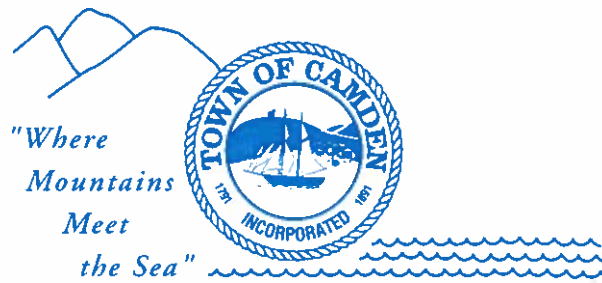


Office of:
Town Manager
Tax Assessor
Tax Collector
Town Clerk
Treasurer
Code Officer
Finance Director
Harbor Clerk
Planning Office



Town Office
P.O. Box 1207
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March 28, 2022

Jon Duke, Town Manager
Town of Rockport
101 Main Street
Rockport, Maine 04856

RE: Underpayment for the 1st Quarter of FY22 Wastewater Treatment Fees

Dear Mr. Duke:

As you are aware, on March 21, 2022 the Camden Select Board discussed the Town of Rockport underpayment for the first quarter of FY22 wastewater treatment fees and default on the entire second quarter bill. The Camden Select Board also reiterated the environmental and financial reasons why they agree with, and support, the decision by the Rockport Select Board on 11/1/2021 to "secure your future wastewater needs" and invest in studying and constructing Rockport's own wastewater treatment facility. As we understand, this study will be complete this month. Therefore, to solve the short-term issue of Rockport's default on payment of wastewater fees to Camden, and assist Rockport with your longer-term goal of building your own wastewater treatment facility, the Town of Camden is requesting the Town of Rockport to undertake the following actions:

1. Please remit payment in full to the Town of Camden for all Town of Rockport wastewater treatment services as billed by Maine Water Company. As of 03/07/2021 this amount was \$146,452.72. However, I recommend reaching out to Pamela Blackman from Maine Water to confirm this amount. This letter serves as your 30-day Notice, and to avoid doubt, requires cure of the payment defaults on or before May 2, 2022 at which time this Notice shall expire. If at the expiration of this 30-day notice period the Town of Camden does not receive payment in full from the Town of Rockport, the Town of Camden will file a claim of unjust enrichment in the Knox County District Court.

2. Within 90-days of the date of this letter, please present a plan to the Town of Camden demonstrating how Rockport will remove all wastewater flow from Rockport to the Town of Camden.

We understand Rockport has commissioned a preliminary engineering study with Libra Solutions as a first step in pursuing the development of a wastewater treatment plant in Rockport. We also understand this plan is due to be complete this month. Therefore, we felt 90-days was reasonable for Rockport to produce a plan detailing how you intend to separate your flow from Camden. However, we are aware that this level of planning takes time.

Therefore, the Camden Select Board is more than willing to extend this 90-day timeframe, to a reasonable extent, at the written request of the Town of Rockport, provided the Town of Rockport continues to pay what the Town of Camden has billed Rockport for wastewater treatment

services in full. If the Town of Rockport does not produce and present this plan at the end of 90 days, or an agreed-upon extension date, the Town of Camden will shut off the flow of wastewater from the Town of Rockport to Camden.

3. Further to the above, the Town of Camden is requesting the Town of Rockport implement the plan for removing wastewater flow from Rockport to Camden. This letter serves as the commencement of a 4-year notice, recognizing the fact of the expiration of the February 26th, 1990, interlocal sewer agreement between Camden and Rockport, within which the Town of Rockport must begin construction necessary to implement this plan or find an alternative wastewater treatment solution. If at the expiration of this 4-year period Rockport fails to remove your wastewater flow from the Town of Camden, Camden will shut off the flow. However, as per item 2 above, the Camden Select Board is willing to grant the Town of Rockport an extension if requested, provided Rockport also continues to pay what Camden has billed for wastewater treatment services in full and is pursuing an alternative wastewater treatment solution in a reasonable manner.

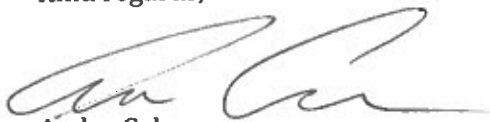
It should be noted that Camden cannot accept any additional flow from the Town of Rockport that is caused by new expansions to Rockport's collection system. This includes both any planned expansions by Rockport (such as the Route 90 sewer extension), and any potential reversal of flow from the portion of Rockport's collection system that currently runs to Rockland, which we understand to have been enabled by the recent route 1 sewer extension. The Town of Camden is hopeful that Rockport understands and respects this request as there is no current agreement between the two towns where reserved capacity for Rockport wastewater is guaranteed.

As an alternative to the above, the Town of Camden is willing to extend the terms of the 1990 interlocal sewer agreement with Rockport, for an interim period beyond the four-year deadline, provided Rockport agrees to, and follows through with, paying the wastewater rate billed to Rockport by Camden, which will continue to be the same as what is billed to Camden ratepayers. We see the benefit in allowing the Town of Rockport to complete the necessary planning and implementation of your alternative wastewater treatment solution in a timeframe that you determine to be most feasible. However, the Town of Camden is firm in our position that we will only continue to accept and treat Rockport's wastewater if it is not at the environmental or financial expense of Camden ratepayers and/or taxpayers.

We understand Rockport wants to grow, and the Town of Camden has no desire to hinder these plans. However, the cost of this growth cannot be at the expense of the Town of Camden. Therefore, we hope both Towns can see this as an opportunity. It is clear the values of the two Towns no longer align regarding this circumstance. Therefore, it seems necessary to recognize that Camden and Rockport need to independently address their respective wastewater treatment plans and infrastructure as they relate to what is best for the environment and future land use and development.

Thank you for your consideration in this important matter. We look forward to hearing from you.

Kind regards,



Audra Caler
Camden Town Manager