

January 19, 2022

The regular monthly meeting of the Trustees of the Auburn Water District was held at the office of the Auburn Water District, 268 Court Street, on Wednesday, January 19, 2022 at 4:00 pm.

Members present: Robert Cavanagh, K. C. Geiger, Kevin Arel, Andrew Titus (Treasurer) and Stephen Milks (President and Mayor's Representative), Dan Bilodeau and Jason Pawlina

Also present: Sid Hazelton, Superintendent, Michael Broadbent, Assistant Superintendent and Tanya Dunn, Finance Manager.

APPROVE MINUTES OF REGULAR MEETING of December 15, 2021 –

On a motion by K. C. Geiger, seconded by Andrew Titus (Treasurer), the motion **passed**, 5 in favor and 2 abstained: **To accept the minutes of the Regular Meeting held December 15, 2021.**

APPROVE MINUTES OF SPECIAL JOINT MEETING of December 15, 2021 –

On a motion by Andrew Titus (Treasurer), seconded by Bob Cavanagh, the motion **passed**, 5 in favor and 2 abstained: **To accept the minutes of the Special Joint Meeting held December 15, 2021.**

APPROVE MINUTES OF PUBLIC HEARING of December 15, 2021 –

On a motion by K. C. Geiger, seconded by Kevin Arel, the motion **passed**, 5 in favor and 2 abstained: **To accept the minutes of the Public Meeting held December 15, 2021.**

FINANCIAL REPORT UPDATE –Tanya Dunn, Finance Manager

Both revenues and expenses ended the year favorable to budget with a surplus from operations of \$334,000. Capital expenses for the year were \$860,000. Cash on hand at the end of December was \$1,821,144.76.

The Water District is closing on a new dump truck tomorrow, January 20, 2022. There is a resolution to approve on the agenda under New Business.

RATIFY PAYMENT OF BILLS –

On a motion by Bob Cavanagh, seconded by K. C. Geiger, the motion **passed** unanimously: **To ratify payment of bills in the amount of \$290,797.12 as shown on the printout dated December 1, 2021 – December 31, 2021.**

OPEN SESSION – No one from the public was in attendance. Open session was closed.

ACTIVITY REPORT/PROJECT UPDATE – provided by Mike Broadbent, Assistant Superintendent.

Again this time of year, we go into winter maintenance with hydrants. The weather stayed favorable to allow us to finish up the paving in December. We will be doing some training and some clearing of cross country water mains.

NEW BUSINESS –

On a motion by Dan Bilodeau, seconded by Jason Pawlina, the motion **passed** unanimously: **To suspend the rules and enter into Executive Session to discuss a personnel matter.**

Staff in attendance, left Trustee Room for executive session.

Stephen Milks (President) brought meeting back to open session.

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On a motion by Dan Bilodeau, seconded by K. C. Geiger, the motion **passed** unanimously: **To amend the General Manager/Superintendent's position description (effective September 2019) to remove bullet item "Serves as Clerk of Lake Auburn Watershed Protection Commission to represent the Auburn Water District."**

There was discussion that Sid Hazelton, Superintendent, will continue role as clerk until LAWPCA and the Auburn Water District Trustees can come to a decision as to how that plays in. The Trustees are simply removing a position that was added three or four years ago to the Superintendent's Formal Job Description. It is not an evaluation in any way to judge the Superintendent's performance in that position. The Superintendent should not have to say this is part of my job and feel that he has to do it.

WATER QUALITY UPDATE – provided by Sid Hazelton, Superintendent

This time of year there is not a lot to report on water quality. We have now had an extended cold stretch so the Lake is set up with ice.

RESOLUTION – Authorization to execute Lease Transaction

Tanya Dunn spoke on the changes made to the Resolution that was in the packet and the **new** Resolution. Copies were distributed at the meeting.

On a motion by Kevin Arel, seconded by Dan Bilodeau, the motion **passed** unanimously: **To accept the new Resolution.**

On a motion by Kevin Arel, seconded by K. C. Geiger, the motion **passed** unanimously: **To approve new Resolution allowing President and Treasurer to sign.**

CITY OF AUBURN – Proposed land use changes within the watershed

Stephen Milks (President and Mayor's Representative) asked Sid Hazelton, Superintendent, to educate the Trustees of his opinion on the proposals that were put forward at the January 3, 2022 workshop and City Council meeting.

Sid Hazelton spoke on the proposal to change the watershed boundary as it currently exists. The watershed boundary currently runs along Grace Lawn Rd and includes the Pit across from Auburn Public Works. It was proposed to remove the pit from the watershed since the rain water stays in the pit. Extensive work has been well documented that the water flows away from Lake Auburn. It is not a currently a concern of Sid's but in case of development, we would want to be notified so we could address the affect on the Lake and the Water District.

Sid Hazelton shared his memo regarding the City of Auburn's effort to revise the septic ordinance in the Watershed Overlay District. His particular concern is the recommendation to allow the importation of fill to achieve the 36 inches of vertical separation from seasonal ground water. Allowance of this revision could result in the addition of up to 100 new homes in the watershed. The 36 inch separation standard is the cornerstone of our lake protection efforts and is cited as a requirement for maintaining our filtration waiver from the DEP. He reminded the trustees the cost of a Filtration Plant and that water supply managers cannot forgo water quality protection efforts simply because a Filtration System is in place. Sid Hazelton noted that the City's consultant recommended protection of the lake is better done through restrictive zoning rather than septic standards.

After much discussion, the Trustees determined that a documented explanation was required as to why or why not the City of Auburn's recommended Septic Design Standards would void our waiver of Filtration. Sid Hazelton, Superintendent, to make that request. Once we have it documented, it can then be given to the planning board. It is Stephen Milks' (President and Mayor's Representative) desire to have the Auburn Water District work with the City of Auburn regarding the housing stock and quality in Auburn and at the same time not do anything to hurt the Lake.

Future agenda item – Trustees' overall opinion on proposed land use changes within the watershed.

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Risk and Resiliency Assessment/Emergency Response Plan

Sid Hazelton, Superintendent, informed the Trustees that this had been completed and that we meet the America Water Infrastructure Act as required.

Capital Improvement Plan – Final

Sid Hazelton, Superintendent, presented the completed Capital Improvement Plan. The District will be referencing it to guide in replacing our infrastructure. Stephen Milks (President and Mayor's Representative) asked that Trustees read through the Capital Improvement Plan and bring any questions to the next Trustee meeting.

OLD BUSINESS –

10 PERSON COMPLAINT/Cost Apportionment – Status

Sid Hazelton, Superintendent, stated that the 10 Person Complaint was deliberated by the PUC and they had dismissed both cases as without merit. Sid Hazelton, Superintendent will call the City of Lewiston to see what their plans are at this point.

On a motion by Dan Bilodeau, seconded by Kevin Arel: **To activate our Portland Attorneys, Drummond Woodsum.**

After some discussion, Dan Bilodeau withdrew the motion.

Stephen Milks (President and Mayor's Representative) requested that Sid Hazelton, Superintendent, resend the proposed phases submitted by Drummond Woodsum, Attorneys at Law to all Trustees.

REVIEW OF BY-LAWS FOR THE PROTECTION OF LAKE AUBURN – Report from the Committee

Dan Bilodeau referenced the Review of By-Laws with strike outs (all being technical revisions). The Committee is looking to schedule a meeting in the next couple months and invite stakeholders (LAWPCA, City of Auburn, City of Lewiston and staff). The committee is looking for concerns and comments on the By-Law document strike outs.

BONDING FOR CAPITAL IMPROVEMENTS – STATUS

Sid Hazelton, Superintendent, was directed at the December Trustee Meeting to reach out to Lewiston to gauge their interest in participating in a shovel ready set of plans for a Filtration Plant. City of Lewiston responded that it has always been in their CIP but it is not a priority at this time.

On a motion by K. C. Geiger (Treasurer), seconded by Dan Bilodeau, the motion **passed**, 6 in favor and 1 opposed: **To authorize the Superintendent to apply for a one time bond of 2 million dollars.**

After some discussion the question was moved and vote taken.

TRUSTEE OPEN SESSION –

Jason Pawlina noted as part of the By-Laws review, that the overlay district be looked at and updated so that the City of Auburn and our records are in line with each other.

Dan Bilodeau inquired about how monies from used pipe salvage is used. Sid Hazelton, Superintendent, stated there has been a long standing policy that such funds are used in a variety of ways. In regards to projects, if it is a contracted price, sometimes the price for salvaged pipe is negotiated in the price of installation. In the event we have the contractor leave it and we salvage the pipe, the funds are used for various things such as an Employee Retirement, Spring and Fall Employee Luncheons, Christmas Parade, etc. There is accounting of annual receipts for in and out.

On a motion by Dan Bilodeau, seconded by Stephen Milks (President and Mayor's Representative), motion **passed** unanimously: **To continue the use of used pipe salvage monies as it has been used in the past.**

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On a motion by Jason Pawlina, seconded by Dan Bilodeau, motion **passed** unanimously: **To adjourn.**

Meeting adjourned on Wednesday, December 15, 2021 at 5:58 pm.


Respectfully submitted,

Cindy Cass, Accounting Clerk

Approved: February 16, 2022

A true record:

Attest: _____


Clerk

AUBURN WATER DISTRICT
BOARD OF TRUSTEES
Resolution Authorizing Lease Purchase Agreement

On motion duly made and seconded, be it hereby RESOLVED, ORDERED AND DIRECTED by the Board of Trustees of the Auburn Water District Assembled as follows:

RESOLVED: That the Auburn Water District (the "District") enter into a lease purchase agreement (the "Lease Agreement") with Androscoggin Bank (or other appropriate lease counterparty, "Lessor") to finance a dual axle dump truck with associated accessories and equipment (the "Project") in an amount not to exceed \$146,457.96, bearing interest at a tax-exempt annual interest rate not to exceed 2.61% per annum, with a term of no more than seven (7) years and seven (7) annual payments (which shall be subject to annual appropriation by the District) (the "Lease")

RESOLVED: That the Lease Agreement shall be executed in the name of and on behalf of the District by either the President of the District and/or its Treasurer, who may act singly, and shall bear the corporate seal of the District thereon, attested by its Clerk.

RESOLVED: That any obligation of the District to make lease payments pursuant to such Lease Agreement shall be subject to annual appropriation approved by the District as part of its annual budget.

RESOLVED: That to the extent available under Section 265(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), with the advice of Bond Counsel, the Lease Agreement may be designated by the Treasurer of the District as a "qualified tax exempt obligation".

RESOLVED: That the Lease Agreement shall be in such form and contain such terms and conditions, not inconsistent herewith, as may be approved by either the President or Treasurer of the District, such approval to be conclusively evidenced by the execution thereof.

RESOLVED: That the Treasurer of the District is authorized and directed, in the name of and on behalf of the District, to negotiate, execute, and deliver such other documents, certificates and agreements, including but not limited to a project fund escrow agreement providing for either the Lessor or a financial institution selected by Lessor (in either case, the "Escrow Agent") to hold Lease proceeds in an escrow account pending disbursement for the Project, a tax compliance agreement, a security agreement (collectively with the Lease Agreement, the "Financing Documents"), which Financing Documents may be in such form and contain such terms and provisions including, without limitation, indemnification provisions indemnifying the Lessor and/or the Escrow Agent and related parties from and against claims arising out of the Lease Agreement, the Escrow Agreement and/or the other Financing Documents, and the waiving of the District's sovereign or governmental immunity with respect to the enforceability of any of the Lease Agreement, the Escrow Agreement and/or the other Financing Documents, and such other details as may be approved by the Treasurer of the District, such approval to be conclusively evidenced by his execution thereof

RESOLVED: That the Treasurer of the District be and hereby is authorized and directed, in the name of and on behalf of the District, to grant to the Lessor or Escrow Agent, as the case may be, a security interest in the Project and in the escrow account established under the Escrow Agreement, as may be necessary or appropriate in connection with the Lease Agreement and to execute and deliver on behalf of the Lessee such security agreements, UCC 1 financing statements, fixture filings, and other documents and certificates as may be required in connection with the Lease Agreement and the Escrow Agreement.

RESOLVED: That the Treasurer of the District be and hereby is authorized and directed, in the name of and on behalf of the District, to covenant and certify that no part of the proceeds of the Lease

Agreement, or the Project leased thereunder, shall be used directly or indirectly in any manner that would cause such Lease Agreement to be a "private activity bond" or an "arbitrage bond" within the meaning of Section 141 or Section 148 of the Code.

RESOLVED: That the Treasurer of the District be and hereby is authorized and directed, in the name of and on behalf of the District, in consultation with the District's legal counsel, to implement written procedures with respect to the Lease Agreement for the purpose of (i) ensuring timely "remedial action" for any portion of the Lease that may become "non-qualified bonds," as those terms are defined in the Code and regulations thereunder; and (ii) monitoring the District's compliance following execution of the Lease Agreement with the arbitrage, yield restriction, and rebate requirements of the Code and regulations thereunder;

RESOLVED: That the Treasurer of the District be and hereby is authorized and directed, in the name of and on behalf of the District, to do or cause to be done all such other acts and things and to execute such other documents as may in the Treasurer's judgment be necessary or desirable in order to effectuate the execution and delivery of the Lease Agreement or the accomplishment of the Project, in accordance with these resolutions.

RESOLVED: That if the President, Treasurer or Clerk of the District are for any reason unavailable to approve, execute, deliver or attest the Lease Agreement or any other Financing Document, the person or persons then authorized to act and acting in such capacity, whether in an acting or interim capacity or as an assistant, a deputy, or otherwise, is authorized to act for such official with the same force and effect as if such official had himself or herself performed such act.

RESOLVED: That all prior actions of the President and Treasurer of the District in effectuating the Lease Agreement are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Lease Agreement.

RESOLVED: That the Board of Trustees hereby declares its official intent pursuant to Section 1.150-2(e) of the Income Tax Regulations that the District reasonably expects to use the proceeds of tax exempt financing to reimburse certain original expenditures paid by the District within 60 days prior to adoption of these resolutions or that are to be paid after adoption of these resolutions, which original expenditures have been or will be incurred in connection with the Project; that the Board of Trustees reasonably expects that the maximum principal amount incurred by the District to finance the Project and related legal expenses will not exceed \$146,457.96; and that this declaration of official intent shall be kept in the permanent records of the District and shall be reasonably available for public inspection.

I hereby certify that this is a true copy of certain resolutions adopted by the Auburn Water District Board of Trustees on January 19, 2022.

A true copy,

Attest: _____
Clerk, Auburn Water District

Date: _____