

BRUNSWICK SEWER DISTRICT
Board of Trustees Special Meeting
22 May 2012

Approved Minutes

Call to Order

The special meeting of the Board of Trustees of the Brunswick Sewer District was called to order by General Manager Blanchette at 6:34 pm on Tuesday, 22 May 2012, in the conference room at District offices. A prepared agenda was noted and the meeting was recorded.

Members present: Chair Priest, Trustees Green, Barbour and Schwindt

Absent: Trustee Boochever.

Others present: General Manager (GM) Blanchette, Camera Operator Madison Brownne, and Mrs. Bonnie Shippen (Minutes).

Meeting Advertisement

The meeting was advertised in the Monday, 7 May 2012, edition of the *Times Record* and also in a letter distributed to the ratepayers.

Public Comment

There was no public comment.

Description of Administration Office Building Renovation Project

GM Blanchette presented to the Board, on paper and hanging on the conference wall, the floor plan and exterior front and rear views of the proposed Administration Building Renovation Project. He noted Ouellet Associates was hired as the Contract Manager for the renovation project and they hired Harriman Associates to architecturally design the proposed building renovations.

The Board members questioned the exterior size of the building, the energy efficiency of the design and the major changes being made. GM Blanchette noted the exterior walls and floor size will stay the same. The major change will be the front entrance, lobby area and a pitched roof and exterior siding will be added. Some of the interior walls will be moved or removed, interior paint, lighting and heating will be updated, and the building will be ADA compliant. GM Blanchette explained that the District would see a change in the energy cost due to the baseboard heating system being removed and a more efficient heat pump system being installed. He also noted that all new windows designed for efficiency will be installed.

Report on Resolution Authorizing Sewer Bonds

The District's Bond Counsel has prepared the following Board of Trustees Resolution Authorizing Sewer Bonds in an Amount Not to Exceed \$500,000 for the purpose of "renovation to and equipping of the District's existing Administration Building and offices at 10 Pine Tree Road, Brunswick, Maine".

BRUNSWICK SEWER DISTRICT

**BOARD OF TRUSTEES RESOLUTION
AUTHORIZING SEWER BONDS
IN AN AMOUNT NOT TO EXCEED \$500,000**

WHEREAS, the Brunswick Sewer District (the "District") intends to finance the following improvements, together with all architectural and engineering fees and other Costs (as defined herein) with respect thereto and other services related thereto (the "Projects"):

- a. Renovation to an equipping of the District's existing Administration Building and offices at 10 Pine Tree Road, Brunswick, Maine

WHEREAS, the District desires to finance the Costs of such Project by issuing its sewer bond in the maximum aggregate amount of \$500,000 and to borrow such money through the State Revolving Loan Fund of the Maine Municipal Bond Bank (the "Bond Bank") (or such other fund or program administered by the Bond Bank and for which the Project is eligible);

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Trustees of the Brunswick Sewer District (the "Board") Assembled:

THAT: Pursuant to the District's Charter, Chapter 103 of the Private and Special Laws of 1981 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, there is hereby authorized and approved the issuance of the bonds of the District and/or temporary notes in anticipation thereof in an aggregate principal amount not to exceed \$500,000, the proceeds of which shall be used to finance the Costs of the Projects above-described.

THAT: Each bond or note issued hereunder shall be signed by the Treasurer and the Chairman of the Board of Trustees, and shall be sealed with the seal of the District, attested to by its Clerk.

THAT: The bonds shall be dated as of such date, mature at such times (but not to exceed 40 years from the date of issuance) and in such amounts, bear interest at such rate or rates, and to be in such form and contain such terms and provisions as the Treasurer and the Chairman of the Board of Trustees may approve, such approval to be conclusively evidenced by their execution thereof.

- THAT:** The Treasurer be and hereby is authorized to provide that any of the bonds and notes hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity,
- THAT:** The Treasurer, to the extent permitted and available under the Internal Revenue Code of 1986, as amended (the “Code”) be and hereby is authorized to designate the bonds and notes hereinbefore authorized as qualified tax-exempt obligations for purposes of Section 265(b) of the Code.
- THAT:** The Treasurer and Chairman of the Board of Trustees are authorized, in the name of and on behalf of the District, to enter into a loan agreement with the Bond Bank in conjunction with the issuance of the bonds, in the aggregate principal amount not to exceed \$500,000, with a term not to exceed the term of the bonds, said loan agreement to be in the usual and ordinary form utilized by the Bond Bank in connection with the State Revolving Loan Fund (or such other fund or program administered by the Bond Bank and for which the Project is eligible) which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer and Chairman of the Board of Trustees may approve, their approval to be conclusively evidenced by the execution thereof.
- THAT:** The Treasurer is authorized to borrow money in anticipation of said bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities (not to exceed 5 years from the date of issuance) and all other details of each issue of notes, including the form and manner of their sale and award, subject to the provisions of the law, the District’s Charter and these Resolutions.
- THAT:** The bonds shall be transferable only on registration books of the District kept by the transfer agent, and said principal amount of the bonds of the same maturity (but not of other maturity) in the denomination approved by the Treasurer, upon surrender thereof at the principal office of the transfer agent, with a written instrument of transfer satisfactory to the transfer agent duly executed by the registered owner or his attorney duly authorized in writing. Upon each exchange or transfer of a bond the District and the transfer agent shall make a charge sufficient to cover any tax, fee or any other governmental charge required to be payable with respect to such exchange or transfer, and with respect to such exchange or transfer, and subsequent to the first exchange or transfer, the cost of preparing new bonds upon exchanges or transfer thereof to be paid by the person requesting the same;
- THAT:** The Treasurer and Chairman of the Board of Trustees from time to time shall execute such bonds as may be required to provide for exchanges or transfers of bonds as heretofore authorized, all such bonds to bear the signature of the Treasurer countersigned by the President of the Board of Trustees;

THAT: If the bonds and notes hereinbefore authorized are issued on a tax exempt basis, the Treasurer be and hereby is authorized to covenant and certify on behalf of the District that no part of the proceeds of the issue and sale of the bonds and notes hereinbefore authorized shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such notes or bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

THAT: If the bonds and notes hereinbefore authorized are issued on a tax exempt basis, the officers executing such bonds and notes be and hereby are individually authorized to covenant and agree, on behalf of the District, for the benefit of the holders of the bonds or notes, that the District will file any required reports and take any other action that may be necessary to ensure that interest on the bonds or notes will remain exempt from federal income taxation, and that the District will refrain from any action that would cause interest on the bonds or notes to be subject to federal income taxation.

THAT: If the bonds and notes hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized to designate the bonds and notes issued hereunder as qualified tax exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, to the extent permitted thereby.

THAT: The Treasurer be and hereby is authorized to covenant, certify and agree, on behalf of the District, for the benefit of the holders of such bonds, that the District will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to insure that the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, if applicable, are met;

THAT: If any of the officers or officials of the District who have signed or sealed the bonds and notes hereinbefore authorized shall cease to be such officers or officials before the bonds or notes so signed and sealed shall have been actually authenticated or delivered by the District, such bonds or notes nevertheless may be authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such bonds notes had not ceased to be such officer or official; and also any such bonds or notes may be signed and sealed on behalf of the District by those persons who, at the actual date of the execution of such bonds or notes, shall be the proper officers and officials of the District, although at the nominal date of such bonds or notes any such person shall not have been such officer or official.

THAT: The term “Cost” or “Costs” as used herein and applied to the Project, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost of construction, building, alteration, enlargement, reconstruction, renovation,

improvement, and equipping of the Project; (3) the cost of all appurtenances and other facilities either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of landscaping, site preparation and remodeling of any improvements or facilities used or usable in connection with the Project; (5) the cost of all labor, materials, building systems, machinery and equipment incurred with respect to the Project; (6) the cost of land, structures, real property interests, rights, easements, and franchises acquired in connection with the Project; (7) the cost of all utility extensions and site improvements and development relating to the Project; (8) the cost of planning, developing, preparation of specifications, surveys, engineering, feasibility studies, legal and other professional services associated with the Project; (9) the cost of environmental studies and assessments relating to the Project; (10) the cost of financing charges and issuance costs, including premiums for insurance, interest prior to and during construction, interest following completion of construction but not beyond 3 years from the issue date, underwriters' fees and costs, legal and accounting fees and costs, application fees, and other fees and expenses relating to the financing transaction; and (11) the cost of all other financing authorized hereunder, whether related or unrelated to the foregoing.

THAT: The investment earnings on the proceeds of the bonds and notes hereinbefore authorized, if any, and the excess proceeds of such bonds and notes (including premium), if any, be and hereby are appropriated for any of the following purposes:

1. To any Costs of the Project;
2. If issued on a tax exempt basis, in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the bonds or notes;
3. To pay interest on the bonds;
4. To the District's General Fund.

THAT: The Treasurer, Chairman of the Board of Trustees and Clerk and other proper officials of the District be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, agreements, assignments, certificates and other documents as may be necessary or advisable, with the advice of counsel for the District, to carry out the provisions of the resolutions heretofore adopted at this meeting in connection with the Project, the issuance, execution, sale, and delivery by the District of the bonds and the execution and delivery of the documents, including the entering into of a loan agreement or an interim loan agreement with the Bond Bank.

THAT: If the Treasurer, Chairman of the Board of Trustees or Clerk are for any reason unavailable to approve and execute the bonds and notes hereinbefore authorized, or any of the bond documents to be delivered with respect thereto, the person or persons then acting in any such capacity, whether as an assistant, a deputy, on an interim basis or otherwise, is authorized to act for such official with the same force and effect as if such person had herself performed such act.

THAT: The following resolutions required by Section C(4)(e) of the State of Maine Revolving Loan Fund Rules, Chapter 595, Department of Environmental Protection and Maine Municipal Bond Bank (the "SRF Regulations"), and governing the loan to be made to the District under the State Revolving Loan Fund Program be and hereby are adopted:

(1) that a Project Account shall be created for the Project which shall be separate from all other accounts of the District. If operating revenues are to be used to retire the debt, a sub-account will be established.

(2) that the Project Account shall be maintained in accordance with standards set forth by the Maine Municipal Bond Bank and in accordance with generally accepted government account standards.

(3) that a final accounting shall be made to the Bond Bank of the total cost of the project upon completion of the Project performance certification as set out in Section G(3) of the SRF Regulations and the District acknowledges that the Bond Bank reserves the right at its sole discretion to be provided with a cost certification of the Project as built.

(4) that an annual audit of the District, prepared by a certified public accountant or licensed public accountant be provided to the Bond Bank for the term of the loan.

(5) that the District shall maintain insurance coverage on the Project in an amount adequate to protect the Bond Bank's interest for the term of the loan with the Bond Bank named as loss payee.

(6) that the District will comply with any special conditions specified by the Department of Environmental Protection's environmental determination until all financial obligations to the State have been discharged.

(7) that the District certify to the Bond Bank that it has secured all permits, licenses and approvals necessary and that it has a dedicated source of revenue for repayment.

(8) that the District establish a rate, charge or assessment schedule in order to pay principal and interest. Such rate change or schedule shall provide total

operations and debt service coverage at a level at which the coverage for the Bond Bank is sufficient.

(9) that the District demonstrate the ability to pay reasonably anticipated costs of operating and maintaining the financed Project.

(10) that the District abide by the SRF Regulations, as revised and amended and relevant State statutes of the State of Maine.

THAT: During the term any of the bonds are outstanding, the Treasurer be and hereby is authorized to issue and deliver refunding bonds to refund some or all of the bonds then outstanding, and to determine the date, form, interest rate, maturities (not to exceed 40 years from the date of issuance of the original bonds) and all other details of such refunding bonds, including the form and manner of their sale and award. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and each refunding bond issued hereunder shall be signed by the Treasurer and the Chairman of the Board of Trustees, and shall be sealed with the seal of the District, attested to by its Clerk.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT ON 17 APRIL 2012, TO ADOPT THE BOARD OF TRUSTEES RESOLUTION AUTHORIZING SEWER BONDS IN AN AMOUNT NOT TO EXCEED \$500,000.

Public Comment on Debt Authorized

GM Blanchette noted that the purpose of this meeting is to answer questions from the public regarding the bond for the Administration Building Renovation. He noted at this time there was no public present and no public comment has been recieved as a result of the notifications presented to the ratepayers.

Schedule of Upcoming Meetings and Events

The upcoming meeting is as follows:

- Trustee Regular Tuesday 22 May 2012 7:00 pm

Remarks from the Chair

Chair Priest thanked the Trustees present, GM Blanchette, Camera Operator Madison Brownne, and Mrs. Bonnie Shippen for their time.

Adjournment

There being no further business before the Board,

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADJOURN THE BOARD OF TRUSTEES SPECIAL MEETING AT 6:45 PM.

Attest: _____
David N. Barbour
Assistant Treasurer, Board of Trustees