine’s findings before coming to the Board with a proposal for what to do going forward.

D. Glidden made the point that, if a regional utility is what is ultimately proposed, this would be brought before the legislature for approval; and it would most likely take several years to actually implement.

Much discussion ensued about the unique attributes of the various Districts. There were also many points made about the timing of this study, as well as the timing of pursuit of regionalization in general. Concern was also voiced about whether this venture is side-tracking the merger process and all of the good work that has been done to date.

A 5-minute break was called at 2:15 p.m. The meeting was then reconvened at 2:20 p.m. and the group was back on record with the charter discussion.

P. McClay made a motion not to approve the \$19,500.00 expenditure for the study by Aqua Maine. The motion failed for lack of a second.

B. Beaucage made a motion to accept the recommendation of the Charter Committee and pay the 55% share of the total \$19,500.00 expenditure, to be split 50/50 between the Water and Sanitary Districts. D. Hastings seconded the motion, and the vote was five in favor and one, P. McClay, opposed.

ITEM 5: ACCEPTANCE OF LOW BID FOR NEW 1-TON DUMP TRUCK

B. Bridgeo made the motion to accept the bid of \$27,829.00 from Quirk Chevrolet for a 1-Ton Dump Truck. B. Beaucage seconded the motion, and the vote to approve was unanimous.

ITEM 7 INFORMATIONAL

A: WELL INSPECTION BY RE CHAPMAN

D. Glidden and B. Tarbuck have met with RE Chapman, who will be evaluating the wells starting with Triangle Well, when they have a crew in-State, most likely within the next month or

so. Based on the findings at this location, there may be no need to investigate the other two wells.

B. POWER CONTRACTS FOR AWD

D. Glidden informed the group that he had recently renegotiated five MGS accounts for AWD. The contract is for three years and the rate is \$0.1010, which equates to approximately \$30,000.00 per year in additional power costs for the Water District.

Dale also mentioned a \$0.01 surcharge proposed by ISO–New England, and approved by the Federal Energy Regulatory Commission. For the Districts, this charge will mean an increase of approximately \$60,000.00 in electricity supply charges.

The next Joint Board meeting is scheduled for July 24th at 1:00 p.m.

At 2:32 p.m., B. Bridgeo made the motion to adjourn the meeting, D. Smith seconded the motion, and the meeting was adjourned.

Diane Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

**A TRUE COPY
ATTEST**

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, July 24, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
Ken Knight, Co-Chair
Bill Bridgeo
Diane Hastings

Staff: Dale Glidden, General Manager
Brian Tarbuck, Assistant General Manager
Harold Wood, Engineer & Maintenance
Manager
Mike Grove, Treatment Plant Manager
Jill Pierce, Office Manager

CALL TO ORDER: Meeting called to order by Co-Chair Ken Knight at 1:05 p.m. Ken told the group that D. Smith was held up on business and would not be able to attend the meeting.

Item 1 ADMINISTRATIVE ITEMS

A. APPROVAL OF JUNE 26, 2006 MEETING MINUTES

**B. REVIEW & APPROVAL OF THE FINANCIAL REPORTS &
STATEMENTS FOR BOTH DISTRICTS**

D. Glidden reported to the group that the Augusta Water District revenues were tracking on budget at this point in the year, with expenditures running slightly under budget. It is hoped that some of the Water District excess available cash will be able to be invested into CD(s) at the end of 2006 in order to start building those cash reserves.

The Sanitary District revenues are tracking on budget, with expenditures up slightly, primarily due to increased power costs and labor within the maintenance department at the Wastewater Plant. The Sanitary District is currently showing a \$50,000.00 operating loss on its Statement of Financial Operations. This number should recover under the new Sanitary rate structure that was implemented on July 1, 2006.

**C. REVIEW & APPROVAL OF JUNE'S PAID BILLS FOR BOTH
DISTRICTS**

P. McClay made the motion to approve collectively, Item 1: A, B & C as listed above. B. Beaucage seconded the motion, and the vote to approve was unanimous, absent D. Smith.

3. Ref. 5.2.1	Oxygen Analyzer	<u>\$15,000.00</u>
		\$97,000.00

B. Bridgeo made the motion to authorize purchase of the three items listed above for the PSA System, for a total expenditure of \$97,000.00. P. McClay seconded the motion and the vote to approve was unanimous.

Item 4 INFORMATIONAL

A. STATUS OF JOINT BILL

D. Glidden informed the group that initial meetings had taken place with Northern Data Systems personnel, as well as on-site with the Billing personnel. This is the start of the process of bringing both the Sanitary and Water Districts onto the latest version of NDS' billing software, and ultimately converting to a joint ASD/AWD bill for our customers. The first step will be upgrading the ASD billing software to the latest version; and converting customer addresses for both Districts to a single, merged list, to which common conventions have been applied.

B. LEASING OF SPACE AT AWD WATER PLANT

D. Glidden updated the group on a month-to-month lease which has been entered into with Bruce Stevens, Sales Representative for SR Mahoney. SR Mahoney will be leasing some office and storage space at the Water Treatment Plant, at a rental fee of \$500.00 per month. They have provided proof of insurance to us; and will be responsible for their own telephone, internet provider, snow removal and cleaning. In response to questions, Dale informed the group that the electricity bill will be covered by the Water District. Also, at this point in time, there will be no changes regarding security at the site.

C. TRIANGLE WELL INSPECTION RESULTS

Dale reported that the Triangle Well inspection had taken place. Based on the good condition of this well, he does not feel that the other wells need to be inspected. R.E. Chapman did recommend replacing the Triangle pump motor with a more efficient, new motor. The remaining monies that were previously approved for the well inspections will be utilized to change out this motor. The cost is expected to be between \$7,500.00 and \$9,500.00.

D. AWD – SCADA UPGRADES – VARIOUS STATIONS

Two proposals have been received in response to our Request for Proposals for this work. Dale informed the Board that these proposals will be reviewed; and recommendations will be presented at the next Joint Board meeting.

E. FIELDSTONE SUBDIVISION – BIDDING OF SEWER PROJECT

Discussion ensued concerning the status of this project, with B. Bridgeo contributing the most up-to-date information he had received on the project financial status. Dale told the Board he is concerned that the project cost will come in higher than the amount of money that has been appropriated for this project. The City would like the Districts to proceed with bidding this job

out, so that a total cost is known.

D. Hastings made the motion to have the Augusta Sanitary District bid out the Fieldstone Subdivision Offsite Sewer project. B. Beaucage seconded the motion and the vote to move forward with the bid process was unanimous.

Per discussion, this bid needs to have a 30 day turnaround, so that the results can be presented at the August Joint Board meeting. There was agreement that construction of the off-road portion of this project needs to be completed in time to allow restoration and vegetation growth in the area disturbed by the construction.

D. Hastings made a motion to go into Executive Session at 2:25 p.m. regarding Collective Bargaining; pursuant to Title 1, section 405, subsection 6, Paragraph D; as well as a Personnel Matter, which is pursuant to Title 1, section 405, subsection 6, Paragraph A. B. Beaucage seconded the motion and the vote was unanimous.

D. Hastings made the motion to come out of Executive Session at 3:05 p.m., with a second by P. McClay.

D. Glidden added an additional 'Informational' item to the agenda:

F. WHITNEY BROOK PROJECT

D. Glidden informed the Board that two instances of eminent domain will need to be exercised in connection with the Whitney Brook project in order to acquire the necessary easements for the construction work. This matter will be presented on the agenda for the next Board meeting, which is scheduled for August 28, 2006 @ 1:00 p.m.

At 3:10 p.m., B. Bridgeo made the motion to adjourn the meeting, B. Beaucage seconded the motion, and the meeting was adjourned.

Diane Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

A TRUE COPY
ATTEST

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, August 28, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
Ken Knight, Co-Chair
Bill Bridgeo-arrived at 2:05 p.m.
Dave Smith, Co-Chair-arrived at 2:30 p.m.

Staff: Dale Glidden, General Manager
Brian Tarbuck, Assistant General Manager
Harold Wood, Engineer & Maintenance
Manager
Mike Osborne, Controller
Jill Pierce, Office Manager

CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 1:18 p.m. Ken and Dale informed the group that D. Smith and B. Bridgeo were going to be arriving late; and that D. Hastings was called away and would not be able to attend the meeting.

P. McClay made the motion that K. Knight, Co-Chair, be given authorization to sign the July 24th minutes for D. Hastings, in her absence. B. Beaucage seconded the motion, and the vote to approve was unanimous, absent D. Hastings, B. Bridgeo and D. Smith.

Item 1 ADMINISTRATIVE ITEMS

A. APPROVAL OF JULY 24, 2006 MEETING MINUTES

P. McClay made the motion to approve the minutes of the July 24, 2006 Joint Board meeting, B. Beaucage seconded the motion, and the vote to approve was unanimous.

B. REVIEW & APPROVAL OF THE FINANCIAL REPORTS & STATEMENTS FOR BOTH DISTRICTS

D. Glidden reported to the group that the Augusta Water District expenditures are still running slightly under budget; and the operating gain is continuing to increase. We hope to be able to invest some of the Water District excess available cash into CD(s) at the end of 2006, in compliance with our reserve policy.

The Sanitary District revenues show an unusual one-time increase this month due to the gain from the sale of the 170 Hospital Street building. Expenditures are still up slightly, primarily due to increased power, fuel and labor costs at the Wastewater Treatment Plant. The Sanitary District is now showing an operating gain on its Statement of Financial Operations. There would

still be a \$50,000 to \$60,000 positive balance without the sale proceeds, illustrating that the new Sanitary rate structure that was implemented on July 1, 2006 is starting to have a positive effect.

P. McClay made the motion to approve the financial reports and statements for both Districts. B. Beaucage seconded the motion, and the vote to approve was unanimous.

C. REVIEW & APPROVAL OF JULY'S PAID BILLS FOR BOTH DISTRICTS

B. Beaucage made the motion to approve the paid bills for July for both Districts. P. McClay seconded the motion, and the vote to approve was unanimous.

Moved on to Item 3 on the agenda:

Item 3 INFORMATIONAL

A. COMMUNICATIONS TOWER PROJECT UPDATE

K. Knight updated the group on this project, saying that he hoped to have more information to share with us on this next meeting. He mentioned that, although the tower revenue potential hasn't materialized, this endeavor has also not cost the Districts anything.

B. RIVERSIDE DRIVE TANK CLEANING

The contractor, Underwater Solutions, is going to be doing this work on August 30th and 31st, which will be monitored by District personnel for water quality issues.

C. ELECTRICAL APPRENTICESHIP PROGRAM

Winfield Studley, a maintenance employee, has been enrolled in the Electrical, Maintenance Journeyman worker course through the Maine Apprenticeship Program. He will be supervised by Stan Boynton, District employee, and will provide needed back-up for the Districts in the electrical and instrumentation maintenance areas.

D. PROPOSAL FOR NEW BACKHOE LOADER

D. Glidden stated that, pending Board approval, bids will be solicited for a new backhoe loader. The District will ask for prices both with a trade-in of existing equipment and without a trade-in.

B. Beaucage made the motion to approve soliciting of bids for a backhoe loader. P. McClay seconded the motion; and it was approved by unanimous vote.

E. WORKERS COMP DIVIDEND CHECKS

D. Glidden informed the group that the Districts had received workers comp dividend checks totaling approximately \$4,000.00, due to our continued good loss experience. Dale also spoke about the Districts' aggressive safety program. Board member, B. Beaucage, offered

congratulations to the employees; and P. McClay suggested that a letter be sent out to all employees, signed by the Board Co-Chairs, commending them on their great loss record, which was agreed to by D. Glidden.

F. TOGUS VA – SEWER PROJECT

Dale informed the Board members that there was a kick-off meeting with Togus representatives on Thursday, August 31, 2006, at 12 Williams Street. A meeting with Board members will be scheduled at a later date. In response to questioning, Dale stated that opportunities for further development would be available once this proposed sewer extension is in place.

G. WATER MAIN FLUSHING PROGRAM

Per D. Glidden, water main flushing will be done during the second week in September. We will be advertising in the newspaper as well as noting on our website.

Note relating to prior Board meeting: Dale informed the group that E.C. Barry was awarded the five-year contract for cleaning of the catch basins.

At this juncture, neither D. Smith nor B. Bridgeo had arrived yet, so the decision was made to suspend the meeting as of 1:48 p.m. There was some discussion as to whether a special meeting would need to be scheduled in order to cover the remaining agenda items. B. Bridgeo was contacted; and he arrived at the meeting at 2:05 p.m., which formed a quorum.

The suspended meeting resumed at 2:05 p.m, after B. Bridgeo's arrival.

ITEM 2 DISCUSSION – APPROVAL OF PROJECTS

A. FIELDSTONE SUBDIVISION

D. Glidden informed the group that bids had been received for this project, and that the low bid from T. Buck Construction is approximately \$75,000 over the funding that has been committed to date. B. Bridgeo was asked if he had any additional information to share with the group. Per Bill, the choices appear to be:

- Reject the bid
- Get additional monies from one of the interested parties

B. Beaucage made the motion to give D. Glidden the authority to reject the bid, depending on the results of any further discussion or developments. P. McClay seconded the motion and the vote to approve was unanimous.

In response to questions, the District has spent about \$10,000 to date in electrical/instrumentation design, plus in-house staff time. The plans and specs that have been developed are the property of the Augusta Sanitary District.

B. PEARL STREET – BID RESULTS
a. WATER MAIN REPLACEMENT
b. NEW STORM DRAIN

D. Glidden informed the Board that the "Request for Bids" included both a. & b., listed above. Four bids were received, with St Laurent Construction getting the overall low bid. Their bid for the water main replacement was right in line with our budget estimate, with the storm drain work about \$100,000 higher; and the street work about twice as much as the City had estimated. Dale did make the point that the costs for this project would most likely be spread over two budget cycles.

B. Bridgeo made a motion to authorize the District to proceed with this project. K. Knight seconded the motion, and the vote to approve was unanimous.

C. ASD – SECONDARY CLARIFIER #3

B. Bridgeo made a motion to authorize replacement of the baffle framework for Clarifier #3. B. Beaucage seconded the motion, and the vote to approve was unanimous. The work will be done by Fastco Corp. at a cost of \$31,868, which was the lowest quote received.

D. AWD – CAPACITY DEVELOPMENT CONTRACT

This item was deferred to the September Board meeting.

P. McClay made a motion to go into Executive Session at 2:24 p.m. regarding a Personnel Matter, which is pursuant to Title 1, section 405, subsection 6, Paragraph A. K. Knight seconded the motion and the vote was unanimous.

The Board came out of Executive Session at 2:28 p.m.

Co-Chair D. Smith arrived at 2:30 p.m.

The Board proceeded with the Annual Meeting of the Augusta Water District.

P. McClay made a motion to reelect the same slate of officers as are currently in position for AWD. B. Beaucage seconded the motion and the vote was unanimous.

B. Bridgeo made a motion to reelect the same Co-Chairs as are currently in position for the Joint Utility Board. P. McClay seconded the motion and the vote was unanimous.

The date for the next Joint Board meeting was changed to September 18th, 2006, at 1:00 p.m.

At 2:35 p.m., B. Bridgeo made the motion to adjourn the meeting, D. Smith seconded the motion, and the meeting was adjourned.

Ken Knight
Clerk Pro Tem, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, September 18, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
Ken Knight, Co-Chair
Bill Bridgeo
Dave Smith, Co-Chair
Diane Hastings

Staff: Dale Glidden, General Manager
Brian Tarbuck, Assistant General Manager
Harold Wood, Engineer & Maintenance
Manager
Mike Grove, Treatment Plant Manager
Mike Osborne, Controller
Jill Pierce, Office Manager

CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 1:02 p.m.

Item 1 ADMINISTRATIVE ITEMS

A. APPROVAL OF AUGUST 28, 2006 MEETING MINUTES

P. McClay made the motion to approve the minutes of the August 28, 2006 Joint Board meeting, K. Knight seconded the motion, and the vote to approve was unanimous.

B. REVIEW & APPROVAL OF THE FINANCIAL REPORTS & STATEMENTS FOR BOTH DISTRICTS

D. Glidden reported to the group on the financial statements for both Districts, noting that the Statements of Operations for both show that current rates are supporting expenditures, resulting in net operating gains.

B. Beaucage made the motion to approve the financial reports and statements for both Districts. P. McClay seconded the motion, and the vote to approve was unanimous.

C. REVIEW & APPROVAL OF AUGUST'S PAID BILLS FOR BOTH DISTRICTS

D. Hastings made the motion to approve the paid bills for August for both Districts. K. Knight seconded the motion, and the vote to approve was unanimous.

Item 2

DISCUSSION - APPROVAL OF PROJECTS - EQUIPMENT

A. AWD – SCADA UPGRADES

D. Glidden informed the group that a portion of the ASD SCADA system needs to be upgraded to be able to accept the prospective changes to the AWD SCADA system. These improvements on the ASD side will make the current system easier to be expanded upon, as well as assuring that the system is easier & less expensive to support.

In response to various questions, Dale stated that the SCADA is set up to be powered by an emergency generator in the event of a power outage.

Dale also explained that money is budgeted yearly for normal work on the SCADA system, and every four or five years, a larger sum of money is budgeted, assuming more substantial system work needs to be done. Larger scale SCADA upgrades normally occur along with major projects, such as CSO work, but this current upgrade is being done in order to start the conversion of Water District SCADA equipment to the more modern Sanitary District SCADA system.

P. McClay made the motion to approve the requested upgrades to both the ASD & AWD SCADA systems, with Electrical Installations Inc. (EII) performing the work, for a combined cost of \$114,000.00. K. Knight seconded the motion, and the vote to approve was unanimous.

B. PURCHASE OF NEW/USED 60 KW GENERATOR

D. Glidden stated that the Districts would like approval to purchase either a new or used 60 Kw portable generator for a sum not to exceed \$26,000.00. The amount is based on a quote from Eagle Rentals for a new unit, which was the lowest of several quotes obtained, although the Districts will also be looking into purchase of a used unit instead. Purchase of this unit would increase our stand-by power backup to two large and two smaller generator units, which will resolve our emergency back-up power needs during major power outages.

P. McClay made the motion to approve up to \$26,000.00 for purchase of either a new or, preferably, a lower-priced, used 60 Kw portable generator. K. Knight seconded the motion, and the vote to approve was unanimous.

Per Dale, there are about forty sites that may need this power source at times. Electrical work will be performed at some of the sites to allow generator hook-up.

C. FIELDSTONE SUBDIVISION – PIERCE DRIVE SEWER PROJECT

B. Bridgeo informed the group that research was still being done concerning how to fill the monetary gap for this project. Discussion ensued about various options to fill this gap, and, at mention of the possibility of financial assistance from the Districts, Dale reminded the Board that the Water District was regulated by the Public Utilities Commission, and cautioned against “opening the door” concerning the Districts’ policies regarding financing options.

Dale also stated that the District had until November 9, 2006 to either accept or reject the low bid from T Buck Construction.

Co-Chair D. Smith asked Dale to poll other Districts to see what their policy is regarding assistance to new development.

B. Bridgeo questioned whether the Sanitary District's policy could be changed to allow projects such as the Fieldstone Subdivision or others of that nature to be supported in some financial capacity, for eg., lending money to the developer. D. Glidden responded that it is the Board's decision what the Sanitary District's policies should be, as there are no other governing agencies involved. Dale also cautioned that the Sanitary District reserves have been significantly reduced in the last couple of years as the District has undertaken some major projects to eliminate "downstream" capacity issues.

No decision was made regarding the Fieldstone project; the members agreed to revisit at the next Board meeting.

ITEM 3 INFORMATIONAL

A. COMMUNICATIONS TOWER PROJECT UPGRADE

Co-Chair K. Knight let the group know that the project was still moving forward with ongoing discussion between the State, City & Utility Districts.

B. RIVERSIDE DRIVE TANK CLEANING

D. Glidden informed the group that the tank cleaning project is complete and went well. The contractors removed approximately ¼" of sediment from the bottom of the tanks, and rated the overall condition of the tanks as fair. Per Dale, the longer-term goal is to eliminate these tanks by replacing and upsizing the water main along Riverside Drive.

B. Bridgeo made a motion to take a five-minute break at 1:55 p.m. B. Beaucage seconded, and the vote to approve was unanimous.

The meeting was reconvened at 2:00 p.m. by Co-Chair D. Smith.

C. TOGUS VA – SEWER PROJECT

Dale reported that there had been a follow-up meeting with VA officials and their engineer. They are anxious to move forward with this project and hope to be on-line by the end of 2007. VA representatives will be meeting with the Board members in one of the upcoming Board meetings.

D. UNION NEGOTIATIONS STATUS

October 31, 2006 has been set as the mediation date for the Union negotiations.

E.

AWD – CAPACITY DEVELOPMENT CONTRACT

B. Tarbuck & D. Glidden hope to bring a recommendation for vendor approval for this project to the October 23, 2006 Joint Board meeting. At this time, they are still evaluating vendor proposals.

D. Smith made a motion to go into Executive Session at 2:07 p.m. regarding a Personnel Matter, which is pursuant to Title 1, section 405, subsection 6, Paragraph A. B. Bridgeo seconded the motion and the vote was unanimous.

The Board came out of Executive Session with a motion by B. Bridgeo and a second by K. Knight at 2:40 p.m. The vote to approve was unanimous.

At 2:42 p.m., B. Bridgeo made the motion to adjourn the meeting, D. Hastings seconded the motion, and the meeting was adjourned, by unanimous approval.

Diane Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, October 23, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Beverly Beaucage
Ken Knight, Co-Chair
Bill Bridgeo
Dave Smith, Co-Chair
Diane Hastings

Staff: Dale Glidden, General Manager
Brian Tarbuck, Assistant General Manager
Harold Wood, Engineer & Maintenance
Manager
Mike Grove, Treatment Plant Manager
Mike Osborne, Controller
Jill Pierce, Office Manager

CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 1:00 p.m.

ITEM 1 ADMINISTRATIVE ITEMS

A. APPROVAL OF SEPTEMBER 18, 2006 MEETING MINUTES

D. Smith made the motion to approve the minutes of the September 18, 2006 Joint Board meeting, B. Bridgeo seconded the motion, and the vote to approve was unanimous.

B. REVIEW & APPROVAL OF THE SEPTEMBER FINANCIAL REPORTS & STATEMENTS FOR BOTH DISTRICTS

D. Glidden reported to the group on the financial statements for both Districts:

The Water District revenues are holding, while expenditures are down slightly. Their reserves are still growing in a positive direction. M. Osborne is hoping to realize ½ to 2/3rd's of the Water District's reserve goal this year, and the balance in 2007.

The Sanitary District revenues & expenditures are both up. The increase in expenditures is primarily due to power costs. The operating gain for the District is growing due to the recent rate increase.

D. Hastings made the motion to approve the financial reports and statements for both Districts. B. Beaucage seconded the motion, and the vote to approve was unanimous.

C. REVIEW & APPROVAL OF AUGUST'S PAID BILLS FOR BOTH DISTRICTS

B. Bridgeo made the motion to approve the paid bills for September for both Districts. B. Beaucage seconded the motion, and the vote to approve was unanimous.

D. Smith asked for more information on several invoices, which was verbally provided by Dale & Mike.

ITEM 2 DISCUSSION – APPROVAL OF PROJECTS – EQUIPMENT VOTE

A. AWD – CAPACITY DEVELOPMENT CONTRACT

P. McClay made the motion to approve Wright Pierce as the contractor for the Capacity Development project, spending up to a total of \$10,000.00. B. Beaucage seconded the motion, and the vote to approve was unanimous.

Wright Pierce was selected as the most responsive bid of those received based on a Rating Sheet developed by B. Tarbuck.

Note: The Drinking Water Program previously awarded a \$10,000.00 50/50 matching grant for this project.

B. FIELDSTONE SUBDIVISION – PIERCE DRIVE SEWER PROJECT

B. Bridgeo informed the group on progress made between the City and the Developer. He then proposed putting forward two motions.

The first Motion:

B. Bridgeo made a motion to authorize D. Glidden to award a contract on this project providing that Dale is satisfied that all financial elements are in place (the Developer has come up with all financial agreements with lending agencies and partners.) P. McClay seconded the motion, and the vote to approve was unanimous.

Much discussion ensued concerning this project; including concerns about the accuracy of the estimated contingency amount. **Action item: Related to this, B. Bridgeo agreed to send the City backhoe to the project site to dig a 20 ft. hole in the location of the proposed pump station, in order to see if there is any ledge encountered, which would result in ledge removal being necessary. The presence or absence of ledge will make a difference as to whether the \$30,000.00 contingency is sufficient for the project needs.**

The second Motion:

B. Bridgeo made the motion for the Joint Board to adopt a policy to permit the advancing of Sanitary District funds to allow work to be done; and the developer to be able to repay the District over a certain prescribed time period as project revenues permit. D. Smith seconded this motion.

Much discussion ensued concerning Bill's second motion.

B. Bridgeo suggested that the District consider charging interest to the Developer in order to cover lost opportunity but also to stimulate development.

D. Hastings questioned whether a specific dollar limit could be set aside by the Sanitary District to be used for this type of endeavor in order to limit the amount of spending.

B. Bridgeo suggested that language be included in the policy to earmark a "portion of fund balance" of the Sanitary District for stimulation of development. He also proposed a three year pay-period for the developer to repay the District. Another suggestion Mr. Bridgeo made was to have the Board consider the Fieldstone project a "Pilot Project", and move forward, according to the proposed second motion, then the Joint Board could decide after this project's completion, whether to continue with this type of policy for the District.

At this juncture of the meeting, D. Glidden interjected that he strongly urged the Board "not to go down this road". He stated that he was not sure how this proposed policy would align with the Sanitary District Charter, as well as how our auditors and legal council would advise regarding this issue. He was also concerned about setting precedence, and what past & current ongoing projects' Developers would think. Dale also stated that the District should be saving for the major Phase III CSO work that is in the near future and not using these monies for funding public development.

P. McClay questioned the group as to whether the District could ask T Buck Construction if they would be willing to extend their bid for an additional 30 days. **Action item: D. Glidden tasked H. Wood with contacting the vendor regarding this possibility.**

B. Beaucage made the comment to the group that she was not comfortable with what was being proposed; she spoke of the need for the District to be able to review the Developer's financial statements. She further stated that the Board should not be setting a policy just to help make this one project happen.

B. Bridgeo's response to this concern was that it is common for Cities to advance utilities' funds for this type of project. He said that, in this case, the difference is that the Sanitary District has a separate Board that governs its' policies. Bill commented to the group that he feels it's in the interest of public development that the Board consider this proposed policy.

B. Beaucage stated to M. Osborne that she would like to hear his recommendation as a financial person for the District. Mike responded with a query as to why the Developer

wasn't seeking financing from a bank instead of us. He asked who would be performing the Credit Risk Analysis; and expressed concern about not being privy to the Developer's information, or having any basis for making a recommendation. Mike stated that this sounded like something that should be partnered between the City of Augusta & a local bank instead of the District. He also expressed concern about the need for disclosure to another lender if the District advanced money to the Developer.

D. Smith made the motion to table consideration of the primary motion made by B. Bridgeo. This would allow the District to contact T Buck concerning extending the bid proposal, as well as allow time for consultation with legal council & external auditors. D. Hastings seconded the motion, and the majority voted in favor of tabling until the next meeting.

D. Hastings questioned the group about the current status of the revolving loan fund which the Board of Trade & the City previously established, which would appear to be a source to go to for assistance in funding a project such as Fieldstone.

D. Glidden stated to the Board members that the Sanitary District is indeed supporting the Fieldstone Project. To date, the District has spent approximately \$10,000.00 out of pocket, and has proceeded with the current \$1.5 million Whitney Brook project, which lead to increased debt load, partly due to the expectation of the Fieldstone project taking place. Dale made the further point that the District is supporting development by its \$3 million in spending on existing systems, such as the Riggs & Whitney Brook projects, as well as improvements made in the Northwest section of the City in order to revive downstream capacity so that these projects would be allowed to connect to our system.

C. AUTHORIZE PURCHASE OF A NEW LOADER/BACKHOE

B. Bridgeo made the motion to approve the purchase of a loader/backhoe from Nortrax, for a total of \$88,000.00, minus the trade-in of a JD 510 Backhoe at \$18,500.00 & a JD 444 at \$13,000.00, for a net total of \$56,500.00. P. McClay seconded the motion and the vote to approve was unanimous.

ITEM 3 INFORMATIONAL

A. FORECLOSURE SALE – 74 BOOTHBY STREET

D. Glidden informed the Board that the foreclosure sale for the 74 Boothby Street property is off, due to the property owner's bank, Wells Fargo, paying the District the balance owed.

B. CARLETON POND – SELECTIVE WOOD HARVESTING

The forester, Steve Elliot, is gearing up his operations to oversee wood harvesting for us this Fall. This is part of an ongoing Forest Management plan. Per D. Glidden, the expected revenues from this year's cutting are estimated at \$10,000.00 to \$20,000.00, some of which will be used for fence repair in the Spring.

C. PERSONNEL CHANGE AT TREATMENT PLANT

Stan Boynton is resigning, effective December 31, 2006. Brian, Mike Grove and Dale will be looking at options regarding restructuring of operations & maintenance at the plant; and will reassess the need for filling the Maintenance Supervisor's position.

D. Smith made a motion to go into Executive Session at 2:00 p.m. regarding a Personnel Matter, which is pursuant to Title 1, section 405, subsection 6, Paragraph A. K. Knight seconded the motion and the vote to approve was unanimous. D. Glidden & B. Tarbuck were asked to stay for the first five minutes of the session.

The Board came out of Executive Session with a motion by D. Hastings and a second by D. Smith at 2:25 p.m. The vote to approve was unanimous.

B. Bridgeo left the meeting at 2:15 p.m. due to a scheduling conflict.

P. McClay made the motion to approve the executive search process as outlined by Co-Chairs D. Smith & K. Knight, with assistance provided by E. Blair, Human Resources Director. The vote to approve was 5 – 0, with B. Bridgeo absent.

The group had a discussion regarding the Taxpayer Bill of Rights, with no action taken.

At 2:35 p.m., D. Smith made the motion to adjourn the meeting, P. McClay seconded the motion, and the meeting was adjourned, by unanimous approval.

Diane Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

ATTEST

**AUGUSTA WATER & SANITARY DISTRICTS
SPECIAL BOARD MEETING
Monday, November 8, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Ken Knight, Co-Chair
Bill Bridgeo
Dave Smith, Co-Chair
Diane Hastings

Staff: Dale Glidden, General Manager
Brian Tarbuck, Assistant General Manager
Mike Grove, Treatment Plant Manager
Mike Osborne, Controller
Jill Pierce, Office Manager

Other Attendees: Greg Chabot, RKO
Les Wilkinson Esq., BSSN
Lee Bragg Esq., BSSN

CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 8:02 a.m.

Opening discussion centered on why this Special Board meeting was called: to further discuss a motion made by B. Bridgeo at the October Board meeting, that was later tabled, regarding whether the Augusta Sanitary District should adopt a policy to permit the advancing of District funds in support of public development. Representatives from Bernstein, Shur, Sawyer & Nelson, as well as the Districts' auditors, Runyon, Kersteen & Ouellette, were in attendance to be available to the Board for additional information & insight concerning the motion under discussion.

L. Bragg stated to the group that, from the District's point of view, there were two sides:

- 1) Can this be done?
- 2) If so, how might it be done?

L. Bragg said, in answer to the first question, that there was no stated authority for or against the District adopting such a policy. He further stated that it was a gray area; there was no clear legal authorization, and enforceability issues could arise.

G. Chabot of RKO stated that the auditor's issue with this type of policy change would concern the District being the "lender of last resort", and all the related collectibility issues. He stated that the District would have to look at a Developer's payment history, collateral on loan, and guarantees on the loan. The auditors would recommend a significant allowance on the Balance Sheet to offset any loan of this nature. Greg also

questioned whether District management had the expertise to administer this type of loan. He stated that District management would determine their own allowance amount; and the auditor's task would be to review the reasonableness of the amount set.

According to Mr. Chabot, the act itself of providing a loan to a Developer would not lead to any reportable conditions. It would be up to District management to properly administer the loan & set allowances, subject to the auditor's review.

Much additional discussion ensued, with points being made by several of the meeting attendees:

In response to a question about whether the District currently charges any type of an impact fee, D. Glidden stated to the group that the Sanitary District already has a sewer availability fee in place. For a single family unit, a flat fee of \$1,000.00 is charged; and for commercial properties, the amount is calculated based upon the amount of flow per day.

Dale also made the point to the group that the newly-approved Sanitary District rate increase does not have any provision to allocate funding in support of new Development. B. Bridgeo's response was that the loan amount wouldn't have to be budgeted for because the fund balance would be replenished as the dollars are repaid to the District by the Developer. Dale mentioned the Board's current goal of maintaining cash reserves in the amount of \$750,000.00. He questioned what would happen if a loan becomes uncollectible, after we had earmarked a portion of those funds for this type of development.

Some discussion also centered on the size of the proposed pump station for the Fieldstone project. Dale stated that this pump station has been designed to support the planned residential project. D. Smith questioned whether the outlay for materials for the Fieldstone project would be lost costs if, for some reason, the project doesn't go forward. In response to further questions, Dale stated that the pump station would be over-designed for just the needs of the Alumni Field, since it's designed to support the proposed residential project.

B. Bridgeo questioned whether the Board should consider charging an impact fee as opposed to granting a loan to the Developer. His thought was that the District could then utilize the lien process, in the case of non-payment.

P. McClay asked the Board whether his presence on the Board of Directors at Gardiner Savings Institution put him in a position of conflict, since the Fieldstone developer may be utilizing that particular banking institution. The response was that there was no immediate conflict at this time; and that Paul would have to assess his comfort level as developments further unfold.

K. Knight asked whether they would have gone down this road of considering changing current Sanitary District policy if the Fieldstone project wasn't in the mix. D. Glidden responded that the answer is "no, we would not have." If Cony High School had sought a

pump station just for the Alumni Field needs, it would have been much smaller, and it would be private, as opposed to District-owned.

L. Wilkinson spoke to the group regarding question #2 on how the new policy could be implemented. He made the point that the District can elect to put in infrastructure whenever they deem necessary. Les also described the proposed impact fee to the developer that was under discussion as “spot zoning”.

As far as the District making any loan to a developer, Les also stated that, for larger loans, lenders require an “opinion” as to whether the loan is enforceable. He stated that the District would want all the same information that a lender (bank) would need, such as: letters of credit, guarantees, collateral. He also said that the District would be in a junior equity position as compared to the bank, who would have the first position.

P. McClay made the point that he feels less comfortable with the borrowing scenario that is under discussion.

D. Glidden asked for clarification about the proposed impact fee, to make sure that it was a separate fee from the current impact or sewer availability fee. The response was that the proposed impact fee would be at a different rate, and specific to the particular participants in the development project.

D. Glidden made the point to the group that the Fieldstone project is very similar in scope & nature to the Cancer Center project. Already, the District has committed amounts up to \$50,000.00, which includes \$10,000.00 to \$12,000.00 out of pocket, to the Fieldstone project that it did not do for the Cancer Center.

B. Bridgeo stated that the potential of 50 new homes are a good business reason for the District to support the Fieldstone project. He said that the City had done due diligence on this project, and the Board of Trade had already scrutinized the project, and committed \$200,000.00. He also said that GSI is considering a loan.

K. Knight made the motion to move the original motion put forward by B. Bridgeo at the October 23rd meeting off the table. P. McClay seconded the motion.

B. Bridgeo asked to amend his original motion to change the language from “advancing of funds...” to setting an impact fee policy to cover this type of assistance to the developer. P. McClay seconded the motion; and all voted in favor of amending.

D. Smith made the point to the group that he cannot be rushed into doing this, ie. rushing policy to make a single project happen. He stated that he felt the Board’s first responsibility was to the ratepayers.

L. Bragg proposed setting an additional policy, ie. “policy #4” that would apply when specific criteria are met. Under this scenario, if the parameters are met for a specific developer, then the project would be paid for via impact fees as opposed to the standard policy of a developer needing to pay the District upfront.

B. Bridgeo made a motion to the Board to withdraw his original (subsequently amended) motion. P. McClay seconded the motion.

B. Bridgeo then proposed a substitute motion that this Board, using an impact fee structure, commit financing to the Fieldstone project developer, which the District will recoup over a four-year time period, subject to a legal determination that the lien process would be enforceable under these circumstances; *and subject to the agreement of the current landowner*. P. McClay seconded for purposes of discussion. Both Bill & Paul were in agreement with the insertion of the additional italicized language.

D. Smith expressed his concern about how approval of this type of impact fee policy would affect the District with regard standing with its' own financial entities, such as the Maine Bond Bank.

K. Knight stated that the group shouldn't proceed with this motion because the landowner is not aware about something that could potentially affect him, if the lien process should apply in this situation.

B. Bridgeo made the motion to table his substitute motion until the next regular Joint Board meeting. D. Hastings seconded the motion.

A subcommittee composed of K. Knight, B. Bridgeo & B. Beaucage was formed in order to perform further research prior to the upcoming meeting.

D. Glidden stated to the Board that any policy created to support public development, such as the motion on the table, will need to be handled at the Board level. He wanted to make it clear to the members that staff is uncomfortable and do not feel qualified for having to determine which projects qualify and which don't; and that he would forward all requests up to the Board for Board consideration and final approval or rejection.

At 10:00 a.m., K. Knight made the motion to adjourn the meeting, P. McClay seconded the motion, and the meeting was adjourned, by unanimous approval, absent B. Beaucage.

Diane Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

**A TRUE COPY
ATTEST**

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, November 27, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay
Ken Knight, Co-Chair
Dave Smith, Co-Chair
Diane Hastings
Beverly Beaucage

Staff: Dale Glidden, General Manager
Brian Tarbuck, Assistant General Manager
Harold Wood, Engineering & Maintenance
Manager
Mike Grove, Treatment Plant Manager
Mike Osborne, Controller
Jill Pierce, Office Manager

Other Attendees: Lee Bragg Esq., BSSN

CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 1:07 p.m.

D. Glidden asked to address the Board. He explained that one of the Board Co-Chairs had met with him subsequent to the November 8th meeting, and he was told a public apology was in order to the Board for statements that had been made at the meeting. Dale stated that he had listened again to the taped transcript, and explained, in greater detail, that he was trying to express that the staff did not have the qualifications or experience to make the determination as to which Developer to support, or properly administer a loan, under the scenario that was being explored. He said that he apologized for not stating his concerns as well as he should have in order to avoid any misunderstanding by the Board members. The Board members accepted Dale's apology & explanations, and the meeting commenced.

ITEM 1 ADMINISTRATIVE ITEMS – VOTE

**A. APPROVAL OF OCTOBER 23RD & NOVEMBER 8TH, 2006
MEETING MINUTES**

P. McClay made a motion to accept the October 23rd & November 8th, 2006 minutes. B. Beaucage seconded the motion.

D. Hastings asked that language under Item 2B, 'Second Motion', in the October 23rd minutes be amended, as follows: "*.....of the revolving loan fund which the Board of Trade & the City previously established, which would appear to be a source.....*" instead of the original: "*.....of the Board of Trade which would appear to be a group.....*".

P. McClay amended his motion, B. Beaucage agreed to second the amended motion, and approval was unanimous, absent B. Bridgeo.

B. REVIEW – APPROVAL OF THE OCTOBER FINANCIAL REPORTS & STATEMENTS FOR BOTH DISTRICTS

C. REVIEW & APPROVAL OF OCTOBER’S PAID BILLS FOR BOTH DISTRICTS

D. Smith made a motion to approve Item 1, B. & C., above, for October 2006. B. Beaucage seconded the motion; and approval was unanimous.

D. Hastings questioned the AWD Trustees’ Report – Budget Comparison report: The Percentage of Year Complete at the bottom of the page noted 75%, and the correct percentage should be 83.34%. P. McClay questioned the presentation of the “Actual % Remaining” for “Net Income”, on the same schedule. **Action item:** M. Osborne will revise the schedule to address both questions & email to the members & other attendees.

ITEM 2 CONTINUE DISCUSSION-CONCERNING MODIFICATION OF ASD’S POLICY-FINANCIAL ASSISTANCE FOR DEVELOPMENT PROJECTS

ITEM 3 CONSIDER REQUEST-SEWER INFRASTRUCTURE ASSISTANCE – FIELDSTONE SUBDIVISION

K. Knight reported to the group that the sub-committee appointed at the previous Board meeting had met, along with Lee Bragg from Berstein Shur, regarding the issue of financial assistance for development projects.

L. Bragg handed out to the group draft policy language which the subcommittee discussed in their meeting. He then proceeded to go over various points in the draft language.

B. Beaucage explained to the group that their charge had been to come up with a procedure to facilitate funding of public development, if there was a benefit to the District. She stressed that this draft policy language did not reflect the opinion of Board members on the committee. They were all in agreement that they did not want to “loan” to developers. Bev stated, “we (the District) are not in the loan business.”

A great deal of discussion ensued concerning the draft policy language provided to the group. Some of the questions & concerns brought out in discussion are, as follows:

- Would this proposed policy relate to other utilities in the communities that surround us. It was thought that if another District joined with this District, then this policy may very well pertain to that community as well.
- What would happen if a Developer defaults, or is no longer the owner? L. Bragg responded that his interpretation is that we (the Sanitary District) can lien the landowner. The lien would be assessed on the Developer or lending agency, unless the sale hasn't closed. In that case, the lien would be assessed on the original owner.
- Per comment from P. McClay, language should be written specific to the above, so that a lien would be placed on the Developer, not the original landowner.
- L. Bragg suggested that the District make a determination of the hard costs of the Sanitary District investment in a particular project, so that the loan will never be for more than that amount.
- Lee made the point that the Board should be performing both an analysis of the Developer, and an assessment, as explained in the previous bullet.
- Per Diane, the Developer would need a business plan, and some type of commitment of funds to the project from other source(s).
- Diane suggested that there be a limit placed on what total dollar amount could be outstanding, and owed back from Developer(s) at any point in time.
- D. Glidden stated to the group that the Fund Balance of the District is supposed to be growing (via new rate case), over the next five years, so that the 1st payment can be made on the large bond that will be necessary for Phase III of CSO project. Additional members spoke about budget inclusion, and various scenarios to set limits on total dollar exposure for the Sanitary District.

B. Beaucage made the point that she does not feel the District is ready for this policy today, and that more due diligence was needed.

D. Smith stated that he had done some careful polling and no one was favorable to this type of development funding. He made the point that if this funding was not a loan, what would it be called? Dave made the points that the Board still doesn't know who "he" (the Developer) is, and that this policy language appears to take care of just one entity.

In response to a question, Dale said that the current Sanitary District reserves are on or about \$750,000.00, as prescribed by the Board. He also mentioned that a project in process was not going well, and reserves may well have to be utilized before the end of the year, bringing the total reserves below that level.

D. Hastings made a comment at this juncture of the meeting that she was considering making motion to table until the Board has more information.

D. Smith questioned what the District's status would be in terms of collectibility in the event that the Developer couldn't make the payments agreed upon. He also

stated that he was representing the interests of ratepayers, and he couldn't justify going forward with this proposed policy change.

K. Knight addressed the fact that the Board members are appointed by the mayor of the City of Augusta, and that it would be in the interests of the City to support this type of funding.

B. Beaucage made the point that she had done what she was charged with in regard to her sub-committee work. She also expressed concern about the District investing in development, when it could possibly have an effect on our own ability to obtain financing later on.

K. Knight stated that the Board had been promised a letter from the Developer, and nothing had been received as of the Board meeting.

D. Smith made a motion that, due to the absence of both information & any interest in participating today from the Developer & other principals, the Augusta Sanitary District advise the contractor, T Buck Construction, that it will not move ahead with the Bid Request; and, further, that it will terminate all work in support of the Fieldstone Subdivision project. **The District does agree to notify the contractor to see if he would be willing to extend his deadline, allowing for the Developer to have the ability to attain further funding.* B. Beaucage seconded the motion.

P. McClay proposed to amend the motion to include the italicized language above (*). D. Smith made a motion to accept the amendment to the motion, K. Knight seconded the motion, and the vote to approve was unanimous.

D. Smith made a motion that the sub-committee appointed to develop a policy for special extensions continue their work on developing a long-term policy to help the Augusta Sanitary District be flexible in finding ways to support future public development. P. McClay seconded the motion, and the vote to approve was unanimous.

D. Glidden made the point that the test hole to determine the presence of ledge, that had been discussed at a prior Board meeting, has never been dug, so it is still unknown what is out there in terms of ledge. He further stated that he had been given the authority, at an earlier meeting, to sign the contract if funding sources became available. Because the presence or absence of ledge is still undetermined, Dale said that he would be uncomfortable signing a contract for the project.

D. Hastings & K. Knight both stated that the current policies of the Sanitary District should stand concerning the District's management of Projects for Development.

L. Bragg exited the meeting at 2:46 p.m.

A five minute break was called from: 2:46 pm. To 2:51 p.m.

The members agreed to take the agenda out of order to ensure that the items needing to be voted upon were addressed due to the length of the meeting.

- | | |
|---------------|-----------------------------------------------------------|
| ITEM 5 | APPROVAL FORECLOSURE ACTION ON MATURING LIENS |
| ITEM 6 | APPROVAL – REPLACEMENT OF TRAMAC HAMMER |
| ITEM 7 | APPROVAL – REPLACING CONFERENCE ROOM FURNITURE |
| ITEM 8 | APPROVAL – PURCHASING CHRISTMAS HAMS FOR EMPLOYEES |
| ITEM 9 | APPROVAL – ATTENDANCE AT NEWEA CONFERENCE – BOSTON |

D. Smith made a motion to approve all of the Items 5 through 9, listed above. B. Beaucage seconded the motion; and all voted to approve.

Some discussion ensued concerning the Tramac Hammer. It needs approx. \$5,000.00 in repairs, but, due to its age and cost of previous repairs, it is being recommended for replacement. The cost will be split between the two Districts. In response to a question from B. Beaucage, the cost was not specifically itemized in the 2006 capital budget, but is covered by other approved but unspent capital investments.

ITEM 4 PRESENTATION OF 2007 AWD-ASD BUDGET

D. Glidden presented the '07 Budget to the group. The Water District has projected flat revenues, and a decrease of approx. \$200 k in expenditures due to labor reduction of Senior Staff resulting from the Merger.

The Sanitary District shows an increase of approx. \$600 k of revenues due to the recent rate increase. Expenditures are increased, primarily due to a change in accounting treatment, based on Government Accounting Standards Board Statement #34. Administrative & Accounting expenditures are increased due to the inclusion of D. Glidden's severance package for his upcoming June retirement.

The proposed Capital Budget was presented as well. The Sanitary District 2007 budget includes \$1,000,000, which represents an estimate of the consulting costs that are needed for design of the Phase III CSO Project. Dale recommends going to the Maine Bond Bank to put financing in place for the entire Phase III, with the \$1 M for consulting work borrowed initially.

D. Glidden made the point to the group that both budgets were basically "level-funded", showing the effect of both the merger & reductions in staff due to attrition.

In response to a question from P. McClay concerning accounting treatment if the Fieldstone project had moved forward, M. Osborne stated that it would be presented on the Sanitary books as an asset with an offsetting allowance for doubtful accounts.

D. Smith asked about Union negotiations: a second mediation session is scheduled for December 14, 2006.

At 3:10 p.m., D. Hastings made the motion to adjourn the meeting, P. McClay seconded the motion, and the meeting was adjourned, by unanimous approval.

Diane Hastings
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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D. Smith made a motion that, due to the absence of both information & any interest in participating today from the Developer & other principals, the Augusta Sanitary District advise the contractor, T Buck Construction, that it will not move ahead with the Bid Request; and, further, that it will terminate all work in support of the Fieldstone Subdivision project. **The District does agree to notify the contractor to see if he would be willing to extend his deadline, allowing for the Developer to have the ability to attain further funding.* B. Beaucage seconded the motion.

P. McClay proposed to amend the motion to include the italicized language above (*). D. Smith made a motion to accept the amendment to the motion, K. Knight seconded the motion, and the vote to approve was unanimous.

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D. Smith made a motion that the sub-committee appointed to develop a policy for special extensions continue their work on developing a long-term policy to help the Augusta Sanitary District be flexible in finding ways to support future public development. P. McClay seconded the motion, and the vote to approve was unanimous.

**AUGUSTA WATER & SANITARY DISTRICTS  
SPECIAL BOARD MEETING  
Monday, December 4, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay  
Ken Knight, Co-Chair  
Dave Smith, Co-Chair  
Diane Hastings  
Beverly Beaucage  
Bill Bridgeo

Staff: Dale Glidden, General Manager  
Brian Tarbuck, Assistant General Manager  
Harold Wood, Engineering & Maintenance  
Manager  
Mike Grove, Treatment Plant Manager  
Mike Osborne, Controller  
Jill Pierce, Office Manager

Other Attendees: Lee Bragg Esq., BSSN  
Mark O'Brien, City Counselor  
Bill Kjeltyka, Developer  
Donna Dore, City Counselor  
Sylvia Lund, City Counselor  
Michael Duguay, Development Director  
Roger Katz, Mayor-Elect  
Gary Remal, Kennebec Journal

**CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 3:33 p.m.**

Co-Chair addressed the group, explaining that this Special Board meeting had been called for two purposes:

- 1) To continue work on crafting draft policy language to assist the Augusta Sanitary District's in supporting future public development.
- 2) To hear Mr. Kjeltyka's presentation concerning the proposed Fieldstone Subdivision project; and make a decision regarding provision of funding.

Co-Chair K. Knight provided some background information on the proposed policy change regarding funding to aid future public development, the position of District personnel regarding this change, as well as outlining several pertinent financial impacts, for the edification of the various attendees, some being from the public sector.

Co-Chair K. Knight introduced Lee Bragg, Bernstein Shur, as one of the participants of the sub-committee that has been meeting to draft proposed policy language. Lee then handed

out to the group a revised draft policy document, which incorporated all of the suggested changes resulting from discussion at the previous meeting on November 27<sup>th</sup>, 2006. Much discussion ensued concerning the draft policy, with some of the points discussed, listed below:

Ken explained to the group that the Board is trying to come up with language that is generic to development, such as “.....allowing sewer availability fees to be paid back over a length of time.”

L. Bragg made the point that the lien process would be available for the District to use as recourse in the event of non-payment of the proposed sewer availability fee. He also stated that the Sanitary District’s lien, when placed, would be in first position, ahead of any bank and/or private financing. He suggested that the Developer get acknowledgement of this fact from other lenders, as well as their agreement not to protest in the event of a lien situation.

Questions were asked about how project overruns would be handled. D. Glidden stated that the Sanitary District’s current practice is generally to factor a 10% contingency into a project estimate.

Discussion then turned to the draft policy language reference to “public” development, as opposed to both public & private. B. Bridgeo stated that the sub-committee had wanted to limit exposure & go with the notion of public benefit. The group agreed to leave the language specific to just “public” as this point in time.

B. Bridgeo questioned the “partial waiver” language, and wanted more specifics as to how the draft language should be interpreted. L. Bragg responded that the District should only have a lien to the extent of the benefit that accrues to the property based upon development.

Questions were asked about what kind of costs would be involved in administering this policy and how they would be captured and budgeted for by the District. B. Bridgeo responded that the Board was making this way too complicated. He said it would be different if we were executing a loan, instead of participating in a project. Bill questioned the need for outside accounting advice, as well as stating that the Board could end up “discouraging development by nickel & diming it.” K. Knight’s response was that the draft policy is trying to enhance the support that the District is already giving to public development.

At this juncture in the meeting, B. Bridgeo advised the group that Mr. Kjeltyka needed to step out of the meeting for an important telephone call. The time was 4:15 p.m.

Discussion resumed, centering on what would be needed for due diligence for a particular developer. M. Duguay, City of Augusta, said that their Planning Board process language states that the developer “has to be financially capable.” B. Beaucage felt all the standard documents (required by a bank) would be needed. B. Bridgeo felt it should be limited to the Letter of Commitment, Engineering Plans and documents, but not including tax returns.

The next area of concern was what happens when one developer sells to another Developer. Per D. Hastings, the policy language should be: “due and payable” at the point of sale instead of having the impact fee roll over to the new Developer.

B. Bridgeo asked about limiting to a percentage of fund balance. He suggested 20% of the fund balance or \$150,000.00.

D. Glidden interjected that the Board policy was for the Sanitary District to maintain \$750,000.00 in reserves; and he projected that this total may be reduced by \$150,000 due to an on-going project overrun. Dale also reminded that the proposed 2007 Capital Budget is set for \$200,000, and any un-budgeted expenditures in 2007 would either reduce the Capital Budget or reserve accounts. Dale made two additional points:

1. That his understanding was the Board was not talking about funding a project every year.
2. That the ASD fund balance is expected to grow over the next few years to fund a large bond payment for the Phase III CCO Plan.

B. Bridgeo asked to amend the draft policy language to add a provision to set aside a portion of the ASD fund balance, in an amount equal to 20% of the balance or \$150,000, whichever is greater, for use in funding public development.

L. Bragg stated that he would incorporate into the draft policy the various changes that were suggested at today’s meeting.

Both M. O’Brien, City Counselor, and Mayor-Elect R. Katz, addressed the group and complimented them on their efforts to craft a policy to support future public development. Mr. Katz spoke specifically about the Fieldstone project, saying it was the first upper middle class project in a decade, and that it had potential as a catalyst for other such projects. Mr. O’Brien asked about the specific type of lien that would be utilized, and Mr. Katz made the point that it would be a Charter lien, with no interest provision.

A great deal of discussion ensued concerning the next steps to take in drafting this policy language:

D. Smith made the point to the group that he is going to insist that the ratepayers are heard from before a policy is finalized.

B. Bridgeo stated that the Fieldstone project is delicate & needs nurturing or will fall through.

K. Knight stated that he felt the Board members were struggling with the “hurry-up” mode, and made the point that there still had been no presentation from the Developer.

Some discussion took place concerning the Sanitary District’s current rebate policy, which was further explained by both Dale & Lee. According to the current Sanitary District Sewer Main Extension Guideline, a Developer pays 100% of the costs for a main extension. If, within 7 years, another party either connects to or extends this line, the original Developer will receive a rebate according to a prescribed formula.

B. Beaucage recommended that the revised draft go to “committee” so that any recommendations could be shared with the Board members.

The group talked about the possibility of sharing the document electronically, and agreed to have a “virtual” committee meeting during the week following this meeting.

B. Bridgeo expressed concern that the time delay could jeopardize the current Developer’s position.

K. Knight reiterated the point that the policy the Board is crafting is meant to enhance what the Sanitary District is already doing to support development.

Co-Chair K. Knight asked the Board to move to the second agenda item, the Fieldstone Subdivision project. Ken informed the group that the contractor, T Buck, had agreed to an additional extension of time for his bid proposal. He also said that the City would be digging the test pit at the proposed site on Thursday, December 7<sup>th</sup>, to help provide the needed information regarding the presence or absence of ledge.

Mr. Kjeltyka had still not re-joined the meeting at this point in the meeting.

Co-Chair K. Knight suggested waiting a few more minutes. He also suggested picking a date for another Special meeting to address this project request. A Special meeting was set for Friday, December 15<sup>th</sup> at 7:00 a.m.

L. Bragg excused himself at 5:20 p.m., in order to attend another meeting he had scheduled.

**At 5:25 p.m., Co-Chair D. Smith, while first submitting that he felt the group had been more than generous in waiting for Mr. Kjeltyka, made a motion to adjourn the meeting.**

M. Duguay was sent out to give the Developer two minutes to re-join the meeting.

The Developer was unable to end his telephone call & re-join the meeting by that appointed time, and agreed to attend the Special Board meeting set for December 15, 2006 at 7:00 a.m.

**P. McClay seconded Co-Chair Smith’s motion to adjourn, and the meeting ended at 5:32 p.m, with all voting in favor.**

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**Diane Hastings**  
Clerk, Augusta Sanitary District

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**Paul McClay**  
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS  
SPECIAL BOARD MEETING  
Monday, December 15, 2006**

Location: Augusta Water & Sanitary District Treatment Plant

Trustees Present: Paul McClay  
Ken Knight, Co-Chair  
Dave Smith, Co-Chair  
Diane Hastings  
Beverly Beaucage – arrived at 7:30 a.m.  
Bill Bridgeo

Staff: Dale Glidden, General Manager  
Brian Tarbuck, Assistant General Manager  
Mike Grove, Treatment Plant Manager  
Mike Osborne, Controller  
Jill Pierce, Office Manager

Other Attendees: Lee Bragg Esq., BSSN  
Bill Kjeltyka, Developer  
Ralph St. Pierre, Assistant City Manager/Finance &  
Administration  
Tim Gooch, Developer  
Horace Rodrigue, citizen  
Gary Remal, Kennebec Journal

**CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 7:05 a.m.**

**ITEM 1                    REVIEW OF PROPOSED POLICY FOR FINANCIAL  
ASSISTANCE TO CERTAIN PROJECTS**

L. Bragg distributed to the group the revised draft policy language. All of the proposed changes brought forward at both the December 4<sup>th</sup> meeting and in email exchanges between Subcommittee members had been incorporated into the document.

Co-Chair D. Smith then proceeded to read aloud to the group the sections of the policy that had been revised, asking for comments after each section.

Much discussion ensued, resulting in both additional language and changes to existing language, which L. Bragg noted on his copy of the draft, and will incorporate into the document and distribute as soon as possible.

A few pertinent financial points that were made over the course of the discussion are:

- D. Glidden made the point that the Sanitary District's current lien rights call for a 12-month maturity date, whereas the City's is 18-months. This has worked to the District's advantage, but may be changed by the Legislature or as a result of the new charter creation process.
- Per B. Beaucage, the intent is to make sure that the District maintains positive cash flow, and does not have to go out and borrow funds for normal cash needs as a result of this policy.
- Consensus amongst the Board members was that a non-refundable \$1,000.00 application fee shall be charged to any Developer requesting a waiver.

Comments from the public:

Tim Gooch, Developer, suggested checking with banking institutions to assess their thoughts on the ASD lien rights. He also noted that consideration should be given to the City's Comprehensive Plan, and any changes that are made to it.

Horace Rodrigue, ratepayer for 56 years, expressed his opinion that this is a "can of worms" that shouldn't be opened. He asked how requests from future developers would be handled, and questioned why ratepayers should have to pay for a private project.

B. Bridgeo responded that the Fieldstone project is very important to the City. He indicated that it has been 40 years since a substantial middle class development has been built.

P. McClay added that there would be a benefit to the Districts from the hook-ups of these new houses to our water & sanitary systems.

Some discussion centered on the Sanitary District's current rebate policy. D. Glidden provided background on this policy. L. Bragg made the point that the District *could* structure some type of combination, unless policy language is crafted that would preclude a rebate if a Developer is partaking of the waiver. The point was made that, at Board's discretion, some type of combination could work.

There was also agreement amongst the Board members that the District should charge the standard interest rate per annum in place at that time for any late payments.

**Co-Chair K. Knight made a motion to accept the draft policy #4, inclusive of the changes made in the course of this meeting. B. Bridgeo seconded the motion.**

Board members P. McClay & B. Beaucage expressed that they wanted to see the revised draft policy in writing before voting.

**Co-Chair K. Knight proposed to amend his motion to say that the revised draft policy will be made available to the members later on today, and that this motion will be voted upon at the Joint Board Meeting on Monday, December 18<sup>th</sup>. The vote to approve this amendment was unanimous.**

**B. Bridgeo made a motion to amend the agenda for the December 18<sup>th</sup> regular Joint Board Meeting to add an opportunity for public comment on the proposed policy. P. McClay seconded the motion, and the vote to approve was unanimous.**

**The group agreed to set the public comment time for 2:00 p.m., and limit it to 30 minutes.**

The Board agreed to take a 5 minute break at 9:16 a.m. L. Bragg exited the meeting at this juncture.

Co-Chair K. Knight informed the group that the meeting on Monday, December 18<sup>th</sup> had been moved to the City Council Chambers to allow better access for the public.

## **ITEM 2      REQUEST FOR FINANCIAL ASSISTANCE FOR FIELDSTONE PLACE SUBDIVISION PROJECT**

Co-Chair D. Smith spoke to the group about the three previous attempts to have Mr. Kjeltyka present his request to the Joint Board.

Co-Chair D. Smith then passed B. Bridgeo a copy of the ASD Charter, and asked him to review some specific language in the Charter relating to “conflict of interest”. B. Bridgeo reviewed the language and chose to remain in the meeting, stating that he does not have a direct interest in the Fieldstone project. He also stressed that he does not receive a stipend for his membership on the ASD & Joint Boards, and that he was not happy with the question or the manner in which it was asked.

Co-Chair D. Smith then stated that he personally felt that as City Manager, Mr. Bridgeo had a conflict of interest. Co-Chair D. Smith asked for other Board members opinions, and Co-Chair K. Knight responded that he did not agree with D. Smith’s opinion and that, having been a City Councilor, B. Bridgeo’s contract is a public document and he does not get any bonus.

P. McClay let the members know that he was uncomfortable due to his role as a member of the Board of Directors of Gardiner Savings Institution. He said that, if he finds out that GSI is the lending institution for the Fieldstone project, he would probably not be able to vote.

Mr. Bill Kjeltyka, Developer for the Fieldstone Place Subdivision project, had the floor at 9:42 a.m. to present his request. Mr. Kjeltyka, first, apologized for the fact that he had been unable to return to the December 4<sup>th</sup> meeting, due to an extended conference call that he could not leave.

Mr. Kjeltyka provided background on the Fieldstone project, the main points are, as follows:

- DEP approvals have all been received
- Has a Commitment Letter with Gardiner Savings Institution
- The planned Subdivision will have 55 lots, and he expects it will take 6 or 7 years to sell these houses.
- Has an Augusta connection; grew up in Augusta
- His request to the ASD is for \$100,000.00
- Has an agreement with a local builder for the construction of 2 Spec houses
- His Excavator is looking to start his work in March '07
- Hopes to defer the first payment of \$25,000 back to ASD as long as possible
- Stated that \$20,000 from Stiman, Landowner, would be available at time of closing

D. Glidden informed the group that the test hole had been dug, and no ledge was encountered. He further stated that, due to lack of ledge, project overruns should be less than the 10% contingency he had estimated, but that some contingency amount should be carried.

Discussion ensued about what the timing would be for contractor billing versus inflow of money from the various parties.

In response to questioning about system maintenance, D. Glidden talked specifically about the sewer lines, stating that they would have to be maintained & flushed periodically until such time that a sufficient number of houses were built so that the lines operated properly.

The Board members discussed the timing on potentially approving the draft policy regarding funding assistance for public development, as well as consideration of Mr. Kjeltyka's request. It was stated that he would need to provide the necessary paperwork documentation to the Board in order for his request to be considered.

D. Glidden made the point that the Board should consider asking the contractor, T Buck Construction, for a further extension to February '07. The Board authorized Dale to contact the contractor for the project regarding extending the contract award for an additional 30 days.

**K. Knight seconded D. Hastings motion to adjourn, and the meeting ended at 10:07 a.m., with all voting in favor.**

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**Ken Knight**  
Clerk Pro Tem, Augusta Sanitary District

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**Paul McClay**  
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS  
CONSOLIDATED BOARD MEETING  
Monday, December 18, 2006**

Location: Augusta Water & Sanitary District – City Hall Council Chambers

Trustees Present: Paul McClay  
Ken Knight, Co-Chair  
Dave Smith, Co-Chair  
Diane Hastings  
Beverly Beaucage  
Bill Bridgeo

Staff: Dale Glidden, General Manager  
Brian Tarbuck, Assistant General Manager  
Mike Grove, Treatment Plant Manager  
Jill Pierce, Office Manager  
Harold Wood, Engineering & Maintenance  
Manager  
Mike Grove, Treatment Plant Manager

Other Attendees: William Dowling, Mayor, City of Augusta  
Ellen Blair, Human Resources Director  
Lee Bragg Esq., BSSN  
Kay Rand, Esq., BSSN  
Brent Bridges, Woodard & Curran  
Roland LaPointe, Togus V.A.  
Edwin Lee, Togus V.A.  
Steve Mamis, Togus V.A.  
Charlie Smith, Earth Tech  
Aubrey Strause, Earth Tech  
Steve Freedman, Brown & Caldwell  
Various citizens at large

**CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 1:00 p.m.**

Co-Chair K. Knight asked for introductions around the table, so that the large number of attendees would know who the various Board members and staff in attendance were.

**ITEM 1 PRESENTATIONS**

**A) UPDATE – TOGUS V.A.**

Brent Bridges of Woodard & Curran, the consultant for the V.A., made a presentation regarding connecting the wastewater from the V.A. Center to Augusta Sanitary District's Sewer System. He spoke of the V.A.'s desire to connect onto our system, and listed what would be involved in this undertaking:

- Abandonment of the V.A.'s local treatment facility
- Upgrade of their current pump station
- Installation of a new wastewater force main
- Connection into the East Side interceptor
- Storm Drain work, resulting in the elimination of a CSO @ lower Eastern Avenue
- Installation of a bituminous sidewalk along Eastern Ave., between Cony Rd. & Hospital St.

A draft Memorandum of Understanding between the V.A. & the Sanitary District was distributed to the Board members, as well as the District's Legal Council, for review.

Additional discussion about this planned project included:

- D. Glidden's point that an Inter-local Agreement is needed to allow the Sanitary District to own & operate infrastructure outside of its service area
- A planned schedule completion date of Fall of 2009
- Acknowledgement that monthly user fees will be paid to the Sanitary District on an ongoing basis after project completion, which will include user fees & funds for the bond that will be necessary for this project
- D. Glidden's points that the infrastructure will have potential for other development; and the addition of Togus equates to a new "industry" for ASD
- The Eastern Ave. CSO work will be done in lieu of payment of a Sewer Availability Fee, with the DEP's approval
- Response to P. McClay's question that the financing will be accomplished through the State Revolving Loan Fund, and the Bond will be through the Sanitary District
- D. Glidden's point that the Bond would be for 10 years maximum, so there would be a shorter guarantee period
- Response to questioning that the project is not bid yet, but estimated at \$3 to \$4 million, in today's dollars
- Clarification that "current user fee" referenced in paragraph 12 of the draft memorandum would be the current day user fee as opposed to a user fee set at a specific point in time & used going forward
- Co-Chair K. Knight asked to let the record show that Togus V.A. rates will be based on Sanitary only, and not include a stormwater component as all flow from the V.A. Center will be measured through a flow meter at the pump station

**While representation from Earth Tech were setting up for their presentation, some housekeeping items were taken care of, as follows:**

- a) D. Hastings presented her letter of resignation to the Board members, effective 1/1/07. Sale of her business & personal residence and relocation

to East Winthrop mean that she is no longer an Augusta resident as of 1/1/07, and must therefore resign from the Sanitary & Joint Boards.

Co-Chair K. Knight read aloud Diane's letter of resignation and thanked her for her tenure as a commissioner for the Augusta Sanitary District, as well as a member of the Joint Board.

B. Bridgeo asked for the floor and spoke of his long membership relationship with Diane. He praised her professionalism and thanked her publicly for her hard work.

- b) Next, Mike Grove, Treatment Plant Manager, was recognized by the New England Water Environment Association by being awarded the Alfred E. Pelouin Award for his significant contributions to the wastewater field.

### **PRESENTATION OF REVISED CSO LONG TERM CONTROL PLAN resumes:**

Charlie Smith & Aubrey Strause, Earth Tech, jointly presented an overview of the revised Long Term Control Plan that they have been working on for the past two years. This 2006 revision of the LTCP is due to the ME DEP by 12/31/2006.

The last update of the LTCP was done in 1999. Steve Freedman, Brown & Caldwell, talked about the approach used, which looked at maintaining best management practices & reducing the amount of stormwater run-off. Through the past two major phases of CSO projects, the number of CSO's has been able to be reduced from 30 down to 23.

A. Strause, Earth Tech, talked about the plan for Phase III CSO, which will concentrate on the Bond Brook area. She went over various alternatives, but said that their choice for Phase III was the full storage option, which would be most cost effective, as well as the most favorable to regulators. A. Strause also noted that the favored option for Phase IV at this time would likely be satellite treatment.

Charlie Smith, Earth Tech, told the group that the report would be submitted to the DEP on time. In response to questioning, he also noted that the cost estimate for Phase III CSO is between \$12.5 & \$14 million.

Additional discussion ensued about the reasoning for tackling Bond Brook in Phase III instead of the East Side. D. Glidden responded that the sewer system capacity issues that will be addressed by replaced infrastructure in Phase III, plant upgrades necessary to comply with changes in water classification of the Kennebec River from Class C to Class B, as well as it giving the biggest bang for the buck in CSO reduction, make Bond Brook the right choice for Phase III.

In response to a question from P. McClay, it was relayed that the addition of Togus to our system in advance of Phase IV will lower the cost of that phase.

**Action Item: B. Bridgeo asked for a map laying out the plan for Phase III. D. Glidden responded that a map was being printed for use on an upcoming presentation he would be giving regarding Bond Street, and that he would get a map distributed.**

B. Bridgeo asked about the Riggs Brook Village area, and Dale responded that continuing to comply with the CSO program will ensure DEP approval of extending infrastructure to that area. Bill also asked about the tank to be installed, and was informed that it would be located in the old Edwards Mill parking lot, and that the dimensions would be approximately 35' by 22' by 100'. D. Glidden made the comment that construction of an even larger tank to cover a larger magnitude storm would be advisable as long as it was still cost-effective.

**The meeting broke for a 2 minute break at 1:58 p.m., and reconvened at 2:04 p.m.**

**An opportunity for Public Comment on the proposed funding for public development policy commenced at 2:06 p.m. Per Co-Chair K. Knight, the time allotted for public comment will be ½ hour, therefore ending at 2:36 p.m.**

Mayor B. Dowling addressed the group first, saying that he was proud of the appointments that he had made to the Boards. He addressed the issue of B. Bridgeo potentially having a conflict, stating that Bill will receive no extra remuneration as a result of the Fieldstone Project. Mayor Dowling spoke of there having been political issues regarding the Board in the past, but not currently. He said that any conflict regarding Bill's appointment should be addressed to him, that it was "his conflict".

Co-Chair D. Smith made the point to the group that he had pushed for this public comment session because of the significance of the change that the potential additional public development policy represented.

Several citizens, including Horace Rodrigue, Dick Harvey, Terry McCabe & Mike Byron, gave both positive & negative opinions on the proposed policy. Several questions were asked of the Board members, such as: what the effect would be on individual ratepayers, would interest be charged on the loan, what item(s) would be cut from the ASD budget in order to provide funding & what is ASD's security position?

B. Bridgeo directly addressed the security question by saying that all the normal enforcement mechanisms would be in place as with any other ASD lien. Co-Chair K. Knight addressed the other funding-related questions by saying that the funding issues would all be looked at as a next step, if the proposed policy is approved.

**P. McClay made a motion to approve the Draft Policy 4 as presented to the group by L. Bragg. B. Beaucage seconded the motion and the draft policy was unanimously approved.**

Discussion ensued about what the process would be to tweak the policy if necessary. L. Bragg responded that the policy is freely amendable.

**ITEM 2 ADMINISTRATIVE ITEMS – VOTE**

- A) APPROVE MINUTES OF NOVEMBER 27<sup>TH</sup> REGULAR MEETING & DECEMBER 4<sup>TH</sup> SPECIAL MEETING**
- B) REVIEW – APPROVAL OF THE NOVEMBER FINANCIAL REPORTS & STATEMENTS FOR BOTH DISTRICTS**
- C) REVIEW & APPROVAL OF NOVEMBER’S PAID BILLS FOR BOTH DISTRICTS**

**P. McClay made a motion to approve ITEM 2, A, B & C, as listed above. B.Beaucage seconded the motion, and the vote to approve was unanimous.**

**D) APPOINT CLERK FOR ASD – EFFECTIVE 1/1/07**

**D. Smith made a motion to nominate K. Knight as clerk for the Sanitary District Board. P. McClay seconded the motion, and all voted in favor of K. Knight replacing D. Hastings as Clerk, effective 1/1/07.**

**ITEM 7 EXECUTIVE SESSION – PERSONNEL MATTER**

**B. Beacage made a motion to go into Executive Session at 2:32 p.m. regarding a Personnel Matter, which is pursuant to Title 1, section 405, subsection 6, Paragraph D. P. McClay seconded the motion and the vote to enter Executive Session was unanimous.**

The Board came out of Executive Session at 3:03 p.m.

**Co-Chair D. Smith made a motion to approve the 2007 Non-Union Salary Schedule as presented by the General Manager, D. Glidden. P. McClay seconded the motion, and the vote to approve was unanimous.**

**ITEM 4 NEW CHARTER – CHARTER COMMITTEE RECOMMENDATIONS – VOTE**

Kay Rand presented to the group the Report of the Augusta Water & Sanitary District Charter Committee to the consolidated Board. Kay talked about it being 2 ½ years ago that conversations first began concerning a possible merger between the Augusta Water & Sanitary Districts. She gave additional background on the creation of a Charter Committee, it’s appointees, number of meetings held & the study performed by Aqua ME to aid the Charter Committee in their decision-

making as to a recommendation. She also stated that the Hallowell Water District was interested in giving up Hallowell's sanitary system and making it part of a "Regional" Utility District. Kay then talked about the Committee's recommendation for a full merger, including Hallowell Sanitary, which would result in a new entity, with a new name: Greater Augusta Utility District. This new entity would be governed by a 6 member Board (5 voting, 1 ex-officio).

Senator Libby Mitchell has been asked to sponsor, and will file an "after deadline" bill so that we have a placeholder even though there are still concerns to be worked out about asset ownership issues.

D. Glidden made the point that the ASD Service area will need to be changed to include Togus & Chelsea, due to the proposed connection of Togus to the Sanitary System. L. Bragg will be working on the paperwork necessary to make this happen.

Some discussion ensued on the merits of proceeding toward a full merger, versus operating as the Districts are now, with many merged processes & functions. P. McClay wanted more clarification on what would be gained versus staying with status quo. The point was made that anything short of a full merger would not allow operation under a single tax id number, which would allow the Districts to operate with a single cash account, a single, sub-accounted General Ledger system, one payroll run, etc., etc.

B. Bridgeo suggested a work session, in which the specifics of what would be able to be further streamlined could be laid out and discussed more fully.

K. Rand stressed to the group that she did not recommend going forward until all controversy has been eliminated and we are at the point of just needing a "rubber stamp". In response to questions, the point was made that City Council approval was not technically needed, but it was very important that Council was on-board with whatever is being recommended. Kay also made the point that we have until March '07 to reach a consensus, but would not advise delaying any further.

Commendations were made for Kay's efforts, and leadership on the proposed merger as well as Scott Minor & Dale Glidden's receptiveness as Managers to the idea of a merger between the two Districts.

**B. Beaucage made a motion to accept the receipt of the Report of the Augusta Water & Sanitary District Charter Committee with the Board's thank you to the Committee. P. McClay seconded the motion, and the vote to accept was unanimous.**

#### **ITEM 4      APPROVAL OF 2007 AWD – ASD BUDGET – VOTE**

**B. Bridgeo made a motion to approve the proposed 2007 budgets for both Districts. P. McClay seconded the motion, and the vote to approve was unanimous.**

Discussion ensued about the costs of the merger, which are not included in the 2007 budget, such as the cost of a referendum. D. Glidden made the point that, hopefully, referendum costs could be rolled in with a City referendum, thus helping minimize costs.

**ITEM 5      APPROVAL OF 2007 PERSONNEL POLICY-NON-UNION EMPLOYEES  
                 – VOTE**

**B. Beaucage made a motion to approve the revised 2007 Personnel Policy for Non-Union Employees. D. Smith seconded the motion, and the vote to approve was unanimous.**

**ITEM 6      INFORMATIONAL**

D. Glidden advised the Board members that he had the Whitney Brook SRF Bond documents in hand that needed signature by them.

Dale also asked for feedback about whether a lift should be installed at the Treatment Plant to make the conference room more accessible to the public. He stated that he had received an estimate of \$10,500.00 for the necessary installation.

B. Bridgeo suggested holding future Joint Board meetings at City Council chambers instead of at the Treatment Plant.

Dale informed the Board that MacMillan Excavation LLC had donated \$10,000.00 to the MaineGeneral Cancer Center, for which they had been the contractor for the project.

**D. Smith made a motion to adjourn, which was seconded by P. McClay, and the meeting ended at 3:35 p.m., with all voting in favor.**

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**Ken Knight**  
**Clerk, Augusta Sanitary District**

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**Paul McClay**  
**Clerk, Augusta Water District**

**A TRUE COPY  
ATTEST**