

**AUGUSTA WATER & SANITARY DISTRICTS
SPECIAL BOARD MEETING
Monday, January 3, 2007**

Location: Augusta Water & Sanitary District – City Hall, Conference Room A

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

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

Other Attendees: Ellen Blair, Human Resources Director
Bill Kjeltyka, Developer

CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 3:59 p.m.

ITEM 1 DISCUSS FUNDING – POLICY #4 – SEWER MAIN EXTENSION POLICY

P. McClay asked M. Osborne & D. Glidden what their recommendation was concerning funding of this new policy.

D. Glidden's response was that although ASD supports the policy conceptually, they are concerned about the funding of it.

Dale made various points to illustrate the need for concern, as follows:

- The 2006 ASD Rate Study, which does not include dollars for funding for this policy, was structured so that the Sanitary District will have enough funds to be able to make the initial Bond payment for the Phase III CSO project. There will be an immediate need for a new rate increase after that payment is made. The analogy was made by the Rate Consultant, that equates the monetary need to "falling off a cliff", after covering that initial payment.
- The Joint Board just approved the 2007 Operational Budget, which shows only a \$62,000 surplus position expected at the end of 2007.
- The 2007 Capital Budget is set at \$200,000.00, which will be eaten up primarily by cost overruns associated with the 2006 Pearl Street project. Dale also pointed out that the Whitney Brook project will cost an additional \$200,000.00 to \$250,000.00 by Spring of 2007. The Treatment Plant PSA system will need \$100,000.00 in improvements

completed by Summer of 2007. There are also \$62,000.00 worth of additional Bond payments that will need to be paid out in 2007.

- D. Glidden stressed concern about cash flow needs, and emphasized that he cannot predict whether or when unforeseen problems will occur, or what the financial effect of the loss of \$100,000.00 of cash might be.

P. McClay stated to the group that his feeling was that they had voted to approve the new policy, and now the 2007 budget needs to be revised to include dollars to be able to fund the policy.

B. Bridgeo stressed to the group that they should not try to get any additional extensions of time from T Buck, the contractor for the Fieldstone project. His feeling was that we need to wrap this up, and any action causing us to have to go back to the construction market would not be advisable.

B. Bridgeo asked for the amount of the Sanitary District's current unappropriated fund balance. M. Osborne responded that the current fund balance was approx. \$2.6 million.

D. Glidden again stated to the group that his concern was about cash. He provided the following numerical representation:

As of 09/30/2006, the Sanitary District had approx. \$1.8 million in total cash funds available. Of that total, \$915,000 was committed for various known projects, leaving a balance of \$870,000.00. The upcoming Bond payments for 2007 total \$714,000.00, leaving a residual cash available balance of \$135,000.00.

B. Bridgeo asked D. Glidden & M. Osborne if, within the upcoming fiscal year, funding of this project would cause the Sanitary District to go into a negative cash balance.

D. Glidden's response was that, in this fiscal year, the money is there for us to use. As for funds being available in future years, he can't predict. Dale also made reference to the City's possible plans to rebuild Winthrop Street, which could mean up to a \$500,000.00 Sanitary District outlay, as early as the Fall of 2007.

B. Bridgeo stated that, for a modest investment, the Sanitary District can be the catalyst in enabling the Fieldstone Place Subdivision project to move forward.

P. McClay again stressed that he wanted to see that dollars are earmarked specifically in the 2007 budget to fund this policy.

K. Knight expressed concern about the City's upcoming projects and how they impact the Districts. He made specific reference to the City not pre-

warning us about the Pearl Street project, which had a \$500,000.00 impact.

B. Beaucage asked about transferring \$100,000.00 from the Fund Balance to the Capital Budget for purposes of improvements to infrastructure during 2007.

M. Osborne explained that, according to GASB 34, this change would be accomplished by reclassification on the Balance Sheet from one asset account to another as opposed to a fund balance reclassification.

In response to a question, M. Osborne informed the group that, as of 12/31/06, the available cash balance was approx. \$1.75 million, about status quo with the 09/30/2006 balance D. Glidden had referenced earlier.

B. Bridgeo made a motion to amend the 2007 Budget to add \$100,000.00 for funding of capital projects. P. McClay seconded the motion and the vote to approve was unanimous.

Action item: Per the Board members, this same dollar amount (\$100,000.00) should be included as a line item in every ongoing budget year, and entitled “Funding Reserve for Capital Improvements”.

A two-minute break was called at 4:40 p.m., and the meeting resumed at 4:42 p.m.

Co-Chair K. Knight stated to the Board that they had now funded \$100,000.00 for this new policy, and were ready to hear from the Developer, Bill Kjelyka, concerning his current funding request.

Discussion ensued about the T Buck contract that has been extended and is ready to be decided upon. The proposed funding was detailed, as follows:

\$125,000	City of Augusta
\$30,000	Augusta School Department
\$20,000	Ralph Stiman, Landowner
<u>\$100,000</u>	Currently being requested of Augusta Sanitary District
\$275,000	Contract bid of \$271,000 plus an additional \$4,000

D. Glidden asked about who would be covering any contingencies that might occur, bringing the project costs higher than the \$271,000 contract bid amount.

B. Bridgeo brought up a previously-disputed amount of \$14,000.00, relating to a Townsend Road project. Bill said that this amount was still in a project account for the City, and he would authorize favorable resolution and get these funds released to the Sanitary District if it would help facilitate this matter.

D. Glidden made the point that no ledge had been encountered in the test hole that was dug, but they did find blue marine clay, which may cause the need for some additional outlay of funds.

P. McClay asked about timing for funds being needed. D. Glidden's response was that it would take the Contractor approximately 30 days to get started, so the invoicing would start to come in 60 days. B. Bridgeo stated that the City is prepared to pay their portion in the near term.

B. Beaucage stated that she felt \$100,000.00 was a good investment, but that she didn't want the District to have an open-ended risk.

B. Bridgeo proposed that the Board come up with a multi-layered approach to cover contingency spending, if it becomes necessary. This would include the additional \$4,000 already built in if the District funds the \$100,000.00, then the \$14,000 authorized from the City. Next, he proposed that additional needs beyond that be split between the Developer, City and the District, in that order, in \$10,000.00 increments.

At this juncture of the meeting, Bill Kjeltyka came forward to address the Board regarding his Fieldstone Project funding request.

B. Kjeltyka told the Board that his bank, Gardiner Savings Institution, was getting comfortable with his project and had expressed that they wanted to work with him.

In reference to the prior conversation about funding contingency overruns, B. Kjeltyka stated that he would like to meet with the contractor, T Buck, to get assurance that costs as bid will be adhered to.

K. Knight asked why Mr. Kjeltyka's site contractor was not going to be doing this work, and he responded that his contractor felt it should be done by specialists. D. Glidden made the point that this contractor was known for being site-oriented versus pipe-oriented.

Discussion then returned to the issue of contingency overruns, with D. Glidden pointing out that the contract with T Buck was a bid item contract versus a lump sum, and that the contractor did have a right to come to the District regarding a particular bid item, if conditions occur that cause overruns. Dale further stated that the bid had been put out very quickly for this project, and, as a result, certain SCADA items were not included, which will most likely mean a cost overrun. He also said that the project was bid for Fall, and we were now in the Winter/Spring season, which would likely mean overruns.

B. Bridgeo referred back to his proposal concerning layering responsibility for cost overruns. In the event that the cost overruns exceed the 18,000.00 that has already been discussed, B. Bridgeo asked Mr. Kjeltyka if he'd be willing to take on the next incremental \$10,000.00, which would be payable in a fifth year. Mr. Kjeltyka responded with a "yes." B. Bridgeo proposed that the City would be responsible for the next \$10,000.00, and the District should be responsible for the remainder after that.

Action item: Co-Chair K. Knight offered to work on crafting the contract that would need to be exercised to proceed with this project, if approved. He stated that he would like input from District staff and legal council as well. Ken also offered to review the Bank Commitment letter and other documentation that Mr. Kjeltyka submitted on behalf of the rest of the Board.

Next, discussion centered on the timing of bank approval, closing date, the contractor's extended date, and the potential need to ask for an additional 10 day to two week extension to get everything finalized. D. Glidden stressed that things need to happen quickly to avoid Springtime overruns.

B. Bridgeo expressed that he was comfortable with Co-chair K. Knight representing the Board in negotiating the contract. There was no disagreement from other Board members.

D. Glidden asked about the on-site infrastructure inspection fees that are normally charged. The response was that they would be handled the same as usual. Per B. Kjeltyka, these fees are currently included in Quirion's figures.

P. McClay stated to the group that he felt he had a perceived conflict because of B. Kjeltyka's statement that his financing was through Gardiner Savings Institution.

Group discussion then centered on the fact that without P. McClay's vote, there would not be a quorum, and a vote could not be taken at this meeting. Co-Chair K. Knight stated that he had already discussed this with L. Bragg, and that it was up to the rest of the Board to decide whether they felt there was a conflict, unless Paul felt strongly that he needed to abstain. The other members all stated that they felt comfortable that there was no personal gain to P. McClay from the potential approval of this project, so Paul stated that, if they were comfortable, he would vote.

B. Bridgeo made a motion to authorize approval of the funding application for Fieldstone Place Subdivision project, subject to a satisfactory review of Developer's documents, not to exceed \$100,000.00, in adherence with the new policy. K. Knight, as Augusta Sanitary District Board Chairman, and B. Bridgeo, as Treasurer, with input from ASD Legal Council, L. Bragg, are authorized to execute the contractual agreement necessary to enable the Fieldstone project to occur. B. Beaucage seconded the motion, and the vote to approve was unanimous.

D. Glidden requested not to sign the agreement unless mandated by the Board to do so. Due to his impending retirement, and the fact that he will not be here for the entire tenure of this project, he preferred not to be one of the signators.

A two-minute break was called at 5:35 p.m., and the meeting resumed at 5 :37 p.m.

ITEM 2

DISCUSS SELECTION PROCESS FOR GENERAL MANAGER POSITION

K. Knight passed out an excerpt from previously-approved October 2006 Board minutes in which Ken & Dave had been directed by the Board to take on this executive search process, while in Executive Session. He also passed out a document outlining the process to be followed as well as the search criteria., and let the members know that the search had produced 16 potential candidates and had been narrowed to three.

B. Bridgeo stated that he had assumed the full Board would become involved at some point once the candidate search had been narrowed down. His wish was that the full Board meet with the final three candidates for their interviews.

B. Beaucage & P. McClay expressed that they also felt the full Board should be included in the interviews.

Discussion ensued about the search criteria used and no member asked for the criteria to be changed at that point. E. Blair informed the group that she had received calls from some of the candidates and that the deadline for responding had been exceeded. K. Knight informed E. Blair that the full Board wanted to meet with the final three candidates for an hour each, with a 15 to 20 minute break in between for discussion. The request was made for E. Blair to be in attendance also for these interviews. The date that was settled upon for the interviews was February 19, 2007.

B. Bridgeo made a motion to adjourn, which was seconded by B. Beaucage, and the meeting ended at 5:50 p.m., with all voting in favor.

Ken Knight
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, January 29, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Ken Knight
Beverly Beaucage
Bill Bridgeo
Dave Smith
Tom Sotir

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

Other Attendees: Ellen Blair, Human Resources Director

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

ITEM 1 ADMINISTRATIVE ITEMS - VOTE

A. Welcome New Commissioner

New Commissioner, Tom Sotir, was introduced to all in attendance, and welcomed as a new Board member.

K. Knight made a motion to nominate new Commissioner, Tom Sotir, as Clerk of the Augusta Sanitary District. The motion was seconded by B. Bridgeo, and the vote was all in favor, with T. Sotir abstaining from the vote.

B. Approve Meeting Minutes

P. McClay made a motion to approve the Minutes of the December 18th, 2006 Regular Meeting, December 15th, 2006 Special Meeting, and January 3rd Special Meeting. B. Beaucage seconded the motion, and the vote to approve was unanimous.

C. Review – Approval of the Preliminary December Financial Reports & Statements for both Districts

B. Tarbuck presented the financial information to the group due to D. Glidden being unable to attend the meeting. Brian stressed to the group that at this point in time, prior to the year-end audit, the numbers for both Districts are **preliminary only**.

AWD: Revenues for the year are down somewhat; the same for Operating Expenses. The District is showing an operating gain for the year; and the Financial Status Report shows total cash and investments of \$1.3 million. Outstanding commitments presented for informational analysis total slightly more than that total at this time.

B. Bridgeo asked if the previous minutes reflected decisions made regarding the \$40,000 Capacity Development Study, and the \$20,000 for Joint Billing Software, which were listed under 'District Outstanding Commitments.) B. Bridgeo asked if the 2007 approved Budget includes both of these items. M. Osborne said "yes" on the Joint Billing Software, and that the Capacity Grant Study had been discussed in previous meeting(s).

B. Bridgeo expressed concern about the Board approving minutes & financials that contain items that are in the budget but not yet approved by the Board.

B. Beaucage suggested showing an asterisk (*) beside those type of items, when presented in the financials.

ASD: **(Preliminary Only)** Revenues are showing the impact of the July 1st Rate increase, and are up compared to last year. Expenditures are lower than the previous year; and the District is showing an operating gain for the year. The Financial Status Report shows total cash & investments of \$2.1 million. Outstanding commitments presented for informational analysis total slightly more than that total at this time.

Action Item: P. McClay asked if the language specific to "Depreciation" on the Statements of Financial Operations for both Districts could be changed so that the wording was consistent. M. Osborne agreed to make the wording change as requested.

D. Smith made a motion to approve the Preliminary December Financial Reports & Statements of both Districts. P. McClay seconded the motion, and the vote to approve was unanimous.

Action Item: P. McClay questioned a \$42.00 Gagne & Son invoice for the Water District, that had a \$36.64 credit, and netted to \$5.36. M. Osborne said that he would pull the invoice and email Paul the specifics. He also explained that credits are processed along with payables for the same vendor, so that they can offset amounts owed.

T. Sotir asked if there were any items from either of the two presentations of paid bills for the Districts that the staff wanted to call specifically to the Board's attention. There was no response, indicating that there were no payments significantly out of the ordinary to warrant bringing up before the Board.

D. Smith made a motion to accept the December 2006 Paid Bills for both Districts. P. McClay seconded the motion, and the vote to approve was unanimous.

ITEM 2 APPROVAL FOR INSTALLING HANDICAP CHAIR LIFT AT WASTEWATER PLANT – VOTE

B. Bridgeo stated to the group that City Hall was available, free of charge, for the Board meetings.

K. Knight responded that he appreciated Bill's offer, but feels it's important for the Districts to follow through with this work so that meetings can happen at the Treatment Plant, and District staff can be easily included.

T. Sotir asked if the Districts should wait on doing the work till year-end.

D. Smith made the point that it was important for the Board to meet on District property.

P. McClay asked about parking needs for any larger public meetings, and D. Smith responded that we would change the locale to be able to meet parking needs if that became necessary.

B. Beaucage made a motion that the Districts install a handicap chair lift at the Treatment Plant, but wait 6 months to have this work done, to assure that funds are available. P. McClay seconded the motion, and the vote to approve was unanimous.

ITEM 3 REVIEW & APPROVAL OF PERMIT FEES & SEWER AVAILABILITY FEES FOR ASD – VOTE

B. Bridgeo made the motion to approve continuing with the same ASD Permit Fees & Sewer Availability Fees that are already in place as of 12/31/06. B. Beaucage seconded the motion and the vote to approve was unanimous.

ITEM 4 FORMAL ACCEPTANCE OF THE GENERAL MANAGER'S RESIGNATION

B. Bridgeo made a motion that the Board reluctantly accepts the resignation of Dale Glidden, formal notice of which was given on 01/04/07, to become effective on April 13, 2007. T. Sotir seconded the motion, and the vote to approve was unanimous.

Discussion regarding Dale's years of service ensued, with D. Smith speaking for the Board in offering their appreciation for Dale's 34 years of service. He went on to say that he had received many comments from the public, conveying their highest regards for Dale.

ITEM 5 DISCUSSION REGARDING CHARTER COMMITTEE REPORT

K. Knight reported to the group that a workshop regarding the Charter Committee Report had already taken place with the Mayor and the City Council.

K. Knight stated to the group his recommendation that the previous motion be brought “off the table” and amended to change the language for make-up of the Board to an 8 member total. The composition should be seven voting & one non-voting, of which six would be the existing Board, one from Hallowell, and one being the Mayor or his designee. Per Ken, this would then allow for work to proceed toward meeting the upcoming deadline.

T. Sotir asked if Hallowell’s numbers were reflected properly in the Charter Committee Report. If not, he stated that there should be a recasting of the numbers.

K. Knight acknowledged that numbers may need to be fine-tuned, but that there was a need at this time to move to the next step.

P. McClay asked if there was money in the budget for Kay Rand’s legal costs. M. Osborne’s response was that some of the legal costs included in the 2007 operating budgets for both Districts are directed toward covering K. Rand’s time.

Discussion ensued about the need for an accounting of time to be spent, and what the potential legal costs might amount to. M. Osborne responded that between \$30,000 & \$40,000 are already built into the budget to cover these costs.

P. McClay made the point that Hallowell should pay some portion of these costs as well.

T. Sotir asked if a Letter of Commitment had been received from Hallowell yet. He then made the suggestion that the Board move forward with the motion, gather additional information and revisit the draft recommendations before voting on it as a final document.

D. Smith then summarized what the group was looking for in regard to the Charter Committee, and T. Sotir put forward in the form of a motion, as follows:

T. Sotir made a motion to move forward with the following items concerning the Charter Committee Report:

- **Draft of Consolidated Charter**
- **Commitment Letter from Hallowell**
- **Recast of Aqua Maine’s numbers included in Charter, based on Hallowell & Augusta**
- **Revise governance structure to 6 August Board members, 1 Hallowell, 1 ex-officio (Mayor or Mayoral Designee); or, if no Hallowell, 7 Augusta Board members, 1 ex-officio**
- **Get commitment from Hallowell for portion of legal fees**
- **Get a budget & line-item accounting of remaining legal fees**

D. Smith seconded the motion, and the vote to approve was unanimous.

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

T. Sotir made a motion to return to open session at 3:29 p.m., P. McClay seconded the motion, and the Board meeting commenced.

B. Bridgeo made a motion to waive review of Item 7 “INFORMATIONAL”, and, instead, proceed with setting a date for a Special Board meeting to continue their Executive Session discussions. Tom Sotir seconded the motion, and the vote to approve was unanimous.

February 14th, 2007, was set by the Board members as a Special Board Meeting, which will be an Executive Session in its’ entirety, with B. Bridgeo taking any minutes necessary.

It was noted for inclusion in the minutes that all Board meetings, until further notice, will be held in the Council Chambers at City Hall.

The meeting was adjourned at 3:32 p.m

**Tom Sotir
Clerk, Augusta Sanitary District**

**Paul McClay
Clerk, Augusta Water District**

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**AUGUSTA WATER & SANITARY DISTRICTS
SPECIAL BOARD MEETING
Tuesday, February 13, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Ken Knight
Beverly Beaucage
Bill Bridgeo
Dave Smith
Tom Sotir

Other Attendees: Ellen Blair, Human Resources Director

CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 4:00 p.m.

K. Knight made a motion to go into Executive Session regarding a Personnel Matter, which is pursuant to Title 1, section 405, subsection 6, Paragraph D. B. Bridgeo seconded the motion and the vote to enter Executive Session was unanimous.

The Board came out of executive session at 4:45 p.m.

The meeting was adjourned at 4:46 p.m

**Tom Sotir
Clerk, Augusta Sanitary District**

**Paul McClay
Clerk, Augusta Water District**

**A TRUE COPY
ATTEST**

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Tuesday, March 6, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Bill Bridgeo
Dave Smith
Tom Sotir

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

Other Attendees: Ellen Blair, Human Resources Director

CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 4:00 p.m. He informed the group that both B. Beaucage & K. Knight were unable to attend this day.

ITEM 1 ADMINISTRATIVE ITEMS - VOTE

A. Approval of Previous Meeting Minutes

B. Bridgeo made the motion to approve the minutes of the Regular Joint Board meeting on January 29th, 2007 & the Special Board meeting held on February 13, 2007. T. Sotir seconded the motion, and the vote to approve was unanimous, absent B. Beaucage & K. Knight.

B. Presentation of the December 2006 Final & January 2007 Financial Reports for both Districts

D. Glidden presented the results of the 2006 year to the group for the Augusta Water District. Revenues were down about \$120,000, due to declining metered water sales. Expenditures for the year were down about \$263,000. Overall, the Water District collected more revenues than budgeted for 2006, and expended less than budgeted expenditures. Cash flow ended up in the black by about \$878,000. In early 2007, the District purchased a \$250,000 CD in the interest of meeting the Water District's cash reserve goal. The District is planning on purchasing a second CD later in the Spring.

The Augusta Sanitary District 2006 revenues were up for the year, due to the new rate case that went into effect in July. Expenditures for the year were also up, primarily due to increased power & fuel costs. 2006 actual

revenues exceeded the budget by 15%, and expenditures exceeded by 7%. Cash flow ended up in a positive position of \$700,000, based on the implementation of the new rate case.

In response to B. Bridgeo's query, Dale stated that the Audited Financials will be presented at the next Regular Joint Board meeting on March 26th, 2007.

B. Bridgeo made a motion to accept, as presented, the final December 2006 & January 2007 Financial Reports for both Districts. P. McClay seconded the motion, and the vote to approve was unanimous.

C. Review-Approval of January 2007 Paid Bills for both Districts

B. Bridgeo made a motion to approve the January 2007 Paid Bills for both Districts. P. McClay seconded the motion, and the vote to approve was unanimous.

ITEM 2 APPROVAL TO REPLACE GPS EQUIPMENT – VOTE

B. Bridgeo made a motion to replace the Sanitary District's failed Global Positioning System (GPS) with a Trimble unit, at a cost of \$48,313.00, per staff's recommendation. P. McClay seconded the motion, and the vote to approve was unanimous.

ITEM 3 REQUEST PERMISSION TO SOLICIT BIDS TO CLEAN WATER STORAGE TANKS-EASTERN AVE. & GRANITE HILL ESTATES-VOTE

In response to T. Sotir's query about why permission is being asked to solicit bids, D. Glidden stated that he and B. Tarbuck want to make sure that the Board is on board with the Districts plans regarding the water storage tanks. Per Brian, the District is trying to get the water tanks onto a 5 year rotating cleaning cycle.

P. McClay made a motion to approve the Water District's soliciting of proposals to clean & inspect the Eastern Ave. & Granite Hill Estates water tanks. T. Sotir seconded the motion, and the vote to approve was unanimous.

Item 4 DISCUSSION-CITY CIP PROJECT-WINTHROP STREET-RAIL ROAD TRACKS TO STATE STREET

D. Glidden made the point to the Board that the Sanitary District is at or approaching their minimum reserve goal, and that the projected cost of the Utility District's portion of the City CIP Project is estimated at: \$120,000.00 for replacement of the sewer system, and \$80,000.00 for the water main. The Water District has funds, if the Board approves reduction of reserves, but the Sanitary District does not.

Discussion ensued concerning this proposed project and funding issues involved. B. Bridgeo explained to the group that there was a potential for the City to grant an interest-free, thirty year loan to the Sanitary District

for their monetary needs for this project. Per Bill, this loan would be with TIF proceeds, and would constitute a benefit to both the City and the Sanitary District.

A large amount of additional discussion ensued, some of the main points of which are, as follows:

- (Bill) City won't proceed with CIP work unless District is on Board
- (Dale) This project will result in reduced CSO activity in this area by elimination of catch basins
- (Dale) Development in this area is maxed out, no additional capacity necessary
- (Dale) Per L. Cayer, City Engineer, this CIP project being put out to bid for Fall '07 construction; in City's '08 budget if Council approves
- (Dale) If City rebuilding this street, it makes no sense for the Districts not to replace their infrastructure
- (Dale) ASD is spending money far faster than what was built into the recent rate study
- (Bill & Dale) This area is top priority for the City
- (Bill) City speculating on possibility of using Packard Development TIF to help with debt service on District's CSO Phase III
- (Dale) This partnership would be a good way to help meet the huge CSO costs coming in the future

P. McClay made a motion to approve moving forward with the project provided the City moves forward with their plans re Lower Winthrop Street, subject to Council approval. T. Sotir seconded the motion, and the vote to approve was unanimous.

The group agreed to take the agenda out of order and look at ITEM 6 next:

ITEM 6

INFORMATIONAL

A. FENCE RESTORATION – CARLETON POND AREA

D. Glidden reported to the group that the restoration was going well, and there had been no evidence of trespassing.

B. 2006 AUDIT

D. Glidden reported that the 2006 audit had gone well. There were no significant issues coming out of the audit, and the auditors had allowed us to close our books for 2006 upon completion of their week of fieldwork at the District office. Co Chair D. Smith complimented M. Osborne, J. Pierce and the rest of the office staff for their hard work, leading to a successful audit.

C. UPDATE CAPACITY DEVELOPMENT STUDY

B. Tarbuck informed the group that the project had been delayed, both due to an equipment problem; and because the hydrogeologist from Wright Pierce had been involved in a snowmobile accident and was out of work temporarily. The project has been delayed for a couple of months overall, but the only detriment to the project is the time delay.

D. UNDERGROUND FUEL TANKS-170 HOSPITAL STREET

D. Glidden informed the group that, although there had been water discovered between the two walls in the divided tank for heating oil & diesel, the DEP had approved the District pulling out the product from the divided tank, and tagging and registering the tank as “inactive”. The tank does not have to be removed until such time that the adjacent gasoline tank fails.

The District is planning on having three 330 gallon heating oil tanks installed inside the garage at 170 Hospital Street. Diesel stock will be moved to 12 Williams Street, and will only be available from that location going forward. The cost is minimal (\$4,000 to \$5,000), compared to what a tank removal would have been.

Dale made the point that the tanks had originally had a 30 year warranty, but that the company was out of business.

E. UPDATE – JOINT BILL

D. Glidden stated that District personnel had recently met with NDS for a kick-off meeting for the billing conversions. Training for the Sanitary District Billing upgrade is taking place in a couple of weeks. After that, in the Fall timeframe, the plan is for the Water District Billing to be converted to the upgraded NDS billing package. A joint bill is anticipated to be available by the end of 2007.

OTHER

- A.** At this juncture of the meeting, T. Sotir brought a topic of concern before the members. He expressed concern about the upcoming legislative deadline for the charter, and wanted to be able to see the document. He was also concerned with due diligence & discovery concerning the charter document, and expressed that the Board shouldn't proceed with moving forward, and then dealing with problems afterward. He stressed the point that the document had yet to be approved by the Board. He further expressed concern that information he had requested had not yet been provided.

Much additional discussion ensued concerning the current status of the charter document, and what the next steps in the process should be. D. Smith stated that the revised document will be ready for

review on or before the next Regular Joint Board meeting on March 26th.

P. McClay also stated that he was not in favor of moving forward with legislation and that we should continue operating as we are currently doing.

D. Glidden stated that there appeared to be three options regarding the Charter and merger process:

- 1) Status Quo – stay operating as is, without proceeding toward a full merger and new charter
- 2) Full speed ahead with legislative action this session in order to have a vote in November 2007 ballot
- 3) Keep placeholder & wait till Special Legislative Session in January '08, for ratification in 2008

B. D. Glidden noted to the group that the contract had been signed with T Buck for the Fieldstone Subdivision project on March 5, 2007. He also mentioned that Teamsters was still planning to demonstrate on another, yet-to-be-determined date. Dale said that any management personnel that were involved in the union negotiations will not be in on the afternoon that the demonstrating takes place.

At 5:19 p.m., T. Sotir made a motion to go into Executive Session 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 5:28 p.m. and announced the appointment of Brian Tarbuck as the new General Manager for the Augusta Water and Sanitary Districts, by a unanimous vote, effective April 14, 2007.

T. Sotir made a motion to adjourn the meeting at 5:30 p.m. P. McClay seconded the motion, and the meeting was adjourned.

Tom Sotir
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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ATTEST

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Tuesday, March 26, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Bill Bridgeo
Dave Smith
Tom Sotir
Ken Knight

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

Other Attendees: Les Wilkinson, Bernstein Shur
Kay Rand, Bernstein Shur
Greg Chabot, Runyon, Kersteen & Ouellette
Hank Farrah, Runyon, Kersteen & Ouellette
Roland LaPointe, Togus, V.A.
Mike Stine, Woodard & Curran
Edwin Lee, Togus V.A.
Ryan Lilly, Togus, V.A.
Gary Remal, Kennebec Journal

CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 1:05 p.m. He informed the group that B. Beaucage was unable to attend this day.

Note: Some agenda items were taken out of order

ITEM 1 ADMINISTRATIVE & FINANCIAL ITEMS

B. PRESENTATION & ACCEPTANCE OF 2006 AUDIT FOR BOTH DISTRICTS – RUNYON, KERSTEEN & OUELLETTE – VOTE

G. Chabot spoke to the group about the 2006 audit – RKO's second year auditing the Districts. He stated that there had been no significant deficiencies found in Internal Controls for either District

G. Chabot then presented the SAS 61 letter to the group. He also stated that there were no material audit adjustments made, only passed journal entries, which are included for the Board's review.

H. Farrah then reviewed the financial results for the Districts, as presented numerically & graphically in hand-out packages for both Districts.

G. Chabot also made mention of other post-employment benefits, and stated that the Districts will be required to recognize the value of these benefits when their employees are still actively employed, effective in 2009. B. Bridgeo said that there may be an opportunity to share actuarial costs, by having the vendor work on both the City and the Districts.

C. PRESENTATION OF FEBRUARY 2007 FINANCIALS FOR BOTH DISTRICTS

D. Smith made a motion to approve the 2006 audited Financial Statements of both Districts, and the February 2007 Financials for both Districts. P. McClay seconded the motion, and the vote to approve was unanimous, absent B. Beaucage.

B. Bridgeo gave kudos to Dale, Brian and the staff from the Board for the successful audit.

ITEM 2

DISCUSSION - APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH TOGUS V.A. FOR CONVEYING OF WASTEWATER TO ASD SYSTEM – VOTE

D. Glidden acknowledged the Togus and Woodard & Curran representatives that were in attendance at the meeting, and spoke of their commitment to abandoning their Treatment Plant and sending their wastewater to Augusta Sanitary for treatment. He explained what had been accomplished in furtherance of the project so far, as well as what was to come. He then spoke about the Memorandum of Understanding, copies of which had been included in the Board members packets. Dale explained that the loan term was going to be ten years, and that Togus would be making the monthly payments, as well as paying monthly user fees.

Roland LaPointe, Togus V.A., then spoke to the group, saying that Dale had “said it all” in his previous discussion. He stated that the core vision of Togus was “taking care of veterans”, and reiterated that the organization’s desire was for Augusta Sanitary to convey their wastewater.

B. Bridgeo made a motion to approve the Memorandum of Understanding with Togus V.A. D. Smith seconded the motion.

D. Smith asked why the Water District was mentioned in the Memorandum of Understanding. D. Glidden responded that any time there is disruption to existing systems, for cost efficiency purposes, the Water District should be going in and replacing water pipes and connections as necessary.

AMENDMENT 1: An additional signature line for the Augusta Water District needs to be added to the signature page of the Memorandum document.

T. Sotir questioned the possibility of future Togus expansions that might overwhelm the Sanitary System. B. Bridgeo responded that, due to the size of the pipe (6") and the system currently running at below capacity, he feels comfortable. D. Glidden stated that he couldn't imagine anything in the design life that would overwhelm the system. R. LaPointe said that there was the possibility of a 70,000 sq. ft. addition, for an outpatient clinic, several years out, and nothing else planned.

AMENDMENT 2: The Board members agreed to add the language, "to the extent of capacity that this new line creates." to the end of the sentence on page 2, under 'AMOUNT & TREATMENT OF FLOW'

D. Smith made a motion to add an additional amendment (AMENDMENT 3) to the motion above to allow Dale Glidden to be authorized to sign the Memorandum of Understanding with Togus. P. McClay seconded the motion.

D. Smith made a motion to accept the original motion to approve the Memorandum of Understanding, with the addition of Amendments 1, 2 & 3 from above. T. Sotir seconded this motion, and the vote to approve was unanimous.

ITEM 1 ADMINISTRATIVE & FINANCIAL ITEMS – CONTINUED

A. APPROVE MINUTES OF THE MARCH 6TH REGULAR BOARD MEETING

T. Sotir made a motion to approve the minutes of the March 6th amended minutes, with the changes to be made as directed. Said changes are: ITEM 6 E. – add the word "by"; OTHER A. fix strikeover typing; and language change to vote after Executive session. P. McClay seconded the motion, and the vote to approve was unanimous.

D. REVIEW & APPROVAL OF FEBRUARY 2007 PAID BILLS FOR BOTH DISTRICTS

B. Bridgeo made a motion to accept the Paid Bills for February 2007, for both Districts. T. Sotir seconded the motion, and the vote to approve was unanimous.

E. TRANSFER ALL FIDUCIARY RESPONSIBILITY & ASSISTANT TREASURER POSITIONS TO NEW GENERAL MANAGER – EFFECTIVE 4/1/07 – VOTE

T. Sotir made a motion to approve transfer of all fiduciary responsibilities to Brian Tarbuck, and also his appointment to the Assistant Treasurer Positions for the Augusta Sanitary and Augusta Water Districts, effective 4/1/07. P. McClay seconded the motion, and the vote to approve was unanimous.

Item 3 DISCUSSION OF CHARTER PROCESS

Kay Rand led the discussion on the Charter process, by introducing the latest draft efforts. She explained that throughout the document, the Water District is covered in section a. and the Sanitary District in section b. Kay also informed the group that the final draft will need a legal review.

Kay then proceeded to review with the group sections of the document that had been revised, beginning with the policy change of expanding the territorial limits to include all the territory of the Cities of Augusta & Hallowell. In response to a question from P. McClay, Kay stated that charters have to be very specific in their language in order to protect service territories.

Next, Kay explained that ‘**Section 3. Transfer of Assets; assumption of liabilities and benefits**’ was the heart of the charter change, giving the Greater Augusta Utility District as the name of the new merged entity.

Much discussion ensued about language in ‘**Section 9. Assessment against lot benefited by drain or sewer**’, specific to the Districts picking up 1/3 of these costs.

Action item: The Board requested a language change in this section so that the trustees would have the right to make the decision as to whether and/or how much to charge, versus being committed to paying 1/3 of costs. K. Rand will incorporate the language changes.

Discussion ensued about Section 11 regarding the lien process. K. Rand stated to the group that if any lien language was not included in the Charter, the Districts would be locked into following the language under Title 38. D. Glidden made the point that the Charter’s language is more flexible; and the current charter language enables us to be in a first position in pay-off situation due to timing.

Further sections were covered, and discussed. ‘**Section 19. Board of Trustees; tenure, duties, etc.**’ was the next section to generate a great deal of discussion. B. Bridgeo referred to the second paragraph under section a.) as the “Bill Bridgeo clause”. He did not think this language should be in the charter, and talked about the value that he thought had been added by his being on the Board. B. Bridgeo & T. Sotir stated that they didn’t support the exclusion of City employees, council members, etc. from the Board.

Discussion then turned to compensation for the Board members, with the end result being the following action item:

Action item: K. Rand to add the following language regarding Board member compensation: “the rate of pay for the Board members shall be no higher than the greater of the rate of pay for either the Augusta City Council or the Hallowell City Council”.

K. Knight expressed to the group that the Board needs to show today whether they intend to proceed with the new Charter and proposed merger process or not.

T. Sotir stated his concern about the need for due diligence to be performed in regard to potentially bringing on Hallowell's Sanitary District. B. Bridgeo asked if the Mayor and City Council were going to get a chance to review also.

B. Bridgeo made a motion to authorize the Co-Chairs to enter into a limited engagement with Runyon, Kersteen & Ouellette, not to exceed \$3,000.00, to help the Board understand the financial implications of taking on Hallowell Sanitary, thus enabling them to obtain the needed information to represent due diligence. T. Sotir seconded the motion, and the vote to approve was unanimous.

Discussion then ensued about whether to proceed toward inclusion in this legislative session or hold over till the special session in January 2008. K. Knight made the point that the City Council feels there is a need to proceed toward current session, but will keep the holdover idea as a fallback.

T. Sotir stated he was in favor of holding over till the Board has all the information they need.

Action item: As a group, the Board gave an informal go-ahead for K. Rand to further clean up the language in the draft Charter.

The members took a five minute break and reconvened at 3:18 p.m. K. Rand and L. Wilkinson exited at this juncture of the meeting.

ITEM 4 WASTEWATER TREATMENT PLANT ITEMS

D. Smith made a motion to approve Mass Square Technologies (M2T's) replacement of eleven 6" valves, and their actuators for the PSA System, at a cost of \$36,339.00. He also motioned for approval upgrades to the Wastewater Plant's telephone system by Central Maine Communications, at a cost of \$4,223.00. P. McClay seconded the motion, and the vote to approve was unanimous.

B. Bridgeo asked whether the Board should be looking into building in some type of replacement reserve account in the future.

Dale stated that some of the maintenance issues at the T/P will be addressed as part of the CSO Phase III project, in order to meet more stringent water quality and discharge requirements for the Kennebec River.

P. McClay asked about the Water District's 1% replacement of infrastructure policy. D. Glidden responded that AWD had made a conscious decision to defer the 1% replacement in order to build up their cash reserves. There has been some maintenance done in conjunction with several projects that were undertaken during the year. After 2012, when the large AWD bond has been paid off, the timing should be right to reinvest and catch up on some of this infrastructure work.

Item 5 UNION NEGOTIATIONS TEAM

T. Sotir made a motion that, given the Board's right to determine the negotiating Team, D. Glidden be approved to continue on as part of the Union negotiating team, free of charge. As of April 14, 2007, B. Tarbuck, as the new General Manager will be the lead negotiator. K. Knight seconded the motion, and the vote to approve was unanimous.

Other: D. Glidden thanked the Board for allowing him the honor of serving as the General Manager, originally for the Augusta Sanitary District, and, in recent years, for both the Sanitary & Water Districts. Dale said that he had enjoyed working with both the staff and the Board throughout the years, as well as being part of the merger process through his decision to stay on for an additional two years.

D. Smith made a motion to adjourn the meeting at 3:30 p.m. T. Sotir seconded the motion, and the meeting was adjourned.

**Tom Sotir
Clerk, Augusta Sanitary District**

**Paul McClay
Clerk, Augusta Water District**

**A TRUE COPY
ATTEST**

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, April 23, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Bill Bridgeo
Dave Smith
Tom Sotir
Ken Knight
Bev Beaucage

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

Other Attendees: Kay Rand, Bernstein, Shur, Sawyer & Nelson
Mike Byron, Augusta City Council
Sylvia Lund, Augusta City Council
Susan Farnsworth, Hallowell Water District Board

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 1:04 p.m.

Co-Chair D. Smith welcomed the guests in attendance from both the Augusta City Council & Hallowell Water District Board. He also acknowledged this as B. Tarbuck's first meeting as the new General Manager. D. Smith told the group that B. Bridgeo needed to leave the meeting at 2:00 for a short time, and would return.

ITEM 2 APPROVE MARCH 26 MEETING MINUTES - VOTE

Action Item: J. Pierce to review audio transcript of March 26th minutes to see if there was a formal vote taken on language changes that were discussed in regard to 'Section 19. Board of Trustees; tenure, duties, etc', in the draft Charter document.

T. Sotir made a motion to approve the minutes of the March 26, 2007 meeting, subject to the addressing of the action item noted above. K. Knight seconded the motion and the vote to approve was unanimous.

**ITEM 3 APPROVAL OF MARCH 2007 FINANCIAL REPORTS - VOTE
APPROVAL OF MARCH 2007 PAID BILLS - VOTE
PRESENTATION OF MARCH 2007 FINANCIAL REPORTS**

B. Tarbuck informed the group that he was going to be having M. Osborne lead the discussion on monthly financial reporting section at this and future meetings.

M. Osborne informed the group that the Augusta Sanitary District revenues were on budget but that other revenues were up for the month, primarily due to receipt of \$85,000 in impact fees from Fairfield Inn. Expenses to date for 2007 are somewhat below budget at this time. Mike also called to note a project payment on the Whitney Brook project in the Paid Bills of approximately \$265,000.

T. Sotir made a motion to accept the March financial reports and paid bills for the Augusta Sanitary District. B. Beaucage seconded the motion, and the vote to approve was unanimous.

Augusta Water District revenues & expenditures are both on budget at this time. There were no items of note in the paid bills.

P. McClay made a motion to accept the March financial reports and paid bills for the Augusta Water District. K. Knight seconded the motion, and the vote to approve was unanimous.

ITEM 4 UPDATE ON CHARTER STATUS

A. KAY RAND TO PRESENT MOST CURRENT CHARTER PROPOSAL

K. Rand explained to the group that she would present from a copy of the draft Charter that contained notes of changes. She also noted that she had met with the full Hallowell Board twice since the previous Board meeting, and also met with the Merger Committee group.

Kay then proceeded to review language changes included in the most recent draft Charter document, particularly in Sections 3 – Transfer of Assets, assumption of liabilities and benefits, 8 – Duty to serve; obligation to connect, and 19 – Board of Trustees; tenure, duties, etc.

Regarding Section 3, discussion ensued concerning some of Hallowell's easements that are for both water and wastewater operations, and how conveyance of such was detailed in the draft Charter.

At this juncture, T. Sotir expressed concern about financial due diligence, and stated that he and the Board need to see listings of Hallowell's assets, as well as their easements – including what comes over as is, and what is to be split, and will be handled as in Section 3, (d).

K. Rand stated that this type of information, referred to as “papering the transaction”, is commonly done by attorneys, and could be handled after the Charter has been approved.

The next Session to generate a great deal of discussion was Section 7 – System Extensions. K. Rand noted that there was a lot of new language in this section as a result of her previous meetings with Hallowell. The language presented amounts to a compromise, since Hallowell is not in agreement with the ‘funding of public development’ policy that was approved by the Joint Water & Sanitary Board in the fall of 2006.

T. Sotir and B. Bridgeo both questioned the wording in this section. B. Bridgeo wanted to know why the Board had to give up its local control.

K. Knight made the point that in meetings with Hallowell, this compromise language was a negotiating point and allowed us to get there with the least amount of problems. He also stated that perhaps the Board should look into last fall’s funding of public development policy again, in light of Hallowell’s proposed merger with the Districts.

At this juncture, S. Farnsworth, Hallowell Board Chair, was given the floor. She spoke about Hallowell’s being in the minority within the proposed new entity. Susan then said that Hallowell had had the same policy as the Sanitary District up until the policy was changed in the fall. She said that Hallowell was not interested in “investing”, and that they did not feel it was an appropriate use of sewer district funds. She acknowledged that there was a conflict between the two Districts’ policies, because the Sanitary District does advance money to fund public development currently, and they (Hallowell) do not.

S. Farnsworth then spoke of the new infrastructure that bringing on their system would bring to the Sanitary District, as well as the additional cash flow. She stated that she was looking for rate stabilization for both communities.

B. Bridgeo stated his belief in intergovernmental cooperation, that the focus should be on “residents”, and that it was important to leave the City with as much flexibility as possible.

S. Farnsworth asked whether the current funding policy exposed us to a lawsuit, since all taxpayers in Augusta are not ratepayers.

B. Beaucage pointed out that the Board had made sure that the District was in “first lien position” for payoff, in the event of a default.

A ten minute break was called by Co-Chair D. Smith at 2:04 p.m. The meeting was then reconvened at 2:15 p.m.

Discussion ensued on various sections of the draft Charter that contained language revisions.

T. Sotir asked how water usage information would be obtained for billing Sanitary charges for Hallowell. He also stated that he didn’t want the Districts to be charged for transmission of this information. B. Tarbuck

responded that this is a standard practice, and that the Augusta Water District has always billed the Augusta Sanitary District for the monthly water usage information. He would expect that Hallowell would charge the Districts a small fee for transmission of this information as well.

Section 19, Board of Trustees, tenure, duties, etc., was the next section to generate substantial discussion, centering on the issue of appointing voting versus non-voting members to the Board. K. Rand pointed out that changes to the language were as result of recent negotiations with Hallowell.

Co-Chair D. Smith asked the Board members if they would approve merging the Sanitary and Water Districts based on Kay's second set of corrections document being reviewed today. He also asked if they would then approve Hallowell joining their Sanitary system & operations with the Districts, based on language as of today, subject to further amendments.

No immediate response was given to D. Smith's queries. Much discussion ensued about B. Bridgeo's presence on the Sanitary and Joint Board. S. Farnsworth explained to the group that Hallowell felt uncomfortable about this relationship, where he is City Manager and also a Board member. She expressed concern about how this relationship would go over with the voters of Hallowell.

P. McClay went on record to again state that he was happy with the current agreement and continuing to operate under the Interlocal agreement.

B. Bridgeo spoke to the role that he had fulfilled as a member of the Board. He made the point that he had felt it inappropriate to receive the stipend, although some other City employee might appropriately receive it.

Discussion amongst various Board members in regard to what Charter document they would be willing to support ensued. The general opinion was that the language regarding the public development policy and the appointment of city officials should revert to Kay's second iteration, prior to the language changes as a result of negotiations with Hallowell. This would involve changes to Sections 7, 19 and 21, as well as the removal of language and sections applying specifically to Hallowell. Discussion then turned to the desire for City Council to be able to review the resulting document.

City Councilor M. Byron addressed the Board, saying that he had been told that the Board had been making progress regarding the Charter. He decided to attend the meeting to see what he wasn't aware of.

T. Sotir made a motion to approve the merging of the Augusta Water and Sanitary Districts based on K. Rand's second iteration of the draft Charter, with the changes discussed in the italicized paragraph above, subject to:

- 1. Review of final Charter document by Board members at a Special Board meeting**
- 2. Review of final Charter document with City Council at its own Council's earliest opportunity in a format of their choice**

B. Bridgeo seconded this motion.

K. Knight informed the group that he wouldn't support the motion with the language as stated. He talked about the importance of District personnel maintaining peer to peer relationships with City personnel, and he can't support the language in Section 17, which is in the motion above. D. Smith stated that he can't support the motion as is either, and that he had the same issue as Ken. B. Beaucage felt that the City position should only be Ex Officio. B. Bridgeo felt that it should be up to the Mayor and City Council.

B. Bridgeo offered an amendment to the motion to have the Board defer to the City Council's position on City employees and City Counselors acting on the Board, on this one point where the Board lacks unanimity. K. Knight seconded this amendment.

D. Smith stated to the group that he didn't take the position as a Board member to defer a decision to the Mayor.

B. Bridgeo withdrew the amendment previously offered.

B. Beaucage offered an amendment to the motion that the draft Charter document be given to the City Council for their input, with special emphasis on the sticking point issue regarding Board appointments. After which, the Board would reconvene, at a further meeting, to be set. P. McClay seconded this amendment, and the vote was five in favor, D. Smith opposed.

Then voting took place on the original motion, with the previously-approved amendment incorporated. The voting was five in favor, with D. Smith opposed.

A five minute break was called at 3:55 p.m. and the Board meeting resumed at 4:03 p.m.

K. Rand expressed concern about meeting the upcoming deadline, and discussion ensued about how to proceed, and what to present at the public hearing.

Action Item: K. Rand was authorized to move forward using the draft Charter document with the language as is, so as not to hold up the process, and negatively impact Senator Mitchell, in light of the efforts she has made to file this bill.

The group tentatively set May 3rd at 5:00 p.m. for a dinner meeting in which to meet with City Council. K. Rand to provide clean draft copies of the Charter, with a page attachment at the end of the document detailing the various changes from the original Charter.

B. DISCUSSION RE HALLOWELL WATER DISTRICT PARTICIPATION

D. Smith acknowledged to the group that the Board is not ready to move forward with merging with Hallowell yet.

T. Sotir stated that he felt the due diligence for Hallowell was not yet complete.

P. McClay asked whether the Charter document language could be crafted in a way to leave open the possibility of other communities joining the District. K. Rand responded that the Charter has to be specific as far as service territories, so this would not be possible.

C. B. TARBUCK TO PRESENT AQUAMAINE ANALYSIS

B. Tarbuck stated that he needed more direction from the Board as far as the specifics concerning the due diligence work for Hallowell that has been asked to be performed. Brian then went on to detail to the Board the due diligence that had been done so far in-house, in collaboration with Mike Osborne, Dennis Kinney (Hallowell Water District), and Rick Knowlton (Aqua Maine). Brian reviewed with the group the report that had resulted from this in-house due diligence work. He also noted that just looking at the operational numbers may not provide all the answers, and that a thorough review would need to look at engineering data as well.

Discussion ensued regarding what the various Board members felt was still necessary to complete due diligence for Hallowell versus what had been done to date.

B. Tarbuck suggested that he continue to work with Aqua Maine and generate some additional models, while possibly having RKO review Hallowell's financial statements.

Continuing discussion centered on due diligence, with the point being made by S. Farnsworth that due diligence was not just the Districts looking at Hallowell, but Hallowell looking at the Districts, as well.

K. Rand made the point that she, D. Glidden and B. Tarbuck had been under the assumption that enough basic due diligence had been done to make the overall policy decision regarding Hallowell, and that the in-depth due diligence work would occur as part of the implementation. She also questioned the group as to whether they wanted to wait a year to bring Hallowell in. She also asked if they wanted to proceed with merging the two Districts, or wait a year to do all three.

The discussion that ensued after Kay's queries generated the following:

Action Item: B. Tarbuck to provide additional due diligence information to the Board with the help of T. Sotir and M. Byron.

K. Rand made the statement that she needed more clarity on how the Board wanted to proceed, but realized she wasn't going to get the answers on this day. She stated her hope that the timing could work out that the City Council and the Board could meet on May 3rd, 2007.

ITEM 5 UPDATE ON FIELDSTONE PLACE PROJECT

According to the DEP contact, the permitting for Fieldstone Place should be all set by the end of the week. T Buck Construction will then be clear to begin their work on the project.

ITEM 6 UPDATE ON UNION NEGOTIATIONS

The third step in the process, 'fact finding', is set for June 5th and 6th, with the Maine Labor Relations Board.

ITEM 7 UPDATE ON BILLING PROJECT

B. Tarbuck informed the group that the Augusta Sanitary District billing software had been successfully upgraded to Northern Data System's newest version. In early summer, the Districts' Payroll, General Ledger and Accounts Payable software will be upgraded, with the Water District billing software conversion to follow in the fall.

OTHER: FORT WESTERN JOB

B. Tarbuck informed the group that it has been determined necessary to schedule a July job to excavate a piece of 2 x 12 plank lodged in the storm drain near Fort Western. This is an unbudgeted expense that could cost up to \$30,000. H. Wood is obtaining quotes for this work.

B. Bridgeo made a motion to adjourn the meeting at 5:25 p.m. B. Beaucage seconded the motion, and the meeting was adjourned.

Tom Sotir
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

**A TRUE COPY
ATTEST**

Special Board Meeting of Augusta Sanitary District and Augusta Water District

Thursday, May 3, 2007

City Center, City Council Chambers

Attendees: Beverly Beaucage, Bill Bridgeo, Ken Knight, Paul McClay, David Smith, Tom Sotir

Meeting called to order by co-chair Knight at 7:20 PM

Motion: Bill Bridgeo

“Amend the proposed Charter to substitute the city employee clause with language that states no city employee should be eligible for the board. Would also add that it is the prerogative of the Mayor and Councils of Augusta and Hallowell to appoint an ex-officio, non-voting member to the GAUD board.”

Second: David Smith

Vote: Unanimous

Motion: Bill Bridgeo

“Amend the proposed Charter to preserve the board’s ability to make extensions to the sanitary system provided a majority of the Board supports the extension. One member of the majority vote must be the representative from Hallowell.”

Second: David Smith

Vote: 4 in favor; 2 opposed

Motion: David Smith

“Bring forward the language allowing Hallowell to become part of the GAUD to the Legislature, as amended in the previous two motions.”

Second: Beverly Beaucage

Record comment that in the event HWD does not wish to go forward with this that the merger of the AWD and ASD would still be an option.

Vote: 5 in favor, 1 opposed

Motion: Tom Sotir

“Allow charter language that incorporates Hallowell Water District’s sewer system (so-called “Plan B” charter) into the GAUD charter to be substituted for the language that only merges AWD and ASD (so-called “Plan A”) if Hallowell Water District wishes to proceed.”

Second: David Smith

Record comment that Plan A would be changed to prohibit city employees from being appointed to the board and further be silent on the topic of main extensions.

Vote: 5 in favor, 1 opposed

Motion: Bill Bridgeo

“Respectfully requests that Hallowell Water District withdraw LD 1573 as a sign of good faith that the AWS D has addressed their concerns relating to the charter.”

Second: David Smith

Vote: Unanimous in favor of the motion

Motion: David Smith

Move to adjourn this meeting of the AWS D board of trustees and commissioners.

Second: Tom Sotir

Vote: Unanimous

Meeting ended at 7:50 PM

Special Board Meeting of Augusta Sanitary District and Augusta Water District

Thursday, May 3, 2007

City Center, City Council Chambers

Attendees: Beverly Beaucage, Bill Bridgeo, Ken Knight, Paul McClay, David Smith, Tom Sotir

Meeting called to order by co-chair Knight at 7:20 PM

Motion: Bill Bridgeo

“Amend the proposed Charter to substitute the city employee clause with language that states no city employee should be eligible for the board. Would also add that it is the prerogative of the Mayor and Councils of Augusta and Hallowell to appoint an ex-officio, non-voting member to the GAUD board.”

Second: David Smith

Vote: Unanimous

Motion: Bill Bridgeo

“Amend the proposed Charter to preserve the board’s ability to make extensions to the sanitary system provided a majority of the Board supports the extension. One member of the majority vote must be the representative from Hallowell.”

Second: David Smith

Vote: 4 in favor; 2 opposed

Motion: David Smith

“Bring forward the language allowing Hallowell to become part of the GAUD to the Legislature, as amended in the previous two motions.”

Second: Beverly Beaucage

Record comment that in the event HWD does not wish to go forward with this that the merger of the AWD and ASD would still be an option.

Vote: 5 in favor, 1 opposed

Motion: Tom Sotir

“Allow charter language that incorporates Hallowell Water District’s sewer system (so-called “Plan B” charter) into the GAUD charter to be substituted for the language that only merges AWD and ASD (so-called “Plan A”) if Hallowell Water District wishes to proceed.”

Second: David Smith

Record comment that Plan A would be changed to prohibit city employees from being appointed to the board and further be silent on the topic of main extensions.

Vote: 5 in favor, 1 opposed

Motion: Bill Bridgeo

“Respectfully requests that Hallowell Water District withdraw LD 1573 as a sign of good faith that the AWS D has addressed their concerns relating to the charter.”

Second: David Smith

Vote: Unanimous in favor of the motion

Motion: David Smith

Move to adjourn this meeting of the AWS D board of trustees and commissioners.

Second: Tom Sotir

Vote: Unanimous

Meeting ended at 7:50 PM

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, May 21, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Bill Bridgeo
Dave Smith
Thomas Sotir
Ken Knight
Bev Beaucage

Staff: Brian Tarbuck, General Manager
Mike Osborne, Controller
Jill Pierce, Office Manager

Other Attendees: Mike Byron, Augusta City Council
Dennis Kinney, Hallowell Water District
Susan Farnsworth, Hallowell Water District Board
Gary Remal, Kennebec Journal

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 4:03 p.m.

ITEM 2 & 3 APPROVE APRIL 23rd & MAY 3rd MEETING MINUTES - VOTE

D. Smith brought to the group's attention that the April 23rd minutes should be amended to add the language in italics to the statement on page 5, paragraph 4, as follows:

'D. Smith stated to the group that he didn't take the position as a Board member to defer a decision to the Mayor *and the City Council.*'

D. Smith made a motion to approve the minutes of both the April 23, 2007 meeting, as amended (see above revised statement), and the May 3, 2007 meeting. T. Sotir seconded the motion, and the vote to approve was unanimous.

**ITEM 4 PRESENTATION OF APRIL 2007 FINANCIAL REPORTS
APPROVAL OF APRIL 2007 PAID BILLS - VOTE**

M. Osborne presented results of April operations for the Sanitary District, and answered a couple of questions relating to paid bills. One of the items identified was the GPS equipment purchase. B. Tarbuck informed the Board that the GPS & GIS equipment was working well, and that the addition of two summer employees was helping with its utilization.

B. Bridgeo made a motion to accept the April paid bills for both the Augusta Water District & the Augusta Sanitary District. P. McClay seconded the motion, and the vote to approve was unanimous.

ITEM 5**OLD BUSINESS****A. UPDATE ON CHARTER STATUS****I. DUE DILIGENCE UPDATE PER REQUEST**

B. Tarbuck made some introductory comments and then gave the floor to Councilor M. Byron to update the group. Councilor Byron detailed his previous experience as a business/financial analyst, and then described the efforts that he, B. Tarbuck & M. Osborne had made to date regarding due diligence for Hallowell.

M. Byron's recommendation was that, in lieu of a purchase & sales agreement, the Augusta Water & Sanitary Districts and Hallowell Water District should negotiate a Memorandum of Understanding between the two parties regarding the proposed merger of Hallowell's wastewater division.

M. Byron then talked about his projections based on continuing work with the AquaMaine report as to what would be brought over financially from Hallowell at the time of transfer. His calculations projected a negative impact of approximately \$45,000/year, which he felt would suggest the need for a rate increase in 2008. The point was made amongst the group that the recent rate study did not take into account proposed additions to the Sanitary District's system, such as Togus V.A. and Hallowell.

Despite a projected negative cash impact in the short term, Councilor Byron stated to the group that he felt the inclusion of Hallowell's Sanitary operations was a "good deal overall," and spoke favorably about bringing in additional customers to share the future monetary burdens. He stated that his previous discussion to the group was so that he could bring to light various financial points.

The Board members generally expressed support for the Memorandum of Understanding suggestion, and agreed that the numbers coming forward were not problematic. T. Sotir stated that he wanted the Board to be able to say they have done due diligence regarding the proposed merger, and that the aim was to have no surprises encountered.

The last point Councilor Byron brought up was that the Hallowell Bond, which has an interest rate of 7.07%, should be looked into to see if there is a possibility of refinancing. M. Osborne replied that he had already inquired, and their bond was part of a large pool, and it had been re-funded in the past, making it less likely that it would be re-funded again. The bond will be paid off in 2018.

II. DEFINE NEXT STEPS

Discussion ensued about minimum charges and rate setting for both entities. B. Bridgeo stated to the group that rates between the two communities shouldn't be equalized yet. He felt that should be done when the larger District is formed. B. Tarbuck stated that there were a few options, such as:

1. Decide upon a new rate internally
2. Have another rate study done, re-analyze, and set a new rate
3. Stay with current rate and wait a year to adjust
4. If go with #2, have a rate study done for the Water District, as well

K. Knight asked about what the next steps should be, and the consensus was that a quote should be obtained from Brown & Caldwell to revise their 2006 rate study to incorporate Togus & Hallowell for presentation at the next Board meeting. B. Tarbuck was asked to request a mid-August completion date, and to not include the Augusta Water District.

B. Bridgeo made a motion to vest Co-chairs K. Knight & D. Smith with the authority to approve the Brown & Caldwell quote for the update of the rate study if the amount comes in at less than or equal to \$5,000.00. If the quote exceeds \$5,000.00, then it should be put on the Board agenda at the next regular meeting for a full Board vote. T. Sotir seconded this motion, and the vote to approve was unanimous.

Discussion ensued concerning remaining legal costs associated with the merger. Both the Augusta Water & Sanitary Districts, as well as Hallowell Water indicated they still had additional legal fees, for work already performed and work yet to come.

Action Item: B. Tarbuck to put together first draft of a Memorandum of Understanding between the Districts & Hallowell Water District, which will then be submitted for a legal review.

The group discussed the legislative process to date, commented that it seemed to be going well, and talked about what an important step the communication plan will be.

Action Item: B. Tarbuck to bring to the next Board meeting a list of questions pertaining to what customers will want to know about the merger.

Action Item: The Board tasked B. Tarbuck to communicate to the Legislature that the official starting date for the newly-merged Greater Augusta Utilities District (GAUD) should be 01/01/08.

Action Item: B. Bridgeo requested that there be an ongoing Board agenda item entitled, "Update on Charter" for the next several months till the merger has been completed.

Action Item: For the next several months, the Augusta Water & Sanitary Districts and Hallowell Water District agreed to send each other the monthly financial statements. Per

Councilor Byron's request, financials for all the parties will be distributed to him monthly as well.

Action Item: B. Bridgeo asked that B. Tarbuck distribute a separate agenda and separate management summary to the Board members prior to the Board meetings in the future, as opposed to one that is combined.

B. FIELDSTONE PLACE PROJECT

B. Tarbuck informed the group that the environmental permit was granted on May 2, 2007. His expectation is that T Buck Construction will be breaking ground at the end of May, and that the project will take 4 to 6 weeks to complete.

C. UNION NEGOTIATIONS

June 5th & 6th are the dates set for Fact Finding with the Maine Labor Relations Board. Both Ellen Blair & Linda McGill will be in attendance.

D. BILLING PROJECT

The Sanitary District billing system upgrade is going well. The next step is the financial upgrade. The Accounting package will be upgraded to a new GUI front-end in the first part of June. There is a huge amount of data scrubbing to be done prior to the conversion of the Water District billing system to NDS later in the Fall. A target date for a merged bill is 11/01/2007.

P. McClay asked if it was possible to align the mailing out of bills which currently runs about a week out of sync. B. Tarbuck's response was that due to the data scrubbing that needs to be done to get the address data fields for both Districts into one merged list, the manual effort and cost involved to accomplish this currently would make this nearly impossible on a weekly basis.

E. TEST WELL DRILLING

B. Tarbuck informed the group that six test holes had been dug, with the contractor finishing this work in mid-May. The resulting data report is not yet available, but should be for the June Board meeting. Brian further explained that the purpose of the drilling work was to better establish the characteristics of the aquifer in Chelsea that is owned by the Hallowell Water District.

ITEM 6 NEW BUSINESS

A. PUMP STATION #6 "LANDSLIDE"

B. Tarbuck informed the group that the repair had begun on restoring the two manholes, which had been pushed off their bases. There is

\$10,000.00 remaining in the SRF loan that will be used, and the remaining \$30,000.00 will need to come out of ASD's savings.

B. BOARD PROCEEDINGS

Discussion ensued amongst the Board members about previous communications concerning Hallowell pending legislation. T. Sotir was concerned that not all Board members were informed and up to date with activity concerning this pending legislation. K. Knight referred to the previous mandate given by the Board so that he and D. Smith could act expeditiously, when necessary, due to their positions as Co-Chairs and members of the Charter committee. Ken said that he and Dave escalated communication to get a matter resolved before it came back to the full Board. T. Sotir spoke of the need for the Co-Chairs to keep their full Board informed, and stated that, in this particular matter, 3 members knew about it, and 3 didn't.

Discussion then turned to the use of email, and the need to be careful about email correspondence, so that people don't end up informally & accidentally conducting a meeting.

C. CONSUMER CONFIDENCE REPORT

B. Tarbuck spoke to the group about the draft Newsletter he had included in the Board packages. The mandatory water quality data needs to be available to the public by June 30, 2007. At the very least, the data could be put on the Districts' website by the end of June, and mailed out afterward.

D. Smith commented that the section on CSO's in the draft Newsletter should be expanded upon. S. Farnsworth asked if it was too soon to add information about Hallowell to the Newsletter. The answering discussion was that this was a possibility if there were decisions made prior to the Newsletter being finalized and sent to print. It was also noted that there would be separate newsletter(s) regarding Hallowell as part of the public relations efforts in the months leading up to the public vote.

By a consensus of opinion, the Board agreed that publication of this Newsletter should be considered a management activity, and that B. Tarbuck was authorized to proceed with the necessary steps to accomplish this.

B. Bridgeo made a motion to adjourn the meeting at 5:25 p.m. B. Beaucage seconded the motion, and the meeting was adjourned.

Tom Sotir
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
SPECIAL BOARD MEETING
Wednesday, May 23, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Bill Bridgeo
Dave Smith
Thomas Sotir
Ken Knight
Bev Beaucage

Staff: Brian Tarbuck, General Manager
Jill Pierce, Office Manager

Other Attendees: Dennis Kinney, Hallowell Water District
Susan Farnsworth, Hallowell Water District Board

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 12:07 p.m. Dave acknowledged that S. Farnsworth was expected, but the Board members were present, so the meeting was convened.

ITEM 2 CLARIFICATION NEEDED FOR SOME ITEMS DISCUSSED AT THE PREVIOUS BOARD MEETING ON MAY 21, 2007

This Special Board meeting was called at the request of some of the Board members. K. Knight offered an apology to the group if he had overstepped his bounds as Co-Chair; or hadn't been politically correct in his language at any point over the past few months, during his efforts on the merger. T. Sotir stated that there needed to be a culture change regarding the Board, in that there needed to be full & open discussion amongst the Board members.

T. Sotir introduced the item needing clarification, which was the inclusion of language regarding the proposed November 2007 ballot questions for both the Cities of Augusta & Hallowell. He expressed concern that what was being presented before the Legislature in this regard hadn't been agreed to by the AWSD Board.

D. Smith said it was his understanding that, to some extent, during the legislative process, the language regarding the ballots would be finalized. He asked the group if this assumption was correct.

B. Bridgeo offered his thought that it was the City Council that provided the final language for legislative items related to the City. He also stated that, within the legislative process, the committee(s) of jurisdiction and their attorney(s) can end up changing the language of a bill, but stressed that any changes should not be substantive.

T. Sotir said that the Joint Board agreed with Senator Bartlett, and wanted the three questions that the Senator proposed. He wanted to make sure that what got presented before the Legislature on May 24th was what the Districts' Board wanted.

P. McClay said that K. Rand was of the same opinion, and wondered if Hallowell's attorney was not.

At this juncture, S. Farnsworth said she was getting upset and wanted the opportunity to speak. She stated that what was originally written in the Charter bill that Senator Mitchell presented was not the three questions proposed by Senator Bartlett, that T. Sotir is referring to. Susan talked about her confusion regarding the above, and then went on to say that she feels the job of the Boards is to sell what they're talking about and be unified. She went on to list reasons why she felt this ballot confusion was happening: either fear on the part of the Joint Board, or someone is trying to torpedo the merging in of Hallowell wastewater operations, or the Augusta Board just doesn't want the Hallowell merger to happen.

Susan's further comments were that Hallowell was not in favor of Augusta having two questions, and felt that it was a matter of trust, and that the Board's fear was prompting them to have two questions instead of one. She expressed again the need for unity, and for the two Boards to move forward, and work toward what they commonly want. Susan felt that offering two questions to the Augusta voters would be more confusing, and would increase the likelihood that one of the questions might be answered with a "no" vote. She felt putting a single question out to voters in both communities would be a better way to go, although she will support continuing with the "three question" proposal if that's how the Joint Board wants to proceed.

Discussion ensued, with D. Smith saying that everyone had underestimated the need for clarity on this point regarding ballot questions. Several Joint Board members expressed their predictions that the two questions would pass with the voters in Augusta, and also expressed their support for the merging in of Hallowell Sanitary operations.

K. Knight gave some background information, talking about the City Council's earlier charge for the Joint Board to make sure that they didn't do anything that would cause the two Districts – Augusta Water & Sanitary – to not be able to merge. D. Smith added that the City Council also said that the merger committee should not be constrained, and could include looking at the merging in of other municipalities. P. McClay said that the primary goal was to consolidate the two Districts, and that Hallowell Sanitary coming in was "frosting on the cake." B. Beaucage supported Paul's comments, and added her support of Augusta having two

ballot questions in case Hallowell was not on board for some reason. She also spoke of the need for an absolute plan, and for both communities to get the public relations information out. Bev expressed that for the long-term future, it is clear that the merger is what should be done.

B. Tarbuck expressed concern about the 1:00 pm. meeting at the Legislature on the 24th, since the opinions of the two parties appeared to be divergent concerning the ballot questions. He wanted to make sure that there was a way to show unity in how they moved forward.

D. Kinney expressed concern about the possibility that Hallowell's voters say "yes", and Augusta voters say "no" to a merger with Hallowell Sanitary. If this should ever occur, he felt it would be detrimental for relationships between the two communities. Additional Joint Board members spoke up, expressing their thoughts that this wouldn't be an issue because the voters in Augusta will support the merger with Hallowell.

S. Farnsworth pointed out that the two ballot questions asking for the Hallowell merger to be approved were not identical in language, and felt that they should be. She also stated that the word, "regionalization", should be included in the language. Discussion ensued about the inclusion or exclusion of this language, as well as the order in which the questions should be presented on the ballot.

Consensus: The consensus the Joint Board reached after much discussion was reaffirmation of agreement that the three question format proposed by Senator Bartlett was the format to use, with one exception:

- 1. The wording for the two questions relating to Hallowell's inclusion should be identical; and**

The ballot questions are as follows:

Hallowell:

- 1.) Do you support including the sewer functions of the Hallowell Water District in the Greater Augusta Utility District?**

Augusta:

- 1.) Do you support merging the Augusta Water District and the Augusta Sanitary District to form the Greater Augusta Utility District?**
- 2.) Do you support including the sewer functions of the Hallowell Water District in the Greater Augusta Utility District?**

Consent was unanimous; with S. Farnsworth of the Hallowell Board including her support.

S. Farnsworth stated that she is o.k. with the ballot wording as long as the “regionalization” language can be used in the public relations efforts leading up to the votes. D. Smith responded that the answer was “yes”, but with a little “r”.

D. Smith also mentioned that he felt the Joint Board should plan on attending Hallowell’s next Board meeting(s).

Action Item: B. Beaucage asked that a “Hallowell Issues” item be include on the Board Agenda, for the next several months. S. Farnsworth agreed that Hallowell would do the same, by including a “Augusta Water& Sanitary Issues” item.

OTHER: NEW T/L PUMP STATION

B. Tarbuck brought up a project that the Trunk Line communities will be paying for, which is the construction of a new pump station in Winthrop. Currently, there is an issue with easements concerning property owned by Sumner Lipman, as part of Brothers Realty. The favored approach is installation of gravity piping; and H. Wood, Engineering & Construction Manager, is drafting a letter to Mr. Lipman, explaining the proposed construction project and favored approach. The new piping should increase the value of Mr. Lipman’s property upon project’s completion.

BUILDING ON RADIO TOWER SITE

B. Tarbuck informed the group that it had been discovered during some recent surveying work that a small maintenance building on the Water District’s Radio Tower Site was actually partially located on the abutting property owner’s property, by 1 foot, 7 inches. The District will work to move the building back onto our property. Some discussion ensued about going back to whoever may have originally done the surveying, but the thought was that we would proceed with moving the building, and could do so without having to go onto the abutter’s property. B. Tarbuck noted that that site is only necessary for SCADA & VHF trunked radio at this point in time, but can’t be abandoned since the District doesn’t yet have an alternate site for the tower.

B. Beaucage made a motion to adjourn the meeting at 1:35 p.m. T. Sotir seconded the motion, and the meeting was adjourned.

Tom Sotir
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
SPECIAL BOARD MEETING
Monday, June 18, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Bill Bridgeo
Dave Smith
Thomas Sotir
Ken Knight

Staff: Brian Tarbuck, General Manager
Michael A. Osborne, Controller
Jill Pierce, Office Manager

Other Attendees: Mike Byron, Augusta City Councilor
Susan Farnsworth, Hallowell Water District Board

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 4:03 p.m. Dave acknowledged that B. Beaucage would not be in attendance at this meeting. He also stated that this Special Board meeting had been called to discuss a single topic, “Rates.”

ITEM 2 DISCUSSION RE RATES FOR PROPOSED GREATER AUGUSTA UTILITIES DISTRICT

Co-Chair K. Knight prefaced the discussion by letting the group know that he, D. Smith and B. Tarbuck had met with Hallowell on June 11th regarding next steps in the merger process. The decision was made that the topic of “rates” should be discussed more fully in a Special Board meeting of the Joint AWD & ASD Boards. Ken made the point that the next thing people are going to want to know about the proposed merger is: “How much will it cost?” Also, B. Tarbuck received an estimate from Brown & Caldwell for updating the 2006 rate study, which requires approval from the Board due to the dollar amount.

Co-Chair D. Smith added that the previous discussion with Hallowell concerning next steps such as rate-setting, including the topic of minimum rates, voter education, etc., didn’t result in clear answers. Both Co-Chairs were looking to come out of this Special Board meeting with clear direction.

Discussion then moved into the rate-setting topic. D. Smith talked about the upside of Togus coming on, which will be a financial boost to our systems, and the downside, which is the major upcoming expense for the CSO Phase III project. K. Knight made the point that he wanted to make sure the ASD rates were adequate as they are currently set, even though

good things are coming down the road. T. Sotir voiced his concerns, as follows:

1. that, if we uniformly charge Hallowell customers the lower rate that Augusta currently charges, the Sanitary District will lose additional money.
2. that the portion of Hallowell's costs relating to Stormwater will not be covered.
3. that Stormwater as relates to Hallowell, needs to be analyzed before a decision can be made on uniform rates.

S. Farnsworth responded that her understanding was that Hallowell was covering their expenses. She stated that they did have an overflow problem in certain rain events, and said that the thought was that once Augusta and Hallowell combined sanitary operations, they would be able to mitigate this problem.

Further discussion ensued about the some of the particulars of Hallowell's sanitary system, such as them having two separate and closed systems for stormwater and wastewater. Their customers will be fined if caught diverting discharge from their sump-pumps into the sanitary system. Relating to Hallowell's CSO, B. Tarbuck made the point that the ASD has 24 CSO's, so one more to cure by pumping would not be a big deal.

Discussion then turned to the use of minimum charges. Hallowell currently charges a minimum of 1200 cu/ft. per quarter. The Augusta Sanitary District does not currently have a minimum. S. Farnsworth said that adding a minimum for Augusta customers would be one way to address rate-setting question for the proposed GAUD, but she understood that the District hadn't wanted to set a minimum in the past.

M. Byron, Augusta City Councilor, had prepared a cash flow analysis based upon Hallowell's financial reports that he shared with the group. His analysis found them to be in a more favorable cash position than his earlier research for the May 21st and May 23rd Joint Board meetings had shown.

B. Tarbuck made the point that he and M. Osborne realize, that, at the end of the day, the Board is trying to be assured that we have enough money to support operations of both Augusta & Hallowell Sanitary on rates that are currently in place. He also mentioned the \$10,000 to \$11,000 estimate for Brown & Caldwell, and questioned whether we'd want to invest that kind of money in updating the rate study at this time, when it might be better spent replacing some older equipment at the Treatment Plant.

B. Bridgeo felt strongly that Hallowell needs to keep its minimum in place, since it would be difficult to reinstate, once discontinued. He also gave input that we should go with in-house talent in reseaching what to do for rates, and not go for an incremental rate study.

Discussion ensued about additional information that might be needed to aid in decision-making. M. Osborne interjected at this point that he and Brian felt that they were already there, in terms of having done enough due diligence to be able to make a decision on what should be done about rates. Mike said that he feels the District will end up in a nearly breakeven position, dollar-wise, after taking on Hallowell Sanitary. He said that both he and Brian believe we should proceed with using Augusta Sanitary's current rates, and revisit the rates assessed in three year's time, as originally planned. The current rate study, implemented in 2006, was designed to cover the time period through 2010. The point was also made that the rate study did not include the effect of Togus. The addition of Togus to the ASD system will provide additional revenues that will help to smooth any little bumps in expenditures over the next few years.

P. McClay made the point that it would be good to be able to keep the current rates in place through 2010, as that was the promise made to the customers.

Discussion then ensued amongst the Board members, and three possible rate-setting options came to the forefront:

1. Have Hallowell come in at our rates, and have them drop the minimum that they currently charge to their customers;
2. Have Hallowell come in at our rates, but keep their minimum charge ongoing for the particular customers affected. ASD would continue their practice of not charging a minimum;
3. Come up with a new minimum and charge uniformly to both the Augusta Sanitary District and Hallowell.

ACTION ITEM: D. Smith asked B. Tarbuck to determine the number of Sanitary District customers with usage under 1,200 C/ft. He was asked to bring this data back to the next meeting to aid in decision-making concerning rate-setting and whether and what to set for minimums.

B. Bridgeo expressed concern about doing away with Hallowell's charging of a minimum, because it may be tough to reinstate a minimum down the road.

K. Knight said that the Charter states that there will be a uniform rate set.

T. Sotir made the following points to summarize both what had been decided by the Board and what was being asked to be provided at the next meeting:

1. Consensus was that additional money should not be spent at this time to update the Brown & Caldwell rate study.
2. The Board wants to see a storm water analysis from Hallowell showing CSO events.
3. See action item above regarding ASD customer usage.

The Board then discussed what else they wanted to see as part of B. Tarbuck's usage analysis. They asked that Brian compute \$'s based on 300, 600 & 1,200 cu/ft. minimums. K. Knight pointed out that the Board also wanted to see how many ASD customers would be affected & what the total \$ effect would be at today's rate.

Additional discussion centered on the complexity involved with coming up with an appropriate minimum rate. The point was made that this should be the subject of ongoing discussion, and that the data development should continue to be done in-house.

T. Sotir made a motion to adjourn the meeting, which was seconded by P. McClay. The vote to approve was unanimous; and the meeting was adjourned at 5:06 p.m.

Tom Sotir
Clerk, Augusta Sanitary District

Paul McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, June 25, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay – arrived at 1:24 p.m.
Bill Bridgeo
Dave Smith
Thomas Sotir
Beverly Beaucage

Staff: Brian Tarbuck, General Manager
Michael A. Osborne, Controller
Jill Pierce, Office Manager
Harold Wood, Engineering & Construction
Manager
Mike Grove, Treatment Plant Manager

Other Attendees: Dennis Kinney, Hallowell Water District Board

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 1:05p.m. Dave acknowledged that K. Knight would not be in attendance at this meeting. He also stated that P. McClay would be arriving late, but the meeting would be convened since there was a quorum.

ITEM 2 APPROVAL OF MAY 21ST, 2007 MEETING MINUTES – VOTE

T. Sotir moved acceptance of the minutes of the May 21st Joint Board meeting. B. Bridgeo seconded the motion and the vote to approve was unanimous.

ITEM 3 APPROVAL OF MAY 23RD, 2007 MEETING MINUTES – VOTE

A revised set of minutes for May 23rd were distributed to the Board members at the meeting to replace an earlier draft that had been distributed as part of the Board packages.

T. Sotir moved acceptance of the corrected May 23rd minutes that were distributed at the June 25th Joint Board meeting. B. Beaucage seconded the motion and the vote to approve was unanimous.

ITEM 4 APPROVAL OF MAY 2007 PAID BILLS FOR BOTH DISTRICTS – VOTE

NOTE: Due to a conversion problem there will be only limited financial data available at the meeting; the vendor is addressing this issue.

B. Tarbuck explained to the group that the Districts were experiencing formatting problems with their reporting stemming from the recent General Ledger upgrade. Instead of having accounting recreate the reports in Excel just for this meeting, he said that both May and June '07 financials would be presented at the next Joint Board meeting on July 23rd.

B. Bridgeo made a motion to approve the May 2007 paid bills for both Districts. B. Beaucage seconded the motion and the vote to approve was unanimous.

M. Osborne answered questions about a Kay Rand legal bill and an insurance bill.

Action Item: The Board members asked to be provided a summary of legal fees related to the merger that have been incurred by the Districts.

ITEM 5 NEW BUSINESS

a) Maine Revenue Service Tax Audit

B. Tarbuck informed the Board that the Augusta Water District had been selected at random for an audit of their taxable sales. He said that the audit was going well, and there were only about 15 to 20 accounts being questioned out of the entire data base.

b) Messer Property

B. Tarbuck gave an update to the group on the Messer property, which was in foreclosure when the owner passed away. The heirs are minor children, and the house is currently vacant. The Districts are working with Bernstein Shur Sawyer & Nelson to put together a consensual foreclosure. The Districts and the City will be made whole, and the heirs will receive any residual income resulting from the sale.

Item 6 OLD BUSINESS

a) Update on Charter Status

B. Tarbuck informed the group there had been both an informal meeting on June 11th, and a Special Board meeting on June 18th concerning the Charter. He said that the draft Charter document was approved by the legislature on June 19th, 2007, during their recent session.

Brian then handed out a datasheet he had prepared to fulfill an action item from the June 18th meeting regarding minimum charges. The sheet compared by revenue category the financial effect of four examples of minimum HCF/year amounts. An example he gave was that 169 Sanitary customers currently use less than 300 CF/quarter. If a 300 CF minimum is set, the lost revenue would be: 3 HCF x \$3.21 x 4 quarters x 169 = \$6,509.88. Much discussion ensued about the potential financial effect of

building in a minimum charge. The Board members asked B. Tarbuck & M. Osborne to continue their research in order to provide a statistical analysis to aid the Board in determining if a minimum charge should be set, and, if so, what the optimal amount should be.

B. Bridgeo made the point that he would not want a minimum charge to be too onerous, but feels it's important to keep one in place, since Hallowell already bills a minimum.

Action Item: T. Sotir asked that B. Tarbuck's datasheet presentation be changed so that it is depicted horizontally. He also wanted the revenue categories to be limited to only residential and commercial; and Hallowell to be added to the revised schedule.

D. Kinney, Hallowell Water District, then presented graphical analyses comparing both Hallowell's water & sewer rates for 2005/2006. He offered to work with B. Tarbuck & M. Osborne to help in preparing a similar analysis, which Brian accepted.

T. Sotir made the point that the Board should make a formal request concerning the ballot questions for the November '07 election.

T. Sotir made a motion that the Board formally request of the Augusta City Council to place the two questions detailed in the approved minutes of the May 23rd Board meeting, in the order that they were presented in the minutes, on the November 2007 ballot. P. McClay seconded the motion, and the vote to approve was unanimous.

Action Item: The Board members asked B. Tarbuck to prepare a formal letter, addressed to the Augusta Mayor, referencing the above formal vote and repeating the Board's request of the Mayor and City Council.

B. Bridgeo told the group that he would give Mayor Katz an unofficial heads-up that the formal request was on its way.

b) Fieldstone Place Project

H. Wood informed the group that the structure T Buck needed to begin the project was ready to ship. The contractor is scheduled to start the project in two weeks.

c) Union Negotiations

B. Tarbuck informed the Board that the Districts will proceed into fact finding very shortly. They will be meeting with Union representatives and the Maine Labor Board early in July.

d) Billing Project

M. Osborne & J. Pierce have interviewed candidates for a short-duration, part-time position to do the data scrubbing necessary for conversion of the Water District Billing software to the NDS product. They hope to hire this position soon.

e) Test Well Drilling

B. Tarbuck talked to the group about a preliminary findings & Hydrogeologic Evaluation of Groundwater Exploration in Chelsea Report from Wright-Pierce that was included in the Board packages. He reported that the preferred location was TW 1-07, which was on top of an esker on Chelsea's property. Hallowell has the deed to this property. Brian expressed his concern about the need for a back-up plan for water supply. His advice was to install another well on the East side of the river. He estimated the cost of a production well to be approximately \$1 million. Discussion ensued about this issue, including much discussion about the Water Treatment Plant and whether it could be restarted if the need arose. B. Tarbuck indicated that a restart of the plant may cost double that of a new well, due to structural changes that would be needed so that the plant would require less manpower to operate, as well as changes in order to comply with new standards. D. Kinney made the point that Hallowell does have extra capacity. No formal vote or action was taken; this back-up water issue will be an item for continued discussion.

f) Pump Station 6 Repair Update

MacMillan Excavation began repair work on the manholes this morning, June 25th.

g) Fort Western Underdrain Repair

B. Tarbuck told the group that bids will be going out at the end of June, and the work on the "board in the pipe" will be done in July.

h) Togus Forcemain

Brian talked about continued meetings with Woodard & Curran for design of this project, which will begin construction in 2008.

Item 7 NEW BUSINESS

a) ASD Pool & Meter Policy

B. Tarbuck brought up for discussion the Sanitary District's pool and meter policy, which is currently an in-house policy that was set by D. Glidden. D. Kinney expressed concern about this policy since Hallowell's is very different.

Action Item: D. Kinney & B. Tarbuck to work together & come to the Board with a blended policy regarding pool & meter credits for the Board to approve.

b) Mill Park

B. Tarbuck brought up the City of Augusta's plans to improve Mill Park at the site of the former Edwards Mill. He is concerned that some of the City's plans for this site will be impacted when Phase III CSO work begins in and around that area. Brian wants to make sure that no structures are placed over where our underground structure is supposed to be located. He wanted to make sure the Board was in agreement with his concerns and need to be in communication with the City.

c) Pelton Hill Tower Issue

B. Tarbuck informed the group about history of this site, and landowner issues. Per Brian, the Water District used to have tanks at this site, which have since been removed. The site is still used for VHF Radio & SCADA transmissions, and a relocation site has still not been found. A shed that was found to be partially on the abutter's land has been moved completely onto AWD property. Discussion ensued about the struggles to find a new home for the tower. D. Smith expressed interest in this since some of the towers in the area penetrate protected air space, which impacts the Augusta airport. The members acknowledged ongoing efforts amongst various parties to be able to share space on a single tower, and mentioned the availability of Homeland Security dollars to help fund this project.

At 2:45 p.m., T. Sotir made a motion to go into Executive Session regarding Labor Negotiations, 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.

At 2:52 p.m., the Board exited the Executive Session, moved by T. Sotir; and seconded by P. McClay, and approved by unanimous vote.

There was discussion related to upcoming board appointments & when that might happen & who might replace Bev & Bill. Bill stated that he had not heard for sure about the appointments & that he would check with Mayor Katz to see if that might happen at the City Council's July 2nd regular meeting. There was discussion related to timing of the appointments and whether or not it would affect the November election. The Board concluded that the former board members could still contribute positively without being active board members.

There was a consensus statement made to recognize Bev's service to the Water District since August, 1992. The Board recognized her leadership and stated that "Beverly represents the best example of citizenship".

B. Bridgeo made a motion to adjourn the meeting, which was seconded by B. Beaucage. The meeting was adjourned at approximately 3:00 p.m.

Thomas A. Sotir
Clerk, Augusta Sanitary District

Paul F. McClay
Clerk, Augusta Water District

A TRUE COPY
ATTEST

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, July 23, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Lisa Haskell
Dave Smith
Peter Dunn Jr.
Ken Knight

Staff: Brian Tarbuck, General Manager
Michael A. Osborne, Controller
Jill Pierce, Office Manager
Harold Wood, Engineering & Construction
Manager
Mike Grove, Treatment Plant Manager

Other Attendees: Dennis Kinney, Hallowell Water District
Susan Farnsworth, Hallowell Water District Board
- arrived at 2:09 p.m.
Ellen Blair, Director of Human Resources
- arrived at 2:35 p.m.

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 1:00 p.m. Ken acknowledged that T. Sotir had a family commitment and would not be in attendance at this meeting.

Note: Some of the agenda items were taken out of order.

ITEM 3 ROLL CALL

K. Knight introduced Peter Dunn Jr. as the new Sanitary District Board member and Lisa Haskell as the new Water District Board member. The new members were welcomed and introductions were made around the table.

ITEM 2 ELECTION OF TREASURERS FOR BOTH DISTRICTS

The treasurer positions for both Districts were vacated by outgoing Board members, Bill Bridgeo and Bev Beaucage. P. Dunn Jr. expressed to the group that he would prefer to be solely a board member at this time, and not take on the Sanitary District Treasurer position. K. Knight said that he would accept the dual positions of Co-Chair and Treasurer.

P. Dunn Jr. made a motion to elect K. Knight as Treasurer of the Augusta Sanitary District. K. Knight seconded the motion, and both of them, as Sanitary Board members, voted favorably.

P. McClay made a motion to elect L. Haskell as Treasurer of the Augusta Water District. L. Haskell seconded the motion, and both of them, as Water Board members, voted favorably.

**ITEM 4 & 5 APPROVAL OF JUNE 18th, 2007 MEETING MINUTES - VOTE
APPROVAL OF JUNE 25th, 2007 MEETING MINUTES – VOTE**

P. McClay made a motion to approve the minutes of both the June 18th Special Board meeting and the June 25th Joint Board meeting. D. Smith seconded the motion and the vote to approve was unanimous.

**ITEM 6 APPROVAL OF JUNE 2007 PAID BILLS FOR BOTH DISTRICTS
– VOTE**

Augusta Sanitary District:

P. McClay questioned the ‘Actual % Remaining’ negative percentage from the Augusta Sanitary District Commissioners’ Report – Budget Comparison. M. Osborne explained that there was no error in the reporting. The percentage calculates as a negative because expenditures are significantly under budget at this time. This fluctuation should smooth out more by year end, but factors such as a slower construction season, loss of Assistant GM position, unresolved union contract since 2005 and lower GM salary are keeping actuals below budget.

Augusta Water District:

M. Osborne reported that the Water District was showing the same trends as the Sanitary District; expenditures compared to budget are down and revenues are up.

K. Knight explained the current reserve policy of \$750,000.00 each, for both Districts.

P. Dunn Jr. asked some questions about the financial information presented, and asked about the availability of additional information such as account numbers and capital project detail. Discussion ensued about what should or shouldn’t be provided at the Board level. M. Osborne made the point that the financial data provided at Board meetings was summarized for executive purposes, and that the drill down detail data P. Dunn Jr. was asking about was always available in-house at the Districts. K. Knight made a point that any changes requested regarding monthly financial presentations should be agreed to by the Board in general. M. Osborne made the offer to both new members to come in to the Districts’ office and have a look at any additional financial information, both in general or in detail, however they’d prefer.

P. McClay made a motion to approve both sets of paid bills for June 2007. D. Smith seconded the motion, and the vote to approve was unanimous.

Other clarifications made for the new Board members information were that the Districts operate as enterprise funds. The budgets are not legally adopted, but are used strictly as internal management tools.

Action Item: D. Smith asked that the Board be provided consumption numbers at a very high level, and asked for this to be put on the agenda for the next Board meeting. B. Tarbuck stated that we already produce this report and will present it at the next meeting.

Note: Co-chairs D. Smith and K. Knight thanked the City for letting the Districts hold our Board meetings at City Center, and stated their desire to move the meetings back to District property, specifically the Treatment Plant conference room.

B. Tarbuck let the group know that the handicap access changes had not been made, since the expenditure was not approved, but deferred for future discussion at an earlier Board meeting.

D. Smith made a motion to return to the Augusta Sanitary District Treatment Plant Conference Room for future Board meetings. K. Knight seconded the motion.

Further discussion ensued, with Board member P. McClay expressing his objections to returning to the previous meeting site.

D. Smith withdrew his previous motion in light of obvious dissent.

The Board members agreed to meet at City Center for their August meeting, and revisit the issue in another thirty days.

ITEM 7 FORT WESTERN UNDERDRAIN REPLACEMENT - VOTE

D. Smith made a motion to approve Wayne Excavators for the contractual work to remove a 2 x 12 board stuck in the Sanitary District's stormwater system. P. McClay seconded the motion, and the vote to approve was unanimous.

B. Tarbuck gave some background on the Sanitary District's rate structure for benefit of the two new Board members. He explained that Item 7 was an unanticipated repair, and not in the 2007 budget. Wayne Excavators had the low bid in the bid solicitation process, and was Brian's recommended pick.

ITEM 8 NEW BUSINESS

a) SCHEDULE FACILITY TOUR FOR NEW BOARD MEMBERS

Action item: B. Tarbuck will email some available dates and times to the new Board members, and arrange a date for a tour of the AWD & ASD facilities.

ITEM 9 OLD BUSINESS

a) UPDATE ON CHARTER STATUS

- i) K. Knight informed the group that he, D. Smith & B. Tarbuck had attended the recent City Council meeting in Hallowell. The proposed November 2007 ballot question was approved by their Council. Ken also spoke about the need to begin working on promotion leading up to the November votes for both Augusta & Hallowell.

Discussion then ensued about the in-house legal fees paid by the Sanitary District for the Charter process. Questions were asked as to why the most currently-approved additional expenditure of \$6,000.00 had been exceeded. Ken made the point that there are from time to time other matters that call for legal expertise, such as the recent Fieldstone Subdivision project, costs for which are included in the total legal fees.

At 2:09 p.m., S. Farnsworth entered the meeting and was introduced to the new Board members.

Action Item: K. Knight asked for an estimate of remaining legal costs for finish-up of the new Charter, public relations work for said Charter, and Bond counseling related to the merger.

B. Tarbuck stated that the Districts would try and do much of the of the Charter and PR work. P. McClay made the point that we would need to stay within the legal limits for money to be spent for paid, public advertising.

- ii) B. Tarbuck presented a demonstration of a Rate Model worksheet, in which various rates could be input and respective financial effect determined. To summarize and clarify his findings, Brian informed the group that he and M. Osborne had two favored scenarios:
- 1) M. Osborne & B. Tarbuck both agree that the current rate structure, intended to be in place till 2010, for the Sanitary District will be able to support the addition of Hallowell's sanitary system.
 - 2) If #1 is not agreed to, then charging a 600 c/ft minimum for both Districts would keep the premise of a minimum in place.

D. Smith agreed with a further statement B. Tarbuck made that this process was subjective and that asking five different Boards for a decision regarding minimum setting would probably yield five different rate structures.

Further discussion ensued about the percentage of customers who would be affected by setting a minimum, how they might react, and potential effect on the upcoming vote.

K. Knight made the point that his true long-term goal was the stabilization of rates for the Districts' customers.

M. Osborne made the point that anything other than leaving rates “as is” is a rate increase and will be publicized as such. His and Brian’s “Scenario #1”, leaving current rate structure in place, will be the easiest sell. It is also what was promised to the Augusta customers.

Concerns were expressed among the group about pushing off a decision regarding rate-setting.

Action Item: The Board members agreed to defer a decision at this meeting and discuss with Augusta City Council at their July 30th meeting.

D. Smith & K. Knight expressed confidence in bringing scenarios #1 & #2 to the City Council, and acknowledged all the work that had been done by B. Tarbuck & M. Osborne to get to this point.

B. Tarbuck apologized to S. Farnsworth for inadvertently taking ‘Hallowell merger issues’ placeholder off the agenda. He wanted to make sure Susan had a voice at today’s meeting, and said he would return the item to the agenda.

Discussion centered on when to meet for a vote. P. McClay suggested taking an opportunity to vote at the City Council meeting on the 30th.

The Board took a 5 minute break, starting at 3:05 p.m.

b) BOND BROOK CSO PHASE 3 PROJECT

B. Tarbuck mentioned that a meeting with the consultant was scheduled for July 25th. He talked about the upcoming need to interview engineering firms, and to continue a dialogue with the City to make sure both organizations’ plans coincide. Brian said he would have an update ready for the next Board meeting.

c) FIELDSTONE PLACE PROJECT

Digging has begun on the project, and H. Wood will continue to track the job’s progress.

d) BILLING PROJECT

M. Osborne told the group that Jessica Soucy had been hired as a part-time person to do the data scrubbing needed to prepare for the Water District billing conversion.

e) T/L #1 REPLACEMENT PROJECT

B. Tarbuck informed the group that the Districts were still proceeding with the idea put forth by H. Wood that a gravity feed system could replace the need for a new pump station at that location. The Districts have yet to meet with Brothers Realty, but are working on making that happen. The

point was made by Brian that the easement would need to be larger than a typical easement due to the depth of the pipe to be installed.

f) GROUNDWATER PROJECT

There is nothing new to report this month.

g) PUMP STATION #6 REPAIR

This project has now been completed and looks good.

h) TOGUS FORCEMAIN

Meetings are continuing to take place, and design is going well.

i) PELTON HILL TOWER

K. Knight reported the good news that a variance has been obtained and the permit is being approved and filed. The RFP is ready to go out. Ken also mentioned his hope that the abutter issue can be settled as well.

j) POLICY REVISIONS

B. Tarbuck & D. Kinney have yet to meet regarding the issue of policy revisions. This item will be carried over to the next Board meeting.

At 3:30 p.m., P. McClay made a motion to go into Executive Session regarding Labor Negotiations, which is pursuant to Title 1, Section 405, Subsection 6, Paragraph D. P. Dunn Jr. seconded the motion and the vote to enter Executive Session was unanimous.

At 4:03 p.m., the Board exited the Executive Session, moved by D. Smith; and seconded by K. Knight, and approved by unanimous vote.

P. McClay made a motion to adjourn the meeting, which was seconded by P. Dunn Jr. The meeting was adjourned at approximately 4:04 p.m.

Thomas A. Sotir
Clerk, Augusta Sanitary District

Paul F. McClay
Clerk, Augusta Water District

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July 30, 2007

City Hall; joint meeting w/ City Council to discuss concurrent matters

8:25 PM Call meeting to order

Recognize guests (Councilors)

Present: David Smith, Ken Knight, Paul McClay, Peter Dunn Jr., Lisa Haskell

Absent: Tom Sotir

Brian designated temporary clerk

1. Item 1 on the agenda is to change language that was submitted for the November referendum question that would authorize the creation of the Greater Augusta Utilities District. Specifically, the AWSD board needs to vote to change the wording to "support" in lieu of "favor".
 - a. Motion by Paul McClay to make the language change; second by Lisa Haskell
 - b. Discussion: David Smith provided a summary of the efforts taken to date to move the merger process forward. He explained that the AWSD board has been collaboratively meeting with HWD and the City Council and recently voted to proceed with the merger of the two utility districts and include HWD sanitary. Dennis Kinney was recognized by board as a member of the audience. Smith explained that Susan Farnsworth, HWD board chair, could not attend tonight. HWD has agreed to give up their sanitary services to GAUD. The revised charter that included both AWSD and HWD went to the Legislature and was approved by the governor on June 22nd. The legislation has an out clause in case Hallowell voters vote against the merger of the utilities but AWSD votes to form GAUD. Smith related that the Governor told him of his experience in Bangor and that he was aware of how difficult the merger process must have been. Councilor Mike Byron noted that the language as presented isn't clear on the point of Question B regarding incorporating Hallowell. Councilor Stan Koski recommended different language. City Manager Bill Bridgeo pointed out that any language change would require further review by the Legislature. Bridgeo said that Council could block it if they wanted to by not putting the language on the ballot at all if they desired. Byron wanted to know if there was a means to have an explanatory clause attached to help make the text clearer. Bridgeo noted that the City was sued over this in the past and didn't recommend it. Smith noted an educational campaign is needed and will include a mailing to affected ratepayers.
 - c. Vote: The vote to approve the motion was unanimous.
 - d. City Council will put this revised language on the ballot next week at their August 6 meeting
 - e. Post-voting comments from the Council; did the Legislature make any substantive changes? Knight explained that no, not really; had a lot of people supporting this project from the community.
2. Item 2 was the formation of a rate that would be common for GAUD sewer customers going forward.
 - a. There was a lengthy discussion of rate options and the process used to arrive at this recommendation. Ken indicated that there has been a lot of due diligence done ahead of time to figure out if the rates we currently charge can sustain the inclusion of HWD's wastewater functions. Ken explained that the existing rates were supposed to be in place until 2010. He also said that the number one question related to the merger of the utilities from customers is, "what's it going to do to my rates?" Board wasn't interested in making big changes on January 1, 2008 and wanted to set direction now. Ken wishes to keep rates as they are today based on a staff analysis that shows that the existing rates can support the operation of the combined utilities district. Hallowell will pay the same rates as Augusta

because the legislation requires that the rates have to be uniform over the communities served. Hallowell customers pay a higher rate now so they will come down to our rates. Knight explained that the Board has been trying to predict rates for years but it has only been in the last 3 months it really came together to help identify costs and firm up the numbers. The assets and liabilities of HWD come over to GAUD. David Smith mentioned that there is some positive news that may bode well for the future. The good news is that water sales bottomed out last year and that current water sales are up 2.3% from last year.

- b. Motion by Paul McClay to keep sewer service rates the same; second by Peter Dunn Jr.
 - c. Discussion: There was no additional discussion.
 - d. Vote: The vote to approve the motion was unanimous.
3. No further business; Motion to adjourn by Smith; second by Haskell; unanimous approval.
 4. The meeting adjourned at 8:51 PM.

July 30, 2007

City Hall; joint meeting w/ City Council to discuss concurrent matters

8:25 PM Call meeting to order

Recognize guests (Councilors)

Present: David Smith, Ken Knight, Paul McClay, Peter Dunn Jr., Lisa Haskell

Absent: Tom Sotir

Brian designated temporary clerk

1. Item 1 on the agenda is to change language that was submitted for the November referendum question that would authorize the creation of the Greater Augusta Utilities District. Specifically, the AWSD board needs to vote to change the wording to "support" in lieu of "favor".
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 - c. Vote: The vote to approve the motion was unanimous.
 - d. City Council will put this revised language on the ballot next week at their August 6 meeting
 - e. Post-voting comments from the Council; did the Legislature make any substantive changes? Knight explained that no, not really; had a lot of people supporting this project from the community.
2. Item 2 was the formation of a rate that would be common for GAUD sewer customers going forward.
 - a. There was a lengthy discussion of rate options and the process used to arrive at this recommendation. Ken indicated that there has been a lot of due diligence done ahead of time to figure out if the rates we currently charge can sustain the inclusion of HWD's wastewater functions. Ken explained that the existing rates were supposed to be in place until 2010. He also said that the number one question related to the merger of the utilities from customers is, "what's it going to do to my rates?" Board wasn't interested in making big changes on January 1, 2008 and wanted to set direction now. Ken wishes to keep rates as they are today based on a staff analysis that shows that the existing rates can

support the operation of the combined utilities district. Hallowell will pay the same rates as Augusta because the legislation requires that the rates have to be uniform over the communities served. Hallowell customers pay a higher rate now so they will come down to our rates. Knight explained that the Board has been trying to predict rates for years but it has only been in the last 3 months it really came together to help identify costs and firm up the numbers. The assets and liabilities of HWD come over to GAUD. David Smith mentioned that there is some positive news that may bode well for the future. The good news is that water sales bottomed out last year and that current water sales are up 2.3% from last year.

- b. Motion by Paul McClay to keep sewer service rates the same; second by Peter Dunn Jr.
 - c. Discussion: There was no additional discussion.
 - d. Vote: The vote to approve the motion was unanimous.
3. No further business; Motion to adjourn by Smith; second by Haskell; unanimous approval.
 4. The meeting adjourned at 8:51 PM.

Thomas A. Sotir

Clerk, Augusta Sanitary District

Paul F. McClay

Clerk, Augusta Water District

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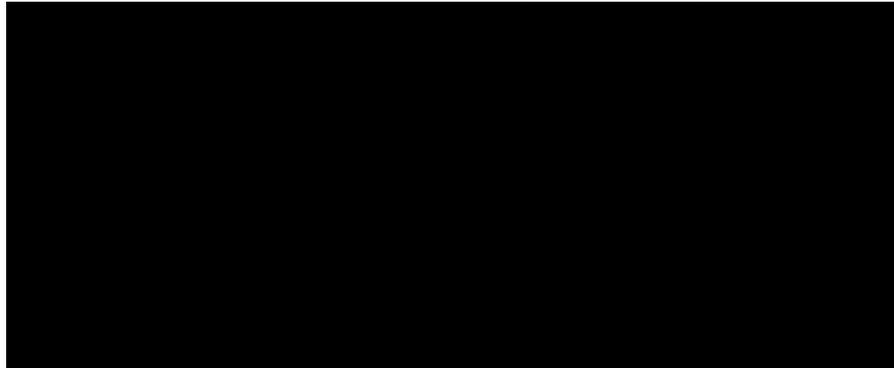
ATTEST

Rate Model

July 23, 2007 AWSD Board Meeting

Augusta Water and Sanitary District (AWSD) and Hallowell Water District (HWD) staff were tasked with identifying rates sufficient to maintain the operations of the combined wastewater utility.

The existing rates of each utility are listed below:



N.B.: 1 cubic foot equals about 7.5 gallons of water so 100 cubic feet equals 750 gallons. Water and wastewater bills are billed in increments of 100 cubic feet and abbreviated “HCF”.

Baseline Conditions, Augusta Sanitary District:

The approximate revenue stream for Augusta Sanitary District’s wastewater revenue (this does not include stormwater revenue) is shown below. Data in this table represent that customers pay \$18.85 per quarter and \$3.21 per hundred cubic feet which are the existing Augusta Sanitary District wastewater rates. There is a 0 HCF minimum. That is, any consumption that exceeds 0 HCF in a quarter is billed at \$3.21 per HCF.

Current conditions, ASD customers only, current rates applied			
	4,528	total customers	% OF TOTAL
	3,786	RES	83.6%
	641	COM	14.2%
	77	GOV	1.7%
	24	IND	0.5%
\$	2,385,324.13	total revenue	

Scenario 1: Apply existing ASD rates to both ASD and HWD customers

The table below shows how the revenue and customer distribution will change when HWD wastewater customers come in if all customers pay the existing ASD wastewater rates of \$18.85 / quarter and \$3.21 per hundred cubic feet. The data below assume a 0 HCF minimum.

Future conditions, ASD & HWD customers, current rates applied			
	5,233	total customers	% OF TOTAL
	4,397	RES	84.0%
	725	COM	13.9%
	87	GOV	1.7%
	24	IND	0.5%
\$	2,655,746.77	total revenue	

Scenario 2: Apply a minimum charge to ASD and HWD customers

One of the concepts discussed at the last board meeting was the idea of increasing the minimum charge from 0 HCF to something else. HWD has a minimum fee set at 12 HCF per quarter. We split the difference and have presented 6 HCF per quarter as a talking point.

Future conditions, ASD & HWD customers, current rates applied		
600 Cubic foot quarterly minimum charge		
	6	minimum consumption charge (HCF)
\$	38.11	quarterly minimum fee for 6 HCF
\$	3.21	charge for every 1 HCF beyond 6 HCF minimum
\$	2,680,932.43	total revenue

Scenario 2 revenue – Scenario 1 revenue \$ 25,185.66

**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, August 27, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Lisa Haskell
Dave Smith
Peter Dunn Jr.
Ken Knight
Thomas Sotir

Staff: Brian Tarbuck, General Manager
Jill Pierce, Office Manager
Harold Wood, Engineering & Construction
Manager
Mike Grove, Treatment Plant Manager

Other Attendees: Dennis Kinney, Hallowell Water District
Susan Farnsworth, Hallowell Water District Board
Linda McGill, Union Negotiations Mediator
- arrived at 1:40 p.m.
Ellen Blair, Director of Human Resources
- arrived at 1:42 p.m.

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 1:04 p.m.

ITEM 2 ANNUAL MEETING OF BOTH ASD & AWD

a. VOTE – ELECT OFFICERS OF BOTH UTILITIES

AUGUSTA SANITARY DISTRICT:

T. Sotir recommended that the Augusta Sanitary District not deviate from their normally-scheduled meeting date of May. B. Tarbuck responded that the May Annual Meeting of the Sanitary District was missed this year due to the transitioning from previous General Manager to new GM during that same time period.

T. Sotir made a motion that since the May 2007 ASD Annual Meeting was not held this year, and since a new Treasurer for the Sanitary District was elected at the previous Board meeting due to recent Board member changeovers, the Board should continue with the slate of officers that were recently elected, until such time of the merger and adoption of new Bylaws. K. Knight seconded the motion, and the vote to approve was unanimous.

AUGUSTA WATER DISTRICT:

B. Tarbuck made reference to the Water District Bylaws, which he had included with the Board packages. Discussion ensued, with the points being made that, 1) the language should be changed to specify a second designee, if the elected clerk is absent from a meeting; and 2) the title, "Director of Finance", should be changed to "Controller". It was agreed that these items would be addressed in upcoming Bylaw changes.

P. McClay made a motion to reelect the current slate of Water District officers as follows: D. Smith, President, P. McClay, Clerk & L. Haskell, Treasurer. L. Haskell seconded the motion, and all voted in favor of the reelections.

ITEM 3 VOTE – APPROVE JULY 23RD AND JULY 30TH MEETING MINUTES

P. McClay made a motion to approve the minutes of both the July 23rd Regular Board meeting & the July 30th Special Board meeting. K. Knight seconded the motion, and the vote to approve was unanimous.

ITEM 4 APPROVAL OF JULY 2007 PAID BILLS FOR BOTH DISTRICTS – VOTE

B. Tarbuck prefaced this presentation by saying that M. Osborne, Controller, would not be in attendance at this meeting; and Jill Pierce, Office Manager, would be presenting in his place. B. Tarbuck acknowledged that M. Osborne had tendered his resignation with the Districts. He told the group that Mike had accepted a position in Bangor with Eastern Development Corporation, and would be moving to Bangor and building a home there this Fall. His last day of work is scheduled for September 7th, 2007.

J. Pierce presented first the July financial results for the Sanitary District, and, secondly the results for the Water District. She pointed out a few expenditures from the paid bills that were non-standard for the month. Several questions were asked and responded to by J. Pierce concerning the financial results. Much discussion ensued amongst the group concerning the format & content of the financial reports included each month in the Board packages. T. Sotir said that he would like to see previous month numbers along with current month, so he could have a month-to-month comparison. P. Dunn Jr. said that he would like to see a clearer depiction of capital expenditures versus operations and maintenance expenditures. Co-Chair D. Smith suggested saving this financial presentation discussion for a separate meeting.

Action Item: Discussion concerning options for financial reporting to be provided to the Board members will be added to the agenda of the next Regular Board meeting.

Action Item: D. Smith asked that the Board be provided with a high-level consumption figure each month.

T. Sotir made a motion to approve the July Paid Bills for both Districts. K. Knight

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

ITEM 5 NEW BUSINESS

The group did not bring forward any new business at this juncture, and instead moved on to the next Item number.

ITEM 6 OLD BUSINESS

T. Sotir prefaced this section of the meeting by volunteering to act as part of a Bylaw Committee. S. Farnsworth agreed to be part of this committee as well. The plan is to begin their review & update of the Bylaws of each District in mid-September. They are hoping to accomplish much of the work via email.

a) UPDATE FROM HALLOWELL WATER DISTRICT CHAIR – SUSAN FARNSWORTH

S. Farnsworth reported to the group that the Hallowell Board was all set with their ballot question to be voted on in November 2007. She said that Hallowell was holding a public hearing on September 13th, and stated her hope that the meeting date could be incorporated into the Charter Newsletter that is scheduled to be mailed out in the near future. Susan also mentioned she had a few other edits to the Newsletter that she would share with B. Tarbuck. Discussion then ensued on whether the Newsletter should be distributed to the ratepayers of Augusta & Hallowell, or the voters. The plan is for Hallowell to provide a mailing list, as well as the City of Augusta.

Action item: B. Tarbuck to talk to officials at the City of Augusta regarding the mailing list. Per T. Sotir, if the task is too large, Brian should proceed with mailing the Newsletter to the ratepayers.

b) UPDATE ON CHARTER STATUS

i) VOTE – FLAT RATE DIFFERENCES

B. Tarbuck addressed the fact that there are currently 26 flat rate customers from Hallowell, and 20 from Augusta. Discussion ensued as to how these customers should be treated under the proposed merged District.

T. Sotir made the motion to change the flat rate charge to \$85.00/quarter for all of these customers in question. P. McClay seconded the motion, and the vote to approve was unanimous.

S. Farnsworth made the point that the annual fees will be reduced, except for a few customers on the Trunk line.

ii) **VOTE – APPROVE CHARTER NEWSLETTER**

It was brought up in discussion that the draft Newsletter provided in the Board packages had some print problems.

T. Sotir made a motion that B. Tarbuck be given the authority to move forward with completion and distribution of the Charter Newsletter. K. Knight seconded the motion.

S. Farnsworth asked that the two sentences relating to Water under the section, “What About The Rates”, be moved to the end, since the rest of the section is Sanitary-related. Discussion then ensued about the proper title for the Newsletter. Susan suggested entitling, “Newsletter on the Proposed Merger of the Augusta Water District, Augusta Sanitary District and Hallowell Sanitary District.”

This suggestion was met with approval; and the vote to approve the above motion was unanimous.

At 2:00 p.m., K. Knight made a motion to go into Executive Session regarding Labor Negotiations, which is pursuant to Title 1, Section 405, Subsection 6, Paragraph D. T. Sotir seconded the motion and the vote to enter Executive Session was unanimous.

A two-minute break was called before the Executive Session commenced.

The Regular Board meeting was reconvened at 2:52 p.m.

T. Sotir made a motion to accept the Union Negotiations agreement as presented; and authorize B. Tarbuck & E. Blair to proceed with all tasks that are needed to finalize. K. Knight seconded this motion, and the vote to approve was unanimous.

Action item: P. McClay asked that letters of gratitude be presented to both L. McGill and E. Blair. He further asked that Ellen’s letter be included in her permanent file. The other members agreed to this action.

iii) **DISCUSSION RE PUBLIC MEETINGS**

B. Tarbuck indicated in response to questioning that the Districts would be holding a public hearing with the Augusta City Council. S. Farnsworth had already discussed Hallowell’s upcoming meeting previously.

c) **BOND BROOK CSO PHASE III PROJECT**

B. /Tarbuck talked about the upcoming CSO Phase III being Phase III of a planned IV ½ Phase project. He noted that some of the infrastructure included in the next phase was between 45 & 50 years old. Brian also let the group know that the Districts had submitted their response to the DEP’s comments with the assistance of Brown & Caldwell and Earthtech.

d) FIELDSTONE PLACE PROJECT

B. Tarbuck said that there had been a problem with a CMP easement across City property, and therefore the electrical work was not yet complete. Brian informed the group that the project was complete, other than that one issue. H. Wood noted that there were a couple of overruns in certain areas, offset by a few underruns, causing the project to be complete on budget, overall.

e) BILLING PROJECT

B. Tarbuck informed the group that work was proceeding on the conversion of the Water District Billing software to Northern Data Systems (NDS). He said that NDS was doing a “remerge” of data, which should be completed in mid-September, and getting the Districts closer to merged billing software.

i) OUTSOURCING PRINTING & MAILING OF BILLS

Brian provided a handout detailing cost comparisons for outsourcing versus in-house stuffing & mailing of joint bills. In response to questions, he talked about 15,000 to 16,000 invoices potentially being mailed per year after conversion to a joint bill. Brian was looking for approval to proceed with the outsourcing approach.

T. Sotir made a motion to support outsourcing of the upcoming Joint Water & Sanitary Bills, using Creative Imaging, based in Bangor. P. McClay seconded the motion, and the vote to approve was unanimous.

ii) INSTITUTING A “LOCKBOX” FOR CASH RECEIPTING

B. Tarbuck let the group know that this was being researched as a possible idea to help in the Districts cash receipting process e up when the City researched in the past.

iii) OUTSOURCING PAYROLL

This idea was mentioned as something else that was being looked into. T. Sotir made the point that he would be o.k. with pursuing this avenue with the City’s Human Resources Department, but not with any other outside agency.

f) TRUNKLINE #1 REPLACEMENT PROJECT

B. Tarbuck made reference to the continuing issues surrounding the Sanitary District’s existing easement, the need to obtain a larger easement on property owned by Brothers Realty. Dan Dwyer will be doing an appraisal for the District. Inquiries will also be made concerning what would be entailed in the eminent

domain process. T. Sotir asked if we needed a legal interpretation, and B. Tarbuck responded that he had already spoken with L. Bragg. The Districts would need to obtain a larger easement, as the existing easement isn't wide enough for the proposed gravity feed pipe. Much discussion ensued about the size of the easement needed, details of the proposed gravity feed pipe, & advantage to Brothers Realty after pipeline project completed.

Action item: B. Tarbuck to consult with L. Bragg to find out what the Districts authority is, what are the alternatives, alternate choices, as well as our rights in accomplishing our goal.

g) FORT WESTERN STORM DRAIN

Work will begin on this project the week after Labor Day.

h) TOGUS FORCEMAIN

The point was made that an easement will be needed to get onto Federal land for this project.

i) PELTON HILL TOWER

The State got their permit, and the City of Augusta will own 1/3 (including the Water & Sanitary Districts). Monies for this project are coming out of grant funds. The statement was made that hopefully Pelton Hill problems will be able to be addressed in the near future.

j) POLICY REVISIONS

B. Tarbuck & D. Kinney have yet to meet regarding the issue of policy revisions. This item will be carried over to the next Board meeting.

Risk: If these revisions are not addressed previous to the merger, the Districts may end up adopting one utility's policies over another's, effective 01/01/08, to be addressed further after that date.

k) HANDICAPPED ACCESS AT TREATMENT PLANT

No news – in the meantime, meetings will continue to be held at City Center until further notice.

l) YEAR TO DATE FLOW PER REQUEST

Per request, B. Tarbuck presented year-to-date flow data, which shows that there is a 0.91 % increase in flow, which is good news, in that it is better than the zero increase that is included in all projections.

ITEM 7 EXECUTIVE SESSIONS

At 3:40 p.m., T. Sotir made a motion to go back into Executive Session regarding a Personnel matter, which is pursuant to Title 1, Section 405, Subsection 6, Paragraph A. P. McClay seconded the motion and the vote to enter Executive Session was unanimous.

T. Sotir made a motion to exit the second Executive Session, seconded by K. Knight and approved by unanimous vote.

P. McClay made a motion to adjourn the meeting, which was seconded by P. Dunn Jr. The meeting was adjourned at approx. 4:10 p.m.

Thomas A. Sotir
Clerk, Augusta Sanitary District

Paul F. McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, September 24, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Paul McClay
Lisa Haskell
Dave Smith
Peter Dunn Jr. – arrived at 1:07 p.m.
Ken Knight
Thomas Sotir

Staff: Brian Tarbuck, General Manager
Jill Pierce, Office Manager
Harold Wood, Engineering & Construction
Manager
Mike Grove, Treatment Plant Manager

Other Attendees: Susan Farnsworth, Hallowell Water District Board
- arrived during the Executive Session
Ellen Blair, Director of Human Resources
Lee Bragg, Esq., Bernstein, Shur, Sawyer & Nelson

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair K. Knight at 1:04 p.m. He noted that P. Dunn Jr. was running late, but there was a quorum present.

ITEM 2 APPROVE MINUTES OF AUGUST 27TH, 2007 MEETING - VOTE

D. Smith made a motion to approve the minutes of the August 27th Regular Board meeting. P. McClay seconded the motion, and the vote to approve was unanimous.

ITEM 3 APPROVAL OF AUGUST 2007 PAID BILLS FOR BOTH DISTRICTS – VOTE

D. Smith made a motion to approve the August Paid Bills for both Districts. T. Sotir seconded the motion.

P. Dunn Jr. asked for explanation on a couple of specific paid bills, which were provided by B. Tarbuck. J. Pierce pointed out that the Union fact finders were paid in August. She also noted that the large Fieldstone payment to T Buck Construction was made in September, and not August. Some discussion ensued about the process of approving paid bills. It was noted that this methodology would be looked into as part of the upcoming review of current Bylaws for the Districts.

The Board then approved the August Paid Bills by a unanimous vote.

ITEM 4 NEW BUSINESS**a. EXECUTIVE SESSION**

At 1:14 p.m., D. Smith made a motion to go back into Executive Session regarding a Personnel matter, which is pursuant to Title 1, Section 405, Subsection 6, Paragraph A. T. Sotir seconded the motion and the vote to enter Executive Session was unanimous.

The Board came out of Executive Session at 1:25 p.m., and the regular Joint Board meeting resumed.

D. Smith made a motion that the agenda be taken out of order, and that the Board proceed to Item 5 f. so that the Trunkline #1 Replacement project could be discussed in the company of Lee Bragg, Esq., Legal Council for the Districts. L. Haskell seconded in the motion, and the vote to approve was unanimous.

ITEM 5 OLD BUSINESS**f. TRUNKLINE #1 REPLACEMENT PROJECT**

B. Tarbuck informed the group that the Trunkline group met on September 12th, 2007, to discuss replacement of the Trunkline #1 station. The group agreed to do borings within the Sanitary District's existing rights of way to identify ledge elevation. The borings will allow us to know whether we can proceed with the gravity feed design versus reverting to a pump station replacement. Brian said that he had invited Lee Bragg, BSSN, to answer any questions about the eminent domain process, should that become necessary.

D. Smith asked where the Sanitary District was in their negotiations with Two Brothers Realty. B. Tarbuck answered that they offered a price of \$100,000 for the extended easement. Dan Dwyer has been hired to do an appraisal for the T/L and the District, so that we can find out how valid this amount is.

L. Bragg informed the group that invoking eminent domain was a straightforward process, allowed by the Sanitary District Charter. The three steps would be as follows:

1. Add the intention to invoke eminent domain to the appropriate Joint Board meeting agenda, referencing the Charter as giving them that right.
2. Inform the landowner of the District's intention to invoke eminent domain.
3. Proceed with utilization of the eminent domain process.

L. Bragg made the point that if we were not a chartered District, we would have to carry out the process under State law.

In response to questions, Lee replied that Two Brothers Realty would most likely appeal to the land damage board.

H. Wood informed the group that the Sanitary District currently has a 25 ft. easement, and the proposed gravity feed pipeline would now require that easement to be extended to 50 ft. or greater.

K. Knight and B. Tarbuck talked to the group about the thought process of doing probings, and then borings to assess presence of ledge. The T/L group approved this work to be done. The thought is that we're doing our homework; and that this is sound engineering work that needs to be done beforehand.

L. Bragg left the meeting at 1:38 p.m., after the T/L #1 discussion was completed.

ITEM 4 NEW BUSINESS - CONTINUED

b. LAND PURCHASE OPTION

B. Tarbuck informed the Board that there was a 1 acre lot for sale, located approximately 250 ft. from Triangle well and inside the wellhead protection area. The assessed value of the lot is \$51,300.00, and the asking price is \$79,000.00. Brian asked if the Board was interested in having the Water District purchase the lot. He also mentioned that there were some boundary issues that would need to be resolved, regardless of any decision made.

Discussion ensued concerning what this purchase would gain the Water District, with B. Tarbuck explaining that owning this land would help prevent the contamination of adjacent properties. T. Sotir then asked whether there had been any monitoring wells installed yet. In answer, Brian said that he and M. Grove would be working on this by pursuing a grant that may be available to do this type of work. The consensus was that the Water District should work to resolve the boundary issues concerning this lot; and look to the installation of monitoring wells as opposed to proceeding with an outright land purchase.

Action item: B. Tarbuck was authorized to pursue resolution of the boundary dispute concerning the driveway of the lot being offered for sale. He and M. Grove were also tasked to pursue installation of monitoring wells. The members asked Brian to report back to the Board if the boundary issue should be come contentious; or the dollar outlay necessary to solve makes the land purchase more feasible.

In response to questioning, Brian said that there was a wellhead protection program being pursued, with funds available to install a total of two monitoring wells. His top choices for the well locations are: 1. an adjacent lawnmower business, 2. near one of the various houses in close proximity to Triangle well, or 3. near the highway that runs close to one of the wells.

c. ELIMINATION OF HOUSE CALLS

B. Tarbuck brought before the Board a proposal that the current house call policy be eliminated. The recent settlement of the Union contract provided an impetus for this policy to be reviewed. A survey of other Sanitary Districts was performed, and it was found that only one other District is still offering this program to their customers.

Discussion ensued, with concerns being brought up at the possibility of discontinuing this long-standing program for its Sanitary District customers. In response to questioning, Brian stated that the Sanitary District performs an average of 75 to 80 house calls per year. S. Farnsworth spoke up in favor of this program, since Hallowell doesn't currently offer it, and it would benefit their customers to have access to this. The consensus after much discussion was that more information was needed to fully assess this program.

Action item: B. Tarbuck and M. Grove to prepare a more detailed analysis on the house call program, including a list of pros and cons, to be presented at the next Board meeting, so that the Board can make a more informed decision.

d. NEW VEHICLES

B. Tarbuck informed the members that the Districts were ready to pursue purchase of two new vehicles. These vehicles had already been included in the 2007 Capital Budget, so the Board was fine with Brian proceeding with this purchase, and saw no need for a formal motion.

Action item: T. Sotir asked to see a summary of the current fleet of vehicles for the two Districts, including the change out plan. B. Tarbuck to provide this existing schedule at the next Board meeting.

D. Smith made the point that the members should think about selecting a new vehicle color to use to represent the new merged utility. This was just presented to file away for future thought, and no motion was necessary.

e. REQUEST FOR LOAN FUNDS

B. Tarbuck informed the group that the Water District had submitted a non-binding request for State Revolving Loan Funds for two projects with a potential total cost of \$500,000.00, which are proposed for 2008. This request is a placeholder at this point, but the low interest rate and flexible repayment methods make this a prudent option to manage existing financial resources, and aid us in maintaining current Water rates until 2011.

K. Knight gave his support that this made sense to do, and stated that it was a way for the Water District to obtain the support of Federal monies.

This item was presented to inform the Board and obtain their support; no motion was necessary.

f. FINANCIAL REPORTING

B. Tarbuck informed the Board that a separate meeting had taken place on September 17th, specifically to discuss financial reporting. The current reporting is adequate for accounting purposes, but various Board members have indicated a desire for some changes in report format. P. Dunn Jr. brought some examples of different financial presentation lay-outs to this meeting. J. Pierce & B. Tarbuck promised to work on providing new financial reporting formats, but asked that they have the time to work on over the last quarter of 2007, and roll out early in 2008, concurrent with new merged company.

T. Sotir provided a hand-out with a report summary format similar to what had been discussed at the meeting on the 17th. It was agreed that there was a need for the Districts financial results to be presented differently to the Board.

g. BYLAW COMMITTEE

T. Sotir said that he had done some preliminary review, and would soon be at a point to be able to work on this with S. Farnsworth. Some discussion ensued about the current Bylaws, and that they represent a framework for how we govern ourselves, how the Board is made up and how we operate.

D. Smith presented a hand-out to further the Bylaw revamping process that T. Sotir & S. Farnsworth will be working on via Subcommittee. In particular, his handout suggests a new Vice President position, to assist the Board President under the new merged company Board format.

ITEM 5 OLD BUSINESS**a) UPDATE FROM HALLOWELL WATER DISTRICT CHAIR – SUSAN FARNSWORTH**

S. Farnsworth informed the group about the upcoming Hallowell public meeting on October 10, 2007, at 7:00 p.m. Other than that, she said that they were all set and there was nothing new to report. Susan did report that they had already let go of their Sanitary District employee in anticipation of the upcoming merger, and that D. Kinney was busier than ever, covering that work as well.

K. Knight & D. Smith reported that they would be meeting soon with the Editorial Board at the Kennebec Journal. Some discussion then ensued about recent public commentary in the form of editorials and responses published in the KJ.

b) UPDATE ON CHARTER STATUS

There was no new news concerning the Charter.

c) BOND BROOK CSO PHASE III PROJECT

The Sanitary District will soon be getting a schedule from the DEP, and will need to identify upcoming milestones, and then shortlist to a group of engineering firms, by sending out RFQ's and RFP's. B. Tarbuck will be soliciting D. Glidden's help with this process.

d) FIELDSTONE PLACE PROJECT

H. Wood told the group that the Fieldstone Place project was complete, but that Central Maine Power had just installed power at the site last week.

e) BILLING PROJECT

B. Tarbuck & J. Pierce informed the group that the Districts were transitioning from the "Gemini" Water District billing software to the new merged NDS billing software tomorrow, Tuesday, September 25th. Brian talked to the group about the amazing thirty day turnaround that had brought the Districts to the "Go-Live" stage for merged billing software, and finally to the point of being able to send out a joint bill to its customers, who've been asking for this for a very long time.

f) TRUNKLINE #1 REPLACEMENT PROJECT

Already covered earlier in the meeting.

g) GROUNDWATER PROJECT – No further updates

h) TOGUS FORCEMAIN – No further updates

i) PELTON HILL TOWER

K. Knight updated the group on the latest progress with the Pelton Hill Tower project.

j) POLICY REVISIONS

Nothing new to report since the last meeting.

k) HANDICAPPED ACCESS AT TREATMENT PLANT

B. Tarbuck stated his preference that this expenditure of \$15,000 to \$20,000 be included in the 2008 budget. In the meantime, meetings will continue to be held at City Center.

1) FLOW HISTORY

B. Tarbuck discussed the three graphical flow presentations that he had included in the Board packages. The group reacted favorably to this graphical flow information, with the favored graph appearing to be the “1991 to 2006 Water Sales in Hundreds of Cubic Feet”.

T. Sotir made a motion to adjourn the meeting, which was seconded by P. McClay. The meeting was adjourned at approx. 3:02 p.m.

Thomas A. Sotir
Clerk, Augusta Sanitary District

Paul F. McClay
Clerk, Augusta Water District

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**AUGUSTA WATER & SANITARY DISTRICTS
CONSOLIDATED BOARD MEETING
Monday, October 22, 2007**

Location: City of Augusta – City Hall, Conference Room A

Trustees Present: Stephen Roberge
Lisa Haskell – arrived at 1:08 p.m.
Dave Smith
Peter Dunn Jr.
Ken Knight
Thomas Sotir

Staff: Brian Tarbuck, General Manager
Jill Pierce, Controller
Harold Wood, Engineering & Construction
Manager
Mike Grove, Treatment Plant Manager

Other Attendees: Dennis Kinney

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 1:03 p.m. He noted that L. Haskell was expected, but there was a quorum present, so the meeting was convened.

ITEM 2 APPROVE MINUTES OF SEPTEMBER 24TH, 2007 MEETING - VOTE

T. Sotir made a motion to approve the minutes of the September 24th Regular Board meeting. K. Knight seconded the motion, and the vote to approve was unanimous.

ITEM 3 APPROVAL OF SEPTEMBER 2007 PAID BILLS FOR BOTH DISTRICTS – VOTE

T. Sotir made a motion to approve the September '07 Paid Bills for both Districts. K. Knight seconded the motion, and the vote to approve was unanimous.

P. Dunn Jr. asked for an explanation on why the Source of Supply – Maintenance expense category for the Augusta Water District was in excess of budgeted expenses for the year.

Action Item: B. Tarbuck and staff to further the research the expense category in question, and bring back to the next meeting, a breakdown illuminating the reason for the budget line being exceeded.

ITEM 4 NEW BUSINESS

a. WELCOME NEW BOARD MEMBER

Co-Chair D. Smith introduced Stephen Roberge as the newest Water District Board member, replacing Paul McClay. Steve provided additional background to the group about being self-employed as an engineering consultant. He also mentioned that, in this capacity, he had had dealings with the Sanitary District.

D. Smith asked that the record reflect his thanks to outgoing Board member, Paul McClay, for his sense of fiscal responsibility and his service to the Districts and the whole community. Dave noted that he was sure he would still be asking questions and advice of Paul in the future.

b. WELCOME NEW EMPLOYEE

B. Tarbuck noted that Terrice (Monte) Haynes had been hired as a Senior Accountant, to assist in backfilling J. Pierce's previous position as Office Manager. He was unable to attend this meeting due to illness.

c. ELECT NEW AWD CLERK TO REPLACE PAUL MCCLAY

T. Sotir made a motion to table the election of an AWD clerk, and handle at the same time as other upcoming Board elections that will be necessary upon approval of the merger on November 6th.

Action item: The minutes of this meeting only are to be routed to, and signed by T. Sotir.

d. UNDERWATER SOLUTIONS TANK CLEANING FINDINGS

B. Tarbuck shared the Underwater Solutions reports, submitted after the recent tank cleanings, with the group, drawing particular attention to the photo section. He had explained to the group what the divers found during their tank cleaning, and wanted to show them what the particulate looked like that was being removed from the tank.

e. FUTURE PLANNING

B. Tarbuck talked to the group about the in-house preparations of the 2008 budget, stating his hopes that it would be ready to present at the November meeting. Brian said that he also felt much more emphasis should be given to long-range (5 year, 10 year, 15 year) planning, and that he would be working with staff to accomplish this in the future.

Discussion took a turn to the previous week's water main break. B. Tarbuck explained about the need to repair the break quickly due to the low water level in the tank in that area. He also explained the conservative approach taken, which led to a boil order being issued for the customers in the area affected by the break. The proper notifications were made, and the lifting of the boil order was effective the following morning, after the results of water testing in that area were obtained. P.

Dunn Jr. asked what the cost of the main break was, and Brian gave a ballpark estimate of \$3,000.00 total cost.

Action item: B. Tarbuck will report back to the group the total cost of the main break under discussion at the November Board meeting.

S. Roberge asked why the pipe had broken. B. Tarbuck replied that the Water District had experienced problems in that area previously, but, due to competing priorities, a major pipe replacement project has not been able to be undertaken. In 2012, after the Water District's large bond for the Water Treatment plant has been paid off, monies should be freed up to do more of this type of main work.

Brian went on to explain that the Water District had determined that it should be repairing approx. 1.3 miles of pipe per year. Over the past several years, the pipe replacement done by the Water District has been in conjunction with various City street projects, as opposed to any specific plan by the District.

ITEM 5

OLD BUSINESS

a) UPDATE FROM HALLOWELL WATER DISTRICT CHAIR – SUSAN FARNSWORTH

S. Farnsworth reported on Hallowell's recent Public Meeting. Initially, there were no public attendees, then two individuals came in & Susan filled them in on what the proposed merger of Hallowell Sanitary operations into the proposed Greater Augusta Utilities District would mean.

b) UPDATE ON CHARTER STATUS

K. Knight stated that the outcome of the proposed new Charter would be known after November 7th, when the public has a chance to vote on the referendum questions. He also talked of a meeting later in the day with Kay Rand, to discuss legal needs once the outcome of the voting is known.

c) CSO PHASE III PROJECT

B. Tarbuck had provided a detailed summary on the CSO Phase III project, primarily for new Board member, Steve Roberge's, benefit. He explained that the notes were his "Cliff Notes" on the CSO subject. Brian also drew attention to the DEP letter – particularly page 2 to use as a reference for the timing schedule of the next steps of the CSO Phase III project.

Total CSO Phase III costs are estimated to be \$13 million, and engineering design costs are estimated at 10% of total, or \$1.3 million, which needs to be completed by 11/01/08. B. Tarbuck would like to get the Engineering

firm hired early in 2008, so that the design work can be completed over the next several months.

Discussion ensued about Brown & Caldwell & Earth Tech's experience with our previous CSO projects as well as their recent split. Brian talked about his desire to hire a firm to help put together the RFP, so that the engineering design work for Phase III will be bid adequately and properly. K. Knight asked for a ballpark estimate of the costs expected for the RFP assistance, and the response was between \$6,000 & \$10,000.

The Board members supported Brian's enlisting the help of a consultant to put together the RFQ. S. Roberge asked how the District was set up in-house to be able to evaluate the RFQ responses. Brian stated that we would need help with this stage of the process as well.

d) LAND PURCHASE OPTION

B. Tarbuck brought up to the group that the District owns the driveway to the property being sold. He said he was scheduled to meet with Elliott Thayer to get his advice on how best to resolve this matter.

e) ELIMINATION OF HOUSE CALLS

B. Tarbuck explained a handout he had prepared to better illustrate who is responsible – the property owner or the District. Also provided was a summary of the Sewer Use Ordinance.

T. Sotir asked if the local area plumbers had the supplies & experience needed to provide the housecall services if the District discontinues doing them. If the District discontinues this service, we will let area plumbers know, and also inform them that we'll still be available as a back-up.

D. Smith felt that the current timing would be bad to discontinue this service. He was in favor of making this effective at some point down the line.

Discussion ensued about how Hallowell would figure into this change; and what date should be set. The agreed-upon date was February 1, 2008. Tom & Steve talked about the need to monitor the effect of discontinuing this service.

T. Sotir mentioned a "baby wipe" disposal issue that he had read about recently. M. Grove said that Augusta Sanitary hasn't experienced this type of problem, but it was suggested that it should be mentioned in the next Newsletter mailing.

D. Kinney made the point that the dual housecall policies need to be cleared up because the two entities need to operate under consistent policies. He suggested changing the Sewer Use Ordinance as soon as possible. K. Knight said he would get a copy of the ordinance to T. Sotir,

since he was currently working on the Bylaws as well.

f) NEW VEHICLES

B. Tarbuck informed the group that a ½ ton GMC had been ordered for \$21,126, and would be delivered in January. There are plans to bid out for a one-ton maintenance to be delivered in 2008 as well.

g) REQUEST TO REVIEW EXISTING VEHICLES

B. Tarbuck said that he had provided listings of the fleet vehicles for both Districts in the Board packages. T. Sotir thanked Brian for providing this information to the members.

h) REQUEST FOR LOAN FUNDS

Brian spoke of his request for a placeholder for loan funds from the Maine Drinking Water Program to fund water main replacement projects scheduled for 2009. He wanted to make sure it was on record that this request was made, and that the Board was comfortable with the intent to preserve cash reserves and avoid the need for a rate increase between now and 2011.

i) ACCOUNTING OPERATIONS

B. Tarbuck & J. Pierce reported to the group on the current status of the merged billing software project. Interim joint bills, created in-house, are being mailed at this time, with the transition to outsourcing the mailing of the newly-created joint bills through Creative Imaging in Bangor expected by mid-November.

i. Brian reported that Jill had arranged a meeting with Sam Evrard of NDS, and Greg Chabot of RKO, to discuss the need to transition to a new merged company General Ledger, once the proposed merger is approved by the voters. Sam will be providing an estimate of the programming costs involved in this changeover, but Brian estimates it to be approx. \$4,000.00.

ii.& iii. Financial reporting was also part of the above discussion, and G. Chabot agreed that the format we currently present was industry standard, but added suggestions for changes to make the presentation more helpful and concise for the Board. The hope is to have a draft available for the November meeting.

iv. B. Tarbuck explained that the new joint bills are not in the same three-part monthly billing alternate (MBA) format. The option to pay monthly is still available, but the previous methodology was very manual and labor-intensive, and the new format is much simpler to apply. The billing analysts are publicizing this change on a customer-by-customer basis for walk-ins currently.

Action item: B. Tarbuck to make sure that it is publicized to customers in general that the format for the monthly billing alternative has been changed, but that the option is still available.

- v. B. Tarbuck & J. Pierce reported to the group on the current status of the merged billing software project. Interim joint bills, created in-house, are being mailed at this time, with the transition to outsourcing the mailing of the newly-created joint bills through Creative Imaging in Bangor expected by mid-November.
- vii. Brian reported to the group that he had discovered that another District in Maine has it written into their terms & conditions so that they have the right to shut off water for unpaid sewer charges. We would be very interested in being able to do this as well, and will be researching this further.

j) BYLAWS COMMITTEE

T. Sotir presented the proposed revised Bylaws, specifically making note that the monthly warrant approval is omitted. The Treasurer position(s) do have responsibility to review financial information at any time. The consensus was that the Bylaw language needs to stay as is, wherever it agrees with the updated Charter language. T. Sotir recommended that the Bylaws be finalized and then adopted at the November Board meeting.

Action item: J. Pierce to see that T. Sotir is mailed an impression created by the Augusta Sanitary District official Seal, so that he can see what information is contained therein.

k) TRUNKLINE #1 REPLACEMENT PROJECT

B. Tarbuck talked about the probing work that started the week of October 5th, and said that minimal ledge was found in the area as of the 19th. Brian mentioned the upcoming regular Trunkline meeting on October 29th, at which the proposed borings work will be discussed.

l) GROUNDWATER PROJECT

B. Tarbuck talked about continuing to test the waters regarding tapping into Hallowell's water system in Chelsea. His thought is that this additional source would help in times of drought, and would possibly help other communities. Brian & Dennis K. continue to have a plan to talk about this possibility.

m) TOGUS FORCEMAIN

H. Wood has been reviewing plans with USVA Togus' engineering firm. This project is expected to be complete by Autumn 2009. It was mentioned that part of this project is a plan to install a brand-new sidewalk across the roadway from where the new line is to be installed.

n) PELTON HILL TOWER

K. Knight talked to the group about the awarding of the contract. He also made note that the equipment to be installed is presently being stored in the Districts' garage. The Districts will own 1/3 of the new tower being constructed. The other bonus is that the current tower will be able to be dismantled, allowing us to take care of an abutter issue. ME DOT is building the new tower.

o) POLICY REVISIONS – NOTHING NEW TO REPORT

p) ADA ACCESS – NOTHING NEW TO REPORT

q) FLOW HISTORY

B. Tarbuck said he did not include flow numbers for this meeting. Due to the advance billing done in September to accommodate the merged billing system project, the September & October numbers look off. The numbers will smooth out in November & December.

OTHER: ISSUE BROUGHT UP BY B. TARBUCK

B. Tarbuck brought up an issue not on the agenda. Customer Josephine Dunn is located at the end of a line, and has experienced water quality problems on a consistent basis. She recently had a leak occur while she was in the hospital, which drove up her consumption costs for that time period and caused damage to her boiler. Due to the unique circumstances, B. Tarbuck asked if the Board would agree to reimburse her for these costs on a one-time basis.

T. Sotir made a motion to approve reimbursing Josephine Dunn a total of \$523.55, part of which to cover plumbing repair costs, and the balance to cover increased water usage for that time period. K. Knight seconded the motion, and the vote to approve was unanimous.

Action item: T. Sotir asked that the Board be notified of any upcoming Water and/or Sanitary expositions, so that they could plan to attend if they wanted to.

D. Kinney informed the group that there was a Hallowell Board meeting on November 12th, 2007.

B. Tarbuck also mentioned a conversation with Mike Duguay about supplying needs in the Riggs Brooks area. Conversation ensued about the City trying to honor our request to keep us involved in upcoming construction plans.

T. Sotir made a motion to adjourn the meeting, which was seconded by K. Knight. The meeting was adjourned at approx. 3:15 p.m.

Thomas A. Sotir
Clerk, Augusta Sanitary District
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**GREATER AUGUSTA UTILITY DISTRICT
SPECIAL BOARD MEETING
Friday, November 09, 2007**

Location: City of Augusta – Wastewater Treatment Plant

Trustees Present: Stephen Roberge
Lisa Haskell
Dave Smith
Peter Dunn Jr.
Ken Knight

Staff: Brian Tarbuck, General Manager
Jill Pierce, Controller
Monte' Haynes, Senior Accountant
Harold Wood, Engineering & Construction
Manager
Mike Grove, Treatment Plant Manager

Other Attendees: Dennis Kinney, Susan Farnsworth, Lee Bragg Esq.

ITEM 1 CALL TO ORDER: Meeting called to order by Co-Chair Ken Knight at 8:03 a.m. (He noted that L. Haskell was expected, but there was a quorum present, so the meeting was convened).

ITEM 2 Co-Chair K. Knight acknowledged the November 7th Referendum vote to incorporate the Districts into the “Greater Augusta Utility District” (GAUD).

Co-Chair Dave Smith was very pleased with the percentage of “yes” votes compared to any of the other items that were on the ballot. He speculated that the “no” votes for merging in Hallowell Sanitary operations were due to people not understanding this particular question.

ITEM 3 GAUD staff to take minutes of the meeting.

The members acknowledged that this Special Board meeting was called so that several important items relating to the GAUD merger could be documented.

ITEM 4 EXPLANATION OF WHAT THE “VOTE” MEANS

Brian Tarbuck proceeded to explain to the group what the vote meant. He stated that quorum was needed, and that a procedural vote must be taken so that the effective date of GAUD is established as 01/01/2008.

Lee Bragg informed the group that the reason the board members needed to get together was to vote on formation of the new GAUD board. He also

stated the need for someone to say “we’re in charge,” and put a “face” to the merger. Lee also stated that the board needed something on record stating the time frame of the transition.

Steve Roberge made a motion to allow the water and wastewater divisions of GAUD to act in a manner as if they were the Augusta Water District and Augusta Sanitary District until 1/1/2008. Allow the wastewater division of GAUD, located in Hallowell, to act in a manner as if it were the wastewater division of the Hallowell Water District until 1/1/2008. Lisa Haskell seconded the motion, and the vote to approve was unanimous.

ITEM 5 VOTE

Peter Dunn Jr. stated that he was sensitive to the wording of the proposed motion regarding the words “auditing and review”. He asked that they be replaced with “certain financial and billing implementations”.

Peter Dunn Jr. made a motion to recognize that section A-16(2) of the enabling legislation requires that rates “must be uniform throughout the territory”, therefore this Board chooses to allow rates paid by GAUD’s wastewater customers in Hallowell to continue to pay the same rates in effect at the time of the vote. GAUD will set uniform rates for sewer customers in Augusta and Hallowell on 1/1/2008. This provides GAUD staff time to complete certain financial and billing implementations by 1/1/2008. Steve Roberge seconded the motion, and the vote to approve was unanimous.

K. Knight told the group that he was happy that after all of the efforts over the last two to three years, “we’re here and a new merged District is formed”.

ITEM 6

B. Tarbuck explained to the board that the HRH insurance policy had been structured to facilitate being converted to cover the new merged District (GAUD). He stated that notification had been made and there is a sixty day window to submit the required additional information. Brian also told the group that Hallowell has a board meeting November 12, 2007 at 7:00 p.m.

OPEN DISCUSSION

D. Smith wanted to recognize Susan Farnsworth’s email, and spoke of the importance of the communication building that had occurred between Hallowell and the Districts. He encouraged attending the Hallowell meetings in order to continue building these relationships.

D. Smith made a motion to adjourn the meeting, which was seconded by S. Roberge. The meeting was adjourned at approx. 8:27 a.m.

**Ken Knight
Pro Tem, Augusta Sanitary District
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2) Recognize that the board is now operating as the united Greater Augusta Utility District Board (GAUD). Steve Roberge seconded the motion for discussion purposes. After much discussion, the vote to approve was unanimous.

K. Knight stated that before he could fully support the motion he needed some clarification. He wanted to know how this would effect the staff, & expressed his concern about causing the staff additional work.

S. Farnsworth stated her opinion that she should sign the warrant, along with the other Board members. She also stated that the warrants should first be titled, "Greater Augusta Utility District", & secondly, either Augusta Water or Sanitary District.

D. Kinney made the point that the current Hallowell Water Board still has & will continue to have authority over pending Hallowell sewer issues. The distinction is that they can't vote on any new sewer matters.

B. Tarbuck made the point that the new quorum for the Greater Augusta Utility Board should now stand as opposed to the old methodology.

B. Tarbuck then talked about the operational needs of the Districts over the next month in order to get the financial details in place. He said that the Districts were, in effect, "pretending" they were not yet GAUD., so that the preparations could be completed by January 1st, 2008.

Action Item: B. Tarbuck and staff to change the headers on the warrants to "Greater Augusta Utility District" & add Susan Farnsworth's name to the warrant sheets.

Further discussion ensued about the practice of Board members signing the monthly warrants in general. Concerns had already been expressed at previous meetings about the warrants being signed "after the fact" or after the expenses had already been incurred and paid for.

Peter Dunn Jr. made a motion to officially discontinue the practice of having board members sign the monthly warrants containing transactions that have already occurred. S. Roberge seconded the motion for discussion. After further discussion, the vote to approve was unanimous.

During discussion, S. Roberge once again brought up the question of why the board was signing warrants after the fact.

K. Knight made the point that this has been a long-standing practice for the Districts. He said that "this was the way that it has always been done". J. Pierce quoted from previous minutes Bylaws section, noting that this methodology appeared to be an interpretation made in order to comply with the Bylaws.

The point was made that a vote was no longer necessary for Item #1, due to the motion that was previously made & approved.

ITEM 2 APPROVE OCTOBER 22, 2007 MEETING MINUTES

D. Smith made a motion to approve the October 22, 2007 meeting minutes. P. Dunn Jr. seconded the motion, and the vote to approve was unanimous, except for S. Farnsworth, who abstained from voting because she did not attend the October meeting.

ITEM 3 APPROVE OCTOBER, 2007 PAID BILLS OF BOTH DISTRICTS/SIGN WARRANTS

Item 1 & Item 2 already addressed this motion. Item 1 was actually a placeholder for signing of the September warrants, which were approved, but not signed at the previous meeting. These September warrants were signed by the various Board members in attendance.

ITEM 4 NEW BUSINESS

a) GAUD

- i.** New Logo: B. Tarbuck asked the board their thoughts about coming up with a new logo for the new combined District. K. Knight asked if the board could have some time to think about it.

D. Smith suggested that B. Tarbuck send out a notice to all employees inviting them to participate in a design contest. He stated that the Board could participate as well, & asked that the results be brought to a future meeting.

Action item: B. Tarbuck to challenge employees and Board members by rolling out a contest in order to come up with a new logo for the Greater Augusta Utility District. There will be a prize awarded to the person submitting the winning logo.

- ii.** Other: S. Farnsworth brought up a concern regarding the new District name, and the acronym: GAUD. Her suggestion was that, in practice, the "District" be dropped, and "GAU" be used for all practical purposes, & that the new District be referred to as "Greater Augusta Utilities". The other members shared S. Farnsworth's concerns about the name, & generally agreed to this recommendation. The point was made by D. Smith that, although this could be done informally & operationally, all legal & official District documents would always have to contain the entire name.

B. Tarbuck asked the Board about staff answering the phone, and the Board member agreed that the greeting should refer to: "Greater Augusta Utilities".

b) HOLIDAY EVENTS

- i.** B. Tarbuck asked the Board if they wanted to continue the practice of purchasing 10 lb. spiral hams as a seasonal gesture for the Water and Sanitary District employees.

S. Farnsworth led the discussion by informing the members that Hallowell doesn't provide hams to their employees or have holiday parties. She said they have some type of yearly bonus, but it is not linked to the holidays.

D. Smith said that he would like to see the Board do something for the employees, in recognition of the efforts that have been put in by all over the past year, with the many transitions leading up to the merger. He also wanted the employees to know that it was coming from the Board. Dave suggested giving the employees twenty dollar gift cards from either Hannaford's or Shaw's in lieu of hams, with an accompanying letter to employees from the Board. This gesture was to be an "After the Vote" thank you.

S. Farnsworth suggested not having the gift cards tied to Christmas.

B. Tarbuck suggested including the gift cards with the employees' paychecks to coincide with the pay date of December 20th, 2007.

Action item: B. Tarbuck to purchase twenty dollar gift cards for every District employee, as well as the E. Blair's Human Resources group. A gift card & accompanying letter from the Board will be included with employees' pay stubs on Thursday, December 20, 2007.

- ii. Holiday Party Location: The group expressed no interest in either hosting or planning any type of outside-of-the-office , holiday party. B. Tarbuck stated that there would be some type of small in-house event planned shortly before Christmas.

c) FUTURE MEETING DATES

Discussion ensued about the optimal timing of future Board meetings. The concensus was to hold future Board meetings, once a month, on a Monday, at 4:00 p.m.

B. Tarbuck asked the Board if they wanted ads placed each month notifying the public of future board meetings. He told the group that the meetings notifications are currently placed on the website.

Action item: B. Tarbuck to adopt City's policy and piggyback getting ads placed in the same manner as they currently do.

Notes; K. Knight said he would be attending the upcoming ribbon-cutting ceremony for Fieldstone Place Subdivision.

B. Tarbuck notified the Board that, due to the early date of the December Board meeting, the November financials would not be presented.

d) MAINE REVENUE SERVICE AWD SALES TAX AUDIT

J. Pierce presented data in regards to the recently completed Sales Tax audit of the Water District. Discussion ensued and the Board suggested we bill taxpayers in order to be reimbursed for sales tax assessment paid by the Water District. B. Tarbuck expressed concern about the timing with all the other efforts that are being undertaken in-house. The point was also made that the individual amounts due for the 15 customers involved were very small in individual dollar amount. In response to questions, staff said that proof of sales tax exemption was required on water applications. The desire to have the staff invoice the specific customers deemed taxable was expressed, but the Board did not mandate the action.

e) BUDGETING

P. Dunn Jr. talked about his desire to have changes implemented to the financial statement formats that are currently being presented to the Board each month. He said that he thought a sub-committee was needed to come up with a plan about reviewing & reporting on the District's finances. He also stated that he would like to be part of the sub-committee.

B. Tarbuck expressed concern about the current staff work load, & said that he did not want to ask staff to do any more than they were currently undertaking, with all of the efforts that were going on in-house with setting up the new District books, upcoming retirement of a senior accounting staffperson, etc.

Both K. Knight & D. Smith made the point that although the Board was looking for changes in reporting, the goals for changes were for "2008", and not expected for the following month.

B. Tarbuck asked the Board if they wanted to meet as a sub-committee on December 4th, 2007, to discuss the 2008 Draft Budget. After discussion, the Board decided that anyone interested in attending, would discuss the Draft Budget on December 17th, 2007, from 1:00 p.m. till 3:00 p.m., when the regular Board meeting convenes.

ITEM 5**OLD BUSINESS****a) S. Farnsworth Update – No new news to discuss.****b) BOND BROOK CSO PHASE 3 PROJECT**

B. Tarbuck informed the Board that he had recently met with SEA Consulting Engineers regarding obtaining assistance with writing the RFP for Engineering Design work for the Phase III CSO Project. SEA Consulting informed Brian that they will not be bidding on the Bond Brook CSO Phase III Project job. However, he said they would be

interested in helping us construct an RFP for the work. The cost for this consulting work is estimated to be approx. \$15,000.00 to \$20,000.00.

D. Smith asked if there a problem regarding sole sourcing.

S. Roberge told the Board that SEA Consulting Engineers was a reputable firm. He stated that even though they are not bidding, their help would be very valuable.

The Board stated that they favored giving B. Tarbuck the discretion to continue pursuing negotiations with SEA Consulting.

D. Smith made a motion to authorize B. Tarbuck to execute a contract with SEA Consultants for not more than \$50,000.00. This motion died for lack of a second.

After additional discussion, a second motion was put forward by D. Smith:

D. Smith made a motion to authorize the General Manager to enter into a contract with SEA Consulting for an amount not to exceed \$20,000.00. S. Farnsworth seconded the motion, and the vote to approve was unanimous.

c) LAND PURCHASE OPTION

B. Tarbuck referred the members to the notes provided in the Board agenda regarding status of the land purchase option. Brian is working with Elliot Thayer, who is drawing up a boundary agreement. The plan is to contact Mr. Marshall, & request his signature.

d) HOUSE CALLS

At the last meeting the Board voted to eliminate house calls on February 1, 2008. Efforts already being made to transition this work are going well. Customers are now offered the service by the District or a plumber & most are pursuing plumbers. Plans also include sending a Newsletter out with customer bills prior to February 1st to inform them of this change.

e) NEW VEHICLES

B. Tarbuck informed the Board that the second vehicle scheduled for purchase was budgeted for \$35,000 and the price came in at \$36,000. However the first of the two vehicles being purchased came in slightly under budget, so the two purchases evened each other out.

f) ACCOUNTING OPERATIONS

J. Pierce informed the Board that the interim joint bills were being well-received by the customers. She said the Districts were still working with Creative Imaging on testing & troubleshooting of the invoice shell, soon to be outsourced through them. The new GAUD merged G/L has been created by NDS, & much work remains in order for it to be tested & operational for

the first January payroll, and the January 1st rollout date for GAUD. Many efforts are being undertaken in-house for the multitude of changes, conversions, updates that are necessary to begin operations as a new entity, operating under a new tax ID number.

Action Item: J. Pierce to provide copies of the 2007 Audited Financials for the Water and Sanitary Districts to the new Board members.

g) BYLAW COMMITTEE

The draft Bylaws were mentioned earlier in the meeting regarding warrants. T. Sotir, who is on the informal Bylaw sub-committee was not in attendance. S. Farnsworth said that she wanted to wait on Bylaws & address in the December meeting, so that she has the chance to discuss with T. Sotir.

h) TRUNKLINE 1 REPLACEMENT PROJECT

S. W. Cole Engineering was selected to do the borings work, & a soil engineer was hired to evaluate soils characteristics discovered during the borings work.

i) GROUNDWATER PROJECT

B. Tarbuck told the group he & Dennis would be discussing options regarding this groundwater project. He spoke of the District “partnering” with Hallowell Water to explore ways to accomplish the provision of back-up water supply needs to GAUD.

j) TOGUS FORCEMAIN

H. Wood has been reviewing plans with USVA Togus’ engineering firm. This project is expected to be complete by Autumn 2009. It was mentioned that part of this project is a plan to install a brand-new sidewalk across the roadway from where the new line is to be installed.

k) PELTON HILL TOWER

K. Knight talked to the group about the awarding of the contract. He also made note that the equipment to be installed is presently being stored in the Districts’ garage. The Districts will own 1/3 of the new tower that is being constructed. The other bonus is that the current tower will be able to be dismantled, allowing us to take care of an abutter issue. ME DOT has the contract to build the new tower.

l) POLICY REVISIONS – NOTHING NEW TO REPORT

S. Farnsworth made the point that one of the items needed to be addressed regarding policy revisions was the Districts’ current policy regarding “investing in sewer main extensions”.

- m) **ADA ACCESS – NOTHING NEW TO REPORT**
- n) **FLOW HISTORY Not presented as month to month data is not smoothed out for October.**

ITEM 6 EXECUTIVE SESSION

At 3:35 p.m., S. Roberge made a motion to go into Executive Session regarding a Personnel matter, which is pursuant to Title 1, Section 405, Subsection 6, Paragraph A. D. Smith seconded the motion and the vote to enter into Executive Session was unanimous.

The meeting was adjourned at 4:08 p.m., immediately after coming out of Executive Session.

Ken Knight
Clerk, Pro Tem, Greater Augusta Utility District

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**GREATER AUGUSTA UTILITY DISTRICT
REGULAR BOARD MEETING
Monday, December 17, 2007**

Note: From 1:00 p.m. to 3:00 p.m., all of the regular 3:00 p.m. Board meeting attendees with the exception of Lee Bragg, Esq., met for a 2008 Budget session. B. Tarbuck first introduced R. St. Pierre, the new non-voting Board member to the group. Brian then presented first the Draft Sanitary Division 2008 budget to the group, followed by the draft 2008 Water Division budget. A very detailed discussion ensued, with many questions from the Board members, and many explanations and clarifications made by Brian & the staff members present. B. Tarbuck made the point that the budget was still a working budget at this time. Suggested changes will be taken under advisement, and incorporated into the drafts. The group will meet again to review revised drafts in early January 2008.

Location: Augusta City Center

Trustees Present:

- Stephen Roberge
- Susan Farnsworth
- Dave Smith
- Peter Dunn Jr.
- Ken Knight
- Tom Sotir
- Lisa Haskell
- ~~Dennis Kinney~~
- ~~Ralph St. Pierre~~

Staff:

- Brian Tarbuck, General Manager
- Jill Pierce, Controller
- Monte Haynes, Senior Accountant
- Harold Wood, Engineering & Construction Manager
- Mike Grove, Treatment Plant Manager

Other Attendees:

- ~~Lee Bragg, Esq., Hallowell Water District~~
- ~~Ralph St. Pierre, Assistant City Manager~~
- ~~Lee Bragg, Esq.~~

CALL TO ORDER: Meeting called to order by Co-Chair D. Smith at 3:10 p.m. D. Smith asked to let the record show that it was with great pleasure that he opened this first meeting of the Greater Augusta Utility District Board of Trustees.

K. Knight informed the board that the agenda was going to be taken out of order to allow Lee Bragg to speaaddress the group regarding some questions posed.

L. Bragg clarified the role of non-voting members by informing theold that group that non-voting members were able to be active in all facets

except for participating in actual any votes. Lee also discussed He said that that the role of the board was is to make policy and management decisions. And He further elaborated by talkinged about specific tasks, decisions and implied decisions.

D. Smith referenced ~~in~~ the Charter, page 12, Sections 1 and 4, Subsection 1, ~~posing a question-question in~~ regardings to compensation for non-voting members. He cited specific language, which implied to him that every member is a trustee. Dave asked for guidance as to whether there is a distinction between the seven voting trustees, and the two non-voting representatives. "Everybody's a trustee", distinction between 7 trustee's and 2 non-voting representatives.

S. Farnsworth said, in her opinion, the wording for representatives and members are used interchangeably.

T. Sotir voiced his opinion that there was a distinction between the concerns that the non-voting members & trustees. He felt that non-voting members were not given the title of as "trustee"s. After further discussion in regards to non-voting members' compensation, T. Sotir suggested ~~to~~ tabling the "pay discussion". Tom stated he would like to research this matter further, and asked that it be added to the agenda for the next meeting, for non-voting members. He would like to research further.

D. Smith suggested that once the compensation issue was resolved, he would like any Board members affected, the Board to pay be paid retroactively back to/from the date of 12/17/2007, to the non-voting members.

L. Bragg explained the "Right-to-Know" Law to the group. " He said that Board "mMeetings" were open to the public and the records of the Districts "Records" were available to the public. He also informed the group that a meeting comprised of a minimum of 33 Board members together constitutes a public meeting, if business is conducted.

R. St. Pierre asked what constituteeds a "Virtual Meeting"? Lee Bragg stated He was informed that He said there has been no wasn't a procedural decision in Maine confirming that it is was ok to conduct meetings in this manner. Further discussion elaborated that He proceeded to inform the board that emails in Maine does not constitute a meeting as of yet, but they should be considered as public record. However, it is important to remember that emails amongst Board members should not end up in a debate. The :-&- The point was made that every time a "send" button is pushed, the content of the email could end up in the Kennebec Journal the following day. emails should not be a debate and to remember everything is a public record.

B. Tarbuck asked what the proper protocol was in the event that an if a emergency meeting needed to be called was to come up? What would be the appropriate procedure to notify the public of a special meeting? The response was that a notice should be faxed to the Kennebec Journal, as

well as posted at City Hall. The point was made by L. Bragg that the statute requires "faxing" notice of the meeting.

L. Bragg said to fax a notice of the meeting to the Kennebec Journal and to also post the notice in Town Hall. The statute requires "faxing".

ITEM 3 OLD BUSINESS

e) BYLAW COMMITTEE

T. Sotir reviewed the presented copies of the drafted bylaws that had been included in the Board packages. for approval.

S. Farnsworth voiced that she had some her concerns with that if the bylaws, and if approved at this meeting, she may be coming back to the group were approved that she wanted to come back with suggestions or concerns in the next month or two.

Tom Sotir made a motion to accept and adopt the draft Bylaws as presented, as long as minor clerical changes were made relating to the numbering of articles and use of the word, "Utility" instead of "Utilities", in all references to GAUD. K. Knight seconded the motion. Discussion ensued about the ability for these Bylaws to be modified in the future, after which the vote to approve was unanimous.

with possible modifications in the future. After further discussion, the vote to approve was unanimous.

ITEM 1 VOTE TO APPROVE NOVEMBER 09th, 2007 AND NOVEMBER 26th, 2007 MINUTES

Tom Sotir made a motion that once the Board approves minutes during a regular Board meeting to accept both the November 09th, 2007 and November 26th, 2007

minutes as written, and have the recorded motion would stand as approval in lieu of the clerk's written signature on a hard-copy of the minutes; both for these minutes & future minutes. K. Knight seconded the motion, and the vote to approve was unanimous.

Tom Sotir then made a motion to electronically archive the minutes of the meetings meetings. K.

Knight seconded the motion. J. Pierce expressed had concerns about archiving electronically.

since she had not yet received a response regarding this practice from the Districts' external auditors, for Audit purposes.

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Tom Sotir withdrew his motion pending the auditor's response feedback from the Auditors from to Jill Pierce's email request.
email request in regards to electronically archiving the minutes.

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K. Knight made a motion to approve the minutes of both the November 9th, 2007 Special Board meeting & the November 26th, 2007 Regular Board meeting. This motion was seconded, and -& the vote to approve was unanimous.

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ITEM 2 NEW BUSINESS

a) VOTE ON BOARD OFFICERS

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~~T. Sotir~~ Sotir nominated Ken Knight for Board Chair, President. Susan Farnsworth

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~~Farnsworth~~
Seconded the motion, and the nomination was approved unanimously.

~~P. Dunn Jr.~~ Dunn Jr. nominated Susan Farnsworth for Vice Chair, President. T. Sotir

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~~S. Farnsworth~~ S. Farnsworth nominated P. Dunn Jr. for Vice Chair.
~~After the second nomination died for lack of second,~~
the vote to approve the nomination of S. Farnsworth was unanimous. and the nomination was unanimous.

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~~S. Farnsworth~~ S. Farnsworth nominated ~~P. Dunn Jr.~~ Dunn Jr. for Vice Chair, President. ~~The nomination died for lack of a second.~~

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~~D. Smith~~ Smith nominated ~~Steve~~ Roberge for Clerk. ~~T. Sotir~~ Sotir seconded the motion, and the vote nomination to approve was unanimous.

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~~D. Smith~~ Smith nominated ~~Peter~~ Dunn Jr. for Treasurer. ~~T. Sotir~~ Sotir seconded the

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motion ~~seconded,~~ and the vote to approve nomination was unanimous.

~~T. Sotir~~ Sotir nominated Jill Pierce for Assistant Treasurer. Lisa Haskell seconded the nomination. B. Tarbuck made the point that the General Manager position was supposed to be the Assistant Treasurer position.

because of the check-signing authority and & the need for separation of duties.

T. Sotir and L. Haskell made a motion ~~for to~~ reconsideration of the J. Pierce nomination.

~~T. Sotir~~ then nominated Brian Tarbuck for Assistant Treasurer. ~~Lisa~~ Haskell ~~seconded the motion,~~ and the vote to approve nomination was unanimous.

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At 4:25 p.m., D. Smith made a motion to go into Executive Session regarding a proposal for 2008 Non-Union Salaries, which is pursuant to Title 1, Section 405, Subsection 6, Paragraph D. The motion was seconded, and the vote to enter into Executive Session was unanimous.

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~~Dave Smith moved to go into Executive Session at 4:25 p.m. to discuss non-union benefits.~~

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Susan Farnsworth made motion to end the Executive Session at 4:46 p.m. ~~The~~ The motion was seconded by Peter Dunn Jr., and the vote to approve was the motion was unanimous.

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b) PROCEDURAL VOTES

1. BE IT RESOLVED by the Board of Trustees of the Greater Augusta Utility District as follows: That the Greater Augusta Utility District join with other participating municipal and quasi-municipal employers in a Multiple Employer Welfare Arrangement for the provision of employee health benefits, as authorized by 24-A M.R.S.A. §6601 et seq., said Arrangement to be known as the "Maine Municipal Employees Health Trust" (Health Trust); and for that purpose and in consideration of the mutual covenants and agreements among the participating employers, to authorize the General Manager to enter into a Participation Agreement on behalf of the Greater Augusta Utility District and take whatever other actions may be necessary. The authority granted herein shall remain until revoked.
2. Resolution: That the Greater Augusta Utility District establish a money purchase plan and a deferred compensation plan for eligible union and nonunion positions of the Greater Augusta Utility District and adopts the language set out in Addendum A.

3. Resolution providing for participation in the Maine Municipal Association Workers' Compensation Fund. BE IT RESOLVED by the Board of Trustees of the Greater Augusta Utility District as follows: That the Greater Augusta Utility District join with other participating municipal and quasi-municipal employers to group self-insure for the provision of workers' compensation benefits, as authorized by 39-A MRSA Sec 403, said group to be known as the "Maine Municipal Association Workers' Compensation Fund" (Fund); and for that purpose and in consideration of the mutual covenants and agreements among the participating employers, to authorize the General Manager to enter into a Fund Indemnity Agreement on behalf of the Greater Augusta Utility District and take whatever other actions may be necessary. The authority granted herein shall remain until revoked

D. Smith made a motion to accept and approve the three resolutions above. T. Sotir seconded the motion, the vote to approve was unanimous.

b)c) **FINANCIAL STATEMENTS**

The Board discussed financial operations and the Board's specific role in the accounting controls process. There is some confusion over precisely what the Board members' level of oversight is. The discussion concluded that by April 1, 2008 there should be some document developed that better explains these specific roles. No vote or formal action was taken on this matter.

The Board discussed whether or not there was a manual available for Board members or a list of policies for review.

B. Tarbuck explained that the policies exist, but they are not in a bound manual of any kind and are due for both review and update.

There was some concern about whether the AWSD or Hallowell policies would collide and if so, which one would "win". Another concern centered on whether or not the Charter provided a specific means to carry existing policies forward or whether they would be summarily terminated.

S. Farnsworth made a motion to "Continue to use the existing policies of the AWSD until the Board is able to review AWSD and Hallowell's policies and adopt them into the GAUD". D. Smith seconded the motion, the vote to approve was unanimous.

ITEM 4 OTHER BUSINESS

David Smith recommended that the GAU purchase a table at the annual Kennebec Valley Chamber of Commerce awards dinner.

B. Tarbuck indicated he would take care of this and put a list of attendees together.

B. Tarbuck mentioned that there were several apartment buildings in foreclosure. There was discussion about this process and next steps. Tarbuck indicated that he had no further information apart from the fact that the lien process had progressed to this point and that he would be seeking legal assistance tomorrow. Tarbuck indicated that he would update the board on this process at the next meeting.

Tom Sotir made a motion to adjourn the meeting at 5:49 p.m. David Smith seconded the motion, and the vote to adjourn was unanimous.

**Steve Roberge
Clerk, Greater Augusta Utility District**

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12/17/2007 GAUD Board meeting minutes

Tarbuck's notes from exec session forward

4:23 PM Motion to go to executive session pursuant to Title 1 §405 6 (A) made by Tom Sotir; second by Steve Roberge, unanimous vote

4:46 PM Motion to exit executive session by Susan Farnsworth; second by Peter Dunn. The vote to exit executive session was unanimous

4:46 PM Motion by Tom Sotir, second by David Smith to accept salary recommendations as presented. The vote to approve salary changes was unanimous.

4:48 PM Motion by David Smith, second by Tom Sotir to accept and approve the resolutions below:

1. BE IT RESOLVED by the Board of Trustees of the Greater Augusta Utility District as follows: That the Greater Augusta Utility District join with other participating municipal and quasi-municipal employers in a Multiple Employer Welfare Arrangement for the provision of employee health benefits, as authorized by 24-A M.R.S.A. §6601 et seq., said Arrangement to be known as the "Maine Municipal Employees Health Trust" (Health Trust); and for that purpose and in consideration of the mutual covenants and agreements among the participating employers, to authorize the General Manager to enter into a Participation Agreement on behalf of the Greater Augusta Utility District and take whatever other actions may be necessary. The authority granted herein shall remain until revoked.
2. Resolution: That the Greater Augusta Utility District establish a money purchase plan and a deferred compensation plan for eligible union and nonunion positions of the Greater Augusta Utility District and adopts the language set out in Addendum A.
3. Resolution providing for participation in the Maine Municipal Association Workers' Compensation Fund. BE IT RESOLVED by the Board of Trustees of the Greater Augusta Utility District as follows: That the Greater Augusta Utility District join with other participating municipal and quasi-municipal employers to group self-insure for the provision of workers' compensation benefits, as authorized by 39-A MRSA Sec 403, said group to be known as the "Maine Municipal Association Workers' Compensation Fund" (Fund); and for that purpose and in consideration of the mutual covenants and agreements among the participating employers, to authorize the General Manager to enter into a Fund Indemnity Agreement on behalf of the Greater Augusta Utility District and take whatever other actions may be necessary. The authority granted herein shall remain until revoked.

The vote to approve the three resolutions above was unanimous.

The Board discussed financial operations and the Board's specific role in the accounting controls process. There is some confusion over precisely what the Board members' level of oversight is. The discussion concluded that by April 1, 2008 there should be some document developed that better explains these specific roles. No vote or formal action was taken on this matter.

The Board discussed whether or not there was a manual available for Board members or a list of policies for review. Tarbuck explained that the policies exist, but they are not in a bound manual of any kind and are due for both review and update. There was some concern about whether the AWSD or Hallowell policies would collide and if so, which one would "win". Other concern centered on whether or not the Charter provided a

specific means to carry existing policies forward or whether they would be summarily terminated. To ensure some clarity in this area, Susan Farnsworth made a motion to “Continue to use the existing policies of the AWS D until the Board is able to review both them and Hallowell’s policies and adopt them into the GAUD”. The motion was seconded by David Smith. The vote to approve was unanimous.

Under other business that did not make it to the agenda, David Smith recommended that the GAU purchase a table at the annual Kennebec Valley Chamber of Commerce awards dinner. Tarbuck indicated he would take care of this and put a list of attendees together.

Tarbuck mentioned that there were several apartment buildings in foreclosure. There was discussion about this process and next steps. Tarbuck indicated that he had no further information apart from the fact that the lien process had progressed to this point and that he would be seeking legal assistance tomorrow. Tarbuck indicated that he would update the board on this process at the next meeting.

5:49 PM Tom Sotir made a motion to adjourn the meeting. This was seconded by David Smith and the vote to adjourn was unanimous.