



# LISBON WATER DEPARTMENT

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Paul A. Adams, General Manager

William A. Bauer, Chairman, & Commissioners Stanley Doughty Jr. & Kenneth R. Wells

## Commissioners' Meeting Minutes for May 23, 2011

Members Present: Bill Bauer, Stanley Doughty Jr., and Ken Wells

Staff Present: Paul Adams

Audience: Town Councilors, Roger Cote and Fern Larochelle, Sharon and Raymond Campbell, Celine Goddard, Tom and Donna Wrobel, Donna Rae Hamilton, Renee Benner, and William Stephenson

Meeting called to order by Mr. Bauer at 6:30pm.

### **I. AUDIENCE PARTICIPATION**

#### **A. Mr. Bauer's Commentary**

1. Mr. Bauer stated that he would like to apologize to Floyd Webber, a property owner on Upland Rd near the proposed standpipe location, about not being able to talk to him concerning the proposed new standpipe. He stated that no decisions have been made to install a new standpipe, but we are in the information gathering process to see if a new standpipe on Upland Rd would be a sound investment for the Water Dept.
2. Mr. Cote offered to the audience that it was not just the Water Board and the Town Council that approved the main extensions and the Upland Rd project, but the voters approved the projects as well.
3. Mr. Wells asked the audience what issues they were at the meeting to address.
  - a. Standpipe- Celine Goddard, Sharon and Raymond Campbell
  - b. Water quality- Donna Rea Hamilton, Renee Benner, and William Stephenson
  - c. To be better informed-Councilors Cote and Larochelle

#### **B. New Standpipe**

1. Mrs. Campbell asked if the location had changed from the original map she was given. Mr. Bauer stated that what she had been given was a copy of the engineer's suggestion, but the current discussions involve a location further down towards Upland Rd, but nothing had been decided.
2. Mr. Campbell asked if, Mr. Upham didn't agree to sell, would we take the land by eminent domain. Mr. Bauer assured them that taking any property by eminent domain, including Mr. Upham's, was not in the plan.
3. Mr. Bauer mentioned that there are several issues, positive and negative, that need to be resolved; including the cell tower revenue on the current Lisbon standpipe.
4. Mrs. Goddard stated that she had two concerns:

- a. She had been told that Lisbon did not need a new tank, that the current tanks were “in better than decent condition”.
  - b. She stated that the Upland Rd and Route 9 projects were paid for by bond money and it was her understanding that the overage of \$286,000 could not be used towards a new standpipe. She stated that she believed that there would have to be another new bond to put in the new standpipe. She wanted to know why the remaining \$286,000 couldn't be used towards a pump to help complete the project before beginning another project with a new bond.
    - i. She stated that she called the Maine Bond Bank and spoke with Tony Reid and was given copies of three of the loan documents for the bond that was approved.
    - ii. She said that she called the Public Utilities Commission and spoke with Mr. Handler. She said that he sent her a copy of the bond documents that the PUC approved and it does not specifically say that a standpipe is in the documents.
      - a. Mr. Handler told her that LWD has not filed a permit with the PUC for a new standpipe, and that she should ask to be notified if we do.
    - iii. She said that she tried to contact Peter Garcia, but was unable to speak with him or his assistant.
    - iv. She said that she reviewed most of the documents and her opinion is that the main extensions and a new standpipe are two separate projects. She thinks that it would be a misappropriation of funds to apply the remainder of the bond money for the main extension to a new standpipe that she feels we do not need.
5. Mrs. Campbell asked, if their property value decreases because of the standpipe in her back yard, if the Water Dept. was going to reimburse them for the difference?
    - a. Mr. Wells stated that there are other options and that he will not force the water tank on anyone.
  6. The Commissioners and the General Manager discussed and addressed Mrs. Goddard's concerns. Ultimately, they stated that the standpipe was part of the original plan and that we do have legal confirmation that the remaining bond funds can be used to put in the standpipe. They reiterated that the standpipe is still in the planning stages and that no decisions have been made at this time. They stated that they will present a plan to the public, when and if one is chosen.
  7. Councilor Cote tried to reassure the audience that the Water Dept. does an excellent job at keeping the public informed and commends them for allowing the public to have input in the very early planning stages of the this project.
    - a. Mr. Bauer expressed his appreciation and asked Councilor Larochelle if he had any comments.
      - i. Mr. Larochelle also spoke positively on behalf of the Water Dept. and their dealings with the public concerning large projects. He stated that the Water Dept's previous research on a projected water main for Route 9 greatly aided the Town in resolving the contaminated wells issue in an extreme time sensitive deadline. He stated that he felt the Water Dept. will make the best decision for everyone involved.
  8. Mrs. Goddard thanked the Commissioners and Councilors for their time and being willing to listen to her and her neighbors concerns and that she trusts all of them to make the best decision for the Town.

9. Mr. Bauer introduced Mr. Levy and explained his expertise and asked if he had any comments.
    - a. Mr. Levy stated that he listened, but had nothing to add.
- C. Russell Street Water Quality
1. Donna Rae Hamilton, Renee Benner, and William Stephenson each expressed their frustration with constant dirty water and poor water pressure at their homes on Russell St. They also asked if the water main was ever connected or could be connected to Enterprise St. so that it would not longer be a dead end.
  2. Mr. Adams stated that there was never a connection with Enterprise St, nor can there be one as we are not allowed to put in water main on private property without written consent from the owner.
  3. Ms. Benner stated that they had complained in the past about the water and were told that the Water Dept. would flush the blow off at the end of the street once a month, but it has not been done.
    - a. Mr. Adams stated that in defense they flush the blow off at least twice a year with the normal flushing program and that if we don't hear from the customers then we don't know if they are still having dirty water issues.
  4. Ms. Benner stated that she has water filters that she has to change twice a month and said that she is moving as she is tired of dealing with the issue.
  5. Mr. Stephenson asked that he be notified when they flush the hydrants. Mr. Adams and Mr. Bauer stated that notice is published when the flushing is to begin.
  6. Mrs. Hamilton stated that even when they flush the line, it is only good for a few days and then the water is bad again.
  7. Ms. Goddard asked where our water comes from and if the customers have tested their water.
    - a. Mr. Adams stated that there are three wells that supply the water, one on Moody Rd, one on Route 196 across from the Town Office, and one on St. Ann St behind the LWD office.
    - b. Ms. Benner stated that she had a State water guy come to have the water tested and she said the test results showed 13.7% arsenic present.
    - c. Both Mr. Adams and Mr. Bauer stated that it was impossible for our water to test that high for arsenic as the raw water right from the wells has never tested that high. They also stated that we now have a filtration plant that pulls the arsenic out of the water prior to going out to the customers. Mr. Wells asked if Ms. Benner could bring us a copy of the report and she said she would.
  8. The Commissioners discussed the issue and ask that the staff flush the blow off on Russell St once every two weeks and asked the customers to call the office when their water was dirty and we would do our best to help them within the normal business hours. They also asked that the staff take a water sample from the end of Russell St. and have it tested with the regular monthly samples.
- D. Disconnect Notice Posting
1. Mr. Wrobel stated that he came to the meeting to discuss the billing and management procedures. He stated that he received a disconnect notice on 5 Mill St. and that it had also been posted incorrectly at 9 Mill St. He said that he had a hard time believing that it was a mistake that the notice was posted on the wrong building. He said there were vast differences between the two locations. He also stated that 5 Mill St was vacant and he said that there would be nothing to gain for the Water Dept. by posting 5 Mill St so they posted it on 9 Mill St. He stated that he came to the office with the

- posted notice and spoke with Mrs. Reynolds concerning it and she said that if he brought in the notice from 5 Mill St, then it had not yet been posted at 9 Mill St.
- a. He asked the Commissioners why they did not go out and correctly post the notice on 9 Mill St.
2. He also stated that the posted notice for the tenant is a photocopy of the disconnect notice that is mailed to the owner. He said that this was not correct per the PUC rules, as the tenant notice must give the tenant the option to establish future water service in their name. Mr. Wrobel continued to read PUC Rule Chapter 660 §65-407 that outlines the tenant requirements.
    - a. Mr. Adams stated that Chapter 660 was not effective until January 1, 2012.
  3. Mr. Wrobel continued to express his frustration with the way the process was managed.
    - a. Mr. Adams explained that after some investigation, he found out that the operator that posted the notices knew Mr. Wrobel owned 5 Mill St., but did not know that he now owned 9 Mill St. and admitted that he had posted it incorrectly by mistake. He explained that he had not look at the location on the disconnect notice, but rather the name.
      - i. Mr. Adams apologized for the error.
    - b. Mr. Wrobel asked why we were not posting the correct tenant notice.
      - i. Mr. Adams stated that we noticed our error at the time of Mr. Wrobel's initial complaint and have since corrected it.
    - c. Mr. Wrobel asked why we did not post the correct location.
      - i. Mr. Adams stated that there was no need to post the correct location as it was known to be vacant.
      - ii. Mr. Wrobel stated that we would have no way of knowing the property was vacant.
        - a. Mr. Adams stated that we do have ways of telling when a property is vacant, but he could not recall when exactly we recognized the vacancy at 9 Mill St.
    - d. Mr. Wrobel expressed his frustrations with the management and that this is what he has come to expect from us.
  4. Mr. Bauer expressed his apologies to Mr. Wrobel for any embarrassment that the incorrect posting may have caused. He also stated that he felt the matter was investigated and rectified properly. He asked for anymore comments and as there were none he moved on.

E. Water District Discussion

1. Mr. Bauer explained that Mr. Levy was present to discuss the possibility of becoming a water district and asked Mr. Levy to proceed with his presentation.
2. Mr. Levy presented to the Commissioners an example of a standard water district charter and explained the components, the differences and similarities to that of a water department charter. He said that a water district is a quasi-municipal corporation, incorporated in the State of Maine with a legislative charter regulated by the Public Utilities. He stated that districts have private and special legislation and every charter is different. He stated that MRWA has created a template that can be tailored to make the governing board and other components unique.
  - a. He said that the Town and the Water Dept need to decide if they want to continue the confusing relationship that we currently have, or if they want to define it better with a new district.

- b. He stated that there must be a referendum vote to change the current situation and that there must be a valid reason for the legislature to consider the change.
  - c. He stated that the process will incur some costs associated with filing an application, researching the Water Dept. assets that the Town currently holds, and petitioning the PUC. There would also be costs to create new charter, terms and conditions, and a new rate case to establish the rates for the new utility. He did say that the current bonds, which are general fund bonds held by the Town, would stay with the Town as a water district can only acquire revenue bonds. He said that all future bonds would be revenue bonds under the new utility which would show its own assets and revenue.
3. Mr. Bauer expressed, to the attending Councilors, his desire to see a combined water/sewer district to reduce the burden on the Town Council.
    - a. The Councilors and the Commissioners discussed the ability and the process on how the new district would acquire bond money.
    - b. Mr. Cote asked if there was a negative aspect to going to a district and Mr. Levy said that there really wasn't. Mr. Bauer stated that the only down side would be having a poor governing board as to the welfare of the district; he felt the more active the members are the better the utility.
  4. Mr. Levy said that one down side to a combined utility is when or if either side does not carry its own weight financially; it could result in difficult board decisions.
  5. Mr. Bauer stated that he felt that the first thing that should happen if for the board to review the data and decide if they want to proceed. He said that if they decide to proceed then they would meet with the Town Council to discuss the options, and finally set up a workshop with the Council, the Commissioners, and Mr. Levy to discuss the mechanics and the costs.
  6. Mr. Larochelle asked how a combined district would increase or affect the sewer department assets, rates, and etc.
    - a. Mr. Levy recommended a meeting with a representative from the Maine Bond Bank to discuss what can happen with the current debt for both utilities and what the future options will be.
    - b. He also stated that he has set up charters that start with just a water district, but include an option to add the sewer at a future date.
    - c. Mr. Larochelle stated that in order to bring this merger to the Town's people and to have them approve it, it would have to show a significant cost savings for both parties. He stated that there would have to be some hard choices of what each side would be willing to give up. He asked that everyone really consider all the options and to choose the one that will benefit the Town the most.
  7. Mr. Levy stated that even with a combined utility, the PUC mandates that each utility must maintain separate books, expenses, and audits. The PUC will not accept any part of the water revenue supporting the sewer utility.
  8. The Commissioners and the Councilors discussed the relationship of the Water Dept and that Town and agreed that we do need to have a successful relationship and that they need to consider all the options to make that happen.
  9. Mr. Levy stated that the usual process will involve the water utility inquiring about separation with MRWA and then the next step would be to present their desires to the Town Council. In order to proceed with the district, the Council would need to write a letter of acceptance of the separation to the State Legislature. He said that the legislature will not even entertain the request without the acceptance letter. Mr. Levy

stated that it is usually his job to help both parties come to an agreement. He reiterated that there will be costs but it will not be a fortune.

10. Mr. Cote asked Mr. Doughty his thoughts and Mr. Doughty said that he would rather start with just a water district, but have the option to add the sewer utility at a later date.
11. The Commissioners continued to review what was discussed, but took no action at that time.

#### F. Copy Charges

1. Mr. Bauer stated that he would like the Councilors input on the copy charges agenda item and asked Mr. Adams to explain.
2. Mr. Adams stated that during the Route 9 project Ryan Leighton, the Town Engineer, approached the Water Commissioners to waive the Water Dept. labor expenses on all the Town invoices for the Route 9 project. The Commissioners agreed to waive the labor costs. Mr. Adams said that when it came time for the Water Dept's annual audit, the auditor needed copies of the invoices of the Route 9 project to prove the newly acquired assets. He said that he went to Mr. Leighton and asked for the breakdown of the costs and received a ledger report, which only showed invoice amounts not what the items were. He explained the issue with Mr. Leighton and he said that he did not have a detailed breakdown. He was told to contact the Finance Dept. and they told him that they did not have time to do the work but they would allow someone from the Water Dept. to come and find all the invoices and make the necessary copies. He stated that Mrs. Reynolds spent two days doing the research and then the Town charged the Water Dept. \$.50 per copy.
3. Mr. Bauer expressed his frustration as we have been working well together lately and he did not feel that this was handled correctly.
  - a. Mr. Wells stated that he was not sure if they were required to charge us because of some contract or if all the departments pay that for copies.
  - b. Mr. Larochelle stated that he did hear that all departments were responsible for their own copies. He said that he did not know if it needed to actually be billed but that the copies need to be accounted for.
4. Mr. Adams stated that it raises the question of just what items we are billing each other for.
5. Mr. Larochelle asked why we needed the figures, and both Mr. Adams and Mr. Bauer explained that no matter who pays for the water main expenses, ultimately it becomes the property of the Water Dept. and the auditor needs the value so that he can adjust depreciation and assets accordingly.
6. Mr. Larochelle said that he would look into the matter of the copies with the Town Manager.
7. The Commissioners expressed their appreciation to the Councilors for attending and adding their input.

#### G. New Standpipe

1. Mr. Cote asked if the new standpipe could be short and fat rather than tall and skinny.
  - a. Mr. Adams stated that it could not be short and fat unless they went higher on the hill in elevation.
2. Mr. Larochelle asked if the current tanks could be altered to correct the low pressure issues.
  - a. Mr. Adams stated that the easy answer is that they probably could, but the complicated answer you have to consider the condition and location of the current tanks.

3. Mr. Cote asked the Commissioners to discuss the issue with Mr. Kelly as he has a piece of property on Route 9 behind Mr. Cote's house and he believes that they may be able to reach a beneficial resolution. He said that the property has 5 acres, is landlocked, and the elevation may work for even the cell tower receivers.

## II. WARRANTS

- A. Warrant 19 for May 11, 2011- Approved
- B. Warrant 20 for May 18, 2011- Approved

## III. OLD BUSINESS

- A. Reading and approval of minutes:
  1. Minutes from May 09, 2011
    - a. Mr. Doughty Jr. made a motion to accept the minutes as written for May 09, 2011. Mr. Wells 2<sup>nd</sup> the motion followed by a positive 3/0 vote.
- B. Backflow Testing Charges
  1. Mr. Adams wanted to clarify the billing associated with the backflow charges. He stated that it was his understanding that we were only charging for testing on the test that passed.
  2. Mr. Wells stated that he understood that after repairs to a failed backflow test we would not charge for the retest unless it failed again. Mr. Bauer and Mr. Doughty Jr. agreed with Mr. Wells.
- C. Tabled Items
  1. Wellhead Protection Ordinance
    - a. Tabled-No new information
  2. PurFlow Filtration Plant Issue
    - a. Tabled to the next meeting
      - i. Mr. Adams stated that he spoke with the manager of the Dover, MA plant and he was told by Wright-Pierce that if there are enough unhappy PurFlow customers that there may be a benefit to form some sort of legal action as a group.
  3. Route 196 Reconstruction
    - a. Tabled-No new information
  4. Credit Card Payments
    - a. Tabled-No new information
  5. 2010 Bond Money Investment
    - a. Tabled-No new information
      - i. Mr. Bauer asked if it was possible to borrow our own money through a legal document.
        - a. Mr. Wells and Mr. Adams both stated that it would be up to the PUC.
- D. Other Old Business
  1. None

## IV. NEW BUSINESS

- A. General Manager's Report
  1. 34 Summer St
    - a. Mr. Adams stated that this is the location that had the house fire and suffered great losses. He stated that they asked us for a temporary water line to a trailer while construction of their house was being done. He asked how the Commissioners would like to handle all the labor and expenses for location. He said that the current expenses are 4 ½ hours of labor and around \$4 in materials.

- b. Mr. Doughty Jr. recommended waiving the expenses at this time and the other Commissioners agreed.
  - 2. E-mail Communications
    - a. Mr. Wells stated that the last set of e-mails he sent to Mr. Adams was returned to him saying that they were undeliverable to Mr. Adams address. He would like to find out what is going on.
  - 3. 10 Person PUC Complaint Response
    - a. Mr. Adams stated that he had sent copies of the response to the Commissions on Friday and had not heard back. He said that he had to respond today to meet the 10 day deadline.
      - i. Mr. Wells expressed his frustration that he did not get the proposed response until the Friday afternoon the day before the deadline date. He didn't find out until today that his input to Mr. Adams had not been received by Mr. Adams which left no time for discussion or input as a group prior to the due date.
      - ii. He stated his input reflected that the Water Dept. should be accepting some of the blame and not casting it all onto the Town.
    - b. Mr. Adams stated that Mr. Bauer had brought him a copy of Mr. Wells's response and they reviewed the input and together edited a response that both Mr. Adams and Mr. Bauer were comfortable with.
    - c. Mr. Wells asked what will happen in the investigation stage.
      - i. Mr. Adams stated that he was not sure as we have never had one. He feels that they will ask for specific details in the history and then make a decision on something.
- B. Customer Communication Log
  - 1. The Commissioners reviewed and discussed the customer complaint log, but took no action.
- C. Other New Business
  - 1. None
- D. Next Meeting Date
  - 1. The next Commissioners' Meeting date is for Monday, June 13, 2011 at 6:30pm at the Lisbon Water Dept.

**V. EXECUTIVE SESSION**

- A. None

**VI. ADJOURNMENT**

- A. Mr. Wells made a motion to adjourn and Mr. Doughty Jr. 2<sup>nd</sup> the motion followed by a positive unanimous 3/0 vote. The meeting adjourned at 9:55pm.