

25 October 2016

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 11 OCTOBER 2016**

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 Lewis, Boothbay (Treasurer); Trustee Marston, At-Large; Trustee Climo, Southport; Trustee Higgins, Boothbay; Jonathan Ziegler, Manager. **Guest:** None. **Absent:** None.

1. The board approved the minutes for 27 September 2016 without revisions.
Trustee Climo motioned, Trustee Marston second, vote unanimous
2. The **Payroll** for weeks ending 27 September 2016 & 4 October 2016 were approved.
Trustee Gamage motioned, Trustee Marston second, vote unanimous
3. The **Transactions** for 26 September 2016 through 7 October 2016 were approved.
Trustee Marston motioned, Trustee Gamage second, vote unanimous
4. **FINANCIAL** – The manager presented the board with Table 1. *BRWD Cash Account Status Report as of 11 October 2016*

Table 1

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 11 October 2016	
Account	Balance
Business Checking	\$ 29,186.80
Deposit Sweep Account	\$ 98,340.31
Liquidity Total	\$ 127,527.11
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 3.52
Land Acquisition Fund	\$ 14.62
Capital Reinvestment Fund	\$ 1.17
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 4.85
Bank of Maine Unemployment CD	\$ 10,431.66
Designated Fund Total	\$ 15,224.32
TOTAL CASH RESERVES	\$ 142,751.43

- a. **Cash Flow Issues** – The manager presented the following; a copy of an e-mail he had sent to the Treasurer, Trustee Jon Lewis, outlining the cash flow situation as of 7 October 2016.

Jon –

I would like to keep you up to speed as to my activities maneuvering through the current cash flow crunch. This morning I moved \$100,000.00 from our available line of credit at The First into our checking account after conferencing with Marcia at Osman-Page. Covering normal expenses this should hold us for labor and already committed warrant items well into November. We have two bond payments totaling just shy of \$90,000.00 due in early November as well as a new vehicle that must be purchased for just over \$51,000.00 turnkey.

Additionally we were just approved for an additional \$150,000.00 for a short-term line of commitment from The First which I signed the loan documents on this morning and if used will be at an interest rate of 1.7%. The regular line of credit has an interest rate of 1.0% which comprised the draw this morning.

*The WISC (water infrastructure surcharge filing with PUC) has been submitted and **should** be approved prior to our November billing which will include seasonal accounts. The revenue derived from this revenue tool will recover \$0.30 per 749 gallons sold which will be tabulated to the seasonal overage, and minimum bills. On the bright side, the year-round component of our billing for November will equal around \$400,000.00 with seasonal overage to be tabulated near the end of the month and billed as well. I had in my mind a November billing total of \$700,000.00 is a real possibility which I am now fairly confident we should hit or eclipse. My priority at that point will be to square any short term cash borrowed from The First to minimize the amount of interest expense, then replenish the sinking funds as required by Uncle Barak, then start putting money in the Land Acquisition Account as well as the Capital Reinvestment Account of which all of the WISC revenue will be earmarked.*

Our total cushion for the short term is \$100,000.00 still available in our line of credit, \$150,000 in our line of commitment and approximately \$60,000.00 in revenue already billed which is slowly starting to trickle in. As of now, with all fingers crossed, I think we are solid until this cash flow issue eases sometime towards the middle to end of next month.

I have a meeting concerning the Community Development Block Grant I am working on behalf of the town of Boothbay with regard to the Botanical Garden expansion this afternoon and will not be in the office. If you have any questions or concerns – or – you need to give me specific direction, please call my cell which 380-6723.

Very Respectfully,

Zig

Jonathan E. Ziegra

General Manager

Boothbay Region Water District

- b. **System Development Surcharge** – The manager reported that the System Development Surcharge filing was completed on 29 September 2016 with the public notification (a one-time letter to each customer) sent out for printing and mailing that same day. The letters were received by customers the end of the previous week. The manager then relayed that he had received a call from the Maine Public Utilities Commission (PUC) earlier that day alerting him to the fact that the PUC board will be taking up this matter at their 25 October 2016 meeting. When approved the surcharge order will be in hand by the district on 27 October 2016 with the 1 November billing date preserved.

- c. **Vehicle Replacement** – The replacement service truck was in at O’Connor’s with a complete, turn-key price tag of \$51,143.00. Between the lines of credit and anticipated revenues for the month we should be able to make the purchase within the week.

5. **NATURAL RESOURCES PROGRAM UPDATE** – The manager presented the board with the following report prepared by the Natural Resources Program Manager (NRPM).

1) Property acquired under MNRCF grant: Two representatives from the Corps of Engineers, one from EPA, one from DEP and two reps from The Nature Conservancy toured the stream restoration site at on 4-Oct-2016. We passed inspection with flying colors. They all were impressed with the work BRWD and John Field had accomplished and how good the site looks now.

We submitted a draft baseline report to the Boothbay Region Land Trust to support the conservation easement they will hold on the property. The BRLT Board approved the conservation easement so now it's just a process of completing the paperwork. We are on track for easement recording by early December.

2) The Knickerbocker Lake Aquatic Plant Screening Survey Report was released to the public and the standard operating procedures for lake water quality sampling report has been submitted to the District Manager for approval.

3) Lake water quality sampling this year has generally shown better than average levels of total phosphorus and chlorophyll a in both water sources. This is likely due to the lack of rain and runoff. Deep water sampling in Knickerbocker Lake during periods of anoxic conditions showed elevated levels of total phosphorus, indicating that phosphorus is being leached into the water column from sediments under low oxygen conditions.

We will continue lake sampling to the end of this month and will summarize results once all samples have been analyzed.

3) The Boothbay Planning Board has begun revising zoning ordinances. We will be attending these monthly meetings and have been asked to provide input relative to watershed zoning.

4) Adams Pond Road erosion control work under the CDC grant is on hold until next spring. We will obtain a grant extension so work can be completed next year.

5) Still need to meet onsite with Pat Farrin. Will arrange before next board meeting.

6. **SAFETY & TRAINING UPDATE** – The manager reported no injuries, safety violations or known missed inspections during the previous period.

- a. **Human Resources** – Nothing new to report

- b. **Training Update** – The manager reported that Utilities Technician, Taylor Timberlake had earned his Class II Water Distribution System License since the previous meeting. Chairman Pinkham and the manager would be on the road Thursday to the MWUA Bi-Monthly Meeting in South Berwick. The manager also alerted the board that he would be in training 14, 19 & 20 October 2016 for license maintenance.

7. **TREATMENT DIVISION (TD)** – The manager reported that since the previous report filter and clarifier efficiency have both improved to 100%. Key chemical additions remained below what would be expected due to high incoming water quality.

Average flow for the previous period, as compared to 2015 remained significantly above average for this time of year at 0.6100 MGD as compared to 0.4822 MGD during the same period in 2015.

The focus of the TD was now developing formal SOP's for all regular maintenance evolutions with the SOP's to be laminated and posted at appropriate locations throughout the facility.

- a. **Water Reserve Report** - Adams Pond usable capacity has dropped from the previous report of 186.7MG to 179.2 MG as of that morning. This quantity took into account consumption, evaporation and 0.88 inches of rain received on 9 October 2016.
 - b. **Drought Monitor** – Since the previous meeting the Boothbay region was now in a D3- *Extreme Drought* condition. NOAA's latest estimates of Boothbay drought conditions remained unchanged with drought expected to persist through 30 November 2016.
8. **DISTRIBUTION DIVISION (DD)** – The manager reported that since the previous meeting the DD has completed 16 Digsafe work orders and 6 new service connections. Cross-connection control testing is intentionally not scheduled in October. Retagging the Southport seasonal meters remained ongoing with the island approximately 60% complete.
 - a. **Phase II Meter Replacement Project** – the manager stated that the completion of this project was close but on-hold until after seasonal shutdown when more labor can be thrown at it.
9. **5 RIVERS REGIONAL WATER COUNCIL** – The manager reported that the meeting on 29 September 2016 revolved around mutual aid which was put to the test during a major water main break in Wiscasset where we, being the authority on high density polyethylene (HDPE) repair assisted the Wiscasset Water District make a repair on a 12" HDPE river crossing adjacent to Red's Eats on 3 October 2016.
10. **LAND ACQUISITION UPDATE** – See 6. **NATURAL RESOURCES PROGRAM UPDATE.**
11. **BOOTHBAY HARBOR COUNTRY CLUB, PHASE II** – Nothing new to report
12. **COASTAL MAINE BOTANICAL GARDENS (CMBG) EXPANSION** – Since the previous meeting it was reported that staff had made efforts to initiate funding:
 - a. **System Consolidation Grant** – This grant will be applied for to the Maine Drinking Water Program (DWP) as soon as Wright-Pierce provides a report which the manager reported to be overdue. The manager informed the board that the chances of being awarded this grant were better than average in that it is approved on a rolling basis. The district and the district would not realize any remuneration from these funds in that it would repay, in part, the CMBG the cost of converting their distribution system from their marginal, regulated public water supply to the districts.

- b. **State Revolving Fund (SRF) Application** – The manager reported the district had submitted a SRF grant/loan application to the DWP for 758,510.00 which equaled the total upgrade cost for the existing system which would need to be completed in order to upgrade public fire protection at the CMBG.
 - c. **Community Development Block Grant** - Work on this project with was reported ongoing.
13. **ADAMS POND FIRE DEPARTMENT ACCESS PROJECT** — The manager reported that this project was 75% complete with the ledge removal and approaches complete. More work adjacent to the dam needed to be completed as well as demobilization. The project was moving along nicely with no complaints from the public or the sometimes arbitrary and capricious regulating community.
14. **OLD STONEWALL WATER MAIN EXTENSION PROJECT**– The manager reported that work on this main extension was complete with the exception of the final tie-in. Two road crossings had been completed as well as four driveway cuts with the main and service saddles all installed in appropriate areas. All of the fees were reported to have been paid by the customers to be served and there existed no right-of-way issues. The workmanship was reported to be excellent. The manager then announced that this water main extension was ready to be accepted by the board so that it could be put into service April 2017 along with its six new customers. The board accepted the new water main.
Trustee Climo motioned, Trustee Marston second, vote unanimous
15. **OCEAN RIDGE CONDOMINIUM MAIN EXTENSION PROJECT** – The manager reported that this project had begun with fusing now commencing on the 2” HDPE water main. This extension may be completed by turn-off but that schedule, in the opinion of the manager, would be cutting it close.
16. The board voted to go into executive session pursuant to 13 MRSA, Chap. 13, Sub. 1, §405, 6. A (1) – *personnel matters*, at 1919 hr.
Trustee Marston motioned, Trustee Climo second, vote: unanimous
17. The board came out of executive session at 1925 hr.
Trustee Climo motioned, Trustee Gamage second, vote: unanimous
18. The meeting was adjourned at 1926 hr.
Trustee Climo motioned, Trustee Gamage second, vote: unanimous

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegler
General Manager