

Greater Augusta Utility District Board Agenda

Monday, June 16, 2025, 6:00 PM

22 Arsenal Street District Meeting Room, Augusta, Maine

1. Welcome - Knight
2. Introduce Board members
3. Introduce GAUD employees, consultants and guests
4. Agenda additions
5. Old Business
 - a. Approve meeting minutes - **Motion** - pages 10-12
 - b. Rate committee update
 - c. Project updates – pages 5 - 7
 - d. General Manager's report – pages 8 - 9
 - e. PFAS “forever chemicals”
6. New business
 - a. Review financial statements - pages 13 - 15
 - b. Review liens -
 - c. Discuss septage receiving and grit management
 - d. Approve changes to policy 5: Procurement and Purchasing - pages 16 - 19
 - e. Communications update
 - f. HR update
 - g. Executive session - **Motion**
 - h. Public comment
7. Adjourn - **Motion**

Attachments:

- Minutes
- Financial statements

Attendees:

<input type="checkbox"/>	Knight – Chair	<input type="checkbox"/>	Tudman Walker	<input type="checkbox"/>	Sawyer	<input type="checkbox"/>	Begin
<input type="checkbox"/>	Paradis – Clerk	<input type="checkbox"/>	Munson	<input type="checkbox"/>	Taylor	<input type="checkbox"/>	Payne
<input type="checkbox"/>	Corey – Treasurer	<input type="checkbox"/>	Luke	<input type="checkbox"/>	Dennett	<input type="checkbox"/>	Tarbuck

A quorum consists of 4 voting Trustees. The table below reflects my best understanding of current terms.

Name	Role	Term expiration	Original	Years served
Ken Knight	Chair	9/19/2025	11/5/2003	21.5
Bob Corey	Treasurer	11/5/2026	3/17/2016	9.2
Pat Paradis	Clerk	1/5/2026	1/5/2017	8.4
Tim Dennett	Augusta	11/5/2026	4/17/2025	0.1
Keth Luke	Augusta - non voting	12/31/2025	6/1/2016	9.0
Cecil Munson	Augusta	1/5/2026	1/5/2017	8.4
Brad Sawyer	Augusta	2/4/2028	11/15/2016	8.5
Keith Taylor	Hallowell		9/2/2024	0.7
Kara Tudman Walker	Hallowell - non-voting		9/2/2024	0.7

Guests:





Executive sessions are described in [MRS Title 1 Section 405](#). Executive sessions may only be called by a public recorded vote of 3/5 of the members, present and voting.

Upcoming meetings and holidays:

Thursday, June 19, 2025	Juneteenth	Holiday
Friday, July 4, 2025	Independence Day	Holiday
Monday, July 21, 2025	Regular meeting	22 Arsenal
Monday, August 18, 2025	Regular meeting	22 Arsenal
Monday, September 1, 2025	Labor Day	Holiday
Monday, September 15, 2025	Regular meeting	22 Arsenal
Monday, October 13, 2025	Indigenous Peoples Day	Holiday

Training opportunities

1. Welcome
2. Introduce Board members
3. Introduce GAUD employees, consultants and guests
4. Agenda additions
5. Old business

a. Approve meeting minutes - **Motion**

Motion: I move to accept the Board meeting minutes for May 19, 2025.			
M	2nd	For	Against

b. Rate committee update

The rate committee (Bob Corey, Cecil Munson, Mike Payne, Brian Tarbuck) met on Wednesday, June 11th at 0700. It is too soon to make any recommendations for rate adjustments in 2026.

c. Project updates - Begin

Andy will provide updates regarding the District's capital improvement projects.

d. General Manager's report - Tarbuck

Brian will provide updates not otherwise covered in this report.

e. PFAS "forever chemicals" update

Andy covered our current PFAS issues in the project summary.

6. New business

a. Review financial statements

Mike Payne will review the June, 2025 financial statements.

Mike will also answer any of your questions about the active [request for proposals](#) for financial audit services which is due on Monday, July 7, 2025, by 2:00 PM EST.

b. Review liens

Management recommends waiving automatic foreclosure at 106 Eastern Avenue.

The City of Augusta has foreclosed on the property. The owner of the property is deceased. We have 10 liens and have already waived 6. Stormwater liens will accumulate until the property is sold.

Motion: I move to waive automatic foreclosure at 106 Eastern Avenue.			
M	2nd	For	Against

c. Discuss septage receiving and grit management

GAUD's WWTP is permitted to accept up to 20,000 gallons of septage per day. We recently began accepting septage as a way to improve facility performance and generate a small amount of revenue. John Cummons will provide additional information at the meeting.

The motion below sets the rate for accepting septage.

Motion: I move to set the rate for accepting septage waste at the wastewater treatment plant at \$0.10 per gallon.			
M	2nd	For	Against

d. Approve changes to policy 5: Procurement and Purchasing

The changes recommended for approval are based on recommendations by the auditors. You'll recall that although we follow the federal procurement guidelines as codified in our contracts that are funded by federal funds the auditors suggested that this language is also included in our policy documents.

Motion: I move to approve the changes to the procurement and purchasing policy as presented to this meeting.

M	2nd	For	Against
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e. Communications update - Meredith Strang-Burgess

Meredith will provide updates for the board.

f. HR update - Alan Burton

Alan will provide updates for the board.

g. Executive session

Motion: I move to enter executive session to discuss negotiations relating to the collective bargaining agreement between GAUD and Teamsters Local 340 pursuant to MRS §405 6 D.

M	2nd	For	Against
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h. Public comment

7. Adjourn

Motion: I move that this body stand adjourned.

M Sawyer	2nd	For	Against
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Summary of Capital Improvement Projects

CIP #17001 - Eastside Sewer Siphon - \$4,779,493 & 19047 Redundant River Crossing - \$4,298,731 spent to date

Status: Construction Complete. We are working on a contract with Consolidated Communications to provide dark fiber and a public fiber crossing. Go Net Speed will likely install a public fiber crossing as well.

CIP #22015 - Front Street Pump Station 3 Replacement - \$1,667,326 spent to date

Status: We are still waiting on the final electrical gear to arrive. The electrical work is nearly complete as well as the controls work. The contract is waiting on the electrical before they install the influent manhole to abandon the old station. The startup seems to be sliding to late June/early July.

Scope: Replace an aging 1962 sewer pump station with a new flood proof submersible station.

Purpose: Station subject to flooding and failure and beyond its useful life.

Budget: \$2.1M (\$2M grant)

Schedule: Start on Q4 2024, substantial completion by June 2025.

CIP #23015 - Riverside Drive PFAS/PFOA pilot study - \$198,767 spent to date

Status: We are making good progress with design, hoping to have an equipment procurement package in the next month. We have met with potential building contractors to discuss the building modifications. We are aiming to order equipment this summer and trying to target fall building modifications.

Scope: Mitigate PFAS at the Riverside Drive Treatment Building

Purpose: Comply with State and Federal requirements.

Budget: Received a planning grant for \$200,000, and a \$4M Forgiveness Loan. A second \$4M forgiveness loan has been awarded pending federal funding support of the capitalization grant to the Drinking Water Program. We are projecting \$14M in construction, but getting creative to reduce these costs.

Schedule: Planned for Q3 2023 to Q2 2024

CIP# 24002 - Summer Street - \$x spent to date

Status: The utility work is complete. The contractor is working on final paving and cleanup.

CIP# 24003 - Hummingbird Lane - \$30,635 spent to date

Status: Complete.

Scope: Pipe burst 1,700 feet of aging 6" cast iron water main with new 4-inch HDPE.

Purpose: Replacement of leak prone water mains.

Budget: \$467,500

CIP# 24024 - Brooks and St. Catherine Street - \$34,850 spent to date

Status: Awarded. The work will start near the end of August or early September. This project has a 2 year window to complete.

Scope: Replace approximately 600 feet of 6" unlined cast iron water main, 350 feet of 8" VCP sewer main and 700 feet of storm upgrades.

Purpose: Mutual road reconstruction project with COA, updating aging infrastructure.

Budget: Water (\$248k), Sewer/Storm (\$198k).

Schedule: Planned for Q3 2025 into 2026

CIP #23009/24019 - TL2 & TL4 - Station Consolidation - \$119,705 spent to date

- Haley Ward has completed the field survey. We will work on the preliminary design as time permits.

CIP #25016 - Lead Service Line - Paradigm Vacuum Truck - \$419,849

- Delivered March 14, 2025.
- Pending PFAS loan authorization.
- We are focused on researching about 300 services for followup on galvanized services and unknown material types.

CIP# 24011 - Secondary clarifier #3 WWTF - \$162,218 spent to date

Status: Complete.

Scope: New gearbox, drive assembly and bridge.

Purpose: Replacement of failing equipment.

Budget: \$449,900. (Equipment: \$160k, labor \$158k), tracking a surplus of \$132k

Schedule: Complete Q2 2025

CIP# 25011 - Davenport Street Storm Drain - \$15,710 spent to date

Status: 90% design on the storm main and we are adding about 1,000 feet of water main. The water main is 1911 cast iron and replacing it will aid in the necessary storm main upgrades.

Scope: Separate 1,000 feet of storm main from the combined sewer and remove 3 catch basins, and 1,100 feet of water main.

Purpose: CSO abatement and storm separation and replacement of aging infrastructure (1911 WM).

Budget: \$480,000 (storm main), \$450,000 (water main)

Schedule: Complete Q3 2025

CIP# 25007 - Cony Road Water Main Replacement

Status: The construction is expected to start in July. The work should take 2-3 weeks to install the pipe.

Scope: Replace 1,300 feet of 6" cast iron main with new 12" ductile iron.

Purpose: Replace leak prone water main and aging infrastructure, from 1930.

Budget	Contract	Spent to date
\$580,000	\$493,553	\$11,839

Schedule: Complete Q3 2025

CIP# 25023 - Eastern Avenue Tank Painting \$487

Status: The painting contractor is prepping and painting the first of the two tanks. There is an exterior primer coat on the first tank so far. They will juggle the interior and exterior work with the weather.

Scope: Repaint the inside and outside of twin 1988, 400,000 gallon steel drinking water storage tanks.

Purpose: Replace the original coating system of both tanks.

Schedule: Complete Q2 2025

Budget (revised)	Contract	Spent to date
\$660,000 (\$680,000)	\$674,000	\$0

CIP# 25017 - Amherst Street Water Main & Storm Drain - \$5,224 spent to date

Status: 90% design on the storm main and we are adding about 1,000 feet of water main as the Pleasant Hill Road project got cancelled. The water main is 1911 cast iron and replacing it will aid in the necessary storm main upgrades.

Scope: Replace 640 feet of 6-inch cast iron water main with 8" ductile iron, and Separate 400 feet of storm main from the combined sewer and remove 4 catch basins.

Purpose: The water main is over 100 yrs old and has been identified as deficient in fire flow capacity. The storm work seems like a good fit on this street to remove 4 catch basins from the sewer.

Budget: \$357,500 (water main), \$120,000 (storm main)

Schedule: Complete Q3 2025

CIP# 250?? - Replace two utility trucks

Status There were two responses to the RFP. Quirk was the lower bidder for both 1 ton trucks. The bid for the utility body truck was \$75,970. The bid for the flatbed truck was \$55,210.

Budget (sewer / storm / water)	Contract	Spent to date
\$171,000 (\$94k + \$77K)	\$131, 180 (\$76k +\$ 55k)	\$0

Scope: Replace two ¾ ton 2009 utility trucks that are expensive to maintain.

Purpose: Maintain safe vehicles in the fleet that further our operational goals.

Schedule: Unknown - fleet trucks have unpredictable build schedules but buying through fleet is the least cost for the ratepayers.

General Manager's Report

The following employees have a June hire date:

Name	Years
Michael Saharic	25
Richard Anair	20
David Williams	15
Michael Charest	15
Andrew Begin	15
Dana Demos	13
Michael Payne	4

Building improvements

At long last, the driveway will be paved this summer / fall depending on the weather and contractor. We will hire Willette out of Chelsea to do the work.

EPA inspection June 24th and 25th

EPA inspects a couple of water utilities each year despite the fact that the Drinking Water Program (DWP) is responsible for drinking water inspections in Maine. Utilities are chosen at random for these inspections. DWP sent us some recent EPA inspection results from other utilities. We've been assembling a long list of documents they've requested for their inspection.

Lead and copper

We have a full court press on eliminating all of our 'unknown' drinking water services whether they are owned by GAUD or privately owned. This will considerably narrow our universe of pipes that are either galvanized or lead.

Lead / Copper Rule pipe lengths			
Pipe type	GAUD owned	Customer owned	Total
Unknown	108	137	245
Lead	0	9	9
Galvanized	14	57	71
Total	122	203	325

Our goal is to get the 'unknown' pipes to zero so we can focus on the lead and galvanized pipes that require replacement under the rule.

There is still an issue that exists where the EPA and DWP require us to replace privately owned infrastructure. But...

Our PUC rules don't allow for this as it falls under the "no investments made in private infrastructure" vis a vis main extensions. So one agency requires us to do the work and another says we can't.

DWP will help pay for replacing private infrastructure but their rules don't allow them to pay for 100% of it. Since we'd have to pay for some of it, we'd violate our PUC rules. We can direct customers to pay for replacing their own lead or galvanized pipe but most people don't have money to do this. We can loan money to customers to replace their own lead or galvanized pipe but that sets us up as lenders which is not desirable. For example, if we loan money for service replacement would that open the floodgates for providing loans for water main extensions?

I believe the best solution is to ask King / Collins for congressionally directed spending money to pay 100% of the cost of replacing the privately owned lead / galvanized pipe that triggers the replacement requirements of the Lead and Copper Rule. This eliminates the objectionable pipe from the system at no cost to the homeowner which ostensibly has a dramatic improvement in health outcomes.

The other solution is that we determine that a customer's portion of their water service is substandard and we shut off the water to the customer until safe pipe materials have been installed. This is not a practical solution.

Meeting schedule - consider 4th Monday as the standard

I'd like the Board to consider going from the 3rd Monday of the month to the 4th Monday of the month for most meetings. The schedule below shows what that would look like for the rest of 2025. I'm not looking to change anything right now, just wanted to have a conversation about the pros and cons of a change.

Monday, July 28, 2025	Regular meeting
Monday, August 25, 2025	Regular meeting
Monday, September 1, 2025	Labor Day
Monday, September 22, 2025	Regular meeting
Monday, October 13, 2025	Indigenous Peoples Day
Wednesday, October 22, 2025	Planning meeting
Monday, October 27, 2025	Regular meeting
Tuesday, November 11, 2025	Veterans Day
Monday, November 17, 2025	Regular meeting
Thursday, November 27, 2025	Thanksgiving Day
Friday, November 28, 2025	Thanksgiving Friday
Monday, December 22, 2025	Regular meeting
Thursday, December 25, 2025	Christmas Day

Per the [Charter](#): Meetings of the trustees must be held monthly at a time and place to be determined by the trustees.

Per the [bylaws](#): ARTICLE II MEETINGS: Section 1 Meetings. Meetings shall be held monthly at a time and place determined by the Trustees.

Monday, May 19, 2025

Greater Augusta Utility District Board Minutes

Location: Greater Augusta Utility District shop conference room at 22 Arsenal Street

Trustees present: Ken Knight, Patrick Paradis, Cecil Munson, Bob Corey, Keith Luke, Keith Taylor, Bradley Sawyer, Tim Dennett

Trustees absent: Kara Tudman Walker

Attendees: Brian Tarbuck, Andy Begin, Randi Taylor

Guests: Meredith Strang-Burgess , Alan Burton

At 18:00 Knight called the meeting to order and introduced board members, employees and consultants.

At 18:01 Bob Corey made the following motion:

Motion: I move to accept the Board meeting minutes for April 28, 2025.			
M Corey	2nd Paradis	For Unanimous	Against

At 18:02 Corey discussed the upcoming rate adjustments. A residential customer with a $\frac{5}{8}$ " meter and 5 HCF of monthly consumption in Augusta who pays for water, sewer and stormwater service will see a monthly increase of about \$3.24. The new rates will apply for water used after June 18, 2025. Customers will see the impact of the new rates in early August.

At 18:04 Begin provided capital improvement project updates. The Kennebec River Utility Crossing project has been completed. Some accounting work remains for retainage and billing final contracts.

The project to replace the 1963 Texvit sewer pump station on Front Street is coming along nicely. The generator has been received. Electrical work is ongoing. The project should be complete by August, 2025.

The PFAS preliminary design work is complete. The recommendation is to install six 4' diameter x 8' tall cylindrical filters to remove PFAS using an ion exchange resin to treat a design flow of 600 gallons per minute (0.86 MGD). The existing generator will be removed and the filters will be installed in its place which reduces the need to construct new building space. The next step for this work is to submit the proposed design to the permitting agencies so permission can be granted to commence work. The expected cost is about \$2M which will be funded in large part by grants.

Grant funding may also be used for a new source in the North Augusta area. North Augusta is an area that is likely to grow and is far enough away from the Kennebec River that PFAS won't be a contaminant of concern in that area. Exploration will commence on property owned by the City of Augusta which is located near existing three phase power and water infrastructure.

The Hummingbird Lane drinking water pipe replacement project includes abandoning 1,700 linear feet of 6" cast iron cross country water main in favor of installing new services to the existing water main on Riverside Drive. The mains have been installed. The project will be completed by July.

Work on Summer Street is underway by Aceto Construction. This project removes sewer pipes from beneath the garage for Plummers Funeral Home. This work will be completed by July.

Brooks and St Catherine streets will be improved by the City of Augusta in 2025. GAUD work includes updating 350' of sewer, 600' of water and 700' of stormwater. The low bid was \$410k from CH Stevenson. This work will begin in August, 2025 and likely will carry over into 2026.

Trunkline stations number 2 and 4 in Manchester remain under design consideration. The plan is to consolidate the two pump stations and reconnect an old force main that runs cross country from Manchester to Hallowell. Planning continues to consider easements required to convey wastewater from station 2 to station 4 and then all the way to Augusta over Granite Hill. Survey is ongoing but Tarbuck emphasized that no construction is happening along the "Pipeline Trail" in Hallowell.

GAUD received a grant (55% grant / 45% GAUD match) which will be used to partially fund the acquisition of a small vacuum truck that will help us determine the types of service lines in the drinking water system to comply with the EPA's Lead Service Line Inventory program. To date we have identified 9 lead service lines, 89 galvanized service lines and 229 lines that require further investigation.

At the wastewater treatment plant, the work to replace the unsafe catwalk and drive unit located in the #3 secondary clarifier has been completed but the newly installed drive isn't working per manufacturer's specifications. That is getting sorted out now. The total cost for the equipment and the installation is about \$320k.

A 1,000 foot long 6" 1911 cast iron water main located in Davenport Street will be replaced this year. This will be in conjunction with the addition of 1,000' of new stormwater pipe to separate an existing combined sewer system in that area and help improve drainage in the area.

Cony Road has had a high number of leaks so we are planning to replace the existing 1,300' of 6" cast iron 1930's era drinking water pipe with 12" ductile iron pipe this summer. The changes will reduce the number of leaks and improve our fire flow capacity in this area. The approximate cost of this work is \$580k. Work will start in July.

There are two 400,000 gallon welded steel drinking water storage tanks on Eastern Avenue installed in 1988 that each need to be repainted on both the inside and outside. The cost will be \$674k to repaint both tanks. This work should be done by the end of July.

There was a fire last year on Amherst Street (near the existing KMart which will soon be demolished) that revealed poor fire flow in this area. The work proposed will replace 640' of 6" cast iron water main which is over 100 years old. 2 catch basins that discharge to the sewer will also be removed to increase available sewer capacity and reduce the risk of a combined sewer overflow. Begin noted that GAUD is working with the developer of the former KMart site to identify any potential ways to collaborate for mutual benefit and / or cost savings. GAUD is considering converting the current dead end pipe on Amherst to the pipe beneath Florence Street to improve fire flow and increase resiliency. The budget includes about \$360k for drinking water and \$120k for stormwater.

At 18:12 Tarbuck recognized years of service milestones for Mike Morey, 36; Bob Corey, 9; Bruce Plourd, 8; Julie Weston, 8; Wes Pittman, 6; and Codey Bell, 4. 12 Williams Street is getting some long needed improvements including doors with digital access controls, an electric gate, updated electrical panels, repaved parking lot, new exterior lights on 22 Arsenal and internal drinking water improvements.

At 18:19 Tarbuck discussed PFAS. Tarbuck thanked Andy for going through a number of different design iterations. The design is done for the most part. There are hold ups on the environmental permitting and financing requirements which delay our ability to order equipment.

At 18:29 Tarbuck explained that the wastewater treatment plant was again accepting camper wastewater. Plant personnel are considering the pros and cons of accepting septic waste at the wastewater treatment plant. This could provide a small amount of revenue and improve solids removal performance.

At 18:31 Tarbuck reviewed changes to the drinking water Terms and Conditions for approval by the Board and the Public Utilities Commission. The changes include adjustments to fees to reflect current financial conditions. Randi Taylor explained some of the details of the proposed changes.

Motion: I move to approve the proposed 2025 Terms and Conditions as presented to this meeting to be submitted to the Maine Public Utilities Commission.

M Sawyer	2nd Corey	For Unanimous	Against
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At 18:51 Meredith Strang-Burgess provided a communications update.

At 19:03 Alan Burton provided the human resources update. All open positions have been filled. A distribution operator position remains budgeted but is not posted. Alan is working with Mike Payne to determine how to backup accounts payable and human resources. Alan is working on the General Manager's review. Job descriptions are being reviewed and edited.

At 19:05 the board entered executive session:

Motion: I move to enter executive session to discuss negotiations relating to the collective bargaining agreement between GAUD and Teamsters Local 340 pursuant to MRS §405 6 D.

M Sawyer

2nd Dennett

For Unanimous

Against

At 19:15 the Board exited executive session.

At 19:15 the Board adjourned.

Motion: I move that this body stand adjourned.

M Sawyer

2nd Dennett

For Unanimous

Against

GREATER AUGUSTA UTILITY DISTRICT

Financial Highlights for May 2025

Water Division

Income Statement: Water revenue for the month ending May 31, 2025 totaled **\$2.8M** which is **1% under budget** and approximately **\$660K above** the same period last year. Expenses for the same period totaled **\$2.0M** which is **1% under budget** and approximately **\$304K above** the same period last year.

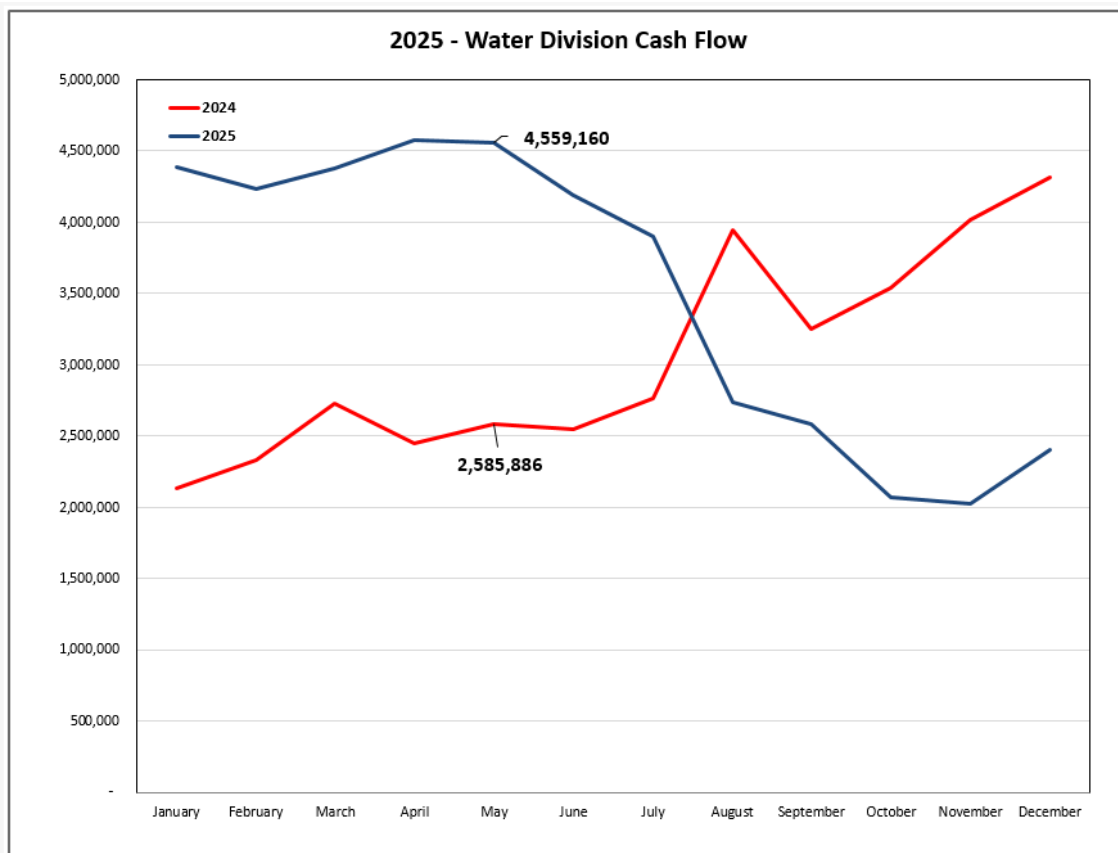
Water Revenue

	Budget	Actual YTD	% Used
Metered	4,113,118	1,671,228	41%
Fire Protection	2,415,640	993,049	41%
Investment income	5,000	19,602	392%
Other Income/Grants	250,000	110,823	44%
Sum:	6,783,758	2,794,702	41%

Water Expenses

	Budget	Actual YTD	% Used
Labor and fringe	2,318,465	885,510	38%
Power	286,144	104,540	37%
Supplies	500,392	250,268	50%
Debt interest	77,471	36,080	47%
Depreciation	993,002	411,756	41%
Other	566,626	277,768	49%
	4,742,100	1,965,921	41%
Revenue - expense	2,041,658	828,782	

Cash Flow: Cash at the beginning of the month was **\$4.6M**. Revenue of **\$611K** was collected. O&M expenses were **\$599K** and CIP expenses were **\$37K**. Cash at the end of the month was **\$4.6M**.



GREATER AUGUSTA UTILITY DISTRICT

Financial Highlights for May 2025

Sewer Division

Income Statement: Sewer revenue for the month ending May 31, 2025 totaled **\$2.9M** which is **1% under budget** and approximately **\$527K above** the same period last year. Expenses for the same period totaled **\$2.0M** which is **5% under budget** and approximately **\$70K below** the same period last year.

Sewer Revenue

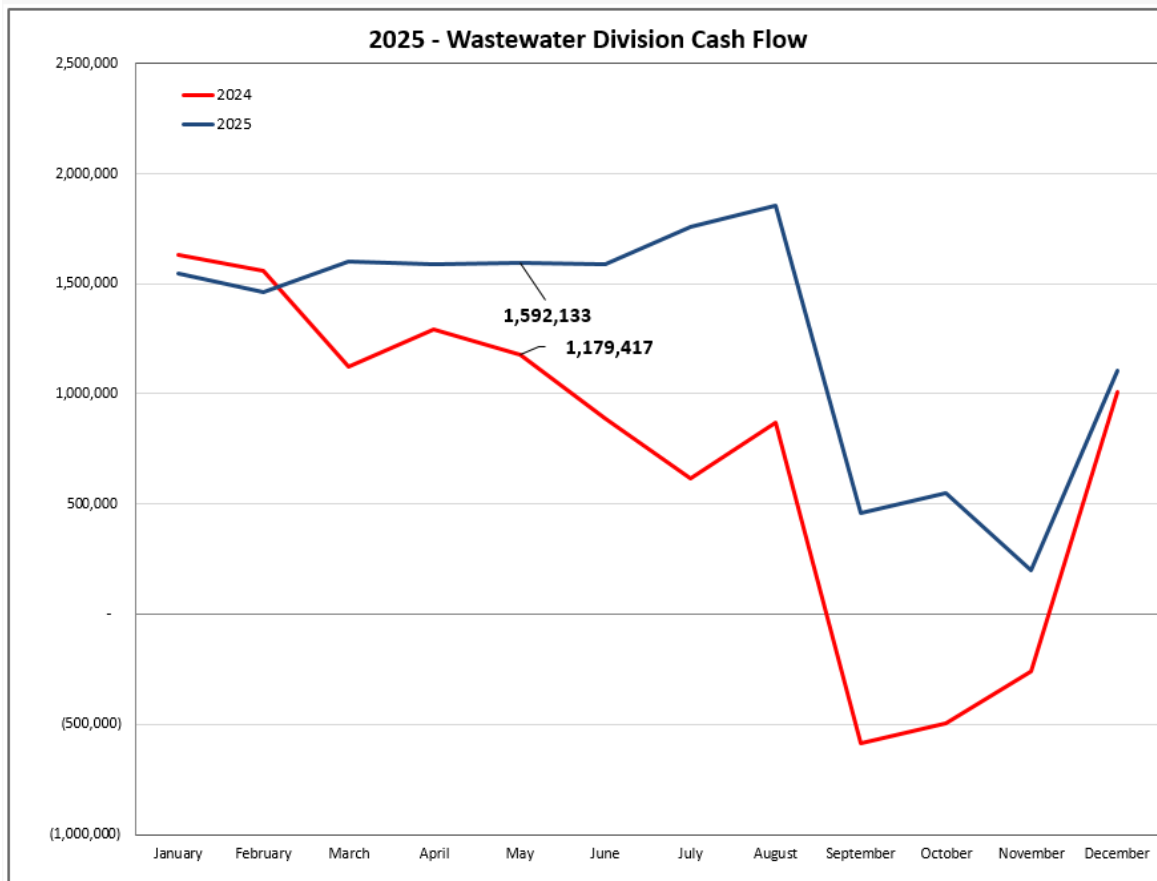
	Budget	Actual YTD	% Used
Flat rate	37,031	12,303	33%
Metered	5,719,943	2,302,541	40%
Trunkline	945,000	365,221	39%
Investment income	5,000	19,602	392%
Other Income/Grants	365,692	209,414	57%
Sum:	7,072,666	2,909,081	41%

Sewer Expenses

	Budget	Actual YTD	% Used
Labor and fringe	1,816,519	666,288	37%
Power	415,804	131,234	32%
Supplies	322,803	127,885	40%
Debt interest	265,016	106,448	40%
Depreciation	1,533,662	610,346	40%
Other	1,055,595	384,799	36%
	5,409,398	2,027,000	37%

Revenue - expense 1,663,268 882,081

Cash Flow: Cash at the beginning of the month was **\$1.6M**. Revenue of **\$730K** was collected. O&M expenses totaled **\$328K** and CIP expenses were **\$404K**. Cash at the end of the month was **\$1.6M**.



GREATER AUGUSTA UTILITY DISTRICT

Financial Highlights for May 2025

Storm Division

Income Statement: Storm revenue for the month ending May 31, 2025 totaled **\$1.8M** which is **1% over budget** and approximately **\$8K above** the same period last year. Expenses for the same period totaled **\$1.1M** which is **7% under budget** and approximately **\$32K above** the same period last year.

Storm Revenue

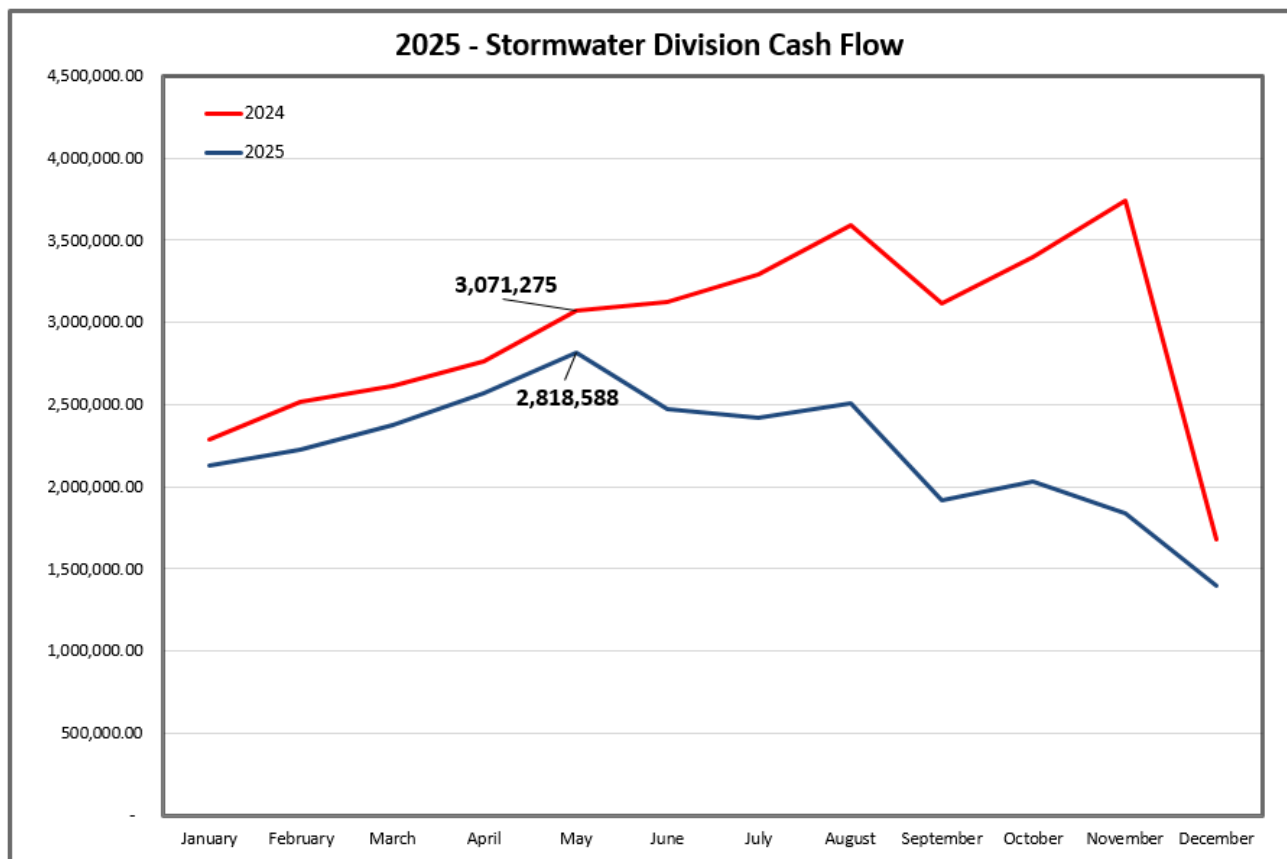
	Budget	Actual YTD	% Used
Stormwater	4,062,397	1,728,998	43%
Investment income	5,000	19,602	392%
Other Income/Grants	-	12,412	0%
Sum:	4,067,397	1,761,012	43%

Storm Expenses

	Budget	Actual YTD	% Used
Labor and fringe	1,411,326	470,189	33%
Power	176,400	53,205	30%
Supplies	259,573	85,503	33%
Debt interest	96,974	27,163	28%
Depreciation	931,552	377,510	41%
Other	417,343	133,239	32%
	3,293,167	1,146,810	35%

Revenue - expense	774,230	614,203
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Cash Flow: Cash at the beginning of the month was **\$2.6M**. Revenue of **\$420K** was collected. O&M expenses were **\$173K**. Cash at the end of the month was **\$2.8M**.



GAUD Policy #: 5

Date: 2/22/2016

Policy 5: Procurement & Purchasing

Original date: 10/1/2005; Rev. 6/21/2011; 2/22/2016; 7/17/2023; 5/15/2025

PURPOSE: This policy establishes purchasing procedures for the District. This policy maximizes the value for dollars spent on behalf of District ratepayers, provides for a fair and equitable purchasing process for all goods and services, and establishes a standardized process for District employees to follow.

COMPLIANCE

District employees are required to comply with this policy. Non-compliance could result in disciplinary action, including possible termination, and/or legal action.

Employees authorized to make and/or approve purchases have the responsibility to ensure that all transactions are necessary and prudent for the District.

SCOPE & RESPONSIBILITY:

This policy encompasses the District's purchasing and purchase commitments. The District's General Manager (GM), with guidance from the District's Board, has the responsibility to interpret this policy.

GUIDELINES FOR PURCHASING:

- a. All purchases must have both a requester and an approver. These can be the same person if the requester has been designated authorization (see Attachment A) from the GM to make purchases of that amount.
- b. In the absence of or with the approval of the GM, the Assistant General Manager (AGM) may also act as the approving authority. An absence is defined as the unavailability of the General Manager to review the request for approval in a timely manner as determined by the AGM.
- c. Vendors should be selected based on their ability to provide the best value for the District as determined solely by the District. This value determination encompasses cost, quality and/or availability, suitability, and the reputation of the vendor.
- d. At the discretion of the General Manager or Assistant General Manager, contracts with vendors may be required.
- e. Blanket purchase orders with specific vendors may be established annually by Accounting. The list of specific vendors will be approved by the GM and provided to applicable employees.
- f. Professional services for a cost up to \$50,000 may be procured under a process approved by the GM. For procurement of professional services over \$50,000, the Board will be apprised of the General Manager's recommended procurement procedure.

DEFINITIONS:

Small Purchase Order: Required for all purchases of \$250 or less. These purchases can be made when pre-designated authority as defined in Attachment A is provided by the GM. The requestor must file a small PO form with Accounting after items have been received.

Large Purchase Order: Competitive Pricing is required for all purchases of goods or services equal to or greater than \$2,000 and less than \$15,000. Written prices from a minimum of three vendors must be requested when competitive vendors are available. All electronic or paper Requisition Forms must be pre-approved by the General Manager or in his/her absence by the Assistant General Manager prior to a purchase. At the discretion of the GM, professional services may be exempt.

Formal Bid Process: a written sealed quotation is required for the purchase of goods and non-professional services. Quotations received from a vendor and opened on a specific day, at a specific place and time. This process can be advertised publicly in some manner at the General Manager's discretion. Required for all transactions equal to or greater than \$15,000 for which a request for proposals was not done. At the discretion of the General Manager, professional services are exempted.

Request for Proposals: (when a formal bid process for a purchase which is greater than \$15,000 is not prudent): A written request submitted to selected vendors or publicly advertised in some manner at the discretion of the GM. Advertising on the District's website shall be considered public advertising. At the discretion of the General Manager, professional services may be exempted from this process.

Purchase Agreement or Open Purchase Orders: A written agreement to obtain specific goods/services for a specific timeframe for a specific price. Generally, this is used in situations where goods and/or non-professional services will be purchased on an ongoing basis as needed Purchasing agreements will always be reviewed and pre-approved by the General Manager or Assistant General Manager. Examples include auto parts, sand and gravel.

Professional Services: At the discretion of the General Manager, professional services may be obtained through the use of a Request for Qualifications (RFQ), Request for Proposals (RFP) or direct procurement. An RFP may ask for cost estimates whereas an RFQ typically does not.

Sole Source: At the discretion of the GM, goods, professional and non-professional services may be purchased from a single source with a purchase order and without a formal bid or competitive pricing. These purchases are made to ensure continuity and compatibility with existing equipment, materials or services or in the event that the vendor is the only available source for the goods and or service.

Emergency Purchases: The General Manager, or in his/her absence the Assistant General Manager, has the authority to authorize the emergency purchase of goods or services including professional services. Verbal authorization is permitted. Evidence of approval and related documentation must be retained and attached to the accounts payable package. In the case of a verbal authorization, it is acceptable to note who authorized this emergency purchase and the date of that authorization.

PURCHASE ORDERS & DOCUMENTATION:

Credit Cards: The District's single bank credit card is maintained by the General Manager (credit limit not to exceed \$25,000). This card may be used by other employees with the prior approval of the General Manager.

Store Specific Purchasing Accounts: With the authorization of the General Manager, the District may have various other local vendor purchasing accounts that can be utilized by individually approved employees for specific goods for the District (such as Home Depot, Lowes, Tractor Supply etc.). Such accounts have an account credit limit that is deemed appropriate by the General Manager. All documentation, purchase orders and proof of the sales transaction for these purchases should be retained by the employees making the purchase and submitted to the District's office.

Check Request Forms: At various times a check request authorization form may be required to initiate a check. The check request form lists the information (vendor name, date check required, account coding/description, etc.) that the finance department needs to process the request. The form must be signed and approved by an employee using the same criteria for expenditure authority that applies to purchase orders.

Petty Cash: Petty cash is intended to reimburse employees for small purchases paid for by the employee for District purposes. Such items may include tolls, parking, or meals. The employee must complete a petty cash slip, attach a receipt(s) and have the slip approved by their supervisor.

Travel & Overnight Travel: Travel must be pre-approved by the employee's supervisor and the General Manager or Assistant General Manager. Costs for all business travel and the reasons for that trip need to be documented by the employee on a Travel Expense Report. The completed form must be approved by both the employee's supervisor and the General Manager or Assistant General Manager. All receipts should be attached to the travel reimbursement form or provided electronically. Private vehicle mileage will be reimbursed at the rate in current use by the Internal Revenue Service.

PURCHASES USING FEDERAL FUNDS:

All federally funded projects, loans, grants, and sub-grants, funded in whole or in part by federal funds, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") codified at 2 C.F.R. Part 200, as may be amended from time to time, unless otherwise directed in writing by the federal agency or State pass-through agency that awarded the funds.

All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.318 through § 200.327, as may be amended from time to time, unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. The District shall follow its own procurement requirements when expending federal funds provided that the procurements conform to federal law and the standards identified in the Uniform Guidance; otherwise, the District shall follow federal law and standards.

(ATTACHMENT A)

Purchase Orders Designated Authority:

General Manager

Assistant General Manager

Assistant Chief Engineer

Finance Director

~~Chief Financial Officer~~

Engineering Services Supervisor

Administrative Supervisor

Operations Manager ~~Supervisor~~

Pump Station Crew Leader

Maintenance Supervisor

Equipment Maintenance Supervisor