

**Bangor Water District
Board of Trustees**

**Minutes of the
Regular Monthly Meeting
Jan. 20, 2015**

The regular meeting of the Bangor Water District Board of Trustees was held at 3:45 p.m. in the Hughes Building, 614 State Street. Present were:

Ralph Foss
Rick Fournier
Patty Hamilton
Stan Miller
Gerry Palmer
Dan Wellington

being more than a quorum of Trustees. Absent: Trustee Lawler. Also in attendance: General Manager Moriarty, District Engineer Pershken, Finance Manager Bailey, and Office Manager Marchegiani. The clerk kept the minutes.

Recognition of service: Taking the agenda out of order, departing Trustee Miller was recognized for his time on the board with appreciation.

Introduction of new trustee: Moriarty noted that Trustee Palmer had been re-appointed for a second term, and former Trustee Foss was returning to the Board after a year's absence per the City Council's term limits protocol.

Minutes: The minutes of the December regular and special meetings were accepted as presented.

Treasurer's Report: Bailey noted that a number of routine year-end adjustments had been completed in preparation for the audit. Additionally, total revenue for the year is two percent higher than budget, and transportation costs – due in part to low gas prices – are down by 22 percent. Cash is \$1.4 million less than last year as funds were used to pay for projects in lieu of borrowing, and one deposit for a main extension was received during the year. The Treasurer's Report was accepted as presented.

Progress Report: as presented.

Public Comment Period: None.

Old Business:

Engineer's Report: Pershken reported on

- **System Infrastructure Assessment Report:** evaluation of the District's system was completed by BWD as a planning tool and required by the Maine Public Utilities Commission for establishing a capital reserve account. The 201 miles of pipe were evaluated for condition, age, leak history, and criticality, and an initial project list was developed through 2019.

*The five year plan outlined above results in the replacement/rehabilitation of approximately 7 miles of problematic water main at an estimated cost of \$10,192,000.00. This equates to approximately 1.4 miles per year over the next 5 years at an estimated annual cost of just over \$2,000,000.00 per year. Even with this amount of investment, the Bangor Water District will be falling behind the minimum goal of approximately 2 miles of pipe replacement/renewal per year. However, by taking a **targeted approach** to water main replacement, we will be able to address the most problematic mains in our distribution system and ensure the reliability of the Bangor Water District for future generations.*

- **2014 project summary:** seven significant projects totaling 8,165 feet of pipe were completed. The total cost was \$2.3 million, or an average of \$282 per foot of work completed. Projects included Silver Road, Main Street, Broad Street, State Street bridge, Union Street bridge, Godfrey Boulevard, and cross-base main lining.

New Business:

2014 SRF Bond Resolution: Moriarty explained the monies would be allocated for the Main Street project (\$1.04 million, 3567 feet of ductile iron pipe). The 20-year-loan through the Drinking Water State Revolving Loan Fund with an interest rate of 0.05 percent has been approved by the MPUC and the securities will be issued through the Maine Municipal Bond Bank. After discussion, it was upon motion being made and duly seconded, unanimously
VOTE: to approve and execute the bond resolution as attached to these minutes.

2015 Planning Document: Moriarty briefly reviewed the significant goals for the coming year.

2015 Project Planning: Moriarty discussed three major projects for the year including

- Union Street main replacement in conjunction with the City of Bangor and the Maine Department of Transportation. More than 1600 feet of pipe (c. 1900) will be replaced between Main Street and Hammond Street at an estimated cost of \$625,000.
- Discontinuation, rather than repair, of a redundant 20-inch main with history of leaks behind State Street complex, and installation of 500 feet of 12-inch line to feed part of the Dorothea Dix complex.
- First and Davis streets main replacement (c. 1900), in conjunction with the City of Bangor. Some 1280 feet of four- and six-inch pipe will be replaced with eight-inch pipe at an estimated cost of \$420,000.

2015 Capital Budget: Moriarty reviewed the funds available for capital expenses through depreciation, and the items recommended for funding including:

- Continuation of meter change-out program to all radio-read units
- Repair/replacement of several roofs at the State Street complex
- Replacement of the 2006 engineering department car with a fuel-efficient van
- Fire hydrant, valve box, and service box renewals to ensure operational integrity
- Completion of repair work at the chemical injection pit at the Butler plant

After review, it was upon motion being made and duly seconded, unanimously VOTED: to approve the capital budget as presented.

2015 SRF application: Moriarty reviewed the application for monies from the Drinking Water State Revolving Loan Fund. The low-interest loan of \$2.68 million would fund part of the estimated \$4.0 million required for renovations of Johnston Pump Station planned for this year. After discussion, it was upon motion being made and duly seconded VOTED: to approve submission of the application to the Maine Municipal Bond Bank.

Rate case prep: Moriarty reviewed a draft schedule for the steps necessary in a rate case. Legal counsel will review the schedule before finalization. Board members agreed to hold a workshop on Feb. 24 to review financial statements and the pro forma as part of the rate setting process.

Financial audit questionnaire: Board members reviewed the brief questionnaire supplied by the auditor and provided feedback.

Conference attendance: Moriarty asked that any Trustees interested in attending the Maine Water Utilities Conference or the American Water Works conference to contact her soon so registration could be completed.

Meeting reminder: Moriarty reminded Trustees that the annual meeting at which officers are chosen will take place at the February meeting as usual.

Board package correspondence: as distributed

Hearing no further business to come before the meeting, it was upon motion being made and duly seconded, unanimously
VOTED: to adjourn at 5:45 p.m.

Dan Wellington, clerk

Ralph Foss

Richard Fournier

Patty Hamilton

Stan Miller

Gerry Palmer