

The Belfast Water District Board of Trustees met on Monday, December 11, 2023, at the 41 Wight Street office.

Bruce Osgood, the Chairman, called the meeting to order at 1:12 p.m.

Roll Call: The attendees present for the roll call were as follows: Chairman Bruce Osgood, Vice-Chairman Kenneth Colby Home, Treasurer Stephen Hall, Secretary Jill Goodwin, Trustee Chad Otis, Superintendent Frank Short, and Administrator Tammy Morse.

VOTED: On a motion by Stephen Hall, seconded by Chad Otis and unanimously approved 5-0, to accept the minutes of the regularly scheduled board meeting of November 6, 2023.

Next Meeting Date: The Board discussed and agreed on the next meeting date of Monday, January 8, 2024, at 1:00 p.m. at the Belfast Water District office, located at 41 Wight Street in Belfast, Maine.

The Chairman informed those present that he would be absent from the next board meeting. Kenneth Colby Horne, Vice-Chairman, agreed to chair the board meeting.

Frank presented his Superintendent's Report to the Board of Trustees.

Ocean Street: The Ocean Street Project is now paved and cleaned up, and the equipment has been moved from the work site. The lawns and driveways will need to be repaired in the Spring. The project cost to date is \$169K, \$38,000 over budget due to the extra week required to complete the project, and the additional cost for the paving. Faulkingham worked with the crew on the domestic services, for which we are grateful. Public Works wants the pavement to settle before scheduling the final paving next year. The residents, the Air B&B owners, and guests were very supportive throughout the project.

SCADA: Central Maine Power set the pole for the radio communications at Smart Road, and Tim Sawtelle, our engineer, installed the antenna. Smart Road is now working perfectly on the new SCADA system. As-builts and instructions for the new SCADA system are available should any issues occur. The total cost to date is \$66K, \$35,000 under budget, and the original estimate was \$102K. The DWSRF program primary and backup lists show what other utilities have requested. SCADA projects can cost up to \$250,000.

Goose River Crossing: As mentioned last month, the Belfast Water District applied for a Maine Drinking Water Program State Revolving Fund Loan (DWPSRF) for \$2.1 million to upgrade the Jackson Pit Transmission Line and Goose River Crossing. The District is not on the DWPSRF primary list but on the backup list with 80 points. Frank stated he intends to approach landowners to narrow down new access points. Although offering 25% principal forgiveness, the DWSRF-type loan is restrictive in its terms. The General Resolution loan is available through the Maine Municipal Bond Bank, or we can apply to our local bank.

Health Insurance: Frank reminded the Board of the letter received in November from the Maine Municipal Employees Health stating a 4.25% increase in premium for our existing POS 200 Medical Plan. Frank emphasized that the Belfast Water District employees feel very fortunate to have their health insurance costs covered. This benefit has been a great incentive when seeking and retaining loyal, committed employees. The Board of Trustees inquired whether the employees of Belfast Water District are aware of their benefits; the answer is yes because the benefit package is presented during the interview and hiring process, and at year-end a summary of the costs is provided to each employee. Frank added that the Maine Rural Water Survey shows that water utilities of similar size and smaller pay for the employees and their families health insurance.

The Board discussed the possibility of the employees paying the 4.25% increase without changing medical plans by introducing a payroll deduction per week for each employee. The Board asked if the health premiums are pre-tax, which would alleviate some of the burden; Tammy stated she would do the research. The Board noted that over the

years, health insurance has been a topic of discussion without any changes, then commented that the time has come to make a change, yet be fair and keep happy employees.

After discussing the 4.25% increase in the premium to remain on the POS 200 Medical Plan, the Board decided that employees should pay the 4.25% increase through a weekly payroll deduction.

The Chairman asked for a motion.

VOTED: On a motion by Jill Goodwin, seconded by Stephen Hall and unanimously approved 5-0, to have the Belfast Water District employees pay the 4.25% increase in the insurance premium for the MMEHT POS 200 Medical Plan as a payroll deduction from their weekly paychecks, effective January 1, 2024.

The Board recommended that health insurance be a separate discussion from employee compensation. Therefore, employee compensation should be addressed at the next meeting.

Public Hearing: The Belfast Water District's Public Hearing for a 30% rate increase took place on November 16, 2023, with one attendee from the public. The deadline for our customers to file a petition with the Maine Public Utilities Commission (MPUC) is December 16, 2023. The Belfast Water District must verify the list before the MPUC accepts it. A petition has yet to be received.

As of October 25, 2023, the MPUC will allow water utilities to increase their existing water rates by 1.5% each year by filing the new rate schedule with the MPUC and notifying its customers.

115 Congress Street: Frank supervised the 2-inch taps cut at the 115 Congress Street Project, and the contractor installed the water lines on their property. The pressure testing and disinfecting of the four water mains will be done within the next few weeks.

Little River Subdivision Project: The Little River Drive Project's new subdivision will be underway depending on the weather.

Office Generator: Dead River delivered the two 250-gallon propane tanks for the new generator at the office and will soon install the propane lines.

146 Charles Street: The new water service installation for 146 Charles Street is postponed until the Spring due to the opening of the road this late in the season. The owners were understanding about not having their water service installed until then.

Office Steps: The new office steps will be installed in the Spring.

Water Sampling Requirements: The Belfast Water District has completed all its water sample requirements for 2023, with all good results. Our list of compliance samples to be done this year was extraordinary; along with the monthly compliance samples, the list included Synthetic Organic Compounds, Lead and Copper, and PCBs.

New Business:

The office is currently working on the Freedom of Access Act requests.

The next project for the crew is to clean up the Crocker Road Tank lot and prepare to receive fill behind the tank to create an area for a stockpile to store gravel, loam, stone, and pipe. The City of Belfast requires a permit to do this project, and the District must notify the adjacent landowners. Some tree removal, fence removal, and drain extension for the tank are necessary. We also need more inside storage for our equipment and a pipe rack. Frank

expressed the need to construct a permanent storage building to replace the rented storage container on the front of the property. The Board asked for an estimate to be presented at the next meeting.

Frank said that he and the crew are working with Dagle Electrical Construction Corp, the contractor hired to upgrade the pedestrian crossings for the Maine Department of Transportation at the intersections of Route 1 and Lincolnville Avenue; Starrett Drive and Belmont Avenue; Hatley Road and Belmont Avenue; and Main Street and High Street, to ensure the structures that they are installing are a safe distance from our water mains and services.

At 50 Salmond Street, a contractor accidentally pulled the water service from the water main. Unfortunately, our crew was stretched thin that day. Dustin was supervising the fire service installation at 126 Church Street, Frank was overseeing the taps being cut at the 115 Congress Street Project, Hayden and Zach were working with the paving crew on Ocean Street, and Don was on vacation. However, a brief shutdown of the water main between Cedar and Congress Streets allowed Hayden and Zach to repair the service. They did an excellent job!

The annual Maine Rural Water Association conference took place in Bangor this year. Frank, Don, and Dustin attended this past week to take classes to earn their Technical Contact Hours to remain licensed water operators. Socializing with others in the water industry is a great way to gain extra resources and learn from their experiences.

The service leak we repaired for the Nautilus Restaurant this past year started leaking again; this time, the leak was on our side. We avoided the concrete sidewalk when digging, but the granite and some paving bricks had to be removed. Unfortunately, the paving bricks will have to wait until the Spring to be put back into place.

Frank reminded the Trustees of the annual Christmas dinner this coming Sunday.

This past month, the crew:

- Finished the Ocean Street Main Upgrade Project.
- Installed a 2-inch curb stop at the old Wentworth building.
- Winterized fire hydrants.
- Installed new water services: two 1-inch domestic services at 182 Searsport Avenue, a 1-inch domestic service at 28 High Street, two 6-inch fire services and two 2-inch water mains at 115 Congress Street, and a 6-inch fire service at 126 Church Street, as required by the Fire Marshall.
- Assisted with the new SCADA system.
- Prepared the snow removal equipment.

Upcoming this month, the crew will:

- Assist with the 115 Congress Street pressure test and disinfection.
- Install a new curb stop at 152 Church Street to turn off the service.
- Check fire hydrants and keep them cleared of snow.
- Locate water mains and services for Olver Associates for the City of Belfast Phase 2 Sewer Project.
- Clean up the Crocker Road property.
- Count the annual inventory for year-end.
- Hang the wreath on the Lincolnville Avenue 500-gallon tank.

Frank told the Board that our pumping is up, indicating a water leak, so the plan is to conduct a water leak survey soon.

The District's accountant, Nick Henry, will be here on December 27th, to work with Tammy and Frank to create a budget based on the projected new rates. This budget will be presented for approval at the February Board Meeting.

The 12-month CD matures on 12-23-23, and Tammy has contacted Camden National Bank for our options.

Tammy asked the Board if the health insurance for 2024 could be readdressed. Instead of the employees incurring a payroll deduction per pay period to remain with the POS 200 Medical Plan, would the Board reconsider its vote to lower to the next tier PPO 500 Medical Plan? This plan has the same PCP copay and the same prescription coverage. The PPO 500 Medical Plan increase in deductible would be almost equivalent to the employees paying the 4.25% increase in premium. Lowering a tier will save the District approximately \$8,000 for 2024. The difference between the POS 200 and the PPO 500 premiums cost is less than \$1,700, which the Board concurred they would absorb, as it is a compromise by dropping a tier for the upcoming year. The Board said they value the Belfast Water District employees and wants to retain them.

VOTED: On a motion by Stephen Hall, seconded by Kenneth Colby Horne and unanimously approved 5-0, to negate the previous motion of the employees paying the 4.25% increase in premium to remain on the POS 200 Medical Plan and instead drop one tier to the PPO 500 Medical Plan; with the District absorbing the cost difference for 2024.

VOTED: On a motion by Kenneth Colby Horne, seconded by Chad Otis and unanimously approved 5-0, to adjourn the regularly scheduled board meeting at 2:30 p.m.



Jill B. Goodwin, Secretary/Clerk

**Belfast Water District
Rate Case Public Hearing
41 Wight Street, Belfast, Maine
Thursday, November 16, 2023, at 6:00 p.m.**

Bruce Osgood, Chairman of the Belfast Water District's Board of Trustees, thanked the one public member, Christopher Hyk of 38 Church Street, for attending the public hearing. Bruce opened the public hearing for the Belfast Water District's Rate Increase effective January 1, 2024, filed with the Maine Public Utilities Commission (MPUC) as Docket Number 2023-00263.

Before turning over the public hearing to the District's Rate Consultant, Nick Henry, all attendees introduced themselves and their position with the Belfast Water District. Board of Trustees-Bruce Osgood, Chairman; Kenneth Colby Horne, Trustee Vice Chairman; Stephen Hall, Trustee Treasurer; Jill Goodwin, Trustee Secretary; and Chad Otis, Trustee. Frank Short, Superintendent, and Tammy Morse, Administrator.

Nick introduced himself and stated that he works for an accounting firm in Ellsworth. He specializes in the utility industry and rate filings pursuant to M.R.S. 35-A Section 6104 of the MPUC Statutes. He reviewed the MPUC rules, the Rate Case Process as to how the Belfast Water District is operating, what to expect at the 3-5 year mark, calculations of the money needed to operate and Customers' Rights, and if petitioning, the required signatures of 15% of the District's customer base to file for a MPUC review.

Nick stated the following reasons for the Belfast Water District to have a 30% rate increase:

- The last rate increase was 2015, nine years ago; the State average is 3-5 years.
- An increase in cost in operating expenses.
- A backlog of capital improvements needs to be done; maintenance of our infrastructure is necessary.
- Added a new bond debt service payment not built into the current rate structure (MDOT project at Goose River on Searsport Avenue/Talbot Well Preliminaries).
- The loss of major customers. Penobscot McCrum was our #1 water user, which would have lowered the new rate increase by 5%.

A 30% rate increase equates to 3.3% per year. The minimum charge will be \$87.46, close to the State of Maine average. Fifty percent of Belfast's customer base will see a \$20.18 quarterly increase or \$6.73 monthly.

The Board of Trustees voted to limit the rate increase to 30%, although a maximum of approximately 50% was justified when calculating the allowances set by the MPUC. The Board weighed the options of what our customers can handle and balance the short-term needs of customers with the District's long-term needs.

Questions and comments from the public:

Mr. Hyk's concerns were about the Belfast Water District coordinating projects with the City of Belfast and whether they are taking advantage of funds available, the money that Nordic Aquafarms and the City paid to the District, Nordic Aquafarms needs for fresh water, and PFAS chemicals. An informative discussion took place to address Mr. Hyk's concerns.

Nick gave the petition form to Mr. Hyk and stated the due date is 30 days, December 16, 2023.

Seeing no further questions or comments, Chairman, Bruce Osgood, closed the public hearing at 6:32 p.m.

