

**Bangor Water District
Board of Trustees**

**Minutes of the
Regular Monthly Meeting
September 16, 2014**

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:

Patty Hamilton
John Lawler
Stan Miller
Gerry Palmer
Robert Sypitkowski
Dan Wellington

being more than a quorum of Trustees. Absent: Trustee Fournier. Also in attendance: General Manager Moriarty, District Engineer Pershken, Finance Manager Bailey, Water Quality Manager Page, Office Manager Marchegiani, and forestry consultant Mike Howie. The clerk kept the minutes.

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

Treasurer's Report: Bailey reviewed the month's highlights, noting that both expenses and revenue year-to-date exceeded budget by two percent. Cash flow has been steady so far. The Treasurer's Report was accepted as presented.

Progress Report: as presented.

Public Comment Period: None.

Old Business:

2014 Forest Harvest: Page reported on the year's cut, noting that the harvest was more than expected; resulting in net revenue of \$28,516 instead of the \$20,000 budgeted. The light harvest cleared shade trees that allowed undesirable species to flourish.

Engineer's Report: Pershken reported on

- Main Street project – finished 10 days early. Engineering, inspection, and project management done in-house resulted in significant savings.
- Godfrey Blvd. project – has passed pressure test but awaiting clear samples for bacteria.
- State Street bridge project – final cost of \$85,000 less than budgeted but more than hoped for due to repairs needed on concrete slabs to meet MDOT requirements.
- 2,200 feet of the pond road (section in worst condition) will be reconstructed this fall, beginning in October.
- Meeting with consulting engineers to be scheduled in the near future on master plan development

Board appointment process: Council is scheduling interviews with applicants.

New Business:

Arctic charr management: Page reviewed BWD's cooperative effort with the University of Maine and the Department of Inland Fisheries and Wildlife to monitor the unique fish in Floods Pond. In addition to the boat, the District provides a small stipend to fund the grad student's work.

Capital project funding: Moriarty reminded the Board of the infrastructure crisis in the country, including Bangor Water's 188 miles of water main – some dating back to the late 1800's. Assuming a 100-year pipe life, BWD should be replacing 1.88 miles of main per year but cannot support the costs under current rates. As of last year, the Maine Public Utilities Commission now allows utilities to establish a capital reserve account to fund projects over time without borrowing money. The account must be used only on infrastructure projects as identified in the utility's System Infrastructure Assessment.

Financial forecast: Bailey then reviewed the five-year forecast, including anticipated consumption decreases, projected increases in expenses, and bond payments. She also presented several scenarios for funding the capital reserve account thru rate changes over a five-year period. Moriarty noted that the mid-range approach of single-digit increases for five years would result in the average residential water bill (\$17.73 calculated monthly) increasing by \$5.77 by the end of five years.

After considerable discussion, the general consensus of the Board members present was that

- planning for infrastructure replacement was a responsible and more cost-effective approach than responding only to emergencies
- establishing a capital reserve account is a sound fiscal approach to funding projects
- the value of water – and the hidden infrastructure that delivers it – needs to be communicated to customers effectively
- the impact of rate increases on all levels of customers needs to be considered.

Bailey indicated final figures for the 2015 rate increase (the first since 2011) would be available early next year.

Meeting with Council's infrastructure committee: scheduled for Sept. 30, to be confirmed.

Drinking Water SRF application: Moriarty reviewed the state revolving fund process, both for BWD projects in 2014 and anticipated in 2015. She noted that the fund's below-market interest rates saved considerable money for utilities. After discussion, it was upon motion being made and duly seconded

VOTED: to file an application with the Maine Municipal Bond Bank for SRF funding in the amount of \$1,047,842.59 to fund costs of the Main Street water main renewal project.

Moriarty said the Johnston Pump Station renovation project – estimated at \$4.3 million – exceeds the current cap for SRF projects, but there is some discussion that the cap may be lifted. If so, BWD's project may be eligible in 2015.

Other business: The Trustees present agreed that receiving the Board packet electronically was working well.

Hearing no further business to come before the meeting, it was upon motion being made and duly seconded, unanimously

VOTED: to adjourn at 5:35 p.m.

Dan Wellington, clerk

Patty Hamilton

John Lawler

Stan Miller

Gerry Palmer

Robert Sypitkowski