

**Bangor Water District
Board of Trustees**

**Minutes of the
Regular Monthly Meeting
June 23, 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
Dan Wellington

being a quorum of Trustees. Also in attendance: General Manager Moriarty, District Engineer Pershken, Finance Manager Bailey, Office Manager Marchegiani, and representatives from The First. The clerk kept the minutes.

Minutes: The minutes of the regular May meeting were accepted as presented.

Treasurer's Report: Bailey reported that the contribution to the sinking fund had been decreased from the budgeted amount because borrowing money for Johnston Pump Station renovations had been delayed until next year. However she noted employer contributions to MainePERS will be increasing. In response to an inquiry from last month, Bailey said bonds issued through Maine Municipal Bond Bank cannot be refinanced independently by the District, but that MMBB does pass along any savings when it refinances. As an example, she said a Bangor Water loan taken at a five percent interest rate has been refinanced at 3.71 percent. The Treasurer's Report was accepted as presented.

Progress Report: as presented. Moriarty responded to questions regarding the need to dechlorinate water when flushing hydrants or emptying a standpipe, and explained standpipe "setpoints" which change seasonally.

I. **Public Comment** : None.

II. **Old Business**:

MainePERS investment recommendations: Gary Stone from The First provided information on investment strategies for money scheduled to be returned to Bangor Water from MainePERS. The goal of investing the money is to make the fund self-sustainable in order to pay the employer's MainePERS match with as little impact on the operating budget as possible.

Investment Policy: The Board reviewed the proposed Investment Policy related to the MainePERS funds, including input from Bangor Water's auditor, Stone, and absent Trustees. After consideration and discussion, it was moved and duly seconded, unanimously VOTED: to Board of Trustees Policy P-12 - Investment Policy for Bangor Water's Retirement Matching Fund as amended and attached to these minutes.

Representatives from The First left the meeting.

MainePERS employer contributions: In a related item, Bailey explained that the employer match had previously been paid from the funds recently placed in investment accounts, but that due to continued increases in the employer's allocation, the investment fund alone would no longer sustain the required contribution. If no monies were added to the investment fund to help with the employer contribution, the fund would be completely depleted in six years. She recommended contributing \$5,000 a month beginning July 1, 2015, noting there would be no budget impact in 2015 due to the offsetting reduction in the allocation to the sinking fund. After discussion, it was upon motion being made and duly seconded, unanimously VOTED: to allocate \$5,000 per month beginning July 1, 2015 to the MainePERS investment fund.

Engineer's Report: Pershken updated the Board on

- Union Street project between Main Street and Hammond Street – contractor is about a week ahead of schedule.
- First and Davis streets – 1225' of eight-inch main to be installed in conjunction with City of Bangor sewer/stormwater work (\$418,700).
- GIS update – about 95 percent of Bangor Water's system has been mapped. Now adding service lines and new work, plus developing a work order system to track projects.

Rate Case: Moriarty reported that the rate case had been approved "by delegation," meaning automatically as there was no opposition. The rates will be implemented July 1.

Fiber optic cable request: Moriarty indicated that both Bangor Water and Paul Fuller, the developer wanting to use BWD's poles on the pond road for fiber optic, had agreed to use Eaton, Peabody to draft an appropriate agreement for Board review. Additionally, Fuller will update the Board on his project at its July meeting.

Legislative update: Moriarty reported

- A bill to allow utilities to voluntarily pay for damage caused by main breaks was vetoed by the governor.
- A bill related to separation distances from gas lines adopted the MDOT standards unless local laws are more restrictive.
- A section of a bill to move the Drinking Water Program from DHHS to DEP was removed, pending more analysis.

- A section of a bill ending net-energy electrical billing was removed, pending formation of a stake-holder group for more analysis.
- Federal appropriation recommendations for the Drinking Water Revolving loan fund had been reduced by \$203,000,000 in spite of infrastructure needs.

III. New Business

Vehicle Bid: Pershken presented bids to replace the engineering department car, as approved in the capital budget at \$27,000. He discussed the needs for a small van to meet department requirements and the potential delivery time for some models of 17-20 weeks. After discussion, it was upon motion being made and duly seconded, unanimously

VOTED: to award the bid to Darling's for an in-stock vehicle meeting specs at \$24,725.

Safety audit: Moriarty said Bangor Water had asked SafetyWorks (consultant to the Dept. of Labor) to perform a safety audit to assess needed improvements and documentation, as the utility transitions from a single safety manager to a safety committee approach. The deficiencies noted must be corrected by September, and Moriarty said various items have been assigned to staff for follow-up. Additionally, management staff had attended a four-part safety leadership training offered by MEMIC at no charge.

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