

Southwest Harbor Water & Sewer District Minutes
December 29, 2015
Town Office
6:00 p.m.

I. *Call to Order/Roll Call*- Jim Geary called to order the 12/29/2015 Water & Sewer District Meeting at 6:00 pm. Present were Jim Geary, Donald Lagrange, Jim Vekasi (via phone), Utility Manager, Steve Kenney, and Finance Director, Tabbetha Newenham.

II. *Visitors to be heard not on the agenda*- Tabbetha Newenham had additional documents for the Health Trust and HRA. These documents needed to be signed after the first initial documents were signed. Also, the front page of the Original Letter of Intent, was not whole and needed to be re-signed. The letter of intent needed to have all the items to be offered in the letter. The Plan Worksheet for the HRA has been set up like the Town's HRA. It included items that were discussed, but now are in writing.

~ Donald Lagrange stated the Personnel Policy would need to be modified to match the numbers on the HRA document. This document is consistent with the Town's HRA.

~ Jim Vekasi asked "by changing HRA to be consistent with the Town, does it make a big difference in how much, through what the District HRA pays and how much the employee covers, or is it who covers first?"

~ Donald Lagrange stated there was no difference, the District will have its own HRA and not be tied to the municipality.

~ Jim Geary clarified by asking "does the money amount, talked about in the Personnel Policy change or is it the order of payment.

~ Donald Lagrange replied "the order of who pays."

~ Jim Geary made note for the record, that the money is the same, but the order of how it is paid is different. At this time there is nothing to vote on for the HRA.

III. *Approval of Minutes*: None

~ Jim Geary stated that there may be a possibility that previous meeting minutes needed to be approved, but were not scheduled on the agenda.

~ Tabbetha Newenham commented that she was being asked when the approved minutes were going to be available. Marcus at MMA, Group Dynamics in order for the HRA to be allowed to take place out of the certain accounts and the bank, to show prove of what was agreed to be set up and who signs.

~ Jim Vekasi gave his editing/housekeeping items on the 12/14/15 & 12/16/15. He noted that the approval and vote for item (P) on the 12/21/15 minutes was omitted.

~ Donald Lagrange suggested to continue the 12/21/15 minutes at the next meeting and to approve the 12/14/15 & 12/16/15 minutes.

Donald Lagrange made a motion to add the 12/14/15 & 12/16/15 minutes to agenda for approval.

Jim Geary second. Vote 3/0/0

~ Jim Snow asked if the memorandum of understanding, signed by Selectboard, reflected the discussed changes.

~Donald Lagrange stated that it may need to go back to Selectboard, if those changes were not reflected.

Donald Lagrange made a motion to approve the 12/14/15 & 12/16/15 minutes, as amended.

Jim Vekasi second. Vote 3/0/0

IV. *Manager's Report*: None

V. *Old Business:* None

VI. *New Business:*

- a. *Bond Financing-* Steve Kenney recapped, from previous meeting, the discussion of the \$500,000-\$600,000 sewer debt towards the Town. The pay back to the town at 3.5 % rate, but there were possibilities to apply for municipal notes or bonds for a lot less. You cannot borrow money to pay debt, however. A Town couldn't borrow for this, because then they would be borrowing on their own behalf, but the District could. If the Town was to tie a monetary figure, for the arears of the sewer, as part of the infrastructure transfer, then the District could borrow against the infrastructure at a 0-1.5% rate, hopefully. These notes or bonds are only given in the spring and fall, so the board would need to move quickly. Information and details would need to be remitted to them, to get the paperwork ready for board of Trustees to approve, so the paperwork could be submitted in February. This would seem to be a huge savings yearly and windfall to the Town beneficial to the Town's people and the District, and going this route would save the Town's people tens of thousands of dollars.

~ Jim Geary asked why the Town is charging 3.5%, which isn't the borrowing rate, if there was a possibility of bond financing at 1.5% or 1%. Why can't we negotiate this rate with Town?

~ Donald Lagrange replied only if it was tax free bonds. Taxable bonds would be about 3-4%.

~ Jim Geary wanted to know why the Town is going to charge District if the debt was incurred on their watch. Why is the District going to be charged 3.5% and are they charging the sewer department interest on this debt?

~ Donald Lagrange explained the taxpayers had been carrying this debt for many years and the Sewer District, by Ordinance, is required to carry its own way. Board could negotiate with the Selectboard a lower interest rate and term.

Consensus of Board to talk to Selectboard about renegotiating sewer debt payoff and term arrangement. Possible better terms than 12 years at 3.5%.

VII. *Other Business (Trustees)-*

VIII. *Accept & Sign Warrants:* None

Sewer FY 2016

Water FY2016

IX. *Next Meeting Date:-* January 18, 2016 at 10:00 am.

Agenda items: Liens, moving to District
Borrowing/debt negotiations
12/21/15 minute approval
Amend personnel policy
Warrants
Set monthly meeting date- 2nd Thursday

X. *Executive Session pursuant to 1 M. R. S. A. § 405 (6) (A) relative to personnel matters-*

Donald Lagrange made a motion to go into Executive Session pursuant to 1 M. R. S. A. § 405 (6) (A) relative to personnel matters. Jim Vekasi second. Vote 3/0/0

Donald Lagrange made a motion to leave Executive Session.

Jim Vekasi second. Vote 3/0/0 at 7:59 pm

Jim Geary made a motion to authorize District Manager, Steve Kenney, to hire personnel.

Donald Lagrange second. Vote 3/0/0

Signed contract for District Manager.

XI. *Adjourn Meeting*- Meeting adjourned at 8:05 pm. Vote 3/0/0

Approved at 1/18/2016 meeting

Vote 3/0/0 passed.

Marilyn J. Lowell

Town Clerk