



In 2004, utility-sponsored legislation to encourage regional solutions for water utilities was passed, creating Maine Regional Water Councils. Councils allow for a collaborative forum to address regional issues, share best practices, minimize duplication, and improve efficiencies.

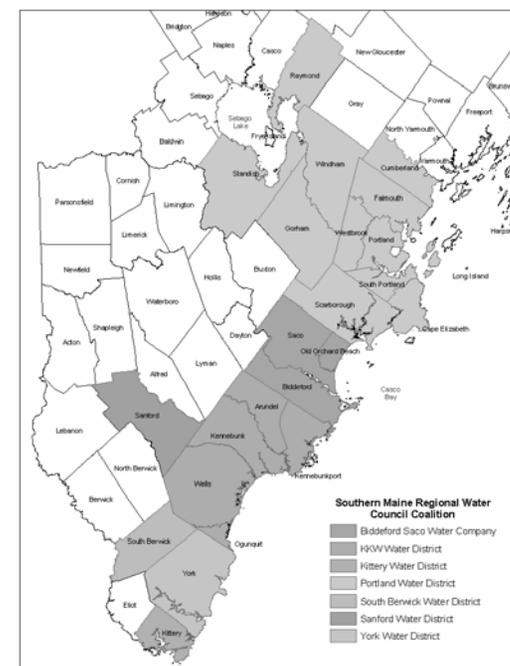
Regional Water Councils are voluntary, industry specific, non-profit entities similar to regional planning commissions and councils of governments. Councils can provide a range of services through the underlying authority of its membership. Members further benefit through common services such as purchasing, planning, billing, accounting, and customer service.

Southern Maine Regional Water Council (SMRWC) was formed in 2005 to promote the common interests of its member water utilities, including, but not limited to, studying, planning, and coordinating common industry issues in order to improve service to member customers, developing cooperative programs to reduce expenses for water customers, and to ensure that the residents of Southern Maine have long term supplies of adequate quantities of high quality safe drinking water.

Poor supplier performance or product

Each participant shall comply with all applicable laws and regulations governing its' own purchases. To avoid any question about poor quality shipments, members must receive, inspect, and test all products on an individual delivery basis. If a load does not meet the required specifications it must be immediately rejected and the supplier should be contacted immediately to initiate a replacement load. It is imperative that when nonconforming shipments or contract problems occur, participants immediately seek their own remedies and notify the program chairperson.

Written documentation of poor or unsatisfactory supplier materials or performance must be provided to the appropriate committee chairperson with a clear, detailed explanation of the type of problem, actions taken and where applicable, resolution of the problem. This documentation may be considered in future solicitations or to terminate the contract for cause. In matters of continued inadequate supplier performance or in matters which require negotiation, it is expected that affected Member(s) will allow for a reasonable amount of time in order to permit possible resolution by the Committee Chairperson prior to attempting to exit any Purchasing Group. If a supplier alters pricing prior to expiration of the agreed term it may be considered a breach of contract at which time group obligation would be considered null and void.



Membership

SMRWC has two classes of members; Full and Associate. All Members are expected to support and participate in SMRWC activities.



To become a member, organizations must submit an application to be approved by two-thirds of the Board. Members are expected to pay membership fees, dues, or assessments as the Board may determine, from time to time.

Full Member Qualifications:

- ◆ *Includes founding water utilities – Portland Water District; the Biddeford-Saco Water Company; the Kennebunk, Kennebunkport and Wells Water District; the Sanford Water District; the York Water District; the South Berwick Water District; and the Kittery Water District.*
- ◆ *Is subject to approval by the governing body of each Full Member.*
- ◆ *Eligibility is limited to water utilities having more than 3,300 customers.*

Associate Member Qualifications:

- ◆ *Eligibility is open to water utilities having fewer than 3,300 customers and other non-drinking water utilities.*
- ◆ *Associate Members have no authority to manage or direct the affairs and activities of the SMRWC but are welcome to participate in planning, purchasing, and other programs.*
- ◆ *Associate Members are required to pay program fees for **ONLY** those programs they participate in.*

Board of Directors

Annually, Full Members designate one director to sit on the Board. The number of directors constituting the Board shall be no fewer than three and no more than eleven, except as the Articles may otherwise provide. The Board directs the activities of the SMRWC and elects Principal Officers by a majority vote at its annual meeting; a President, one or more Vice Presidents, a Treasurer, and a Secretary. Officers must be members of the Board.

Committees

The Board may choose to designate committees to advise and assist the Board with respect to the business of the SMRWC on an as-needed basis. The Board may elect to create or dissolve committees and programs where deemed appropriate. Committee members may include any director or any other individual designated by the Board. Committees shall keep minutes of their meetings, which shall be presented to the Board if requested.

Purchasing Programs

All members benefit from purchasing cooperatively primarily due to large volume discounts. The benefits of these programs range from superior pricing, uniform site pricing, increased price protection intervals, strengthened leverage and bargaining position, improved product quality, and lower administrative costs. Other important advantages may include improved product knowledge and purchasing expertise. Organizations that are not eligible to join the SMRWC as a Full Member are encouraged to join individual Purchasing Groups as Associate Members.

The SMRWC Board of Directors is responsible for creating individual Purchasing Programs. They formulate, review, and approve purchasing group policies and procedures as well as provide recommendations for Purchasing Program Committees. Upon creation of a Purchasing Program,

the Board of Directors appoints a Chairperson(s) who is responsible for its oversight. This includes developing and organizing group activities, scheduling discussion and work sessions, creating bids or purchase packages, and communicating with all group members and potential members. The Chairperson is responsible for submitting recommendations and status updates on the activities of the group at least bi-annually to the Board of Directors or upon request.

Purchasing Group Membership

Purchasing Groups are open to all members in good standing. Participation in each bid is elective, not mandatory. Associate Members will be charged a minimal annual fee to defray some costs associated with operating the cooperative purchasing program. The annual fee is subject to increase with appropriate notice to participants.

Cooperative Purchasing Agreements

Cooperative Purchasing Agreements are signed binding agreements which continue in force until bid term expiration, bid cancellation, supplier default, or nonrenewal of membership. Each participating member shall award and administer the bid or contract in accordance with its own policies and procedures. Each entity shall issue its own Purchase Order(s) and shall be billed directly by the suppliers. At no time will the CO-OP place orders on behalf of Members nor will the CO-OP be responsible for bills incurred by Members. Each participant will indemnify and hold SMRWC harmless to any claim arising out of the Agreement. Where necessary, verbal agreements between Chairperson and Members can be made and will be considered binding. Members must designate one person responsible for making decisions for that entity. Any additional information required by a member should be obtained from the supplier immediately after bid award. Each entity wishing to participate in a program must sign the Purchasing Agreement and send it to the Chairperson with associated fees prior to bid openings.

TREATMENT CHEMICAL PURCHASING GROUP

Chairperson, Ryan Lynch (York Water District)

The Treatment Chemical Purchasing Group has been operating successfully since 2005. Starting under York Water District management, the first group bid consisted of nineteen individual chemicals (of significant combined quantity) for a total of ten participating water and wastewater companies. Since then the group has expanded to twenty-one companies reaching as far north as Brunswick, Maine and 26 individual chemical bids. All future participants are limited to SMRWC accepted entities located south of Brunswick, Maine and north of seacoast New Hampshire. A total of 4 bids have been completed since 2005. Starting in 2007, there will be a single calendar year bid for all chemicals. The Group has been successful in reducing overall chemical costs, stabilizing chemical pricing, obtaining price protection, promoting increased supplier competition within the region, improving member bargaining position, and strengthening member position in supplier problem resolution. There are three liquid quantity categories in the bid: (1) Bulk Deliveries → Greater than or equal to 1,000 gallons delivered at one time, (2) Intermediate Bulk Deliveries [IBD] → Minimum 300 gallon increments up to just under 1,000 gallons, and (3) 55 Gallon Drum Deliveries → the smallest volumes in the bid. In addition, a number of solid chemicals are bid by 55 pound bag pallets. For more information or if you wish to join the purchasing group, please contact Ryan Lynch at (207) 363-6101.