

Long Creek Watershed Management District Governing Board
Minutes - May 21, 2010 Meeting

1. Board Chair Jalbert called the meeting to order at 10:06 a.m.
2. **Roll call** - Board members Palmer and Gorris were absent.
3. **Minutes** – Mr. Hughes made the motion to accept the minutes as presented. Ms. Costigan seconded the motion. The motion was approved unanimously.
4. **Treasurer’s report**
 - see attached report that covers the following:
 - Bank selection
 - Recommendation for Fixed Asset Threshold
 - i) Question was asked about whether assets that are on private property will be taxed by the municipality; ED was requested to explore this.
 - Financial Policies/Procedures Document – addressed as item 11 on agenda
 - Update on Transfer of Finances
 - Estimate of Expenditures and Revenues for Next Fiscal Year
 - Mr. Goldberg moved that the report be accepted as presented. Mr. Hughes seconded the motion. The motion was approved unanimously.
5. **Executive Director’s report**
 - As of this meeting, there are 49 Executed PLAs totaling 35% of the impervious acreage; 65 checks have been received for a total of 49% of the impervious acreage; 74 PLAs are in progress for a total of 59% of the impervious acreage; and verbal confirmation of participation from an additional 21 entities totaling 83% of the impervious acreage.
6. **Election of Officers.** Under Art. IV, Sec. 1., “The officers of the Corporation shall be a President/Chair, Vice-President/Vice-Chair, Treasurer, Secretary and Registered Agent.”
 - Mr. Katsiaficas explained that per the by-laws the Registered Agent is listed along with the officers and he has been serving in this capacity.
 - Mr. Hughes moved that the current slate of officers (Gerard Jalbert - President/Chair, Mary Costigan - Vice-President/Vice-Chair, Curtis Bohlen - Treasurer, Dan Bacon – Secretary, Jim Katsiaficas – Registered Agent). Mr. Thomes seconded the motion. The motion was approved unanimously.
7. **Bylaw Amendment.** To amend the Bylaws of the Long Creek Watershed Management District to require that, except as specified by law or the bylaws, the Board of Directors shall act and may amend the bylaws by a two-thirds majority vote of the Directors present in person and voting at any duly called and held meeting of the Board of Directors at which a quorum is present, rather than by simple majority vote of Directors present in person as the Bylaws now provide (Majority vote is required to so amend the Bylaws). See Attachment A.
 - Mr. Bacon moved approval of Bylaw Amendment as presented. Mr. Thomes seconded the motion. The motion was approved unanimously.
8. **Accept and Issue Initial Assessments.** To approve the Initial Assessments prepared by the Executive Director and to issue those Initial Assessments to the Participating Landowners and to assess the same upon them pursuant to Sections 5.H. and 6.B of the “Interlocal Agreement Among the Municipalities of Portland, South Portland, Scarborough and Westbrook to Establish the Long Creek Watershed Management District” and to Article II, Section 2.H. and Section 3.B. of the Bylaws of the Long Creek Watershed Management District. Go to <http://www.restorelongcreek.org/govboard/meetings/05-21-2010/index.htm> to peruse entire set of Initial Assessments. Printed set will be presented at meeting for review and approval.

- ▶ Tamara explained that a couple of properties' (Coca Cola of Northern New England, Anthem and Transport Leasing) assessments have changed from the original posting on the website. The revised and up to date assessments are on the website and were presented at the meeting.
 - ▶ Mr. Hughes moved that the Initial Assessments be accepted and approved as presented. Mr. Russell seconded the motion. The motion was approved unanimously.
9. **Accept CFUP Fees.** To authorize the Long Creek Watershed Management District to enter into an agreement with the Maine Department of Environmental Protection to accept Compensation Fee Utilization Plan (CFUP) fees paid by Long Creek Watershed landowners under Site Location of Development Law and/or Stormwater Management Law permits, and to authorize the Long Creek Watershed Management District Chair/President to execute documents necessary thereto. *[This authorizes LCWMD to directly receive CFUP fees prospectively; the CFUP fees South Portland has paid to CCSWCD will be transferred by CCSWCD along with all other Long Creek-related accounts and indebtedness at the June, 2010 LCWMD meeting.]*
- ▶ Mr. Hughes moved that the LCWMD accept CFUP funds from MDEP. Mr. O'Hara seconded the motion. The motion was approved unanimously.
10. **Accept and Assume CCSWCD Landowner Easements.** To accept the assignment of and to assume the obligations under Landowner Easements for stimulus-funded projects at 220 Maine Mall Road, South Portland and at Darling Avenue, South Portland from Cumberland County Soil & Water Conservation District to Long Creek Watershed Management District when Landowners enter into Participating Landowner Agreements with Long Creek Watershed Management District, and to authorize the Long Creek Watershed Management District Chair/President to execute Assignment and Assumption of Easement documents necessary thereto (See Attachment B – an example of "Assignment and Assumption of Easement" form).
- ▶ Mr. Hughes moved item as presented. Mr. Thomes seconded the motion. The motion was approved unanimously.
11. **Financial Control Document.** To provide financial controls that meet GAAP standards. See Attachment C.
- ▶ Under Section IV, Subsection A, "Controls over Cash" add, "Controls on Investments – Funds can be put in CDs and Money Market Accounts to best utilize funds and ensure safety as a top priority."
 - ▶ Mr. O'Hara moved item as amended. Mr. Hughes seconded the motion. The motion was approved unanimously.
12. **Recommendation for Board Committees.** It is recommended that the Board convene two committees at this time – Finance and Technical. Committee terms will extend two years. The Finance Committee will be chaired by the Treasurer; will meet quarterly and will have a minimum of four members and maximum of six. The Technical Committee will have a minimum of four members and maximum of eight. The Technical Committee will provide input to the Executive Director on the implementation of the Operation and Maintenance Plan and the prioritization of implementation of the Management Plan.
- ▶ Add under Technical committee "at least one of whom will be a board member."
 - ▶ Mr. Raymond moved item as amended. Mr. Hughes seconded the motion. The motion was approved unanimously.
13. **Recommendation for Committee appointment process.** It is recommended that the Committee members fill out a basic application form expressing interest in serving on Board Committees. Applicants will be presented for appointment at LCWMD Board meetings.
- ▶ No motion. Board approved of recommended process.

14. **Monitoring Plan.** Recommendation to accept the monitoring plan and approve submission to DEP for approval to fulfill a requirement of the General Permit. See Attachment D.
 - Executive Director to align all dates in the document (first page, headers, etc.).
 - Mr. Russell moved item as amended. Ms. Costigan seconded the motion. The motion was approved unanimously.

 15. **Monitoring services.** To authorize the Executive Director to hire monitoring services to begin implementation of the water quality monitoring program. Anticipated costs outlined in Monitoring Plan (Attachment D).
 - Ms. Costigan made a motion to authorize the Executive Director to obtain quotes for monitoring services to begin implementation of the water quality monitoring program on a short term basis and develop and release a request for proposals for monitoring services to be presented for action at the next board meeting. Mr. Russell seconded the motion. The motion was approved unanimously.

 16. **Monitoring equipment.** To authorize the Executive Director to purchase Data Sondes for water quality monitoring. Anticipated costs outlined in Monitoring Plan (Attachment D).
 - Mr. Hughes moved item as presented. Mr. Goldberg seconded the motion. The motion was approved unanimously.

 - 16 A. **Individual Permit Holders Fee Structure.** To authorize a fee structure for the stream restoration fee and monitoring fee for landowners who will seek an individual permit. Proposed fees are in Attachment D-1.
 - Mr. Goldberg moved the item as presented. Mr. Russell seconded the motion. The motion was approved unanimously.

 - 16 B. **Individual Permit Holders Stream Restoration Fees.** To authorize the LCWMD to enter into an agreement with the Maine Department of Environmental Protection to accept Stream Restoration Fees paid by designated Long Creek landowners under individual stormwater permits and to authorize the Long Creek Watershed Management District Chair/President to execute documents necessary thereto.

 - 16 C. **Individual Permit Holders Monitoring Services.** To authorize the monitoring services agreement for landowners who will seek to pay into the monitoring program of the LCWMD and to authorize the LCWMD Chair/President to execute such agreements on behalf of LCWMD. The monitoring agreement will be in a form substantially similar to Attachment D-2.
 - Mr. O'Hara moved items 16B and 16C as presented. Mr. Raymond seconded the motion. The motion was approved unanimously.
- Motion made by Mr. Russell to accept the following four items as additions to the agenda. Mr. O'Hara seconded the motion. The motion was approved unanimously.
17. **Late policy.** To provide the Executive Director direction on acceptance of designated landowners who choose to enter into the General Permit after the timeframe that is allowed for in the PLA.
 - Board discussed the collective interest to have more participation. Late fee to be an agenda item for the June meeting.
 - Mr. O'Hara moved that LCWMD accept late participation with no prorating for late sign up. Mr. Goldberg seconded the motion. The motion was approved unanimously.

 18. **Philbrook Avenue Associates plan modification request.** To provide authorization to the Executive Director to send attached letter to Philbrook Avenue Associates representative, Lou Masiello, in acknowledgement that the board will consider a proposed plan modification to be presented at the June meeting of the Board.

- ▶ Change item 2 in letter to read, “The conceptual design shall be submitted to the District by Philbrook for review by the District’s Engineer and Philbrook Avenue Associates LLC shall pay the District’s peer review cost for the same.”
 - ▶ Change item 3 in the letter to read, “The relocated and reconfigured detention basin shall provide materially the same or better functionality and benefit as the detention basin currently identified in the Plan at reasonable cost to the District.”
 - ▶ Mr. O’Hara moved the item as amended. Mr. Raymond seconded the motion. The motion was approved unanimously.
19. **DEP Compliance Policy.** Information to be provided by Don Witherill, Director of Division of Watershed Management, regarding DEP’s proposed policy on compliance with the Long Creek General Permit.
- ▶ Notification period is 180 days. All landowners have 180 days from the point they were notified (this clock begins when notification is received by landowner) to either submit an individual permit or submit a Notice of Intent to comply with the General Permit. Anyone who doesn’t do either of these by the end of the Notification period will receive notice from DEP that they are overdue and subject to enforcement action. DEP will provide a limited period of time for a landowner to come into compliance before pursuing enforcement.
 - ▶ DEP’s view on late sign ups – looking to get voluntary compliance. Believe that it is best to allow sign up within notification period. If someone were to enter into an Individual Permit and then not comply within the two year time frame and then they wanted to join the General Permit, they should have to pay from day one. However, if there is a newly designated property, then it would be appropriate to prorate it.
20. **Bank contract.** To authorize the Chair/President to sign a contract with TD Bank.
- ▶ Mr. Bohlen moved the item as presented. Mr. Bacon seconded the motion. The motion was approved unanimously.
21. **Procurement Policy.** To authorize the Finance Committee to work with the Executive Director to draft a procurement policy to bring to the board for approval.
- ▶ Board approved Treasurer to work with the Executive Director to draft a procurement policy to bring to the board for approval.
22. **Board Insurance.** To authorize the Executive Director to seek quotes for insurance, both for the entity and for the Directors, in accordance with recommendations laid out in Attachment E.
- ▶ Mr. Bohlen moved item as presented. Mr. Goldberg seconded the motion. The motion was approved unanimously.
23. **Legal Services.** To hire legal counsel for the Long Creek Watershed Management District and to authorize the Long Creek Watershed Management District Chair/President to execute documents necessary thereto.
- ▶ Mr. Jalbert made the motion to authorized an RFP for legal counsel for the LCWMD and to continue legal services until a replacement has been hired. Mr. Bohlen seconded the motion. The motion was approved unanimously.
24. **Accounting Services.** To hire an accountant for the Long Creek Watershed Management District and to authorize the Long Creek Watershed Management District Chair/President to execute documents necessary thereto. See Attachment F.
- ▶ Mr. Jalbert moved the item as presented. Mr. O’Hara seconded the motion. The motion was approved unanimously.

25. **Audit Services.** To direct the Executive Director to issue a Request for Proposals for auditing services.
- Mr. Golberg moved the item as presented. Mr. Russell seconded the motion. The motion was approved unanimously.

26. **Public Comments.**

27. **Meeting adjourned at 1:02 p.m.**

Long Creek Watershed Management District

Treasurer's Report

LCWMD Board Meeting, May 21, 2010

Curtis C. Bohlen, Treasurer

Bank Selection

We received 4 proposals from area banks in response to our RFP requesting information on banking services. Proposals were received from:

- TD Bank;
- Bangor Savings Bank;
- Gorham Savings Bank; and
- Mechanics Private Bank.

Tamara Lee Pinard, Betty McInnes and I met to review the four proposals.

Banks differed in fee structure, interest rates paid to depositors on bank balances and the types of electronic and cash management services they offered. In the end, however, all four banks offered banking services that would meet LCWMD minimum needs, and so the choice among the four banks came down largely to cost.

TD Bank offers a banking package for municipal and quasi-municipal organizations for which they charge no fees. Our estimates for monthly banking service fees for the other banks were all quite similar, working out to about \$135 dollars a month under a "high services" model, and about \$115 a month under a "moderate services" model.

While TD Bank charges no fees, they also pay the lowest interest rate on account balances of the four banks (currently 0.20%). I suggest that we maintain a relatively low account balance at TD Bank, and invest additional funds in CDs held at other institutions. This approach has the added advantage of ensuring that all our deposits are insured by FDIC.

Review of the four banks' proposal also made it clear that the volume of receipts we anticipate receiving does not make it cost-effective to use lock box services for receiving checks and depositing them to our account.

Recommendation for Fixed Asset Threshold

The LCWMD will be acquiring significant physical assets as part of our efforts to improve water quality in Long Creek. The Board needs to establish a policy for when to track such assets in our books, and when to simply treat purchase of such assets as an expense.

I recommend that LCWMD track as fixed assets:

1. All assets (such as stormwater control structures) with a value of more than \$5,000;
2. Water quality monitoring equipment costing more than \$2,500 per unit, or when several pieces of similar equipment are purchased for an aggregate cost greater than \$5,000.

LCWMD will be purchasing thousands of dollars worth of water quality monitoring equipment such as YSI water quality data sondes (which continuously measure dissolved oxygen, temperature, and conductivity). Individually, these devices cost slightly less than \$5,000, but we will often need several similar pieces of equipment to allow comprehensive monitoring. As a result, the cumulative investment in monitoring equipment will be significant. We will have to replace monitoring equipment as it wears out. It seems prudent to track this equipment as fixed assets.

Financial Policies/Procedures Document

The proposed financial policies and procedures document was distributed to Board members in the information packet for this meeting. This represents proposed financial control policies as recommended by the accounting firm with whom CCSWCD has been working, as reviewed and amended.

I welcome discussion of the document and recommend it be approved as presented.

Update on Transfer of Finances

The board will need to approve the transfer of Long Creek –related assets and liabilities from the CCSWCD books to the LCWMD books. The transfer would be made on July 1, 2010, to correspond with the first day of the LCWMD's fiscal year. The actual transfer will be based on audited accounts. Preliminary review of CCSWCD books suggests that the transfer will include (all figures as of April 31, unaudited):

(1) Administrative costs accrued by CCSWCD on behalf of LCWMD

- \$ 15,493.98 as of April 31, but this figure will increase, perhaps by as much as \$20,000 to reflect administrative costs in May and June.

(2) "Start up" costs not covered by previous grants.

- \$79,279.49. This figure reflects, in part, costs of preparing and discussing 20 drafts of the Participating Landowner Agreement.

(3) Built assets, debt, etc. derived from the ARRA projects through the SRF.

- (ca. \$2.2 million total in project costs. 27% loan forgiveness, so total loan to be repayed ~ \$ 1.6 million.)

Estimate of Expenditures and Revenues for Next Fiscal Year

The LCWMD Fiscal Year begins July 1. We will present a formal budget for the upcoming fiscal year at our next Board meeting. The following table shows a preliminary estimate of anticipated revenues and expenses for the current fiscal year and for LCMD's first full fiscal year, beginning in July.

The values presented here are based on:

- (1) An estimate of \$1.425 Million in revenue annually. 15% of those fees for the first year come in before the end of the current fiscal year. The remainder is due in July and January. This figure is still an estimate – I have not yet been able to review actual receipts.
- (2) A review of CCSWCD books relating to Long Creek, including administrative costs accrued this spring, and unreimbursed start up costs.
- (3) An estimate of administrative costs for May and June of this year.

Please note that the ARRA / SRF projects constructed last year and this year are not yet fully incorporated here, as I do not yet understand fully how the SRF loan will be integrated into our books.

	Current Fiscal Year 2009-2010	Next Fiscal Year 2010-2011
Income		
Participant Fees	\$213,750	\$1,232,500
Non-Participant Fees		\$1,000
Interest		\$6,650
TOTAL INCOME	\$213,750	\$1,240,150
Expenses		
Administrative	\$31,000	\$120,000
Remaining Start-up costs (reimbursement)	\$80,000	
Good Housekeeping	\$1,750	\$100,000 *
Annual Debt Service		\$80,300
Construction	\$500	\$600,000 *
Monitoring, Annual	\$4,500	\$68,750
Monitoring, Start-up	\$30,000	\$20,000
TOTAL EXPENSES	\$147,750	\$989,050
Net Change	\$66,000	\$251,100

* Values are not based on actual projects or tasks, and so will change, possibly significantly.