

**Bangor Water District
Board of Trustees**

**Minutes of the
Regular Monthly Meeting
September 20, 2016**

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
Gerry Palmer
Robert Sypitkowski
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.

I. Public Comment Period: None.

II. Administrative Items

Minutes: The minutes of the regular August meeting and two workshops were accepted as presented.

Treasurer's Report: Bailey said that although there have been significantly less leaks so far in 2016 than in 2015, the repair costs are only two percent less. As an example, she noted a \$40,000 paving bill for the leak on outer Broadway earlier this summer. However year-to-date revenue and expenses are in line with budget projections. The Treasurer's Report was accepted as presented.

Progress Report: as presented, following questions about renting a vacuum for service box work. Moriarty indicated the rental was a "trial run" before purchase of similar equipment was considered.

III. Old Business:

Engineer's Report: Pershken updated the Board on:

- JPS renovation. The pump station was restarted on Sept. 8 and was continuing to run. The bypass system has not been dismantled yet but will be in the coming weeks.
- Hammond Street phase II. It does not appear the project will start before spring, based on plan review and the City bidding process.
- Broadway. Tie-ins of individual service lines now being completed. Project should be done in October.
- Hawkes roof work is complete.
- First and Davis project and Union Street project both complete.
- SRF applications. Five funding applications are currently being completed.

Moriarty noted this would be Pershken's final report to the Board.

Capital Improvement Plan (CIP): The Board continued its review of the 20-year CIP, picking up at section 7 which included a timeline for short-, intermediate-, and long-term goals/projects. Accomplishing all pipe- and non-pipe projects by 2035 would require \$72,000,000, and the Board will consider funding options at future work sessions.

Board appointments: Moriarty said that interviews for Board applicants are typically held by the Council in September and October.

Board members asked several questions about pending items including

- Approval of electrical contracts – Moriarty said Maine Power Options is working on recommendations.
- Temporary supply of water to Brewer during maintenance work – not needed.
- Expansion of water supply in Hermon – Bangor Water met with town officials, and will provide conceptual design information for their reference.

IV. New Business

Workforce planning: Moriarty said 15 applications had been received for the position of District Engineer, and interviews were scheduled for next week.

JPS loan: Bailey said another document was required for the loan, signed by the Treasurer and Board Chair. It was, upon motion being made and duly seconded, unanimously voted to authorize the "Declaration of Official Intent," in that

WHEREAS, the Bangor Water District, Bangor, Maine (the "Issuer") intends to proceed with financing to fund rehabilitation of the Johnston Pumping Station, piping projects and road maintenance, and related expenditures (the "Project");

WHEREAS, the Issuer intends to finance the cost of the Project through the issuance of tax exempt bonds (the "Obligation");

WHEREAS, the Issuer anticipates making certain expenditures with respect to the Project prior to the issuance of the Obligations;

WHEREAS, the Issuer intends to allocate certain proceeds of the Obligation to reimburse the Issuer for any such expenditures made with respect to the Project; and

WHEREAS, Treasury Regulation Section 1.150-2 requires that the Issuer declare its official intent to reimburse any expenditure with respect to the Project no later than sixty (60) days after the payment of such expenditures;

NOW THEREFORE, the Issuer does hereby declare its official intent as follows:

1. Declaration of Intent. This declaration is a Declaration of Official Intent under Treasury Regulation Section 1.150-2. The Issuer intends to reimburse any expenditure made on the Project with the proceeds of the Obligation. All expenditures to be reimbursed will be made prior to the date of the issuance of the Obligation.

2. Intention to Reimburse. On the date hereof, the Issuer reasonably expects to reimburse its expenditures made with respect to the Project from the proceeds of the Obligation.
3. General Description of Property to Which Reimbursement Relates. The following is a general functional description of the type of property for which the expenditures to be reimbursed are paid: rehabilitation of the Johnston Pumping Station, piping projects and road maintenance costs.
4. Statement of Expected Debt. The maximum principal amount of debt expected to be issued for the Project is \$1,200,000.
5. Identification of Source of Funds. Expenditures made on the Project shall be paid from the Issuer's general funds.
6. Public Availability of Official Intent. This Declaration of Official Intent shall be maintained as a public record of the Issuer and shall be maintained and otherwise supervised by the Clerk of the Issuer. This Declaration of Intent shall be continuously available for public inspection at the office of the Clerk during normal business hours of the Issuer until the date of the issuance of the Obligation.
7. Reimbursement Period. The Issuer intends to reimburse expenditures made with respect to the Project within three (3) years of the later of the date on which the expenditure was paid or the date on which the Project is placed in service. Moreover, the Issuer intends that any expenditure to be reimbursed will be capital expenditure as defined in Treasury Regulation Section 1.150-1(b).
8. Reasonableness Standard for Declaring Official Intent. The Issuer believes that this Declaration of Official Intent is consistent with its budgetary and financial circumstances. None of the expenditures on the Project have been budgeted by the Issuer or otherwise provided for by reserves or other long-term holdings established by the Issuer. Moreover, the Issuer has not developed a pattern of failing to reimburse expenditures subject to other Declarations of Official Intent.
9. Miscellaneous Restrictions. This Issuer intends that none of the proceeds from the Obligation shall be used directly or indirectly in violation of the "anti-abuse rules" set forth in Treasury Regulation Section 1.150-2(h).
10. Authority of Declaration. This Declaration of Official Intent is adopted pursuant to Project approvals duly adopted by the legislative body of the Issuer.

Board correspondence: as distributed.

Moriarty reminded the Board about

- the CIP workshop session scheduled for Sept. 27, and after discussion, it was decided to reschedule for Sept. 29 at 7 a.m.
- a party to bid Pershken farewell was scheduled for after hours on Sept. 30.
- the fall foliage tour at Thomas Hill Standpipe was scheduled for Oct. 12

Hearing no further business to come before the meeting, it was upon motion being made and duly seconded, unanimously
VOTED: to adjourn at 5:25 p.m.

Dan Wellington, clerk

Ralph Foss

Richard Fournier

Patty Hamilton

Gerry Palmer

Robert Sypitkowski