

**MFN Regional Wastewater Meeting
September 2, 2014
MEETING MINUTES**

COMMISSIONERS PRESENT: Mansfield: Bill Ross, Olivier Koslowski, Betty Peter
 Foxboro: Bob Swanson, Richard Pacella
 Norton: Mike Yunits, Diane McElligott
 Lee Azinheira, Executive Director

GUESTS PRESENT: David Young, CDM Smith
 John Stanbrook, Finance Director
 Joe Cove, Attorney
 Lisa Barry, Recording Secretary

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The meeting opened at 6:00 pm at the Mansfield Town Hall

Approval of Meeting Minutes (8-11-14)

Motion To approve minutes from August 11, 2014 (Koslowski/Swanson); all in favor; unanimous

Community Updates

- **Mansfield:** Waiting on Easton, nothing at this time. Lee indicated they are going to get together with Easton and have a discussion on selling them some capacity. They are looking to come up Route 106 all the way from 5 Corners to Mansfield. They have restaurants to go in and can't get them without sewer.
- **Foxboro:** Fairly quiet, working on updating the rules and regulations.
- **Norton:** No real updates. Agreement with Wheaton College is getting close.

Debt Assignment Agreements – Joe Cove

- Summary was handed out for the two outstanding loans that were taken out to purchase the Kok and Reilly properties in Norton. Joe Cove's suggestions after talking to colleagues at Clean Water Trust and EDP, is for the district to consider refinancing those loans.
- Bill Ross asked about costs to refinance the existing debt and possible prepayment penalties and re-issuance of the bonds. Also will the interest rate be the same on new bonds as old bonds? No prepayment penalty on \$1.5 million. The Kok property \$1.1 million, we believe has gone to permanent financing and bonds are issued. Generally there is a cost for prepayment provision assuming it's the same loan agreement, but if it is traditional loan agreement, that prepayment provision says penalties are calculated based

on cost of issuing the bond over the term of the loan together with any float that the community acquired while it was holding onto the money and the third factor is a market compensation factor. The interest rate would probably be the same.

- Bill Ross asked what is the advantage to the district to refinance those other than moving the ultimate responsibility from Mansfield to the district? Why would district consider refinance if bonds are already out there?
- Joe Cove described the advantages: you don't have to continue to do this to offset between the district and Mansfield, the issue for Mansfield would be to raise appropriate money on bonds. Secondly, the district should establish its own credit on their own facilities, and the owner should be amortizing the debt. Argument for: if we proceed in that direction my argument to the Clean Water Trust is that they are not losing anything in the market with the Kok property, simply replacing that bond with another. Best way of looking at it would be to do a complete refinance.
- Lee Azinheira asked if he can get definite numbers so the committee can vote one way or the other with actual numbers for costs of refinance by the next meeting.
- Bill Ross asked about the other straight debt that is not through the Clean Water Trust that is outstanding for the design work for Phase I improvements. If we are going to be moving money back and forth, we will need to make a fiscal decision based upon whether or not it's worth it to pay the penalties. The bonds that you issued will be secured by the full faith and credit of all three towns and by default all three towns risk a draft on their credit rating so there is a much larger pool to draw from in the event of default. The district bonds are more appealing to the street. The district rating would be equal to or greater than Mansfield. If the committee doesn't go in the refinance direction, Joe Cove has prepared an Assignment of Obligations between Mansfield and the District.

Motion That the district request DEP approval for refinancing the debt for the Reilly property in the name of the MFN Regional Wastewater District (Ross/Swanson), all in favor, unanimous

- Discussion on #2 Kok property financing, Diane McElligott and Bill Ross agree to investigate further. Hold off on looking at the Kok property refinance until next meeting. Economically feasibility, the three penalty factors: cost of bond, float town receives and market cost.

FY2016 Budget & Financial Items – John Stanbrook

- Lee Azinheira and Bill Ross sat down last week to discuss how to set up the budget for next year. The FY2015 budget is shown on Exhibit E (handout). Most expenses would be going to MFN budget, the personnel expenses would stay on Mansfield side billed separately because Mansfield will provide those services as part of the maintenance agreement.

- Separate debt clearly into Mansfield only and District debt. Mike Yunits requested a breakdown of who's in management, supervisory and Public Works services.
- 3 largest expenses: electricity, sludge (hauling and disposal) and chemicals. These are the only flow variable costs in the budget. The board will be looking at this. In the process of obtaining insurance quotes for MFN, we are shopping the insurance, trying to get best deal. We applied and received a federal tax ID number.
- Personnel budget is staying in Mansfield budget.

Approval of Engineering Contract – Lee Azinheira

- In order to get the design going, we need to issue the preliminary design contract to bring it to about 25% and then have a peer review done to evaluate whole process. For design and bidding phase, we did it similar for the Phase I improvements. The initial contract is for preliminary design services to be worked on between now and next March. Then final design and bidding services will be added.

Motion To approve Engineering Contract for preliminary wastewater design and upgrades (Pacella/ McElligott) all in favor; unanimous

CIC Grant (attached):

- Need to submit it by October 10. No vote needed now. They have about \$3 million dollars in program this year, this is the fourth year, but have not funded wastewater program previously. All about regionalization, economical, can give up to half a million per project. MFN will file this and ask for half million. Need from three communities, estimate of what each would save cost wise and other regional benefits. Information due in the next 2-3 weeks to CDM Smith.

MFN Name Change Discussion

- Name change for district: Legal information says unfortunately, this is the name that was used for legislature and district. Maybe come up with an informal name or nickname not to be changed legally. High School students may be interested in giving a name. Required to adopt a seal, maybe students do this.

Miscellaneous Commission Procedures

- **Ideas on going paperless:** Other committees are going paperless, consideration for this. There is paper copy that the clerk has to keep. Wastewater budget has room for IT products such as iPads. They would be in PDF form. One issue with going paperless would be documents are sometimes with the Microsoft/apple. Everyone is interested.
- **Who signs Contracts?**

Motion For the commission to authorize the executive director to sign contracts after those contracts have been approved by a commission vote (Ross/Pacella) all in favor; unanimous

Website

- All agreed one should be created. Going to keep in mind what to post for the future.


Any Items Not Anticipated 48 Hours Prior To This Meeting

- Lou Ross is trying to get documents ready for property transfer from Mansfield to District and he's ordered the title search of some parcels. There is a U shaped parcel that he is getting information on due to concerns about legal ownership.

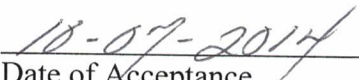
Motion To adjourn meeting at 7:22pm (McElligott/Pacella) all in favor; unanimous

Next Meeting: Tuesday, October 7, 2014

Respectfully submitted,
Betty Peter



Signature of District Secretary



Date of Acceptance