

Monday, January 12, 2015
Greater Augusta Utility District Board Minutes
Oak Room, Senator Inn, Augusta, Maine

Trustees present: Ken Knight, Lesley Jones, Sukey Sikora, Don Roberts, Andy McPherson, Dave Bustin and Kirsten Hebert

Trustees absent: n/a

Employees: Brian Tarbuck and Andy Begin

Guests: Mayor Dave Rollins, City Manager Bill Bridgeo, Kristy Gould (City of Augusta Human Resources), Meredith Strang-Burgess (Burgess Advertising & Marketing), Lee Bragg (Bernstein, Shur, Sawyer & Nelson)

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

Chairman Knight asked if any Board members had any additions to the agenda. There were no additions.

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

At 18:15 Knight reviewed the status of relationships with local government, specifically the cities of Augusta and Hallowell.

At 18:17 Meredith Strang-Burgess reviewed the 2015 outreach and communication plan. The plan is an extension of prior efforts, building upon the recent upgrades to the District's website and ongoing social media presence. Highlights for 2015 include quarterly bill stuffers, a mass newsletter mailing to all customers and plant tours in early February. Strang-Burgess also noted that nearly all of the planned 2015 meetings will be televised on local CTV-7 and archived online for on-demand viewing for ratepayer convenience.

Tarbuck reviewed the rate setting process from 2011 and the District's need to adjust rates in the future. Tarbuck said that the 2011 rates were set to last for 5 years meaning the next schedule rate adjustment would be in October, 2016. Tarbuck said that accounting for inflation, rates would need to go up 7% to 10% over 2011 levels. Other project needs may drive rates higher but it's too soon to know now what those amounts will be.

The Board reviewed potential modifications to its Charter. One option under review would be to allow one of the non-voting members to vote if a voting member were absent. Certain language in the existing charter can be safely deleted because Hallowell voted to join the District. The process to change the Charter involves a presentation of the desired changes to the Utilities and Energy Committee at the Legislature. The Committee could allow the changes to be enacted with or without a vote of the general public.

Begin reviewed the 2015 list of projects. Notable projects included new sewer and stormwater pipe in Mount Vernon Avenue as part of the Maine DOT project. Maine DOT is also grinding and repaving (milling and filling) along Western Avenue from Western Avenue to the west side rotary and Stone Street and Hospital Street. These mill and fill projects require the District to adjust manholes and valve boxes before and after paving to match finished grades. The City of Augusta is rebuilding upper School Street from Pearl Street to South Belfast Avenue. The District will install new water, sewer and stormwater pipe to replace outdated infrastructure.

Hebert reviewed plans for Maine Rural Water Association to reuse the GF Laurin drinking water treatment facility in East Winthrop. Hebert is Executive Director of Maine Rural Water Association and has been in talks with several state and federal agencies to repurpose the facility into an educational resource for water and sewer operators. These talks are ongoing and good progress is being made.

The board took a short break from 19:35 to 19:50.

Upon returning from their break the Board discussed the process it uses to set goals for the General Manager and discussed how the General Manager's performance could be reviewed more effectively. Kristy Gould made several recommendations for 2015.

Gould and Bragg reviewed Freedom of Access Act (FOAA) information with the Board to improve their awareness of public disclosure regulations. With few exceptions, the actions and records of the District are public and need to be disclosed upon request. The Board will review the FOAA information on the State's website to ensure each member is comfortable with the requirements under the law.

At 21:03 Smith moved to adjourn the meeting. Roberts seconded the motion. The motion passed unanimously.

Monday, January 26, 2015
Greater Augusta Utility District Board Minutes
Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, David Smith, Lesley Jones, Sukey Sikora, Don Roberts, Kirsten Hebert, Dave Bustin and Charlene Hamiwka

Trustees absent: Andy McPherson

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Joachim Maier

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

Chairman Ken Knight asked if anyone had any additions to the agenda. There were no additions.

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

At 18:02 David Smith moved to accept the financial statements for December, 2014. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's preliminary and unaudited financial statements for December 2014. Kenney stated that revenues in both the Sewer and Storm Water divisions were on budget while expenses were 8% under budget. Cash for both divisions was approximately \$2.5M, which is \$1.3M less than the same time last year. Water division revenues were 6% over budget while expenses were under budget by 7%. Cash was approximately \$3.1M, approximately \$575K more than the same time last year. Kenney cautioned that these numbers are not final and would change slightly at the conclusion of year-end accounting activities.

At 18:08 Joachim Maier presented the Forest Management Plan for the Greater Augusta Utility District's Carleton Pond property. The presentation included landowner objectives, a description of the property, forest health, wildlife conditions, recreation conditions, timber production, and aesthetic considerations.

At 18:53 Kirsten Hebert discussed the findings of the Carleton Pond access committee. The primary concern of the committee was access parity. Opening the trails to one club could implies that all subsequent clubs should be granted access. Another concern was the liability associated with letting the public use the property. Kirsten has calls into to other districts to see how they have handled the same concerns. Lesley and Sukey both mentioned that the Rail Trail system has trail insurance.

At 18:58 Ken and Kirsten updated the board on the proposed plan to repurpose the GF Laurin drinking water treatment plant as an environmental educational facility. Ken stated that he had met with some elected officials, city councilors and representatives from the University of Maine and Community College systems. There has been broad and universal support for the project during these initial conversations. Kirsten has spoken with some of the technical colleges in the area about on the job training and an apprenticeship program. The GF Laurin redevelopment committee will be meeting with the Chamber of Commerce at the end of January.

At 18:59 Brian Tarbuck discussed grease trap standards. He stated that our existing policy needs more research before presenting it to the board. Tarbuck stated that preventing fats, oils and grease is a serious issue for all sewer collection system but there is not a statewide policy on grease management. Tarbuck suggested that the District meet with some grease trap cleaning vendors that could help our customers clean up the grease before it hits our system. A vendor

agreement could lead to reduced pricing for our customers and demonstrate that grease traps are maintained to the District's standards. The grease trap standards policy should be ready for review at the February meeting.

19:02 Andy Begin reviewed the status of the following projects; Riverside Drive well, Malta Tank, Alderwood Drive redundant water main, Arsenal Street storm water separation, Boucher Avenue water main replacement, Western Avenue structure adjustments for MDOT, Stone/Hospital Street structure adjustments for MDOT, Meadowlands water main loop, Mount Vernon Avenue MDOT road work, New England Road storm water upgrade, Ridgewood Drive water main replacement, School Street – City of Augusta road reconstruction, Togus sodium hypochlorite booster station, wastewater plant water pumping system, Capitol Street storm water outfall stabilization, I-95 sewer relining work, and the Hammonds Grove grinder stations. Andy stated that construction this year may be more costly and take more time due to the roads now being shared with the natural gas companies.

At 19:45 David Smith moved to accept the minutes from the December 15th, and the January 12th Board meetings. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

At 19:49 David Smith moved to adjourn the meeting. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

Monday, February 23, 2015
Greater Augusta Utility District Board Minutes
Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, David Smith, Lesley Jones, Andy McPherson, Don Roberts, Kirsten Hebert and Dave Bustin

Trustees absent: Charlene Hamiwka and Sukey Sikora

Employees: Andy Begin, Phyllis Rand and Sherry Kenney

Guests: Susan Breau and Jon Beekman

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

Chairman Ken Knight asked if anyone had any additions to the agenda. There were no additions.

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

Due to the recent interest of the public to use the area around Carleton Pond, Susan Breau, the USDA Source Water Program Manager from Maine Rural Water Association, gave a presentation on recreation in source water protection areas. The presentation included information from Bangor, York, Kittery, and Portland Water Districts and the Hebron Water Company. All of these districts use their watershed protected areas for public recreation. Included in the presentation were flyers, trail maps, ordinances and statutes used by the before mentioned districts.

The next discussion was the GF Laurin water plant lease to Maine Rural Water Association (MRWA). Ken Knight stated that a previous lease used by the District was sent to legal and insurance personnel for updating. Ken also stated that Kirsten Herbert being a member of the GAUD board and the executive director of MRWA would not cause a legal conflict of interest. Kirsten stated that even though it was not a legal conflict of interest she wants there to be no appearance of any improprieties and has therefore asked Ken to speak to the MRWA board and that she would also be removing herself from participating in any voting concerning this matter. Ken then suggested that the motion to allow the General Manager to sign a lease with MRWA to permit the use of the GF Laurin water treatment facility in Winthrop for educational purposes be tabled until further discussion of the lease guidelines. Topics of discussion included insurance limits, changes to infrastructure, lease duration, fee schedule and general wording of the document. Ken stated that after the lease was reworded it would be presented to the board again.

At 18:47 David Smith moved to table the motion to allow the General Manager to sign a lease with Maine Rural Water Association too permit the use of the GF Laurin water treatment facility in Winthrop for educational purposes. The motion was seconded by Don Roberts. The vote to table the motion was unanimous.

At 18:48 David Smith moved to accept the financial statements for January, 2015. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for January 2015. Kenney stated revenues in all divisions appear to be under budget but it is really just an issue with timing. Expenses in all division are tracking as expected. Kenney presented the balance sheet which is now called a statement of net position. This reported a cash balance of \$6 million with \$3.4 million in the water division and \$2.6 million in the sewer and storm water divisions. Runyon Kersteen Ouellette (RKO) completed its annual audit of the District's financial statements for the year ending December 31, 2014. Hank Farrah from RKO will present the findings of the audit at the April Board meeting. Kenney also discussed the implementation of GASB 68, "Accounting for Pensions by State and Local Governmental Employers". After speaking with the Director of Finance from the Maine Public Employees Retirement System (MainePERS) Sherry stated that the District's net pension liability as of June 30, 2013 was \$1.2 million but was \$662,000 on the morning of February 23,

2015. This represents a reduction of \$538,000 or 44.8%. MainePERS will also make a presentation at the April Board meeting.

Phyllis Rand, Water Quality Coordinator for GAUD, presented a summary of the draft Grease Trap and Grease Interceptor Standards. The draft standards provide specific standards for the location, design, construction, installation, operation and maintenance of new and existing grease traps and grease interceptors associated with discharges to the District's wastewater collection system. Due to fees and penalties included in the new standards Ken has suggested that the District hold a couple of public forums and preform a cost analysis for the District and our customers before finalizing the new standards.

Andy Begin reviewed the status of the following projects; Riverside Drive well, Malta Tank, Alderwood Drive redundant water main, Arsenal Street storm water separation, Boucher Avenue water main replacement, Western Avenue structure adjustments for MDOT, Stone/Hospital Street structure adjustments for MDOT, Meadowlands water main loop, Mount Vernon Avenue MDOT road work, New England Road storm water upgrade, Ridgewood Drive water main replacement, School Street – City of Augusta road reconstruction, Togus sodium hypochlorite booster station, wastewater plant water pumping system, Capitol Street storm water outfall stabilization, I-95 sewer relining work, and the Hammonds Grove grinder stations.

At 19:32 David Smith moved to accept the minutes from the January 26th Board meeting. The motion was seconded by Andy McPherson. The vote to approve the motion was unanimous.

At 19:33 David Smith moved to adjourn the meeting. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

Monday, March 16, 2015
Greater Augusta Utility District Board Minutes
Augusta Civic Center, Fort Western Room

Trustees present: Ken Knight, Lesley Jones, Andy McPherson, Don Roberts, Kirsten Hebert and Sukey Sikora

Trustees absent: Charlene Hamiwka, David Smith and Dave Bustin

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Kristy Gould and Meredith Strang-Burgess

At 16:47 Chairman Knight called the meeting to order.

Chairman Ken Knight asked if anyone had any additions to the agenda. There were no additions.

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

At 16:48 Don Roberts moved to enter Executive Session pursuant to MRSA Title 1, §405, 6 A to evaluate the General Manager's performance. The motion was seconded by Andy McPherson. The vote to approve the motion was unanimous. The Board asked Kristy Gould to participate in the executive session. Tarbuck, Begin, Kenney and Strang-Burgess were not present for the Executive Session.

At 17:08 the Board exited executive session.

It was informally decided to delay the General Manager's review until the April meeting. The Board felt that it would be unfair to the General Manager to do the review until they could organize their thoughts and notes into a more constructive review. A committee made up of Ken Knight, Kirsten Hebert, Sukey Sikora and Kristy Gould was formed to review and simplify all the notes and comments.

Kristy Gould, the Human Resources Director, reviewed proposed changes to the personnel policy. The changes included after-hours phone response for non-union employees, language to clarify the health insurance opt-out option, and direct deposit issues. Annual review of driver's license records was added to the vehicle use section and outdated language was deleted from the telephone use section. The smoking policy now addresses both e-cigarettes and chewing tobacco. The most substantial change was a new policy concerning communications and social media.

At 17:20 Don Roberts moved to accept the revisions to the District's Personnel Policy Manual. The motion was seconded by Sukey Sikora. The vote to approve the motion was unanimous.

The next discussion was the proposed lease of the GF Laurin water plant to Maine Rural Water Association (MRWA). MRWA wants a one year interim lease agreement. This agreement would allow them to perform some preliminary structural and environmental investigations, establish services and apply for permits, grants and loans. It would also give MRWA time to form a business plan and to do some conceptual drawings. MRWA will then be able to decide on a long term operating lease. GAUD's concerns are property in the building, utility costs, changes to the building itself and the cost to get the building's heating, air conditioning and fire protection systems up to code. The Board decided to change the wording on the lease term and conduct a pre-occupancy inspection to document baseline conditions.

At 17:46 Sukey Sikora moved to allow the General Manager to sign a lease with Maine Rural Water Association to permit the use of the GF Laurin water treatment facility in Winthrop for educational purposes. The motion was seconded by Andy McPherson. The vote to approve the motion was unanimous. Kirsten Herbert abstained from the vote.

At 17:48 Don Roberts moved to accept the financial statements for February, 2015. The motion was seconded by Sukey Sikora. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for February 2015. Kenney stated that 17% of the year has passed and all divisions are tracking as anticipated. The Sewer and Stormwater revenues were at 10% due to timing and are expected to level out after the first quarter. Expenses were at 13% with labor at only 9% due to the allocation between the sewer and water divisions. Cash was \$2.86M which is approximately \$498,000 less than this same point last year. In the water division, revenues were also 10% and also expected to level out after the first quarter. Expenses were at 13%, with transportation being a negative expense due to charging capital projects for trucking and equipment expenses. Cash was \$3.4M which is approximately \$70K less than this same point last year. Runyon Kersteen & Ouellette will present the findings of its annual audit of the District's financial statements at the April Board meeting. MainePERS will also make a presentation at the April Board meeting to discuss the District's retirement system expenses. Kenney stated that construction season has begun which will decrease cash balances.

Andy Begin reviewed the status of the following projects; Riverside Drive Treatment Building and well, Mount Vernon Avenue MDOT road work, New England Road storm water upgrade, School Street – City of Augusta road reconstruction, Togus sodium hypochlorite booster station, wastewater plant water pumping system, Capitol Street storm water outfall stabilization, and the Hammonds Grove grinder stations.

Brian Tarbuck discussed the draft of grease trap standards. Brian plans to set up meetings with vendors to discuss cleaning options and the cost of cleaning for the different grease trap devices. Brian will also review past compliance records.

At 18:02 Don Roberts moved to accept the minutes from the February 23rd Board meeting. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

At 18:05 Don Roberts moved to adjourn the meeting. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

Monday, April 27, 2015

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Lesley Jones, Andy McPherson, Don Roberts, Charlene Hamiwka, David Smith and Dave Bustin

Trustees absent: Kirsten Hebert and Sukey Sikora

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Jon Beekman, Sherry Vandrell, Stephanie Fecteau and Tim Gill

At 18:03 Chairman Knight called the meeting to order.

Chairman Ken Knight asked if anyone had any additions to the agenda. There were no additions.

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

Sherry Vandrell from Maine Public Employees Retirement System (MEPERS) discussed the impact of Governmental Accounting Standards Board Statement #68 (GASB 68) on the District. GASB 68 requires governmental employees who are part of a cost sharing defined benefit retirement plan to state their net pension liability (NPL) on the statement of net position. Vandrell discussed how MEPERS would determine the District's proportionate share of the collective NPL as a whole. Vandrell also discussed employer specific liabilities such as plan enhancements, mandatory cost and any initial unpooled, unfunded actuarial liability (IUUAL). The District's IUUAL was paid off in 2008 so the only liability at this time is the NPL. The District's NPL is currently \$679,641 which is 0.35% of the total MPERS Participating Local District NPL of \$194,460,000.

Tim Gill of accounting firm Runyon, Kersteen and Ouellette reviewed the 2014 audit with the Board. Gill stated that the District received an unmodified opinion and clean report. Gill reviewed the financials of the District's Sewer, Stormwater and Water divisions. Gill praised Sherry Kenney's work in preparation of the documents used by the auditors and complimented the Board for their decision to hire a full time finance director.

At 18:35 Dave Smith moved to accept the 2014 financial statements presented to the Board by Runyon, Kersteen and Ouellette. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

At 18:38 Don Roberts moved to accept the financial statements for March, 2015. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for March 2015. Kenney stated that 25% of the year has passed and all divisions are tracking as anticipated. The Sewer and Stormwater revenues were at 19% which is slightly under the 25% due to the timing of quarterly billing. Expenses were at 20% and cash was \$2.3M which is approximately \$600,000 less than this same point last year. In the water division, revenues were also slightly lower at 18%. Expenses were at 21% and cash was \$3.3M which is approximately \$117K less than this same point last year. Kenney stated that the District budgeted \$2.7M in construction projects for 2015 and combined with the \$2M in ongoing projects from 2014 it promises to be an expensive construction year.

Ken Knight announced that the scheduled motion to go into Executive Session pursuant to MRSA Title 1 § 405 part 6 to discuss the General Manager's performance will be deferred to the next monthly board meeting.

Brian Tarbuck gave an overview of the Trunkline's Hammond's Grove project to replace seven small pump stations. Tarbuck explained the scope of the project, the reasons why the District did the project, when the work was done and the ongoing issues the District has had to face. Tarbuck stated the Trunkline Board will discuss construction issues and local residents' concerns at the next scheduled Trunkline Board meeting.

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

At 18:47 Dave Smith moved to elect the following people to the following offices in accordance with the Charter and the District's bylaws.

Chair: Ken Knight

Vice-Chair: Dave Smith

Treasurer: Charlene Hamiwka

Secretary: Andy McPherson

Assistant-Treasurer: Brian Tarbuck

The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

Brian Tarbuck informed the Board of a couple points of interest that have taken place at the District. First, the District's cat Lucy had to be put to rest after a long illness. Jane Carroll who manages the Waste Water Treatment Facility received a \$2,000 grant from Maine Municipal Association to offset the cost of the annual confined space rescue training. Carroll negotiated a new contract on biosolids disposal that should save the District \$30,000 to \$40,000 a year. Lastly the drinking water Consumer Confidence Report for 2014 has been completed and posted on the District's website.

Ken Knight opened a discussion on the District's stormwater policies. Knight started the discussion with a copy of the District's charter which states the District's purpose relating to stormwater as "To construct, maintain, operate and provide the stormwater drainage system with all its appurtenances in the City of Augusta only; to extend, increase, enlarge and improve the drains; to extend the present system or systems to furnish stormwater drainage facilities to only the portions of the City of Augusta not now served with stormwater facilities; to provide a system of stormwater drainage for public purposes and for health and comfort and convenience of the inhabitants of the City of Augusta." Ken asked all the trustees if the District's before mentioned purpose towards stormwater was clear enough to be able to direct the general manager on how to conduct business when it comes to stormwater. In the past the City of Augusta has paid for some stormwater projects but not others. Tarbuck asked the Board for clarification who is responsible for what by considering the creation of a policy on stormwater activities. The discussion ended with the request for legal interpretation from the District's attorney on the stormwater portion of the charter and for Tarbuck to send the Trustees information on some of our sewer policies and policies from other Districts. Ken mentioned that a special meeting would be planned to follow up on this subject before the next scheduled Board meeting.

The next discussion was the proposed lease of the GF Laurin water plant to Maine Rural Water Association (MRWA). A memorandum of agreement has been drawn up to cover the first year of occupancy which states the guidelines for the lease including the rent and services. It was asked that some of the wording be changed or clarified and the insurance coverage be checked before the final signing. If after the first year MRWA want to go ahead with its plans for the plant a more detailed commercial lease agreement will be executed.

Andy Begin reviewed the status of the following projects; Riverside Drive Treatment Building and well, Mount Vernon Avenue MDOT road work, New England Road storm water upgrade, School Street – City of Augusta road reconstruction,

Togus sodium hypochlorite booster station, wastewater plant water pumping system, Capitol Street storm water outfall stabilization, and the Hammonds Grove grinder stations.

At 19:09 David Smith moved to accept the minutes from the March 16th Board meeting. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

At 19:10 David Smith moved to adjourn the meeting. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

Monday, May 18, 2015

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Lesley Jones, Don Roberts, Charlene Hamiwka, David Smith, Dave Bustin, Kirsten Hebert and Sukey Sikora

Trustees absent: Andy McPherson

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

Guests: Steve Freedman, Bob Scherpf, Eric Lemont and Lee Bragg

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

Chairman Ken Knight asked if anyone had any additions to the agenda. There were no additions.

Chairman Ken Knight asked for public comments. There are two public issues on the agenda but no additional public comments.

The first public comment is from Mr. Daniel O'Neill who resides at 2035 North Belfast Avenue. Mr. O'Neill stated that on March 27, 2015, the District used his driveway while working in conjunction with Central Maine Power to replace a pole at 2 Spaulding Street, an abutting parcel. Mr. O'Neill claims that the District's equipment caused an indentation in his driveway. At that time Mr. O'Neill's partner verbally made a complaint about the driveway. Mr. O'Neill stated that he received a letter from the District denying his claim for the damage done to his driveway and that he in turn sent a letter and pictures in reference to his denied claim to the District. He appealed the management decision to the Trustees.

The Trustees viewed Mr. O'Neill's pictures. Knight referenced the April 30th denial letter sent to Mr. O'Neill which denies the indentation claim but does agree to repair the damage done on the northwest edge of his property. Knight asked the District's Construction Foreman, Tim Wade, to explain the pictures the Trustees were seeing. Wade pointed out the damage that we had previously agreed to fix. Wade explained the indent shown in the picture was preexisting. Wade stated that while looking for the curb stop moved leaves and other debris out of the indentation with his foot while looking for a curb stop. Wade also stated that neither the District nor CMP was that far in the driveway and that they had to break up the frost in the ground before they were able to dig. Knight asked for Trustee comments. Lesley Jones asked when the pictures in the board package showing the indentation were taken. Wade stated that the pictures came from Google Earth therefore they were at least a year old. Jones also stated that due to the leaves in the indentation and the condition around the indentation it seems to be preexisting. Knight asked when the District planned to fix the damage it had already agreed to repair. District personnel were waiting for the outcome of this discussion so Mr. O'Neill's property would be visited only once. Smith summed up the situation by stating that the trucks shown in the photograph were in the City's right of way and the depression is farther up in the driveway. Smith also stated that due to the time of year and the frost in the ground the pavement would have fractured, not sunk. The sinking of pavement is usually a hot weather issue not a cold weather issue. Smith did not think the District has any liability except the issue it has already agreed to fix. Roberts asked for someone to review what we have already agreed to fix. Tarbuck stated that there is a small corner of pavement that needs to be fixed and the District will meet with the landowners to make sure everyone is in agreement before any work is done.

Knight asked for a motion and got no response. Knight stated that the District will adhere to the letter the District sent and fix the damage done on the northwest edge of the property only.

The second public comment was from Ken Haley who owns a property at 46 South Grove Street. Years ago the city hooked all the houses in his area up to the combined sewer system. In 2006 the drainage system on his property started

to fail. Mr. Haley work with Harold Wood and Fred Drake (Augusta Sanitary District employees) to solve the issue. Mr. Haley stated that the District (in 2006) recommended that he replace the existing Orangeburg sewer pipe with new plastic SDR 35 pipe. The Haley's paid for the new pipe on their property and the District paid for the repair from Mr. Haley's property to the manhole. Drainage continues to be an issue and the Haley's would like to have it fixed before they sell their house. The District visited the property last year to map out pipe locations.

Mr. Haley stated that he understands that the District is trying to reduce the amount of drainage going into the sewer system but he believes due to the work done in 2006 his system is "grandfathered". Mr. Haley's question is "It is the city's responsibility or his" to replace the drainage pipe.

Tarbuck stated that he had been talking with Mr. Haley on this issue for a while. Tarbuck stated that it is a drain pipe that has failed over time and he originally told Mr. Haley that due to DEP rules he could not hook his drainage back up to the combined sewer system. Tarbuck spoke with DEP and explained that this was a preexisting issue and that the District has no immediate plans to separate the combined sewer system that serves this area. Tarbuck discussed the fact the District has an existing sewer policy to replace broken sewer pipes under the road but the policy does not discuss stormwater or drain pipes. Tarbuck offered an alternative solution which would be to install a sump pump and let it flow over ground. However, Tarbuck stated that the sump pump discharge could flow into the road and freeze and cause a public safety issue, or it could flow to the nearest catch basin which would then put it into the combined sewer. Tarbuck's question was whether or not the policy to repair broken sewer pipes under the road should be extended to repairing broken drainage pipes under the road. Tarbuck stated that he did not know how many other properties have issues similar to Mr. Haley's so there is no way to know the cost, but it could be high enough to cause a rate increase.

Knight asked the Trustees if they had any questions or concerns. Hamiwka asked if it would be less expensive to relocate the pipe to drain into the catch basin instead of excavating in the road. Begin stated that the catch basin is at higher elevation and would require a pump which is what Mr. Haley is trying to avoid. Tarbuck stated that there are other non-excavating solutions but we do not know how bad the pipe is so these solutions may not work. Tarbuck stated that the job is too deep for the District to do and a contractor would need to do the work. Knight asked if the District had any other requests to fix drainage issues pending or just the one being presented. Tarbuck stated that the District did not have any other requests. Hebert asked if the policy to reduce the clean water going into the system gives any other options. Tarbuck stated that it didn't. Smith stated that until there is a better solution we cannot abandon our ratepayers and should let the Haleys reconnect to the system. Smith then asked if the pipe had been CCTV'd to know where the damage is. Mr. Haley stated that they tried to camera the pipe years ago but it did not work. Mr. Haley stated that he is willing to do all the work on his property if the District does its part. The Board gave Tarbuck permission to work with Mr. Haley and the District would pick up the expenses for its part of the project.

Steve Freedman from AECOM made a presentation on the history of the combined sewer overflow (CSO) system and the next compliance steps the District plans to take. Freedman started the presentation with a history of the District's CSO plan. The District started planning in the late 1980's, completing the first phase in 1993. As required by DEP, the CSO Long Term Control Plan was updated in 1999, 2006 and again in 2015. The District currently has 24 permitted CSO's. Five have been eliminated since the last MEPDES permit. Only one CSO remains on a tributary. Eighteen still discharge to the Kennebec River. In 1993 the system was broken down into four project areas: the treatment plant, the west side, the east side and Bond Brook. A four-phase, multi-year plan was recommended. High flow management at the treatment plant was phase 1. The west side consolidation conduit (rail trail) was phase 2. The Bond Brook interceptor and the Mill Park storage facility was phase 3. Phase 4 will focus on the east side of the Kennebec River. Phases 1, 2 and 3 are complete. Phase four is the next and last major CSO compliance project. Freedman gave an overview of system-wide performance. The District has made considerable progress in reducing discharges to the area's waterways. There has been an 81% reduction in CSO activations per inch of rain and an 88% reduction in annual discharge volume of combined sewers to local receiving waters since the work began. Freedman estimates that phase 4 will cost a total of \$12.4 Million: \$2 Million for phase 4A and \$10.4 Million for phase 4B. Freedman will finalize the Long Term Control Plan and submit it to DEP by June 30, 2015. The project has been scheduled to allow new debt service to coincide with the

retirement of previous debt service payments which will minimize rate impact if the schedule is approved by the DEP. Phase 4A will be started in 2015 with an estimated completion date of 2019. Phase 4B is scheduled for 2018 into 2021.

At the last meeting the Trustees requested that legal counsel review the stormwater part of the District's charter to make sure it is being correctly interpreted. Lee Bragg, the District's counsel, met with Tarbuck, Knight, Bill Bridgeo (City of Augusta) and Ralph St. Pierre (City of Augusta) to discuss stormwater. Bragg stated that the Charter language on stormwater simply states that the Trustees are responsible for stormwater on their own terms. The meeting then turned to how to put a protocol in place so the District knows what the City of Augusta's stormwater priorities are and vice versa. Knight stated that due to the language in the Charter the District should treat stormwater like sewer for both budgeting and rates. Tarbuck stated that the District's sole focus since the early 1990's has been on CSO compliance, not stormwater expansion or extensions. The District does separate combined sewers from time to time if it is the right thing to do for the environment and the ratepayers. Tarbuck stated that the real question is who is going to cover the expense of the expansions and extensions that the City of Augusta wants the District to install. Tarbuck agreed with the idea that all stormwater work done on city projects needs to be discussed beforehand and a contract needs to be in place that states who will be responsible for the expense of the stormwater portion of the project. The hurdle facing the District is that current rates do not support stormwater expansions or extensions. Tarbuck said it is his hope that the City will develop a five year plan for its stormwater needs so the District can add that expense to its next rate case in 2016. Roberts asked Bragg that if "the Trustees are responsible for stormwater on their own terms" were the Trustees also responsible for deciding the extent of that responsibility. Bragg stated that that was true. Knight reminded the Trustees that even though they have the responsibility of directing the District on stormwater issues the existing rates do not support any expansion or extensions.

Tarbuck then brought the first stormwater issue up for the Trustee's direction. The District and the City of Augusta will construct a joint project on School Street in the next month or so. The City has asked the District to add three new catch basins to the project. The three new basins are considered to be an extension of the stormwater system and were not budgeted for by the District. It is estimated that the placement of the three new catch basins would add an extra \$20,000 to the project budget. Knight asked if the District had the funds to add the extra basins. Tarbuck stated that there were funds to cover it but it means that those funds will not be there for later use. Hamiwka asked which project costs would need to be cut to cover the extra cost of the basins. Tarbuck stated that the District is just at the beginning of the construction season and most capital budgeted items are still estimates at this point. Projects could come in under budget resulting in "found money" or projects may cost more than estimated. The District manages this every year and manages the project list on a priority basis. Some projects will ultimately be deferred until 2016 but it is too soon to earmark which projects those might be. Bustin asked if this means that the Trustees would need to be involved in directing every project. Hebert expressed concern that if the basins were paid for by the District on the School Street project it would be setting a precedent for future requests. Sikora's opinion is that if we did not budget for it we should not be paying for it until we have rates in place to do so. Knight stated that the stormwater issue would need to be done on a case by case basis and Trustees needed to give Tarbuck direction tonight for School Street. Knight stated that as Trustees they could either decide to give the ok to spend the extra funds knowing that it could defer other projects or they could say no to the expansion.

At 20:06 Don Roberts moved to earmark \$20,000 for the School Street CSO project. The motion was seconded by David Smith. The vote was four in favor and two opposed, motion passed.

At 20:12 David Smith moved to accept the financial statements for April, 2015. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for April 2015. Kenney stated that 33% of the year has passed and all divisions were tracking as anticipated.

Kenney introduced a new spreadsheet to the Trustees which will be included in future financial presentations. The spreadsheet presented a simple cash flow table which stated cash at the beginning of each month, plus revenue. The

spreadsheet then subtracts expenses for operations, maintenance and capital to calculate cash at the end of each month. The spreadsheet projects estimated revenue and expenses for each month for the remainder of the year.

Sewer and Stormwater revenues were at 27%. Though these are tracking as anticipated, it is slightly under the 33% one would expect to see due to the timing of quarterly billing. Expenses were at 27%. Cash was \$2.6M which is approximately \$112,000 below April, 2014.

Water division revenues were at 26%. Expenses were at 28%. Cash was \$3.2M which is approximately \$216K below April, 2014.

Tarbuck began a discussion about utility rates. Tarbuck stated that the last rate increase happened in October, 2011. At the time the District told its ratepayers that the next rate adjustment would take place in about five years. Tarbuck said it is clear that rates will need to be analyzed and that process should start now. Tarbuck is asking to hire Raftelis to update the existing sewer and stormwater rate model and to develop alternatives for stormwater revenue.

At 20:33 David Smith moved to allow the general manager to enter into a contract with Raftelis Financial Consultants to update the District's rate model. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

At 20:35 David Smith moved to allow the general manager to enter into a contract with Dwyer Associates to update the District's appraisal of land holdings near Carleton Pond in Winthrop and Readfield. The motion was seconded by Don Roberts.

Hamiwka asked why it would be \$7,000 to update an appraisal. Hamiwka suggested that a new commercial appraisal should be around \$3,000. Because the District is only asking for an update Hamiwka said the estimate from Dwyer is too high. Tarbuck said he would call Dwyer Associates and invite them to speak to the Trustees about the appraisal estimate and the reason for the expense.

At 20:37 David Smith withdrew the motion to allow the general manager to enter into a contract with Dwyer Associates to update the District's appraisal of land holdings near Carleton Pond in Winthrop and Readfield. The motion to second it was also withdrawn by Don Roberts.

Ken Knight stated that there were no updates on the lease of the GF Laurin plant.

Andy Begin reviewed the status of the following projects; Riverside Drive Treatment Building and wells; Malta 2.6 million gallon drinking water storage tank; Mount Vernon Avenue reconstruction; Western Avenue, Stone Street and Hospital Street structure adjustments; New England Road storm water replacement; and School Street road reconstruction.

At 20:40 David Smith moved to accept the minutes from the April 17th Board meeting. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

At 20:41 David Smith moved to go into Executive Session pursuant to MRSA Title 1 section 405 part 6 to discuss the General Manager's performance. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

At 21:10 David Smith moved to adjourn the meeting. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

Monday, June 15, 2015

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, David Smith, Dave Bustin, Kirsten Hebert, Andy McPherson and Sukey Sikora

Trustees absent: Lesley Jones, Don Roberts and Charlene Hamiwka

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

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

Chairman Ken Knight asked if anyone had any additions to the agenda. There were no additions.

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

At 18:01 David Smith moved to accept the financial statements for May, 2015. The motion was seconded by Sukey Sikora. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for May, 2015. Kenney stated that 42% of the year has passed and all divisions were tracking as anticipated.

Sewer and Stormwater revenues were at 35% which is slightly under the 42% one would expect to see due to the timing of quarterly billing. Expenses were at 36%. Cash was also at \$2.9M which is approximately \$472,000 below May, 2014. Kenney also pointed out that by looking at the Sewer and Stormwater division cash flow you can see that cash has been holding steady for the first part of the year. Estimates show that by September we may fall below the cash balance the District strives to maintain. Kenney also introduced a new cash flow spreadsheet which breaks down Capital Improvement Project cash flow by project.

Water revenues were also at 35% which is slightly under the 42% one would expect to see due to the timing of quarterly billing. Expenses were at 37%. Cash was \$2.9M which is approximately \$132,000 above May, 2014. The water division cash flow shows that cash reserves have already started to slowly decline. In the fall of 2015 the water division will also see cash balances hover a little above or below the cash balance the District strives to maintain. The water division also has a new cash flow sheet that breaks down the capital improvement cash flow by project.

At 18:05 David Smith moved to increase the General Manager's annual salary by a 1.5% cost-of-living-increase, consistent with other employees of the District. The increase will be retroactive to May 18, 2015. The motion was seconded by Andy McPherson. The vote to approve the motion was unanimous.

Ken Knight turned the floor over to Tarbuck to discuss the new Pleasant Street / Lithgow Library renovation project. Tarbuck stated that this is a new project by the City of Augusta that the District did not know about in the fall and therefore did not budget for it. The City's plans are to make improvements to the existing drainage system and to improve the appearance of the street to complement the new Lithgow Library work. The District will need to lower a water main, install new stormwater catch basins and stormwater pipe. As part of this project the City also plans to pave Oak Street. The District has started to look at the infrastructure in this area to determine if any of the existing sewer pipes need to be replaced before the street is reconstructed. The City will be reimbursing the District for the drinking water part of the project. The work done on Oak Street will be at the District's expense. Until the pipes are inspected the District won't be sure if the pipes need to be replaced or if they can be relined. Therefore the District has no estimate on the expenses.

Knight began a discussion on the timber harvesting and forest management program at Carleton Pond. Knight stated that he had a discussion with Jake Maier, the district's forester. Maier asked if the Board had made any decisions on using the land around Carleton Pond for recreational use. Maier already has a forestry plan in place (see the January 26, 2015 notes) but if the Board wants to open the land for recreational use he would need to revise his plan. Knight asked for opinions of the other trustees. Knight's thought was to have Maier proceed with the thought that there may be recreational use in the future. Smith was ok with some minor adjustments if needed. McPherson and Sikora both felt Jake should stick to the approved plan until the Board actually decides to open up the area to recreational use. Knight stated that either he or Tarbuck would speak with Maier and have him proceed as originally planned.

Tarbuck reviewed some points of interest. Changes have been made to the website to improve its operation. The fence along the rail trail near the wastewater plant has been repaired and new signs have been installed. Two District employees will be presenting at this year's Maine Water Environment Association (MeWEA) conference in September. Jake Daku will provide training regarding Supervisory Control and Data Acquisition (SCADA) systems and Alina Taus will present information on GIS.

The next discussion was the GF Laurin plant lease. Knight stated that there was no new news. There have been discussions to drop the temporary lease idea and execute a final lease if and when Maine Rural Water Association (MRWA) decides to move forward with the project. In the meantime the District will apply for an Efficiency Maine grant to replace the lighting inside and outside of the plant.

Begin reviewed the status of the following projects; Riverside Drive Treatment Building and well, Malta 2.65 million gallon drinking water storage tank, Alderwood Drive redundant water main, Arsenal Street storm water separation, Boucher Avenue water main replacement, Mount Vernon Avenue reconstruction; Western Avenue, Stone Street and Hospital Street structure adjustments; Meadowlands water main loop, New England Road storm water replacement; Ridgewood Drive water main replacement, Togus sodium hypochlorite booster station, Capitol Street storm water outfall stabilization, Wastewater Plant water pumping station, I-95 sewer relining work, Pleasant Street & Oak Street water/sewer/storm improvements and School Street road reconstruction. Tarbuck reviewed the status of the Manchester Hammonds Grove grinder stations for the Trunkline.

Knight asked for an update on hiring Dwyer Associates to update the appraisal of land holdings near Carleton Pond in Winthrop and Readfield. Tarbuck stated that he has reached out to Dwyer Associates but has not yet received a response.

At 18:52 David Smith moved to accept the minutes from the May 18th Board meeting. The motion was seconded by Sukey Sikora. The vote to approve the motion was unanimous.

At 18:54 David Smith moved to adjourn the meeting. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

Monday, July 20, 2015

Greater Augusta Utility District Board Minutes

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

Trustees present: David Smith, Dave Bustin, Kirsten Hebert, Lesley Jones, Sukey Sikora, Don Roberts and Charlene Hamiwka

Trustees absent: Ken Knight and Andy McPherson

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

At 18:00 Vice Chairman Smith called the meeting to order.

Vice Chairman David Smith asked if anyone had any additions to the agenda. David Smith had two new items, Trustee Insurance questions and an update on the Carleton appraisal.

Vice Chairman David Smith asked for public comments. There were no public comments.

At 18:04 Sukey Sikora moved to accept the financial statements for June, 2015. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for June, 2015. Kenney stated that 50% of the year had passed and all divisions were tracking as anticipated.

Sewer and stormwater revenues were at 45% which is slightly under the 50% anticipated. This is due to the timing of quarterly billing and should correct itself by the end of the calendar year. Expenses were at 43%. Labor & fringe expense was low at 37% but was expected to be more in line now that construction season has started. Cash was solid at \$3.4M which is approximately \$228,000 greater than in June, 2014. Kenney explained that due to a drawdown from the CSO IIIB SRF loan of \$325,000, estimated cash balances should stay above the targeted minimum balance after autumn debt is paid.

Water revenues were also at 45% which is slightly under the 50% anticipated. This is due to the timing of quarterly billing and should correct itself by the end of the calendar year. Expenses were at 43% with transportation being even lower at -29%. The low transportation expense is due to the District directly charging capital projects for trucking and equipment cost. Cash was \$2.8M which is approximately \$569,000 less than the balance at the end of June, 2014. The water division cash flow shows that cash reserves have already started to slowly decline. The water division will see cash balances hover close to the District's minimum targeted cash balance after autumn debt payments have been made.

The statement of net position looks good. Total assets and total net position has been holding steady. For other financial news, Kenney stated that Maine Revenue Service recently completed its Maine State Sales Tax audit of the District. Drinking water sales to commercial entities are taxable. The time period covered was from November, 2011 to September, 2014. The total amount assessed was \$2,657.29: \$2,287.28 in taxes and \$370.01 in interest. The audit revealed that sales tax had not been charged to certain drinking water customers at the Marketplace in Augusta. The issue has been remedied and a letter will be sent to affected customers along with an invoice for the unpaid taxes.

Dave Bustin asked Tarbuck if he sees anything in all the financial information that he has flagged as being problematic. Tarbuck stated that last month the cash flow sheet was showing very low estimated cash balances in the fall. However, the CSO IIIB drawdown restored a significant amount of cash. Certain project bids have since come in lower than estimated. Some projects were rescheduled. The net effect is that the estimated cash flow seems to be more in line.

Don Roberts asked to have more explanation regarding why the Marketplace customers that weren't being taxed wasn't identified sooner. Kenney explained that during construction the water provided to the site through a temporary construction meter was not taxable. Once permanent individual accounts were set up the box on the billing software was not checked to tax the account wasn't checked. Dave Bustin expressed concern about store closings that have happened and whether the District was being paid. Kenney stated that most of the closed stores filed bankruptcy and the District was named in the bankruptcy.

The next order of business was the capital improvement plan (CIP) budget update. Tarbuck stated that when the 2015 Capital Improvement Project budget was presented to the board in the fall of 2014 that it was all estimates, often based on loose project descriptions. Now that some construction bids have come back the District can more clearly predict remaining capital improvement expenses and manage funds accordingly. For example, the sewer mains project on School Street was estimated around \$550K, but the bid came in at \$340K leaving approximately \$200K in savings. That savings can be used for other projects or cover the cost of the projects that come in above budget. The Capital Improvement Budget Analysis spreadsheet shows that some projects need an increased budget, but these are fairly minimal amounts. Some projects that cannot be completed this year have been deferred to the 2016 budget year. This document will be used in the future to keep the board informed of capital improvement budget changes.

Tarbuck reviewed points of interest. Water from the new wells is now being treated at Riverside Station. Begin has been manually operating the wells and chemical feed systems each day to test for leaks and alarms. The startup has gone very smoothly. The new 2.6 million gallon concrete Malta Hill drinking water storage tank passed leakage and disinfection tests. The Riverside wells will fill the new Malta Hill. The new wells and the new tank will be online by the end of July. Both projects are historic. The completion of the well project provides a completely redundant source of drinking water located on the east side of the river.

Andy Begin reviewed the status of the following projects; Riverside Drive Treatment Building and well, Malta 2.6 million gallon drinking water storage tank, Western Avenue, Stone Street and Hospital Street structure adjustments; Mount Vernon Avenue MDOT road work, New England Road storm water replacement; Ridgewood Drive water main replacement, School Street road reconstruction, Togus sodium hypochlorite booster station, wastewater plant high pressure utility water pumping system, I-95 sewer relining work and Pleasant Street & Oak Street water/sewer/storm improvements. Tarbuck reviewed the status of the Manchester Hammonds Grove grinder stations for the Trunkline.

At 18:35 Don Roberts moved to accept the minutes from the June 15th Board meeting. The motion was seconded by Kirsten Hebert. Jones point out an error in the draft minutes. In the section about the Pleasant Street project, Court Street was mentioned twice. The correct reference should have been Oak Street. The vote to approve the motion with the Oak Street corrections was unanimous.

David Smith inquired about insurance coverage. He asked if the Trustees and the District are covered as well as we thought that they are. Tarbuck stated that yes, we do have standard officers and directors insurance for a board of this type. The policy will be emailed to all the trustees. Kirsten then asked about Errors & Omissions Insurance and whether the Directors and Officers (D&O) insurance policy includes employment practices? Tarbuck said that he thought the D&O insurance includes employment practices. Tarbuck stated that he thought Maine Tort Laws are strong and will cover most of the issues but will look into the E&O insurance question to be sure.

David Smith then asked for an update on the appraisal of land holdings near Carleton Pond in Winthrop and Readfield. Tarbuck stated that he no new news. Hamiwka agreed to help Tarbuck write a proposal to request an updated appraisal.

At 18:44 Don Roberts moved to enter Executive Session pursuant to MRSA Title 1, Section 405, 6, D, to discuss upcoming collective bargaining agreement negotiations with Teamsters Local 340. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

At 19:42 Don Roberts moved to adjourn the meeting. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

Monday, August 17, 2015
Greater Augusta Utility District Board Minutes
Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, David Smith, Dave Bustin, Andy McPherson, Lesley Jones, Sukey Sikora, Don Roberts and Charlene Hamiwka

Trustees absent: Kirsten Hebert

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Meredith Strang-Burgess (Burgess Advertising & Marketing)

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

Chairman Knight asked if any Board members had any additions to the agenda. Ken added a recap of the Hammond's Grove project to the agenda.

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

At 18:05 David Smith moved to accept the financial statements for July, 2015. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for July, 2015. Kenney stated that 58% of the year had passed and all divisions were tracking as anticipated.

Sewer and stormwater revenues were at 54% which is slightly under the 58% anticipated. All revenue types are above budget except for the metered revenue which is at 47%. Expenses were at 52%. Labor & fringe expense was low at 46% as is transportation at 28%. Cash was solid at \$3.5M which is approximately \$42,000 greater than last year at this time. Due to the change in construction budgets from the last board meeting the sewer and stormwater estimated cash flow looks better. The cash balance should stay above the targeted minimum balance.

Water revenues were also at 54% which is slightly under the 58% anticipated. All revenue types are above budget except for the metered revenue which is at 48%. Expenses were at 51% with transportation being even lower at -35%. The low transportation expense is due to the District directly charging capital projects for trucking and equipment cost. Cash was \$2.4M which is approximately \$261,000 less than last year at this time. Due to the change in construction budgets from the last board meeting the water estimated cash flow looks better. The cash balance should stay above the targeted minimum balance. October and November will be close depending on when the Mount Vernon Avenue and Western Avenue projects are billed.

The statement of net position looks good. Total assets and total net position has been holding steady. For other financial news, Kenney stated that the 2016 budget process will be starting soon. She asked the board members to please let her know if they want to add anything to the 2016 budget.

Meredith Strang-Burgess from Burgess Advertising & Marketing presented a communications/marketing update to the board. Strang-Burgess stated that the biggest change this year was the fact that the monthly trustee meetings are now being televised. At the beginning of 2015 GAUD planned to create two newsletters, add two or three bill stuffers to the outgoing invoices, conduct a Waste Water Treatment Plant (WWTP) tour and continue with an annual report. The WWTP tours were a success and the annual reports are ready to be printed. The annual report contains 2014 highlights and accomplishments as well as key 2015 projects. The annual report also contains the 2014 statement of net position.

Strang-Burgess then presented the improvements made to the GAUD website. These improvements should make it easier for the staff at the District to post updates and for ratepayers to view or pay their invoices online. Strang-Burgess then reviewed the other sections of the website and encouraged both the trustees and rate payers to use the site and provide feedback to the District office. The plans for the remainder of 2015 include an open house at the new Riverside Drive well site and to increase our social media presence online.

Knight updated the group on the Hammonds Grove Trunkline project. A month ago Ken was asked to meet with the Trunkline trustees to discuss some concerns they had with the project. At that time the Trunkline trustees asked Ken if there was anything the District, as the acting general contractor, could do to help absorb some of the extra costs associated with the project being over budget due to some unforeseen circumstances. Ken stated that there would need to be a GUAD board discussion before he could answer that. At the last Trunkline meeting the Trunkline trustees asked the question and gave a monetary value of approximately fifteen to twenty thousand dollars. Ken stated to the Trunkline board that he did not know if the District could legally absorb the extra cost. Ken invited all the Trunkline Trustees to this meeting to discuss the situation. Ken also stated to the Trunkline trustees that in the future the District would probably take a step back from running any Trunkline projects. He also stated that the District and the Trunkline had a great working relationship and he hoped to keep it that way. The Trunkline trustees accepted the fact that we are not a construction company and cannot use rate payer money to absorb any extra cost on a Trunkline project.

Tarback presented draft policy changes for preliminary review. Tarback stated that the number of policies went from 39 to 20. Some of the policies have been replaced with our Terms & Conditions and other have been replaced with PUC rule changes. Tarback informed the group that he was not looking for any decisions at this meeting; he just wanted to get the changes out for review. Tarback gave a quick overview of some of the policies. Smith stated that it was hard to know what had changed without looking at the old policies. Tarback offered to send everyone a copy of the new and old policies back to back for easy comparison. Tarback asked that everyone pay special attention to policy #6 Sewer and Stormwater Main Extensions, policy #13 District Replacement of Sewer Services Beneath Travel Way, #14 Plumbing Failure Abatements for Sewer Bills and #17 Replacement of Sewer Services. Tarback stated that the policy changes do not need to be approved at the next meeting. Tarback suggested that everyone take their time reviewing the changes and that we could discuss them in a couple of months. All comments will be sent to Tarback and he will distribute them to the group as a whole. Jones said she would have the City of Augusta's engineering department review the proposed changes.

The next discussion concerned the rate setting process. Knight stated that Kenney and Tarback have provided data to rate consulting firm Raftelis to update the sewer and stormwater rate model. The rate setting process is still in its early stages. Knight stated that the stormwater side is a little tricky due to the city being on a June 30th fiscal year and the District being on a fiscal calendar year. Knight said the Board would have a discussion on the pros and cons of changing the District's current fiscal year from a calendar year to a July 1 – June 30 fiscal year.

Andy Begin reviewed the status of the following projects; Riverside Drive Treatment Building and wells, Malta 2.6 million gallon drinking water storage tank, Western Avenue, Stone Street and Hospital Street structure adjustments; Meadowlands water main loop, Mount Vernon Avenue MDOT road work, New England Road storm water upgrade; Ridgewood Drive water main replacement, School Street road reconstruction, I-95 sewer relining work, Pleasant Street & Oak Street water/sewer/storm improvements, Boucher Avenue water main replacement and Arsenal Street storm water separation.

The last discussion related to points of interest. Andy McPherson asked to have a list of consultants with a breakdown of their fees. Knight said that he would like to move our planning session to November to coincide with the review of 2016 capital improvement projects. Knight recommended that the November meeting would be a good time to discuss consulting fees.

At 19:17 Smith moved to accept the minutes from the July 20th Board meeting. The motion was seconded by Roberts. The vote to approve the motion was unanimous.

At 19:18 Smith moved to adjourn the meeting. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

Monday, September 21, 2015
Greater Augusta Utility District Board Minutes
Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, David Smith, Dave Bustin, Lesley Jones, Sukey Sikora, Don Roberts and Kirsten Hebert

Trustees absent: Andy McPherson, Charlene Hamiwka

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Bill Brann, Treasurer, and Kirk Gettig, President of the Readfield Blizzard Busters

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

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

Chairman Knight asked if any Board members had any additions to the agenda. David Smith added charter review and water bottles.

At 18:08 David Smith moved to accept the financial statements for August, 2015. The motion was seconded by Sukey Sikora. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for August, 2015. Kenney stated that 67% of the year had passed and all divisions were tracking as anticipated.

Sewer and stormwater revenues were at 63% which is slightly under the 67% anticipated. Expenses were at 60%. Cash was solid at \$3.7M which is approximately \$331,000 greater than last year at this time. The cash balance should stay above the targeted minimum balance.

Water revenues were also at 63% which is slightly under the 67% anticipated. Expenses were at 58%. Cash was solid \$2.5M which is approximately \$161,000 more than last year at this time. The cash balance should stay above the targeted minimum balance.

The statement of net position looks good. Total assets and total net position has been holding steady. Kenney stated that the first draft of the 2016 budget should be ready for the October meeting. Debt service payments totaling \$2.5M will be made at the end of September. The last debt service payment on the Trunkline 2003A loan will be made in October.

Ken Knight asked if we should consider investing some of our funds. Kenney agreed that we should invest at least \$500,000 from each division. Knight asked Kenney to review the investment policy to see if it should be changed. Knight also asked to review a letter of credit from the bank that serves as collateral for GAUD's deposits.

Bill Brann from the Readfield Blizzard Busters Club addressed the trustees. The club would like to use the area around Carleton Pond to connect existing snowmobile trails that are already used. Mr. Brann asked permission to walk the land to determine how to connect the trails before bringing a proposal to the board. Knight asked for a subcommittee to walk the land with the club. Sikora laid out concerns regarding how motorized access could harm water quality. Sikora stated that the District purchased all this land to protect the pond. If the District is not going to use it as a water resource then the Board should discuss selling the property. The concern is that the pollutants in the snow pack from the snowmobiles will leach into the water as the snow melts. Knight stated that he did not think Carleton Pond would be used as a drinking water source again and that the District could never reacquire the land once sold. Hebert, Smith

and Knight volunteered to walk the land with the club to review their proposed path onsite while considering concerns raised by Sikora. Knight asked the Blizzard Busters Club to have a proposal ready for the next trustees' meeting.

The next item on the agenda is the open house at the new Riverside Drive wells and treatment plant on Tuesday the 29th. Invitations have gone out and a ribbon cutting ceremony has been planned. Tarbuck asked if the Board would agree to dedicate the new water treatment station to a former employee, Bruce Goucher. The board agreed that the dedication was appropriate and that it should be done at the open house.

Smith added two items to the agenda. The first was a discussion to consider revising the District's charter. Smith would like to allow non-voting members to be able to vote only when a quorum is necessary or when the sole voting member from Hallowell is absent. Smith called for a charter review committee to discuss this and other charter issues brought up in the past. Roberts, Hebert and Bustin volunteered to participate on a charter review committee. A charter change would need to go before the legislature which will not be until January of 2017 at the earliest.

Smith's second agenda addition was to request the purchase of drinking water bottles with the Greater Augusta Utility District's logo. The board agreed to use funds from the advertising budget to purchase the bottles.

Begin reviewed the status of the following projects; Riverside Drive Treatment Building and wells, Malta 2.6 million gallon drinking water storage tank, Western Avenue, Stone Street and Hospital Street structure adjustments; Meadowlands water main, Mount Vernon Avenue MDOT road work, Ridgewood Drive water main replacement, School Street road reconstruction, I-95 sewer relining work, Pleasant Street & Oak Street water/sewer/storm improvements, Boucher Avenue water main replacement, Arsenal Street storm water separation and the Togus hypochlorite booster station.

Tarbuck stated that high pressure water was used to remove accumulated grease in the Hallowell sewer interceptor. The cleaning process overwhelmed the capacity of the pumps and caused sewage to flow out of the CSO overflow at that station. This is a violation because the overflow wasn't caused by a wet weather event. Since this incident, operating procedures for cleaning the interceptor have been reviewed and modified to prevent a recurrence. The incident was promptly reported to MDEP. This is a blemish on an otherwise very good performance record. Customers need to be more cautious of releasing grease into the sewer system. GAUD will be implementing a program to help restaurants dispose of their grease properly.

The next discussion concerned the rate setting process. All information requested has been sent to Raftelis, the consultant the District has hired to determine sewer and stormwater rates based on a needs assessment provided by the District. Knight expressed concern is that GAUD's existing stormwater rates are insufficient to cover all the work that needs to be done in the next five years. Tarbuck stated that the rate model can be used as a tool to predict future expenses and the rate impacts of those expenses. The District will be able to run different scenarios before we ask the rate payers to fund those scenarios. Knight stated that the board needs to have some serious discussions on the storm water issues facing the District and how revenue is generated to address stormwater needs.

Knight and Tarbuck met with the city of Augusta to review proposed changes to GAUD policies. Knight and Tarbuck offered to meet with the city of Hallowell, but Hallowell was content to review the policies without a meeting. Points and questions from both cities will be brought back to the board for discussion.

At 19:04 Smith moved to accept the minutes from the August 17th Board meeting. The motion was seconded by Roberts. The vote to approve the motion was unanimous. Hebert abstained from voting due to being absent from the August 17th meeting.

At 19:06 Smith moved to adjourn the meeting. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Monday, October 19, 2015
Greater Augusta Utility District Board Minutes
Council Chambers, City Center, 16 Cony Street, Augusta, Maine

Trustees present: Ken Knight, David Smith, Charlene Hamiwka, Lesley Jones, Sukey Sikora, Don Roberts and Kirsten Hebert

Trustees absent: Andy McPherson, Dave Bustin

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

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

Chairman Knight asked if any Board members had any additions to the agenda. Knight added the Carleton Pond property to the agenda and moved the agenda around to accommodate an executive session at the end of the meeting.

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

Begin reviewed the status of the following projects; Meadowlands water main (long eared bat issue), Mount Vernon Avenue MDOT road work, Ridgewood Drive water main replacement, School Street road reconstruction, Pleasant Street & Oak Street water/sewer/storm improvements, I-95 sewer relining work, Boucher Avenue water main replacement, Arsenal Street storm water separation and the Togus hypochlorite booster station. Begin also presented a picture of the plaque dedicating the Riverside Wells & Treatment Building to Bruce Goucher. Knight asked the other trustees if they thought we should have a plaque listing the architect/engineer and all the trustees. No one had any strong feelings either way. Jones did think that we should add a date to the first plaque.

The next item on the agenda was general points of interest. Knight asked Kenney to discuss the irrevocable stand-by letter of credit that she sent to the trustees. Kenney stated that the first \$250,000 of deposited rate payer money was insured by FDIC. Kenney explained that the letter of credit is used for collateral to protect all monies deposited above the limit set by the FDIC. Tarbuck had two points of interest. The first being the union contract that expires at the end of this year. Two meetings have already taken place with the Teamsters Local 340 and a third meeting has been scheduled. Tarbuck will keep the trustees informed of the progress. The second point of interest concerned a sanitary sewer overflow at the Wildwood Sewer Pump Station located on the east side of I-95 in Augusta. The station was overwhelmed by rain. This station has been an issue and all our efforts have not fixed the problem. The pipe that runs under I-95 is scheduled to be relined this fall. The event was reported to DEP and Tarbuck expects that DEP will take some form of enforcement action. Tarbuck thinks this action will be in the form of enforced deadlines for improvements to reduce the risk of future overflows.

The next discussion concerned the rate setting process. Knight expressed his concerns that GAUD's existing stormwater rates are insufficient to cover all the work that needs to be done to increase stormwater capabilities in the city. Knight's hope is that the new rate model will take stormwater issues into account. Tarbuck informed the group that the rate model is very flexible and allows entry of any anticipated costs. If \$150,000 worth of stormwater work is added to the model it calculates the rates needed to accomplish the work. Knight hopes to have the model and ending information in place for the October 28th planning meeting. Tarbuck stated that if we did not have the new model in place we will use the model we have to have the information available for the meeting.

The next item on the agenda concerned draft policy changes. Hollowell has decided to wait and review the final draft. Knight and Tarbuck had a second meeting with the city of Augusta. Knight stated that he plans to have serious stormwater discussions at the planning meeting and the outcome may affect some policies.

At 18:19 Smith moved to accept the minutes from the September 21st Board meeting. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

Sherry Kenney reviewed the District's financial statements for September, 2015. Kenney stated that 75% of the year had passed and all divisions were tracking as anticipated.

Sewer and stormwater revenues were at 74%. Expenses were at 68%. Cash was solid at \$1.9M which is approximately \$231,000 greater than last year at this time. The cash balance should stay above the targeted minimum balance with the lowest amount anticipated in November. Kenney reviewed the estimated cash flow and noted that of the \$6.9M spent this year 82% was on O&M expenses and 12% on CIP expenses.

Water revenues were at 73%. Expenses were at 64%. Cash was solid at \$2.3M which is approximately \$116,000 greater than last year at this time. The cash balance should stay above the targeted minimum balance with the lowest amount anticipated in November. Kenney reviewed the estimated cash flow and stated that of the \$4.2M spent this year 52% was on O&M expenses and 48% on CIP expenses.

The statement of net position looks sound. Kenney stated that the net pension liability that will be presented on the statement of net position this year should be approximately \$538,000. Debt service payments totaling approximately \$278,000 will be made at the end of October.

At 18:24 David Smith moved to accept the financial statements for September, 2015. The motion was seconded by Sukey Sikora. The vote to approve the motion was unanimous.

Smith and Tarbuck met with members of the Readfield Blizzard Busters Snowmobile Club at Carleton Pond. Smith has started a list of items to discuss at a later date. Smith also wants to meet with the area Game Warden to discuss liabilities and uses of the trails. Smith did note that the dirt road the club is proposing to use is quite a bit away from the pond. It was also noted there are signs of trespassing and the fence is in disrepair. Tarbuck stated that some work is scheduled for that area this fall and that we do not have the funds to maintain the fence at the level it should be maintained. Tarbuck suggested that we fence the critical sections and use no trespassing signs for the rest of the property. Knight thinks we should discuss the property at the planning session. Once a decision is made on how to use or to sell the property, language can be added to the District's charter and it will make all other discussion about the property easier.

The 2016 draft budget is the next item to be discussed. Ken stated that both the Sanitary and the Water budget for 2016 are slightly higher than last year. Knight also stated that as trustees they are fiscally responsible and that they should direct management as to what kind of budget they want to see, flat budget or an increase/decrease by percent. Hamiwka mentioned that she would like to see the Capital Improvement Budget to see what needs to be done in 2016 and which projects keep getting deferred year after year before she can state that she wants a flat budget or an Increase/decrease in the budget. Knight asked for some budget details which were not available but would be ready for the planning meeting. Knight stated that he did not want to spend a lot of time at the planning session discussing the budget and that maybe an extra board meeting should be scheduled to discuss the budget. Tarbuck explained that decisions made at the planning meeting would affect the Capital Improvement Budget but the O&M budget is the first step to knowing how much funds are available for the Capital Improvement Budget. Tarbuck talked about the O&M expenses being higher in part due to uncontrollable factors such as health care and retirement costs. A special meeting will be held in November to discuss both the Capital Improvement and the O&M budgets. Jones asked Tarbuck to make sure he had the newest capital improvement list from the city of Augusta as it has grown due to all the new tax increment financing projects.

At 18:40 David Smith moved to enter Executive Session pursuant to MRSA Title 1, Section 405, 6, D, to discuss a personnel matter. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous. Trustees exited Executive Session at 19:25.

The trustees agreed to extend General Manager Tarbuck's employment contract for another two years (until April 25, 2018). Knight also stated that the trustees feel that they have not done their due diligence in the review process and will hold an executive session at the November special meeting to conduct a review.

At 19:27 Smith moved to extend the General Manager's employment contract until April 25, 2018. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

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

Monday, November 16, 2015
Greater Augusta Utility District Board Minutes
Wastewater Treatment Facility, Jackson Avenue, Augusta, Maine

Trustees present: Ken Knight, David Smith, Charlene Hamiwka, Sukey Sikora, Andy McPherson, Don Roberts, and Kirsten Hebert

Trustees absent: Dave Bustin and Lesley Jones

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Jon Beekman and Kristy Gould (Human Resources),

At 17:00 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if any Board members had any additions to the agenda. There were no new items.

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

At 17:18 Smith moved to enter Executive Session pursuant to MRSA Title 1, Section 405, 6, A, to discuss the General Manager's performance. The motion was seconded by Roberts. The vote to approve the motion was unanimous. Trustees exited Executive Session at 17:43.

Old business was discussed first. Smith spoke on behalf of the Carleton Pond subcommittee. Smith has started writing the report but has not yet met with the Game Warden. The full report should be completed by the next meeting.

Hebert and Roberts from the Charter subcommittee summarized their findings next. No language in the stormwater section needs to change due to the decision to continue status quo stormwater operations and maintenance made at the planning meeting on October 28, 2015. The subcommittee will meet with members of the Augusta city council regarding stormwater. The Charter needs to be changed to permit the non-voting Hallowell trustee to vote in the absence of the Hallowell voting trustee. There was no interest in extending this to the non-voting Augusta trustee due to the fact that Augusta has multiple voting members. The object of this proposed change is to ensure Hallowell always has at least one vote. Section A-7 of the Charter states "A decision to invest funds in a specific sewer main extension requires a majority vote of the Trustees and must include an affirmative vote of the voting representative from the City of Hallowell." This section was added to the Charter due to a sewer main extension in Augusta for the Fieldstone subdivision that happened just before the Charter was drafted. The committee would like to remove this section from the Charter but wants to discuss it with Bustin before making a final decision. Hamiwka questioned why Chelsea, Farmingdale and Manchester are mentioned but not represented. The answer was we have the permission to serve customers in these areas but the Charter does not say we "shall" or "must". Knight tasked all Trustees to look at section A-9, "Assessment against lot benefited by drain or sewer". This section states that "the Trustees "shall" determine what lots or parcels of land are benefited by the drain or sewer and the Trustees "shall" estimate and assess upon the lots and parcels of land and against the owner, or person in possession, whether the person to whom the assessment is made is the owner, tenant, lessee or agent, and whether the lot or parcel of land is occupied or not, a sum not exceeding the benefit as the trustees determine just and equitable towards defraying the expenses of constructing and completing the drain or sewer, together with the sewage disposal units and appurtenances as may be necessary." Knight's opinion is that we are not collecting rates as required by the Charter and therefore are doing a disservice to our rate payers. The last Charter change discussed was the addition of a definition section. Hebert suggested that definitions may be incorporated by reference.

The next item of old business was the appraisal of Carleton Pond. The original appraiser's cost to renew the appraisal of the property was rejected by the Board as too costly. A real estate agent can determine an opinion of value. As a real estate agent, Hamiwka has agreed to do this.

At the request of the Board, Tarbuck and Kenney presented a review of existing and proposed professional fees. There was some concern that the marketing expense for FY2015 would far exceed the budget. Knight asked that the Trustees use the review for information but discuss budget issues later in the meeting during the budget presentation.

Begin reviewed the status of the following projects; Meadowlands water main, Mount Vernon Avenue MDOT road work, Pleasant Street & Oak Street water/sewer/storm improvements, I-95 sewer relining work, 502 Riverside Drive storm outfall line and catch basin, Togus hypochlorite booster station, Ridgewood Drive water main replacement, School Street road reconstruction, Boucher Avenue water main replacement, Arsenal Street storm water separation, Davenport sewer rehab and the West River Road storm line and catch basin. Kenney presented an analysis of the 2015 CIP projects showing the 2015 budget, budget changes, bids, expenses and whether the projects were over or under budget.

There were no new points of interest this month. The rate model has been received from Raftelis and will be implemented as soon as the budget is finalized. The changes to District policies are under review by the City of Augusta.

At 18:49 Smith moved to accept the minutes from the October 19th Board meeting. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

Kenney reviewed the District's financial statements for October, 2015. Kenney stated that 83% of the year had passed and all divisions were tracking as anticipated.

Sewer and stormwater revenues were at 82% and expenses were at 75%. Cash was solid at \$2.2M which is approximately \$76,000 less than last year at this time. Kenney reviewed the estimated cash flow and noted that of the \$7.4M spent this year 81% was on O&M expenses and 19% on CIP expenses. Kenney also noted that due to delayed vendor invoicing the estimated cash balance for year-end is higher than anticipated.

Water revenues were at 81% and expenses were at 71%. Cash was solid at \$2M which is approximately \$2.6M less than last year at this time. In October of last year the District received bond proceeds totaling \$3.5M to finance the construction of the new Malta Tank and the new Riverside Drive Wells. Kenney reviewed the estimated cash flow and stated that of the \$4.9M spent this year 53% was on O&M expenses and 49% on CIP expenses. Cash balances will also be higher than anticipated at year-end.

The statement of net position looks sound. Most of the \$8.5M in work in process will be operating property at year end. The only other change expected is the addition of the net pension liability that will be presented on the statement of net position this year which should be approximately \$538,000. For other financial news the District is getting ready to switch all quarterly billing for GAUD water and sewer customers to monthly billing.

At 18:55 Smith moved to accept the financial statements for October, 2015. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

The 2016 O&M and CIP budget was presented. Tarbuck explained the budget process by stating that the operating and maintenance items are budgeted first. Remaining revenue funds capital improvement projects. Labor and fringe benefits are the largest District expense in all divisions followed by depreciation and "other" expenses. The sewer and stormwater divisions account for 66% of the expenses while water accounts for the remaining 34%.

Tarbuck summarized the capital improvement projects slated for 2016. The purchase of a dump truck will be split between the water and sewer divisions. Repairing the leaky roof and replacing the HVAC system at 12 Williams street will be split between all three divisions. Water main work will be performed at Alderwood Drive, Boucher Avenue, Old

Winthrop Road, Northern Avenue, and Ward Street. Improvements to the trans-Kennebec pipeline will be made to allow water to flow from east to west. Brookside Well will be taken out of service and the screen will be cleaned. A perimeter fence and erosion protection is needed at the new wells. The handheld water meter reading device needs to be replaced and a large water meter tester needs to be purchased.

Sewer pipe projects will include a survey of Wildwood pump station (#5) and cleaning the east side siphon. Sewer main work will be performed on Bond Brook Road, Eastern Avenue, Northern Avenue, Old Winthrop Road, Patterson/Kittredge Street and Ward Street. Stormwater pipe projects will include CSO work on the West Side Consolidated Conduit and on Patterson and Kittredge streets. Projects at the waste water treatment plant will include increasing sludge storage capacity, replacing parts on the pressure swing adsorption system, replacing a laboratory incubator and replacing odor control media. Pumps need to be replaced on the belt filter press and the secondary clarifier tank. Repairs to a small sewer pump station at Molloy's in Hallowell will be a sewer-only project.

Smith asked if the projects in the CIP budget meets the goal of replacing 1% of pipe yearly. Tarbuck stated that the District will not achieve that goal in 2016. The cost to replace a foot of pipe has increased and but the District budget has not and is therefore unable to replace the same amount of pipe it has in the past.

The discussion returned to the professional and consulting fees that were discussed earlier. Knight asked how and why vendors and consultants were allowed to go over budget. Tarbuck explained that certain expenses, like information technology, are not something that is easy to defer. Other expenses are less critical and can be deferred. The outreach expenses relate to tasks that the Trustees instructed the District to do. Tarbuck presented a spreadsheet showing all the outreach functions performed in 2015 and their related costs. McPherson questioned if we still had the same need for outreach this year as we did in the past. In 2015 there was a lot of website work and design changes. 2016 should be more about outreach and less about website development.

Roberts asked if maybe the Trustees should be reviewing and subsequently approving budget items line by line. Hebert wanted to make sure that there was money in the budget to fix the fencing at Carleton Pond. Tarbuck will send all trustees an electronic copy of the detailed budget. Tarbuck stated that fencing at Carleton Pond was not a specific CIP project in 2016 but would try to use some O&M funds if they were available. Knight reminded the Trustees that as Trustees they approve the budget and to remember that some things will fall of the budget to pay for other things that have to be added. There will always be unexpected expenses. Knight instructed everyone to look over all the information they received tonight and to ask Tarbuck and Kenney all the questions they need to in order to approve the budget at the next meeting.

At 19:22 Smith moved to adjourn the meeting. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Monday, December 21, 2015
Greater Augusta Utility District Board Minutes
Hallowell City Hall, One Winthrop Street, Hallowell, Maine

Trustees present: Ken Knight, David Smith, Kirsten Hebert, Andy McPherson, Lesley Jones, Charlene Hamiwka, and Sukey Sikora

Trustees absent: Don Roberts

Employees: Brian Tarbuck, Andy Begin, and Sherry Kenney

Guest: Stefan Pakulski - Hallowell City Manager, Claudette Albert, Readfield Blizzard Busters (Peter Zarella and Bill Bean)

At 18:02 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if any Board members had any additions to the agenda. There were no new items.

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

Claudette Albert from 27 Cummings Avenue in Augusta addressed the Board concerning her wet basement. Kenney informed the board that Ms. Albert contacted the office about a potential leak at the end of August. A District employee went to the residence and replaced a gasket on the drinking water meter. Ms. Albert then contacted us to file an insurance claim. The claim was investigated and subsequently denied by our insurance company. At the end of November Ms. Albert contacted us a second time stating that she still had a leak on the water meter. A District employee went to the residence and changed the meter, all the gaskets and the MXU. Ms. Albert spoke to the Board and presented her home inspection from 2014 along with pictures of the damage she claimed was caused by the leak. Ms. Albert filed a claim with her insurance company. She received a check for approximately \$2,660 and asked the Board to reimburse her \$1,000 deductible.

At 18:24 Smith moved to reimburse Ms. Albert the \$1,000. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

The first old business discussed was subcommittee updates. Smith and Hebert spoke on behalf of the Carleton Pond subcommittee. Smith and Tarbuck visited the site with members of the Readfield Blizzard Busters snowmobile club. The club has asked to use the access road on the east side of the property to connect their existing trail systems. Smith noted there were signs of trespassing (domestic animal waste), the gates and fencing are in disrepair and signage is minimal. Hebert stated that this is a backup source of safe drinking water for our rate payers. Funds received from our ratepayers pay the taxes on the property (property taxes to both Readfield and Winthrop) therefore if we let anyone on the property for recreational use it should be the ratepayers. Smith commented that we are under no obligations to do anything but we do need to make a decision on what we are going to do with the property. Smith suggested that maybe we need to partner with another organization. Hebert pledged her full support for some level of public access. Hebert contacted other communities that allow public access and found it to be very successful and actually helped protect and police the properties. Hebert also noted that giving the public the benefit of access may also help us avoid/offset any negative press.

A lot of "what if" questions were asked next by various board members including: who is going to patrol the area, what do we do if something goes wrong, what is our liability, can we say yes to snowmobiles but no to others such as ATV's and mountain bikers, what would we be liable for, erosion control issues, what have others found to be their biggest issues, should we tighten up the boundaries, do we need a public meeting, have any of the abutting property owners been asked for their opinions? Knight reminded everyone that one year ago it was decided that Carleton Pond would not be used as a source of supply and that we need to decide if we are going to even allow public access or not before

we can discuss any of the details. Due to all the concerns Knight will not be asking for a motion tonight but suggested we heavily advertise this issue for the next meeting so the public may participate if they wish to do so. Smith suggested that we speak with Land for Maine's future before we move forward. Tarbuck informed the group that the District is performing maintenance on the road and the fence and will be posting signs in the near future.

At 19:15 Smith moved to approve the Operation and Maintenance budgets as presented to this meeting for drinking water, sewer and stormwater for 2016. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

At 19:16 Smith moved to approve the Capital Improvement budgets as presented to this meeting for drinking water, sewer and stormwater for 2016. The motion was seconded by Sikora. The vote to approve the motion was unanimous.

At 19:16 Smith moved to approve a 2% increase in salaries and wages for non-union employees effective the first full payroll in January of 2016. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

At 19:17 Smith moved to 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 2016 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 (Brian Tarbuck) be authorized and directed to apply the schedule of rates 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 Hebert. The vote to approve the motion was unanimous.

At 19:18 Smith moved to accept the Board Minutes for November 16, 2015. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

Hebert spoke on behalf of the Charter subcommittee. Hebert noted that there were really no new updates. She spoke with Bustin about removing the language that states "A decision to invest funds in a specific sewer main extension requires a majority vote of the Trustees and must include an affirmative vote of the voting representative from the City of Hallowell." Bustin is not ready to remove this language at this time. Charter changes will not be ready for the 2016 Legislative session and will have to be submitted in early 2017. Hamiwka gave an update on the Carleton Pond appraisal. It was noticed that Winthrop valued the plant at eight million and the dam at six hundred thousand.

Kenney reviewed the District's financial statements for November, 2015. Kenney stated that 92% of the year had passed and all divisions were tracking as anticipated. Sewer and stormwater revenues were at 90% and expenses were at 81%. Cash was solid at \$2.5M which is approximately \$327K less than last year at this time. November started with \$2.3M in cash, \$645K of revenue was added, and \$255K was spent on operations and maintenance (O&M) expenses and \$92K on capital improvement (CIP) expenses which leaves cash at \$2.5 M. YTD \$69K of revenue has been retained. Water revenues were at 90% and expenses were at 78%. Cash was solid at \$2M which is approximately \$1.9M less than last year at this time. November started with \$1.9M in cash, \$340K of revenue was added, \$136K was spent on O&M expenses and \$202K on CIP expenses leaving cash at \$1.9 M. YTD all of the 2015 revenue has been spent along with \$1.67M from reserves. The statement of net position looks sound.

The first round of bill stuffers notifying customers of the change from quarterly to monthly billing went out last week. Postcards will go to all customers on the 28th. The 2015 audit of the District's financial statements has been scheduled for the end of January. The 2014 net position figure must be restated due to a change in accounting procedures required by newly released Government Accounting Standards Board Statement #68.

At 19:36 Smith moved to accept the financial statements for November, 2015. The motion was seconded by Sikora. The vote to approve the motion was unanimous.

Starting in 2016 Tarbuck will forward a few District policies each month for the Board's review. This will hopefully make the task more manageable.

Tarbuck reviewed the District's current stormwater practices. Under the current policy the District is responsible for stormwater as soon as it enters a catch basin. The only maintenance performed by the District is to clean and repair the basins within the Urban Compact Limits, Hallowell and a few other exceptions. Tarbuck listed all municipal urban maintenance duties required by Maine DOT. Tarbuck is looking for direction from the Board as to what they want to present to the stormwater committee. Tarbuck was asked to list the exceptions, to remove all duties that we do not perform and list other duties we have performed above and beyond the catch basin cleaning and maintenance such as extensions to the stormwater collection system. Knight stated that the District needs to do more than it was doing and rates may need to be raised to do it. Tarbuck stated that the stormwater system is a big system with a lot of gray areas.

Sikora receive an email from Chris Riley inquiring whether the Carleton Pond area was going to be opened up to trail development. Knight instructed Sikora to inform Mr. Riley that public access is currently prohibited but the Board will maintain this as an agenda item.

Begin reviewed the status of the following projects; Meadowlands water main, Mount Vernon Avenue MDOT road work, Pleasant Street & Oak Street water/sewer/storm improvements, I-95 sewer pipe relining work, 502 Riverside Drive storm outfall line and catch basin, and the Togus hypochlorite booster station. The work on the Meadowlands water main increased available fire flow in the area from 300 gallons per minute to 3,000 gallons per minute. The Board wants city-wide notification on this change as it is not only a huge deal for the customers in this area but also for fire protection.

Hebert discussed different two different ways to do a drinking water rate increase: methods 6104 and 6104A.

Tarbuck informed the Board that union negotiations have stalled and will go to mediation.

At 20:02 Smith moved to adjourn the meeting. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.