

8 March 2011

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MANAGER REPORT AND MINUTES FOR THE TRUSTEE MEETING 22
FEBRUARY 2011**

The Board of Trustees convened at 1900 hrs. In attendance: Trustee Pinkham (Chair), Trustee MacPhee, (Vice Chair), Trustee Marston (Treasurer), Trustee Carter (Clerk), Trustee Curtis, Bob Raudenbush, Administrative Manager (AM). Guest: Ms. Sue Mello, Boothbay Register. Absent: Jon Ziegler, Manager.

1. The minutes of the 25 January 2011 trustees meeting were approved.
Trustee Curtis motioned, Trustee Marston second, vote: unanimous
2. Warrants 6, 7, 8, 9, 10 & 11 were approved.
Trustee MacPhee motioned, Trustee Marston second, vote: unanimous
3. The AM reported on the status of the East Boothbay Water Main Replacement project. Bill Whorff & Sons is now in Chapter 7 bankruptcy. Attorney Geoff Hole is inquiring of Bill Whorff's insurance carrier as to the status of submitted claims and of Bill Whorff's bonding company as to unfinished items on the East Boothbay Water Main Replacement project punch list.
4. The AM reported as to the status of the Commercial Street Water Main Replacement project. There were no complaints from either residents or town agencies in reference to the project. Concerns about plans for modifying drainage from Boothbay House Hill were quickly put to bed by a change in the town of Boothbay Harbor's intentions. A construction meeting was reported to be planned for 23 February 2011 at 1400hr. to discuss starting plans to begin the final stages of the project.
5. The AM reported that the district had completed flow testing for the Bigelow Laboratory project to aid in fire suppression system design.
6. The AM informed the board that a new budget report was being designed and should be available soon for review and discussion. He went on to report all was well at this point in the year.
7. The AM reported that Raftelis had submitted to the district their report on proposed rates which were distributed to the trustees at the meeting. Discussion of the proposed rate increase was scheduled for the 8 March 2011 trustee meeting.
8. The AM reported no safety issues in the previous reporting period.

9. The AM reported the treatment division status. Treatment Plant maintenance along with correcting equipment issues in the Southport Pit was the main thrust of activity for the treatment staff. A past design flaw was discovered with the pH control system and was being addressed by the manufacturer. The treatment plant operators were reported to be undergoing recertification training with Gregg Kidd in March. This was to be funded in large part by a State grant.
10. The AM reported that the backhoe was receiving its regular scheduled maintenance as required by the manufacturer. The treatment staff was reported to be heavily engaged in snow removal, meter maintenance and cross connection control maintenance.
11. There was nothing to report on the code enforcement effort underway with the town of Boothbay.
12. The AM reported that on 26 January 2011 the manager had met with Maine Department of Transportation (DOT) officials concerning the Knickerkane Bridge project. It appeared that the DOT's contractor had removed 300 feet of waterline from the work-zone thus cutting off entirely Sawyers Island and Barters Island from the water supply. The removal of the water main was due to a "misunderstanding" by the contractor. The AM reported that the manager would be setting up a meeting with the DOT to have the main repaired before seasonal turn-on.
13. The meeting was adjourned at 1927 hr.
Trustee Curtis motioned, Trustee MacPhee second, vote: unanimous

END OF MINUTES

Respectfully Submitted,

Robert Raudenbush
Administrative Manager

MANAGERS REPORT

1. The following report lists actions taken by the district since the previous Board of Trustee meeting on 22 February 2011.
2. **EAST BOOTHBAY WATER MAIN REPLACEMENT PROJECT** –As directed, Geoff Hole is invited and to the 8 March 2011 trustees meeting to discuss the status of the bonding claims and insurance claims. We received an e-mail today (see attached) from Geoff in which it appears real threats are being shot off to the insurance carrier.

We received another complaint allegedly resulting from the project from Ms. Martha Snow, East Boothbay (see attached).

3. **COMMERCIAL STREET WATER MAIN REPLACEMENT PROJECT**– On 23 February 2011, a pre-construction meeting for Phase III was held at the water district, for which I was sick and did not attend. Attached please find the minutes of that meeting.

The town of Boothbay Harbor has abandoned the original plans for their storm water project and will be now doing the project correctly. Instead of Jody doing the work, I would love to see the town hire Nitram to do so. Unfortunately I think the town relinquishing that control and the cost makes that scenario unlikely and that is a battle not worth fighting. I just think it would be cleaner from a warranty, and future finger pointing, point of view. Not the end of the world though!

I have been in contact with Jaimie Logan who has published a detailed synopsis of the work to follow in a mass e-mail to her members as well as publishing our updates of the Chamber's Face book page. I discussed the project with the new tenants of the Village Market and assured them that the district would do all it could to help facilitate access to the location for them to start-up. The management group of the Village Market is the same as the Southport General Store.

4. **BIGELOW LABORATORY CONSTRUCTION** –Nothing new to report.
5. **SAFETY UPDATE** – No injuries or problems during the current period.
6. **TREATMENT PLANT** – The pH issue has been worked out and everything seems to be operating normally. Flows are down but I suspect that this is not dropping sales; rather I think we have really achieved some leak corrections through the new main installations. Winter corrosion control activities continue. Both Treatment Filter #1 and #2 have been, or are, down with a fresh touch up of interior coating, and several fresh coats of Rustoleum® on the outside of the filters. They are now a striking blue....Look good.

Tim Sawtelle has visited twice looking at the I/O's to the control panel and figuring the current configuration of control wiring. The prints from construction are no longer accurate due to the installation of so much updated equipment, particularly over the past three years. The operators and I will be meeting with him repeatedly over the next few weeks to start hammering out our expectations for the new SCADA system, currently approved in the budget.

All of the treatment plant operators have begun recertification training, directed at Adam, under a grant from the state, by Gregg Kidd, president, New England Water and Wastewater Training Associates. The first class was held 2 March 2011 with the second scheduled for 9 March 2011. The operators report that it is very good education. Adam sits for his class IV exam later this month.

Lastly, for some reason we have been “randomly” selected to have our filter effluent sampled for TOC, personally by the Maine Department of Health and Human Services. The reasoning is that some moron in Washington stated that under the safe drinking water act the “up-flow” clarifiers that are installed here, as well as in Bath and Waterville, do not meet the “definition” sedimentation and clarification in the Federal Regulations. This is happening because there are no traditional sedimentation and flocculation basins in our process and does not meet the EPA definition for TOC removal. To add these, which is unnecessary would conservatively require a pretty substantial rate increase...for no reason. The question is do we meet the TOC requirement of the Safe Drinking Water Act? Never mind the performance and track record of the several thousand of these things currently in service around the world. Leave it to a lawyer. Our examination is scheduled for 11:30 on Thursday by Eben Joslyn. I will get more behind the curtain at that time. I am not worried.

I am kind of being a little tongue and cheek but the implications are pretty far reaching, and pretty expensive if EPA moves in some absurd direction. Do I think it is much of a threat? No. I will keep an eye on this though.

7. **DISTRIBUTION** –The required mid-level maintenance required by the manufacturer for the backhoe will take place on 16 March 2011. Winter operations have slowed with objectives basically met. The recent warm-up is encouraging with the crew ready to go out and begin the inspection and maintenance of the summer water mains.

I have a “Show and Tell” of the next generation water meter called the I-Pearl. I will go over the changes with you.

8. **CHAPTER 587 PERMITTING**–. Ongoing

9. **SOUTHPORT** –A ton is going on with this. I am meeting with Kirsten Hebert to get the legal framework for as possible amalgamation which will include not only a vote from at least the residents of Southport but also an act of the legislature.

I have received a report that was done on the town of Southport and am having a low cost engineering review completed to confirm status and make recommendations. A mock master plan with the elements of improvement that would be necessary to meet fire protection and health needs of the town is in-process.

Lastly I have met and will meet with contractors to ascertain the best course of action for the Southport standpipe. This structure will require significant investment when a year-round system is put in and enhanced fire protection is required. I think the report will be complete within the month.

10. **RATE CASE** –I have had a chance to review the rate study completed by Raftelis and have the following comments and recommendation. MY OPINION ONLY
 - a- Eliminate the Tier system for water consumption. This is becoming more and more an outdated model and for this rate structure is very much inappropriate. This district is required to conserve and account for water because of the various environmental permits held. Therefore the district should not reward heavy consumption with lower per-unit rates.

- b- This plan makes no distinction for Southport as a municipality. This rate case should require Southport to pay a certain portion of the Fire Protection Charges, albeit a small portion. If an amalgamation should proceed, the current rates to customers will apply and probably equate to a rate decrease to the Southport residences.
 - c- If the board opts for a phase-in approach, compress the time of the phase in to successive quarters which will work out to be on the ½ year.
 - d- Option 1 sets the minimum consumption at the traditional 900 ft³ while Option 2 drops the minimum consumption to 600 ft³. Option 1 minimum charge, as of right now, is proposed at \$79.43 or an increase of 22.01% with Option 2 at \$75.52 or an increase of 16.01%. In past rate cases the board has been very concerned with the impact any rate increase will have on those retirees on fixed incomes. **In my opinion**, I believe a smaller rate increase on a lesser minimum usage (Option 2) is the way to go. This is beneficial on two fronts, it is a less of increase for the little old lady on Social Security, who uses very little water versus people, such as me, who has a family of four with not one, but two teenage daughters who take a thirty minute shower just to get their hair wet and use the equivalent in volume to that of the inside of Madison Square Garden. Pay as you go. For reference the Bath Water District has gone to this theory with a minimum based on 300 ft³.
11. **UNION CONTRACT** – Heard nothing from the union.
 12. **GIS/BILLING SOFTWARE** – It has gone live and really rocks. Ruth is working through SOP's and I can drive this program pretty easily. As for the nuts and bolts, Bob will update
 13. **BOOTHBAY ACEO** –I have talked to Jim Chaousis on this subject and we are both of the opinion that the program is in “a state of limbo”. At the earliest the town would be able to begin the project in July. As I have reported previously, the organizational structure of this position as well as the position title will change. The Boothbay Assessor will now be responsible for completing the outlined tasks in the SWAP. I have asked Jim to draft a plan of action and milestones for implementation and well as a semi-precise cost estimate for the program. Nothing to act upon at this time.
 14. **PAT FARRIN** –All quiet on the western front.
 15. **SIGNAL POINT** –Nothing new
 16. **KNICKERKANE BRIDGE** – We met with the DOT on 28 February 2010. We told them that they were responsible for the obliteration of the district's water main by their contractor and that it needed to be in service the first week in April. It was agreed that the contractor will install the new water main conduit within the next two weeks. The district will install the new permanent water main and reattach to the old bridge. We have already sequenced the cross-over evolution from old to new bridge which will commence sometime during late summer.
 17. **MWUA BOD** – I have made my reservations for both flight and hotel for April 3 through 5. We will be meeting Representative Michaud and Senator Collins on the 4th. There will be a few meetings with the AWWA. If you have anything you want me to ask the congressional delegation, as long it is clean, I have no problem asking. I will be thanking both Senator Collins and Snowe for pushing the ARRA funds we are currently enjoying.

Last week I testified in favor of LD 424 which passed the Health and Human Services Committee as “ought to pass”. This is a good bill that will ensure on-demand, on-line water operator certification testing. It ought to take a little stress out of the new-hires around here. (See letter)

The effort to deregulate seems to be picking up momentum and I think it will happen no matter what in the foreseeable future. Over the past few months PUC has really hurt its case with erratic rule making and some pretty dumb decisions (currently under appeal and soon to be in front of a judge). One such ruling in Southwest Harbor concerned seasonal services that could be an issue for us in the future. Lastly the PUC has taken a really wonderful program, DigSafe and messed it up. The re-write could have been done much better by my daughter, a freshman in high school, than the career professionals at PUC.

Not so much the grammar that bothers me, but more the lack of common sense. For instance the new Digsafe Rule will make it a fineable violation if, once a main break is discovered and a repair is begun within four hours. I say let um' bleed. ???????

I am beginning to do a 180 on this subject. I will go into it in greater when the deregulation pendulum begins to swing. Look for it this fall.

18. **CONNORS SUBDIVISION** - Nothing new
19. **INFRASTRUCTURE NEEDS SURVEY** - Again my lucky day. The district was selected “at random” to participate in this year’s Infrastructure Needs Survey conducted by the Drinking Water Program. The survey was brought in today by a forklift and I have been summoned to Bangor Next Wednesday. Not an optional thing, Norm Lamie swings a big bat. I will brief you as to this exercise at the next meeting.
20. **2011 319 GRANT APPLICATION** – Last Friday I went to a meeting at DEP in Portland discussing the application process for this year’s round of 319 grant money. According to DEP, even though there are many cuts in the federal dollars this program will remain untouched. I have talked to Sue Mello who will be assisting in this application and alerted Jim Lord for an assist or two if/when needed. Jim Chaousis is on-board and willing to at least support the projects which is a refreshing change from years gone by. I will keep you up to date as conditions warrant

Respectfully Submitted,

Jonathan E. Ziegra
Manager