

Monday, January 28, 2019

Greater Augusta Utility District Board Minutes

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

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

Trustees absent: Keith Luke

Attendees: Brian Tarbuck, Andy Begin, and Sherry Kenney

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

Chairman Knight asked if there were any additions to the agenda. Tarbuck added two items: the October fluoride issue and a second executive session.

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

On January 26<sup>th</sup> Knight and Tarbuck attended the City of Augusta's planning meeting. Knight spoke on the environmental challenges facing the District and the teamwork between the City and the District pertaining to stormwater rates. Tarbuck discussed upcoming capital improvement projects.

At 18:03 Sawyer moved to accept the Board meeting minutes for December 17, 2018. The motion was seconded by Corey. The vote to approve the motion was unanimous.

There were no updates from the Central Maine Water Council.

On behalf of the charter committee Warren has submitted a placeholder bill in the legislature to give the District the option to submit legislation to modify the charter later in the session if needed.

Andy Begin presented an update on the 2018 Capital Improvement Projects. Begin explained that the bidding climate is non-competitive at the moment as most contractors are already eighty to ninety percent committed for the upcoming construction season.

McGee Construction was the only bidder for earthwork on the CSO tank.

The bid for the Eastside Siphon received no bidders due to concerns about environmental risks associated with drilling beneath the river. Since no public bids were received the DEP's SRF loan program allowed the District to instead negotiate scope and fee for the project.

At Trunkline 3 on route 202 in Winthrop the vendor installed and then removed the last of three pumps that were rehabilitated due to excessive vibration. The vendor will replace the impeller in the pump.

At the wastewater treatment plant, primary clarifier #1 is functional but there is still some wiring left to do to complete its rehabilitation.

A request has been submitted to DEP to sole source the sludge (biosolids) dewatering equipment at the wastewater treatment plant.

Bidding for Commercial Street should be out this week.

Design for the Murray Street project is ninety five percent complete.

The General Manager's Report mostly focused on the recently approved \$30M wastewater bond. The District will most likely not receive any funds from this bond. Eligibility is based on project need, debt, expenses and revenue relative to the median household income in the service area. There is still plenty of money available from the DEP's revolving loan fund program to borrow and the District will submit a grant application to DEP just in case the funding decision tree becomes favorable to GAUD. Trustees discussed DEP grant eligibility rules and past bond practices.

The rate committee met on Friday, January 25. The committee's goal is to eliminate catch basin fees and has run numerous scenarios to that end. The challenge is to lower the City of Augusta's stormwater fees without making all other stormwater fees astronomical. There are no numbers to share yet but there should be by the next meeting.

December financials are still too preliminary to be presented. Runyon Kersteen Ouellette will start its annual audit of the District's financial records on February 4th. The District's liability is expected to increase from \$1.4M about \$3.2M due to changes made by the Government Accounting Standards Board concerning "other post-employment benefits" and how those are represented on financial statements. While this is a non cash item it will most likely affect the District's net position. Total cash at the end of 2018 is approximately \$6M. The District's workers compensation audit will take place on February 11<sup>th</sup>.

There were no liens for the Board to discuss. On a related topic, Kenney informed the Board that the City of Augusta will demolish a building owned by Leo Monte at 29 Boothby Street. The District will most likely need to write off the balance on this property of \$15,536.

In October of 2018 the District received a violation when it failed to collect two routine monthly fluoride samples on time. The District has to provide public notice on this violation. A flyer discussing the violation has been approved by the State and will be mailed to customers with their February invoice.

On New Year's Eve there was a sewer forcemain break on the Trunkline in Route 202 in Winthrop. The District repaired the pipe by installing a clamp on the outside of the pipe. DEP was notified. DEP requested that the District attempt to do a full inspection of the leak area in the spring and update its operations and maintenance manuals for the pipes and pump stations along the Trunkline. This will be reviewed with the Trunkline group at the next meeting.

At 18:39 Sawyer moved to enter executive session to discuss a labor contract between the District and Teamsters Local 340 pursuant to MRS Title 1 section 405 6 D and to discuss an employee matter pursuant to MRS Title 1 section 405 6A. The motion was seconded by Hebert. The vote to approve the motion was unanimous. Trustees exited executive session at 19:00.

At 19:03 Sawyer moved that this body stand adjourned. The motion was seconded by Paradis. The vote to approve the motion was unanimous.

Monday, February 25, 2019

Greater Augusta Utility District Board Minutes

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

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

Trustees absent: Kirsten Hebert and Keith Luke

Attendees: Brian Tarbuck, Andy Begin, and Sherry Kenney

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

Chairman Knight asked if there were any additions to the agenda. Tarbuck added one item: the 2018 Digital Report from Burgess Advertising & Marketing.

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

At 18:00 Corey moved to accept the Board meeting minutes for January 28, 2019. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

There were no updates from the Central Maine Water Council.

There were no updates from the Charter Committee.

The rate committee met on Friday, February 15th. On March 6<sup>th</sup> the District will meet with the City of Augusta to discuss proposed rate changes. The proposed changes will be discussed with the Board at the March meeting and a public hearing will be set for some time in April. The committee has run scenarios that would eliminate catch basins charges to the City of Augusta. One idea being considered is to charge the City of Augusta an annual stormwater fee and leave catch basin fees as they are for all other users. The total elimination of catch basin fees would increase the equivalent residential unit (ERU) charge to an unacceptable amount. Sensitivity analysis showed that some customers would increase from \$3K a month to \$30K a month. Months of review have led the committee to favor an increase in stormwater rates and a decrease in wastewater rates. The committee will be meeting again on March 1<sup>st</sup>. The committee confirmed with the District's attorney that charging different stormwater rates for different customer classes is not prohibited by law.

Andy Begin presented an update on the 2019 Capital Improvement Projects.

McGee Construction began the initial earthwork for the installation of the new CSO tank at Williams Street. The foundation from the old metal building and numerous trees have been removed from the site. The contract for constructing the tank should go out to bid this week.

The District entered into a contract with Ranger Construction and DBU Contracting for the Eastside Siphon Project. Begin will seek a permit that allows for limited discharge of drilling fluids into the Kennebec River.

Upper Cedar Street construction will resume in April or May.

Twin Ishigaki sludge dewatering screw presses have been ordered. A contract to remove the existing presses and install the new presses is being developed.

The wastewater plant will also upgrade sludge holding tank 2. \$180K was budgeted and the District has been awarded a \$60K Efficiency Maine Grant towards this project. The bid for the work was \$120k so with the grant the work will be approximately \$120k under budget.

Final road design for Murray Street has been received and the project should go out to bid next week.

Commercial, Water and Cony Street will be combined into one project and put out to bid next week by the City of Augusta.

The last pump was installed at the Trunkline Three station. Due to excessive vibrations the supplier will be swapping out the impeller next month.

The General Manager's Report included: the 2018 audit went smoothly, Tarbuck recently spoke to the Augusta First group; the District's former employee, June Mooney, posthumously received the Sid Anthony award at the Maine Water Utilities Association annual conference; and Tarbuck visited the new solar power system being used at the Kennebec Sanitary Treatment District.

Financials from December 2018 and January 2019 were presented. Revenue from 2018 in all divisions came in at 5% to 9% over budget and expenses were 15% to 20% under budget. Labor and fringe in all divisions came in at 30% under budget. This is due to some of the District's labor being capitalized to projects but budgeted as operations and maintenance expenses. At the end of 2018, cash in the water and stormwater divisions are close to the beginning of the year estimate while cash in the sewer division is \$1.3 million greater than expected. Revenues for January 2019 are on budget while expenses are running slightly under budget. Cash flows have not been completed for 2019.

At 18:31, on the recommendation of management, Sawyer moved to waive automatic foreclosure at 5 Lincoln Street in Hallowell. The motion was seconded by Corey. The vote to approve the motion was unanimous.

A summary of changes to the Personnel Policy Manual was discussed. The most significant being moving all Human Resource functions from the City of Augusta to the District.

At 18:35 Corey moved to approve the updated Personnel Policy Manual. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

Trustees discussed following Mike Hodgins, our primary legal contact at Bernstein Shur Sawyer Nelson (BSSN), to his new employer, Eaton Peabody. Munson inquired as to whether the District was under contract with BSSN. Tarbuck has never seen a contract and does not know if the District is allowed to use different legal counsel for different situations. Knight asked Trustees if they wanted legal counsel to attend board meetings. Trustees agreed to have legal counsel attend meetings only when legal advice is needed.

At 18:55 Corey moved to table the motion to allow the General Manager to engage Mike Hodgins at Eaton Peabody as the District's primary corporate counsel. The motion was seconded by Munson. The vote to approve the motion was unanimous.

Tarbuck has been asked if the District has a program where it offers free/discounted rain barrels to capture roof drain water. The Portland Water District buys barrels in bulk and sells them to their customers at cost. Tarbuck estimated that customers would need to fill a rain barrel 133 times before they saw a return on their investment. Trustees did not want to use ratepayer money to fund a program at this time but would like to put information about the use of rain barrels on our website or in a flyer.

The March 18<sup>th</sup> board meeting will be delayed one week until March 25<sup>th</sup>.

The 2018 digital media report prepared by Burgess Advertising & Marketing was reviewed.

At 19:03 Sawyer moved to enter executive session to discuss a labor contract between the District and Teamsters Local 340 pursuant to MRS Title 1 section 405 6 D. The motion was seconded by Paradis. The vote to approve the motion was unanimous. Trustees exited executive session at 19:11.

At 19:12 Corey moved to allow the General Manager to sign the 2019-2021 Collective Bargaining Agreement between Teamsters Local 340 and the Greater Augusta Utility District. The motion was seconded by Paradis. The vote to approve the motion was unanimous.

At 19:13 Sawyer moved that this body stand adjourned. The motion was seconded by Munson. The vote to approve the motion was unanimous.

Monday, March 25, 2019

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Pat Paradis, Bob Corey, Cary Colwell, Kirsten Hebert, Cecil Munson, Bradley Sawyer, Charlotte Warren and Keith Luke

Trustees absent: None

Attendees: Brian Tarbuck, Andy Begin, and Sherry Kenney

Guest: Augusta City Manager, William Bridgeo and Meredith Strang-Burgess from Burgess Advertising & 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 additions.

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

At 18:01 Corey moved to accept the Board meeting minutes for February 25, 2019. The motion was seconded by Munson. The vote to approve the motion was unanimous.

There were no updates from the Central Maine Water Council.

There were no updates from the Charter Committee.

The rate committee met with the City of Augusta on March 7<sup>th</sup> to discuss proposed rate changes. The proposed changes include a 51% increase to ERU's, a 20% decrease to catch basins and a 25% decrease to sewer. Overall this would be a 7% monthly increase to most residential rate payers. The decrease in catch basin rates is the first step in eliminating catch basin fees. The increase in ERU's and the decrease in sewer fees will help to bring sewer and storm revenue more in line with expenses. Bill Bridgeo, City of Augusta Manager, thanked the District for working closely with the City to reduce their stormwater cost by reducing catch basin fees. The reduction to the City's cost will not mean a reduction in city taxes but will most likely decrease any city tax increase needed. The new rates will be adopted at the next scheduled board meeting. Going forward the District will continue to look at rates annually. The District will work closely with Burgess Advertising & Marketing to inform rate payers of the public hearing being held at the regularly scheduled meeting on May 20<sup>th</sup>. Inserts informing customers of the meeting and the proposed changes will be mailed with the April invoices. A separate post card will be mailed out the beginning of May. The hearing will also be mentioned in the spring newsletter, on social media, posted on the web site and advertised in the Kennebec Journal.

Andy Begin presented an update on the 2019 Capital Improvement Projects.

McGee Construction began the initial earthwork for the installation of the new CSO tank at Williams Street. There was a lot of clay material that needed to be removed and replaced with stable material. Bidding on the tank is scheduled for March 28<sup>th</sup>.

Construction on the East Side Siphon is scheduled to begin the end of July / beginning of August with drilling to be complete in the beginning of September.

Shop drawings are being reviewed for the dewatering equipment and installation contracts are being assembled.

Bids for the Murray Street project are due on April 1<sup>st</sup>. The project has been split over two construction seasons to entice more bidders.

The bid for Commercial, Water and Cony Street came in \$700k over estimate. This is a joint project with the City of Augusta and was awarded to Sargent.

At the last meeting trustees discussed changing legal counsel from Bernstein Shur Sawyer Nelson (BSSN) to Eaton Peabody. Munson inquired as to whether the District was under contract with BSSN. Tarbuck researched this matter and found that the District is not under contract with BSSN. Tarbuck also stated that the District does not need to be

bound to one legal counsel but may use different legal counsel from different legal firms depending on the specialized need. Tarbuck has authorized Mike Hodgins, from Eaton Peabody to represent the District. This does not prevent the District from seeking other legal representation.

The General Manager's Report included: The District is actively harvesting wood from Carleton Pond. Culverts and hopefully a fence will also be added to the Carleton Pond Property this year. The District is planning to connect the Willow Street Station via fiber optic cable to our office located at 12 Williams Street. Then connecting the office to the treatment plant by repurposing the failed siphon under the river. Tarbuck has made the city and the State of Maine aware of this project as they may also want to run fiber under the river. The District is looking to hire a full time instrumentation employee to ensure systems remain supported and active.

Financials from February 2019 were presented. Revenues for February 2019 are running one to two percent under budget while expenses are running five to seven percent under budget. Cash flows have not been completed for 2019. The Maine Municipal Bond Bank's board met last week and approved the District's Clean Water loan application for \$6M. The District plans to hold off closing on the loan until the Department of Environmental Protection finishes reviewing the District's application for the 2019 Wastewater Infrastructure State Grant.

There were no liens for Board discussion this month.

Policy #10, Joint Net Assets and Reserve was reviewed. The current policy states that rates are designed to be in effect for approximately 5 years or until the cash reserves of the Water division reach \$750,000 or the sum of the cash reserves of the Sewer and Storm-water divisions reach \$750,000. Management would like to change the policy to state that rates are reviewed annually and minimum cash reserves are \$750,000 in the Water division and \$750,000 calculated as the sum of the cash reserves of the Sewer and Stormwater divisions based on the 59% sewer / 41% stormwater ration set by the Board in 2018. Trustees would like the policy to be more general so as to not need to revise the policy every time the allocations are changed. Hebert would like to wait on adopting the revised policy until management has time to review other state statues that she believes would be relevant to this policy.

Trustees discussed upcoming legislation that could impact the District. LD 1198 titled An Act to Ensure Transparency and Participation in Maine Water Districts would remove any ability for trustees to be appointed. The bill would require election of trustees for any new water districts being set up. Hebert questions if the intent is to make this change retroactively. LD 197 seeks to make the State responsible for all waters of Maine. Trustees believe that both bills are a progressive move to limit Nestles access to water. Warren stated board members from districts across the state will be testifying that neither of the before mentioned bills will work for their individual districts.

Warren has been asked if the place holder bill submitted by the District is ready to be placed on the schedule. Members from the Charter Committee stated that they want to make the non-voting member from Hallowell able to vote if the voting member is absent. They also want to add language to give the District the ability to shut off water for the failure to pay for stormwater. The last issue is the wording concerning the territory and responsibilities of the stormwater division. The general feeling is the Hallowell issue would not be a problem; the ability to shut off water for failure to pay stormwater could have to go to referendum. Warren suggest that the committee move forward with the Hallowell change, let the failure to pay stormwater issue go through the committee process and if it is decided it needs to go to a district wide vote we can pull the bill at that time if we are not ready. Meredith stated that you should go in front of the committee with all your changes at the same time and not piecemeal it. Trustees decided to hold everything for the second session. This will give the Charter Committee until December to review the issues and work on the wording of the bill. Warren will submit a carryover request.

Knight would like to modify the Charter Committee and make it a Legislative Committee as well. The committee will have the ability to help District employees convey the board's opinion when testifying in front of the Legislature. Corey suggested that another member be added to the committee. Knight suggested adding a floating member to step in when needed to avoid any quorum issues.

At 19:39 Sawyer moved that this body stand adjourned. The motion was seconded by Paradis. The vote to approve the motion was unanimous.