

**Bangor Water District
Board of Trustees**

**Minutes of a
Board Workshop
Feb. 24, 2015
8:00 a.m.**

Trustees present were:

Ralph Foss
Patty Hamilton
Gerry Palmer
Robert Sypitkowski
Dan Wellington

Also in attendance: General Manager Moriarty, Finance Manager Bailey, and Office Manager Marchegiani.

The single item for discussion at the workshop was the 2015 rate case. Bailey and Moriarty presented the audited financials for 2014 and the anticipated financial statement for 2015. Bailey said the latter was essentially the same as reviewed during the budget process but with updated debt service calculations.

Moriarty said the rate case would begin to fund an account dedicated to replacement of aging infrastructure as defined in the District's detailed plan as submitted to the Maine Public Utilities Commission. The account itself is regulated by the MPUC, and Moriarty described the restrictions on amount and use of the fund.

Among the points discussed by Board members and staff were:

- The proposed rate case would increase the minimum residential customer's cost by \$1.08 per month, and the average residential customer's cost by \$1.74 per month.
- Bangor's public fire protection assessment of 13 percent of the utility's revenues were among the lowest in Maine (up to 30 percent is allowed by MPUC rule).
- More than 60 miles of BWD's 200 miles of pipe is more than 100 years old.
- The average useful life of a water pipe is 100 years. BWD's current rates fund system renewal in 400 years; the proposed rates would bring the renewal gap to 200 years.
- A reminder that sewer and stormwater rates are approved by the Bangor City Council and were unrelated to the Board's decision on water rates.
- The option of funding the infrastructure renewal account at a lower level than proposed.
- The rate case filing, review and approval process required by the MPUC.

Moriarty said she would be holding informational meetings with

- The City Manager and Finance Director on Feb. 20
- The City Council on March 9
- The District's largest customers on March 18

After additional consideration, it was the consensus of the Trustees present to fully fund the infrastructural renewal account in the 2015 rate case, with a Board vote anticipated for its March meeting.

Moriarty also asked for a special meeting on Tuesday, March 31 at 8 a.m. for the Board to review and vote on bids for renovation of Johnston Pump Station so as not to relay the project schedule, and the Trustees agreed.

The workshop adjourned at 9:30 a.m.

Dan Wellington, clerk

Ralph Foss

Patty Hamilton

Gerry Palmer

Robert Sypitkowski