

11 November 2014

MEMORANDUM

From: Manager  
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 28 OCTOBER 2014**

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

1. The minutes of the 14 October 2014 trustees meetings were approved.  
*Trustee Gamage motioned, Trustee Climo second, vote unanimous*
2. The **Payroll** for weeks ending 14 October 2014 & 21 October 2014 were approved.  
*Trustee Gamage motioned, Trustee Climo second, vote unanimous*
3. The **Transactions** for 13 October 2014 through 24 October 2014 were approved.  
*Trustee Gamage motioned, Trustee Reed second, vote: unanimous*
4. **FINANCIAL** – The manager provided the board with a copy of the *September 2014 Profit & Loss Budget Performance Statement*. As of 31 September 2014, for the month, the district's total revenues were \$51,272.254 with total expenses equaling \$190,319.65 of which \$41,666.66 was depreciation expense leaving a net profit on cash accounts of (\$97,380.75). For the year the district had taken in \$1,858,452.44 and expended \$1,804,198.15 of which \$374,999.94 was depreciation expense leaving a year-to-date cash profit of \$429,254.23.

The manager reported that as of that morning the November 2014 billing was \$327,533.15 with seasonal overage still being tabulated. That additional billing should be completed by weeks end and submitted. That will be reported on the next report.

The manager next reported that on 17 October 2014 he met with Osman-Page and had begun to dissect the 2015 budget. Because of the refinancing of debt and new debt scheduled for 2015/2016, the manager felt it will be imperative to develop a formal strategy bank cash resources during the year enabling the district to meet the timing of the upcoming bond payments. As part of the budget process, the manager requested that he bring in Maine Water Company for another rate review. The manager reminded the board that at a minimum in 2015 the district would be completing a rate case if for no other reason than to realign public fire protection rates. The board approved the manager's request

*Trustee Marston motioned, Trustee Reed second, vote: unanimous*

Vice-Chairman Gamage made the following motion:

- VOTED:
- (1) *That a capital improvement project consisting of the design, construction and equipping of a water main upgrade and storage tank replacement in Southport, Maine is hereby approved; and*
  - (2) *That to fund said capital improvement project, a sum not to exceed Three Million Four Hundred Thousand Dollars (\$3,400,000) is hereby appropriated; and*

- (3) *That to meet said appropriation, the Treasurer and Chairman of the Board of Trustees, acting pursuant to the provisions of 2001 P&S Law Chapter 15, are hereby authorized to issue revenue bonds of the Boothbay Region Water District (including temporary notes in anticipation of the sale thereof) in an aggregate principal amount not to exceed Two Million Two Hundred Thousand Dollars (\$2,200,000), and the discretion to fix the date(s), maturity(ies), interest rate(s), denomination(s), place(s) of payment, form and other details of said securities, including execution and delivery of said securities on behalf of the Boothbay Region Water District, and to provide for the sale thereof is hereby delegated to the Treasurer and Chairman of the Board of Trustees; and*
- (4) *That to fund the balance of the appropriation, the Treasurer and Chairman of the Board of Trustees are authorized to apply for and accept a grant of One Million Two Hundred Thousand Dollars (\$1,200,000) from Rural Development; and*
- (5) *That the Treasurer and Chairman of the Board of Trustees are authorized to execute and deliver the Loan Resolution, a copy of which is attached hereto as Exhibit A, with respect to a \$2,200,000 loan and a \$1,200,000 grant; and*
- (6) *That the Treasurer and Chairman of the Board of Trustees are authorized to accept the Letter of Conditions dated December 26, 2013 attached hereto as Exhibit B; and*
- (7) *That the Treasurer and Chairman of the Board of Trustees are hereby authorized to execute and deliver any and all documents and certificates, and to take any and all actions, including affixing the seal of the District, as may be necessary or convenient to carry out the full purpose and intent of the foregoing votes and that any such actions taken prior to this Vote by such officials are hereby ratified; and*
- (8) *That attached hereto as Exhibit C are the warrant and results of a referendum of the Boothbay Region Water District raising the debt limit in Section 6 of 2001 Private and Special Law Chapter 15 from \$12,000,000 to \$17,000,000.*

*Trustee Gamage motioned, Trustee Climo second, vote: unanimous*

5. **SAFETY, TRAINING & EMERGENCY RESPONSE UPDATE** – No accidents violations or missed inspections within the previous period.
6. **WATERSHED** – The manager reported that Ms. Mello and he would be meeting with Mr. Jim Lord P.E. the following day to discuss preliminary engineering tasking for the Section 319 Grant Application after which the manager would have a more detailed analysis of the proposed breadth and scope of the project. The watershed report had been released with the district receiving very positive feedback. .

The manager reported that he was still awaiting concurrence from the Maine Department of Marine Resources (DMR) to meet the requirements of the Maine Department of Environmental Protection (DEPI permit by rule (PBR) to remove the offending mud from the mudflat adjacent to Union Street resulting from a water main break on Pear Street. The manager informed the board that the district may be required to get easements from adjacent landowners to enter property to remove the mud as per DEP requirements however the manager was confident that the material can be reached easily from within the Maine Department of Transportation (DOT) right-of-way. The manager stated that once the DMR concurrence letter was received he would immediately submit all that I have and the fee and then wait 14-days for DEP comment.

7. **TREATMENT** - The manager provided no report concerning the treatment division explaining its omission was an oversight on his part.
8. **DISTRIBUTION** – Since the previous meeting the distribution division (DD) had been extremely busy. Besides normal maintenance, the DD had completed 18 DigSafe mark outs and 57 billable job orders.

On 16 October 2014 seasonal shutdown had commenced. As previously reported the seasonal meter readings were still being compiled with stragglers still being collected. The manager reported the DD had two crews blowing down lines with the seasonal system approximately 40% safely shutdown for winter. The district received few customer complaints during shutdown leaving the manager to evaluate the public notifications now employed by the district seemed effective.

9. **SOUTHPORT INTERCONNECTION AND TANK REPLACEMENT PROJECT** -

1. **Contract #1 – Tank Site Prep, Road & Water Main** – The installation of the water main began on 16 October 2014 was now 73% complete. One of the culverts that were required to be replaced had been completed. It is expected that the water main installation will be completed by Thursday at which time the main will be pressure tested, any remaining culverts installed, road construction completed and adjacent soil stabilization and cleanup.

Pay Request Meeting #1 was to be held on 29 October 2014 at 0900 hr. Chairman Pinkham and Vice-Chairman Gamage informed the board that they would be present to represent the board and sign the pay requests.

The manager concluded his report informing the board that no further complaints concerning the project had been lodged in the previous period.

2. **Contract #2 – Water Main Installation Project** – On 16 October 2014 Chairman Pinkham opened the bids for this project with the results as follows:

Harry Crooker & Sons	\$1,729,563.90
Sargent Corporation	\$1,922,774.50

The manager reported that Dirigo Engineering has reviewed the bids and recommends the board award the contract to Harry Crooker & Sons and to authorize the manager to sign the notice of award for Contract #2 and all contract documents.

*Trustee Gamage motioned, Trustee Climo second, vote: unanimous*

The manager went on to inform the board that Rural Development (RD) would require the district temporarily remove approximately 1000-feet of the project (standpipe to Cross Road) from the contract in order to boost the remaining bid contingency for construction of the standpipe. The manager then went on to inform the board that the plan was once Contract #3 was awarded the funding should be restored to this contract where in the 1000-feet will be plugged back in.

Once awarded the construction was scheduled to begin during the final week of November, starting at Four-Corners in Boothbay Harbor with work progressing towards the Southport Bridge. In a cost cutting move district personnel will be setting up the temporary water for the few remaining year round services along the Route 27 water main in Boothbay Harbor. On the initial day of work a planned shutdown of water service will occur along McKown Point Road and Lakeside Drive.

3. **Contract #3 – Tank Installation Project** – This project was reported to be still with Rural Development (RD) and not approved for bid.
  
10. **CAMPBELL STREET/HIGHLAND PARK LOOPING PROJECT** - The manager reported that all of the landscaping was complete with the town completing the paving the following day.
  
11. **MWUA/MRWA BOD** – The manager informed the board main thing right now is the passage of Question 6 which will provide matching funds for the SRF grant money (of which the Pisgah Repainting, Campbell Street project to start in May and the Highland Park Projects are funded). In addition to Question 6 both organizations are working through legislation that will attempt to put restrictions on the installation of natural gas pipe lines which are creating havoc statewide with water utilities.
  
12. **FIVE RIVERS** – The manager stated that there would be a trustee session in January and the group was working on a private fire protection policy. In addition there had been issues with the Maine TORT Claims Act in Bath, where in the manager’s view; the Bath Water District trustees enacted a potentially costly policy in disregarding the protections of the Maine TORT Claims Act.
  
13. **GIS** – Nothing new to report
  
14. **MT PISGAH STANDPIPE PAINTING PROJECT** – Awaiting the final pay request.
  
15. **LAND ACQUISITION PROPOSAL** – The manager reported on the two land acquisition tracks currently under consideration.
  1. Farrin Property – In process
  2. Hamrin Property – In process.
  
16. The board voted to go into executive session pursuant to 1 M.R.S.A. §405(6) C. at 1928 hr.  
*Trustee Climo motioned, Trustee Gamage second, vote: unanimous*
  
17. The board voted to come out of executive session at 1943 hr.  
*Trustee Climo motioned, Trustee Gamage second, vote: unanimous*
  
18. The meeting was adjourned at 1944 hr.  
*Trustee Climo motioned, Trustee Marston second, vote: unanimous*

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegler  
Manager

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