

Trustees of the Belfast Water District met on December 7, 2015, at 1:00 p.m. at the Little River Station office. The following were in attendance; Archie Gaul, Henry Chalmers, Eileen Dubinett, Bruce Osgood, Stephen Hall and Superintendent Keith Pooler.

The chairman, Archie Gaul, called the meeting to order.

VOTED: On motion by Henry Chalmers, seconded by Eileen Dubinett and unanimously approved; to accept the Minutes of the November 9, 2015 board meeting.

The board members discussed the date for the next meeting and agreed upon January 4, 2016 at 1:00 p.m.

The District's engineer, Tim Sawtelle of Dirigo Engineering, reviewed the letters from the Maine Drinking Water Program regarding the District's two projects that were placed on the DWSRF Primary Project List for 2016 – 1) Water Main Replacement on Front Street from Main St. to Pierce St. with a total budget of \$749,117. DWSRF has informed the District this project is eligible for 25% Principal Forgiveness of \$187,279.00. 2) Water Main Replacement at Goose River Crossing, with a total budget of \$184,324.00 with Principal Forgiveness of 25% or \$46,081.00.

The DWSRF loans will include an interest rate reduction of approximately 200 basis points below the tax-exempt rate of the time of closing, which equates to 0.95% interest rate. The current tax exempt interest rate for a loan with a 20 year term is 2.95%. According to the DWSRF, there will likely be a savings of approximately \$129,945 in interest expense.

The Front Street project is currently at 95% of the design phase. The City of Belfast is working with Olver Associates for the sewer and storm drainage and road reconstruction. The cost for the water main construction design and engineering for 2016 was included in the Phase 1 Front Street project. Tim informed the Board that he will complete required documents for the DWSRF loan confirming the District's interest in borrowing funds for these projects.

The Front Street project will be bid as one contract with separate unit prices for the water that will be included as part of the Olver Engineering contract. The water project includes 12" D.I. pipe, valves, hydrants, water services, etc. The existing asbestos cement pipe will have to be removed and disposed of properly. The City plans to do sewer services and storm drain services to all the major lots and wanted the water district to do the same with the water services. Tim Indicated that it makes sense to contact all the property owners in the construction area to inform them about the project and to let them know if they ever think they may want to have water service to their properties to contact the water district to obtain a cost estimate and to have the service installed at the time of construction. Otherwise, we are asking all the water customer to pay for a service that may never be used and may cause operational problems when it starts to leak ten or twenty years later. Keith indicated that

normally there is a 5 year moratorium on a road opening , but since this road is going to be overbuilt and expensive to build, the City may want to extend the moratorium longer.

Keith indicated that he will inform the city that it is not the District's common practice to install future water services on speculation and the District will write each of the property owners in the construction project area to inform them that if they have future plans of needing a new water service to contact the District to obtain cost estimates for the new service as they are required to pay for service installation and to inform them that this will be the best time to install the new service during the construction project, after which a 5 year or more moratorium will be in place preventing any more road opening after the project is completed.

Another consideration, from a health standpoint, the District does not want a bunch of dead end stubs that may or may not ever get used on that water main. If there were ever a water main break or large fire all the dirty water sitting in the stubs for many years could get pulled into the system. Keith indicated that he feels the city may offer to pay for the additional water services. If that is the case, he will bring the matter before the Board at that time. Henry Chalmers stated that the city should be made aware that putting in speculative water services makes the water system vulnerable to problems. The Board concurred to uphold the District's long standing policy of not installing water services at vacant lots for potential future use. Keith indicated that the District will send a letter to all property owners in the construction area informing them of obtaining the cost estimate for new water services and the requirement for payment to have the services installed during the construction project.

Keith informed the board that because the area was a former dump, some of the soils in the construction area are contaminated soils, the specifications will probably require the water main pipe be encased in polyethylene casing before it is buried and if any petroleum is encountered, nitro gaskets will be required for any of the joints in the water main pipe.

Tim Sawtelle reviewed the second project approved for funding with the Maine Drinking Water Program SRF Loan Program for the Main Replacement at Goose River Crossing. The project will address a vulnerable area in the water system by replacing the asbestos cement water main pipe that currently runs beneath the Goose River on Swan Lake Avenue with ductile iron pipe and upgrade the connections on each side to the current water main. Keith indicated that the budget amount includes the probability of encountering ledge in the area. Tim indicated that if possible it would be best to move the pipe location so it is outside of the right-of-way line which would give some advantage with Maine D.O.T. If the main is in D.O.T. right of way it will be the district's responsibility to move the water main pipe. Tim will pursue the possibility of getting permission from property owners in the project area to locate the water pipe outside of the D.O.T. right of way.

Keith informed the Board when the current water rates were placed into effect on January 1, 2015, the project cost for replacing the water main on Front Street (Phase 1 and Phase 2) were included in the rates. The Goose River project was not figured in the new water rates. Approximately \$70,000 in the project costs. Keith indicated that possibly in 2016 and 2017 we would plan not do as many projects on our own. We usually spend about \$175,000 of depreciation value to do upgrades in the system. We can

reduce that amount over a year or two to cover the extra costs related to the Goose River Crossing project. Keith indicated that it is definitely worth going ahead with both projects, especially with the principal forgiveness and the favorable interest rate for the loans.

VOTED: On motion by Stephen Hall, seconded by Bruce Osgood, unanimously approved; to authorize the borrowing of up to \$184,325.00 with Principal Forgiveness of 25% or \$46,081.00 from the 2016 Drinking Water State Revolving Fund (DWSRF) Program for the Main Replacement – Goose River Crossing”.

VOTED: On motion by Bruce Osgood, seconded by Henry Chalmers, unanimously approved; to authorize the borrowing of up to \$749,117.00 with Principal Forgiveness of 25% or \$187,279.00 from the 2016 Drinking Water State Revolving Fund (DWSRF) Program for the Main Replacement – Front Street, Main to Pierce and accept the Front Street Phase II Water Main Project as currently designed by Dirigo Engineering plans dated November 30, 2015.

Keith indicated that he will send the City a letter regarding the District’s policy about the water services. The letters to the property owners will be mailed next week informing them of contacting the District’s office to contact us about future plans for new water services and to obtain costs estimate for the service installation.

If the City says that they will pay to install any additional new water services, the District will have to decide to accept the maintenance of those services. If that is the case the Board indicated that the District does not want the additional new services because of the potential problems to the water system with stale water in the pipes and the possibility of getting into the water system. The District does not want the water to sit in the pipes for twenty years and also have the chance that those water services could be hit by future excavations.

Keith provided the Board with a review of the year. There were six water main breaks throughout the year losing approximately three million gallons of water. The main break on 4/15 on Franklin Street took approximately twenty four days and two trenches later to track it down. In that time about one million gallons of water was lost. There were several water service leaks and one went on for quite a long time without being discovered resulting in about one million gallons of water lost on service leaks.

The crew renewed 475 feet of water main on Holmes’ Hill that serves five customers. The section of water pipe was in very poor shape. It was old copper water main had been leaking for quite some time and for some reason in the area on the east side of Belfast, copper does not work out very well. The water main was replaced with CTS pipe.

There were 14 new water services installed this year with 6 of them being installed during the month of November. Six water services were renewed on River Avenue when the old services were removed from the old cast iron main and the renewed services were connected to the 12” ductile iron main that was installed several years ago.

The District replaced over 100 water meters this year and will continue to keep replacing approximately the same amount of meters yearly to continually rotate old meters out of the system to keep replacing meters that are over twenty years old.

The new Pax Mixer was installed in the Lincolville Avenue 500,000 gal. storage tank along with a new manway door for that storage tank. The District crew installed the Pax Mixer and the manway door was installed by a local welder saving almost \$4,600.00 compared to the cost quoted by Utility Service Co., Inc.

The driveways at the Lincolville Avenue booster station and the backhoe garage have been rebuilt and paved. F. Cameron Paving did a very good job and was able to do the work for \$7,500 which was the best price out of three quotes that were obtained.

Keith informed the Board of two things that did not get finished this year; the standby generator still needs to be connected at the Crocker Road Tank vault. That work is about 50% completed. The second item is to finish connecting the SCADA to the VFD at Smart Road well. That work is about 75% completed. Completing these two projects is a matter of getting Arc Electric, Industrial Instruments and Stultz Electric to get them together to complete their work.

Keith informed the Board about the Durham Lot the District owns and the proposal from Greg Curtis to buy the property consisting of the Durham lot and the right-of-way on the Armstrong Road. Greg Curtis proposed to purchase the property for \$40,000.00. The assessed value of the property is \$34,900.00. The property consists of 105 +/- acres in Belfast that lies on the Belfast/Belmont line and at the time the lot was deeded to the District in 1942 at no cost to the District, it was considered the beginning of the headwater of the Little River. The original right-of-way on the Armstrong Road was challenged by an abutter in court in 1987 and the court found the right-of-way was not viable and the District could no longer use the right-of-way. Keith informed the Board that the District paid \$8,000.00 for a new right-of-way obtained from Wayne Teeney in 2002. In the early 2000's the District took all viable wood off the Durham Lot by getting permission to cross an abutter, Wayne Teeney. The wood harvest value was \$49,900.00.

The Board discussed the reasoning of why the Durham Lot should be kept since the Little River is no longer the water supply source for Belfast. Keith informed the Board at one time the Durham Lot was studied for a possible well site but it was determined there was no potential for a production well for the system. The potential of the water district ever having to do anything with the Durham Lot is pretty slim. Keith informed the Board that once the Board decides it wants to sell the land and determines the selling price, the District can sell any land it owns, but it must get Maine PUC approval and inform the City of Belfast who has the right of first refusal to purchase any land.

Bruce Osgood commented that a good reason to want to sell the Teeney lot is to use that money to purchase other land in the wellhead protection area.

The Board discussed and concurred to have the property appraised before accepting the offer made by Greg Curtis.

Keith reported to the Board that the health insurance coverage with the Maine Municipal Employees Health Trust for 2016 will increase 8.25%. Keith indicated that a lot of what is driving the cost of health insurance is the Affordable Care Act. The younger and healthier people have not been signing up for health insurance as expected and unfortunately health insurance companies are being asked by the federal government to pay a tax to cover the affordable healthcare act making the premiums of the existing health insurance holders increase to supplement the cost of insuring the older/less healthy people who are signing up. The health insurance renewal is due this month and the Health Trust will need to be informed. Keith informed the Board it is good health insurance and the employees are happy with it. After reviewing the costs, the Board concurred to renew the health insurance coverage with Maine Municipal Employees Health Trust (MMEHT) and to do research earlier in 2016 to get information about other plan options with MMEHT and other insurers for coverage in 2017.

Keith informed the Board that the District has received ten new applications for the laborer/water operator job opening. Keith indicated that he plans to interview two people from the first round of applicants earlier this year. When the job reopened, all of the earlier applicants received letters and job description indicating they could be candidates for the job opening. The Board concurred with having Keith make the decision on which candidate to hire.

Keith reviewed with the Board wage proposals for 2016 and recommended a 2% cost of living increase for all employees. Keith reported to the Board that Tammy is performing all of her duties in her present position as well as learning a lot of Cindy's job in preparation for her retirement in October 2016. Plans are to hire someone at least six months before Cindy retires. Tammy is a hard worker and does a heck of a job and recommended a \$1.00/hr. merit raise.

VOTED: On motion by Henry Chalmers, seconded by Stephen Hall, and unanimously approved; to give all employees a 2% wage increase and to give Tammy Morse a \$1.00/hr. merit raise, effective January 1, 2016.

Keith informed the Board that in the last ten years he has recommended everybody for a merit raise except for himself. In reviewing the wages of his constituents in this area, Keith advised the board that he is falling behind in wages and would like to be considered for a merit raise.

VOTED: On motion by Stephen Hall, seconded by Bruce Osgood and unanimously approved; to authorize a \$2.00/hr. merit increase effective January 1, 2016.

Keith reviewed the letter from the Maine Municipal Association annual site visit on August 27, 2015, reporting the loss control consultant indication that he was quite pleased with how well the buildings that were surveyed are maintained. For the first time in ten years, the site inspector did not generate any recommendation from this visit. However, the new 2-post lift in the 2 bay storage garage that is used to service the trucks is still a bit of concern because it does not have a certification from the Automotive Lift Institute. However, he did suggest having Safetyworks! do a voluntary inspection of the lift. Keith informed the Board that this is a shout out to the crew for keeping things looking neat and keeping them fixed right and if they see a safety hazard they take care of it. Keith informed the Board that he plans to have Safetyworks! inspect the 2-post lift.

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Keith informed the Board that he has updated the water sample site plan as required by the Maine Drinking Water Program. The new water sample sites will be used starting in January 2016. New requirements will make it necessary to submit no more than four water samples at one time. Since the District is required to take five samples in total per month, the new schedule will require taking three water samples to be tested during the second week of the month and the remaining two water samples will be taken the third week of the month.

Keith reported the Keeling lot that borders the Jackson Pit well had to be gated because there has been a problem with poaching on the property.

The upper reservoir dam still needs to have the valve opened and the water level lowered to see the condition of the dam. If weather conditions allow, the crew will try to get to it this month.

The new Ford F-250 utility truck has been delivered and will be taken to Maine Equipment Company in Hermon to have the service body installed.

The meeting adjourned at 3:15 p.m.



Eileen Dubinett, Secretary