



JUNE 2009 NEWSLETTER

CAPITAL AREA HOUSING ASSOCIATION “LANDLORDS WORKING TOGETHER”

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PRESIDENT'S MESSAGE

We're close to the vote on the oil supplier for next year. The oil committee has been busy soliciting and evaluating bids. This year we've had the additional assistance of Darren Matthews. You may remember Darren from last year, when he was the representative from Webber Energy. Almost immediately after our July meeting, at which he answered questions about Webber's contract, he announced that he was leaving Webber to start his own business as an energy consultant - he also presented a very interesting program on energy matters at our March meeting.



Harold Booth
President

An additional advantage to CAHA this year is that the oil companies seem more aware of our buying-power. Two years ago, when we first moved to Webber, there were some difficulties in our communication of that selection to our membership. The result was that many CAHA members did not move to Webber, leaving their business with our previous supplier, Downeast. Last year we made a special effort to insure that our membership was informed, and many more of our members moved their business to Webber, which was again our selected supplier. My understanding is that CAHA members' business last year represented more than a million gallons to Webber.

This year we have had three companies submitting bids, using our criterion of a price based on the New York Port price - an independently verifiable reference. We had sent our bid-solicitation letter to a number of additional potential suppliers who chose not to submit bids.



As I write this - May 27 - the oil committee, with the invaluable assistance of Darren, is busy evaluating the bids received, preparing their recommendation for your consideration and vote at the

June 9th meeting. We are also hoping to

have a representative from the winning bidder at the

June meeting to answer any questions. It's an exciting time - the culmination of many hours of work by the oil committee.

PRESIDENT'S MESSAGE, continued on page 2

NEXT MEETING:

JUNE 9, 2009 • 7 - 8:30 P.M.
K.V. FEDERAL CREDIT UNION
OIL COMMITTEE REPORT & VENDOR VOTE

UPCOMING MEETING:

SEPTEMBER 8, 2009 • 7 - 8:30 P.M.
K.V. FEDERAL CREDIT UNION
MAINE HOUSING PRESENTATION

ASK THE LAWYER

LIENS AGAINST RENTAL PROPERTY TO SECURE PAYMENT OF UTILITY SERVICES

Q. I own a duplex where each unit has a separate water meter. The accounts are kept in my name, but the tenant is supposed to reimburse me for the water bill each quarter, in addition to that monthly's rent. One tenant moved out without paying the last water bill and I had to apply the entire security deposit against unpaid rent. The people at the water district told me they could assert a lien against my rental property, or even sell the building. Is that true?

A. Liens against rental property to secure payment of utility services; 35-A M.R.S.A. §706.

Yes. Where a landlord has applied for and has received utility services at their rental property, the landlord, and ultimately the building, is responsible for payment. It is immaterial whether the tenant is contractually responsible to reimburse the landlord for the water bill, because under the facts presented, the landlord is the actual utility customer.

The water district has a contractual claim against the landlord to recover payment for the water provided to the rental property. In addition, the law grants the utility an "in rem" lien against the building itself. The utility can record a "lien certificate" in the Registry of Deeds in the County where the rental property is located, and seek to enforce the lien through sale of the building.

Technically, the utility acquires a short term lien against the rental property to secure payment of each bill sent to the landlord. The lien automatically dissolves unless the utility "perfects" the lien by both, recording the lien certificate in the Registry of Deeds, and files a court action to enforce the lien in a timely manner.

Strict deadlines govern the ability of a public utility to record a lien certificate against rental property, and to enforce such a lien. If a utility elects to record a lien certificate, the recording must occur within 90 days from the date the utility mailed the unpaid bill at issue to the landlord. The utility must provide copy of the lien certificate to the landlord by certified mail. If the bill remains unpaid, then the utility must commence a civil action in the court to enforce the lien. However, the court action to enforce the lien must occur, if at all, within a total of 120 days from the date the unpaid bill at issue was mailed to the landlord. Otherwise, the lien dissolves automatically upon expiration of 120 days from the date the unpaid bill was sent to the landlord.

Importantly, the remedy to enforce a utility lien is the same process utilized to enforce a mechanic's lien; the rental property can be sold. The utility can then recover the value of its lien, plus costs, and return the remainder of sale proceeds to the prior owner. If sale proceeds are inadequate to pay the lien along with all other encumbrances against the property, the Court will grant a deficiency judgment for the remaining sum owed.

A bona fide purchaser, or a bank extending a mortgage loan against the rental property, will not be subject to the lien unless the lien certificate is recorded before the purchaser's deed or the bank's mortgage deed. Furthermore, §706 only applies where the landlord has established the utility service in the landlord's name. Therefore, the landlord presenting this month's question would be better off if he insists that each tenant establish their own accounts for water and other utilities.



Disclaimer: For general information of CAHA members; not intended as legal advice. Consult a lawyer for your specific situation
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Augusta, Maine (207) 622-5872.

PRESIDENT'S MESSAGE, *continued from front*

Because of a previous commitment, I will not be able to be present at the June meeting, but I will be informed about the supplier selected. I will make every effort to get out a letter informing you of our selected supplier – including something from that supplier outlining your options under that contract – as soon as possible, certainly by July 1st.. I urge you to postpone making any move to lock in a contract for next year 'til after you receive that letter, and when you do receive the letter, to give your business to that selected supplier. CAHA's ability to 'deliver' our members' business to our selected provider serves to increase our bargaining power for the future, helping us all.

Last month we did not have a quorum at the meeting, so we were not able to conduct business, but Darryl Arnold and Nick Parker from Liberty Mutual gave a very interesting

presentation to those of us who were there, answering many questions. CAHA has signed an agreement with Liberty enabling them to offer us a discount. They are still working on the details, but we hope to have them soon. We will have Darryl and/or Nick back this fall to present that program. We will present a description of the discount in the newsletter when the details become available.

I'll close with a brief reminder of the [free] June 23 program that MaineHousing will be hosting at the Civic Center. I covered that program, to establish a website for all vacant housing units in the State of Maine, quite extensively in last month's newsletter. I will also remind you that we've tentatively scheduled a presentation by MaineHousing for the Sept. 8th meeting. There are no currently scheduled meetings for July and August.

Have a good summer.

Hal Booth

**Minutes of Regular Meeting ~ Capital Area Housing Association (CAHA)
Held at Hatties Chowder House Restaurant, Hallowell ~ April 28, 2009**

After a social time, President Harold Booth called the meeting to order at 5:45 p.m. with the following present:

Vice President & Board member, Charlie Anderson
Treasurer & Board member, Emmy Swanton
Board Member, Stefanie Barley
Board Member, Ramona Venskus

Secretary & Board member, Barbara Eckhardt
Board Member, Gerard (Tiny) Bechard, Jr.
Board Member, Ratna Don
Board Member, Venita Barley

President Booth felt that in the past couple of years the reinvestments of the CDs were hastily decided upon. He felt the reason for this was that the Board was made aware of the CDs' maturity dates only two weeks before the Board was to make a decision on the best resources for reinvesting them. President Booth stated that he had a few ideas for the Board to consider; specifically, the CD we have now is renewed annually. We need easy access to our CDs. We should consider rolling our CDs over quarterly rather than annually for easy access. The downside of doing this is the cost of the rollovers. After a short discussion, Stefanie suggested we bring up the subject again next month and vote on it.

President Booth informed the Board that representatives from Liberty Mutual Insurance Company will be the scheduled speakers at our May members' meeting, offering group discount rates to them. President Booth is hoping to get some beneficial information from them during that time. What access they have to our membership is something we would negotiate with them, with approval from the Board.

President Booth stated he is concerned about getting the newsletter out to the members in a timely fashion. He felt a back-up person would help with the process. Motion was made by Stefanie and seconded by Ramona to nominate Venita as the designated back-up person on the data base. Motion passed unanimously.

President Booth informed the Board that Maine Housing Authority is working in conjunction with the Department of Human Services to establish a website for rental units in the state of Maine. The website will be owned by the Maine Housing Authority. Maine Housing wants CAHA's participation in having all its members' units listed on its voluntary website. In addition, Maine Housing Authority is inviting landlords to their three-hour session at the Civic Center on June 23rd. Motion was made by Ramona and seconded by Charlie to authorize Harold Booth to invite a speaker from the Maine State Housing Authority to speak at our May meeting. Motion passed unanimously.

Donald Gasink, Esq., Chairman of the Oil Committee, arrived at 6:20 p.m. to inform the Board that Darren Matthews, an energy consultant, would work with the committee as its consultant for \$500 for five hours. Darren will meet with approximately eight fuel companies. Motion was made by Ramona and seconded by Venita to authorize the Oil Committee to hire Darren Matthews for up to five hours with the understanding that in review of the Oil Committee's decision that additional time would be beneficial, they would come back to the Board for approval for additional funds for the additional time with Darren.

Secretary Eckhardt requested that the Board approve two minutes for Eric Dick, Esq.'s files only.

Motion was made by Stefanie and seconded by Ramona to approve the minutes of the Special Executive Session Meeting held at the Kennebec Valley Federal Credit Union in Augusta on October 14, 2008.

Motion was made by Stefanie and seconded by Ramona to approve the minutes of the Special Meeting of the Board of Directors held at Lucky Garden Restaurant in Hallowell on October 28, 2008.

Meeting adjourned at 6:45 p.m.

Respectfully submitted by Barbara A. Eckhardt, Secretary

**Special Board Meeting ~ Capital Area Housing Association (CAHA)
Held at KV Federal Credit Union ~ May 12, 2009**

President Harold Booth declared the regular members' meeting dismissed at 7:05 p.m. for lack of a quorum, but elected to hold a brief board meeting with five board members present, which included, in addition to himself, Vice President & Board member, Charlie Anderson; Secretary & Board member, Barbara Eckhardt; Treasurer & Board member, Emmy Swanton; and Board Member, Ramona Venskus.

Charlie Anderson moved, and Barbara Eckhardt seconded, to authorize Darren Matthews five more hours to provide consulting services to the Oil Committee. Motion passed unanimously.

Special Board Meeting adjourned at 7:10 p.m.

Respectfully submitted by Barbara A. Eckhardt, Secretary



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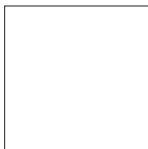
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