

12 June 2012

MEMORANDUM

From: Manager

To: Board of Trustees

Subj: **MANAGER REPORT AND MINUTES FOR THE TRUSTEE MEETING 22 MAY 2012**

The Board of Trustees convened at 1900 hrs. In attendance: Trustee Pinkham, Boothbay Harbor, (Chair); Trustee MacPhee, Boothbay, (Vice Chair); Trustee Marston, At-Large, (Treasurer); Trustee Reed, Boothbay Harbor; Jon Ziegra, Manager. Guest: None. Absent: Trustee Carter, Boothbay, (Clerk).

1. The minutes of the 8 May 2012 trustees meeting were approved.
Trustee Marston motioned, Trustee MacPhee second, vote: unanimous
2. The **Payroll** for 8 May 2012 and 15 May 2012 were approved.
Trustee Reed motioned, Trustee MacPhee second, vote: unanimous
3. The **Transactions** for the period of 7 May 2012 through 18 May 2012. Trustee Reed asked to have an explanation of what the bills were for in future warrants. The Transactions were approved.
Trustee Marston motioned, Trustee MacPhee second, vote: unanimous
4. The manager provided the board with an update surrounding the district's **Financials**. Included in this report was the first trial balance produced by Osman Page. The manager explained that the trial balance had been the first significant deficiency noted in the April the districts auditors, Runyon, Kersteen and Ouellette as being out of compliance. The balance sheet for the period of 1 January 2012 to 30 April 2012 balanced to zero, as required. The manager explained that even though the district now had a very tight handle on its finances the trial balance was not entirely accurate in that not all of the debit accounts had been reconciled from the beginning of the year and still needed to be reconstructed. However the exact amount was known and accounted for. The manager went on to explain that it was not his intent to provide the board a trial balance at each meeting, only periodically. The target report was to be an up-to-date accounting vs. budget with the target of that report to be provided the second meeting of the month starting in June. The manager concluded that the accounting process, using Osman Page for accounts payable and general ledger management, was progressing well; the bills are being paid and the payroll was so far, working exceptionally well.
5. The board next took on the topic of enforcement of the **Watershed Protection Ordinance**. Everything was on track for the joint workshop between the town of Boothbay and the district, on Thursday, 24 May 2012 at 0900 hr. The manager went on to relay that he had met with the Boothbay town manager the previous day who provided him with the accounting of cost for the position, as well as historical information he was able to retrieve from the previous administration. The manger did not comment further on the cost breakdown documents deferring to the town manager at the upcoming meeting.

6. The manager reported on **Safety and Training**. On 16 May 2012 the Safety Program, Emergency Response Plan, Emergency Response Action Plan, Lock –Out Tag-Out (LOTO) Program, EPCRA Chemical Reporting & Dam Emergency Response Plan was formally handed over to the treatment division. The manager explained to the board that he was going to look for Maine Water and Waste Water Training Associates to review status of the program in its entirety to ensure the previous management scheme kept the programs up-to-date. The board echoed this sentiment in that it was the boards wish to maintain the districts safety and emergency response programs to the highest possible level. The board instructed the manager to keep them up-to-date as to the status of this effort. The manager concluded his safety report by informing the board that there had been no injuries or safety violations over the previous period and that all required safety inspections are current.
7. The manager reported on **Treatment Plant Operations** which he described as moving forward well. On 11 May 2012 all of the Mag-Meters for the district were calibrated and all were found to be operating within in range. The district was provided documentation certifying these tests. The manager went on to explain that the certification of the Mag-Meters on an annual basis verified the districts volume reports from Knickerbocker Lake as being accurate and the data provided to the Maine DEP and Knickerbocker Lake Association was beyond reproach.

On 15 May 2012, as part of a documented training exercise the plant was taken up to 100% test capacity for approximately one hour, simulating a catastrophic event or extreme fire protection needs. This was done to verify that the SCADA system had no “glitches” and would behave properly when needed as well as being a valuable training exercise for new operators. The exercise was completed with no problems noted, completed entirely by junior personnel under the direct supervision of the chief treatment plant operator.

On 16 May 2012 the 12” Finish Water Meter began “freaking out”, swinging 100 gpm in reporting constantly during each pumping cycle. This was problematic for several reasons, most notably because the chemical additions, all of which are flow-paced and in need of precision, are based on the accurate reading of this meter. Sullivan Associates spent 17 May 2012 running every conceivable diagnostic as well as checking input line to the SCADA System. All systems were operating well within acceptable parameters. On 21 May 2012, the internal electronics of the Mag Meter were replaced and there was still no change in data.

Later that day during a “brain-storming” session, and after the review of historical records, it was found that in 2004 a similar occurrence had happened when the district replaced the backwash meter to a Mag-Meter. That problem was caused by non laminar flow and required a “flow straightener” to correct the flow vortex created by tight turns in the piping causing non-laminar flow. In that case the problem was solved and the meter has been highly accurate and problem free ever since.

Treatment staff hypothesized that during the simulated disaster, and the resulting abnormally high flow, something had been scoured from the inside of the finish water pipe and become lodged just upstream of the meter causing non-laminar flow. This prompted the chief treatment plant operator to use a three-pound sledge hammer, beating the spool piece just upstream of the meter for which the manager reported the meter has worked flawlessly since.

Although the trustees found the story humorous the manager reported that he did observe something very useful and encouraging during this problem; the treatment staff used the scientific method in correcting this deficiency all the time adapting to the situation and remaining calm and cool. The manager ended by stating he was proud the treatment division.

8. The manager provided the board with an update on **Distribution Division Operations**. The manager reported that all was going extremely well. The manager stated that the district had turned the corner from “reactionary” to “proactive maintenance”. During the week of 14 May the distribution division kicked off the valve exercising program operating approximately 8% of the district’s valves. The new valve exerciser was reported to be working well and all of the crew was becoming proficient with its use.

The manager went on to report that Trustee MacPhee and Utility Technicians, Matt Wade and Mike Hills completed the New England Water Works Association (NEWWA) backflow testing course held at the Brunswick Topsham Water District office in Topsham. By becoming certified, the distribution staff can now easily take up the burden for cross-connection control testing with a simple job order. Remaining staff will be trained at the next feasible training session.

The manager reported that on 18 May 2012 Trustee MacPhee **reimbursed the rate-payers, in-full, all fees paid** for the training provided by the district allowing him to obtain his cross-connection control testing certification.

9. The manager reported no change in status with the proposed merger with the **Southport Water System**.
10. The **SCADA Upgrade** was next discussed. The manager reported that Electrical Installation Inc. (EII) continued to fine tune the system. The system was working much better than imagined providing unprecedented tight control over the treatment process. The Burgess Computer Phase had begun. The manager stated that he had ordered two laptops designated strictly for remote access to the SCADA system. The security firewalls require that these computers will be wiped clean, having only a secure portal to the SCADA system installed. The SCADA remote computers will not allow any other programs to be installed nor will they allow any other access to the internet. One will be permanently assigned to the chief treatment plant operator with the other to be assigned to the operator on-call.

A discussion amongst the trustees ensued revolving around long term back-up/storage of archival data. Trustees MacPhee and Marston were concerned about catastrophic events at the plant wiping out data but preferred on-site storage of data versus information being stored and accessible on the cloud. Both trustees advocated spate servers in separate locations (i.e. different buildings, future and present) with a strong protocol for storing back-up data.

11. The manager provided the board with a brief update as to his **Maine Water Utilities Association (MWUA) Board** activities. On 11 May 2012 the manager met with Governor LaPage’s director of environmental affairs and discussed the Governor supporting an environmental bond, securing the state match for the SRF program, until 2014 when the match comes from the alcohol tax. It seemed to be something the Governor was in favor of because of the 5 to 1 payback from the federal government.

The manager then presented the board with a matrix in which the district ranked in the top 15 statewide with regard to size and revenue for water districts. The board was interested in the manager running a “mock model” to see what the districts standing would be post-merger.

The manager then presented data released by the Maine Public Utilities Commission (PUC) ranking the district 7th in the state in total reinvestment into the system during the period of 2001 through 2011. The districts assets (i.e. pipe, tanks, pump stations etc.) were shown to have increased 158% in value by an aggregate \$13,756,279.00 to \$22,443,727.00. The manager concluded this report by stating that the district was carrying less debt now than it was in 2001, by a little over \$700,000.00. The manager complimented the trustees on their forward thinking and the benefit this work had done for the communities within the district and remarked this news had the attention of a many people in the industry statewide and was something he was most proud of.

12. The manager provided the trustees with a copy of the **2011 Audit**. The manager stated that the narrative described any deficiencies and all of the steps the district had taken to be in full compliance with generally accepted accounting principles. The manager requested the board review the documents and either accept or reject at the next meeting.
13. The manager reported that Stockwell Environmental Services had located all of the transect sites necessary to begin the environmental report for the **Knickerbocker Lake Natural Resources Protection Act (NRPA) Report** due in December. The project was said to be on-track.
14. The manager reported that the corrective action for the **Commercial Street Warranty Issue** where in the weather has been uncooperative at which the town of Boothbay Harbor has limited the corrective actions be taken Labor Day. Trustee Reed inquired that by prolonging the fix would the warranty still be valid. The manager responded that it would and that the new warranty would begin upon the date of the repair which would put that date somewhere into the third quarter of 2013.
15. The board picked up discussion on **Seasonal Service Shutdown**. The manager stated that he had ascertained that the district could receive an insurance policy to protect the district from a massive damage in the event of a deep freeze. The board held off further action on this until after the merger vote.
16. The manager reported that he had been appointed to the Boothbay Comprehensive Plan Committee which will meet for the first time 4 June 2012 at 1800 hr at the Boothbay Town Hall. The intent of this effort is to develop a master plan for the town of Boothbay, to a similar level of detail as the districts, to guide policy for the next five to ten years.
17. The board voted to go into executive session pursuant to 1 M.R.S.A. §405 (6) (A) & (E) at 1944 hr.
Trustee MacPhee motioned, Trustee Reed second, vote: unanimous
18. The board voted to come out of executive session at 1950 hr.
Trustee Marston motioned, Trustee MacPhee second, vote: unanimous
19. The meeting was adjourned at 1951 hr.
Trustee Reed motioned, Trustee Marston second, vote: unanimous

END OF MINUTES

Respectfully Submitted,
Jonathan E. Ziegler
Manager