

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHEM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

Call to Order.

Chairman Crosthwaite called the Special meeting of the Ellsworth City Council to order at 8:08 AM.

Public hearing and action on Council Order #011612: Order authorizing the issuance of up to \$1,325,000 of the City's General Obligation Bonds to finance water and sewer improvements on State Street.

Tammy Mote, Finance Director explained she would be discussing the next three items on the agenda. The City recently applied for funding on three separate projects through the Drinking Water State Revolving Fund (DWSRF). These projects include water main improvements on State Street in the amount of \$1,320,000, construction and installation of backwash lagoons and a spray irrigation system in the amount of \$1,766,000, and upgrades to the State Street and High Street Water Tanks in the amount of \$680,000. The 1889 water main is slated to be replaced through the State Street project. Nate McLaughlin, from Woodard and Curran was present at the meeting to provide finer details on the three projects listed. The DWSRF program allows a maximum award of \$3,000,000 to a municipality within a calendar year. This program has awarded the City \$239,436 including principal forgiveness. The City would still need to secure the remaining amount of \$766,000 with additional bonds outside of the DWSRF program. Jim Saffian, the City's Bond Counsel, recommends authorizing an additional \$39,000 to account for the cost of issuing the bond, legal fees, and overages from project change orders. David Cole, City Manager explained the first project listed has the advantage of coinciding with a project MDOT is completing on State Street.

See attachment #1 for the complete overview of all three projects, the 2016 (DWSRF) Program Anticipated Progress and Drawdown Schedule, and an overview of all three projects by Woodard and Curran. Attachment #1A contains the Order authorizing the issuance of up to \$1,325,000 of the City's General Obligation Bonds to finance water and sewer improvements on State Street.

Public hearing opened.

Al Dede, a resident of Ellsworth, felt the Council should be raising the user fees within the City. He spoke in regards to the high fees private septic users are faced

Call to Order.

Approved - Council Order #011612: Order authorizing the issuance of up to \$1,325,000 of the City's General Obligation Bonds and notes in anticipation of such borrowing to finance water and sewer improvements on State Street, as stated in attachment #1A.

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHEM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

with when their systems fail or need routine maintenance. He did not doubt the funding being requested this morning was needed for worthy projects within the City. His concern was originally the projects were said to be funded by user fees, now through an article in the Ellsworth American it appears they are not. He was concerned these bonds would be distributed to all Ellsworth taxpayers. Dede strongly encouraged the Council to start raising rates on the users benefiting from this subject. Mote explained the Water Department is financially very healthy and therefore water user fees are not expected to be increased to fund this project. The Water Department and Sewer Department are two separate proprietary funds. The bonds being suggested this morning will be repaid through the enterprise funds not through local tax dollars. Councilor Phillips noted that Dede was referring directly to the concept of raising the sewer user rates as discussed at the January Council meeting. Phillips stated it was true that the Sewer Enterprise fund needs a rate increase. The bonds being discussed this morning will be paid for by the users of the system and will not be absorbed by the general tax base. Councilor Fortier explained the article in the Ellsworth American clearly stated the City was covering some of the overages within the Wastewater Department on a temporary basis. The City taxpayers will be reimbursed that amount; they are not paying for any of these overages directly through their tax bills. The City loans the Wastewater Department the cash, it is a due to due from situation. There is a cash flow issue currently; however, this situation will be made whole eventually. Councilor Blanchette explained the factors which caused the large increase within the tax rate last year.

Public hearing closed.

On a motion by Fortier, seconded by Moore, it was unanimously

RESOLVED to approve Council Order #011612: Order authorizing the issuance of up to \$1,325,000 of the City's General Obligation Bonds and notes in anticipation of such borrowing to finance water and sewer improvements on State Street, as stated in attachment #1A.

Public hearing and action on Council Order #011613: Order authorizing the issuance of up to \$1,795,000 of the City's General Obligation Bonds to finance the construction and installation of Water Treatment Plant Backwash Lagoons and a Spray Irrigation System.

**Approved - Council
Order #011613:
Order authorizing
the issuance of up to
\$1,795,000 of the**

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHEM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

Nate McLaughlin explained this project has been discussed sporadically over the past twelve years. When the Water Treatment Plan was originally constructed it was done in such a way that assumed a process called recycle of the backwash water. Essentially this means there are filters at the Treatment Plant. The backwash process was explained as it relates to the lagoons. Since the Treatment Plant was constructed new regulations have been adopted that discourages this type of practice. Most utilities that were using this method have moved away from it. See attachment #1 for a more specific explanation. The lagoons are undersized for the amount of flow they are receiving and causing some concerns. The effect of the undersized lagoons was provided. The DEP has determined the City now has an unpermitted discharge into that receiving water. They will not permit the discharge because Branch Lake is considered a Class A water body by DEP standards. Over the past few years discharge options have been reviewed in an effort to solve this issue. Through this investigation phase the most viable long term solution to the City appears to be constructing new adequately sized lagoons to receive that flow and install a spray irrigation system. During the Spring through the Fall the City would pump and discharge the water to an area of City owned land adjacent to the Water Treatment Plant. This land was secured several years ago within a land exchange with the Fenn Family. The risk of not conducting the project is at some random point in time the DEP will mandate the current situation be resolved. At that time the project will be handled on terms the City cannot define. McLaughlin felt the advantage of handling this project now is the Water Treatment Plan retired some debit recently and are now in a position to complete a project such as this. See attachment #1 for a complete overview of the project. At this time, as confirmed by Tammy Mote, Finance Director this project could be completed without raising user rates. Councilor Phillips questioned by the use of the word "most" was McLaughlin stating Ellsworth is not the only City still using this method. McLaughlin admitted he could not think of another municipality in Maine that is still using the same method as Ellsworth does. There was a lengthy technical discussion on the current process being used and its affect on Branch Lake. Chairman Crosthwaite asked if the City was out of compliance by using the current system. McLaughlin was uncomfortable answering that question. Larry Wilson, Water Superintendent explained if the City recycled the water the way they are suppose to the City would be out of compliance. The City is out of compliance because the water that is taken out of the lake and put in the backwash is not just lake water is has an additive. The City is out of compliance because of a chemical that is found in the water being placed back in the lake. Wilson stated he recommended a contingency plan which included placing this water in the swamp;

**City's General
Obligation Bonds
and notes in
anticipation of to
finance the
construction and
installation of Water
Treatment Plant
Backwash Lagoons
and a Spray
Irrigation System, as
stated in attachment
#2A.**

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHEM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

however, that plan was unacceptable because of a base material that remains in the water. The lagoon/spray irrigation method was explained in fine detail. Wilson felt the time was right to complete this project through the use of the State Revolving Funds while at the same time not causing a rate increase to the users of the system. The Water Department finances may not be as healthy if the City waits until the DEP requires this issue be brought into compliance; in turn initiating the need for a rate increase. In order to complete all three projects the City would need to borrow \$766,000 over and beyond the funds from the State Revolving Fund. The lagoons and spray irrigation system project will cost \$1,795,000; the Drinking Water Program is issuing the City the full amount with some principal forgiveness on this project. If the City were to only complete this project, there would be no need to borrow outside of the awarded State Revolving Funds. There was a technical discussion concerning the funding and how that relates to all three projects. Following this discussion, Councilor Moore noted this project may be a little more important than he had initially thought. Moore inquired from Wilson if this project was completed would it solve the problem for a number of years. Wilson felt this project would resolve the concern until regulations are changed again. A few of the other potential solutions that have been discussed over the past five years were described; however, each one failed to get DEP approval. There was a technical discussion on the current components that are driving the need for a new solution during the backwash procedure. The project being proposed this morning was described in great detail; and it was noted that many other towns within Maine use this system. The DEP would like the City to discharge the backwash in compliance with a backwash permit. At this time the City does not have a backwash permit, because the current system does not meet the standards for obtaining a permit. Moore inquired if a decision had to be made on the three projects in regards to spending less money, would Wilson be in favor of funding this project compared to funding the upgrades to the City's State Street and High Street Water Tanks project. Wilson stated that would be a decision for the Council. He is primarily concerned with the quality of water at the Lake particularly in regards to the backwash procedure. Wilson described some of the problems his staff encounters with this process and the time that is spent on this task. Wilson briefly explained the last project being proposed this morning as it involves repainting the standpipe behind Brown's Appliance. This has not been painted since the 1980s before the City purchased the Water Department. Normally, standpipes are repainted every 15 years for maximum protection. Wilson felt it was time to complete all three projects, especially during a time that the funding is in place to avoid a rate increase. Councilor Blanchette inquired if there was land available to construct a

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHAM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

leach field that would be approved by the DEP for this project. Wilson explained this would increase the cost of the project as pipe would be necessary and it would need to be pumped to that land. Currently the City does not own any land close enough to this project to make that option cost effective. McLaughlin explained this type of system and the types of soils that would be required for this to be approved by the DEP. A more detailed description of the project being proposed this morning was provided by McLaughlin concerning the amount of land necessary, the appearance of the land while the process is actively working and the end condition of the land once it has been used for this purpose. McLaughlin explained the plan is to apply for a permit from DEP first. Under the preliminary engineering phase a little more data will be collected and then at a minimum the permitting process will be started to get an indication from the DEP whether or not this method meets approval. As of a year or two ago, the DEP was in favor of this project. The submission of the permit can occur at any time; this has a rolling approval process. Once this project is finished, Wilson stated it may require a few more man power hours during the day when this process is being conducted. Wilson felt within a year or two he will be requesting an additional employee. The cost of this project will not cause a rate increase for water users because debt has been retired and the Water Department has a healthy retained earnings account.

Public hearing opened.

Michele Gagnon, City Planner inquired if the by-product could be treated at the Wastewater Treatment Plant and if it can be treated has the option of extending the sewer lines to that area been considered. The addition of sewer lines to this area could open up some other areas for development while generating additional revenues. McLaughlin stated this alternative was considered; however, the cost of the project was at least double the cost of the project being considered this morning. This would require approximately 35,000 feet of additional pipeline, assuming a low estimate of \$100 per foot the cost of the project would be \$3.5 million. This would also require installing two main pump stations and road work in order to lay the pipes. Gagnon inquired if the Wastewater Treatment Plant has the ability to treat the material. McLaughlin believed it could be treated once it reached the Plant.

Al Dede, a resident of Ellsworth, inquired if the material could be trucked to a facility. McLaughlin stated it would require at least one dedicated truck running 24 hours a day. Potential issues associated with this method of disposal were

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHEM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

explained based on his experience with another municipality. Although this is another possible method it does not appear to be a viable one.

Public hearing was closed.

On a motion by Moore, seconded by Perkins, it was

RESOLVED to approve Council Order #011613: Order authorizing the issuance of up to \$1,795,000 of the City's General Obligation Bonds and notes in anticipation of to finance the construction and installation of Water Treatment Plant Backwash Lagoons and a Spray Irrigation System, as stated in attachment #2A.

Before a vote was taken Councilor Fortier explained prior to the discussion this morning he was not in favor of approving the project for this fiscal year. Understanding the Finance Director's opinion that it should not affect user rates, combined with the explanation of the current process, mixed with the unknown factor of whether the DEP will require a consent agreement or not at a time the financing is not available; Fortier was now in favor of approving the project this morning. Councilor Beathem inquired from Mote if all three projects are approved this morning would the Water Department be left with any retained earnings. Mote explained the loan can be structured for twenty years rather than the proposed ten year pay-back period to help relieve the tension on the retained earnings account. Fortier inquired if all three projects are approved would Mote returning to the Council for approval to privately borrow the remaining balance of \$766,000. Mote confirmed this would be the plan, as well as all the necessary borrowing will be combined into one package to ensure the best rate. Phillips also noted following the discussion he is now more in favor of passing the motion than he had previously been. Blanchette was concerned the spray irrigation system would be vulnerable to vandalism, and animals or humans using that land. He inquired about precautions that would be put in place if this area is traditionally used for hunting or other recreational sports by members of the public. Wilson stated normally only the employees are on this parcel of land and currently the neighboring property owner has the road posted for no hunting or trespassing. The City only has a right-of-way across the land. Wilson did not feel this equipment would need constant repair due to damage by animals. Those risks already exist with the current system. Any signs of vandalism to water treatment plants are handled as a federal offense. The projected cost for yearly maintenance will be fairly modest, the real cost will be in

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHEM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

man hours. Wilson was comfortable with the impact this new system will have on his current staffing levels. McLaughlin did not have an exact increase in maintenance cost with this new system; the only real increase would be in the amount of electricity used. The current system requires the pumps to run once during the process the new system will require the pumps to run twice. The yearly increase is estimated to be less than \$10,000.

A final vote was taken on the above motion with 6 members voting in favor (Beathem, Crosthwaite, Fortier, Moore, Perkins and Phillips) and 1 member voting in opposition (Blanchette).

Public hearing and action on Council Order #011614: Order authorizing the issuance of up to \$685,000 of the City's General Obligation Bonds to finance upgrades to the City's State Street and High Street Water Tanks.

Nate McLaughlin, from Woodard and Curran explained this request was the continuation of a previous presentation. A quick history was provided in regards to the Ultraviolet Disinfection System that was installed with the goal of reducing chlorine usages through this process. It has been determined through this process the use of chlorine has not been reduced much, if any. McLaughlin explained why this goal has not been met within a technical explanation. This project would add the ability to re-chlorinate and mix at the standpipes. This will allow chlorine use to be reduced at the plant with the ability to re-chlorinate in the system while keeping the chlorine demand low but at the same time carry chlorine throughout all parts of the distribution system. See attachment #1 for a complete explanation.

McLaughlin explained the secondary benefit of having mixers within the tanks is they prevent ice from forming. There was a technical explanation provided on how this process works and the effect on the percentage change in the amount of chlorine that would need to be added with this new process. Part of this project involves adding a chlorine analyzer as one of the new components. A general reminder was provided that this project as well as the Lagoons project must be in compliance with the Davis Bacon and American Iron & Steele requirements as well as the others associated with the use of SRF monies.

Public hearing opened.

There were no comments.

Approved - Council Order #011614: Order authorizing the issuance of up to \$685,000 of the City's General Obligation Bonds and notes in anticipation of to finance upgrades to the City's State Street and High Street Water Tanks, as stated in attachment #3A.

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHEM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

Public hearing closed.

On a motion by Phillips, seconded by Blanchette, it was

RESOLVED to approve Council Order #011614: Order authorizing the issuance of up to \$685,000 of the City's General Obligation Bonds and notes in anticipation of to finance upgrades to the City's State Street and High Street Water Tanks, as stated in attachment #3A.

Prior to a vote being taken on the above motion, Councilor Beathem was concerned if this motion passes would the Water Department have sufficient retained earnings to take advantage of cost saving opportunities that might come about in conjunction with road projects and the installation of new water lines. Mote stated the money would need to be borrowed and likely the retained earnings would not be available to repay those loans. At that time it may be necessary to review the rate structure and it may be determined that a rate increase would be necessary. The passage of this motion concerns Beathem that the reserves will be exhausted. Councilor Moore questioned what percentage of money in this project will be dedicated to the improvement of the tanks exclusively. McLaughlin stated the tank painting line item is estimated to be \$300,000, which translates to a little less than half of the total expense. The benefit of addressing this deferred maintenance item at this time is the tank will already be taken down and isolated from the distribution system for the mixer portion of the project. Moore wondered if deferring the maintenance portion a little longer would have an impact on whether or not the water treatment portion could be completed. McLaughlin confirmed it could be deferred; however, it has already been put off for some time resulting in the paint inside the tanks being approximately 35 years old. This timeframe is way past the useful life span; potentially the paint system could fail causing the metal underneath to be exposed to water which will result in corrosion. Councilor Blanchette was not in favor of deferring this item any longer, costs related to routine maintenance is necessary especially when considering clean water. Assets must be maintained.

A final vote was taken on the above motion with all members voting unanimously in favor.

Executive session to discuss personnel matters in accordance with MRSA Title 1, Chapter 13, Section 405, Paragraph 6A.

Approved - Entering executive session to discuss personnel

**RECORD OF SPECIAL MEETING
ELLSWORTH CITY COUNCIL**

DATE: JANUARY 29, 2016

TIME: 8:00 AM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BEATHEM, BLANCHETTE, CROSTHWAITE,
FORTIER, MOORE, PERKINS AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JOHN WEDIN, LAWRENCE WILSON, MICHELE GAGNON, AND MICKI
SUMPTER.**

On a motion by Phillips, seconded by Beathem, it was unanimously

RESOLVED to approve entering executive session to discuss personnel matters in accordance with MRSA Title 1, Chapter 13, Section 405, Paragraph 6A at 9:12 AM.

Chairman Crosthwaite asked for Tammy Mote, David Cole and Donald O'Halloran to remain in the Executive Session.

On a motion by Fortier, seconded by Moore, it was unanimously

RESOLVED to approve adjourning from the executive session at 9:20 AM.

Council Order #011615, Request to approve the appointment of an Interim Police Chief.

There was no discussion prior to a motion being made. See attachment #4 for the complete request, resume from Donald O'Halloran, and letter of employment.

On a motion by Fortier, seconded by Blanchette, it was unanimously

RESOLVED to approve Council Order #011615, the appointment of Donald O'Halloran as Interim Police Chief for the City of Ellsworth, effective February 1, 2016 per the terms of the Employment Offer letter (see attachment #4).

Adjournment.

On a motion by Fortier, seconded by Blanchette, it was unanimously

RESOLVED to approve adjournment at 9:22 AM.

A TRUE COPY

**ATTEST: _____
HEIDI-NOËL GRINDLE**

matters in accordance with MRSA Title 1, Chapter 13, Section 405, Paragraph 6A at 9:12 AM.

Approved – Adjournment of the executive session.

Approved - Council Order #011615, appointment of Donald O'Halloran as Interim Police Chief for the City of Ellsworth, effective 2/1/16 per the terms of the Employment Offer letter (see attachment #4).

Approved - Adjournment at 9:22 AM.