

Monday, January 23, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Bob Corey, Kirsten Hebert, Cecil Munson, Pat Paradis, Bradley Sawyer and David Rollins

Trustees absent: Dave Bustin and Charlotte Warren

Attendees: Brian Tarbuck and Sherry Kenney

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were additions to the agenda. New agenda items include the 2017 planning session, 2016 digital media report and liens.

Knight asked for public comments. There were no public comments.

Knight introduced two new trustees to the board, Cecil Munson and Pat Paradis.

Knight asked for a motion to approve the minutes from December 19, 2016. Bob Corey asked to amend the minutes concerning the Connected Credit Union. He asked that the minutes show that the district has taken steps to update the application form to include questions regarding abatement/irrigation meters and that the Credit Union has agreed with the board's decision concerning the abatement.

At 18:02 Cecil Munson moved to accept the Board minutes for December 19, 2016 with the amendment as read. The motion was seconded by Bob Corey. The vote to approve the motion was unanimous.

Brian Tarbuck discussed the rate setting process. The last rate change was in October of 2011. This rate change effected all three divisions' water, sewer and storm. At that time the board stated that rates would stay constant for five years. After much analysis the district is proposing a 15% increase to stormwater rates only. This will effect Augusta customers only. Hallowell customers do not pay stormwater fees. The requirements for changing rates are found in Title 38. Section 1202. It states that the district shall mail to each customer a notice of public hearing and the proposed new rates at least 14 days prior to the hearing. The proposed rates and notice of the hearing need to be published in the newspaper not less than 7 days prior to the hearing and that a public hearing be held regarding the proposed rate change. Ken discussed the estimated 2017-2019 cash flow for both sewer and storm with the proposed rate change. Ken pointed out that sewer has a healthy cash flow where storm is barely breaking even. The issue is that most expenses are split 63%/37% between sewer and stormwater respectively. The stormwater division is not generating enough revenue to keep up with its percentage of the shared expenses. The City of Augusta has also asked the district to do some stormwater projects this year above what is normally budgeted. The average residential customer will see an annual increase of approximately thirteen dollars. Going forward the district plans to analyze rates annually to avoid large swings in customer fees and to control cash reserves. The City of Augusta's current monthly stormwater fee is \$100,406. With the proposed rate change the monthly fee will increase to \$115,467, which equates to an \$180,731 annual increase. A tentative public hearing date will be set for March. Brian also just taped a public television episode of the Mayor's Desk with David Rollins discussing the history and the future of stormwater. Stormwater will be the districts biggest challenge in the upcoming years. The district has completed approximately 90% of its CSO Long Term Control Plan and if DEP implements all its proposed changes the last 10% of the CSO plan will be very challenging. Trustees discussed the effect the new political administration may have on infrastructure and weather there will be any federal funds available for infrastructure improvements. It was suggested that a letter be drafted from the trustees to our congressmen and women to make grants available for infrastructure improvements.

Kirsten Hebert updated the group on the Central Maine Regional Water Council. As recently discussed the Greater Augusta Utility District along with the Winthrop Utility District has joined together to form the Central Maine Regional Water Council to manage a joint watershed. This is being done through Title 13B Maine nonprofit laws as well as IRS 501(C) (3). The documents for the Maine filing is complete but more work needs to be done for the IRS filing. Council members will meet to finish the IRS document. The council is also working on amending legislation to allow Wastewater Districts to become members of a Water Council. Three separate legislators have been contacted and all three have submitted legislation. Kirsten will speak with all three legislators to combine the three separate bills into one with multiple co-sponsors

Stormwater committee update. Cecil Munson has volunteered to be a member of the stormwater committee. Other suggestions of community members to join the committee include Roger Pomerleau a local business developer and Jan Patterson from the State of Maine and former manager of the City of Lewiston's stormwater program. David Rollins will reach out to the before mentioned community members to offer them a spot on the stormwater committee.

Brian Tarbuck updated the Trustees on projects currently under construction and those slated to start soon. Heat pumps have been installed at 12 Williams Street and a new ADA ramp is being built. The Route 202 Winthrop pump station project is out to bid. Research is being done for the Commercial Street, North Belfast Avenue, Gannet, Greenlief and Morse Street projects.

Cecil Munson inquired about the \$50M bond being presented to the voters in June that was mentioned in the General Manager's Report. Cecil is questioning if the bond is strictly for wastewater. Kirsten informed the trustees that the funds will be split between culverts, overboard discharges and wastewater infrastructure. The district will keep an eye out to see if any of those funds become available in the form of grants or matching incentives. Other items on the General Manager's Report included the start of the 2016 audit and that two district employees are currently enrolled in a Management Candidate School program. The district's MOD rating is currently 0.66 which is 34% lower than the typical entity's risk. This equates to a savings of \$28,290.

In December trustees were presented a list of liens to either waive or proceed with foreclosure. An updated list was discussed. Three of the liens have been paid in full. Letters and phone calls have gone out to the rest of the list and in some cases payment arrangements have been made. It was questioned if there had been any communications with Main Street 1 LLC. There have been no communications and the total balance has risen from \$55k to \$57k. Bob Corey suggests that all documents in connection with the Mains Street 1 LLC lien be reviewed by the districts attorneys and that meetings be held with the city and state before starting foreclosure.

Financial reports from December, 2016 were presented. December financial figures are preliminary. Revenues are a little higher than budgeted and expenses came in slightly under budget. The transportation figure in both divisions was questioned. Kenney explained that transportation cost shown are the net effect of charging projects for trucking and equipment used.

At 18:50 Corey moved to accept the financial statements from December, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

The 2016 digital media report was presented and discussed. The report compares 2016 web traffic and social media accounts to 2016. Overall our web traffic increased by 7.5%. The report also shows which pages are viewed the most, what devices are used to view the site and by what demographics.

The GAUD 2017 annual board of trustees goals, objectives and operational priorities list was reviewed. The list contains items discussed at two planning sessions held in the end of 2016. Goals and objectives include copper and lead testing in schools, improved communication with the City of Augusta and MDOT concerning road work, stormwater committee as it pertains to user fees and the next CSO phase, rate increases, charter review and customer service / communication goals.

At 19:02 Munson moved to adjourn the meeting. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Monday, February 27, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Bob Corey, Kirsten Hebert, Cecil Munson, Pat Paradis, Bradley Sawyer, David Rollins, Dave Bustin and Charlotte Warren

Trustees absent: None

Attendees: Brian Tarbuck and Sherry Kenney

Guest: Mike Hodgins, legal counsel from Bernstein Shur Sawyer and Nelson

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight added an executive session to the agenda to discuss a land acquisition proposal. Knight asked if there were any other additions to the agenda. There were no other new agenda items.

Knight asked for public comments. There were no public comments.

At 18:01 Corey moved to accept the Board minutes for January 23, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Kirsten Hebert updated the group on the Central Maine Regional Water Council. Kirsten has gathered all the information from the Greater Augusta Utility District and the Winthrop Utility District to fill out the IRS 501(C) (3) application. Legislation has been printed to address restriction on membership under Regional Water Council but has not yet been scheduled for a hearing. Kirsten will inform the board as soon as a hearing date is scheduled.

The stormwater committee has not met. The discussion was tabled until Mayor David Rollins joins the meeting.

At 18:04 Bob Corey moved to enter Executive session to review the legal rights and duties of the District pertaining to certain outstanding liens with legal counsel pursuant to MRS Title 1, Section 405E. The motion was seconded by Cecil Munson. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:57.

Ken Knight asked Mike Hodgins to read the motion discussed in executive session. The District staff with legal counsel is directed to provide service of all lien certificates upon mortgage holders that did not previously receive copies and service of all required notices of impending automatic foreclosure to begin the foreclosure process on the Main Street 1 LLC property located on Arsenal Street.

At 19:01 Corey moved for the motion to move forward as stated by Mike Hodgins. The motion was seconded by Paradis. The vote to approve the motion was unanimous.

David Rollins joined the meeting during executive session. The Stormwater committee update is now back on the table. David Rollins has not yet reached out to the community members discussed at the last meeting to offer them a spot on the stormwater committee. Brian Tarbuck will reach out to Roger Pomerleau and Jan Patterson.

Andy Begin updated the Trustees on 2017 Capital Improvement Projects. Now that test borings for the 2017 river siphon project have been collected, the District will be hiring an engineering firm to explore directional drilling options. The Trunkline 3 project bids have been received and reviewed by the Trunkline members. Apex Construction Inc. had the lowest bid at \$1.2 million. Cecil questioned why the District was asking to approve a bond for \$1.6 million for the Trunkline 3 project when the bid came in at \$1.2 million. Andy Begin explained that the \$1.2 million was for

construction cost only and did not include the purchase of pumps, a new CMP hookup, inspection cost, site upgrades and employee labor. The Board will be voting on the \$1.6 million later in the meeting. Pipes connecting to the Wildwood sewer pump station have been relined and the data now shows that half of the flow from a rain event has been removed. This has reduced the need for an immediate upgrade to the station.

The Trustees are considering an increase in stormwater rates. The Trustees were given a copy of a press release concerning the rate increase and the public hearing to be held on March 20, 2017. The press release will run in the local newspaper on March 2<sup>nd</sup>. A postcard informing all residential customers of the rate increase was mailed today. A letter to inform all the commercial customers of the rate increase was separately mailed today. Information for the increase will be on the District's web site on March 1<sup>st</sup>. There will also be a small legal ad announcing the public hearing on March 20<sup>th</sup>. This ad will run on March 2<sup>nd</sup> then again on March 18<sup>th</sup> and 19<sup>th</sup>. The most significant impact will be on the City of Augusta. The City of Augusta will see a monthly increase of approximately \$15k which equates to a \$180k annual increase. The increase in the City's stormwater costs is said to equate to under a one point increase in the mill rate for City of Augusta residents. The District understands that along with other cost increases and revenue decreases this could cause the City of Augusta to have to increase its mill rate for Augusta residents. When it comes to Stormwater treatment the District has to comply with federal mandates and the City of Augusta has also asked the District to fix some stormwater issues that are causing public safety hazards. The District must pass on the increasing cost of stormwater treatment and city projects to its customers. David Rollins asked if the increase was to replenish stormwater reserves and if so maybe the increase to the City of Augusta could be split over the next two years. Ken stated that the rate increase was not to replenish reserves and the \$180k annual increase to the City of Augusta was needed for daily operating costs and planned capital improvements. Trustees were concerned as to how long this rate increase would hold. Stormwater rates have not increased in the last five years. Going forward it was previously stated that the District would review rates on an annual basis.

At 19:27 Corey moved to do an annual rate review of all three divisions. The motion was seconded by Munson. The vote to approve the motion was unanimous.

Ken Knight reviewed the General Manager's report. Three District employees have recently passed the drinking water operators exam. The District's maintenance foreman of 6 ½ years, Jeff Hatch, has taken a new position in Texas. Brian Tarbuck has completed his last year representing the District as a judge for the American Council of Engineering Companies. Andy Begin made a presentation at the Maine Water Utilities Association conference relating to determining the best solutions for replacing pipe. Randi Taylor and Sherry Kenney also made a presentation relating to office practices.

The District is in the process of taking an easement in Manchester by eminent domain on behalf of the Trunkline. There will be a public hearing on this matter on March 20, 2017. An attorney from Trafton, Matzen, Belleau & Frenette will be representing the Trunkline on this matter. If the owner of the property does not agree with the amount the Trunkline is offering to pay for the easement then the matter will go to superior court for a judgment.

Financial reports from January, 2016 were presented. Revenues and expenses in both division are tracking close to budgeted estimates. Cash balances are higher in both divisions than the same time period last year. Starting in March the February financial information will be separated into three divisions: water, sewer and stormwater. The District will undergo its annual workers compensation audit on March 9<sup>th</sup> and Runyon Kersteen Ouellette will be presenting the final 2016 audited financial statements at the Board's annual meeting in April.

At 19:35 Munson moved to accept the financial statements from January, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The District owns a 40 acre gravel pit located on the Sanford Road in Augusta. The gravel pit is property that the Augusta Sanitary District foreclosed on before the districts merged together. The area was harvested for stumpage

some years ago. The material there is very sandy. The gravel pit no longer fits into the District's business model and has become a nuisance for the District employees. It is more cost effective to buy the material than extract it from the pit. The District's mineral extraction license will need to be renewed this year. Tarbuck asked the Board for guidance to put this property up for sale. Tarbuck would like to sell to someone who plans to extract gravel from the site so there would be no reclamation expense. Tarbuck will email the last appraisal to the Trustees. The Board is uncomfortable voting to sell the gravel pit based solely on the information presented. The Board would like to review the last appraisal and have an estimated cost to keep the gravel pit.

At 19:40 Bustin moved to table the vote to sell the District's gravel pit on Sanford Road in Augusta. The motion was seconded by Paradis. The vote to approve the motion was unanimous.

A list of liens, with a foreclosure date of April 9, 2017 was discussed. Trustees discussed a couple of properties on the list and also discussed the District's policy #22, Property foreclosure. It was pointed out to the Trustees that if the property had a mortgage holder it would be in the District's best interest to not waive the foreclosure. Most mortgage companies will pay the lien to avoid terminating their redemption rights. It was suggested that District employees check out the top two properties on the list for tax liens and to also do a "drive-by" to check the condition of the properties. Trustees would also like to see all liens connected to the properties not just the one approaching foreclosure. There was some discussion as to whether liens are public information or if liens should be discussed in executive sessions. Hebert stated that there is no provision that would allow us to discuss liens in executive session. The District will waive foreclosure on all properties that the office had suggested in the waived column. The other two properties will be brought back to the board after further research. Charlotte Warren asked the Board to review policy #22, Property foreclosure.

At 20:11 relative to the lien list presented with a foreclosure date of April 9, 2017, Bustin moved to grant a waiver on sewer liens, line items 3,4,5,6 and water lien line 8. The motion was seconded by Corey. The vote to approve the motion was unanimous.

At 20:13 Munson moved to approve the Trunkline 3 loan application to the Maine Municipal Bond Bank as described as Motion in the Board information presented this evening. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

At 20:14 Corey moved to enter executive session pursuant to MRS Title 1 Section 405 6 C to discuss the acquisition of property. The motion was seconded by Sawyer. The vote to approve the motion was unanimous. Trustees exited Executive Session at 20:24.

At 20:26 Corey moved to grant the General Manager the right to work with the land agent on the property discussed within the range discussed with the General Manager reporting back to the board before the final decision. The motion was seconded by Bustin. The vote to approve the motion was unanimous.

At 20:27 Bustin moved to adjourn the meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Monday, March 20, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Bob Corey, Kirsten Hebert, Cecil Munson, Pat Paradis, Bradley Sawyer, David Rollins and Charlotte Warren

Trustees absent: Dave Bustin

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guest: Dan Wells from the Winthrop Utilities District, Meredith Strang-Burgess from Burgess Advertising and Marketing, Marc Frenette from Trafton, Matzen, Belleau & Frenette and Andrew Sparks from Drummond & Drummond

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight stated that there were no new agenda items. The meeting started with a public hearing on the proposed stormwater rate increase. Knight stated that for the average Augusta resident the proposed stormwater rate increase would be \$1.15 a month. Knight explained that the Trustees would not vote on the proposed stormwater rate increase at the hearing. The hearing will consist of listening to public comments and asking clarifying questions. Trustees will discuss the proposed stormwater rate increase at the next meeting.

Brian Tarbuck, the District's General Manager, gave a presentation on what stormwater is and why the District is proposing a rate increase. Tarbuck explained that stormwater is runoff from rain water and melting snow that flows into ditches or catch basins and eventually makes its way to our streams, rivers or wastewater plant. The EPA has classified stormwater as a pollutant because it contains elements harmful to the environment such as motor oil, road salt and animal waste. The District's stormwater expenses include cleaning catch basins and pipes, maintaining rights-of-way, engineering and analysis to properly locate and replace old pipes and its fair share of the District's overhead expenses. Any stormwater collected that has been combined with wastewater needs to comply with EPA regulations. All aforementioned costs have risen since the last rate increase in 2011. The District is proposing a 15% rate increase to keep the stormwater cash flow from going below zero. All Augusta residents who pay a sewer bill also pay a stormwater bill. The stormwater portion of the invoice is currently \$7.55 a month. With the proposed increase the stormwater portion of the bill will be \$8.68, an increase of \$1.13 a month or \$13.56 a year. Residential customers represent the majority of the customer base but not the majority of our funding. The District's commercial customers will also see a 15% increase to their stormwater bills. Businesses, the City of Augusta and the State of Maine will see the same \$1.13 per ERU (equivalent residential unit) increase in their rates. However, they have a lot more ERU's than the average residential customer. Catch basin rates will also increase 15%, rising from \$46.27 to \$53.21, or \$6.94 a month. The District's rates are set by the Board of Trustees which is made up of nine appointees from Hallowell and Augusta.

Chairman Knight asked for public comments. Six people addressed the board. Issues included water quality, amounts charged for all services, quality of information received from the office, fluoride and other chemicals added to the drinking water supply, cost of fluoridation, the effect increasing rates would have on property taxes, oversight and regulations.

Chairman Knight ask if anyone else would like to speak. Hearing none, Knight closed the public hearing at 19:15.

Knight introduced the next public hearing on the agenda. The public hearing concerned a piece of property in Manchester that the District was in the process of taking by eminent domain on behalf of the Trunkilne group. For the last two years employees of the District have been concerned with unsafe working conditions while working on District equipment located on the property in question. The District had exhausted every other means to rectify the situation

before using eminent domain. Marc Frenette, an attorney representing the Trunkline and the District spoke first then Knight opened the floor for public comments.

Mr. Frenette explained that the process of eminent domain includes notice of a public hearing and allowing for the opportunity of public comment. After hearing the public comment the Board would then decide whether it would be advisable to take the property by eminent domain and is so, at what price to award compensation. Knight opened the floor to public comment.

Andrew Sparks, an attorney from Drummond & Drummond, represented the property owner, the Gustafson Trust. Mr. Sparks stated his client's objections to the process.

Mr. Frenette addressed Mr. Spark's objections.

The Trustees discussed past easement practices and operating procedures. Paradis asked if the board was required to vote on the eminent domain this evening or if holding off on voting would jeopardize what had already been done. Mr. Frenette stated that the public hearing portion of the meeting can be closed and the Trustees can deliberate and decide to hold off on a decision until the next meeting in hopes that the issue would be resolved before then.

Chairman Knight ask if anyone else would like to speak. Knight closed the public hearing at 19:58.

Knight explained to the trustees that there is a motion on the agenda to approve the taking of the property in Manchester by eminent domain. Knight asked Frenette whether changing the language in the easement now would require restarting the eminent domain process. Mr. Frenette explained that the motion could be made, seconded, discussed and then amended or the motion could be tabled until the next meeting to see if the two parties could address the concerns with the logistics and the language of the easement.

Knight asked General Manager Tarbuck and Superintendent Wells from the Winthrop Utilities District their thoughts as they both are members of the Trunkline. Tarbuck stated that the subsidiary boards of the Trunkline have all voted to move forward with the eminent domain. Knight and Wells worried that this would put the District's employees in an unsafe environment for another month. If anything was to happen the board could be legally responsible. Corey stated that if only the wording of the easement was going to be changed the Board should be able to appoint a representative to approve language changes and finalize the easement before the next meeting. Hebert asked if there was an opportunity to enter executive session to speak with the attorney about the wording of the amendment.

At 20:05 Hebert moved to enter executive session for the purpose of speaking with the attorney as per Title 1, Section 405 6 E. The motion was seconded by Sawyer. The vote to approve the motion was unanimous. Trustees exited Executive Session at 20:26.

Knight stated that the Board is very pleased that finally Mrs. Gustafson has come to the table and wants to negotiate with us. It has been two years that the District has been trying to get this to happen and are please it is finally happening tonight. The board consulted with its attorney on changing the language in the easement and has decided to give Mrs. Gustafson two weeks to review. The Board scheduled a meeting for 5 PM on April 3<sup>rd</sup>, at the wastewater treatment plant located at 33 Jackson Avenue to resolve this matter.

At 20:27 Corey moved to table the eminent domain hearing proceedings from tonight until 5 PM, on April 3<sup>rd</sup> at 33 Jackson Avenue in Augusta at the Wastewater Treatment Facility. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Knight asked for public comments before moving on to the regular board meeting. There were no public comments.

At 20:29 Munson moved to accept the Board minutes for February 27, 2017 and March 7, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Kirsten Hebert updated the group on the Central Maine Regional Water Council. Last Wednesday the Legislature's Energy Utility & Technology Committee heard the bill that sought to remove the restrictions of membership for the water council. Several representatives spoke in favor of the bill. Hebert noted that the EUT Committee appeared to have some initial concerns as to what we were attempting to do in that it appeared that they were unfamiliar with regional water councils. Hebert expected there to be some amendment to the bill as originally printed. Hebert asked for representatives from the District to go to the Legislature to help her answer any questions. Knight informed the board that LD422 would be heard on Wednesday and district representation at that hearing would be very helpful.

A notice has been sent to the Stormwater Committee members for a tentative meeting date. New members include Trustee Munson, Roger Pomerleau and Jan Patterson from the State of Maine.

Andy Begin updated the Trustees on the 2017 Capital Improvement Projects. There is some spring cleanup of 2016 projects to be done. The Northern Avenue project will restart soon. The District plans to adjust structures and have Ted Berry Company reline a 36" stormwater pipe on Northern Avenue. Alignment options are being evaluated for the Kennebec River siphon. Alderwood water main installation is scheduled for late April. Design for the Greenleaf, Gannett and Morse sewer and storm upgrades is about 90% complete. Unsure if the Commercial Street water main project will get off the ground this year. The North Belfast watermain replacement should be out to bid in early April. The Cony Street zone reconfiguration should be an in-house project. Several sewer services on Brookside need to be replaced this summer. The Jefferson Street relining project and the Lambard Court sewer replacement is still in the planning phase. Oak Street sewer replacement is in the design phase. Stormwater projects for Westwood, Phillips, Sherbrook, Carlisle and Union Street are going to bid as a package.

Financial reports from February, 2016 were presented. This is the first month that sewer and storm are being presented as separate divisions. Revenues and expenses in all division are tracking close to budgeted estimates. Cash balances in the water and storm divisions are tracking higher than the same time period last year, while cash in the sewer division is slightly lower than the same period last year. Cash flows have been extended to show the estimated cash balances for the whole year. The sewer and stormwater cash flows show that both divisions will have a negative cash flow towards the end of 2017. Kenney stated that she is not worried about the negative balances due to ten months of data being estimated.

At 20:51 Corey moved to accept the financial statements from February, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Two properties from the previous meeting that have a foreclosure date of April 9, 2017 were presented to the Board to decide whether or not to waive the foreclosure. The first property located at 33 Townsend Road is being taken off the list due to a call from the mortgage company stating that they would soon pay the balance in full. Trustees were given more information on the property located a 29 Boothby Street. This property was for sale in 2007 for \$215,000. The City of Augusta has categorized the structure as unfit for occupancy. The heating system was condemned by the oil company. There is a tax lien on the property. Kenney suggested that the foreclosure be waived due to the City's lien being in first position. Trustees discussed the property and the District's policy. Hebert suggested that the District explore the possibility of an interlocal agreement with the City of Augusta so the community could work together when both entities are placing liens on the same property. Corey discussed the lien process and stated that the District needs to be able to process stormwater payments differently than the current regulations allow. Corey requested that Kenny walk the Trustees through the lien process at the next meeting. Corey also suggest that we have a policy for the foreclosure procedure. Hebert stated that she has spoken with the PUC about stormwater being a non-basic utility service. The PUC suggested that the District change its charter in regards to stormwater liens.

At 21:01 Corey moved to change the District's charter to allow the stormwater payments to be applied separately and give the District the right to demand payment. The motion was seconded by Paradis. The vote to approve the motion was unanimous.

At 21:03 Munson moved to waive automatic foreclosure for 33 Townsend Road and 29 Boothby Street. The motion was seconded by Paradis. The vote to approve the motion was unanimous.

Kenney informed the Board that the ninety day lien documents for the Arsenal property were mailed on March 10<sup>th</sup>. The thirty day lien documents will be mailed in the beginning of May.

Knight would like someone to keep a "to-do list" all the things the Board wants done and/or has made a motion on.

At 21:06 Hebert moved to authorize General Manager Tarbuck to develop an interlocal agreement with the City of Augusta as it relates to tax, water, sewer and storm liens. The motion was seconded by Corey. The vote to approve the motion was unanimous.

At 21:07 Corey moved to adjourn the meeting. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Monday, April 24, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Dave Bustin, Bob Corey, Kirsten Hebert, Cecil Munson, Pat Paradis, and Bradley Sawyer

Trustees absent: David Rollins and Charlotte Warren

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Hank Farrah from Runyon Kersteen Ouellette

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were any additions to the agenda. There were no new items.

Knight asked for public comments. There were no public comments.

Hank Farrah from Runyon Kersteen Ouellette presented the District's 2016 audited financial statements. The District received an unmodified opinion and showed no material weaknesses related to internal controls. In 2016 cash and cash equivalents increased as operating revenues outpaced operating expenses and purchases of capital assets were down from 2015. Accounts receivable declined due to the new monthly billing cycle. Accounts payable increased while deferred credits declined. Net pension liability increased largely due to declines in projected earnings of investments held by the plan. Capital assets decreased as depreciation outpaced new acquisitions. No new debt was incurred in 2016 and all debt service payments were made in full and on time. Operating income exceeded operating expenses in 2016. Operating income decreased from 2015 while operating expenses increased.

At 18:16 Corey moved to accept the audited financial statements for calendar year 2016 as presented today by Runyon, Kersteen and Ouellette. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

A stormwater rate increase of 15% was presented at the public hearing held at the last Board meeting. Trustees heard from several customers including the City of Augusta. At the hearing the City of Augusta asked if their rate increase could be implemented in several steps. In the last couple of weeks the District has reanalyzed and cut projects from its approved budget to be able to function with a reduced stormwater rate increase of 10%. The reduced increase would significantly reduce cash reserves and funding for 2018 capital improvement projects. Trustees discussed the 2011 rate increase, the need for yearly rate analysis and adjustments and the ratio used to expense combined sewer and stormwater costs. Knight mentioned that the stormwater committee will be discussing / adjusting the ratios used to expense cost between sewer and stormwater. Before voting on the rate increase there will be a joint meeting with the Augusta City Council to discuss any lingering issues. To implement the rate increase for the July billing a vote will need to be held on or before the June meeting. Corey reminded everyone that when the District began putting the 2017 budget together which included \$260K of stormwater needs requested by the City of Augusta, a 20% stormwater rate increase was suggested. After considerable analysis a 15% increase was presented at the public hearing. The District has further reduced costs by not filling recent employment vacancies and delaying some capital improvement projects to be able to meet its financial obligations with a 10% rate increase. Trustees stated that even though a 15% increase would better benefit the District they would support a reduced increase of 10% with the knowledge that there would most likely be another increase in 2018.

At 18:57 Bustin moved to place the issue of the increase in stormwater on the agenda for the May 15<sup>th</sup> meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Knight informed the Board that District's Charter and Bylaw's require that officers be elected annually.

At 19:01 Corey moved to elect the following people to the following offices in accordance with the Charter and the District's bylaws.

Chair: Ken Knight  
Treasurer: Bob Corey  
Clerk: Dave Bustin

The motion was seconded by Hebert. The vote to approve the motion was unanimous.

At 19:02 Corey moved to elect Brian Tarbuck, General Manager for the office of Assistant Treasurer for 2017. The motion was seconded by Bustin. The vote to approve the motion was unanimous.

Corey asked to amend the minutes of March 20, 2017. When introducing the public hearing on eminent domain the minutes currently state "For the last year employees of the District have been concerned". Corey would like it to read "For the last two years".

At 19:03 Paradis moved to accept the amended Board minutes for March 20, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Hebert updated the group on the Central Maine Regional Water Council. The bill has been amended to include membership of Water Utilities, Wastewater Utilities and Stormwater Utilities. Hebert thanked everyone for all the help on getting the bill passed.

The Stormwater Committee will meet on May 15<sup>th</sup> at 9am at the Wastewater Treatment Facility located at 33 Jackson Avenue in Augusta. To assist, the District has hired a facilitator, Frank O'Hara, to lead the group discussions.

Andy Begin updated the Trustees on the 2017 Capital Improvement Projects. The Alderwood Drive water main loop project has started. The Trunkline 3 Manchester 202 pump station replacement is scheduled to start on the 15<sup>th</sup> of May. The City of Augusta has started road work on Townsend Road. The District has lowered all the structures on Townsend and will need to raise them back up at the end of the project. The alignment options for the Eastside Sewer Siphon are still being researched and discussed. Design for the Greenlief, Gannett and Morse sewer and storm upgrades is about complete and will be put out to bid soon. The North Belfast water main replacement bid opening is scheduled for May 3<sup>rd</sup>. All other 2017 budgeted projects are still in the planning and design phase. Stormwater projects for Westwood, Phillips, Sherbrook, Carlisle and Union Street are going to bid as a package. The District is holding off on bidding these projects until there has been a vote on the Stormwater rate increase.

Progress has been made on the land acquisition but due to time constraints will be discussed at the May meeting. This may need to be discussed in executive session.

The eminent domain proceedings on the property in Manchester have been canceled. An agreement on the easement has been negotiated and will be filed at Registry.

Policy 18, Allocation of Sewer and Stormwater Expenses was reviewed. Policy 18 was created in 2011 to consistently allocate sewer and stormwater costs. Knight tasked the stormwater committee to add a review of those cost allocations to their agenda. Tarbuck explained how the allocation factor for each cost center and each debt funded capital improvement project was calculated. The Board reviewed cost allocation factors for the infrastructure that carries the flow to the plant. Revenue from stormwater is not allocated based on flow. Sewer revenue is based on water meter readings. Stormwater revenue is a flat rate based on impervious area or the number of catch basins located on a parcel. It was suggested that the recommendations from the stormwater committee concerning cost allocations be looked at by

an independent third party. The Trustees discussed the many challenges stormwater presents. Policy 18 and Policy 21 appeared to be identical. The District will recommend to the Board which policy should be deleted.

Financial reports from March, 2017 were presented. Revenues in all three division are tracking close to budgeted estimates while expenses are slightly below budget. Cash balances in the water and storm divisions are tracking higher than the same time period last year, while cash in the sewer division is slightly lower than the same period last year. The stormwater cash flow shows a negative cash flow towards the end of 2017. However the revised capital improvement project budget discussed earlier in the meeting will bring the estimated cash balance up to an acceptable level for all of 2017.

At 19:54 Paradis moved to accept the financial statements from March, 2017. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Three properties with a foreclosure date of July 7, 2017 were considered by the Board for waivers of automatic foreclosure. The first property located at 116 Northern Avenue has a PUC enacted payment arrangement and therefore is being recommended for a waiver. The second property located at 11 State Street is on the City of Augusta's demolition list. The recommendation is to waive the foreclosure but keep the lien in case the lot gets liquidated in the future. The third property is located at 6 Third Avenue. The mortgage holder listed on the registry is no longer in business and all mail addressed to the owner has been returned. The District recommended waving automatic foreclosure due to the small balance owed. There are also five tax acquired properties that the District will write off the collective balance of \$2,165 but will keep any liens against the properties.

At 20:04 Corey moved to waive automatic foreclosures at 116 Northern Avenue, 11 State Street and 6 Third Avenue, all located in the city of Augusta. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Kenney informed the Board that full payment was received on 33 Townsend Road. The District currently has 166 liens covering 82 customers. Liens total \$88,042 with \$53,187.18 of that being the Arsenal property and another \$4,252 filed in bankruptcy. This leaves a net lien figure of \$30,602. Lien amounts by division: 7% water, 30% sewer and 63% storm. The owners of the Arsenal were resent lien certificates on March 10<sup>th</sup>. A notice of impending automatic foreclosure will be sent on May 10<sup>th</sup>. If no payment is received the District will own the property.

The District is currently working on a foreclosure policy to be voted on at the June meeting.

The lien policy discussion was tabled until all Trustees are present.

Kenney suggested that the District adopt a policy to put a mechanism in place to account for a negative cash flow in any one of the three divisions. In most instances the negative cash balance would be due to a payment timing issue and would be corrected within the fiscal year. Kenney suggested that negative cash balances due to timing be corrected by a temporary loan from one division to another. A due to / due from entry or an accounts receivable and an accounts payable entry should be used. If the negative cash balance is due to something other than timing a line of credit or a rate increase would be needed. Kenney will draft a policy that includes limitations on time and amounts.

A date for a joint meeting with the city council will be set for the near future.

At 20:16 Bustin moved to adjourn the meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Monday, May 15, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Dave Bustin, Bob Corey, Kirsten Hebert, Cecil Munson, Pat Paradis, Bradley Sawyer and Charlotte Warren

Trustees absent: David Rollins

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Al Godfrey Jr. from Terra Magna Services Inc (TMSI) and Alan Burton, Human Resources Consultant

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were any additions to the agenda. There were no new items.

Knight asked for public comments. There were no public comments.

At 18:02 Munson moved to accept the Board minutes for April 24, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Alan Burton discussed the process used to review the General Manager. The General Manager's job description is being updated. Alan will personally meet with Trustees, staff that directly report to the General Manager and other municipal employees to verbally review the General Manager's performance. Alan will summarize all the data collected and report back to the Board. The current three year contract expires in April, 2018.

Hebert updated the group on the Central Maine Regional Water Council (CMRWC). The bill to remove restrictions on the membership of Regional Water Councils has been signed by the Governor and is now public law. The CMRWC will meet this month to discuss incorporation documents. The CMRWC needs an employee identification number (EIN). The CMRWC can either use one of its officer's social security numbers or the District's EIN.

At 6:10 Corey moved to authorize Kirsten, as a representative of the District, to use the District's EIN to set up the Central Maine Regional Water Council. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The Stormwater Committee held its first meeting with Frank O'Hara facilitating. Members from the District, the City of Augusta, the State of Maine and a private developer were in attendance. The committee's short and long term goals were discussed.

A stormwater rate increase of 15% was presented at the public hearing held in March. At its last meeting, Trustees stated that though a 15% increase would better benefit the District they would support a reduced increase of 10% with the knowledge that there would most likely be another increase in 2018. Tarbuck and Kenney both stated that the District could function with a 10% stormwater rate increase.

At 18:16 Corey moved to accept the amendment to the 2017 budget which reflects a 10% increase to stormwater rates effective July 1, 2017. The motion was seconded by Munson. The vote to approve the motion was unanimous.

At 18:17 pursuant to MRS Title 1 Section 405 6 C, Corey moved to enter executive session to discuss the acquisition of property with Al Godfrey from TMSI. The motion was seconded by Hebert. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:45.

At 18:46 Paradis moved to approve the acquisition of land. Corey expanded the motion to read, certain parcels of land together with the improvements thereon, if any, located in the City of Augusta, County of Kennebec, State of Maine, being all land described in a deed from Judith J. Stackpole, Personal Representative of the Estate of Eleanor Gove Stackpole, to Judith J. Stackpole and Joan B. Oakes, recorded in the Kennebec County Registry of Deeds in Book 11325 Page 211, currently identified as Lots 3A, 5 and 6 on City of Augusta Tax Map 31 and Lots 30 and 30A on City of Augusta Tax Map 32. The above described property contains approximately 7.15 acres. The motion was seconded by Munson. The vote to approve the motion was unanimous.

Andy Begin updated the Trustees on the 2017 Capital Improvement Projects. The Alderwood Drive water main loop is nearing completion. The Trunkline 3 Manchester 202 pump station replacement project has been pushed back three weeks to start on June 5<sup>th</sup>. The City of Augusta Northern Avenue/Townsend Road project is almost ready for the District to do final structure adjustments before final paving begins. Conceptual design has been received for the Eastside Sewer Siphon. This project maybe more expensive than first thought. Pratt & Sons was the low bidder for the Greenlief, Gannett and Morse sewer and storm upgrades. Commercial Street is still in the planning stages. The North Belfast Avenue water main bid came in \$40K below budget. The next bid opening will be for Jefferson, Brookside and Westwood. The Oak Street sewer replacement project is in the planning and design phase. Seven different pieces of equipment are being pilot tested for sludge dewatering. Preliminary design for the CSO phase 4 sewer improvements is underway. Trustees discussed road opening fees and the CSO phase 4 schedule and finances.

Tom Niemann from Niemann Capital paid all the past due balances on the Arsenal Property. The District will waive automatic foreclosure. Between the Arsenal property and the property on the Townsend Road the District has recently collected \$74K in past due amounts. Corey suggested that those funds be set aside specifically for the purchase of the Stackpole property. Everyone nodded agreement and no motion was necessary.

Policy 18, Allocation of Sewer and Storm-water Expenses is identical to policy 21. Management suggest the removal of policy 21. Trustees agreed to remove policy 21.

Financial reports from April, 2017 were presented. Revenues in all three divisions are tracking close to budgeted estimates while expenses are slightly below budget. Cash balances in the water and storm divisions are tracking higher than the same time period last year, while cash in the sewer division is slightly lower than the same period last year. All divisions are expected to stay above the minimum cash balances set by the Board.

At 19:30 Bustin moved to accept the financial statements from April, 2017. The motion was seconded by Corey. The vote to approve the motion was unanimous.

There are no current liens for the Board to consider for waivers of automatic foreclosure. Kenney reviewed the state statute for notice and demand for payment, lien certificates and notice of impending automatic foreclosure. The District also sends an account status warning letter before sending the notice and demand for payment. Kenney stated that all liens follow the same procedure but determinations to foreclose on a specific property should be analyzed on a case by case basis.

Knight nominated Paradis to be a member of the charter committee.

The joint meeting with the City of Augusta has been moved to September.

At 19:42 Bustin moved to adjourn the meeting. The motion was seconded by Munson. The vote to approve the motion was unanimous.

Monday, June 19, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Dave Bustin, Bob Corey, Kirsten Hebert, Cecil Munson, Pat Paradis and David Rollins

Trustees absent: Bradley Sawyer and Charlotte Warren

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: John True and Michael Riley, Maine Department of Environmental Protection and Alan Burton, Human Resources Consultant

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were any additions to the agenda. There were no new items.

Knight asked for public comments. There were no public comments.

John True, Engineering Services Manager from the Maine Department of Environmental Protection Agency (DEP) reviewed the District's Combined Sewer Overflow (CSO) abatement schedule. The District's original Long Term Control Plan (LTCP) was established in 1993 with a completion date of 2009. John reviewed dates of completed projects, updated LTCP's and the current completion date of 2021. Michael Riley, CSO Coordinator from DEP reviewed the District's progress and how the District compares with other CSO communities. Out of thirty communities the District has the 3<sup>rd</sup> largest collection system, ranks 7<sup>th</sup> highest for number of gallons discharged, 2<sup>nd</sup> highest for total CSO expenditures, 9<sup>th</sup> for CSO expenditure per capita, 14<sup>th</sup> in the reduction of CSO locations, 19<sup>th</sup> in the reduction of CSO events and ranks 11<sup>th</sup> in catch basin removal. In summary, the District has a large system that covers a lot of area with small population to pay for abatement and maintenance. After the completion of Phase IV the most significant projects in the District's LTCP will be completed.

Knight discussed the Stormwater Committee functions and its members. The Stormwater Committee was formed to review the stormwater extension policy. Subsequent conversations have brought the District's legislative charter and other questions into play. Knight would like to merge the Charter Committee and the Stormwater Committee. Frank O'Hara, the facilitator hired by the District to moderate the Stormwater Committee meetings, has proposed a schedule of topics for the next six meetings. Some of these topics have to do with the formula for distributing stormwater and sewer costs. Knight suggested that a Hallowell Trustee should be present for these meetings. Trustees were concerned that there are community members on the Stormwater Committee that should not be part of the Charter changes. Munson is already a member of both committees and Bustin will attend the Stormwater Committee meeting to represent Hallowell interest. Both committees will make recommendations to the Board be making any final decisions.

At 19:11 Munson moved to accept the Board meeting minutes for May 15, 2017. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Hebert updated the group on the Central Maine Regional Water Council (CMRWC). Members met and reviewed the proposed by-laws, conflict of interest policy, articles of incorporation as well as the narrative for the IRS 1024 application. All paper work should be ready for Trustee review by the next meeting.

Andy Begin updated the Trustees on the 2017 Capital Improvement Projects. The Alderwood Drive water main loop and the Northern Avenue project are now in the cleanup phase. The Trunkline 3 Winthrop 202 pump station replacement project has been underway for two weeks. Permits for the Eastside Sewer Siphon are being discussed. Pratt & Sons has

started construction on the Greenleaf, Gannett and Morse sewer and storm upgrades. Commercial Street is on hold until the City of Augusta decides what they want to do on Commercial Street and when they want to do it. The North Belfast Avenue water main replacement project started at Bangor Street and is 30% complete. Cony Street zone reconfiguration will consist of removing check valves and installing flow meters. This will be done with in-house labor. The low bidder on the Jefferson, Brookside and Westwood Sewer project is St. Laurent. The bid was a little higher than expected and may move the Oak Street sewer replacement project to next year. The District has finished pilot testing three of the seven different sludge dewatering systems.

Financial reports from May, 2017 were presented. Revenue in the water division was slightly above budget while expenses were 7% below budget. Sewer revenues were slightly below budget and expenses were 7% below budget. Stormwater revenue was slightly under budget and expenses were 11% under budget. Loan proceeds of \$1.6M were received for the Trunkline 3 rehabilitation project. Construction season has just started and expenses will start aligning more closely with the budget. All divisions are expected to stay above the minimum cash balances set by the Board. The 10% stormwater rate increase will be effective on the July invoices. Bustin inquired as to why none of the District's funds were being invested. Kenney explained that the type of bank account used has changed and the District is earning more interest than previously. By looking at the cash flow, no one division has enough funds or time to purchase short term investments before debt service is due.

At 19:32 Corey moved to accept the financial statements from May, 2017. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

There are no liens due for notice of automatic foreclosure. There are 126 liens on the books for a total lien amount of \$30,667. Thirty percent of the lien total is on one account. The District will follow the same procedure used for the Arsenal liens to try to collect on the account.

A short term inter-fund borrowing policy was presented to the Board. The policy states that one division may borrow funds from another division with the understanding that all loans will be paid before the fiscal year end and loans will not exceed more than one month of the division's estimated revenue without prior Board approval.

At 19:36 Bustin moved to accept the short term fund borrowing policy. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Trustees reviewed a letter addressed to Senator King, Collins and Pingree asking them to remember that drinking water and wastewater are critical infrastructure elements and resources to help fund the ongoing cost of operating and maintaining public health infrastructure is needed. Trustees had no comments on the contents of the letter but would like it to also be sent to Poliquin.

Tarbuck presented a proposed borrowing plan to pay for a new stormwater tank, station improvements, relining of pipes and a new sewer siphon under the Kennebec River. Altogether this should cost the District approximately \$4M. If the projects can be completed for less than the \$4M, the extra funds will be used to reline the sewer and stormwater systems or complete other small, remote combined sewer overflow (CSO) projects. Applications for loan funds are due at the DEP on or before June 23<sup>rd</sup>. DEP will let all applicants know if any principal forgiveness will be offered on July 14<sup>th</sup>. The plan has always been to wait until annual debt service payments of \$577K retire in 2021 but due to future rising cost of construction and interest it would be in the District's best interest to borrow the funds now. The District is considering two options for the repayment of the loan. The first would be to make smaller principal payments until the 2021 loan retires. The second option would be for the sewer division to pay more of its portion up front and the stormwater division to start paying its portion in 2022. The allocation of cost will stay the same but the timing of payments will change.

At 19:55 Bustin moved to adjourn the meeting. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Monday, July 17, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Dave Bustin, Bob Corey, Kirsten Hebert, Cecil Munson, Pat Paradis and Bradley Sawyer

Trustees absent: David Rollins and Charlotte Warren

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Alan Burton, Human Resources Consultant

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were any additions to the agenda. Tarbuck added a status update on the Board of Trustees 2017 goals.

Knight asked for public comments. Knight introduced Mr. Richard Raynes and stated that on June 8<sup>th</sup> some manhole/catch basin covers/grates were stolen from the District's 170 Hospital Street location and dropped in the road. Mr. Raynes then ran over the covers and sustained \$515 worth of damage to his vehicle. Mr. Raynes' insurance deductible is \$500 so his insurance will not be covering the cost of the damages. Mr. Raynes asked the District to cover the cost of damages done to his vehicle. Mr. Raynes had previously spoken with Kenney who stated that the District was not liable for damage done by stolen property. Mr. Raynes also stated that the District's property was stored in an unsecured location. The Trustees discussed the situation and decided that they would like to ask the District's insurance company if they could help out Mr. Raynes on a no-precedent basis. Trustees will continue this discussion at the next scheduled meeting and inform Mr. Raynes of their decision.

At 18:19 Munson moved to accept the Board meeting minutes for June 19, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Hebert updated the group on the Central Maine Regional Water Council (CMRWC). Copies of the amended by-laws and articles of incorporation, which include new legislation on membership, were handed out. The limitation of the CMRWC's ability to spend more than two hundred dollars is not included in the by-laws. Legal counsel has recommended that the limitation be included in a resolution which is easier to amend than by-laws. The by-laws stated that this limitation will be reviewed annually. Internal Revenue Service documents are still being reviewed and will be presented to the Trustees before filing.

The Stormwater Committee met on June 20<sup>th</sup>. Mike Riley, from the Maine Department of Environmental Protection, gave a presentation on the District's CSO past and future plans and where the District stands in relation to other Maine communities relative to CSO compliance and activities. The committee's agenda for the next meeting will review the District's capital improvement and cash flow estimates for the next three to five years.

Charter committee members are Hebert, Bustin and Paradis. Paradis has taken Munson's place. There are no updates.

Andy Begin updated the Trustees on the 2017 Capital Improvement Projects. The Trunkline 3 Winthrop 202 pump station replacement project is progressing nicely. Concrete work is complete and the control building should be erected before our next meeting. Rock core sampling has been done on both sides of the Kennebec for the Eastside Sewer Siphon Project. The next step is permitting which could take up to nine months. Greenleaf, Gannett and Morse utility work is approximately 50% complete. The design for Commercial Street will be done this fall. The North Belfast Avenue water main has been installed. It will take another two months to tie in all the services. Cony Street drinking water zone reconfiguration will be an in-house project scheduled for this fall. Jefferson, Brookside and Westwood Sewer is expected to start this week. Lambard Court sewer replacement is in the planning phase. Oak Street sewer replacement is in the design phase with construction most likely to be next year. The District is still pilot testing sludge dewatering systems. CSO Phase IV is in preliminary design. The water system master plan is 65% complete and the GIS update

project is 25% complete. The programmable logic controller at the Wastewater Treatment Plant is being upgraded. The first phase of this project will be done in 2017 and the second phase in 2018. Bids for the five stormwater projects are due this week.

At 18:40 Corey moved to enter Executive session to review the General Manager's performance pursuant to MRSA Title 1, Section 405 6A. The motion was seconded by Sawyer. The vote to approve the motion was unanimous. Trustees exited Executive Session at 19:35.

Financial reports from June, 2017 were presented. Revenue in the drinking water division is on budget while expenses were 8% below budget. Sewer revenues were also on budget and expenses were 7% below budget. Stormwater revenue was slightly over budget and expenses were 11% under budget. Expenses are expected to catch up with the budget once construction season invoices start being received. Cash in all divisions is estimated to stay above the minimum cash balances set by the Board if current spending forecasts do not increase.

At 19:40 Corey moved to accept the financial statements from June, 2017. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

The Board reviewed existing liens. Management recommends waiving automatic foreclosure on ten properties that could be foreclosed upon.

At 19:43 Munson moved to waive automatic foreclosure on all ten properties. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The General Manager's Report included the 10% increase in stormwater rates that went into effective on July 1st. In June the District's monthly invoices to customers got a new look and were distributed by a new vendor. The District's water laboratory manager, June Mooney, retired after 28 years of service. Alan Burton has put together some options to rescale the District's pay bands to match the US Government's system. Pay bands will be discussed more in the future. The 2018 budget process has started. The District will be meeting city engineers to go over their 2018 capital improvements which will keep us on track for the fall planning session.

At 19:50 Bustin moved to adjourn the meeting. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Monday, August 21, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Bob Corey, Cecil Munson, Bradley Sawyer and Charlotte Warren

Trustees absent: Dave Bustin, Kirsten Hebert, Pat Paradis, and David Rollins

Attendees: Brian Tarbuck, Andy Begin, Sherry Kenney and Tim Wade

Guests: Mike Hodgins, legal counsel from Bernstein Shur Sawyer and Nelson, Al Godfrey Jr. from Terra Magna Services Inc. (TMSI) and Alan Burton, Human Resources Consultant; Richard Raynes

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were any additions to the agenda. Tarbuck added Al Godfrey with Stackpole property issues.

Knight asked for public comments. There were no public comments.

At the July meeting Mr. Raynes presented a request for reimbursement for expenses incurred after he struck stolen District property on Hospital Street. The board had asked management to speak with the District's insurance company to see if Mr. Raynes could be reimbursed without establishing a precedent. After speaking with the District's attorney and insurance company Tarbuck drafted a Settlement Agreement and Release. This document would enable the District to reimburse Mr. Raynes without setting a precedent for future incidents and would release the District from any and all past, present or future claims which may have resulted from this incident. Corey asked the District's attorney, Mike Hodgins, if the District was liable in any way for this incident or for not having its property secured by lock and key. Hodgins replies that the District was not legally liable. Corey also questioned some language in the document. Hodgins replied that it was standard release language. Knight stated that he felt comfortable that reimbursing Mr. Raynes would not set a precedent and asked if any of the trustee's wanted to make a motion. No motion was made. Knight stated that there would be no settlement and the matter was closed.

At 18:08 Corey moved to accept the Board meeting minutes for July 17, 2017. The motion was seconded by Sawyer. Corey asked for the phrase "where stolen" in the first paragraph to read "were stolen". The vote to approve the motion was unanimous.

As Hebert was absent the Central Maine Water Council (CMWC) update was tabled until the next meeting.

The Stormwater Committee met on August 15<sup>th</sup>. David Jones, Director of Public Works for the City of Lewiston, gave a presentation on the City of Lewiston's stormwater utility. Lewiston created a stormwater utility so they could develop a structure to charge for stormwater independent of Lewiston's property taxes or general fund. Lewiston charges its stormwater fees based on impervious surface. GAUD bases its stormwater fees on both impervious surface and catch basins. The committee will research whether the District is assessing and charging storm water fees appropriately.

Andy Begin presented an update on the 2017 Capital Improvement Projects. The control building, valve vault, wetwells and pumps are in place at the Trunkline 3 Winthrop 202 pump station replacement project. VFDs and electrical wiring should be installed in the next two weeks. Begin met with a contractor to discuss entry and exit pit strategies for the Kennebec River Sewer Siphon Project. This is the last information needed to start the permitting process. Divers will inspect the existing siphon lines beneath the Kennebec. Greenlief, Gannett and Morse utility work is approximately 95% complete. All pipes are in and the road base has been laid. Commercial Street is still in the design phase for completion in 2018. Trenches on North Belfast Avenue are starting to be paved. Final paving should happen in the next few weeks. While working on the Cony Street drinking water zone reconfiguration project a valve on the eastside rotary started leaking. The valve has been removed and the project will move forward over the next couple of weeks. Jefferson, Brookside and Westwood sewer repairs are all under one contract. Jefferson Street is complete. Brookside has been started. Construction on Westwood will start when Brookside is complete. Lambard Court sewer replacement is in the

planning phase. Oak Street sewer replacement is in the design phase with construction most likely to be in 2018. The wastewater treatment plant is currently pilot testing number five out of the six sludge dewatering systems scheduled to be tested. CSO Phase IV is in preliminary design. The drinking water system master plan is 90% complete and the GIS update project is 35% complete. Equipment has been ordered for the programmable logic controller project at the wastewater treatment plant and should be installed this September. L.P. Poirier out of Lewiston was the low bidder on the five stormwater projects slated to begin this fall.

The District recently signed a purchase option for the Stackpole property pending certain reviews. The environmental study found no significant issues. The title research found some old paper streets from the 1940's that someone could lay claim to. The independent survey identified three acres on the tax map listed as belonging to the District which actually belongs to the Stackpoles. Al Godfrey Jr., from TMSI, reviewed the 1975 Augusta Sewer District (ASD) condemnation transaction. The ASD tried to take 4.025 acres by eminent domain. The Superior Court ruled that only 1.025 acres would be conveyed to the ASD by deed and the disputed 3 acres would remain in Stackpole's ownership. Al Godfrey Jr. worked with the District's attorneys on an option amendment that would revise the property description to include the three acres and add a release of the Seller's rights, title and interest to the three acres in question. The amendment would also move the deadline from September 29<sup>th</sup> to August 25<sup>th</sup> and would move the liability of any back property taxes to the District. The potential property tax liability is estimated to be between \$4,000 and \$5,000. There is also a deed description error on a 100' by 100' parcel located just north of the northwest end of Kennebec Street. Godfrey recommends that after closing on the Stackpole property the District exercise its eminent domain rights and condemn the former Stackpole parcels to clear the title against any possible future claims based on the above issues.

At 18:56 Corey moved that the GAUD Board authorize General Manager Brian Tarbuck to sign Amendment 1 of the Option to Purchase dated April 20, 2017 between Greater Augusta Utility District (Buyer) and Judith J. Stackpole and Joan B. Oakes (Seller) to acquire an additional three acres from the Seller; to revise the date for the exercise of the purchase option to August 25, 2017; and to indemnify the Seller against liability for any back property taxes that may be assessed by the City of Augusta on those related acres. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

At 18:57 Corey moved that the GAUD Board authorize General Manager Brian Tarbuck to mail to the Seller, on or before August 25, 2017, formal notice of exercise of the option to purchase land of Judith J. Stackpole and Joan B. Oakes recorded in Kennebec County Registry of Deeds, Book 11325, Page 211, consisting of City of Augusta Tax Map 31 Lots 3A, 5 and 6, and Tax Map 32 Lots 30 and 30A, and including release of all Seller's right, title and interest in land recorded in Kennebec County Registry of Deeds, Book 1834, Page 223, being a portion of City of Augusta Tax Map 31 Lot 3. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Financial reports from July, 2017 were presented. Revenue in all divisions is tracking on or slightly above budget while expenses are tracking 8% to 11% below budget. Expenses will catch up with the budget once construction has been completed and contractors submit invoices for reimbursement. Cash in all divisions is estimated to stay above the minimum cash balances set by the Board if current spending forecasts do not increase.

At 19:01 Corey moved to accept the financial statements from July, 2017. The motion was seconded by Munson. The vote to approve the motion was unanimous.

There are no liens for the Board to review at this time. The District has 111 liens on the books for a total amount of \$26,358. This amount has declined 73% in the last year.

A handout of the GAUD 2017 Board of Trustee goals were sent to Trustees for review. At the October planning session Trustees will add new goals and decide which goals from 2017 to keep working on. Corey asked if the Charter Committee could update the Board at the next meeting.

At 19:08 Corey moved to enter consecutive executive sessions to discuss the:

1. General Manager's employment contract pursuant to MRS Title 1, Section 405 6 A.
2. duties and compensation of employees pursuant to MRS Title 1 Section 405 6 A; and
3. legal rights and duties of the District with GAUD's attorney pursuant to MRS Title 1 Section 405 6 E.

The motion was seconded by Munson. The vote to approve the motion was unanimous. Trustees exited Executive Session at 19:25.

At 19:26 Sawyer moved to adopt the fifteen wage band pay scale and the wage change conditions as recommended by HR and adjust the salaries of the General Manager, the Operations Manager, and the Finance Director to meet those requirements. The motion was seconded by Munson. The vote to approve the motion was unanimous.

At 19:27 Corey moved to adjourn the meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Monday, September 18, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Dave Bustin, Bob Corey, Cecil Munson, Pat Paradis, Bradley Sawyer and Charlotte Warren

Trustees absent: Kirsten Hebert and David Rollins

Attendees: Brian Tarbuck, Andy Begin, Sherry Kenney and Tim Wade

Guests: Linda McGill, legal counsel from Bernstein Shur Sawyer and Nelson, Alan Burton, Human Resources Consultant and Meredith Strang-Burgess from Burgess Advertising and Marketing

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were any additions to the agenda. There were no new items.

Knight asked for public comments. There were no public comments.

Meredith Strang-Burgess, from Burgess Advertising, addressed the Trustees on a proposed stormwater newsletter and the October planning session. The Stormwater Committee will now be known as the Stormwater Work Group. Burgess Advertising has been working on a stormwater article for the fall newsletter. They are also creating a landing page for the Stormwater Work Group on the District's website. The site will list the Stormwater Work Group members and information on what the group has been working on. Upcoming meeting agendas will be listed along with meeting minutes. Information on the Stormwater Work Group will be the feature story in the fall newsletter. The newsletter will also have an employee focus and a project update section. Meredith has also been working on putting together the details for the District's annual planning session. The first planning meeting will be on October 25<sup>th</sup>. The goal of the meeting will be to review our progress and will ultimately create the 2018 GAUD Board Goals and Work Plan document. This will be followed by a second meeting at the Wastewater Treatment Plant on December 13<sup>th</sup>. Invitations for the first meeting will be extended to Augusta City Council members, the Hallowell City Manager and Mayor and Chairman from each of the Trunkline communities. A draft of the 2018 GAUD Board Goals and Work Plan will be reviewed and adjusted at the December meeting.

Going forward, Knight asked for all executive sessions to be listed last on the agenda and to use the title Stormwater Work Group instead of Stormwater Committee.

At 18:10 Munson moved to accept the Board meeting minutes for August 21, 2017. The motion was seconded by Corey. The vote to approve the motion was unanimous.

As Hebert was absent the Central Maine Water Council (CMWC) update was tabled until the next meeting.

The Stormwater Work Group will be meeting tomorrow at 9:00 am at the Wastewater Treatment Plant.

The Charter Committee will be meeting next week. Corey will forward a list of items to the Charter Committee that need to be addressed.

Andy Begin presented an update on the 2017 Capital Improvement Projects. The North Belfast water main replacement project is now in the cleanup stage. The Trunkline 3 (Winthrop Route 202) pump station upgrade is moving slowly but still on schedule. The control building is almost complete and electrical work should be completed in the next two weeks. Weather permitting, divers will inspect the existing 20" and 8" sewer siphon lines beneath the Kennebec this week. Greenlief, Gannett and Morse utility work has been completed and is waiting for final pavement. Commercial Street is still in the design phase for completion in 2018. Two check valves have been removed from lower Cony Street near the bridge. There is one more check valve on the lawn at Fort Western and two at the Willow Street station that need to be removed. Utility work is complete on Jefferson Street but trenches still need to be paved. Paradis stated that one of the trenches on Jefferson Street is unsafe due to it being a couple inches below the surrounding pavement and the safety cones are not visible when traveling down Jefferson until you are right on top of them. Trustees also

expressed their concern about all the construction complaints the District has received this year. Begin stated that more emphasis would be given to safety and signage in future preconstruction meetings. The District has the ability to shut the jobs down for noncompliance with the contract. Lombard Court sewer replacement is still in the design phase. Oak Street sewer replacement is in the design phase with construction in 2018. The Wastewater Treatment Plant is pilot testing the last sludge dewatering system. There will be a complete evaluation and report on the sludge dewatering pilot testing this fall. There is nothing new to report on the CSO Phase IV sewer improvements. The drinking water system master plan is 95% complete and the GIS update project is 45% complete. The fiber network has been installed for the programmable logic controller project at the Wastewater Treatment Plant. Three of the five stormwater projects planned for 2017 are now complete, with Sherbrook and Union to be installed this week.

Drinking water terms and conditions were handed out to the Trustees at the last board meeting for review. All fees have been analyzed and updated. Specific rates and fees have been removed from being embedded in the document and replaced with a referral to a rate and fees schedule. This will allow the District to change the rates and fees in the future without editing the document or obtaining approval from the PUC. Other changes include formatting, updating language to reflect current policies and reducing the maximum drinking water abatement from \$1,000 to \$335 (quarterly versus monthly billing). The intent of policies or practices previously approved by the Board and the PUC have not been modified.

At 18:29 Munson moved to accept the fourth revision of the drinking water Operating Rules and Regulations Terms and Conditions. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Corey would like the District to have the ability to recoup legal and other expenses having to do with collections/liens. It is understood that when selling a property, expenses would be covered from the sale but when no sale takes place, the District has to pay its legal and other processing fees. Corey would like the Charter Committee to review this practice to see if the Charter can be changed to enable the District to recoup these costs.

The General Manager's report this month included: One of the Districts employees, Tim Wade, has a son who has recently recovered from cancer and Tim has taken it upon himself to be an advocate for Childhood Cancer Awareness Month. Tim has promoted the awareness of childhood cancer by placing yellow ribbons around town and making a presentation to the City Council. The District has received preliminary findings from the recent Department of Labor SHAPE safety inspection. The District had a successful inspection which should help to reduce Workers' Compensation Insurance cost. Tarbuck will be attending a public meeting regarding the Hallowell MDOT project. One of our employees (Jason Souzer) finished the Management Candidate School. Tarbuck will attend a planning board meeting in case there are any questions on the District's application to renew the mineral extraction license for the pit on Sanborn Road. Phyllis Rand is currently in South Carolina with the Red Cross volunteering to assist with hurricane relief efforts. As a result of Hurricane Harvey, Houston based plastic pipe suppliers are worried about supply. The District's pipe suppliers will hold pricing on pipes in stock but future orders may see an increase in price. The District is evaluating the situation to see if it would be reasonable to purchase and stockpile pipe for future use. Tarbuck will be attending the NEIWPCC Commissioner's meeting at the end of this month.

Bustin inquired whether any action had been taken on the odor complaints from 247 Winthrop Street in Hallowell. Tarbuck explained that there is a Trunkline wastewater pipe that runs by the property. This pipe was installed in the early 80's. Due to the fact that less wastewater is now flowing through the pipe the strength of the wastewater is stronger (less diluted). The District has installed a carbon filter on the ground level vent pipe at the customer's location to neutralize the odor. The District has been adding sodium hypochlorite to the system for years to help reduce the odor. If the carbon filter works then the District could potentially turn off the chemical system which would be safer and less expensive. The District has three other high complaint odor areas. If the carbon filters do not work then there are more expensive and complicated odor control systems the District could look at.

Financial reports from August, 2017 were presented. Revenue in all divisions is tracking on or slightly above budget while expenses are tracking 10% to 11% below budget. Kenney explained that the low expense condition is common until the final invoices from summer construction are received and approved for payment. Cash in all divisions is estimated to stay above the minimum cash balances set by the Board.

At 18:47 Corey moved to accept the financial statements from August, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

There are no liens for the Board to review at this time. There will be four liens for review at the October meeting. Eighteen account status warning letters will be mailed this week. We will follow those eighteen letters through the process to see how many of them actually make it to lien status.

The Board had questions about the District's credit / debit card fees. Kenney did some research and presented the following information. The District currently allows customers to pay their utility bill using a credit card. The maximum credit card payment accepted by the District is \$100.00. The \$100.00 is comprised of a \$98.05 payment to the District and a \$1.95 service charge paid directly to the District's payment vendor. When the District was billing quarterly, the limit was \$200.00 with \$196.05 as payment to the District and a \$3.95 service charge. When the District changed to monthly billing, the average invoice was \$85. After analyzing the District's options, it was found that the \$100.00 limit struck the best balance of fees for the majority of our customers. The District reached out to other utility districts to see how they were processing credit card payments. Only one utility we spoke with did not pass on the service charge to the customer. This was a privately owned water company. Most of the Districts researched charge a percentage of the transaction for a service charge. The District does have the option to charge a percentage on each transaction (instead of a flat fee), however Visa does not allow a percentage fee on utility payments so the District would be unable to accept Visa. If a customer needs to pay more than the limit allowed they are able to make multiple transactions. When a customer tries to make a payment for more than \$100.00 the system notifies the customer that the current transaction exceeds the current limit accepted for credit card payments. The District asked the vendor to state that customers may execute multiple transactions but the vendor is unable to add that language at this time. Knight stated that he would like our customers to be able to pay multiple invoices with one credit card transaction and no dollar limit. Kenney stated that customers were able to pay invoices for free with no cap by using the electronic funds transfer (EFT) option. Trustees discussed the options available. Some Trustees would like to see a higher dollar limit and others think the current process is working for the majority of customers and should not be changed. Kenney will research how many customers are processing multiple credit card transactions and report back to the Trustees next month.

At 19:01 Corey moved to enter consecutive executive sessions to discuss the:

1. General Manager's employment contract pursuant to MRS Title 1, Section 405 6 A.
2. Legal rights and duties of the District with GAUD's attorney pursuant to MRS Title 1 Section 405 6 E.

The motion was seconded by Paradis. The vote to approve the motion was unanimous. Trustees exited Executive Session at 19:47.

At 19:49 Corey moved to accept the General Manager's employment contract pursuant to MRS Title 1, Section 405 6 A, to be effective as of January 1, 2018 and to run through December 31, 2020. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

At 19:50 Sawyer moved to adjourn the meeting. The motion was seconded by Bustin. The vote to approve the motion was unanimous.

Monday, October 16, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Kirsten Hebert, Cecil Munson, Pat Paradis and Bradley Sawyer

Trustees absent: David Rollins, Dave Bustin, Bob Corey and Charlotte Warren

Attendees: Brian Tarbuck, Andy Begin, and Sherry Kenney

Guests: Alan Burton, Human Resources Consultant

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were any additions to the agenda. There were no new items.

Knight asked for public comments. There were no public comments.

At 18:01 Paradis moved to accept the Board meeting minutes for September 18, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Hebert stated that all the paperwork to form the Central Maine Water Council (CMWC) is in the hands of the attorney to be filed with the Internal Revenue Service.

At the last Stormwater Workgroup meeting members discussed allocations and reviewed different revenue stream scenarios. The October meeting will cover service area and the roles and responsibilities of the District, the City of Augusta and the State of Maine (DOT) as it pertains to stormwater. A draft report for the Board will be discussed at the November meeting.

The charter committee met and discussed questions that have been previously put on hold. The first question was whether or not the charter needs to be amended to address the stormwater territory. This question is still on hold to see what comes out of the Stormwater Workgroup. Also discussed was the language concerning Hallowell's veto authority over sewer main extensions. Bustin will discuss the language with Warren to determine if it is still necessary. The committee also discussed the ability to disconnect water for nonpayment of stormwater and whether it should be a charter change or a PUC regulatory change. Knight asked if any changes could be made without changing the charter. Both Knight and Hebert agreed that there is more interest at the Legislature in charters than there has been in the past and by trying to amend the charter there could be amendments made that the District did not ask for.

Andy Begin presented an update on the 2017 Capital Improvement Projects. The Trunkline 3 (Winthrop Route 202) pump station upgrade site will be ready for pavement at the end of the month. The station was tested last week and went live today. All the equipment seems to be working fine but the programming still has a couple of glitches. The Eastside Sewer Siphon design consultant is finishing with the directional drill alignment and the exit pit strategy. The next task is to complete environmental permitting submittals based on the design. The major portion of the Cony Street Zone Reconfiguration project has been completed. There is one more check valve on the lawn at Fort Western and two at the Willow Street station that need to be removed. The wastewater treatment plant has completed the pilot testing phase of the sludge dewatering study. Wright-Pierce will summarize their findings and compile a report before the end of the year. The drinking water system master plan is still moving forward. The first phase of the PLC upgrade at the wastewater treatment plant has been completed. Stormwater projects on Union and Second/Sherbrook are nearing completion. Paradis asked that the city council be kept updated on the siphon project.

The General Manager's report this month included: The capital improvement plan for 2018 is being updated. Hydrant flushing was done in the beginning of October. Tarbuck met with the Hallowell City Council to discuss the 2018 Hallowell Water Street MDOT project. Summer services will be turned off the week of October 23<sup>rd</sup>. Begin gave a presentation at MWUA relating to the installation of our Riverside Drive wells. Andy will also be giving a presentation on master plans for capital planning purposes at MRWA. Tarbuck will be giving a presentation on Creating GAUD: Maine's First Stormwater Utility at the Maine Stormwater Conference.

The District currently allows customers to pay their utility bill using a credit card via a bill pay service called Invoice Cloud. The maximum credit card payment accepted by the District is \$100.00. The \$100.00 was comprised of a \$98.05 payment to the District and a \$1.95 service charge paid directly to Invoice Cloud. The fee has been changed to a \$100 payment to the District with the same \$1.95 service charge to the customer. During September, 270 accounts were paid by credit cards. The average credit card payment in September was \$60. Twenty five payments exceeded the \$100 limit. Knight would like the District to be able to offer customers the convenience of paying multiple invoices at once and to be able to pay larger amounts in one transaction. Knight does not think the convenience fee matters as long as a no fee option is also offered. Kenney stated that the highest limit offered by Invoice Cloud for credit card payments is \$500 with a convenience fee of \$6.95. Kenney reminded the Trustees that in order to charge a percentage fee on credit cards the District would not be able to accept VISA cards due to restrictions by VISA on paying utility bills through their service. Kenney will invite a representative from Invoice Cloud to the next board meeting to discuss credit card payments. Tarbuck restated that if the limit was raised to \$500 with a \$6.95, a customer paying an \$85 invoice would pay the same convenience fee as a customer paying a \$500 invoice. The District passes the credit card fee on to the customer using the credit card so not all customers would be subsidizing the cost of the District accepting credit cards. Kenney inquired of the District's billing software vendor, NDS, as to what other utilities were doing concerning credit payments. All of NDS's customers use Invoice Cloud. Some other utilities that are not NDS customers are using the State of Maine's e-payer system which does not allow for paperless billing, auto pay or the ability to view invoices.

Financial reports from September, 2017 were presented. Revenue in all divisions is tracking close to budget while expenses are tracking 9% to 12% below budget. Kenny explained that the transportation expenses year to date were a negative number due to netting transportation expenses against transportation revenue. Every time a truck or a piece of equipment goes to a job the cost of running that truck or equipment is charged to the job and revenue is charged back to the transportation department. The cash balance in the sewer division includes approximately \$1.1M of bond proceeds for the ongoing Trunkline Three project. Cash in all divisions is estimated to stay above the minimum cash balances set by the Board.

At 18:38 Munson moved to accept the financial statements from September, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

There are no liens for the Board to review at this time. Of the eighteen Notice and Demand for Payment letters that were mailed in September, six customers have paid and lien certificates will be filed on the remaining twelve. Customers or their mortgage holders will have eighteen months from the filing date to redeem.

The CSO 4 tank project had public interest this week. The District met with City planning personnel to discuss potential zoning and other planning limitations related to installing an above ground tank on District property. City personnel were concerned about the appearance of the tank and notified their managers. Soon, the matter was in the newspaper and Tarbuck was making a presentation to the Augusta City Council. Tarbuck explained that it was not his intent to discuss the plans for the project with other entities before discussing it with the Board. The District needs an overflow storage tank on the east side to meet its regulatory commitments to the Department of Environmental Protection. The two west side tanks cost the District about \$5 per gallon to construct. The above ground tank being planned should come in around \$1 per gallon. The District plans to put this tank in its own backyard behind the office on 12 Williams Street. The tank would be about 100 feet in diameter with an elevation of seventeen feet not including the dome. The District already owns the property but would need to remove an existing metal building. An initial property survey has been done. The next steps would include soil borings, refined drawings, locating the most environmentally friendly and least cost location on the property and then permitting for the project. The District will make the tank as visually pleasing as possible. The pump station located at the waterfront park will be moved to the tank site. Trustees reminisced about how polluted the river was fifty years ago and how much industry was located near the river. Now the river and the riverfront is a place people come to enjoy.

At 19:02 Munson moved to table the abatement for the Connected Credit Union until the next meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

At 19:03 Munson moved to table the Hallowell sewer abatement request until the next meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

At 19:03 Sawyer moved to enter consecutive executive sessions to discuss the resignation of an employee pursuant to MRS Title 1, Section 405 6 A and the acquisition of real property pursuant to MRS Title 1 Section 405 6 C. The motion was seconded by Munson. The vote to approve the motion was unanimous. Trustees exited Executive Session at 19:36.

At 19:38 Sawyer moved to allow Brian Tarbuck to enter into negotiations discussed in executive session for real land acquisition. The motion was seconded by Munson. The vote to approve the motion was unanimous.

At 19:39 Munson moved to adjourn the meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Monday, November 20, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Dave Bustin, Bob Corey, Pat Paradis, Bradley Sawyer, Charlotte Warren and Keith Luke

Trustees absent: Ken Knight, Kirsten Hebert and Cecil Munson

Attendees: Brian Tarbuck, Andy Begin, and Sherry Kenney

Guests: Jason Bergeron, Northeast Regional Director for InvoiceCloud

At 18:00 Dave Bustin called the meeting to order.

Bustin welcomed the District's newest Board member, Keith Luke. Mr. Luke is a non-voting Trustee who is the Economic Development Director in his day job at the City of Augusta.

Jason Bergeron, the Northeast Regional Director from InvoiceCloud made a presentation on the features and functions of InvoiceCloud. Mr. Bergeron explained that the District has to use a transaction cap and an associated flat fee on credit card payments due to the fact that Visa does not allow for variable service fees on utility transactions. If the District wanted to be able to charge variable service fees on credit card payments Visa could no longer be accepted. It was asked if the District could have a tiered cap and service charge system. Mr. Bergeron stated that InvoiceCloud only allowed for one transaction cap and its associated convenience fee. The District has two options to process credit card transactions that are greater than the \$100 cap currently in effect. The first option was to raise the transaction cap which in turn would raise the associated convenience fee. The second option is to use the InvoiceCloud Store which would allow customers to process payments greater than \$100 in one "swipe" of the credit card, but customers would not be able to view their invoice and all transactions would need to be manually posted.

At 18:21 Paradis moved to accept the Board meeting minutes for October 16, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The update on the Central Maine Water Council was tabled until the next meeting.

Frank O'Hara, the facilitator for the Stormwater Workgroup, was scheduled to present an update but due to the number of absent Trustees Mr. O'Hara update was rescheduled to the next Board meeting. The Stormwater Workgroup asked the Charter Committee to attend the next Stormwater Workgroup meeting on December 12<sup>th</sup>. The Stormwater Workgroup can suggest charter changes but all charter changes will be the providence of the Charter Committee. Mr. Begin stated that the Stormwater Workgroup seems to be in favor of doing a sensitivity analysis on shifting the District's rate structure from catch basins to Equivalent Residential Units (ERUs) while still charging a catch basin cleaning fee. Some members of the group would also like to have the geographic area that the District is responsible for more clearly defined. The allocation of expenses between sewer and stormwater is another area that the group would like reviewed.

The Charter Committee has not met since the last Board meeting. It is still recommended that the Charter Committee wait for the report from the Stormwater Workgroup before moving forward. Representative Warren has submitted a placeholder bill to the Legislature to ensure any charter changes desired by the District can be heard in the next session.

Andy Begin presented an update on the 2017 Capital Improvement Projects. The Trunkline 3 (Winthrop Route 202) pump station upgrade is on line and waiting for CMP to disconnect power to the old station. Road work on Cony Street zone reconfiguration has been completed, however there is still work inside the Willow Street station that needs to be done. The wastewater treatment plant has completed the pilot testing phase of the sludge dewatering study and is waiting for the engineering report before making recommendations regarding the best system for the District to acquire. The drinking water system master plan is being finalized. The geographic information system (GIS) updates are ongoing and will continue into 2018. The Eastside Sewer Siphon, the water main on Commercial Street, the sewer replacement on Lambard Court and the Oak Street project have all been pushed to 2018.

The General Manager's report this month included: Alan Burton, the District's Human Resources consultant will continue to assist the District from his winter residence in Florida. The General Manager from the Hallowell Water District, Dennis Kinney retired after thirty years of service. The District's General Manager, Finance Director and Office Manager met with the Maine Public Utilities Commission and the Office of the Public Advocate to review the water division's Terms and Conditions. Changes will be made to the terms and conditions and will be brought before the Board for approval before being resubmitted for PUC approval. Tarbuck, Kenney and Taylor also met with Northern Data Systems to discuss some improvements to the District's billing software.

Financial reports from October 2017 were presented. Revenue in all divisions is tracking close to budget while expenses are tracking 10% to 13% below budget. The cash balance in the sewer division includes approximately \$1.M of bond proceeds for the ongoing Trunkline Three project. Cash in all divisions is estimated to stay above the minimum cash balances set by the Board.

At 18:42 Corey moved to accept the financial statements from October, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

There is one maturing sewer lien for Trustee review at this time. The property is located at 5 Lincoln Street in Hallowell and is owned by Patrick K. McGowan. The lien is for \$482.21 with a total account balance of \$1,323.29. Due to the fact that there is a mortgage on the property and the homeowner has a history of paying liens prior to foreclosure, management recommends waving automatic foreclosure for this property.

At 18:43 Corey moved to waive the automatic foreclosure on the before mentioned sewer lien. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The Board reviewed a preliminary 2018 summary operations and maintenance budget. The summary budget included 2014, 2015 and 2016 actuals, 2017 projected figures and the proposed 2018 budget. The preliminary budget is for the water division and the aggregated budgets (aka "sanitary") of the sewer and stormwater divisions. The sewer and stormwater divisions will be presented separately for final Board approval at the next scheduled Board meeting. Kenney stated that salaries and wages increased by 2% and health insurance increased 6%. Retirement is at 9.6% and is expected to increase to 10%. Short term disability increased 26% but is currently out to bid. Kenney reminded Trustees that labor and fringe is budgeted in the operations and maintenance budget but a portion of labor and fringe will be expensed to capital improvements. Power was budgeted a little heavy in case 2018 turns out to be a rainy year. Sewer pumps operate more in rainy conditions which will increase power consumption. Kenney still has a couple of items that need to be revisited and is waiting for the landscaping bid due at the end of the month before finalizing the 2018 operations and maintenance budget.

Tarbuck presented the 2018 Capital Improvement budget. The District will be doing extensive water, sewer and storm work on Cedar Street. Approximately 900 feet of water pipe will be replaced on Commercial Street. The District also plans to purchase a camera truck to inspect sewer pipes and services. Sewer mains on Lambard Court and Oak Street will be replaced. Approximately 7,500 feet of sewer mains will be relined in 2018. The sewer and stormwater divisions will be taking out a \$4M loan to install a one million gallon combined sewer overflow storage tank, replace and relocate a 1963 pump station near the proposed combined sewer storage tank, replace the failed 8" sewer siphon under the Kennebec River and acquire property next to the office at 12 Williams Street.

Tarbuck presented renderings of the proposed one million gallon combined sewer overflow tank that the District plans to construct in 2018. The tank will be located to the south of the District's office at 12 Williams Street. One side of the tank will be mostly underground while approximately 17 feet of the southerly side of the tank will be visible. The design is still in the preliminary stages but the District plans to use either landscaping or a brick façade to integrate the tank into the surrounding environment. Wright-Pierce is working on different cost estimates and designs. Trustees discussed placement, space and design.

A year ago Trustees agreed to abate Connected Credit Union's sewer bills that were high due to the irrigation of the landscaping at their new location on Civic Center Drive. At that time the Board asked the Credit Union to install an

abatement meter before they resumed irrigation in 2017. The Board agreed to use consumption information from 2017 to abate 2016's irrigation flow. An analysis of the 2017 consumption showed that the Credit Union should receive an abatement credit for 2016 for approximately \$2,000. The District changed the application for water service to include a question on irrigation.

At 19:13 Corey moved to allow the General Manager to abate 2016 sewer fees in the amount of \$1,964.58 based on an analysis of 2017 irrigation consumption which has been applied retroactively to reflect Connected Credit Union's 2016 irrigation practices. The motion was seconded by Paradis. The vote to approve the motion was unanimous.

In September the District received calls from two Hallowell customers who were also looking for sewer abatements. Both customers were informed that they would need to apply to the Board for abatement due to the fact that neither of their situations fell within the scope of the District's current abatement policy. The District informed the customers that they may want to install abatement meters next year. Both customers were given dates for the October and November Board meetings but did not attend either meeting to apply for the abatement. Trustees discussed the use and cost of abatement meters.

At 19:19 Corey moved to enter executive session to discuss the acquisition of real property pursuant to MRS Title 1 Section 405 6 C. The motion was seconded by Sawyer. The vote to approve the motion was unanimous. Trustees exited Executive Session at 19:34.

At 19:36 Sawyer moved to authorize the General Manager to sign a purchase and sale agreement to acquire real property at 28 Arsenal Street in Augusta. The motion was seconded by Corey. The vote to approve the motion was unanimous.

At 19:37 Sawyer moved to adjourn the meeting. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Monday, December 18, 2017

Greater Augusta Utility District Board Minutes

Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, Dave Bustin, Bob Corey, Kirsten Hebert, Cecil Munson, Bradley Sawyer, Charlotte Warren and Keith Luke

Trustees absent: Pat Paradis

Attendees: Brian Tarbuck, Andy Begin, and Sherry Kenney

Guests: Robert Bowker from Bowker & Associates, Frank O'Hara the facilitator for the Stormwater Workgroup and Dan Wells from the Winthrop Utility District

At 18:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if there were any additions to the agenda. Steve Hardy from Sebago Technics will address the board concerning the MDOT Capitol Street project to install two new buildings owned by FD Stonewater at the former Maine DOT maintenance garage site.

Knight asked for public comments. There were no public comments.

At 18:01 Corey moved to accept the Board meeting minutes for November 20, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Hebert updated the board on the Central Maine Water Council. The last tax documents and a check to the US Treasury will be mailed tomorrow. Knight requested that the board members of the Central Maine Water Council be present at the next district board meeting in January. The forester who is working at Carleton Pond will be here to update the board.

Frank O'Hara, the facilitator for the Stormwater Workgroup, presented his final report on the Stormwater Workgroup's recommendations. Mr. O'Hara met with the Stormwater Workgroup eight times to discuss cost, rates and the roles of the District and the City of Augusta as it pertains to stormwater. The first and most important recommendation is for the District to hire a consultant to design a stormwater rate system that more accurately reflects actual stormwater-related costs. The workgroup thinks it would be more accurate to shift the District's rate structure from catch basins to a tiered Equivalent Residential Units (ERUs) rate structure while still charging a catch basin cleaning fee. Due to the unique nature of the District's stormwater responsibilities the group was unable to find another stormwater district with the same unique nature to compare rate structures with. The next recommendation by the workgroup is for the Charter Committee to meet with the Stormwater Workgroup to review the inconsistencies, if any, in the Charter language clarifying the boundaries of City versus GAUD stormwater activities and actual practices within those boundaries. The third recommendation is to continue the coordination between the City of Augusta and the District on capital improvements and general maintenance activities. Officials from the City of Augusta suggested that the District review past allocations on capital improvement projects and reallocate those expenses based on actual project percentages and not the operations and maintenance percentages established in 2011. Due to loan obligations, a court case with the City of Hallowell and other precedents based on past allocations District officials feel this would be unwise. Trustees discussed the District not having sufficient revenue under today's funding structure to control and maintain stormwater for the entire City of Augusta.

Knight invited Steve Hardy, from Sebago Technics, to discuss the Capitol Street capital improvement project. Tarbuck informed the Trustees that FD Stonewater, the developer for the project, hired Sebago Technics to design the sewer, stormwater and drinking water infrastructure for the site of the former Maine DOT maintenance facility. The District has been working with Sebago Technics over the past year to devise a plan that would be acceptable to both parties. The site currently has two parallel sewer pipes that run across the back of the property including a CSO diversion manhole. The best solution for both parties would be to enlarge the pipe at the back of the property and discontinue

use of the deep pipe running through the property. This design would cost the District \$50,000 but would reduce the risk of costly repairs in the future. Mr. Harding explained some of the difficulties they have encountered due to the site dropping seventy feet from one side to the other. Even though there are cheaper solutions the developer and the District both feel this is the best solution. Trustees questioned if it would be easier and less expensive to reroute the sewer to the main on Capitol Street. Tarbuck stated that this option was thoroughly evaluated but due to the elevation it was not a feasible solution.

Robert Bowker from Bowker & Associates was invited to address the Trustees concerning the Granite Hill sewer odor issue. Tarbuck reminded Trustees that Granite Hill is not the only problem area when it comes to odor. Route 202 in Winthrop, lower Eastern Avenue and the former Statler Tissue landfill also have odor issues from time to time. An odor mitigation study was done in 1985 and another in 1994 to find ways to mitigate Trunkline odors. Implementations were done after each study but the odor issue still exists. Due to the decrease in flow the actions previously taken are no longer working. After trying multiple odor mitigation treatments Tarbuck reached out to Mr. Bowker to help solve the odor issue. Mr. Bowker stated that pumping the raw sewage uphill in an enclosed cylinder for long periods of time gives the sewer more time to decompose and create odorous compounds. At the top of the hill the pipe turns to gravity for its flow downhill. This causes turbulence and splashing which in turn releases odor that was formed when pumping it up the hill. Chemicals can be added to the raw sewer to stop odorous compounds from forming. Another solution would be to pull the air out of the sewer and treat it using a carbon, bio or soil filter. This solution can be more economical than adding chemicals. Mr. Bowker and Tarbuck discussed monitoring levels of hydrogen sulfide to decide when and how much chemical to add. Mr. Bowker also suggested monitoring the air pressure to figure out where air is being released. The first step should be to collect data to understand where the odor is being released and at what concentration. This should give us information on what would work best to control the odor by either adding chemicals or by treating the air. Warren asked Mr. Bowker if in his opinion this is a fixable issue. Mr. Bowker replied that it is definitely fixable. It was also pointed out that the human nose is very sensitive so even if the odor is reduced by 75% people will still smell the remaining 25%. Winter is not peak odor season but collecting and evaluating the data now should give us a baseline for the summer. Tarbuck will keep the owner of the home on Granite Hill and the rest of the general public informed on the status of the odor issue.

The Charter Committee has no updates at this time.

Kenney conducted follow up research after the presentation to the Board in November by Jason Bergeron from Invoice Cloud. The District could accept credit card payments using the Invoice Cloud Store. The "store" is similar to the Invoice Cloud platform currently used but could have a different limit with its own service charge fee. The District would still accept credit payments of \$100 or less with a \$1.95 fee but could set up the Invoice Cloud Store to accept credit card payments up to \$1,000 with a \$10.95 fee. The State of Maine also offers a credit card payment platform, InforME, with no limits with a variable fee of 2.5%. The Invoice Cloud Store and the State of Maine's InforME system do not allow for paperless billing or automatic payments but do allow for single-swipe transactions greater than \$100. The District's contract with Invoice Cloud states that the District will not accept any payments for another third party vendor. Kenney will review contract limitations with Invoice Cloud and create an option to satisfy high-payment customers.

Andy Begin presented an update on the 2017 Capital Improvement Projects. The Trunkline 3 (Winthrop Route 202) and the 2017 Stormwater Project are complete and are now in the cleanup phase for 2018. The lower Cony Street zone reconfiguration project still needs a couple of flow meters installed. The engineering report on the dewatering pilot testing study at the wastewater treatment plant has not yet been received. The drinking water system master plan is being reviewed. The CSO Phase IV Sewer Improvements and the Eastside Sewer Siphon projects are in the design and permitting phase. The 2018 Commercial Street Water Main Project has the potential to also be a stormwater project. Lambard Court is in the planning phase for 2018. Oak Street will include sewer, water and stormwater. The Cedar Street project will also include sewer, water and stormwater.

The General Manager's report this month included: The District will be holding its annual potluck lunch tomorrow. The District recently won best tasting drinking water in the disinfected division. 2018 projects will be bid as early as possible. This should ensure a wide pool of contractors with favorable bids. The District will be hosting the Joint Environmental Training Coordinating Committee's generator training this week. Vassalboro borrowed generators from the District

during the late October wind storm to help keep their wastewater flowing. The generators have been returned and the District has been reimbursed for their use.

Financial reports from November 2017 were presented. Revenue in all divisions is tracking close to budget while expenses are tracking 13% to 15% below budget. The cash balance in the sewer division includes approximately \$1.M of bond proceeds for the ongoing Trunkline 3 project. Cash in all divisions is estimated to stay above the minimum cash balances set by the Board.

At 19:14 Corey moved to accept the financial statements from November, 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Three liens were presented for consideration of lien waivers. The first property was 63 Washington Street. The lien was for \$185.20 and the total account balance was \$698.19. Management recommended waving automatic foreclosure due to a payment arrangement being in place. The second property was located at 27 Highridge Drive. The lien was for \$343.70 with a total account balance of \$665.27. Management recommended waving automatic foreclosure due to the existence of a mortgage. The third lien was on 29 Boothby Street. The lien was for \$420.57 and the total account balance is \$14,263.87. The City of Augusta has two (2) tax liens on the property which puts the District in second position. History shows that the tax liens are paid off at the last hour. As of Friday the tax liens were not paid and it is understood that the City of Augusta now owns this property and will be tearing it down. Management recommended leaving the lien on the account just in case something changes.

At 19:18 Corey moved to waive the automatic foreclosure on the liens for 63 Washington Street and 27 Highridge Drive. The motion was seconded by Bustin. The vote to approve the motion was unanimous.

The lien for 29 Boothby Street will not be waived at this time due to the change in ownership.

The final 2018 Operations and Maintenance Budget was presented with actuals from 2014 thru 2016 and projected 2017 figures. Charts and graphs summarizing the distribution of expenses within each division were presented.

At 19:23 Bustin moved to approve the Operations and Maintenance budgets as presented to this meeting for drinking water, sewer and stormwater for 2018. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The 2018 Capital Improvement Budget includes a \$100,000 contingency split 63% sewer and 37% stormwater. There is also \$250,000 set aside in the Stormwater division for City of Augusta stormwater improvements. The stormwater capital improvement budget increased approximately \$300k from last year and the sewer increased \$400k from last year.

At 19:24 Corey moved to approve the Capital Improvement budgets as presented to this meeting for drinking water, sewer and stormwater for 2018. The motion was seconded by Bustin. The vote to approve the motion was unanimous.

At 19:26 Sawyer moved that we certify and approve the schedule of rates, for water service, sewer and stormwater service and fire protection service, which has been presented to this meeting and recorded with the minutes, for the 2018 calendar year, and continuing until such time as the schedule of rates is modified by vote of the Trustees, and I further move that the Assistant Treasurer, in addition to the Treasurer, be authorized and directed to apply the schedule of rates, along with all fees and charges otherwise authorized by the District or by State statute, to all persons, entities and property receiving services from the District, and to thereafter collect the sums due from said persons and entities and to take all appropriate action related to the collection of said sums, including the preparation and filing of notices and liens and allowed by the District's Charter and State law. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Corey brought everyone's attention to the goals, objectives and priorities discuss at the planning sessions. Under Rates & Forecast it states that if rates need to change then the City and other large government customers need to know by March, 2018 for their budget year beginning July 1, 2018. Corey would like it to state if needed rates would change

beginning July 1, 2018 or January 1, 2019 if necessary. Corey's opinion is that if the rates need to be adjusted everyone knows by March but the District does not raise the rates until January of the following year. Corey is against having customers pay a rate increase for 6 months on a budget that was just passed.

At 19:26 Corey moved to approve motions 7 thru 10 by consent agenda. The consent motion was seconded by Hebert. The vote to approve the consent motion was unanimous.

Motions included in the consent agenda motion:

1. Motion to approve a 2.0% increase in salaries and wages for non-union employees.
2. Motion to approve changes to the Personnel Policy Manual as recommended by our human resources consultant.
3. Motion to authorize spending up to \$200 in 2018 for the Central Maine Regional Water Council (discussed at July 17, 2017 GAUD Board meeting).
4. Motion to accept the 2018 Goals and Objectives.

At 19:28 Bustin moved to adjourn the meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.