

10 December 2013

MEMORANDUM

From: Manager  
To: Board of Trustees

Subj: **MANAGERS REPORT & MINUTES FOR THE TRUSTEE MEETING 26  
NOVEMBER 2013**

The Board of Trustees convened at 1900 hrs. In attendance: Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Marston, At-Large (Trustee); Trustee Reed, Boothbay Harbor (Clerk); Trustee Climo, Southport; Trustee Lewis, Boothbay, Trustee Carter, Boothbay; Jonathan Ziegler, Manager. Guest: None. Absent: None.

1. The minutes of the 12 November 2013 trustees meetings were approved with revisions.  
*Trustee Climo motioned, Trustee Gamage second, vote unanimous*
2. The **Payroll** for 12 November 2013 & 19 November 2013 were approved.  
*Trustee Gamage motioned, Trustee Climo second, vote: unanimous*
3. The **Transactions** for the period of 11 November 2013 to 22 November 2013 were approved.  
*Trustee Gamage motioned, Trustee Climo second, vote: unanimous*
4. **MEETING POLICY CHANGE** – Chairman Pinkham entertained a request of the trustees present concerning future meeting times and the need for a meeting, scheduled 24 December 2013, Christmas Eve. The board inquired of the manager if it would be possible to only have a single meeting in the month of December for which the manager replied in the positive. However, the manager stated that there would be one more warrant that would be executed in December without trustee review so that current funding stayed in the correct year and so that the district would not default on any financial obligations. The board gave the manager permission to disburse payments due in 2013 as necessary, with the review of the final 2013 warrant not occurring until 14 January 2014.  
  
Trustee Gamage proposed that during Standard time, trustee meeting start times be moved from 1900 hr. to 1800 hr. and again move the start time of the meeting to 1900 hr. during Daylight Savings Time. The board approved the motion and adopted the motion as policy. The manager was instructed to make all of the necessary provisions for the change.  
*Trustee Gamage motioned, Trustee Marston second, vote: unanimous*
5. **CELLULAR TOWER PROPOSAL** – The manager reported that he and staff were invited to the final walkthrough inspection at the Mt. Pisgah Standpipe, at 1500 hr. conducted by the districts consultant/contract manager and officials from American Telephone & Telegraph (ATT). The manager reported as of that date he had seen no deficiencies at the job site, especially as related to the tanks exterior coating and security of the facility has been maintained strictly during the construction phase. The board asked the manager to provide a status report at the next meeting.

6. **FINANCIAL** - The manager provided the board the *Profit & Loss Budget Performance through October 2013*. For the month of October the district took in \$75,094.93 and expended \$191,917.81 of which \$38,773.81 was depreciation leaving cash expenses at \$153,144.00, for a net monthly cash profit of -\$78,049.07. Through 31 October 2013 the district had taken in \$1,652,565.84 and expended \$1,914,469.91 of which \$387,738.10 was depreciation, leaving cash expenses at \$1,526,731.81, for a year-to-date cash profit of \$125,834.03. The manager stated that even though the district ran into a cash flow deficiency during the month, he saw no “red flag issues” other than those previously reported.

The manger then reported that as directed, he had met with officials at the First National Bank (FNB)of Damariscotta and successfully restructured the *Mt. Pisgah Mixing System and Interior Recoating Project* loan extending the life of the loan from five-years to ten-years, and taking advantage of the massive payment made in June 2013, lowering the leveraged amount to \$200,000.00 which translated to a quarterly payment of \$5,250.00. The manager then reported that the income currently being generated from rental of space on the tanks was currently \$8,100.00 per quarter the manager stated that the boards direction of making tank maintenance self-sustaining from income generated had been achieved.

The manager then reported that he had made a payment of \$45,000.00, of which the board had previously approved to Electrical Installation Incorporated (EII) for hardware and services rendered for the ongoing SCADA upgrade associated with the Mt. Pisgah Standpipe out of this loan leaving sufficient funds to complete the project during the first quarter of 2014.

The manager then reported that he formalized the line of credit needed during October’s cash shortfall, directly caused by a too aggressive stance on debt repayment and the inordinate amount of capital required to be trapped in Rural Development (RD) required sinking funds with an interest rate on the loan 1.77%. The manager then reported that the district was only responsible for the interest while money was loaned to the district. The manager stated that with the incoming budget it was a goal to bring the line to a zero balance during the first quarter in 2014.

The manager completed his report by stating that he, FNB and Osman Page (OP) were exploring the efficacy of a consolidation loan for all current RD loans held by the district. The principal left was reported to be approximately \$7.4M. The manager reported that FNB was competitive with Maine Bond Bank bonding. The manager stated that from his perspective it was preferable to hold a loan with a private lender such as FNB as compared to a public bond in that there was no prepayment policy and the district could, at some point budget extra principal payments lowering the overall interest paid over the life of the loan, lowering the effective interest rate, and shortening the time of obligation of the district. The board instructed the manger to include a proposal in the upcoming 2014 budget for their consideration.

7. **SAFETY, TRAINING & EMERGENCY RESPONSE UPDATE** – The manager reported that inspections remained current and compliant. The annual winter safety stand-down was being scheduled and the district was awaiting a spot inspection report.
8. **WATERSHED** –The manager had no new information to report..

9. **TREATMENT PLANT** – The manager reported that the average finish water flow for the reporting period was 0.2581 MGD as compared to 0.2577 MGD in 2012. Water quality was nearly identical to that recorded in 2012 requiring elevated dosing rates of all treatment chemicals. Clarifier efficiency remained at 95% while filter efficiency had dropped to 87%. The manager did remind the board that this was normal for the time of year. Adams Pond was reported to have “rolled over” and would remain very active until ice-in. The water was latent with suspended solids.

The manager then informed the board of the auto drain valve on the main Compressor #1 which was replaced due to failure. Compressor #1 was reported to be in service. All analyzer maintenance was reported current with all laboratory work within compliance.

The manager reported that all shore installations on both Adams Pond and Knickerbocker Lake had been secured for winter and the Teloger had been removed from Knickerbocker Lake, information securely gleaned and properly stored for the winter.

Fuller Marine Inc. completed the annual inspection of both the Knickerbocker Lake and Adams Pond measuring any change with the district’s intakes. A preliminary verbal report was supplied to the trustees reporting “no change in condition noted”. The manager explained to the board the existing conditions measured, and district concerns with both the Adams Pond Intake and the Knickerbocker Lake Intake. The manager stated that the formal report would be put into the record once submitted by the contractor.

10. **DISTRIBUTION** - The manager reported the seasonal shut-down was complete and the distribution staff had spent the majority of the previous two-weeks clearing the backlog of non-time sensitive job-orders accumulated during seasonal shutdown and repairing equipment. The distribution division completed the replacement of 15 box/rod assemblies district-wide as well as constructed a myriad of seasonal vaults, most destined for installations at Ocean Point in East Boothbay and on Southport.

The manager then reported that prior to returning the sewer district/town of Boothbay Harbor mobile compressor, distribution staff completed the annual preventive maintenance (PM) on the compressor with the bills, and those costs, reflected in the evening’s warrant.

The manager then reported that Fuller Marine had located the previously reported leak under the Barthers Island Bridge and determined it was caused by chaffing on the concrete bridge pillar supporting the bridge. The leak was repaired with a stainless steel sleeve and many new weights were added to the main adjacent to the concrete pillars to better hold and protect the water main. The manager informed the board that the repair and PM was relatively minor but could have been much worse.

The manager reported that he had been in contact with Sullivan and Associates and agreed to have them install the upgraded meter into the Southport Pit. Sullivan and Associates were reported to be delaying the billing until such time as this upgrade becomes a budgeted and approved line item

11. **SOUTHPORT INTERCONNECTION AND TANK REPLACEMENT PROJECT** – The manager reported that he had contacted Mr. Mike Jenkins, RD who reported yet another problem, out of the district’s control, with the application. The manager reported that he and Mr. Jim Lord, P.E., Dirigo Engineering were keeping in close contact with Mr. Jenkins and offering any assistance to speed the already months overdue process along.

12. **MWUA/MRWA BOD** – The manager reported that he had the van running to the MRWA Annual meeting and trade show scheduled on for 11 & 12 December 2013 with the entire staff, with the exception of the manager who would be serving on the Lincoln County Grand Jury during the conference, and trustees, Reed, Pinkham, Gamage and Climo signed up.

The manager then informed the board that the MWUA board authorized a bill that would be going through the legislature to establish offsets for natural gas main installation as well as procedures for crossing water mains. The manager also reported that the PUC was busily working on the regulation modifications to reported to the legislature. The manager stated he would keep the board informed.

13. **BOOTHBAY COMPREHENSIVE PLAN COMMITTEE** – The manager informed the board that the group was working on preparation to plan for rising sea levels.
14. **FIVE RIVERS** – The manager provided the board a written report of the most recent superintendents meeting.
15. **GIS** – The manager reported this project still in-process. .
16. **2014 BRWD BUDGET PROCESS** – The manager reported that he was devoting much effort to his proposed budget that he intended to present to the board at the 10 December 2014 meeting. When asked the manager stated that it was acceptable from a regulatory perspective, to pass the budget into the next fiscal year if need be. The Executive Summary had been started for which the manager informed the board he was incorporating all of the elements mandated by the board at the previous meeting as 2014 proposed objectives. The board was in agreement that the budget would be the main focus of the 10 December 2013 trustees meeting.
17. **METER SIZE REDUCTION** – The board approved a meter consolidation request submitted by Ms. Rhonda Christopher for her property located at 103 Townsend Avenue, Boothbay Harbor after reviewing district analysis of the proposal ensuring public health and safety.  
*Trustee Climo motioned, Trustee Reed second, vote: unanimous*
18. **METER SIZE REDUCTION** – The board approved a meter downsize request submitted by Nancy & Michael DeSisto for their property located at 23 Fullerton Street, Boothbay Harbor after reviewing district analysis of the proposal ensuring public health and safety.  
*Trustee Climo motioned, Trustee Reed second, vote: unanimous*
19. The board voted to go into Executive Session pursuant to 1 M.R.S.A. §405(6) A & C at 1937 hr.  
*Trustee Climo motioned, Trustee Reed second, vote: unanimous*
20. The board came out of Executive Session at 1943 hr.  
*Trustee Climo motioned, Trustee Reed second, vote: unanimous*
21. The meeting was adjourned at 1944 hr.  
*Trustee Gamage motioned, Trustee Marston second, vote: unanimous*

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegra  
Manager

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