

Monday, January 11, 2016
Greater Augusta Utility District Board Minutes
Council Chambers, City Center, 16 Cony Street, Augusta, Maine

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

Trustees absent: Andy McPherson

Employees: Brian Tarbuck, Andy Begin, Kirsty Gould and Sherry Kenney

Guest: Dan Wells (Winthrop Utility District)

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 new items.

At 18:02 David Smith moved to enter Executive Session pursuant to MRSA Title 1, Section 405, 6, D, to discuss labor contracts. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:23.

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

The first old business discussed was subcommittee updates. There were no new updates from the Carleton Pond subcommittee. Charlene Hamiwka is working on the valuation of Carleton Pond. The charter subcommittee also had no new updates.

A new stormwater subcommittee will be formed to discuss the District's stormwater policy. This subcommittee will have an Augusta City Councilor, a City of Augusta staff member, a District Trustee and a District staff member. The District staff member will be Andy Begin. Sukey Sikora volunteered to be the Trustees' representative.

The next discussion included unresolved items from the prior meeting. Public access at the Carleton Pond property was discussed at the last meeting but no final decision or vote was held. Ken Knight and Kirsten Hebert recently met with Dick Drapeau, the chairman of the Winthrop Utilities District Board, to discuss forming a regional water council between Winthrop and Augusta to protect the Winthrop area watershed. This watershed includes Carleton Pond which drains into Winthrop's source of drinking water, Upper Narrows Pond. Hebert informed the group that a state statute enacted in 2005 allows for the creation of regional water councils to help protect watersheds that cover more than one community. Dan Wells, the General Manager of the Winthrop Utility District, showed the Trustees a map of both the Winthrop watershed and the Carleton Pond watershed and where they intersect.

Hebert explained that the formation of this council will in no way eliminate the autonomy of the separate Districts. It would not be a consolidation of the two districts but a new entity formed with members from both districts. The new entity would have its own bylaws and would be able to procure grants from the Maine Drinking Water Program that neither district would be eligible for on its own.

Dan Wells stated that his utility district Board liked the idea of a regional water council and would like to discuss it further. Knight also stated that he liked the idea and thought it would help to have that second layer of decision making with regards to the use of Carleton Pond and the surrounding property. Other GAUD Trustees voiced positive views on the creation of the regional water council. Knight stated that more discussion between Winthrop and Augusta would be needed before he asked the GAUD Board to vote on the subject.

Tarback began a review of existing GAUD policies in the fall of 2015. The Board decided in December, 2015 to review a few policies each month in 2016.

Andy Begin gave a project update report. Begin stated that there are twenty-five new projects in 2016. A few projects have been carried forward from 2015. Some of the 2015 projects include the Meadowlands water main, the CSO long-term control plan, Mount Vernon Avenue MDOT road work, I-95 sewer pipe relining work, Alderwood water main, and the Togus hypochlorite booster station. Most of the 2015 projects will be completed in the first few months of 2016. The Trunkline has a significant project in Winthrop to renovate the route 202 pump station known as Trunkline 3. Other GAUD specific projects include building updates and replacement of a small dump truck. Begin presented a table showing anticipated schedules of 2016 water, sewer, storm, and joint projects with the City of Augusta and Maine DOT. Begin also presented a Google map to show where each of the 2016 projects are taking place. Begin will keep both the table and the map updated as projects move forward.

Tarback discussed the rate setting process. Tarback stated that the 2015 audit of the District's financial statements has just started. The rate model will be updated when the District has final audited 2015 financials. This will entail using the 2011 rate setting model with the new 2015 figures to see how the rates are performing. Tarback is hoping to present an analysis of current performance to the Board by May, 2016. Knight asked whether or not the rate model could accommodate a variety of stormwater options. Tarback assured Knight that as long as the monetary value of proposed stormwater costs was known that it could be incorporated into the rate model.

At 18:54 Smith moved to accept the Board minutes for December 21, 2015. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

New business started with the announcement that Kristy Gould, the City of Augusta's Human Resources Director, will be leaving her position. The District pays the City of Augusta an annual fee for human resources services such as payroll processing, personnel policies, managing benefits, HR technical support, union negotiations, training, and answering health and other insurance questions both from management and employees. Gould's departure gives the District the opportunity to review how it handles human resources going forward. The City will be hiring a new Human Resources Director that may or may not be available for consultation by GAUD. This will be discussed again at the next meeting.

Kristy Gould presented updates to the personnel policy manual. Changes include eligibility for health, dental and vision insurance, leave for victims of domestic or sexual violence, smoking, and communications and social media policies. Kristy stated that the updates are due to changes in state and federal laws.

At 19:02 Smith moved to accept the changes to the personnel policy manual as presented to the Board via a memo from Kristy Gould dated January 7, 2016. The motion was seconded by Roberts. The vote to approve the motion was unanimous.

Board involvement with personnel changes and wage adjustments was discussed next. Tarback requested an additional 0.5% of the non-union personnel budget or \$6,200 to help retain employees that have exceeded performance expectations or achieved specific development goals. Tarback asked the Board how much the Trustees want to be involved in the decision as to who has exceeded expectations and deserves more than the annual cost of living raise. Knight asked the Trustees when and how much they want to be involved in the process. The general opinion of the Trustees was that they would want to agree on a monetary value but it would be the General Manager's call from that point forward as long as there were well documented employee reviews showing that these employees have exceeded expectations. There was some concern that the District does not recreate a position that it had previously said it no longer needed. The Trustees would also like there to be a maximum percent that any individual employee can receive. The Trustees also asked to see an updated organization chart. Knight asked if the extra monies will be considered a stipend or will it be added to their base wages. Tarback stated that it would be added to their base wages.

At 19:21 Smith moved to reconsider the vote made at the Monday, December 21, 2015 Board meeting to approve the operations and maintenance budgets as presented for the purpose of adding new language that grants the General Manager authorization to award non-union personnel of his choice an amount not to exceed 0.5% of the annual wages of all non-union personnel and also not to exceed an aggregate of \$6,200. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

At 19:24 Smith moved to approve the Operations and Maintenance budget as presented at the previous meeting and as amended at this meeting for drinking water, sewer and stormwater for 2016. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

The next order of new business was the hard water issue from the new east side wells. Knight stated that he has heard that the hard water issue is going to be discussed at the next city of Augusta planning meeting on January 23rd. Knight stated that the District needs to be proactive on this issue. There are no easy answers without spending a lot of money. Tarbuck gave a history of the drinking water system in Augusta. Tarbuck stated that eleven years ago we moved from using surface water from Carleton Pond to using the three wells on the west side of Augusta. Recently the District was tasked with finding a redundant source of water on the east side of Augusta. After numerous studies it was decided that the Riverside Drive location was ideal. The District was lucky to find good quality drinking water that met all the engineering goals though it had naturally occurring calcium hardness in it. Tarbuck had a couple of suggestions to reduce hard water. The sequestering chemical could be adjusted, the District could blend the water coming from both of the east side wells and homeowners could turn down the temperature on their hot water appliances. The District could install a large water softening system on the wells which would not only be a large expense to the District but could also cause other issues. Tarbuck suggested that the District hire an engineering firm such as Wright-Pierce to do an analysis of the water from the new wells and provide options to reduce the effects of hardness. The opinion of the Trustees was that hardness is a serious issue that the District needs to address proactively. Adjustments to drinking water chemistry need to be done slowly and carefully. Calcium in the well is an issue but not a health concern such as lead and copper would be. The Trustees also agreed that even though the calcium deposits are an aesthetic issue it also can cause real problems with the appliances that use hot water. All Trustees agreed that the District should hire a third party to do an analysis of the water with much discussion on which firm the District should hire.

At 19:55 Roberts moved to approve \$8,500 for the purpose of providing engineering services requested and recommended in the memo we have in our possession from our manager Brian Tarbuck. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

The last discussion was on drinking water operations at VA Maine Medical Center (Togus). Togus has been adding sodium hypochlorite to different buildings within its own distribution system to increase the chlorine residual of its drinking water. The District has been overseeing that practice by reviewing Togus' results and providing guidance as needed. Togus has asked the District to install a sodium hypochlorite booster system that can serve its entire campus and the Chelsea Elementary School. Tarbuck said the District would directly operate this system for Togus. The question raised was whether or not the District should seek reimbursement from Togus to operate the proposed disinfection station or perform the work at no charge to Togus. The Trustees agreed that the District should oversee the system but Togus should reimburse the District.

Ken Knight announced the resignation of David Smith. Smith has been on the Board for fifteen years and will stay until a replacement can be found but no later than April 30, 2016.

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

Monday, March 7, 2016
Greater Augusta Utility District Board Minutes
Waste Water Treatment Facility, 33 Jackson Avenue

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

Trustees absent: Charlene Hamiwka and Don Roberts

Employees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guest: Jon Beekman, Dave Barrett (MMA), David Gant

At 17:58 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.

At 18:00 David Smith moved to enter Executive Session to discuss labor contracts pursuant to MRSA Title 1, Section 405, 6D. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:26.

At 18:27 David Smith moved to enter Executive Session to discuss the General Manager's performance pursuant to MRSA Title 1, Section 405, 6D. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:42.

Financials for December 2015 and January 2016 were reviewed. For the fiscal year ending December 31, 2015 drinking water division revenues were 7% above budget and expenses were 12% below budget. The drinking water division started the year with a cash balance of \$3.6M, added \$4M in revenue and expensed \$3M in operating cost and \$2.9M in capital improvements which left the division with a cash balance of \$1.9M. The sewer and storm division revenues were collectively 9% above budget and expenses were collectively 7% below budget. The sewer & storm divisions started the year with a cash balance of \$2.8M, added \$8.5M in revenue and expensed \$6.7M in operating cost and \$1.5M in capital improvements which left the divisions with a combined cash balance of \$2.5M. All December figures are preliminary and are subject to change until the audit of the District's financial statements has been completed and accepted by the Board.

As of January 31, 2016, the sewer and storm divisions are tracking as expected. January started with a cash balance of \$2.8M, added \$844K in revenue and expenses \$293K in operating cost and \$26K in capital improvements which left the division with a cash balance of \$3.3M. The drinking water division is also tracking as expected. January started with a cash balance of \$1.9M, added \$281K in revenue, expensed \$224K in operating cost and \$3K on capital improvements which left the division with a cash balance of \$1.9M.

The audited financial statements are on hold due to a difference in interpretation concerning GASB 68 (Accounting and Financial Reporting for Pensions) between the Maine Public Employees Retirement System and our auditors, Runyon Kersteen & Ouellette. An interpretation that can be agreed upon by both parties is anticipated soon.

At 19:02 David Smith moved to accept the financial statements for December, 2015 and January, 2016 as presented. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

There were no new updates from subcommittees concerning Carleton Pond, the Charter or the Carleton Pond valuation. The storm water subcommittee will be discussed at the next board meeting which will be held in conjunction with the Augusta City Council.

Andy Begin started his project update report with a video of the I-95 relining project near Old Winthrop Road in Augusta. Video showed the 24 inch gravity sewer main before and after the ultraviolet cured relining by Ted Berry Company. Begin stated the District has moved sewer flow meters from the Wildwood area in Augusta to Hallowell to help pinpoint sources of sewer inflow and infiltration. Construction on the Togus disinfection booster station should start in a couple of weeks. The Patterson Street project will go out to bid soon. Engineers were interviewed last week for the upcoming Trunkline Three pump station replacement project. The Trunkline Board awarded the project to Wright-Pierce Engineers. The requests for proposals were received for the Carleton Pond fence project which should be completed by May, 2016. The 7 cubic yard dump truck has been put out to bid. The Manchester route 202 drinking water main replacement project is in the design phase. Flow meters have been installed at the wastewater treatment plant to better understand where the flow is coming from. Phase four of the combined sewer overflow (CSO) project is slated to begin design 2018. Small CSO projects will be done between now in the start of phase four.

In February, Maine DEP Commissioner Paul Mercer, visited the wastewater treatment plant. A tour of the plant and a CSO presentation was performed. This was a great experience as no one from the District can remember a DEP Commissioner ever visiting a wastewater treatment facility before.

The District is waiting for final audited 2015 financials to start the rate setting process. Looking back at the last rate studies, the debt service figures are on track but the shift in labor between water and sewer / stormwater was not anticipated. Once the sewer and stormwater model is ready, entering estimates for the storm water expansion will be easy.

Board members received a list of current policies. This list consisted of current and new policy numbers, policy title, proposed changes and desired board action. Of the forty-three current policies 22 can be deleted due to either being part of existing documents including terms and conditions, the personnel policy, state statute or part of another existing policy. Four policies were highlighted for further discussion. Of these four policies, three have been modified: the Fixed Asset and Capitalization Policy, Procurement & Purchasing Policy and the Joint Net Assets and Reserve Policy. Also highlighted was the Storm Water Expansion Policy / Protocol which is new. The Storm Water Expansion Policy lays out how the District plans to prioritize storm water expansion. It was reiterated that existing rates were not designed to fund the cost of storm water expansion needs. Knight was concerned that the new Storm Water Expansion Policy does not define our limitations and has no boundaries stated. Jones was concerned that if the Board approved the new Storm Water Expansion Policy or the Sewer Main Extension Policy (old #23) the City of Augusta might feel that the Board had ignored their stated concerns with parts of these policies. Knight stated that the City of Augusta has not yet appointed any members of the city to the storm water committee. It was agreed to not approve the proposed Storm Water Extension Policy until the City appoints members to the stormwater subcommittee. The Board agreed to not make any changes to the Sewer Expansion Policy until concerns raised last fall by the City of Augusta have been addressed.

At 20:07 David Smith moved to adopt the new District policy manual as presented today with the exception of policy #23 Sewer Main Extensions and #20 the new Storm Water Expansion Policy/Protocol, both are not adopted at this time and will be considered for amendments at a future date. The motion was seconded by Dave Bustin. The vote to approve the motion was unanimous.

At 20:07 Ken Knight introduced Charlotte Warren as the new non-voting trustee from Hallowell.

At 20:07 Dave Bustin moved to elect Sukey Sikora as the new clerk of the District to replace the vacant position previously held by Andy McPherson. The motion was seconded by David Smith. The vote to approve the motion was unanimous.

The issue of having no Human Resource Director was discussed. The District and City of Augusta have jointly funded and shared certain human resources functions since 1998. However, the recent resignation of Kristy Gould has presented both the City and the District with options to consider going forward. The District has contacted ADP (Automatic Data

Processing) to review their Human Resources and time management software. The City has recently hired a new Human Resources Director which may give the District an opportunity to a revise its contract with the City of Augusta instead of the City writing the contract. This will depend on how willing the City's new Human Resources Director is to provide support the District. As of right now there are no HR issues that require outside consultation apart from ongoing union negotiations.

Tarback updated the Board on the hard water communications issue. Hard water information flyers will be mailed with the next monthly billing cycle in March. Hard water is not a public health concern but it can affect hot water systems. There are a couple of steps the District could take to minimize the impacts of water hardness. The District could increase the dosage of polyorthophosphate it currently adds to the drinking water or switch to a different chemical. Hardness could be removed at the source by adding water softening equipment. The new wells could be turned off or over pumped to stress the aquifer into drawing softer water from the Kennebec River. Adding or changing the chemicals may make the issue better but it could make it worse and is very hard to undo. Adding water softening equipment is very expensive and would require a rate increase. It is unknown if the Public Utilities Commission would approve a drinking water rate increase to solve a non-public health issue. The wells could be turned off and only used in an emergency. Over pumping the wells would cause a rise in power cost but over time could possibly bring down the calcium content. Ken Knight would like to see a table with the above mention options, the cost and pros and cons of each option. Charlotte Warren stated that what she is hearing is there is no public health issue therefore there is no immediate action needed by the Board. Knight stated that this subject will be brought up at the joint meeting with the Augusta City Council in March.

Hebert updated the board on the proposed Regional Water Council which would minimally include the Winthrop Utility District and the Greater Augusta Utility District. The Maine Drinking Water Program has a Source Water Grant that can be used to reduce the cost of forming the proposed water council. Winthrop Utility District has agreed to apply for the grant. Once the council is up and running more regional members could be added.

At 20:58 David Smith moved to direct the General Manager to work with the Winthrop Utility District to form a Regional Water Council. The motion was seconded by Dave Bustin. The vote to approve the motion was unanimous.

At 21:00 David Smith moved to adjourn the meeting. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

Monday, March 21, 2016

Augusta Civic Center, 4:30 PM

Attendees, Board: Ken Knight, Dave Bustin, Dave Smith, Sukey Sikora, Charlotte Warren, Don Roberts, Lesley Jones, Kirsten Hebert

Absent: Charlene Hamiwka

Attendees: Jeff Musich (Wright-Pierce Engineers), Randi Taylor (GAUD), Andy Begin (GAUD), Brian Tarbuck (GAUD)

No public comment.

Andy Begin talked about capital improvement projects scheduled for 2016. Patterson Street is going out to bid this week. Mike Morey is working to get a replacement drinking water pipe under Old Winthrop Road in Manchester ready for bid. The Mount Vernon Avenue project is going to start again soon. The Ward Street project will be combined with Boucher Avenue as one project for better pricing.

Brian Tarbuck spoke about the Trunkline 3 Winthrop pump station improvement project.

Tarbuck explained that during the cleaning of an eight inch siphon under the Kennebec River, Ted Berry Company got a "pig" stuck in the pipe. Attempts to remove the pig revealed a hole in the eight inch siphon. Options for pig extraction and pipe inspection are being investigated to determine next steps. Dave Smith thought he recalled Dale Glidden saying that one of these pipes were cast in concrete. There are two siphons under the river, a 20 inch pipe that works fine, and the 8 inch pipe that is compromised. The pipes were being cleaned and inspected for the first time in anyone's memory.

The District received a \$5,000 wellhead protection grant to buy security cameras and fence for the Riverside wells. The cameras and fence will be installed soon.

Knight stated the Board will discuss drinking water rates depending on options the Board selects for mitigating calcium deposition.

Tarbuck reported that the District is waiting for the union to meet to review the District's counter-proposal to the union.

Dave Bustin made a motion to partner with Winthrop Utilities District to participate in the process of applying for a capacity development grant to develop a regional water council. David Smith seconded the motion. The vote to approve the motion was unanimous with the exception of Kirsten Hebert who abstained.

David Smith moved to accept the Board meeting minutes for March 7, 2016. The motion was seconded by Don Roberts. The vote to approve the motion was unanimous.

Jeff Musich from Wright Pierce Engineers talked about calcium hardness in the water. Knight said that he initially didn't like the idea of changing the dose of sequestration chemicals but after Jeff talked more about it, he was much less opposed to that being an option. Many districts in Maine deal with the same hard water issue. The chemicals used to minimize pipe corrosion are widely used but it is a slow and methodical process to ensure that the chemicals are not overdosed.

Roberts asked if it is necessary to spend millions for a softener. Musich said that it is one of the options available to reduce calcium carbonate hardness.

Tarback said that about the same reaction happened in 2004 when the wells at Bond Brook were turned on. The State of Maine Drinking Water Program is very cautious about its involvement with the decision to modify chemical dose due to recent drinking water related lead issues in Flint, Michigan. Tarback stated that he is very concerned about adjusting chemicals to address a non-public health issue and stated that any adjustment needs to be very slow and thoroughly measured.

Smith stated that he wanted to make it clear for the record that water hardness is not a public health issue. The drinking water complies with all of the state's rules and regulations.

Sikora asked about new chemicals. Musich explained the pros and cons of introducing new chemicals and the effects new chemistry could have on drinking water quality.

Musich pointed out that Hallowell Water District had similar hardness issues when they turned on new wells. They did a lot of outreach with customers and plumbers to ensure the water in the hot water heater wasn't too high as that can make calcium deposition worse.

Sikora added that the District should explain to the public that hardness is not a health problem and share ideas that people could use to minimize the impacts of hard water.

At 1800, dinner was served with Trustees and City councilors.

Andy Begin presented a slide show of what GAUD is and what it does.

Mayor Rollins questioned about the hardness. Begin explained the background, then Musich described how chemicals work and the pros and cons of adjusting them.

A few councilors stated they had a few complaints concerning drinking water hardness. The councilors wanted to know if GAUD was looking into options and if GAUD would review its findings and decide what course of action to take. The councilors' major concern was that GAUD was actively doing something about it and seemed generally satisfied with GAUD's proposed course of action.

At 2000 David Smith moved to adjourn. The motion was seconded by Dave Bustin. The motion was unanimously approved.

Monday, April 25, 2016

Greater Augusta Utility District Board Minutes

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

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

Trustees absent: None

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Meredith Strang Burgess from Burgess Advertising & Marketing and Bob Corey (future trustee)

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 new items.

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

Hard water options were discussed. Hard water is the result of calcium carbonate in the water. The wells in Augusta have anywhere from 100 to 200 parts per million of calcium carbonate. The Riverside wells on the east side of Augusta have a higher calcium content than the Bond Brook wells on the west side of Augusta. The Trustees were presented a proposal prepared by Wright-Pierce for increasing the polyorthophosphate dose in the water which would sequester more calcium carbonate at higher water temperatures. Four other options were also presented with pros and cons and relative cost impacts. These four options included doing nothing, using a new chemical, installing softeners at each well and to overpump the wells. The Trustees decided that even though our water meets all state and federal drinking water standards and is not a health issue that doing nothing is not an option. The Trustees' two major concerns were that changing current practices could affect Lead & Copper Rule compliance and increase costs to ratepayers. Trustees decided to approach the situation by first increasing the amount of chemicals already used. If that does not work then another option would be considered.

At 18:47 Smith moved to permit the General Manager to commence calcium reduction actions in a careful, thoughtful, scientific basis in accordance with the options presented by our consultant as he sees fit; understanding the Board's desire to preserve the health and safety standards as required by law. The motion was seconded by Roberts. The vote to approve the motion was unanimous.

Updated cost of public relations. At the last Trustees meeting the Trustees decided that an increase to the public relations budget may be in order. After reviewing the year to date expenses the Trustees concluded that a budget increase is not necessary at this point in time. Meredith Strang-Burgess discussed her firm's budget and year to date expenses. She reviewed outreach efforts completed this year and laid out communications plans for the remainder of the year. Due to the recent issues relating to a switch from quarterly to monthly billing in January, 2016 and hard water concerns, our plan to insert informational stuffers every other month was changed to a stuffer every month. The budget for extra printing and mailing costs will be observed and reported accordingly. The communications part of

the public relations budget is a little over 50% used and will also need monitoring. Meredith also discussed the increase in our web traffic and our social media activity. The first week of May is National Drinking Water week and the District will have a Facebook water trivia contest with GAUD water bottles as prizes. The spring newsletter will be direct-mailed to each customer in May.

The Carleton Pond subcommittee has no new updates. Bob Corey will replace Dave Smith on this subcommittee. There were no other subcommittee updates.

Winthrop Utilities District applied for a grant to offset the cost of the work needed to create a Regional Water Council in which the Winthrop Utility District and the Greater Augusta Utility District would be equal partners. In researching the grant Winthrop has found that the grant money for watershed protection cannot be used to set up the regional council. The motion to set aside funds from the tree harvesting revenue from the Carleton Pond watershed to co-fund a matching grant with the Winthrop Utilities District for the purpose of creating a regional water council has been tabled until Kirsten can research the use of grant funds.

The previous discussion brought forth the questions of forestry funds and what they are used for. Forestry funds are not earmarked for anything. The funds are simply an additional source of drinking water revenue. The Trustees' understanding was that the funds from the forestry program at Carleton Pond would be used to improve the property surrounding the pond and pay for the forester and other watershed improvements. Tarbuck stated that it would be hard to use all the revenue from harvesting to reinvest in the watershed but stated that improvements had been made and the fencing should be in place by the end of May. Kenney will let the Board know how much revenue has been made from harvesting operations.

The previous discussion brought up the idea of a contingency fund. This is not a current budget item but may be added. The PUC allows a contingency of up to 5% of total operating revenues. This brought up the question as to what defines a contingency expense and how the management of a contingency fund would be covered by written policy.

At 19:12 Roberts moved to institute a contingency fund of up to 5% of the annual budget revenue requirement. The motion was not seconded. However, the vote to approve was five for and one (Smith) against.

At 19:14 Roberts moved to enter Executive Session to review the General Manager's performance pursuant to MRSA Title 1 § 405 6 A. The motion was seconded by Smith. The vote to approve the motion was unanimous.

The board exited Executive Session at 19:23. During the Executive Session a subcommittee made up of Ken, Kirsten and Sukey was appointed to meet with Dave Barrett to come up with a tool that will be used in the review process. Even though David Smith has resigned from the Board he will also be part of this process.

As the District is no longer sharing the City of Augusta's Human Resources Director Knight has asked how the District planned to proceed with its human resource needs. Tarbuck explained to the board that the previous HR Director felt more like a consultant than part of our team, so when the HR Director left the City of Augusta decided that they would no longer extend HR services to the District. The City still process payroll, takes care of new hires and all benefits. The gap is that when there is a specific HR issue

such as personnel policy changes or employee reviews there is no person available to guide the District at the City. The District is searching for an HR Consulting firm to assist when needed.

Chairman Ken Knight exited the meeting at 19:29 and turned the meeting over to David Smith Vice Chairman.

The Charter subcommittee had nothing new to report.

The Carleton Pond subcommittee has started going through some initial comparative value assessments of the land owned by the District near Carleton Pond. The initial estimate of land value is \$500 to \$1,000 per acre. The building component is estimated at \$500,000 to \$700,000.

The storm water subcommittee had nothing new to report.

Two unresolved items from prior meetings include public access to trails and storm water policy changes. There was nothing new to report on these two items.

Andy Begin reviewed the status of projects. The utility work on Mount Vernon Avenue is approaching completion. The pump station replacement project at Trunkline 3 (Winthrop 202) will be in design phase for the rest of this year with construction to begin in 2017. Ward Street and Boucher Avenue will be jointly bid for construction in mid to late summer. The bid for the Manchester Old Winthrop Road project came in approximately \$100,000 under budget. The Patterson Street project came in approximately \$250,000 under budget. Both projects were publicly bid and awarded to CH Stevenson. An unplanned sewer main project on Arsenal and Brooks Street needs to be added to the project list. This area has had numerous backups and there are sewer pipes going across private land without easements.

At 19:46 Roberts moved to increase the sewer and stormwater capital improvement budget by \$42,000 to pay for unplanned sewer pipe repairs on Brooks Street in Augusta. The motion was seconded by Sikora. Hamiwka questioned why the budget needed to be increased when we were already showing projects coming in under budget. Tarbuck explained that the object of the motion was to let the Board know that there were unplanned capital expenses. Roberts agreed with Hamiwka that the motion should not include the word increase. At 19:48 Roberts withdrew the motion for further discussion. Tarbuck stated that this is a critical, time sensitive project that needs to be done even if we have to dip into reserves. Sikora as the seconder on the motion stated that the motion should stand. The \$42,000 needs to be budgeted for, we are not saying to only spend it if there are realized savings in the capital budget. Hamiwka stated that it was agreed when approving the budget that if projects needed to be added to the budget other less critical projects would need to come out of the budget. At 19:57 the motion was tabled until the next meeting. Tarbuck will look at the budget and decide which project or projects can be delayed until next year in order to have available funds for the Arsenal/Brooks Street project.

Points of interest. TC Schofield from the engineering department will be leaving the district. Daryl Hoague, an employee of 32 years will be retiring at the beginning of May. June Mooney was presented with the Dave Anderson Laboratory Analyst Excellence Award.

Now that the 2015 financial statements are complete the rate setting process can begin. Current financials will be compared to anticipated financials and recommendations will be made relative to the performance of existing rates compared to the need for new revenue.

Union negotiations are ongoing. The District made a counter proposal and are waiting for a union vote.

At 20:01 Sikora moved to accept the Board minutes for March 21, 2016. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

Financial reports from February, 2016 and March, 2016 were presented. All divisions are tracking as expected. Revenue and expenses are both coming in slightly under budget. Cash is solid in all divisions and is expected to stay above the minimum cash reserves set by the Board.

At 20:08 Roberts moved to accept the financial statements for February, 2016 and March, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

In the course of reclaiming the gravel pits on the east side for use as public water supply wells, gravel was moved off site. This put us in violation of the City's pit mining ordinance. The City will fine the District \$5,000 for the transgression.

At 20:10 Bustin moved to set aside an amount not to exceed \$5,000 from tree harvesting revenue to remit to the City of Augusta for violations of the mineral extraction ordinance. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

There are two pipes that carry sewer from the east side of the river to the wastewater treatment plant on the west side of the river. In the course of cleaning the smaller of the two pipes it was found to be non-operational. One of the devices used to clean the system got plugged in the pipe and remains there today. The pipe has been closed off and is not leaking any sewer into the river. DEP has been notified of the situation. If the other pipe fails then we will have no way to convey sewer to the west side of the river. The District is working with its engineers to address this issue. It was at least one trustee's opinion that this project be put on the fast track.

The General Manager is asking to rename one of the Engineering Technician 2 positions to Assistant Engineer. This will not change the budget as it is just a title change. The new title more aptly describes the duties of the position and will make it more attractive to potential employees. There are currently three positions under the title of Engineering Technician 2.

At 20:17 Bustin moved to permit the General Manager to rename and existing Engineering Tech 2 position to Assistant Engineer. The motion was seconded by Roberts. The vote to approve the motion was four for and one against (Sikora).

At 20:28 Bustin moved to adjourn the meeting. The motion was seconded by Roberts. The vote to approve the motion was unanimous.

Monday, May 16, 2016

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Kirsten Hebert, Charlene Hamiwka, Don Roberts, Dave Bustin, Bob Corey and Sukey Sikora

Trustees absent: Lesley Jones and Charlotte Warren

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Tim Gill from Runyon Kersteen Ouellette and Nate Saunders from the Maine Drinking Water Program

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 new items.

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

Tim Gill from Runyon Kersteen and Ouellette presented the District's 2015 audited financial statements. The District received an unmodified opinion and showed no material weakness related to internal controls. Government Accounting Standards Board Number 68, accounting and financial reporting for pensions, was implemented in 2015. The District's proportionate share of the share of the total pension liability of the Maine Public Employees Retirement System's Participating Local District plan is now stated as a liability on the District's financial statements. Mr. Gill reviewed the District's assets and liabilities. Cash came in at approximately \$4.4M less than last year due to the completion of two major capital improvement projects in 2015. Capital assets subsequently increased due to the aforementioned capital improvement projects. No new debt was incurred in 2015 and all debt service payments were made in full and on time. Operating income and expenses increased in 2015 with income exceeding expenses. Mr. Gill complimented the District's employees for being easy to work with and having all the information needed for the audit readily available.

At 18:16 Bustin moved to accept the 2015 audited financial statements of the Greater Augusta Utility District as presented by Runyon Kersteen and Ouellette. The motion was seconded by Roberts. The vote to approve the motion was unanimous.

At its last meeting the Trustees decided to address the hard water situation by increasing the amount of chemical (polyorthophosphate) already in use. This option was presented to the Maine Drinking Water Program for approval. Nate Saunders, the senior environmental engineer from the Maine Drinking Water Program, has reviewed the plan presented by Wright-Pierce to increase the amount of polyorthophosphate in an effort to reduce calcium carbonate deposition. He thought that Wright-Pierce's plan was well thought out and sound and that the testing schedule was a very important part of the plan. Approval was granted and with the Trustees' permission the District will start to increase the chemicals according to the plan presented by Wright-Pierce. The process could take up to six months but can be stopped or adjusted at any time due to the test results. The Board questioned when results

would be noticeable to our customers. Tarbuck explained that although the extra chemical would work immediately most customers would not notice a difference. It is going to depend on where the customer is located and how they use their water. Customers furthest from the wells will be the last to notice a change. Customers that use extremely hot water will still notice the white build up they are currently seeing. Tarbuck explained how, when and where samples will be collected. Nate Saunders informed the Trustees that the Lead & copper Rule may change in 2017-2018.

Bob Corey replaced David Smith on the Carleton Pond subcommittee. Hebert, Corey and Tarbuck plan to tour the Carleton Pond property before the next Trustees' meeting. The charter subcommittee had no new updates. The Carleton Pond valuation subcommittee has been doing research and should have some information at the next Board meeting. The stormwater subcommittee is still waiting for the City of Augusta to appoint members to the committee. Chairman Knight will contact the City on this issue. The General Manager's review subcommittee has not yet met but will set up a meeting before the next Board meeting.

Three unresolved items from prior meetings include public access to trails, stormwater policy changes and the contingency fund. Public access to trails and stormwater policy changes will be tabled until the respective subcommittees report. The motion to establish a contingency fund at the last Board meeting was never seconded therefore does not stand. The District does incur unexpected expenses and projects every year and needs a mechanism to report and fund the unbudgeted expense. Some Board members felt strongly that if an unexpected project is added, a planned project must be accordingly reduced to cover the unexpected expense. The District has already established a cash reserve or a minimum cash balance for each division. It was suggested that instead of a contingency fund the minimum cash balance could be increased and everyone made aware that the extra reserve is to be used for unexpected expenses and projects. This would have the same effect as a contingency fund with less confusion and complexity. The Public Utilities Commission (PUC) states that up to 5% of drinking water revenues may be used as a contingency fund. This fund does not need to be expressly stated in the budget or the financial statements but can be used as a line item for a rate case. The sewer division is not governed by the PUC and therefore can use any percentage reasonable for a contingency fund. The existing minimum cash balance of \$750,000 for each division needs to be reevaluated.

Corey asked the other Board members if they now agreed to spend the extra \$42,000 for unplanned sewer pipe repairs on Arsenal/Brooks Street in Augusta. All Board members agreed to the expense.

The District and the Winthrop Utilities District are still in the planning stages of creating a Regional Water Council in which the Winthrop Utilities District and the Greater Augusta Utility District would be equal partners. The available grant monies for watershed protection cannot be used to set up the regional council. Hebert spoke with the Winthrop Utilities District which agreed to proceed with setting up a Regional Water Council. The cost would still be split 50/50 between GAUD and WUD and would result in a \$5,000 expense to the District. Knight thought the number should be closer to \$7,500.

At 19:16 Corey moved to set aside funds not to exceed \$7,500 from the tree harvesting revenue from Carleton Pond to co-fund a matching grant with the Winthrop Utility District for the purpose of creating a Regional Water Council for the protection of the Carleton Pond Watershed. The motion was seconded by Roberts. The vote to approve the motion was unanimous. Hebert recused herself from the vote.

Andy Begin reviewed the status of projects. The utility work on Mount Vernon Avenue is essentially done. At the Togos disinfection station the backflow preventer was brought up above grade and a

sodium hypochlorite injection system has been added. The Manchester water main replacement on Old Belgrade Road should have started today and should be completed in four to six weeks. The Patterson/Kittredge Street sewer and stormwater upgrades should be starting in June. Boucher and Ward main work will be bid this Thursday for construction in October. Quotes are still being accepted for the fencing at the Riverside Drive well site. The District was recently awarded a \$5,000 wellhead protection grant.

Tarback has reached out to four different human resources consultants and hopes to be able to meet with them before the next meeting. Now that the audit is complete the rate setting process will begin.

Union negotiations are ongoing. A counter proposal made by the District was rejected. The Teamsters are drafting a new counter-proposal. If continued mediation does not work the next step is Fact-Finding. Fact-Finding can take a long time and be expensive. The District's goal is to reach an agreement before that process starts.

At 19:29 Sikora moved to accept the Board minutes for April 25, 2016. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

Roberts moved to accept the financial statements for April, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

The motion to enter Executive Session to review the General Manager's performance pursuant to MRSA Title 1 § 405 6 A was tabled.

Two pipes convey wastewater from the east side of the river to the wastewater treatment plant on the west side of the river. One of the pipes is 20 inches in diameter, and the second pipe is 8 inches in diameter. In the course of cleaning the 8 inch pipe was found to be non-operational. One of the devices used to clean the system got plugged in the pipe and remains there today. The pipe has been closed off and is not leaking any sewer into the river. This provides an opportunity to use numeric modeling to evaluate the effectiveness of the 8 inch pipe. The modeling work may show that a different size pipe is needed. Modeling will also determine the tank storage needed to meet the requirements for combined sewer overflow (CSO) compliance. The consultants that developed the District's CSO Long Term Control Plan will complete the modeling soon. The Compliance Initiative Letter from DEP acknowledges the impaired infrastructure under the river, and that GAUD is expected to work on fixing the impairment. This will be a 2017 capital improvement expense.

Financial reports from April, 2016 were presented. All divisions are tracking as expected. Revenue and expenses are both slightly under budget. Cash is solid in all divisions and is expected to stay above the minimum cash reserves set by the Board.

Due to the recent turnover in Trustees Knight asked management to set up training seminars for Trustees on issues such as reserves.

At 19:40 Roberts moved to adjourn the meeting. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Monday, June 20, 2016

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Kirsten Hebert, Charlene Hamiwka, Don Roberts, Bob Corey, Charlotte Warren and Sukey Sikora

Trustees absent: Lesley Jones and Dave Bustin

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Meredith Strang-Burgess from Burgess Advertising and Marketing and Dave Barrett from Maine Municipal Association

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 new items.

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

At 18:01 Bob Corey moved to enter Executive Session to review labor negotiations with Teamsters Local 340 pursuant to MRSA Title 1, Section 405, 6D. The motion was seconded by Charlene Hamiwka. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:19.

The motion to enter Executive Session to review the General Manager's performance pursuant to MRSA Title 1, Section 405, 6A was tabled. The General Manager's review process was discussed which didn't warrant an Executive Session. Dave Barrett from the Maine Municipal Association prepared a form to review the General Manager. Review forms will be sent to all current Trustees, former trustee David Smith and some key employees from the District. Mr. Barrett asked that all completed forms be sent to him via email.

Meredith Strang-Burgess updated the Trustees on public outreach. The "Do Not Flush Wipes" stuffer being mailed in June is a repeat from 2015. There will be no stuffers in July and August. In September the stuffer will educate our customers on what to do if they are experiencing a leak or backup in their water or sewer system. The annual report is in process and will hopefully be mailed soon. Meredith also suggested that the Greater Augusta Utility District website be used to update customers on the District's steps to address the hard water issue.

Last month the Trustees decided to reduce the effects of hard water by increasing the dosage of the chemical polyorthophosphate already in use. The Maine Drinking Water Program approved the District's written polyorthophosphate adjustment plan. The first of several small increases to the polyorthophosphate dose has been completed. Systems are in place to document the feed rate of polyorthophosphate in the water every fifteen minutes. The change in polyorthophosphate dosage requires additional lead and copper sampling this fall. Tarbuck stated that the increased dose is so small that it would most likely not be noticeable to our customers. The plan is to monitor the water at this dosage for four or five months. If there are no water quality issues the dosage will be increased and

monitored for another four or five months. Several Trustees suggested that our dosing schedule be made available to the public along with an estimated date to retest the level of hardness in the water. Tarbuck explained that if dosage adjustments are made too quickly it could cause the iron in certain pipes to come out of solution and cause red water. No red water complaints have been received. Going slowly with the increased dosing and monitoring closely reduces the risk of red water. The other factor is heat. Higher water temperatures result in more calcium carbonate residue. Tarbuck advised that Wright-Pierce had been asked to do more than originally anticipated causing the original budget of \$8,500 to increase to \$9,300. Wright-Pierce will not incur any more expense until the District is ready to review all the data compiled before making another adjustment to the dosage. Strang-Burgess was asked to construct a chart on the dosing schedule before the next meeting.

Corey, Hebert and Tarbuck toured the drinking water filtration plant and property. The Board was presented with an overview map of the property including the roads, gates and dam. A list of pros and cons from prior meetings relating to future recreational use was also presented. Corey asked the Trustees to add any other pros and cons they could think of before the next meeting. Trustees also reviewed signs that will be placed on the property. Knight advised that the July 18th Trustees meeting would be held in conjunction with the Winthrop Utilities District Board to formally discuss the creation of a Regional Water Council. The Regional Water Council will review public access and trails among other activities that impact both utilities. Hebert will put together an agenda and informational package for the meeting. The subcommittee was asked to add existing fire roads to the map presented.

The Charter subcommittee is on hold until stormwater is discussed.

Charlene Hamiwka completed her valuation of Carleton Pond. Hamiwka based her valuation on the last six months of land sales in Kennebec County. Since the last appraisal in 2004 land values have dropped 45 to 55%. The new valuation for the total 874 acres plus the dam and the spill way is approximately \$1.0 M to \$1.3 M. Charlene informed the Board that this valuation is only good for a short period of time as land values are constantly changing.

The stormwater subcommittee was formed to update the District's stormwater policy which may result in changes to the charter. The City of Augusta was asked to be part of the policy review process but has not yet appointed anyone to the committee. The charter subcommittee cannot move forward until the stormwater subcommittee has a clearly defined policy. Knight asked the committee to start the process of updating the stormwater policy without representatives from the city. The way the policy and charter reads now makes it very difficult for the general manager to make any budget or other decisions concerning stormwater. Goals for the committee include identifying the limits of responsibility for stormwater and specific stormwater tasks performed. Tarbuck stated that due to combined sewer systems and regulations on stormwater flowing to our treatment plant the District logically needs to manage that part of stormwater. The charter states that the District will perform stormwater duties for all of Augusta. That could be interpreted to mean ownership of ditches and culverts. The District has always been responsible and permitted for stormwater once it goes into the underground collection system. Questions remain relating to specific above ground responsibilities. Tarbuck stated that the District should keep doing what it is doing but that those activities are defined better through the charter and policies. Knight stated that what he was hearing was that the trustees want the District to continue doing stormwater as it has been doing and that the subcommittee should move forward on the policy. No one disputed this statement.

Discussion related to Carleton Pond access will be tabled until after the meeting in July.

Policy determinations related to stormwater extensions were also deferred until the stormwater committee has a report to review.

Previous discussions relating to a contingency fund raised questions on the amount of funds to be set aside for unforeseen expenses. Subsequent discussions debated whether the funds should be in a specific contingency fund or whether a larger minimum reserve fund policy could meet the same objectives. This discussion was tabled until Kenney could research how the reserve was set in the past and how much it should be today. This decision will depend on what happens with the stormwater policy so the reserve limits will be discussed later.

Begin reviewed the status of the following projects. The water main replacement on Old Winthrop Road in Manchester is 95% complete. Improvement of Patterson and Kittredge streets is a joint project with the City of Augusta and should be starting in late June. The Alderwood Drive project is in the easement negotiation stage with Central Maine Power and is expected to start late summer or early fall. The Boucher Avenue and Ward Street project were bid together and awarded to CH Stevenson. This project should start at the end of the summer. The equipment for the combined sewer overflow (CSO) flow meter project has been received and is ready for installation. The Winthrop Trunkline 3 replacement project is in the preliminary design phase with Wright-Pierce and should be ready for bid in the fall. The District will use grant funds from the Maine Drinking Water Program to install fencing at the Riverside Drive Well site. The Cony Street Extension stormwater improvement project is new and is on the agenda for Board approval. Northern Avenue, West River Road and Townsend Road are being paved this year and there are several basins and pipes that need replacement. The District is essentially done with the Mount Vernon Avenue project but MDOT has not submitted invoices for its work which is reflected on cash flow predictions. Ridgewood Drive is in the cleanup phase and should be complete by the end of June. The I-95 sewer relining project that was completed at the beginning of the year has shown a significant reduction in inflow and infiltration into the Wildwood sewer pump station during wet weather events.

The Assistant Engineering position was offered to the top applicant today. The GIS specialist has left the District so there is now an open position. Two summer interns were hired for the summer. Their job will be to inspect and measure catch basins. This should give us a better understanding of our catch basins and reduce the number of catch basins that need to be cleaned annually. The City of Augusta received a grant from Homeland Security which made funds available to the District to install security cameras at the wells on Bond Brook Road and the wastewater treatment plant.

A meeting with the Maine Water Company to review drinking water rates is scheduled for June 27th. Sewer and stormwater rates cannot be fully considered until a stormwater policy is in place.

At 20:03 Sikora moved to accept the meeting minutes for May 16, 2016. The motion was seconded by Hamiwka. The vote to approve the motion was unanimous.

The minutes from May 16, 2016 state that Tarbuck had reached out to four human resources consultants. Corey asked for an update. Three of the four consultants expressed little or no interest in working for the District. Tarbuck met with one interested party and felt that they would be a good fit when needed.

Kenney presented financial reports to the Board. At the end of May, 42% of the year has passed. Revenue in the water division is at 40% and expenses are at 39%. The ending cash balance is approximately \$2.4M which is \$612K lower than this same time last year. May started with \$2.4M in cash, revenue of \$306K was added, O&M expenses totaled \$186K and CIP expenses totaled \$35K. This left the ending cash balance at \$2.4M. The estimated minimum cash balance of \$1.3M is expected to be in December.

Revenue in the sanitary division is at 41% and expenses are at 37%. The ending cash balance is approximately \$4M which is \$1.03M higher than this same time last year. May started with \$3.6M in cash, revenue of \$646K was added, O&M expenses totaled \$302K and CIP expenses totaled \$17K. This left the ending cash balance at \$3.9M. The estimated lowest cash balance of \$2M is expected to be in September.

Kenney informed the Board that due to unforeseen expenses the District will be going over budget this year. Ken explained that the District budgets using the calendar year. The City of Augusta is on a June 30th fiscal year end and does not put its budget together until after our budget is approved. The District considered adopting a July / June budget cycle to match government but decided that schedule doesn't make sense given the spring / fall construction season where most expenses occur. Before preparing the 2016 budget the District was aware of about ten streets on the city of Augusta paving list. Due to tax increment financing funds received by the city the paving list grew to about fifty streets. Keeping up with paving operations is an annual challenge but this is exceptional and will impact the operations and maintenance budget more than forecast. Knight asked for ideas on how to fix this issue. Knight then suggested that an amount be put in the budget every year for the city paving list, but the exact amount is always a question. Knight asked how the additional work would be funded. Kenney stated that cash is available to fund the extra expense but she could not predict what the extra expense will be. When the District's crew works on the paving list it results in other tasks being deferred. This could require the District to hire contractors to do the work the District does not have time to complete and overtime could become a factor. Knight asked how the Trustees want to deal with this issue. Hamiwka asked if the District could just say no we are not going to do those streets. Tarbuck said that that is not an option. Worst case the District could be sued or the contractor could just grind over our infrastructure and destroy it. The city owns the roads; the District just has permission to locate its infrastructure there. The District could let the infrastructure be paved over but then it would not be accessible for maintenance or emergencies. As no one wants to see a previously paved road dug up in two years the District inspects the infrastructure in the streets ahead of time to see if any of it is failing and should be replaced before the street is paved. The lowering and raising of infrastructure will not prolong the life of the asset therefore these expenses cannot be capitalized. However, significant costs for structures or mains that need to be replaced can be capitalized. Hamiwka asked if some of the City's work would be completed next year which could be accounted for in the 2017 budget. Tarbuck stated the city plans to complete the work in this calendar year. Warren suggested forming a subcommittee to come up with a financial solution that the Board can vote to approve or not. Kenney informed the Board that it was not just the city paving list that was going to put the District over budget. There are a couple of capital improvement projects in the budget that the District will not be able to capitalize and will need to go into our operations and maintenance budget. Hamiwka suggested that that a reserve be budgeted for unplanned city projects.

The city recently requested the installation of new pipe and three new catch basins to improve drainage on Cony Street Extension. The city has offered to pay for 2/3 of the total expense of the project and requested that the District pay for 1/3 which would amount to approximately \$8k. This amounts to a request for a stormwater main extension. If the City had asked for a water or sewer main extension the answer would be no as the District does not fund drinking water or sewer main extensions. The District's rates do not support extensions, only compliance and operations and maintenance functions.

Tarback reminded the Trustees that they were discussing two different things. First, the unforeseen expenses due to the city's paving list. Previous years' experience tells us responding to paving operations is going to happen every year. The District does have money in the budget to cover these typical annual expenses related to paving operations but due to extra TIF funds received by the city the paving list is larger than normal. The District can't change how or when the city makes its paving list available. All it can do is forewarn the Trustees about the extra expenses. Adding new infrastructure on Cony street is a separate issue.

Bob Corey and Charlotte Warren volunteered to work with the District's finance director to attach a dollar amount to the paving list. They will also reach out to other Districts to see how they deal with the same issues. Tarback stated that the District does have an estimated dollar value per street but would like to revisit these figures before sharing them with the Board.

Tarback asked for direction on the Cony Street Extension stormwater extension request. The rates do not support new stormwater infrastructure unless it is compliance driven. For example, a new stormwater pipe and basins might be installed to separate a combined sewer. The water and sewer policies state the District does not contribute to main extensions, but the District does not have a clear policy when it comes to stormwater extensions. Sikora warned that if the Trustees agreed to this stormwater extension it could set a precedent that would impede the stormwater committee's work. Tarback stated that the structures on Northern Avenue which need to be replaced fall under the District's operating budget so the only Board decision needed is on Cony Street Extension. The Board decided to delay a decision on the City's request for funds for the Cony Street Extension stormwater system in hopes of having a larger policy discussion with the city.

At 20:59 Hebert moved to accept the financial reports from May, 2016. The motion was seconded by Sikora. The vote to approve the motion was unanimous.

Knight thanked Charlene Hamiwka and Don Roberts for their service to the District. Both Trustees are at the end of their appointed terms and this will be their last meeting.

At 21:04 Hamiwka moved to adjourn the meeting. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Monday, July 18, 2016

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Kirsten Hebert, Bob Corey, Charlotte Warren and Dave Bustin

Trustees absent: None

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Lee Bragg legal counsel from Bernstein Shur Sawyer and Nelson

At 16:30 Chairman Ken Knight called the meeting to order.

Chairman Knight asked if any Board members had any additions to the agenda. Chairman Knight added the Riverside Drive well site to the agenda.

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

At 16:30 Hebert moved to accept the meeting minutes from June 20, 2016. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Financial reports from June, 2016 were presented. Revenue and expenses in all divisions are tracking slightly under/over budget. Cash is solid in all divisions and is expected to stay above the minimum cash reserves set by the Board. At the June Board meeting the Trustees were informed that due to unplanned work being done this summer expenses in both divisions are expected to surpass the approved budget. June financials are not showing the effects of the increased expenses but should be expected in July.

At 16:34 Corey moved to accept the financial reports from June, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Knight informed the Board that due to recent changes in the stormwater subcommittee the subcommittee meeting would not be held at this meeting. Knight reminded the Trustees that the stormwater subcommittee was charged with the task of writing a stormwater main extension policy. The committee is also looking at public safety needs related to stormwater as well as billing and funding options. The subcommittee should be ready to present their findings at the next Board meeting. The City of Augusta appointed Mayor Rollins and Lionel Cayer to the stormwater subcommittee. Corey has recently spent time reviewing how the District splits sewer and storm expenses, the District's past records on stormwater rates, revenues and capital improvement projects. Corey found that between revenue coming in and the payments to personnel, suppliers and debt service very little is actually left over for capital improvement projects. Knight stated that in the coming years the budget will need to have planned stormwater projects and a line item for unplanned stormwater projects. Rates will need to be evaluated to decide what the unplanned number can be.

At 16:48 Hebert moved to elect Bob Corey as Treasurer. The motion was seconded by Knight. The vote to approve the motion was unanimous.

At 16:49 Hebert moved to elect Dave Bustin as Clerk. The motion was seconded by Knight. The vote to approve the motion was unanimous.

Corey inquired about the status of Vice Chair. Knight stated that the District's Charter does not call for a vice chair so one will not be appointed. Knight asked the other Trustees present their opinion on having no vice chair. Everyone was fine with no vice chair but Corey pointed out the need to change the District's by-laws which state there will be a chair, a vice chair, a treasurer and a clerk.

At 16:51 Corey moved that the by-laws pertaining to the election of officers goes parallel with the election of officers in the Charter which would mean dropping the vice chair from the by-laws. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

An issue at the Riverside Drive well site was added to the agenda. Begin informed the Trustees that while surveying the property line before installing fencing it was noticed that MainEx, who owns the adjoining property, had been excavating gravel from the District's side of the property line. Begin sees many issues with this including not knowing what the quality of the gravel excavated was, excavating over the boundary line, the slope ordinance, and if there is a buffer zone between the two properties. Begin emailed both the City of Augusta and MainEx to declare that MainEx has been excavating on District property and needs to cease immediately. Excavation has stopped and MainEx has begun to backfill the area with an unknown quality of gravel. The District has been very careful to only use native and organic materials at the well site in order to not contaminate the site with foreign material.

Lee Bragg, the District's attorney, commented that the ordinance issue and maybe the buffer issue should be enforced by the City of Augusta. The District does have a concern on how the City enforces the ordinance due to the slope issue. Bragg inquired if the District cared about the quality of the gravel as long as it was native to the site. Begin stated that yes the gravel needs to be coarse enough for runoff to drain through. Bragg went on to state that not only was the excavation of the gravel trespassing but replacing the gravel without permission is also trespassing. Bragg recommended that the District put MainEx on notice for trespassing and that MainEx should stop all efforts to back fill the excavated area until the District can determine the fill material to be used.

At 17:12 Corey moved that MainEx is put on notice immediately and that they cease what they are doing and that the District wants to take part in any work that is being done on its property to reestablish it and that it should be meeting the standards of the City for reclamation efforts. The motion was seconded by Hebert. Bustin asked if Begin and Tarbuck could check out the site tomorrow to determine if the backfill being used is acceptable. Begin stated that they could check it out but could not test it. The vote to approve the motion was unanimous. Bragg will draft a letter to MainEx as soon as possible.

The discussion continued to include the fencing project which is now on hold due to the fact there is a hole in the ground where the fencing should sit. There were questions concerning the buffer zone between the two parcels, whether there was one and how big it is. The answer was the City was unsure about the buffer zone due the unusual circumstances of a gravel pit being partially sold for a use other than mining. The District's primary concern is the protection of the wells.

At 17:21 Hebert moved to adjourn the meeting. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Thursday, July 28, 2016

Greater Augusta Utility District Board Minutes

Wastewater Treatment Facility, Jackson Avenue, Augusta, Maine

Trustees present: Ken Knight, Kirsten Hebert, Bob Corey, and Dave Bustin

Trustees absent: Charlotte Warren

Attendees: Brian Tarbuck and Sherry Kenney

Guests: Michael Hodgins legal counsel from Bernstein Shur Sawyer and Nelson

At 7:00 Chairman Ken Knight called the meeting to order.

Riverside Drive Wellhead Protection

A special meeting of the Greater Augusta Utility District Trustees was called to discuss the protection of the District's wellheads, otherwise known as the Riverside Drive wells.

It was recently discovered that the MainEx company, which owns and operates a neighboring gravel pit, has excavated gravel from the District's property without permission. A letter was sent to MainEx proprietor Mike Chick on July 19, 2016 instructed MainEx to cease all work on District property. The value of the gravel excavated from the District's property was estimated at \$30,000.

Knight stated that as Trustees it is their responsibility to protect our wellheads and property boundaries. It is the District's understanding that the City of Augusta has ordered MainEx to cease and desist all operations in their adjoining pit. MainEx will need to apply to the planning Board before excavation can continue in their gravel pit.

The question before the board is what are the District's options and what should the District do about the trespass? The District needs a true boundary line agreement with MainEx hopefully with a buffer zone.

Michael Hodgins, attorney for the District from Bernstein Shur, stated that this is a trespassing issue. All other property and mining ordinances would need to be handled with MainEx and the City of Augusta. As MainEx clearly excavated over the property line, the trespassing laws in Maine state that the District can ask for two times the value of the trespass if the trespasser was just being negligent or three times the value if the trespass was knowingly committed. The value of the trespass would include legal, surveying and other professional fees plus the value of the material removed.

Michael Hodgins inquired if the Board was more interested in having a buffer zone or recouping its losses. The Trustees agreed that the number one goal is to protect the rate payer's property so the buffer zone is the most important issue. It was suggested that asking for a buffer zone and a monetary value will give the District and MainEx room to negotiate. By having a buffer agreement the District will be able to either help or hinder MainEx with any planning Board issues. In the end the General Manager hopes to have the hole filled in, the fence installed and clarity on boundaries and mining activities between the District, the City of Augusta and MainEx.

Michael Hodgins suggested that a letter be sent to MainEx stating that they cannot trespass on our property, they should put their insurance on notice for the trespass and that they will be responsible for all legal and surveying costs.

In April of this year the District was fined \$5,000 for removing gravel from Riverside Drive without being covered by a mining ordinance. While researching the above MainEx issue it was discovered that the property may have been covered by the mining ordinance and the District may be able to recoup the \$5,000.

At 7:32 Corey moved to continue with what was presented today and to authorize Brian Tarbuck and Ken Knight to move forward with any other issues concerning this subject unless it needs to be brought before the Board. The motion was seconded by Bustin. The vote to approve the motion was unanimous.

At 7:35 Corey moved to adjourn the meeting. The motion was seconded by Bustin. The vote to approve the motion was unanimous.

Monday, August 15, 2016

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Kirsten Hebert, Bob Corey, and Dave Bustin

Trustees absent: Charlotte Warren and David Rollins

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Melissa Morrill and Julia Wilcock from Volunteers of America and Alan Burton, Human Resources Consultant

At 7:00 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.

Knight introduced Alan Burton as the independent human resources consultant to the District.

At 18:01 Bustin moved to accept the meeting minutes from July 18, 2016 and July 28, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Financial reports from July, 2016 were presented. Revenue and expenses in all divisions are tracking slightly under/over budget. Cash is solid in all divisions and is expected to stay above the minimum cash reserves set by the Board.

At 18:04 Corey moved to accept the financial reports from July, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

At 18:04 Corey moved to enter Executive Session to review labor negotiations with Teamsters Local 340 pursuant to MRSA Title 1, Section 405, 6D. The motion was seconded by Hebert. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:21.

At 18:21 Bustin moved to enter Executive Session to review the General Manager's performance pursuant to MRSA Title 1, Section 405, 6A. The motion was seconded by Corey. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:30.

Tarbuck informed the trustees that the District received a request from Volunteers of America Northern New England to waive sewer availability fees for its Cabin in the Woods project. The project consists of constructing 21 cabins on the Togus campus that will provide permanent housing for homeless veterans and their families. Julia Wilcock and Melissa Morrill spoke on behalf of Volunteers of America. The Cabin in the Woods project has been in the works for six years and funding for the capital project was recently procured from Maine Housing Authority. Julia and Melissa explained how the program would work and who would be eligible. Trustees asked how much the availability fee was going to be and if

the District had ever previously waived the fee. Begin estimated the fee to be approximately \$26k. Hebert inquired if the availability fee was a chartered item and if the trustees even have the authority to waive the fee. Begin explained that the District is only allowed to put so much volume in the system therefore every time more volume is added the District needs to be able to remove the same volume (rain water) from the system. Sewer availability fees are used to remove that volume. Due to the fees being in the District's charter the trustees would like to get a legal opinion before making a decision. Knight informed the representatives from Volunteers of America that the District would seek a legal opinion and make a decision before the next scheduled meeting.

Mike Hodgins, legal counsel for the District has been in contact with Howard Lake, legal counsel for MainEx. It seems that MainEx wants to resolve the issues the District has concerning the excavation of gravel from the Riverside Drive well site. Tarbuck expects this issue to be resolved by the next trustee meeting.

Tarbuck updated the trustees on the hard water issue. There have been no additional adjustments to the chemicals being added to the water. The District has not noticed any ill effects from the first addition of chemicals, such as red water. The District will be testing 60 lead and copper drinking water samples to make sure that the change in chemicals has not affected the metal composition in the system. The timeline for testing and adjusting chemicals will be added to the web site.

The development of the Regional Water Council consisting of the Winthrop Utilities District and the Greater Augusta Utility District is on track.

Begin has sent notes and a preliminary stormwater extension policy to the Trustees. Corey has been analyzing data for rates and funding of stormwater extensions. There will be a budgeted line item for this in the next budget.

Tarbuck informed the trustees that Central Maine Power has announced a rate increase between 10% and 30%. The increase will have the biggest impact on our wastewater treatment plant. The District expects the increase for the plant to be approximately \$20,000 in 2017.

Concerns about drought conditions were discussed. The District has five wells with four currently being used. The fifth well has a little bit harder water than the other four and is used as backup when needed. Two of the wells are new and were brought online last year. Having the two new wells has greatly diminished the concerns due to drought conditions. The District owns a water filtration plant on Carleton Pond. Due to the time and money required to restart plant this water source would only be used in an extreme situation. Precipitation data collected shows the area being below average but higher than the historical lowest accumulation. The District can also extract water from Cobbossee Lake through the water filtration plant or purchase limited quantities of drinking water from Hallowell.

The District's mission and vision statement was presented to the trustees. The District's mission is to provide reliable, safe and cost effective drinking water, sewer and stormwater service. The District's vision is to provide healthy and safe water for central Maine.

Begin discussed the Arsenal Street project. This project was not in the District's 2016 capital improvement budget. A \$42k dollar budget was approved by the Trustees in April of this year. The budget was based on 275' of pipe at \$150 per foot. The scope of work has grown to 340' and the lowest bidder came in at \$166 per foot. The District is asking the Trustees to increase the budget on the project

to cover the bid price of \$57k plus the Districts expense. The Trustees asked where the funds would be coming from. Kenney explained that the District has the cash to fund the project but still being in the middle of construction season is unable to estimate how far under or over budget capital improvement projects are for this fiscal year. Corey started to move to amend the original \$42k budget but tabled the motion due to not having a complete estimated cost and insufficient board members present for a quorum. Begin informed the Trustees that the construction bid was only good for a short period of time. Knight suggested that a special meeting be held next week to discuss this issue and some other outstanding issues.

At 19:17 Bustin moved to adjourn the meeting. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Thursday, August 25, 2016

Greater Augusta Utility District Board Minutes

Greater Augusta Utility District, 12 Williams Street, Augusta, Maine

Trustees present: Ken Knight, Kirsten Hebert, Bob Corey, and Dave Bustin

Trustees absent: Charlotte Warren and David Rollins

Attendees: Brian Tarbuck, Sherry Kenney and Alan Burton.

At 7:00 Chairman Ken Knight called the meeting to order.

At the August 15th meeting the Volunteers of America Northern New England requested to have the sewer availability fees waived for their Cabins in the Woods project. Due to the fees being in the District's charter the Trustees wanted a legal opinion before making a decision. Lee Bragg from Bernstein Shur opinion is that the Trustees do not have the discretion to simply waive the fee, however it may be an option to amend the Ordinance to exempt certain users or situations. The Board members present discussed amending the ordinance and chose not to proceed at this time. Tarbuck will inform the Volunteers of America Northern New England of the Board's decision.

At the April 25th Board meeting the Trustees were asked to increase the sewer and stormwater capital improvement budget by \$42,000 to pay for unplanned sewer pipe repairs on Brooks/Arsenal Street in Augusta. The increase was approved at the May 16th meeting. The scope of the project has grown and the low bidder, ETTI, came in at \$56,530.

At 7:05 Corey moved to increase the Brooks/Arsenal Street capital improvement budget to not exceed \$80K. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Alan Burton, the District's HR consultant informed the Trustees that he had finished compiling all the information received for the General Managers review. Alan will discuss his findings with the General Manager. After giving the General Manager time to respond an executive session will be held for Alan to discuss his findings with the Trustees.

Burton and Tarbuck gave an update on union negotiations. The union's sticking point seems to be the call in pay. More discussion will take place before entering the fact finding stage of negotiations.

At 7:14 Corey moved to adjourn the meeting. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Monday, September 19, 2016

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Kirsten Hebert, Bob Corey, Dave Bustin, Charlotte Warren and David Rollins

Trustees absent: None

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Alan Burton, Human Resources Consultant, Lionel Cayer, City of Augusta and Matt Callahan, Saint Laurent & Son Inc.

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 new items.

Knight asked for public comments. Matt Callahan from Saint Laurent & Sons stated that he was present to answer any questions that Trustees might have concerning Saint Laurent & Sons' bid for the upcoming Alderwood Drive water main project installation.

At 18:02 Corey moved to accept the meeting minutes from August 15 and August 25, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

MainEx operates the gravel pit adjacent to the Riverside Drive well site and recently excavated gravel from the District's property. The District's attorney has been working with MainEx's attorney to come to a resolution. It is the District's understanding that MainEx will no longer be operating from this pit and is working with the City of Augusta on a reclamation plan. The District is interested in the reclamation plan and to get the site restored so a security fence can be installed. Negotiations are ongoing.

Kirsten Hebert has asked both Augusta and Winthrop to send her their conflict of interest policies as she develops documents for the foundation of a regional water council between the two entities. Hebert will produce a policy and bylaws for the water council. All subcommittee members will review the documents before they are filed.

Andy Begin spoke on behalf of the stormwater subcommittee. The goals of the committee were to review how the District bills for stormwater and to develop a policy for stormwater pipe extensions. The draft policy addresses the City of Augusta's public safety needs which will be considered in the 2017 budget. The District's focus is on the improved stormwater system which includes drain manholes, catch basins and pipe. The policy also recognizes the City of Augusta is responsible for drainage ditches and culverts that don't connect to an improved stormwater system. The draft policy is ready for the Trustees' review. Knight stated that the stormwater policy would be on the agenda for the first planning session being held on October 28th. Representatives from the City of Augusta will be invited to discuss the policy. Begin explained the difference between adding a catch basin and a stormwater pipe extension. Rollins asked why Hallowell was not part of the discussion. Knight stated that the District is responsible for stormwater. Rollins also asked if there would be another subcommittee meeting to go

over the language concerning ditching and culverts. Knight suggested that the language concerning ditching and culverts be addressed at the planning meeting.

At 18:14 Corey moved to enter Executive Session to review labor negotiations with Teamsters Local 340 pursuant to Maine Revised Statutes (MRS) Title 1, Section 405, 6 D. The motion was seconded by Bustin. The vote to approve the motion was unanimous. Trustees exited Executive Session at 18:27.

At 18:28 Corey moved to enter Executive Session to review the General Manager's performance pursuant to MRS Title 1, Section 405, 6 A. The motion was seconded by Hebert. The vote to approve the motion was unanimous. Trustees exited Executive Session at 19:28.

At 19:29 Corey moved to increase the General Manager's annual salary by a 2% cost of living increase consistent with other non-union employees of the District. The increase will be retroactive to April 14, 2016. The motion was seconded by Bustin. The vote to approve the motion was unanimous.

Financial reports from August, 2016 were presented. Revenue and expenses in all divisions are tracking slightly under/over budget. Cash is solid in all divisions and is expected to stay above the minimum cash reserves set by the Board.

At 18:33 Corey moved to accept the financial reports from August, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Andy Begin updated the Trustees on projects currently under construction and those slated to start soon. Utility work is complete on Patterson Street and road work should be done by mid-October.

Bids for the Alderwood drinking water main project were received on the 15th. The project was bid two ways: for construction being done in two phases covering 2016 and 2017, or an alternate bid for construction in 2017. Saint Laurent & Son was the lowest bidder for the phased bid. CH Stevenson had the least cost alternate bid. The District awarded the project to CH Stevenson. The Boucher Avenue water main replacement should be completed in the next two weeks. CH Stevenson will complete water and sewer mains replacements on Ward Street by the end of the year. The scope of the Northern Avenue project, being done in conjunction with the City of Augusta, has grown. The City has secured up to \$100K in funding from MDOT to help fund the District's stormwater portion of the expense. The additional cost above and beyond the approved budget and the reimbursement from MDOT should be around \$100K. The Trustees directed the District to move forward with the changes to the Northern Avenue project. Brooks Street and Arsenal Street sewer replacement will begin in October. Fencing will be installed around the wellheads on Riverside Drive with the boundary fencing to be installed after the MainEx issue is resolved. Survey and other preliminary work for CSO Phase 4 has started. Test borings for the 2017 Kennebec River sewer siphon project need to be completed this year in order to fix the siphon located under the river next year. The District will research pricing on the test borings as the expense is estimated to be \$80K.

At 19:51 Corey moved to adjourn the meeting. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Monday, October 17, 2016

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, Kirsten Hebert, Bob Corey, and Dave Bustin

Trustees absent: Charlotte Warren and David Rollins

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Alan Burton, Human Resources Consultant

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

Chairman Knight asked if any Board members had any additions to the agenda. Agenda additions include general and personnel policy review and past due accounts.

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

At 18:02 Corey moved to accept the meeting minutes from September 19, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

MainEx has completed property line grading at the Riverside Drive well site. Property pins need to be reset and then the area will be hydroseeded and fenced. The District's attorney continues to work with MainEx's attorney regarding recovery of costs associated with the property encroachment.

Bernstein Shur Sawyer and Nelson (BSSN) is reviewing draft copies of the Regional Water Council's by-laws and conflict of interest policy. These two documents should be ready for approval at the next regional water council meeting scheduled for November 9th. After regional water council approval all documents will be presented to both Augusta and Winthrop's utility District boards for final approval before filing.

Andy Begin spoke on behalf of the stormwater subcommittee. A draft stormwater main extension policy was presented. The policy defines stormwater main extensions and improved stormwater systems. The policy also notes what the District would fund and be responsible for and what the City of Augusta's stormwater responsibilities would be. The District's responsibilities include closed drainage systems and the City's responsibilities would include ditches and culverts. The District will allocate a predetermined amount annually to remedy drainage issues within the Augusta city limits that could create a public safety hazard. Ken would like the policy to clearly define what the current urban compact area is and to increase the amount allocated for public safety drainage issues from \$100K to \$250K. Trustees were also concerned that until this policy is clearly defined and adopted the District does not know how much stormwater expenses will increase or how much rates will need to increase to cover those increased expenses. The policy will be further discussed at the next planning meeting.

Financial reports from September, 2016 were presented. Revenue and expenses in all divisions are tracking slightly under / over budget. Cash is solid in all divisions and is expected to stay above the minimum cash reserves set by the Board.

At 18:16 Corey moved to accept the financial reports from September, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Preliminary 2017 budget items were presented. Salaries will increase by 2% due to a cost of living increase, one open position will be filled, new union license stipends are expected, nonunion merit increases, and three summer interns.

Collectively this represents a \$115K increase. Health insurance is estimated to increase 10%. Dental, short term disability and long term disability are not expected to change. MEPERS is estimated to increase 1.1% to 10% of salaries. Health insurance and retirement figures will not be available until late November early December. Power is estimated to increase 13.24% to 39.65% depending on the size of the account due to Central Maine Power company delivery cost increases. Debt service interest will decrease by \$22K but the Trunkline is expected to issue \$1.2M in new debt which increase debt service interest by approximately \$13K. The last debt service for the 1997 treatment plant upgrade will be made in October of 2017. Depreciation is still being analyzed. Trustees will need to decide how much to budget for human resources, advertising and outreach, and any trustee seminars or training. The first draft of the budget will be presented at the November meeting and will be ready for Board approval in December.

The Trustees decided to publish the top ten past due accounts at each regularly scheduled Board meeting. The District's collection and lien process will also be reviewed. The District currently issues liens but has not foreclosed on any properties.

Policy #19, Undesignated Bill Payments was discussed. This policy states how undesignated payments will be applied to customer accounts. Though the policy conflicts with Public Utility Commission (PUC) regulations however the District has been applying payments according to the PUC regulations, not the policy. Hebert believes there was a sunset clause on the PUC's regulation and will research this before the next meeting.

A new policy regarding the need for customers to have a zero balance before allowing new or additional utility connections was presented to the board. The policy reads "Notwithstanding Public Utility Commission requirements, applicants for water, sewer, and / or stormwater service must have zero balances on all existing water, sewer and / or stormwater accounts before water, sewer or stormwater service will be provided to the proposed establishment." Trustees were concerned as to how the District would know when a new customer already had an established account and there were also concerns with the word "applicant". Kirsten also wanted to make sure there were no conflicts with the District's Terms and Conditions. The policy will be reworked and presented at a later date.

Andy Begin updated the Trustees on projects currently under construction and those slated to start soon. Utility work on Patterson Street has been completed. Some structure adjustments still need to be made. Final paving should be complete in the next couple of weeks. A new water main on Alderwood has been deferred until 2017. Utility work is completed on Boucher Avenue and is ready for trench paving. Ward Street will start in late October. Trunkline 3 replacement is in design with bidding expected to take place in January. CSO flow metering is ongoing. Northern Avenue has some structures to be adjusted before final paving. Brooks and Arsenal Street sewer replacement just started.

The District has an employee who is part of the Red Cross disaster team and was recently called to help with the aftermath of the hurricane that recently hit the Carolinas. Knight would like to make sure the District has or establishes a policy on how to deal with employee compensation in situations like this. District HR consultant Alan Burton suggests that the District adopt a policy for reimbursement for public service during normal working hours. This would cover jury duty, National Guard duty and similar scenarios. Alan will review the current jury duty and military leave policies to make sure they cover all possibilities and if they can be combined into one policy.

At 18:53 Bustin moved to enter Executive Session to review labor negotiations with Teamsters Local 340 pursuant to Maine Revised Statutes (MRS) Title 1, Section 405, 6 D. The motion was seconded by Hebert. The vote to approve the motion was unanimous. Trustees exited Executive Session at 19:05. Trustees authorized Brian to sign the proposed union contract.

At 19:07 Bustin moved to adjourn the meeting. The motion was seconded by Corey. The vote to approve the motion was unanimous.

Monday, November 21, 2016

Greater Augusta Utility District Board Minutes

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

Trustees present: Ken Knight, David Rollins, Bob Corey, and Dave Bustin

Trustees absent: Charlotte Warren and Kirsten Hebert

Attendees: 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. There were no new items.

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

There is no voting at this meeting due to the lack of a quorum.

Knight asked if any members present had any comments on the minutes from October 17, 2016. There were no comments. The motion was tabled for lack of a quorum.

The District's attorney continues to work with MainEx's attorney regarding recovery of costs associated with property encroachment. Fences have been installed around the wellheads and 10' to the west and parallel to the MainEx property line.

The stormwater subcommittee has no new updates. Tarbuck suggested that the stormwater committee be broadened by adding members from the community. The State of Maine, a large developer, someone from the nonprofit sector, another representative from the city and another Trustee should be invited to sit on the committee. Like the 2007 Charter Committee the stormwater committee should use a facilitator to help review stormwater policy and procedures.

Financial reports from October, 2016 were presented. Revenue and expenses in all divisions are tracking slightly under / over budget. Cash is solid in all divisions and is expected to stay above the minimum cash reserves set by the Board.

The motion to accept the financial reports from October, 2016 was tabled for lack of a quorum.

Approval of changes to the Personnel Policy was tabled for lack of a quorum.

Approval of HVAC upgrades and soil analysis for the underwater pipe failure do not need a motion.

The Trunkline group would like to modify the existing agreement to change the voting rights of the members. Augusta, Manchester and Monmouth currently have one vote each and Winthrop has two. The proposal is to reduce Winthrop's voting rights from two to one. Ken sees no reason not to support the change stating that the change would not impair the Trunkline Agreement or the District's interests in the Trunkline. Bustin stated that because this is an existing agreement the GAUD Board should hold a vote on the matter at a meeting when there is a quorum of the Board. The motion was tabled.

District employees along with Hebert and Corey met to discuss the District's current lien procedures. The District has the ability to foreclose on properties eighteen months after the lien is recorded. The District's liens must be paid before any mortgage company but after any tax liens. Tarbuck, as the Assistant Treasurer, has been signing all lien documents. In the future the Treasurer will sign lien documents. The Trustees reviewed a list of fourteen properties that can be foreclosed on. The top three properties were the Arsenal (Maine Street Capital / Niemann Capital at \$55,460.63), 33

Townsend Road (Shannon and Nathan Reeder, \$14,356.97) and 29 Boothby Street (Leo Monte Real Estate, \$13,130.50). The District will work with the City of Augusta to research which properties have sufficient value to warrant foreclosure. It was stated that if the District could change the way payments are applied (Policy 19), fewer liens would need to be processed.

A motion to change policy 19, "Undesignated Bill Payments", was tabled for lack of a quorum. The District complies with PUC mandates on how it applies undesignated payments but the current version of policy 19 does not.

Kenney provided an update of efforts to create the 2017 budget. Personnel cost accounts for 44% of the budget. Health insurance rates increased 11.25% and retirement is expected to rise from 9.5% to 10%. Rising costs have reduced the District residual income dramatically over the last couple of years. The Board needs to evaluate the need for a rate increase based on cash flow forecasts. The last rate increase was in October, 2011. At that time the District stated that rates would remain constant for at least five years with an evaluation of the need for rate modifications in 2016. Tarbuck recommended that the District annually review and, if needed, adjust rates.

The capital improvement budget was reviewed. There was discussion about whether the current stormwater rates and cash were sufficient to meet the aggressive capital improvements planned for 2017. The District has been working closely with the City of Augusta to address stormwater issues which could impair public safety. The capital improvement budget as presented includes \$260K of the City of Augusta's priority stormwater needs. Knight asked if there were extra funds in the budget to cover any unforeseen stormwater extensions for 2017 and whether or not the \$250k he had requested previously was included. Tarbuck and Kenney explained that the current budget includes \$250k to satisfy public safety needs, but has no additional stormwater contingencies built in for 2017. Cash flows for 2017 were reviewed. The sum of the cash available between the sewer and stormwater divisions is substantial. However, the stormwater division has far less cash than the sewer division. Preliminary analysis shows the 2017 capital improvement plan will deplete the stormwater cash below zero. Tarbuck and Kenney will rework the capital improvement budget in both the sewer and stormwater divisions along with separate cash flows for each division and present their findings at the planning meeting in December.

Andy Begin updated the Trustees on projects currently under construction and those slated to start soon. Utility work on Patterson Street has minor punchlist items and spring cleanup left. A new water main on Alderwood Drive has been deferred until 2017. Boucher Avenue has been completed. Ward Street utility work is done and ready for trench paving and overlay. Trunkline 3 (Winthrop Route 202) pump station replacement design is 75% complete with bidding expected to take place in January. Construction costs are estimated at \$1.56M. CSO flow metering is ongoing. Northern Avenue from Mill Park to Monroe Street is complete. Structure adjustments and paving from Monroe to Townsend are slated for 2017. Brooks and Arsenal Street sewer replacement has been completed. Fencing at the Riverside Drive well site has been installed. The relining of gravity sewers beneath various streets is underway. Preliminary engineering and test borings for 2017 projects have started.

At 19:13 Bustin moved that the Board stand adjourned.

Monday, December 19, 2016

Greater Augusta Utility District Board Minutes

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

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

Trustees absent: Dave Bustin

Attendees: 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. New agenda items include a motion to obtain a parcel of land in Manchester by eminent domain on behalf of the Trunkline group, update on the Riverside Drive gravel pit encroachment and an update on the Trunkline 3 project.

Knight asked for public comments. Rick Lachance, CEO of Connected Credit Union asked to address the Board concerning water usage at their new facility located on Civic Center Drive.

Brian gave a brief history of Connected Credit Union. In the spring of 2017 Connected Credit Union (CCU) moved to its new facility on Civic Center Drive. Due to the combination of new construction, new landscaping and a drier than normal summer CCU received higher than expected water and sewer utility bills. Policy #11, Sewer Abatement Meters, permits customers to install an abatement meter which allows the District to rebate sewer customers for water that does not enter the sewer system. When CCU applied for service an irrigation system was not in the plans but was installed later. CCU contacted the District in the fall asking for an abatement of their previous high usage invoices. Because the abatement policy states that no abatements for non-consumptive water use will be granted without an abatement meter the request was denied. Mr. Lachance appealed Tarbuck's decision to the Board. Because the District has no way to measure the non-consumptive water usage Tarbuck suggested that if the Board decides to abate any funds those funds be based on non-consumptive water usage in 2017. Mr. Lachance presented a spreadsheet to the Board showing a summary of CCU's water and sewer bills from June through November, 2016. Mr. Lachance suggested that the abatement be based on the variance between the two normal usage months shown and the four high usage months. This would equate to approximately \$1,800. Mr. Lachance realizes that there was no way for the District to know CCU was installing an irrigation system therefore an abatement meter was not discussed in the design phase. CCU will install an abatement meter before turning on the irrigation system in 2017. The District has added a line to its initial application stating that if you are installing an irrigation system make sure you have an abatement meter. The policy and procedure will be explained.

At 18:19 Bob Corey moved to consider an abatement based on the 2017 consumption. The motion was seconded by Kirsten Hebert. After some discussion by the Board Corey amended the motion to consider an abatement based on dates from 2016 and 2017 to be abated in the fall of 2017. Mr. Lachance agreed to be abated in 2017 for the 2016 usage. The amended motion was seconded by Hebert. The vote to approve the motion was unanimous.

Ken Knight introduced Brad Sawyer. Brad is a new voting trustee from Augusta.

Ken Knight asked for a consent agenda motion on meeting minutes from October and November, financial statements from October and November, changes to the Personnel Policy Manual and changes to policy #19. Bob Corey asked to remove the November minutes and November financial statements from the consent agenda.

At 18:22 Bob Corey moved to make a consent motion for the approval of the minutes from October, 2016, to accept the financial reports from October, 2016, to approve the changes to the Personnel Policy Manual and to change GAUD policy #19. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

At 18:25 Bob Corey moved to accept the Board meeting minutes from November 21, 2016. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

Kirsten Hebert updated the group on the Central Maine Regional Water Council. An amended draft of the bylaws and a conflict of interest policy was presented. The Regional Water Council decided to run this through Title 13B Maine nonprofit laws as well as IRS 501 (C) (6) status. The document speaks to the purpose and name of the entity and also the powers and authority of the entity. The document also speaks to what type of an entity can belong to this council. Currently, only water utilities may join a water council. Legislation is being developed to allow wastewater utilities to join the council in the future. In the interim, wastewater utilities may join as affiliate members. The document speaks about the Board of Directors. To start there will be two members from the Greater Augusta Utility District and two members from the Winthrop Utility District. Board member terms will follow the same term from their respective utility District. This will insure that all Board members represent a utility District. Annual meetings will be held in May. Articles concerning quorums, meetings, minutes, committees, and responsibilities of the officers, dissolution of the entity, indemnity, fiscal year and amendments were reviewed. Winthrop Utility District will review the bylaws and conflict of interest policy at its next meeting. Council members are able to commit expenses up to \$200. Any amounts over \$200 will need to be brought back to their respective Boards for approval.

At 18:37 Bob Corey moved to approve the bylaws and conflict of interest policy of the Central Maine Regional Water Council as presented at this meeting. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The stormwater committee had no new updates. However the stormwater issue was discussed at the planning meeting. More members will be added to the committee by the January Board meeting.

Andy Begin updated the Trustees on projects currently under construction and those slated to start soon. Spring cleanup will include Patterson Street, Boucher Avenue and Ward Street. Alderwood water main construction will begin in the spring of 2017. Trunkline 3 (Winthrop Route 202) pump station replacement design is 95% complete with bidding expected to take place in January. Structure adjustments will be needed in 2017 on Northern Avenue, West River Road and Townsend Road. Surveying is being done on Greenleaf, Morse, Gannett, Commercial, Wildwood and North Belfast Avenue for 2017 projects. If it is safe to put someone out on the ice, test borings will be done for the 2017 river siphon project.

The District has reviewed its cash position and the need for a rate change. Water and sewer rates have stayed the same since October, 2011 and can go a little longer before an increase is needed. However stormwater rates need to increase soon. The amount of the rate increase and a date for the public hearing will be discussed at the January meeting. Increased rates are not planned to go into effect until July, 2017. The rate increase will be a topic of discussion in January on the public cable TV 7 show, "The Mayor's Desk".

The Board was presented a list of water and sewer liens that have an automatic foreclosure date of January 8, 2017. The Board needs to decide which liens to waive foreclosure on. Kenney suggested that liens should not be waived for any property which has a mortgage holder. Liens have to make it to the point of foreclosure before mortgage companies make payment. It was suggested that foreclosure be waived and payment plans be set up for properties which do not have mortgage holders. There are two Hallowell residents on the list. The District owns sewer only in Hallowell and cannot shut off water for nonpayment of sewer. The only recourse the District has in Hallowell is to foreclose on Hallowell properties due to nonpayment. It was restated that the lien process is the same no matter where the property is located. The Board discussed whether the decision to waive the foreclosure should be an across the board decision or considered on a case by case basis. Corey reminded the Board that the lien amount and position stays the same even if the foreclosure is waived. The District's previous practice was to not foreclose on any properties. Review of the lien/foreclosure policy states that the Board will decide which property to foreclose on and which property to waive its right of foreclosure. After some discussion it was decided that it would not be fiscally responsible to automatically foreclose on every property and they should look at on a case by case basis.

At 19:15 Corey moved to approve the sewer / water liens suggested waivers as presented at the meeting with the additions of the two properties in Hallowell to be shown as suggested waiver of yes. The motion was seconded by Hebert. The vote to approve the motion was unanimous.

The final operations and maintenance budget was presented to the Board. Changes from the first draft include \$60K in labor and fringe split between the water and sewer divisions. Sewer also includes another \$5K for heating fuel and \$25K for grit disposal.

At 19:16 Corey moved to approve the Operations and Maintenance budgets as presented to this meeting for drinking water, sewer and stormwater for 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The Capital Improvement Projects budget was presented. The allocation between sewer and storm has been revised on some projects. The sewer and storm CIP is approximately \$2.2M. The stormwater division has \$591K of stormwater-only projects. Approximately \$250k is to address the City of Augusta's public safety needs. Capital improvement projects in the drinking water division total \$1.6M. Noteworthy projects include water main work on Commercial Street and North Belfast Avenue.

At 19:23 Corey moved to approve the Capital Improvement budgets as presented to this meeting for drinking water, sewer and stormwater for 2017. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

At 19:26 Corey moved that we certify and approve the schedule of rates, for water service, sewer and stormwater service and fire protection service, which has been presented to this meeting and recorded with the minutes, for the 2017 calendar year, and continuing until such time as the schedule of rates is modified by vote of the Trustees, and I further move that the Assistant Treasurer, in addition to the Treasurer, be authorized and directed to apply the schedule of rates, along with all fees and charges otherwise authorized by the District or by State statute, to all persons, entities and property receiving services from the District, and to thereafter collect the sums due from said persons and entities and to take all appropriate action related to the collection of said sums, including the preparation and filing of notices and liens and allowed by the District's Charter and State law. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

At 19:28 Bob Corey moved to approve a 2.0% increase in salaries and wages for non-union employees. The motion was seconded by Brad Sawyer. The vote to approve the motion was unanimous.

The Trunkline members need to obtain a parcel of land in Manchester by eminent domain. As the Trunkline operates on the District's wastewater discharge license a vote from the GAUD Board is required. The Trunkline has been trying to negotiate an easement to do critical repair and maintenance work on a small pump station in Manchester. All efforts to obtain the easement have failed. At the Trunkline's last meeting it was decided to take the easement by eminent domain. The District will have to act on behalf of the Trunkline as the Trunkline group has no legal standing to take the easement by eminent domain. Ken assured the other Board members that the Trunkline has exhausted all other possibilities and use eminent domain as a last resort. The Board was also reminded that the easement is needed to ensure the safety of the District's employees who maintain the station. This would be a permanent easement and would not change the functionality for the landowner. The landowner would be reimbursed for the encumbrance on the property.

At 19:38 Corey moved to allow the District to acquire an easement in the town of Manchester for the purpose of conveying Trunkline sewer. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.

The property line encroachment issue at the Riverside Drive gravel pit has been resolved by written agreement between the parties.

Financial reports from November, 2016 were presented. Revenue and expenses in all divisions are tracking slightly under / over budget. Cash is solid in all divisions and is expected to stay above the minimum cash reserves set by the Board.

At 19:42 Corey moved to accept the financial statements from November, 2016. The motion was seconded by Brad Sawyer. The vote to approve the motion was unanimous.

At 19:45 Sawyer moved to enter executive session pursuant to MRS Title 1, section 405 6 C to discuss the acquisition of real property. The motion was seconded by Bob Corey. The vote to approve the motion was unanimous. Trustees exited Executive Session at 20:05.

At 20:06 Corey moved to allow the General Manager the right to do fact finding for the properties discussed and report back to the Board. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

At 19:08 Sawyer moved to adjourn the meeting. The motion was seconded by Kirsten Hebert. The vote to approve the motion was unanimous.